

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)

**INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
JUNE 30, 2025 (UNAUDITED)
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL INFORMATION

**TO THE SHAREHOLDERS OF AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

DAMMAM, KINGDOM OF SAUDI ARABIA

INTRODUCTION

We have reviewed the accompanying interim condensed statement of financial position of Al Sagr Cooperative Insurance Company (the "Company") as of June 30, 2025 and the related interim condensed statements of income and 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 then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

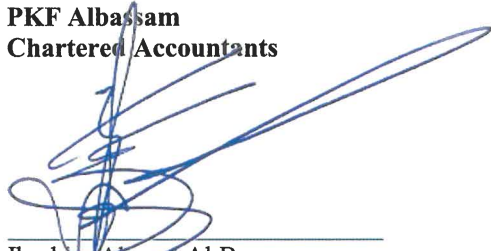
SCOPE OF REVIEW

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

CONCLUSION

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

PKF Albassam
Chartered Accountants



Ibrahim Ahmed Al Bassam
Certified Public Accountant
License No. 337
Khobar, Kingdom of Saudi Arabia

Dr. Mohamed Al-Amri & Co.



Ahmad Al-Jumah
Certified Public Accountant
License No. 621
Riyadh, Kingdom of Saudi Arabia



Safar 16, 1447H
August 10, 2025



AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
(All amounts expressed in Saudi Riyals unless otherwise stated)

		June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	Note		
ASSETS			
Cash and cash equivalents	5	261,217,702	262,559,683
Term deposits	6	129,758,024	219,950,895
<i>Investments:</i>			
Financial assets at fair value through profit or loss ("FVTPL")	7	43,792,424	47,313,196
Financial assets at fair value through other comprehensive income ("FVOCI")	7	111,705,414	98,837,270
Prepaid expenses and other assets		18,636,173	22,611,688
Insurance contract assets	10	12,364,447	13,471,313
Reinsurance contract assets	10	6,390,998	6,484,257
Right-of-use assets		3,342,623	401,562
Property and equipment		5,606,060	6,247,601
Intangible assets		7,598,532	9,477,909
Accrued income on statutory deposit	9	1,373,268	640,078
Goodwill	8	25,513,750	25,513,750
Statutory deposit	9	30,000,000	30,000,000
TOTAL ASSETS		657,299,415	743,509,202
LIABILITIES			
Accrued and other liabilities		15,339,121	17,112,158
Insurance contract liabilities	10	216,422,576	260,532,476
Reinsurance contract liabilities	10	26,108,346	23,877,684
Employee benefit obligations		9,185,377	8,868,623
Lease liabilities		3,812,586	790,271
Zakat payable	17	14,175,241	30,408,598
Accrued income payable to Insurance Authority	9	1,373,268	640,078
Dividends payable		362,849	369,349
Total liabilities		286,779,364	342,599,237
EQUITY			
Share capital	11	300,000,000	300,000,000
(Accumulated losses) / retained earnings		(4,417,724)	28,840,334
Statutory reserve	18	8,982,272	8,982,272
Fair value reserve		61,476,262	58,608,118
Remeasurement reserve of employee benefit obligations		4,479,241	4,479,241
Total equity		370,520,051	400,909,965
TOTAL LIABILITIES AND EQUITY		657,299,415	743,509,202

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.

Majid Ahmed Al Suwaigh
Chairman of the Board of
Directors

Dalal Abdullah Burhan
Chief Executive Officer

Masood
Masood Ahmad Bhatti
Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

		For the three-month period ended June 30,		For the six-month period ended June 30,	
		2025	2024	2025	2024
	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Insurance revenue	12	152,828,857	115,465,157	303,541,698	234,257,818
Insurance service expenses	12	(159,085,596)	(85,556,821)	(316,676,277)	(177,662,839)
Net expenses from reinsurance contracts held	12	(11,478,785)	(17,679,112)	(22,700,769)	(41,603,506)
Insurance service result from Company's directly written business		(17,735,524)	12,229,224	(35,835,348)	14,991,473
Share of surplus from insurance pools	15	1,123,649	-	1,241,229	1,777,470
Total insurance service result		(16,611,875)	12,229,224	(34,594,119)	16,768,943
Interest income from financial assets not measured at FVTPL		7,597,953	5,515,842	14,489,211	11,303,951
Net (losses) / gains on financial assets measured at FVTPL		(2,004,860)	(2,022,530)	(3,407,700)	393,688
Net investment income		5,593,093	3,493,312	11,081,511	11,697,639
Finance income / (expense) from insurance contracts issued	13	79,984	(268,326)	201,812	(1,182,772)
Finance (expense) / income from reinsurance contracts held	13	(683)	55,561	(12,948)	1,168,187
Net insurance finance income / (expense)		79,301	(212,765)	188,864	(14,585)
Net insurance and investment result		(10,939,481)	15,509,771	(23,323,744)	28,451,997
Other operating expenses	14	(8,875,133)	(3,598,228)	(13,392,711)	(7,710,208)
Finance costs on lease liabilities		(20,714)	(3,723)	(41,603)	(7,724)
Total (loss) / profit for the period before zakat		(19,835,328)	11,907,820	(36,758,058)	20,734,065
Zakat reversal / (expense)	17	4,500,000	(1,400,000)	3,500,000	(2,800,000)
NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS		(15,335,328)	10,507,820	(33,258,058)	17,934,065
(Loss) / Earnings per share (expressed in Saudi Riyals per share)					
Basic (loss) / earnings per share	19	(0.51)	0.49	(1.11)	0.84
Diluted (loss) / earnings per share	19	(0.51)	0.49	(1.11)	0.84

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.

Majid Ahmed Al Suwaigh
Chairman of the Board of
Directors

Dafal Abdullah Burhan
Chief Executive Officer

Masood Ahmad Bhatti
Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
(All amounts expressed in Saudi Riyals unless otherwise stated)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	(15,335,328)	10,507,820	(33,258,058)	17,934,065
Other comprehensive income				
Items that will not be reclassified to interim condensed statement of income in subsequent periods				
Net changes in fair value of investments measured at FVOCI	-	-	2,503,522	-
Items that will be reclassified to interim condensed statement of income in subsequent periods				
Net changes in fair value of investments measured at FVOCI	216,696	-	364,622	-
Total other comprehensive income	216,696	-	2,868,144	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	(15,118,632)	10,507,820	(30,389,914)	17,934,065

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.

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Chairman of the Board of
Directors

Dalal Abdullah Burhan
Chief Executive Officer

Masood Ahmad Bhatti
Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
(All amounts expressed in Saudi Riyals unless otherwise stated)

	Share capital	(Accumulated losses) / retained earnings	Statutory reserve	Fair value reserve	Remeasurement reserve of employee benefit obligations	Total
Balance at January 1, 2025 (Audited)	300,000,000	28,840,334	8,982,272	58,608,118	4,479,241	400,909,965
Total comprehensive loss for the period						
Net loss for the period attributable to the shareholders	-	(33,258,058)	-	-	-	(33,258,058)
Other comprehensive income	-	-	-	2,868,144	-	2,868,144
Total comprehensive (loss) / income for the period attributable to the shareholders	-	(33,258,058)	-	2,868,144	-	(30,389,914)
Balance at June 30, 2025 (Unaudited)	300,000,000	(4,417,724)	8,982,272	61,476,262	4,479,241	370,520,051
Balance at January 1, 2024 (Audited)	140,000,000	10,442,518	2,610,630	41,561,172	3,583,284	198,197,604
Total comprehensive income for the period						
Net profit for the period attributable to the shareholders	-	17,934,065	-	-	-	17,934,065
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period attributable to the shareholders	-	17,934,065	-	-	-	17,934,065
Transfer to statutory reserve	-	(3,586,813)	3,586,813	-	-	-
Balance at June 30, 2024 (Unaudited)	140,000,000	24,789,770	6,197,443	41,561,172	3,583,284	216,131,669

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.

Majid Ahmed Al Suwaigh
Chairman of the Board of Directors

Dalal Abdullah Barham
Chief Executive Officer

Masood Ahmad Bhatti
Chief Financial Officer

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
(All amounts expressed in Saudi Riyals unless otherwise stated)

		For the six-month period ended June 30,	
	Note	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Total (loss) profit for the period before zakat		(36,758,058)	20,734,065
Adjustments for:			
Depreciation of property and equipment		900,596	552,917
Amortization of intangible assets		1,879,377	598,126
Depreciation of right-of-use assets		758,286	380,947
Finance costs on lease liabilities		41,603	7,724
Gain on disposal of property and equipment		(55,000)	-
Net loss (gain) on FVTPL investments	7	3,407,700	(393,688)
Provision for employee benefit obligations		1,016,234	1,066,445
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		3,975,515	8,157,095
Insurance contract assets		1,106,866	(6,710,991)
Reinsurance contract assets		93,259	22,510,028
Accrued income on statutory deposit		(733,190)	(692,188)
Accrued and other liabilities		(1,773,037)	(1,175,804)
Insurance contract liabilities		(44,109,900)	(58,227,714)
Reinsurance contract liabilities		2,230,662	11,503,849
Accrued income payable to Insurance Authority		733,190	692,188
Cash used in operations		(67,285,897)	(997,001)
Employee benefit obligations paid		(699,480)	(592,506)
Finance costs paid on lease liabilities		(41,603)	(7,724)
Zakat paid	17	(12,733,357)	(9,082,401)
Net cash used in operating activities		(80,760,337)	(10,679,632)
CASH FLOWS FROM INVESTING ACTIVITIES			
Placement in term deposits		(18,486,304)	(74,635,237)
Redemption of term deposits		108,679,175	78,475,944
Purchases of financial assets held at FVTPL	7	(130,809,118)	(33,803,207)
Proceeds from disposal of financial assets held at FVTPL	7	130,922,190	39,602,286
Purchases of financial assets held at FVOCI	7	(10,000,000)	-
Payments for purchases of property and equipment		(259,055)	(135,259)
Payments for purchases of intangible assets		-	(440,829)
Proceeds from disposal of property and equipment		55,000	-
Net cash generated from investing activities		80,101,888	9,063,698

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Masood
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Chief Financial Officer


AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (Continued)
(All amounts expressed in Saudi Riyals unless otherwise stated)

		For the six-month period ended June 30,	
	Note	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment for principal elements of lease payments		(677,032)	(472,434)
Dividends paid		(6,500)	-
Net cash used in financing activities		(683,532)	(472,434)
Net change in cash and cash equivalents		(1,341,981)	(2,088,368)
Cash and cash equivalents at the beginning of the period	5	262,559,683	155,747,668
Cash and cash equivalents at end of the period	5	261,217,702	153,659,300
SUPPLEMENTAL NON-CASH INFORMATION			
Net changes in fair value of investments measured at FVOCI	7	2,868,144	-
Additions in right-of-use assets		3,699,347	-

The accompanying notes from 1 to 27 form an integral part of this interim condensed financial information.


Majid Ahmed Al Suwaigh
Chairman of the Board of
Directors


Dalal Abdullah Burhan
Chief Executive Officer


Masood Ahmad Bhatti
Chief Financial Officer

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AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025
(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

1. GENERAL INFORMATION

(a) Legal status and principal activities

Al Sagr Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company established in Dammam, Kingdom of Saudi Arabia and incorporated on 26 Muharram 1429H (corresponding to February 4, 2008) under commercial registration (“CR”) number 1010243765 which was later amended to 2051036871 dated 22 Rabi' I 1429H (corresponding to March 30, 2008). The Company has been licensed to conduct cooperative insurance business in the Kingdom of Saudi Arabia under cooperative principles in accordance with Royal Decree number 60/M dated 18 Ramadan 1427H (corresponding to October 11, 2006), pursuant to Council of Ministers resolution number 233 dated 16 Ramadan 1427H (corresponding to October 9, 2006). The Company’s registered address is P.O. Box 3501, Dammam 32241, Kingdom of Saudi Arabia.

The purpose of the Company is to transact in cooperative insurance and reinsurance operations and all related activities in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia (the “Law”) and its implementing regulations. The Company obtained license from Insurance Authority, formerly Saudi Central Bank (“SAMA”) to practice general and health insurance and reinsurance business in the Kingdom of Saudi Arabia vide license number TMN/13/20083, dated 23 Rabi' I 1429H (corresponding to March 31, 2008). The Company commenced insurance operations on 4 Muharram 1430H (corresponding to January 1, 2009). On 11 Ramadan 1436H (corresponding to June 28, 2015), the Company received approval from SAMA to cancel its reinsurance license. The Company operates through three main branches and various point of sale stores located in the Kingdom of Saudi Arabia. Following are the CR numbers of head office and two main branches:

Branch type	Location	CR number
Head office	Dammam	2051036871
Regional branch	Jeddah	4030182618
Regional branch	Riyadh	1010243765

(b) Going concern assessment

The Company has incurred a net loss attributable to the shareholders of ﷲ 33.3 million during the six-month period ended June 30, 2025 (net profit attributable to the shareholders of ﷲ 17.9 million during the six-month period ended June 30, 2024). The Company’s net operating cash outflow for the six-month period then ended amounted to ﷲ 80.8 million (ﷲ 10.7 million for the six-month period ended June 30, 2024). Also see note 1(c) below.

The losses incurred during the six-month period ended June 30, 2025 are primarily attributable to adverse performance in the Motor Third Party Liability (TPL) and Motor comprehensive product lines. This adverse performance is largely due to policies being underwritten at competitive pricing, coupled with an increased frequency of claims driven by increased vehicle activity across the Kingdom of Saudi Arabia. Considering the above, management plans to implement certain performance improvement measures which mainly include pricing revisions and diversification of insurance portfolio, among others and expects that this will reflect positively in the operational results and cash flows. Further, as of June 30, 2025, the Company’s accumulated loss amounted to ﷲ 4.4 million. The Company’s solvency margin continues to be in compliance with the minimum solvency requirements as mandated by the Insurance Authority.

Management has performed an assessment of its going concern assumption and based on the detailed business plan of the Company, updated after incorporating the expected impact of the matter mentioned in note 1(c), management believes that the Company will be able to continue its operations and meet its obligations as they fall due within the next 12 months. Accordingly, management believes that the Company’s operations shall continue for the foreseeable future under the normal course of business and the going concern basis used in the preparation of this interim condensed financial information remains appropriate.

AL SAGR COOPERATIVE INSURANCE COMPANY

(A SAUDI JOINT STOCK COMPANY)

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025**

(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

1. GENERAL INFORMATION (Continued)**(c) Suspension and reinstatement of motor TPL policies**

During December 2024, the Company received a communication from the Insurance Authority highlighting non-compliance with certain regulatory requirements primarily related to governance matters, identified by the Insurance Authority as part of their supervisory review. The Insurance Authority requested the Company to implement corrective measures within the stipulated timeframe. During the six-month period ended June 30, 2025, the Insurance Authority, based on its follow-up review, issued a directive, on February 19, 2025, instructing the Company to suspend the issuance and/or renewal of Motor TPL policies due to the failure to implement the required corrective actions within the stipulated timeframe. Following the Insurance Authority directives and in addition to the suspension of the issuance and/or renewal of Motor TPL policies, the Company's Board of Directors submitted a detailed response on March 3, 2025 highlighting the corrective actions taken by the Company.

During to the six-month period ended June 30, 2025, the Insurance Authority conducted a follow-up review and upon determining that the implementation was not satisfactory, issued a directive on April 15, 2025 requiring the appointment of an external consultant to independently evaluate the performance of the internal controls department and its Board members and to develop a corrective action plan with specific procedures and timelines. The Company engaged Deloitte as its external consultant to develop a corrective action plan with defined procedures and implementation timelines. The consultant is expected to complete the evaluation and submit the corrective action plan within 60 days from the date of engagement. Following the submission, the Company will implement the recommended actions under the direct supervision of the external consultant to ensure alignment with regulatory expectations and effective remediation of the identified gaps. As a result of the Company's commitment to addressing the regulatory concerns, the Insurance Authority lifted the suspension on the issuance of Motor Third Party Liability (TPL) policies on June 19, 2025.

2. BASIS OF PREPARATION**(a) Statement of compliance**

The interim condensed financial information of the Company has 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 pronouncements issued by the Saudi Organisation for Chartered and Professional Accountants (SOCPA).

As required by the Saudi Arabian Insurance Regulations, the Company maintains separate books of accounts for insurance operations and shareholders' operations and presents the financial information accordingly. Assets, liabilities, revenues and expenses clearly attributable to either activity is recorded in the respective accounts. The basis of allocation of expenses from joint operations is determined and approved by management and the Board of Directors of the Company.

In accordance with the requirements of Implementing Regulation for Co-operative Insurance Companies (the "Regulations") issued by the Insurance Authority, formerly SAMA, and as per by-laws of the Company, shareholders of the Company are to receive 90% of the annual surplus from insurance operations and the policyholders are to receive the remaining 10%. Any deficit arising from insurance operations is transferred to the shareholders' operations in full.

Insurance Authority's implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders' operations.

In preparing the Company's financial information in compliance with IAS 34, as endorsed in the Kingdom of Saudi Arabia, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Interoperation balances, transactions and unrealized gains or losses, if any, are eliminated in full during amalgamation. The accounting policies adopted for the insurance operations and shareholders' operations are uniform for like transactions and events in similar circumstances.

(b) Basis of measurement

The interim condensed financial information is prepared under the historical cost convention, except as explained in the relevant accounting policies in the annual financial statements for the year ended December 31, 2024.

2. BASIS OF PREPARATION (Continued)

(c) Basis of presentation

The interim condensed financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended December 31, 2024.

The Company's interim condensed statement of financial position is not presented using a current / non-current classification and is presented in order of liquidity. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at FVTPL, prepaid expenses and other assets, accrued income on statutory deposit, accrued and other liabilities, dividend payable and accrued income payable to Insurance Authority. The following balances would generally be classified as non-current: financial assets at FVOCI, property and equipment, right-of-use assets, goodwill, intangible assets, statutory deposit, and employee benefit obligations. The balances which are of mixed in nature i.e. include both current and non-current portions include term deposits, insurance contract assets/liabilities, reinsurance contract assets/liabilities, zakat payable and lease liabilities.

(d) Functional and presentation currency

This interim condensed financial information is expressed in Saudi Arabian Riyals ("ﷲ") which is the functional and presentation currency of the Company.

(e) Seasonality of operations

There are no seasonal changes that may affect insurance operations of the Company. The interim results may not represent a proportionate share of the annual results due to cyclical variability in premiums and uncertainty of claims occurrences.

(f) Changes in products and services

During the six-month period ended June 30, 2025, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

3. MATERIAL ACCOUNTING POLICIES

3.1 New standards, amendments and interpretations applied by the Company

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

There were no new standards or amendments to standards and interpretations that became applicable for the current reporting period, except for the amendment to IAS 21 'Foreign currencies'. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting this amendment.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for January 1, 2025 reporting periods and have not been early adopted by the Company. Management is in the process of assessing the impact of such new standards and interpretations on its financial statements.

3.2 Critical accounting judgments, estimates and assumptions

The preparation of interim condensed financial information 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Actual results may differ from these estimates.

In preparing this interim condensed financial information, the significant judgments and assumptions 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 and disclosed in the annual financial statements for the year ended December 31, 2024.

4. INFORMATION RELATED TO PRODUCT LINES

Results of product lines do not include commission income from financial assets not measured at FVTPL, net gains on financial assets measured at FVTPL, other operating expenses, finance costs on lease liabilities. Accordingly, these are included in unallocated.

Product lines' assets do not include cash and cash equivalents, prepaid expenses and other assets, term deposits, property and equipment, financial assets at FVTPL, Financial assets at FVOCI, right-of-use assets, intangible assets, goodwill, statutory deposit, accrued income on statutory deposit. Accordingly, they are included in unallocated assets.

Product lines' liabilities do not include accrued and other liabilities, lease liabilities, employee benefit obligations, zakat payable, accrued income payable to Insurance Authority and dividends payable. Accordingly, they are included in unallocated liabilities.

The Company's information is presented into business units based on their products and services in the following product lines:

- Medical;
- Motor Comprehensive;
- Motor Third party;
- Engineering;
- Property;
- General Accident;
- Marine Cargo; and
- Marine Hull.

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025
(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

4. INFORMATION RELATED TO PRODUCT LINES (Continued)

June 30, 2025 (Unaudited)	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total	Shareholders' operations	Total
Assets											
Insurance contract assets	-	-	-	-	12,146,190	-	218,257	-	12,364,447	-	12,364,447
Reinsurance contract assets	4,604,811	-	-	289,183	-	-	-	1,497,004	6,390,998	-	6,390,998
Unallocated assets	-	-	-	-	-	-	-	-	237,229,780	401,314,190	638,543,970
Total assets	4,604,811	-	-	289,183	12,146,190	-	218,257	1,497,004	255,985,225	401,314,190	657,299,415
Liabilities											
Insurance contract liabilities	89,115,804	26,830,456	73,140,258	5,480,102	-	19,424,588	-	2,431,368	216,422,576	-	216,422,576
Reinsurance contract liabilities	-	2,628,843	627,201	-	14,474,764	8,010,299	367,239	-	26,108,346	-	26,108,346
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	93,089,035	321,679,458	414,768,493
Total liabilities and equity	89,115,804	29,459,299	73,767,459	5,480,102	14,474,764	27,434,887	367,239	2,431,368	335,619,957	321,679,458	657,299,415
December 31, 2024 (Audited)	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total	Shareholders' operations	Total
Assets											
Insurance contract assets	-	-	-	-	13,471,313	-	-	-	13,471,313	-	13,471,313
Reinsurance contract assets	4,768,456	-	-	304,364	-	-	-	1,411,437	6,484,257	-	6,484,257
Unallocated assets	-	-	-	-	-	-	-	-	326,772,099	396,781,533	723,553,632
Total assets	4,768,456	-	-	304,364	13,471,313	-	-	1,411,437	346,727,669	396,781,533	743,509,202
Liabilities											
Insurance contract liabilities	73,228,713	35,125,927	120,125,637	5,588,612	-	23,536,982	525,667	2,400,938	260,532,476	-	260,532,476
Reinsurance contract liabilities	-	2,358,232	2,473,463	-	13,520,866	5,386,549	138,574	-	23,877,684	-	23,877,684
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	88,057,605	371,041,437	459,099,042
Total liabilities and equity	73,228,713	37,484,159	122,599,100	5,588,612	13,520,866	28,923,531	664,241	2,400,938	372,467,765	371,041,437	743,509,202

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4. INFORMATION RELATED TO PRODUCT LINES (Continued)

For the three-month period ended June 30, 2025 (Unaudited)	Insurance operations									Shareholders' operations	Total
	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total		
Insurance revenue	63,494,301	31,337,061	42,792,825	3,920,761	3,935,322	6,794,599	451,424	102,564	152,828,857	-	152,828,857
Insurance service expenses	(70,290,979)	(38,604,686)	(48,214,846)	(1,057,343)	(448,959)	(799,241)	329,866	592	(159,085,596)	-	(159,085,596)
Net expenses from reinsurance contracts	(1,402,252)	(264,531)	286,155	(2,201,243)	(3,903,986)	(3,578,122)	(308,857)	(105,949)	(11,478,785)	-	(11,478,785)
Insurance service result from Company's directly written business	(8,198,930)	(7,532,156)	(5,135,866)	662,175	(417,623)	2,417,236	472,433	(2,793)	(17,735,524)	-	(17,735,524)
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,123,649	-	1,123,649
Total insurance service result	-	-	-	-	-	-	-	-	(16,611,875)	-	(16,611,875)
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	1,953,447	5,644,506	7,597,953
Net losses on FVTPL investments	-	-	-	-	-	-	-	-	(1,590,609)	(414,251)	(2,004,860)
Net investment income	-	-	-	-	-	-	-	-	362,838	5,230,255	5,593,093
Finance income / (expense) from insurance contracts issued	167,627	85,156	(120,806)	8,644	(5,469)	(36,171)	(18,918)	(79)	79,984	-	79,984
Finance (expense) / income from reinsurance contracts held	(1,465)	(7,757)	(3,932)	(7,612)	14,629	(6,826)	12,228	52	(683)	-	(683)
Net insurance finance income / (expense)	166,162	77,399	(124,738)	1,032	9,160	(42,997)	(6,690)	(27)	79,301	-	79,301
Net insurance and investment result	-	-	-	-	-	-	-	-	(16,169,736)	5,230,255	(10,939,481)
Other operating expenses - net	-	-	-	-	-	-	-	-	(6,985,325)	(1,889,808)	(8,875,133)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(20,714)	-	(20,714)
Total (loss) / profit for the period before zakat	-	-	-	-	-	-	-	-	(23,175,775)	3,340,447	(19,835,328)
Zakat reversal	-	-	-	-	-	-	-	-	-	4,500,000	4,500,000
NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	-	-	-	-	-	-	-	-	(23,175,775)	7,840,447	(15,335,328)

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4. INFORMATION RELATED TO PRODUCT LINES (Continued)

For the three-month period ended June 30, 2024 (Unaudited)	Insurance operations									Shareholders' operations	Total
	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total		
Insurance revenue	52,080,162	24,886,816	22,651,475	3,599,373	4,294,227	7,207,227	544,202	201,675	115,465,157	-	115,465,157
Insurance service expenses	(47,762,310)	(24,040,713)	(14,339,760)	(535,007)	492,284	1,091,555	(460,378)	(2,492)	(85,556,821)	-	(85,556,821)
Net (expenses) income from reinsurance contracts	(1,398,769)	(847,784)	(706,781)	(2,913,681)	(5,634,086)	(5,592,736)	(297,120)	(288,155)	(17,679,112)	-	(17,679,112)
Insurance service result from Company's directly written business	2,919,083	(1,681)	7,604,934	150,685	(847,575)	2,706,046	(213,296)	(88,972)	12,229,224	-	12,229,224
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-	-	-
Total insurance service result	2,919,083	(1,681)	7,604,934	150,685	(847,575)	2,706,046	(213,296)	(88,972)	12,229,224	-	12,229,224
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	2,393,706	3,122,136	5,515,842
Net gains on FVTPL investments	-	-	-	-	-	-	-	-	(1,067,176)	(955,354)	(2,022,530)
Net investment income	-	-	-	-	-	-	-	-	1,326,530	2,166,782	3,493,312
Finance (expense) income from insurance contracts issued	(71,549)	(23,645)	(66,734)	(2,422)	(37,744)	(77,308)	11,915	(839)	(268,326)	-	(268,326)
Finance income (expense) from reinsurance contracts held	943	(193)	(8,192)	(2,157)	37,132	34,293	(6,798)	533	55,561	-	55,561
Net insurance finance income (expense)	(70,606)	(23,838)	(74,926)	(4,579)	(612)	(43,015)	5,117	(306)	(212,765)	-	(212,765)
Net insurance and investment result	-	-	-	-	-	-	-	-	13,342,989	2,166,782	15,509,771
Other operating expenses - net	-	-	-	-	-	-	-	-	(3,278,952)	(319,276)	(3,598,228)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(3,723)	-	(3,723)
Total profit for the period before zakat	-	-	-	-	-	-	-	-	10,060,314	1,847,506	11,907,820
Zakat expense	-	-	-	-	-	-	-	-	-	(1,400,000)	(1,400,000)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	-	-	-	-	-	-	-	-	10,060,314	447,506	10,507,820

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4. INFORMATION RELATED TO PRODUCT LINES (Continued)

For the six-month period ended June 30, 2025

(Unaudited)

	Insurance operations								Shareholders' operations	Total
	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull		
Insurance revenue	122,933,529	57,531,244	92,481,040	7,568,997	7,753,080	13,958,867	1,099,268	215,673	303,541,698	- 303,541,698
Insurance service expenses	(131,872,357)	(67,709,647)	(109,969,712)	(3,403,511)	(1,310,934)	(2,334,622)	(30,886)	(44,608)	(316,676,277)	- (316,676,277)
Net (expenses) / income from reinsurance contracts	(3,149,180)	(1,522,723)	229,570	(3,884,141)	(7,085,309)	(6,411,132)	(669,359)	(208,495)	(22,700,769)	- (22,700,769)
Insurance service result from Company's directly written business	(12,088,008)	(11,701,126)	(17,259,102)	281,345	(643,163)	5,213,113	399,023	(37,430)	(35,835,348)	- (35,835,348)
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,241,229	- 1,241,229
Total insurance service result	-	-	-	-	-	-	-	-	(34,594,119)	- (34,594,119)
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	4,097,366	10,391,845 14,489,211
Net gains on FVTPL investments	-	-	-	-	-	-	-	-	(3,419,788)	12,088 (3,407,700)
Net investment income	-	-	-	-	-	-	-	-	677,578	10,403,933 11,081,511
Finance income / (expense) from insurance contracts issued	91,690	111,636	(2,162)	58,201	6,122	(49,136)	(14,358)	(181)	201,812	- 201,812
Finance income / (expense) from reinsurance contracts held	39,858	(12,158)	(4,688)	(43,759)	5,969	(6,788)	8,502	116	(12,948)	- (12,948)
Net insurance finance income / (expense)	131,548	99,478	(6,850)	14,442	12,091	(55,924)	(5,856)	(65)	188,864	- 188,864
Net insurance and investment result	-	-	-	-	-	-	-	-	(33,727,677)	10,403,933 (23,323,744)
Other operating expenses – net	-	-	-	-	-	-	-	-	(11,286,656)	(2,106,055) (13,392,711)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(41,603)	- (41,603)
Total profit for the period before zakat	-	-	-	-	-	-	-	-	(45,055,936)	8,297,878 (36,758,058)
Zakat reversal	-	-	-	-	-	-	-	-	-	3,500,000 3,500,000
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	-	-	-	-	-	-	-	-	(45,055,936)	11,797,878 (33,258,058)

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4. INFORMATION RELATED TO PRODUCT LINES (Continued)

For the six-month period ended June 30, 2024 (Unaudited)	Insurance operations									Shareholders' operations	Total
	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total		
Insurance revenue	105,075,170	52,856,539	41,312,641	9,119,865	8,427,512	15,809,381	1,422,836	233,874	234,257,818	-	234,257,818
Insurance service (expenses) / income	(95,370,234)	(56,426,929)	(30,102,425)	(1,425,621)	10,490,819	(4,623,603)	(352,169)	147,323	(177,662,839)	-	(177,662,839)
Net expenses from reinsurance contracts	(2,991,490)	(2,028,005)	(1,308,458)	(6,864,391)	(19,032,972)	(8,623,825)	(846,880)	92,515	(41,603,506)	-	(41,603,506)
Insurance service result from Company's directly written business	6,713,446	(5,598,395)	9,901,758	829,853	(114,641)	2,561,953	223,787	473,712	14,991,473	-	14,991,473
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,777,470	-	1,777,470
Total insurance service result	-	-	-	-	-	-	-	-	16,768,943	-	16,768,943
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	5,138,381	6,165,570	11,303,951
Net gains on FVTPL investments	-	-	-	-	-	-	-	-	(852,680)	1,246,368	393,688
Net investment income	-	-	-	-	-	-	-	-	4,285,701	7,411,938	11,697,639
Finance (expense) income from insurance contracts issued	(149,641)	(571)	71,462	(23,464)	(1,105,385)	30,882	1,992	(8,047)	(1,182,772)	-	(1,182,772)
Finance income (expense) from reinsurance contracts held	189,562	(9,491)	20,076	(8,397)	993,909	(10,013)	(3,484)	(3,975)	1,168,187	-	1,168,187
Net insurance finance income (expense)	39,921	(10,062)	91,538	(31,861)	(111,476)	20,869	(1,492)	(12,022)	(14,585)	-	(14,585)
Net insurance and investment result	-	-	-	-	-	-	-	-	21,040,059	7,411,938	28,451,997
Other operating expenses – net	-	-	-	-	-	-	-	-	(7,107,953)	(602,255)	(7,710,208)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(7,724)	-	(7,724)
Total profit for the period before zakat	-	-	-	-	-	-	-	-	13,924,382	6,809,683	20,734,065
Zakat expense	-	-	-	-	-	-	-	-	-	(2,800,000)	(2,800,000)
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS	-	-	-	-	-	-	-	-	13,924,382	4,009,683	17,934,065

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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash in hand	89,253	55,949
Cash at bank - current accounts	17,116,593	10,376,975
Time deposits	166,084,915	167,711,247
Money market funds	77,926,941	84,415,512
	261,217,702	262,559,683

Cash at banks is placed with counterparties with sound credit ratings. As at June 30, 2025, deposits and money market funds were placed with local banks with original maturities of less than three months from the date of placement and earned commission income at an average rate of 6.4% to 7.0% (December 31, 2024: 6.4% to 7.0%) and 7.9% (December 31, 2024: 8.0%) per annum, respectively.

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 Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At June 30, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

6. TERM DEPOSITS

Short-term deposits, amounting to ﷲ 84.4 million (December 31, 2024: ﷲ 174.6 million), are placed with local banks and financial institutions with an original maturity of more than three months but less than or equal to twelve months from the date of placement. These deposits earned commission income at a rate of 5.65% to 6.20% per annum for the period ended June 30, 2025 (December 31, 2024: 5.55% to 6.33%).

Long-term deposits, amounting to ﷲ 45.4 million (December 31, 2024: ﷲ 45.4 million), are placed with local banks and financial institutions represent deposits with maturity of more than one year from the date of placement and are placed with banks carrying commission income at an average rate of 5.36% to 5.41% (December 31, 2024: 5.4%).

The gross carrying amounts above represent 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 Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At June 30, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

7. INVESTMENTS

(a) *Investments are classified as follows:*

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets at FVTPL		
Mutual funds	6,099,858	6,306,969
Ordinary shares	37,692,566	41,006,227
	43,792,424	47,313,196
Financial assets at FVOCI		
Ordinary shares	63,627,374	61,123,852
Debt instruments	48,078,040	37,713,418
	111,705,414	98,837,270
	155,497,838	146,150,466

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7. INVESTMENTS (Continued)

Investment in mutual funds are classified as investments measured at FVTPL since these are equity instruments. The Company has classified its investments in ordinary shares at FVTPL, except for Najm investments which are being held at FVOCI. The Company holds an investment in the equity of Najm for Insurance Services (Najm) and in accordance with Company's accounting policy, investments in equity instruments should be measured at fair value. The fair value of Najm investment as at June 30, 2025 is ﷲ 63.6 million (December 31, 2024: ﷲ 61.1 million).

Debt instruments represent investments in Sukuks that are classified as investments measured at FVOCI, as the Company's business model for Sukuk classified as FVOCI is to hold to collect and sell the contractual cash flows.

The gross carrying amount of financial assets measured at FVOCI represent 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 Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At June 30, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

(b) *Movement in investments carried at fair value is as follows:*

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period / year	47,313,196	50,390,072
Additions during the period / year	130,809,118	99,472,504
Withdrawal during the period / year	(130,922,190)	(102,827,667)
Changes in fair value of investments	(3,407,700)	278,287
Balance at end of the period / year	43,792,424	47,313,196

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the period / year	98,837,270	43,484,252
Additions during the period / year	10,000,000	38,306,072
Changes in fair value of investments	2,868,144	17,046,946
Balance at end of the period / year	111,705,414	98,837,270

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8. GOODWILL

The Company commenced its insurance operations on 1 January 2009. The Company's General Assembly approved on 1 February 2009 for the Company to enter into an agreement whereby it acquired the entire business (net identifiable assets) of Al Sagr Saudi Insurance Company with effect from 1 January 2009 at a goodwill of ﷲ 39.0 million as set forth in SAMA's letter in this respect after completing the related procedures as required under SAMA's letter on 10 November 2008. The Company has later adjusted goodwill amount by reducing ﷲ 13.5 million in line with SAMA correspondence in this respect bringing it to ﷲ 25.5 million. The Company has paid ﷲ 9.9 million during 2011 and ﷲ 15.6 million in 2012 against goodwill to the shareholders of Al Sagr Saudi Insurance Company.

As at the reporting date, impairment assessment performed as at December 31, 2024, based on expected discounted cash flows, was updated by the management for the period ended June 30, 2025, since impairment indicators were identified on account of the factors outlined in note 1. For the impairment testing, management has identified a single cash generating unit ("CGU") and determines the recoverable amount of the CGU based on value-in-use calculations. These calculations require the use of estimates in relation to the future cash flows, based on the most recent five years' business plan, and use of an appropriate discount rate. Cash flows beyond five-years' period are extrapolated using the terminal value growth rate stated below. This growth rate is consistent with the forecasts included in industry reports specific to the industry in which the CGU operates. Actual conditions may differ from assumptions and thus actual cash flows may be different to those expected with a potential material effect on the recoverability of amounts. The calculation of value in use was most sensitive to the assumptions of insurance revenue growth, insurance service expenses and discount rate, which are determined keeping in view the historical performance, recent market and industry trends and expected outcome of various performance improvement measures being implemented by management.

The key significant assumptions used in the determination of expected discounted cash flows for the next 5 years are:

Key assumptions – June 30, 2025	%
Insurance revenue growth	9.4
Insurance service expenses as a percentage of insurance revenue	89.6
Weighted average cost of capital	14
Terminal value growth rate	2
Key assumptions – December 31, 2024	%
Insurance revenue growth	7.1
Insurance service expenses as a percentage of insurance revenue	82.3
Weighted average cost of capital	14
Terminal value growth rate	2

Although management believes that the assumptions used to evaluate potential impairment are reasonable, such assumptions are inherently subjective. Based on the assumptions made, the expected discounted future cash flows exceed the carrying amount of goodwill and accordingly no impairment has been recognized.

Sensitivity to the changes in assumptions

The estimated recoverable amount of the CGU exceeded its carrying value by approximately ﷲ 117.7 million. Management has identified that a reasonably possible change in the below given key assumptions could cause the carrying amount to equal the recoverable amount.

Insurance revenue growth

The insurance revenue growth in the forecast period has been estimated to be a compound annual growth rate of 9.4%. If all other assumptions kept the same, a reduction of this growth rate from 9.4% to 8.9% would give a value in use equal to the current carrying amount.

8. GOODWILL (Continued)

Insurance service expenses

The insurance service expenses as a percentage of insurance revenue in the forecast period has been estimated to be 89.6% of insurance revenue. If all other assumptions kept the same, a decrease of this result from 89.6% to 91.4% of insurance revenue would give a value in use equal to the current carrying amount.

Weighted average cost of capital

The weighted average cost of capital in the forecast period has been estimated to be 14%. If all other assumptions kept the same, an increase of this discount rate from 14% to 17% would give a value in use equal to the current carrying amount.

9. STATUTORY DEPOSIT

In accordance with Article 58 of the Insurance Implementing Regulations of Insurance Authority, formerly SAMA, the Company is required to maintain a statutory deposit of not less than 10% of its paid-up capital. The statutory deposit is maintained with a Saudi Arabian bank and can be withdrawn only with the consent of the Insurance authority.

In accordance with the instruction received from SAMA vide their circular dated March 1, 2016, the Company has disclosed the commission due on the statutory deposit as at June 30, 2025 as an asset and a liability in this interim condensed financial information.

The gross carrying amount of statutory deposit 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 Standard and Poor's rating of AAA to BBB. The Company's exposures to credit risk are not collateralized. At June 30, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

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(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

10. INSURANCE AND REINSURANCE CONTRACTS**10.1 Composition of the statement of financial position**

An analysis of the amounts presented on the statement of financial position 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:

June 30, 2025 (Unaudited)	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance contracts									
Insurance contract assets	-	-	-	-	12,146,190	-	218,257	-	12,364,447
Insurance contract liabilities	(89,115,804)	(26,830,456)	(73,140,258)	(5,480,102)	-	(19,424,588)	-	(2,431,368)	(216,422,576)
									<u>(204,058,129)</u>
Reinsurance contracts									
Reinsurance contract assets	4,604,811	-	-	289,183	-	-	-	1,497,004	6,390,998
Reinsurance contract liabilities	-	(2,628,843)	(627,201)	-	(14,474,764)	(8,010,299)	(367,239)	-	(26,108,346)
									<u>(19,717,348)</u>
December 31, 2024 (Audited)									
Insurance contracts									
Insurance contract assets	-	-	-	-	13,471,313	-	-	-	13,471,313
Insurance contract liabilities	(73,228,713)	(35,125,927)	(120,125,637)	(5,588,612)	-	(23,536,982)	(525,667)	(2,400,938)	(260,532,476)
									<u>(247,061,163)</u>
Reinsurance contracts									
Reinsurance contract assets	4,768,456	-	-	304,364	-	-	-	1,411,437	6,484,257
Reinsurance contract liabilities	-	(2,358,232)	(2,473,463)	-	(13,520,866)	(5,386,549)	(138,574)	-	(23,877,684)
									<u>(17,393,427)</u>

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(All amounts expressed in Saudi Riyals (ﷻ) 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 June 30, 2025 (Unaudited)					As at December 31, 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total	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		Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts										
Insurance contract liabilities - opening	169,005,193	7,543,792	81,177,511	2,805,980	260,532,476	146,382,337	15,090,344	140,977,648	3,970,990	306,421,319
Insurance contract assets - opening	(1,523,161)	-	(12,022,976)	74,824	(13,471,313)	-	-	-	-	-
Opening balance - net	167,482,032	7,543,792	69,154,535	2,880,804	247,061,163	146,382,337	15,090,344	140,977,648	3,970,990	306,421,319
Insurance revenue	(303,541,698)	-	-	-	(303,541,698)	(503,656,077)	-	-	-	(503,656,077)
Insurance service expenses										
Incurred claims and other incurred insurance service expenses	-	-	267,664,110	2,254,553	269,918,663	-	-	366,515,666	2,528,589	369,044,255
Losses / (reversal) on onerous contracts	-	1,525,003	-	-	1,525,003	-	(7,546,552)	-	-	(7,546,552)
Changes that relate to past service - adjustments to the LIC	-	-	(480,769)	(1,989,695)	(2,470,464)	-	-	(33,428,925)	(3,665,187)	(37,094,112)
Insurance acquisition cashflows amortisation	47,703,075	-	-	-	47,703,075	76,158,023	-	-	-	76,158,023
Insurance service expenses	47,703,075	1,525,003	267,183,341	264,858	316,676,277	76,158,023	(7,546,552)	333,086,741	(1,136,598)	400,561,614
Finance (income) expense from insurance contracts	-	-	(199,676)	(2,136)	(201,812)	-	-	1,955,275	46,412	2,001,687
Total changes in the statement of income	(255,838,623)	1,525,003	266,983,665	262,722	12,932,767	(427,498,054)	(7,546,552)	335,042,016	(1,090,186)	(101,092,776)
Cashflows										
Premiums received	243,348,978	-	-	-	243,348,978	537,284,571	-	-	-	537,284,571
Claims and other directly attributable expenses paid	-	-	(258,989,848)	-	(258,989,848)	-	-	(406,865,129)	-	(406,865,129)
Insurance acquisition cashflows paid	(40,294,931)	-	-	-	(40,294,931)	(88,686,822)	-	-	-	(88,686,822)
Total cash (outflows) inflows	203,054,047	-	(258,989,848)	-	(55,935,801)	448,597,749	-	(406,865,129)	-	41,732,620
Insurance contracts										
Insurance contract liabilities - closing	115,023,164	9,068,795	89,248,330	3,082,287	216,422,576	169,005,193	7,543,792	81,177,511	2,805,980	260,532,476
Insurance contract assets - closing	(325,708)	-	(12,099,978)	61,239	(12,364,447)	(1,523,161)	-	(12,022,976)	74,824	(13,471,313)
Closing balance - net	114,697,456	9,068,795	77,148,352	3,143,526	204,058,129	167,482,032	7,543,792	69,154,535	2,880,804	247,061,163

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025

(All amounts expressed in Saudi Riyals (ﷻ) 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 June 30, 2025 (Unaudited)					As at December 31, 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims			Asset for remaining coverage		Asset for incurred claims		
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	Total
Reinsurance contracts										
Reinsurance contract assets - opening	(12,330,701)	-	18,758,066	56,892	6,484,257	(14,403,299)	-	50,445,438	1,438,146	37,480,285
Reinsurance contract liabilities - opening	(18,959,595)	-	(5,018,438)	100,349	(23,877,684)	(3,589,013)	-	1,818,244	19,081	(1,751,688)
Opening balance - net	(31,290,296)	-	13,739,628	157,241	(17,393,427)	(17,992,312)	-	52,263,682	1,457,227	35,728,597
Allocation of reinsurance premium	(28,853,441)	-	-	-	(28,853,441)	(67,385,396)	-	-	-	(67,385,396)
Amounts recoverable from reinsurers										
Claims recovered and other directly attributable expenses	-	-	3,095,586	68,830	3,164,416	-	-	5,098,273	128,848	5,227,121
Effect of changes in the risk of reinsurers non- performance	-	-	475,361	-	475,361	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	2,991,543	(478,648)	2,512,895	-	-	(9,048,253)	(1,471,594)	(10,519,847)
Amounts recoverable from reinsurers – net	-	-	6,562,490	(409,818)	6,152,672	-	-	(3,949,980)	(1,342,746)	(5,292,726)
Finance (expense) income from reinsurance contracts	-	-	(22,671)	9,723	(12,948)	-	-	1,432,062	42,760	1,474,822
Total changes in the statement of income	(28,853,441)	-	6,539,819	(400,095)	(22,713,717)	(67,385,396)	-	(2,517,918)	(1,299,986)	(71,203,300)
Cashflows										
Premiums paid net of ceding commission	23,148,109	-	-	-	23,148,109	54,087,412	-	-	-	54,087,412
Recoveries from reinsurance	-	-	(2,758,313)	-	(2,758,313)	-	-	(36,006,136)	-	(36,006,136)
Total cash (inflows) outflows	23,148,109	-	(2,758,313)	-	20,389,796	54,087,412	-	(36,006,136)	-	18,081,276
Reinsurance contracts										
Reinsurance contract assets - closing	(15,632,252)	-	21,931,436	91,814	6,390,998	(12,330,701)	-	18,758,066	56,892	6,484,257
Reinsurance contract liabilities - closing	(21,363,376)	-	(4,410,302)	(334,668)	(26,108,346)	(18,959,595)	-	(5,018,438)	100,349	(23,877,684)
Closing balance - net	(36,995,628)	-	17,521,134	(242,854)	(19,717,348)	(31,290,296)	-	13,739,628	157,241	(17,393,427)

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(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

11. SHARE CAPITAL

The authorized, issued and paid-up share capital of the Company was ﷲ 300 million at June 30, 2025, consisting of 30 million shares (December 31, 2024: ﷲ 300 million consisting of 30 million shares) of ﷲ 10 each.

12. INSURANCE REVENUE AND EXPENSES

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

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")	63,494,301	31,337,061	42,792,825	3,920,761	3,935,322	6,794,599	451,424	102,564	152,828,857
Incurred claims and other incurred insurance service expenses	(62,560,400)	(34,135,560)	(39,854,243)	(413,918)	(414,537)	(1,695,393)	99,820	(6,483)	(138,980,714)
Changes that relate to past service - adjustments to the LIC	254,985	2,589,799	(926,348)	(260)	673,470	2,202,106	319,657	7,647	5,121,056
Losses on onerous contracts	(215,326)	(834,457)	(1,431,450)	-	-	-	-	-	(2,481,233)
Insurance acquisition cash flows amortisation	(7,770,238)	(6,224,468)	(6,002,805)	(643,167)	(707,892)	(1,305,954)	(89,611)	(570)	(22,744,705)
Total insurance service expenses	(70,290,979)	(38,604,686)	(48,214,846)	(1,057,345)	(448,959)	(799,241)	329,866	594	(159,085,596)
Reinsurance income contracts measured under the PAA									
Reinsurance premium ceded	(4,478,761)	(365,963)	(261,924)	(2,657,572)	(3,101,362)	(3,269,725)	(132,855)	(110,211)	(14,378,373)
Claims recovered and other directly attributable expenses	305,417	132,964	(3,031)	243,921	58,015	(318,015)	(1,109)	4,053	422,215
Effect of changes in the risk of reinsurers non- performance	(58,217)	7,509	(5,254)	178,191	181,296	14,958	(2,809)	5,056	320,730
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	2,829,308	(39,041)	556,363	34,217	(1,041,935)	(5,339)	(172,084)	(4,846)	2,156,643
Total net expenses from reinsurance contracts	(1,402,253)	(264,531)	286,154	(2,201,243)	(3,903,986)	(3,578,121)	(308,857)	(105,948)	(11,478,785)
Insurance service result from Company's directly written business	(6,198,931)	(7,532,156)	(5,135,867)	662,173	(417,623)	2,417,237	472,433	(2,790)	(17,735,524)
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,123,649
Total insurance service result	-	-	-	-	-	-	-	-	(16,611,875)

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(All amounts expressed in Saudi Riyals (ﷻ) unless otherwise stated)

12. INSURANCE REVENUE AND EXPENSES (Continued)

For the three-month period ended June 30, 2024 (Unaudited)	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")	52,080,162	24,886,816	22,651,475	3,599,373	4,294,227	7,207,227	544,202	201,675	115,465,157
Incurred claims and other incurred insurance service expenses	(43,480,006)	(27,250,983)	(20,244,224)	(620,917)	1,398,604	(1,155,192)	(403,452)	(8,150)	(91,764,320)
Changes that relate to past service - adjustments to the LIC	1,045,867	6,946,015	6,582,667	518,151	(270,673)	3,118,049	17,732	25,111	17,982,919
Reversal of losses on onerous contracts	-	464,674	695,467	-	-	-	-	-	1,160,141
Insurance acquisition cash flows amortisation	(5,328,171)	(4,200,419)	(1,373,670)	(432,241)	(635,647)	(871,302)	(74,658)	(19,453)	(12,935,561)
Total insurance service (expenses) / income	(47,762,310)	(24,040,713)	(14,339,760)	(535,007)	492,284	1,091,555	(460,378)	(2,492)	(85,556,821)
Reinsurance income contracts measured under the PAA									
Reinsurance premium ceded	(3,698,091)	(1,636,594)	(1,024,199)	(2,725,481)	(3,945,691)	(4,625,591)	(412,204)	(136,078)	(18,203,929)
Claims recovered and other directly attributable expenses	489,933	540,689	127,482	109,091	(1,695,570)	309,450	151,189	(136,131)	(103,867)
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	1,809,389	248,121	189,936	(297,291)	7,175	(1,276,595)	(36,105)	(15,946)	628,684
Total net expenses from reinsurance contracts	(1,398,769)	(847,784)	(706,781)	(2,913,681)	(5,634,086)	(5,592,736)	(297,120)	(288,155)	(17,679,112)
Insurance service result from Company's directly written business	2,919,083	(1,681)	7,604,934	150,685	(847,575)	2,706,046	(213,296)	(88,972)	12,229,224
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-
Total insurance service result	-	-	-	-	-	-	-	-	12,229,224

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(All amounts expressed in Saudi Riyals (ﷻ) unless otherwise stated)

12. INSURANCE REVENUE AND EXPENSES (Continued)

For the six-month period ended June 30, 2025 (Unaudited)	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance revenue from contracts measured under PAA	122,933,529	57,531,244	92,481,040	7,568,997	7,753,080	13,958,867	1,099,268	215,673	303,541,698
Incurring claims and other incurred insurance service expenses	(121,369,425)	(57,330,402)	(86,783,346)	(782,972)	(784,841)	(2,585,451)	(268,528)	(13,698)	(269,918,663)
Changes that relate to past service - adjustments to the LIC	5,816,790	(364,146)	(6,200,646)	(1,278,882)	893,357	3,117,893	470,197	15,901	2,470,464
Losses on onerous contracts	(919,119)	2,057,879	(2,663,763)	-	-	-	-	-	(1,525,003)
Insurance acquisition cash flows amortisation	(15,400,603)	(12,072,978)	(14,321,957)	(1,341,657)	(1,419,450)	(2,867,064)	(232,555)	(46,811)	(47,703,075)
Total insurance service (expense) / income	(131,872,357)	(67,709,647)	(109,969,712)	(3,403,511)	(1,310,934)	(2,334,622)	(30,886)	(44,608)	(316,676,277)
Reinsurance income / (expenses) measured under the PAA									-
Reinsurance premium ceded	(8,440,842)	(1,679,859)	(397,269)	(5,274,398)	(6,171,314)	(6,271,365)	(411,343)	(207,051)	(28,853,441)
Claims recovered and other directly attributable expenses	2,513,987	361,105	76,041	220,702	112,376	(132,763)	4,407	8,561	3,164,416
Effect of changes in the risk of reinsurers non-performance	(54,345)	165	43,940	202,724	216,006	63,017	3,854	-	475,361
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	2,832,019	(204,134)	506,857	966,831	(1,242,377)	(70,020)	(266,277)	(10,004)	2,512,895
Total net expenses from reinsurance contracts	(3,149,181)	(1,522,723)	229,569	(3,884,141)	(7,085,309)	(6,411,131)	(669,359)	(208,494)	(22,700,769)
Insurance service result from Company's directly written business	(12,088,009)	(11,701,126)	(17,259,103)	281,345	(643,163)	5,213,114	399,023	(37,429)	(35,835,348)
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,241,229
Total insurance service result	-	-	-	-	-	-	-	-	(34,594,119)

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(All amounts expressed in Saudi Riyals (ﷻ) unless otherwise stated)

12. INSURANCE REVENUE AND EXPENSES (Continued)**For the six-month period ended June 30, 2024
(Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Insurance revenue from contracts measured under PAA	105,075,170	52,856,539	41,312,641	9,119,865	8,427,512	15,809,381	1,422,836	233,874	234,257,818
Incurred claims and other incurred insurance service expenses	(86,900,467)	(52,953,180)	(37,012,071)	(1,072,808)	(2,323,367)	(3,927,907)	(505,908)	(16,274)	(184,711,982)
Changes that relate to past service - adjustments to the LIC	5,133,580	2,358,686	8,888,828	928,201	14,169,653	1,253,898	346,344	164,764	33,243,954
Reversal of losses on onerous contracts	-	1,905,859	1,557,441	-	-	-	-	-	3,463,300
Insurance acquisition cash flows amortisation	(13,603,347)	(7,738,294)	(3,536,623)	(1,281,014)	(1,355,467)	(1,949,594)	(192,605)	(1,167)	(29,658,111)
Total insurance service (expense) / income	(95,370,234)	(56,426,929)	(30,102,425)	(1,425,621)	10,490,819	(4,623,603)	(352,169)	147,323	(177,662,839)
Reinsurance income / (expenses) measured under the PAA									
Reinsurance premium ceded	(6,475,322)	(3,049,856)	(1,682,072)	(6,426,824)	(7,564,262)	(7,697,579)	(783,704)	278,935	(33,400,684)
Claims recovered and other directly attributable expenses	2,336,937	654,975	166,363	95,088	1,190,953	733,385	158,954	(80,730)	5,255,925
Effect of changes in the risk of reinsurers non-performance	-	-	-	-	-	-	-	-	-
Onerous contracts recognized	-	-	-	-	-	-	-	-	-
Reversal of losses on onerous contracts	-	-	-	-	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	1,146,895	366,876	207,251	(532,655)	(12,659,663)	(1,659,631)	(222,130)	(105,690)	(13,458,747)
Reinsurance acquisition cash flows amortisation	-	-	-	-	-	-	-	-	-
Total net expenses from reinsurance contracts	(2,991,490)	(2,028,005)	(1,308,458)	(6,864,391)	(19,032,972)	(8,623,825)	(846,880)	92,515	(41,603,506)
Insurance service result from Company's directly written business	6,713,446	(5,598,395)	9,901,758	829,853	(114,641)	2,561,953	223,787	473,712	14,991,473
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,777,470
Total insurance service result	-	-	-	-	-	-	-	-	16,768,943

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(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

13. INSURANCE FINANCE EXPENSE - NET

An analysis of the net insurance finance income by product line for the three- month and six-month periods ended June 30, 2025 and June 30, 2024 respectively is presented below:

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Finance income from insurance contracts issued									
Interest accreted	167,627	85,156	(120,806)	8,644	(5,469)	(36,171)	(18,918)	(79)	79,984
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance income / (expense) from insurance contracts issued	167,627	85,156	(120,806)	8,644	(5,469)	(36,171)	(18,918)	(79)	79,984
Finance (expense) from reinsurance contracts held									
Interest accreted	(1,465)	(7,757)	(3,932)	(7,612)	14,629	(6,826)	12,228	52	(683)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance (expense) / income from reinsurance contracts held	(1,465)	(7,757)	(3,932)	(7,612)	14,629	(6,826)	12,228	52	(683)
Net insurance finance income / (expense)	166,162	77,399	(124,738)	1,032	9,160	(42,997)	(6,690)	(27)	79,301

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13. INSURANCE FINANCE EXPENSE - NET (Continued)**For the three-month period ended June 30, 2024 (Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Finance expense from insurance contracts issued									
Interest accreted	(71,549)	(23,645)	(66,734)	(2,422)	(37,744)	(77,308)	11,915	(839)	(268,326)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance (expense) / income from insurance contracts issued	(71,549)	(23,645)	(66,734)	(2,422)	(37,744)	(77,308)	11,915	(839)	(268,326)
Finance income from reinsurance contracts held									
Interest accreted	943	(193)	(8,192)	(2,157)	37,132	34,293	(6,798)	533	55,561
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance income / (expense) from reinsurance contracts held	943	(193)	(8,192)	(2,157)	37,132	34,293	(6,798)	533	55,561
Net insurance finance (expense) / income	(70,606)	(23,838)	(74,926)	(4,579)	(612)	(43,015)	5,117	(306)	(212,765)

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13. INSURANCE FINANCE EXPENSE – NET (Continued)**For the six-month period ended June 30, 2025 (Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Finance income from insurance contracts issued									
Interest accreted	91,690	111,636	(2,162)	58,201	6,122	(49,136)	(14,358)	(181)	201,812
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance income / (expense) from insurance contracts issued	91,690	111,636	(2,162)	58,201	6,122	(49,136)	(14,358)	(181)	201,812
Finance expenses from reinsurance contracts held									
Interest accreted	39,858	(12,158)	(4,688)	(43,759)	5,969	(6,788)	8,502	116	(12,948)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance income / (expense) from reinsurance contracts held	39,858	(12,158)	(4,688)	(43,759)	5,969	(6,788)	8,502	116	(12,948)
Net insurance finance income / (expense)	131,548	99,478	(6,850)	14,442	12,091	(55,924)	(5,856)	(65)	188,864

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13. INSURANCE FINANCE EXPENSE – NET (Continued)**For the six-month period ended June 30, 2024 (Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
Finance (expense) from insurance contracts issued									
Interest accreted	(149,641)	(571)	71,462	(23,464)	(1,105,385)	30,882	1,992	(8,047)	(1,182,772)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance (expense) / income from insurance contracts issued	(149,641)	(571)	71,462	(23,464)	(1,105,385)	30,882	1,992	(8,047)	(1,182,772)
Finance income from reinsurance contracts held									
Interest accreted	189,562	(9,491)	20,076	(8,397)	993,909	(10,013)	(3,484)	(3,975)	1,168,187
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
Finance income / (expense) from reinsurance contracts held	189,562	(9,491)	20,076	(8,397)	993,909	(10,013)	(3,484)	(3,975)	1,168,187
Net insurance finance income / (expense)	39,921	(10,062)	91,538	(31,861)	(111,476)	20,869	(1,492)	(12,022)	(14,585)

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14. OTHER OPERATING EXPENSES - NET

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employees' cost	1,607,581	1,477,320	3,426,685	2,832,195
Professional Fees	472,883	638,039	1,568,690	1,680,508
Repair and maintenance	936,700	439,766	1,163,583	1,038,315
Utilities	270,493	203,234	547,927	356,234
Business travel and transport	118,046	106,373	230,308	331,768
Directors' remuneration	1,633,971	75,000	1,669,971	225,000
VAT expenses	3,342,515	-	3,342,515	-
Others	492,944	658,496	1,443,032	1,246,188
	8,875,133	3,598,228	13,392,711	7,710,208

15. SHARE OF SURPLUS FROM INSURANCE POOLS**15.1 Share of surplus from Umrah & Hajj scheme**

This represents the Company's share in the surplus for general accident product arising from the Umrah & haj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 2020 and it was renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement in 2024 as the aforementioned arrangement has been discontinued. The share of surplus from Hajj and Umra scheme is amounting to ﷻ 0.04 million for six-month period ended June 30, 2025 (ﷻ 1.24 million for six-month period ended June 30, 2024).

15.2 Share of surplus from Inherent defects insurance

This represents the Company's share of surplus 2.95% (2024: 6.19%) in the Inherent Defects Insurance ("IDI") product. On 25 June 2020, a Joint Venture agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on SAMA approval authorizing Malath Cooperative Insurance Company as the leading company ("Operator"), to manage the IDI program on behalf of the participating insurance companies, selling the product and providing its insurance coverage by creating joint insurance portfolios. Malath Cooperative Insurance Company will exclusively manage the portfolio during the period of validity of the IDI agreement of five years from issue date.

IDI is a mandatory insurance policy for contractors to insure against inherent defects that may appear in buildings and constructions after their occupation in non-governmental sector projects, according to Saudi Council of Ministers Decree No. 509 of 21/09/1439 AH (corresponding to 05/06/2018) and in accordance with the decision 441/187 of the Governor of SAMA dated 05/08/1441 AH (corresponding to 29/03/2020). The Company's share of profit from Inherent Defects Insurance is ﷻ 1.20 million (for six-month period ended June 30, 2024: ﷻ 0.54 million).

During the period ended June 30, 2025, the IDI participant co-insurance companies executed a binding amendment to the original Agreement dated June 25, 2020. The amendment, effective January 1, 2025, provides for the inclusion of three additional co-insurers. As a result, the existing participants' shares were proportionally reduced relative to their previous allocations.

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16. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the shareholders, directors, associated companies (representing entities which are directly or indirectly controlled by or under the control of joint control of a shareholder who has significant influence over the Company), and key management personnel. Related parties also include business entities in which certain directors or senior management have control or joint control. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors.

(a) There were no significant related party transactions during the period, and there were no related party balances at the end of the period.

(b) The compensation of key management personnel during the period is as follows:

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and benefits	3,367,027	1,777,395	5,480,681	3,670,022
Employee benefit obligations	119,235	47,221	230,566	236,866
Board of Directors' fees	1,633,971	75,000	1,669,971	225,000
Charge for the period	5,120,233	1,899,616	7,381,218	4,131,888

Compensation to key management personnel is on employment terms and as per the by-laws of the Company.

17. ZAKAT

(a) *Zakat (reversal) / charge for the period*

The (reversal) / charge for the period for zakat is as follows:

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(Reversal) / charge for the period	(4,500,000)	1,400,000	(3,500,000)	2,800,000

(b) *Movement in the provision for zakat during the period / year*

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
At the beginning of the period / year	30,408,598	40,186,311
Provisions		
- For the current period / year	1,000,000	7,313,986
- Adjustments related to prior years	(4,500,000)	1,500,000
	(3,500,000)	8,813,986
Paid during the period / year	(12,733,357)	(18,591,699)
At the end of the period / year	14,175,241	30,408,598

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17. ZAKAT (Continued)*(c) Shareholding subject to zakat*

The following is the shareholding percentage subject to zakat in the interim condensed financial information and financial statements as at the end of the period/year:

	June 30, 2025	December 31, 2024
Shareholding subject to zakat	100%	100%

(d) Zakat assessments

During 2021, the Company received final zakat assessments for the years from 2012 to 2018. Total additional zakat liability as per the assessments amounted to ﷲ 36.3 million for such years. The Company had filed an appeal with General Secretariat of Zakat Committees (high committees) against the assessments and in-parallel had submitted a settlement request with the Zakat, Tax and Customs Authority (“ZATCA”)-Settlement committee. During the year ended 31 December 2021, the ZATCA-Settlement committee offered to decrease the zakat assessments to ﷲ 36.2 million, which the Company did not accept and, accordingly, continued with the appeal filed with General Secretariat of Zakat Committees (high committees), which also issued the decision and the final additional zakat liability was assessed at ﷲ 36.2 million. The Company had filed an appeal with the Appellate Committee for the resolution of tax disputes against the assessment, which was rejected and the Company is in the process of settling this liability, based on the settlement plan agreed with the Authority.

During 2021, the Company had received assessment from ZATCA for the years 2019 and 2020, with an additional liability amounting to ﷲ 9.6 million. The Company has filed an appeal with General Secretariat of Zakat Committees (high committees) against such assessments. The final decision is already issued and the case was rejected and the Company is in the process of settling this liability, based on the settlement plan agreed with the Authority.

During 2023, the Company received a VAT assessment for the years 2018 to 2020 for ﷲ 6.2 million, the Company objected the amount and ZATCA decreased the liability to ﷲ 3.3 million. The company has settled this amount under protest and has, simultaneously, raised the appeal to General Secretariat of Zakat, Tax and Customs Committees (“TVDRC”). The decision was issued in favor of ZATCA. Subsequently, the Company filed an appeal against the decision with TVDRC. During six-months period ended June 30, 2025, TVDAC upheld the decision in favor of ZATCA. As a result of this decision, the Company is not required to settle any further liability as well as penalty since the payment was made in full at the time of filing the appeal.

During 2024, the Company received an assessment from ZATCA for the year 2022, with an additional zakat liability amounting to ﷲ 1.6 million. The Company objected against the aforesaid assessment by escalating the case before the Tax Violation and Dispute Resolution Committee (TVDRC). The proceedings have presently been postponed by the TVDRC, as based on ZATCA’s request received during the period, the Company is in process of submitting a formal request for settlement of the case before the Internal Settlement Committee of ZATCA.

During 2024, the Company received a VAT assessment, for an amount of ﷲ 4.1 million against the Company. The Company paid the assessed liability of ﷲ 4.1 million and under protest and simultaneously filed an objection against the assessment before ZATCA, contesting the additional VAT liability amounting to ﷲ 3.8 million. However, ZATCA rejected the objection and upheld the VAT liability of ﷲ 3.8 million. As a result, the Company appealed the case before the TVDRC. Subsequent to period end, TVDRC has ruled assessment in favor of the Company setting aside the earlier decision of ZATCA. ZATCA has the right to appeal against the TVDRC decision within 30 days of receiving the TVDRC resolution.

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18. STATUTORY RESERVE

In accordance with the By-laws of the Company and Article 70(2)(g) of the Insurance Implementing Regulations issued by Insurance Authority, formerly SAMA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

19. BASIC AND DILUTED (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share for the three-month and six-month period ended June 30, 2025 and 2024 is calculated by dividing total (loss) income for the period attributable to the shareholders by the weighted average number of outstanding shares during the period.

The Company's shareholders, in an extraordinary general assembly meeting held on June 26, 2024, approved the Company's proposed increase in the share capital by ﷻ 160 million, by way of a rights issue, after obtaining the required regulatory approvals. The subscription period for the rights issue ended on July 18, 2024, following which the Company completed the legal and regulatory formalities relating to issuance of new shares. Accordingly, the weighted average number of shares has been retrospectively adjusted for the prior period to reflect the bonus element of the right issue as required by IAS 33, 'Earnings per share' as follows:

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2025 (Unaudited)	2024 (Restated) (Unaudited)	2025 (Unaudited)	2024 (Restated) (Unaudited)
Issued ordinary shares at 1 January,	30,000,000	14,000,000	30,000,000	14,000,000
Rights issue adjustment	-	7,237,678	-	7,237,678
Weighted average number of ordinary shares	30,000,000	21,237,678	30,000,000	21,237,678
Total (loss) / income for the period attributable to the shareholders	(15,335,328)	10,507,820	(33,258,058)	17,934,065
Basic and diluted (loss) / earnings per share	(0.51)	0.49	(1.11)	0.84

The weighted average number of ordinary shares for the prior period is computed using an adjustment factor of 1.52 which is a ratio of the theoretical ex-rights of ﷻ 18.26 and closing price per share of ﷻ 27.70 on June 26, 2024, the last day on which the shares were traded together with the rights.

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- in the accessible principal market for the asset or liability, or
- in the absence of a principal market, in the most advantages accessible market for the asset or liability.

The fair values of on-balance sheet financial instruments that are not carried at fair value are no significantly different from their carrying amounts included in the interim condensed financial information.

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20. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

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

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation to fair value, as these are either short-term in nature or carry commission rates which are based on prevalent market commission rates

(a) Carrying amounts and fair value

	June 30, 2025 (Unaudited)			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Investments at FVTPL	35,082,566	-	8,709,858	43,792,424
Investments at FVOCI - debt	-	48,078,040	-	48,078,040
Investments at FVOCI - equities	-	-	63,627,374	63,627,374
Total investments	35,082,566	48,078,040	72,337,232	155,497,838

	December 31, 2024 (Audited)			Total
	Level 1	Level 2	Level 3	
Financial assets measured at fair value				
Investments at FVTPL	38,396,227	-	8,916,969	47,313,196
Investments at FVOCI - debt	-	37,713,418	-	37,713,418
Investments at FVOCI - equities	-	-	61,123,852	61,123,852
Total investments	38,396,227	37,713,418	70,040,821	146,150,466

The fair value of investment in quoted equity instruments include ordinary shares at level 1 based on quoted prices available in the market. Additionally, there were no changes in the valuation techniques. Fair values of private mutual funds classified in Level 3, except for Najm, are determined based on the investees' latest reported net assets values as at the date of statement of financial position taking into account the fair value of underlying investments by the fund.

Specific valuation techniques used by management's independent experts to value Najm investments (level 3), are as follows:

- **Discounted cashflows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis results into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the company in addition to its net debt position. In order to arrive to an equity value of a company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabahas and other investments, are subtracted from the Enterprise Value; and

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20. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(a) Carrying amounts and fair value (Continued)

- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

A weight of 60% (2024: 60%) and 40% (2024: 40%) are then applied to the fair values determined under both methods, to arrive at the equity valuation of Najm and the Company then accounts for its share in equity of Najm i.e. 3.45%.

Cash and cash equivalents, deposits, statutory deposit, accrued income on statutory deposits and the financial liabilities except employee benefit obligations are measured at amortized cost.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the period. Furthermore, there were no transfers into and out of level 3 measurements.

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

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at the beginning of the period / year	70,040,821	55,419,587
Purchases	-	5,000,000
Disposals	(219,200)	(7,773,545)
Unrealised gain (loss) on fair value through FVTPL	12,089	(244,821)
Unrealised gain on fair value through FVOCI	2,503,522	17,639,600
Balance at the end of the period / year	72,337,232	70,040,821

21. COMMITMENTS AND CONTINGENCIES

(a) Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business relating to policyholders' insurance claims. 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 material impact on the Company's results or financial position.

22. CAPITAL RISK MANAGEMENT

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximise 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.

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22. CAPITAL RISK MANAGEMENT (Continued)

As per Article 66 of the Regulations, the Company shall maintain a solvency margin equivalent to the highest of the following three methods:

- Minimum capital requirement of ﷻ 100 million;
- Premium solvency margin; or
- Claims solvency margin.

As of June 30, 2025, the Company is in compliance with the minimum solvency margin as required by the Implementing Regulations of the Cooperative Insurance Companies Control Law.

23. GROSS WRITTEN PREMIUM

Details relating to gross written premium within insurance revenue are disclosed below to comply with the requirements of Insurance Authority and are not calculated as per the requirements of IFRS 17.

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

Breakdown of GWP	June 30, 2025			
	Medical	Motor	Property & casualty	Total
Retail	2,797,805	9,006,967	319,839	12,124,611
Very small	8,561,045	2,768,726	1,063,545	12,393,316
Small	6,113,024	2,269,950	2,356,169	10,739,143
Medium	6,002,467	2,559,419	9,578,798	18,140,684
Corporate	7,580,872	42,682,453	200,976	50,464,301
Total	31,055,213	59,287,515	13,519,327	103,862,055

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

Breakdown of GWP	June 30, 2024			
	Medical	Motor	Property & casualty	Total
Retail	3,605,995	39,424,186	1,187,157	44,217,338
Very small	2,656,388	854,661	210,773	3,721,822
Small	8,755,455	4,237,676	1,313,473	14,306,604
Medium	8,942,474	2,336,988	1,725,528	13,004,990
Corporate	17,883,628	45,906,185	7,628,775	71,418,588
Total	41,843,940	92,759,696	12,065,706	146,669,342

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

Breakdown of GWP	June 30, 2025			
	Medical	Motor	Property & casualty	Total
Retail	11,246,988	40,761,218	652,620	52,660,826
Very small	19,734,246	9,298,189	2,495,024	31,527,459
Small	12,535,566	6,970,924	3,950,022	23,456,512
Medium	15,074,873	9,904,706	12,629,468	37,609,047
Corporate	49,309,796	56,837,086	408,903	106,555,785
Total	107,901,469	123,772,123	20,136,037	251,809,629

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23. GROSS WRITTEN PREMIUM (Continued)

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

	June 30, 2024			
Breakdown of GWP	Medical	Motor	Property & casualty	Total
Retail	9,159,499	60,925,578	3,182,711	73,267,788
Very small	7,207,088	1,703,750	661,536	9,572,374
Small	20,650,892	11,711,613	3,073,624	35,436,129
Medium	16,511,450	9,668,911	6,589,123	32,769,484
Corporate	35,736,710	56,465,516	12,292,155	104,494,381
Total	89,265,639	140,475,368	25,799,149	255,540,156

24. NET WRITTEN PREMIUM

Details relating to net written premium within insurance revenue are disclosed below to comply with the requirements of Insurance Authority and are not calculated as per the requirements of IFRS 17.

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

Item	Medical	Motor	Property & casualty	Total
Gross written premium	31,055,214	59,287,515	13,519,326	103,862,055
Reinsurance premium ceded – globally (including excess of loss)	(3,282,440)	(202,267)	(6,132,381)	(9,617,088)
Reinsurance premium ceded – locally (including excess of loss)	(1,196,321)	(304,507)	(1,986,023)	(3,486,851)
Net written premium - total	26,576,453	58,780,741	5,400,922	90,758,116

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

Item	Medical	Motor	Property & casualty	Total
Gross written premium	41,843,940	92,759,696	12,065,706	146,669,342
Reinsurance premium ceded – globally (including excess of loss)	(3,062,539)	(1,731,736)	(7,921,361)	(12,715,636)
Reinsurance premium ceded – locally (including excess of loss)	(635,552)	(979,432)	(1,039,662)	(2,654,646)
Net written premium - total	38,145,849	90,048,528	3,104,683	131,299,060

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

Item	Medical	Motor	Property & casualty	Total
Gross written premium	107,901,469	123,772,123	20,136,037	251,809,629
Reinsurance premium ceded – globally (including excess of loss)	(6,185,339)	(994,235)	(9,220,339)	(16,399,913)
Reinsurance premium ceded – locally (including excess of loss)	(2,255,503)	(1,318,471)	(2,903,288)	(6,477,262)
Net written premium - total	99,460,627	121,459,417	8,012,410	228,932,454

AL SAGR COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2025
(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

24. NET WRITTEN PREMIUM (Continued)

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

Item	Medical	Motor	Property & casualty	Total
Gross written premium	89,265,639	140,475,368	25,799,149	255,540,156
Reinsurance premium ceded – globally (including excess of loss)	(4,861,324)	(3,067,730)	(13,770,365)	(21,699,419)
Reinsurance premium ceded – locally (including excess of loss)	(1,613,998)	(2,363,000)	(1,979,301)	(5,956,299)
Net written premium - total	82,790,317	135,044,638	10,049,483	227,884,438

25. 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 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 interim condensed statements of income and other comprehensive income and interim 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. Refer note 4 for such analysis.

26. SUBSEQUENT EVENTS

No events have arisen subsequent to June 30, 2025, and before the date of approval of this interim condensed financial information, that could have a significant effect on the interim condensed financial information as at and for the period ended June 30, 2025.

27. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION

This interim condensed financial information has been approved by the Board of Directors on Safar 9, 1447H, corresponding to August 3, 2025.