

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

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

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**

INDEX	PAGE
Report on review of interim condensed financial information	2
Interim condensed statement of financial position	3
Interim condensed statement of income	4
Interim condensed statement of comprehensive income	5
Interim condensed statement of changes in equity	6
Interim condensed statement of cash flows	7 – 8
Notes to the interim condensed financial information	9 – 36



P.O Box 16415
Jeddah 21464
Kingdom of Saudi Arabia



P.O Box 8335
Riyadh 12333
Kingdom of Saudi Arabia

Report on review of interim condensed financial information

To the shareholders of Salama Cooperative Insurance Company (A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Salama Cooperative Insurance Company (the "Company") as of 30 June 2025 and the related interim condensed statements of income and comprehensive income for the three-month and six-month periods then ended, and 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 Engagement 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 that are 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.

For PricewaterhouseCoopers

Mufaddal A. Ali
Certified Public Accountant
License No. 447



For RSM Allied Accountants Professional Services

Meshal Abdullah Al Khaldi
Certified Public Accountant
License No. 601



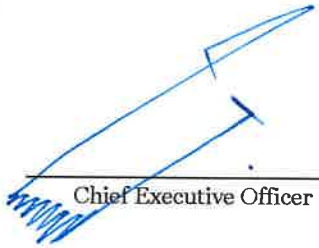
Jeddah: 7 August 2025
13 Safar 1447 AH

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

		30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS	Note		
Cash and cash equivalents	5	211,313	232,803
Term deposits	6	152,873	60,797
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	7	16,252	51,489
Financial assets at fair value through other comprehensive income ("FVOCI")	7	63,632	61,124
Financial assets at amortised cost	7	81,092	90,968
Prepaid expenses and other assets		15,548	20,426
Reinsurance contract assets	8	158,334	164,133
Right-of-use assets		14,292	16,103
Property and equipment		5,480	6,334
Intangible assets		3,833	2,592
Statutory deposit	9	45,000	37,500
Accrued commission income on statutory deposit	9	736	1,237
TOTAL ASSETS		768,385	745,506
LIABILITIES			
Insurance contract liabilities	8	401,382	410,741
Accrued expenses and other liabilities		16,634	22,530
Lease liabilities		14,884	18,476
Employee benefit obligations		8,044	7,829
Provision for zakat	10	13,057	30,367
Accrued commission income payable to Insurance Authority	9	736	1,237
TOTAL LIABILITIES		454,737	491,180
EQUITY			
Share capital	11	300,000	200,000
Accumulated losses		(48,790)	(5,604)
Fair value reserve for investments		61,709	59,201
Remeasurement reserve of employee benefit obligations		729	729
NET EQUITY		313,648	254,326
TOTAL LIABILITIES AND EQUITY		768,385	745,506



Chief Financial Officer



Chief Executive Officer



Chairman


The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

		Three-month period ended 30 June 2025 (Unaudited)	Three-month period ended 30 June 2024 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited)	Six-month period ended 30 June 2024 (Unaudited)
	Note				
Insurance revenue	13	140,731	176,843	272,614	365,328
Insurance service expenses	13	(125,112)	(157,245)	(290,364)	(322,068)
Net expenses from reinsurance contracts	13	(18,028)	(8,732)	(20,310)	(20,646)
Insurance service result from Company's directly written business		(2,409)	10,866	(38,060)	22,614
Share of surplus from insurance pools	14	1,251	1,638	2,238	1,791
Total insurance service result		(1,158)	12,504	(35,822)	24,405
Commission income from financial assets not measured at FVTPL		7,020	7,044	13,568	14,778
Net gains / (losses) on financial assets measured at FVTPL		-	342	316	(243)
Net impairment (losses) / reversal on financial assets		(10)	45	67	33
Net investment income		7,010	7,431	13,951	14,568
Net finance costs from insurance contracts issued		(2,106)	(730)	(5,187)	(2,366)
Net finance income from reinsurance contracts held		1,372	61	3,171	387
Net insurance finance costs		(734)	(669)	(2,016)	(1,979)
Net insurance and investment result		5,118	19,266	(23,887)	36,994
Other operating expenses		(8,329)	(6,836)	(14,962)	(13,513)
(Loss) / profit for the period attributable to the shareholders before zakat		(3,211)	12,430	(38,849)	23,481
Zakat expense	10	(500)	(1,000)	(283)	(2,000)
Net (loss) / profit for the period attributable to the shareholders		(3,711)	11,430	(39,132)	21,481
Basic and diluted (loss) / earnings per share – restated (expressed in Saudi Riyals per share)	11	(0.12)	0.47	(1.30)	0.87


Chief Financial Officer


Chief Executive Officer


Chairman

The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

	Three-month period ended 30 June 2025 (Unaudited)	Three-month period ended 30 June 2024 (Unaudited)	Six-month period ended 30 June 2025 (Unaudited)	Six-month period ended 30 June 2024 (Unaudited)
Net (loss) / profit for the period attributable to the shareholders	(3,711)	11,430	(39,132)	21,481
Items that will not be reclassified to the interim condensed statement of income in subsequent periods				
Net changes in fair value of investment measured at FVOCI – equity instruments	-	-	2,508	-
Total other comprehensive income	-	-	2,508	-
Total comprehensive (loss) / income for the period attributable to the shareholders	(3,711)	11,430	(36,624)	21,481



Chief Financial Officer



Chief Executive Officer

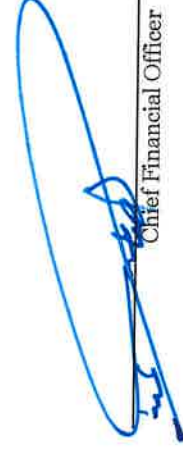


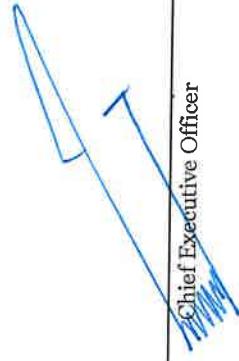
Chairman

The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**
(All amounts in Saudi Riyals '000 unless otherwise stated)

	Note	Share capital	Accumulated losses	Fair value reserve for investments	Remeasurement reserve of employees benefit obligations	Net equity
Balance as at 31 December 2024 (Audited)		200,000	(5,604)	59,201	729	254,326
Total comprehensive loss for the period:						
Net loss for the period attributable to the shareholders		-	(39,132)	-	-	(39,132)
Other comprehensive income	7	-	-	2,508	-	2,508
Total comprehensive (loss) / income for the period attributable to the shareholders		-	(39,132)	2,508	-	(36,624)
Transaction with owners of the Company:						
Increase in share capital	11	100,000	-	-	-	100,000
Transaction costs	11	-	(4,054)	-	-	(4,054)
Balance as at 30 June 2025 (Unaudited)		300,000	(48,790)	61,709	729	313,648
Balance as at 31 December 2023 (Audited)		200,000	(35,727)	41,540	(834)	204,979
Total comprehensive income for the period:						
Net profit for the period attributable to the shareholders		-	21,481	-	-	21,481
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period attributable to the shareholders		-	21,481	-	-	21,481
Balance as at 30 June 2024 (Unaudited)		200,000	(14,246)	41,540	(834)	226,460


Chief Financial Officer


Chief Executive Officer


Chairman

The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

		Six-month period ended 30 June 2025 (Unaudited)	Six-month period ended 30 June 2024 (Unaudited)
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period attributable to the shareholders before zakat		(38,849)	23,481
Adjustments for non-cash items:			
Depreciation of property and equipment		923	767
Amortisation of intangible assets		303	184
Depreciation of right-of-use assets		2,175	2,398
Finance costs on lease liabilities		330	471
Unrealised (gains) / losses on financial assets measured at FVTPL		(252)	273
Realised gain on investments measured at FVTPL		(64)	(30)
Commission income from investment measured at amortised cost		(1,176)	(983)
Net impairment reversal on financial assets		(67)	(33)
Provision for employee benefit obligations		989	272
		(35,688)	26,800
Changes in operating assets and liabilities:			
Prepaid expenses and other assets		4,878	10,495
Reinsurance contract assets		5,799	6,786
Insurance contract liabilities		(9,359)	(132,149)
Reinsurance contract liabilities		-	(3,185)
Accrued expenses and other liabilities		(5,896)	(1,437)
Cash used in operations		(40,266)	(92,690)
Zakat paid	10	(17,593)	(1,572)
Employee benefit obligations paid		(774)	(663)
Net cash used in operating activities		(58,633)	(94,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Term deposits		(92,009)	(28,515)
Placements in statutory deposit		(7,500)	-
Payments for purchases of financial assets at amortised cost		-	(10,000)
Proceeds from sale of financial assets at FVTPL	7	35,553	1,130
Proceeds from maturity of financial assets held at amortised cost		10,014	-
Commission income received from financial assets at amortised cost		1,038	700
Payments for purchase of property and equipment		(69)	(1,713)
Payments for purchase of intangible assets		(1,544)	(807)
Net cash used in investing activities		(54,517)	(39,205)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital	11	100,000	-
Transaction costs on the issue of rights shares	11	(4,054)	-
Principal elements of lease payments		(3,956)	(3,790)
Finance costs paid on lease liabilities		(330)	(471)
Net cash generated from / (used in) financing activities		91,660	(4,261)
Net decrease in cash and cash equivalents		(21,490)	(138,391)
Cash and cash equivalents at the beginning of the period		232,803	415,085
Cash and cash equivalents at the end of the period		211,313	276,694

Chief Financial Officer

Chief Executive Officer

Chairman

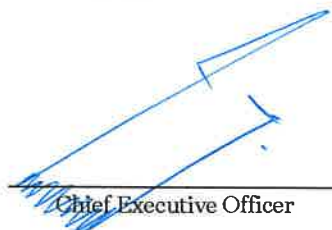
The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
INTERIM CONDENSED STATEMENT OF CASH FLOWS (continued)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

		Six-month period ended 30 June 2025 (Unaudited)	Six-month period ended 30 June 2024 (Unaudited)
Supplemental schedule of non-cash information	Note		
Net changes in fair value of investment measured a FVOCI	7	2,508	-
Additions to right-of-use assets and lease liabilities		364	1,107



Chief Financial Officer



Chief Executive Officer



Chairman

The accompanying notes 1 to 24 form an integral part of this interim condensed financial information.

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**
(All amounts in Saudi Riyals '000 unless otherwise stated)

1. General

(a) Legal status and principal activities

Salama Cooperative Insurance Company ("the Company") is a Saudi Joint Stock Company incorporated in the Kingdom of Saudi Arabia as per the Ministry of Commerce and Industry's Resolution number 1121K dated 29 Rabi Al-Thani 1428H (corresponding to 16 May 2007). The Company is registered in Jeddah under Commercial Registration No. 4030169661 dated 6 Jamad Al-Awwal 1428H (corresponding to 23 May 2007).

The registered office address of the Company is:

Salama Tower;
Al Madinah Road
P.O. Box 4020;
Jeddah 21491;
Kingdom of Saudi Arabia.

The objective of the Company is to transact cooperative insurance operations and related activities in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia and its implementing regulations. From 23 November 2023, the Insurance Authority (IA) became the authorised regulator of the insurance industry in Saudi Arabia, however, laws and regulations issued previously by SAMA related to the insurance sector will remain in effect until further instructions are issued by the IA. The Company was listed on the Saudi Stock Exchange on 23 May 2007. The Company started its operations on 1 January 2008. The Company is fully owned by the general public.

(b) Rights issue

During 2024, the Board of Directors, in its meeting held on 18 March 2024, recommended to increase the share capital by offering rights issue amounting to Saudi Riyals 100 million, for which approvals from the Insurance Authority, were obtained on 2 June 2024. The Company received approvals from the Capital Market Authority on 25 September 2024 and further, the Company's shareholders, in an extraordinary general assembly meeting ("EOGM") held on 11 December 2024, approved the proposed increase in the share capital through a rights issue. The subscription period for the rights issue ended on 29 December 2024. The legal and regulatory formalities relating to issuance of new shares were completed during the period ended 30 June 2025.

(c) Merger agreement

On 26 Sha'abn 1446H (corresponding to 25 February 2025), the Company signed a non-binding Memorandum of Understanding (MoU) with Saudi Enaya Cooperative Insurance Company ("Enaya"), to evaluate a potential merger between Enaya and the Company. In the event that a binding merger agreement is signed with Enaya, the transaction would be executed through a share exchange offer with Salama as the merging company and Enaya as the merged company. This will involve increasing Salama's capital and issuing new shares to the shareholders of Enaya based on a swap ratio to be agreed between the parties. Both companies have agreed to negotiate definitive agreements that will outline the commercial terms, including the final transaction structure and swap ratio. The completion of the merger will be subject to obtaining the necessary approvals from the regulatory authorities and the shareholders of both Enaya and the Company. In connection with this proposed merger, Salama has appointed a financial advisor to support the Company in evaluating the transaction and related processes. The Company has received the non-objection of the General Authority for Competition on the completion of the economic concentration resulting from the potential merger.

(d) Business performance

During the six-month period ended 30 June 2025, the Company reported a net loss of Saudi Riyals 39.1 million, primarily attributable to losses recognised in the motor line of business. The insurance service result for the motor line declined significantly, shifting from a profit of Saudi Riyals 17.6 million in the comparative period ended 30 June 2024 to a loss of Saudi Riyals 32.1 million in the current period. This decline was principally driven by recognition of losses on onerous contracts (see Note 13), and intensified competition in the motor insurance market, which exerted pressure on pricing and underwriting margins. Management has formulated and implemented corrective measures since the year ended 31 December 2024, including enhanced pricing strategies and portfolio optimisation efforts aimed at restoring profitability in this line of business.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

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 Organization for Chartered and Professional Accountants ("SOCPA").

As required by the Saudi Arabian Insurance Regulations (herein referred to as "Insurance Regulations"), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Insurance Regulations require a clear segregation of assets, liabilities, income and expenses of the insurance and shareholders operations. Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts.

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

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

(b) Basis of measurement

The interim condensed financial information is prepared under the going concern basis and the historical cost convention, except for the measurement of investments at their fair value through profit or loss and fair value through other comprehensive income and defined benefits obligations, which are recognised at the present value of future obligation using projected unit credit method.

(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 as of and for the year ended 31 December 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, term deposits, financial assets at FVTPL, prepaid expenses and other assets, accrued commission income on statutory deposit, accrued expenses and other liabilities, provision for zakat and accrued commission income payable. The following balances would generally be classified as non-current: financial assets at fair value through other comprehensive income, financial assets at amortised cost, right-of-use assets, property and equipment, intangible assets and statutory deposit. The balances which are of mixed in nature i.e. include both current and non-current portions include insurance contract liabilities, reinsurance contract assets / liabilities, lease liabilities and employee benefit obligations.

(d) Functional and presentation currency

This interim condensed financial information is expressed in Saudi Arabian Riyals ("Saudi Riyals") which is the functional and presentation currency of the Company. All financial information presented in Saudi Riyals has been rounded to the nearest thousands, except where otherwise indicated.

(e) Seasonality of operations

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

(f) Changes in products and services

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

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)**

3. Material accounting policies

The material accounting policies 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 31 December 2024, except as explained below.

3.1 New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company

Certain amendments to existing standards became applicable for the current reporting period i.e. for reporting periods beginning on or after 1 January 2025. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amendments which are described below:

Interpretation	Description	Effective date
Amendments to IAS 21 'Foreign currencies' ("IAS 21") - Lack of Exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	Annual periods beginning on or after 1 January 2025

3.2 New standards, amendments and interpretations not yet applied by the Company

Certain new standards and interpretations issued but not yet effective up to the date of issuance of the Company's interim condensed financial information are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. Management is in the process of assessing the impact of such new standards and interpretations on its interim condensed financial information. The Company intends to adopt these interpretations when they are effective.

Title	Description	Effective date
Amendment to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments	These amendments: - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI)	Annual periods beginning on or after 1 January 2026.
Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity	These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.	Annual periods beginning on or after 1 January 2026.
IFRS 18 — Presentation and disclosure in financial statements	The new standard on presentation and disclosure in financial statements, require more focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: - the structure of the statement of profit or loss; - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Annual periods beginning on or after 1 January 2027.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

3. Material accounting policies (continued)

3.2 New standards, amendments and interpretations not yet applied by the Company (continued)

Title	Description	Effective date
IFRS 19 Subsidiaries without public accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if: - it does not have public accountability; - it has ultimate or intermediate parent that produces consolidated financial statement available for public use that comply IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027.

4. 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. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

5. Cash and cash equivalents

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Bank balances	108,986	142,695
Deposits with original maturity of less than 3 months	102,410	90,257
Cash in hand	-	1
Expected credit loss allowance	(83)	(150)
	211,313	232,803

Cash at banks is placed with counterparties with sound credit ratings. As at 30 June 2025, deposits were placed with local banks with original maturity of less than three months from the date of placement and earned commission income ranges from 5.2% to 6.5%.

6. Term deposits

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Term deposits	147,500	60,000
Accrued commission income	5,472	896
Expected credit loss allowance	(99)	(99)
Balance at end of the period / year	152,873	60,797

Term deposits with original maturity exceeding 3 months are placed with commercial banks registered in Saudi Arabia and yield income at rates of 6.3% to 7.2% (31 December 2024: rate of 6.3%).

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

7. Investments

(a) *Investments are classified as follows:*

		30 June 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
Financial assets at fair value through profit or loss	7.1	16,252	51,489
Financial assets at fair value through other comprehensive income	7.2	63,632	61,124
Financial assets at amortised cost	7.3	81,092	90,968
		160,976	203,581

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

Movement in investment in discretionary portfolio is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	51,489	45,087
Additions during the period / year	-	10,090
Disposal during the period / year	(35,553)	(3,205)
Changes in fair value of investments	316	(483)
Balance at end of the period / year	16,252	51,489

FVTPL includes investments managed by a fund manager under the discretionary portfolio of investments where all such investments are carried at fair value as provided by the fund managers. The fund managers keep such investments in various equity and real estate funds.

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

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	61,124	43,463
Changes in fair value of investments	2,508	17,661
Balance at end of the period / year	63,632	61,124

This represents the Company's 3.45% (31 December 2024: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value. Refer to Note 16 for details relating to fair valuation techniques and a sensitivity analysis in relation to the significant assumptions.

7.3 Financial assets at amortised cost

		30 June 2025 (Unaudited)	31 December 2024 (Audited)
	Note		
Saudi Government Sukuk	7.3.1	80,239	79,991
SNB Capital Company Sukuk		-	10,000
Commission accrued		860	984
Gross amount – total		81,099	90,975
Expected credit loss allowance		(7)	(7)
Net amount – total		81,092	90,968

7.3.1 These represent 825,500 Sukuks at a face value of Saudi Riyals 100 per Sukuk with coupon rates ranging from 2.7% to 4.6% per annum. These Sukuks have maturity dates ranging from 24 October 2025 to 17 August 2032.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Insurance and reinsurance contracts

8.1 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:

	Medical	Motor- Compreh ensive	Motor- TPL	Accident & Liability	Engineering	Property	Marine	Total
30 June 2025 (Unaudited)								
Insurance contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	(30,204)	(47,861)	(165,712)	(17,339)	(11,615)	(109,712)	(18,939)	(401,382)
	(30,204)	(47,861)	(165,712)	(17,339)	(11,615)	(109,712)	(18,939)	(401,382)
Reinsurance contracts								
Reinsurance contract assets	927	2,909	16,235	5,016	8,895	105,087	19,265	158,334
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
	927	2,909	16,235	5,016	8,895	105,087	19,265	158,334
	Medical	Motor- Compreh ensive	Motor- TPL	Accident & Liability	Engineering	Property	Marine	Total
As at 31 December 2024 (Audited)								
Insurance contracts								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	(33,763)	(47,862)	(162,874)	(21,293)	(14,524)	(106,549)	(23,876)	(410,741)
	(33,763)	(47,862)	(162,874)	(21,293)	(14,524)	(106,549)	(23,876)	(410,741)
Reinsurance contracts								
Reinsurance contract assets	278	4,542	18,329	6,123	10,819	102,601	21,441	164,133
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
	278	4,542	18,329	6,123	10,819	102,601	21,441	164,133

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Insurance and reinsurance contracts (continued)

8.2 Analysis by remaining coverage and incurred claims

8.2.1 Insurance contracts

	As at 30 June 2025 (Unaudited)				
	Liability for remaining coverage	Liability for incurred claims			Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	172,383	6,499	222,600	9,259	410,741
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	172,383	6,499	222,600	9,259	410,741
Insurance revenue	(272,614)	-	-	-	(272,614)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses*	-	-	255,690	1,506	257,196
Losses on onerous contracts	-	4,222	-	-	4,222
Changes that relate to past service	-	-	(16,523)	(1,561)	(18,084)
Insurance acquisition cashflows amortisation	47,030	-	-	-	47,030
Insurance service expenses	47,030	4,222	239,167	(55)	290,364
Finance cost from insurance contracts	-	-	4,942	245	5,187
Total changes in the statement of income	(225,584)	4,222	244,109	190	22,937
Transfer from LRC to LIC	907	-	(907)	-	-
Cashflows					
Premiums received	252,904	-	-	-	252,904
Claims and other incurred insurance service expenses	-	-	(241,250)	-	(241,250)
Insurance acquisition cashflows paid	(43,950)	-	-	-	(43,950)
Total cash inflows / (outflows)	208,954	-	(241,250)	-	(32,296)
Insurance contracts					
Insurance contract liabilities – closing	156,660	10,721	224,552	9,449	401,382
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	156,660	10,721	224,552	9,449	401,382

*This includes surplus distribution of Nil for the period ended 30 June 2025 (31 December 2024: Saudi Riyals 2.7 million).

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Insurance and reinsurance contracts (continued)

8.2 Analysis by remaining coverage and incurred claims (continued)

8.2.1 Insurance contracts (continued)

	As at 31 December 2024 (Audited)				
	Liability for remaining coverage	Liability for incurred claims			Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
Insurance contracts					
Insurance contract liabilities – opening	326,629	2,913	174,311	4,263	508,116
Insurance contract assets – opening	-	-	-	-	-
Opening balance – net	326,629	2,913	174,311	4,263	508,116
Insurance revenue	(678,479)	-	-	-	(678,479)
Insurance service expenses					
Incurred claims and other incurred insurance service expenses	-	-	623,372	5,967	629,339
Losses on onerous contracts	-	3,586	-	-	3,586
Changes that relate to past service	-	-	(39,649)	(1,235)	(40,884)
Insurance acquisition cashflows amortisation	105,985	-	-	-	105,985
Insurance service expenses	105,985	3,586	583,723	4,732	698,026
Finance cost from insurance contracts	-	-	3,309	264	3,573
Total changes in the statement of income	(572,494)	3,586	587,032	4,996	23,120
Transfer from LRC to LIC	(3,215)	-	3,215	-	-
Cashflows					
Premiums received	520,685	-	-	-	520,685
Claims and other incurred insurance service expenses	-	-	(541,958)	-	(541,958)
Insurance acquisition cashflows paid	(99,222)	-	-	-	(99,222)
Total cash inflows / (outflows)	421,463	-	(541,958)	-	(120,495)
Insurance contracts					
Insurance contract liabilities – closing	172,383	6,499	222,600	9,259	410,741
Insurance contract assets – closing	-	-	-	-	-
Closing balance – net	172,383	6,499	222,600	9,259	410,741

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Insurance and reinsurance contracts (continued)

8.2 Analysis by remaining coverage and incurred claims (continued)

8.2.2 Reinsurance contracts held

	As at 30 June 2025 (Unaudited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	(16,369)	(558)	(141,369)	(5,837)	(164,133)
Reinsurance contract liabilities – opening	-	-	-	-	-
Opening balance – net	(16,369)	(558)	(141,369)	(5,837)	(164,133)
Allocation of reinsurance premium	32,764	-	-	-	32,764
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(32,752)	(358)	(33,110)
Loss-recovery on onerous underlying contracts	-	473	-	-	473
Changes that relate to past service	-	-	19,939	244	20,183
Amounts recoverable from reinsurers – net	-	473	(12,813)	(114)	(12,454)
Finance income from reinsurance contracts	-	-	(3,016)	(155)	(3,171)
Total changes in the statement of income	32,764	473	(15,829)	(269)	17,139
Cashflows					
Premiums ceded and acquisition cashflows paid	(30,606)	-	-	-	(30,606)
Fixed commission received	5,790	-	-	-	5,790
Recoveries from reinsurance	-	-	13,476	-	13,476
Total cash (outflows) / inflows	(24,816)	-	13,476	-	(11,340)
Reinsurance contracts					
Reinsurance contract assets – closing	(8,421)	(85)	(143,722)	(6,106)	(158,334)
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	(8,421)	(85)	(143,722)	(6,106)	(158,334)

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

8. Insurance and reinsurance contracts (continued)

8.2 Analysis by remaining coverage and incurred claims (continued)

8.2.2 Reinsurance contracts held (continued)

	As at 31 December 2024 (Audited)				
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding Loss recovery component	Loss recovery component	Estimates of present value of FCF	Risk adjustment for non-financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	(29,380)	(202)	(31,813)	(936)	(62,331)
Reinsurance contract liabilities – opening	3,940	-	(755)	-	3,185
Opening balance – net	(25,440)	(202)	(32,568)	(936)	(59,146)
Allocation of reinsurance premium	98,317	-	-	-	98,317
Amounts recoverable from reinsurers					
Claims recovered and other directly attributable expenses	-	-	(149,652)	(4,630)	(154,282)
Loss-recovery on onerous underlying contracts	-	(356)	-	-	(356)
Changes that relate to past service	-	-	3,116	(214)	2,902
Amounts recoverable from reinsurers – net	-	(356)	(146,536)	(4,844)	(151,736)
Finance income from reinsurance contracts	-	-	(296)	(57)	(353)
Total changes in the statement of income	98,317	(356)	(146,832)	(4,901)	(53,772)
Transfer from ARC to AIC	2	-	(2)	-	-
Cashflows					
Premiums ceded and acquisition cashflows paid	(103,821)	-	-	-	(103,821)
Fixed commission received	14,573	-	-	-	14,573
Recoveries from reinsurance	-	-	38,033	-	38,033
Total cash (outflows) / inflows	(89,248)	-	38,033	-	(51,215)
Reinsurance contracts					
Reinsurance contract assets – closing	(16,369)	(558)	(141,369)	(5,837)	(164,133)
Reinsurance contract liabilities – closing	-	-	-	-	-
Closing balance – net	(16,369)	(558)	(141,369)	(5,837)	(164,133)

9. Statutory deposit

In accordance with Article 58 of the Insurance Implementing Regulations of Insurance Authority (IA), 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. As a result of an increase in the Company's share capital due to the rights share issue completed during 2025 (see note 11), the Company deposited a further amount of Saudi Riyals 7.5 million during the period ended 30 June 2025. Accrued income on this deposit is payable to IA amounting to Saudi Riyals 0.7 million (31 December 2024: Saudi Riyals 1.2 million) and this deposit cannot be withdrawn without approval from IA.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

10. Zakat

Significant components of zakat base of the Company attributable to the Saudi shareholders, which are subject to adjustment under zakat and income tax regulations, are shareholders' equity at the end of the year, the ending balance of the liabilities classified as non-current and the closing balance of the non-current deductible assets.

(a) Movements in provision during the period / year

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	30,367	33,442
Charge for the period / year	1,500	4,000
Paid during the period / year	(17,593)	(1,572)
Prior period reversals	(1,217)	(5,503)
Balance at the end of the period / year	13,057	30,367

(b) Status of zakat assessments

The Company submitted the Zakat declaration up to the year ended 31 December 2024 and obtained the necessary Zakat certificate up to 30 April 2026.

There is no change in the status of the open assessments of the Company since 31 December 2024 except for the following:

The final assessments for years 2021, 2022 and 2023 have been issued by ZATCA and the related liabilities have been settled in full during the period ended 30 June 2025. The Company had maintained adequate provisions to cover these assessments.

The zakat return for the year 2024 is currently under review by the ZATCA.

11. Share capital and basic and diluted (loss) / earnings per share

During the period ended 30 June 2025, the Company completed its right issue of Saudi Riyals 100 million consisting of 10 million new shares of Saudi Riyals 10 each. Accordingly, the authorised, issued and paid-up capital of the Company was Saudi Riyals 300 million as at 30 June 2025 (31 December 2024: Saudi Riyals 200 million) consisting of 30 million shares (31 December 2024: 20 million shares) of Saudi Riyals 10 each.

The Company incurred transactions costs of Saudi Riyals 4.1 million on the rights issue shares which has been accounted for as a deduction from equity in accordance with the requirements of IFRS as endorsed by SOCPA.

Earnings per share for the three-month and six-month periods ended 30 June 2025 and 2024 has been calculated by dividing the net profit for the respective periods attributable to the shareholders by the weighted average number of ordinary shares at the reporting date. Diluted earnings per share is not applicable to the Company.

The Company's shareholders, in an extraordinary general assembly meeting held on 11 December 2024, approved the Company's proposed increase in the share capital by Saudi Riyals 100 million, by way of a rights issue, after obtaining the required regulatory approvals. The subscription period for the rights issue ended on 29 December 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:

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

11. Share capital and basic and diluted (loss) / earnings per share (continued)

The basic (loss) / earnings per share is calculated as follows:

	Three-month period 30 June 2025 (Unaudited)	Three-month period 30 June 2024 (Unaudited) Restated	Six-month period 30 June 2025 (Unaudited)	Six-month period 30 June 2024 (Unaudited) Restated
Issued ordinary shares	30,000	20,000	30,000	20,000
Right issue adjustment	-	4,567	-	4,567
Weighted average number of ordinary shares	30,000	24,567	30,000	24,567

The basic and diluted (loss) / earnings per share is calculated as follows:

	Three-month period 30 June 2025 (Unaudited)	Three-month period 30 June 2024 (Unaudited) Restated	Six-month period 30 June 2025 (Unaudited)	Six-month period 30 June 2024 (Unaudited) Restated
Net (loss) / profit for the period attributable to the shareholders	(3,711)	11,430	(39,132)	21,481
Weighted average number of ordinary shares	30,000	24,567	30,000	24,576
Basic and diluted (loss) / earnings per share	(0.12)	0.47	(1.30)	0.87

The weighted average number of ordinary shares for the prior period is computed using an adjustment factor of 1.21 which is a ratio of the theoretical ex-rights of Saudi Riyals 17.4 and closing price per share of Saudi Riyals 21.10 on 11 December 2024, the last day on which the shares were traded together with the rights.

12. Commitments and contingencies

- (a) The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings. The Company, based on in-house legal advice, does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.
- (b) The Company's bankers have given guarantees to non-government customers amounting to Saudi Riyals 2.2 million (31 December 2024: Saudi Riyals 2.2 million) in respect of motor insurance.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

13. Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net income / (expenses) from reinsurance contracts held by portfolio of contracts for the three-month and six-month periods ended 30 June 2025 and 30 June 2024 is included in following tables respectively. Additional information on amounts recognised in interim condensed statement of income is included in the insurance and reinsurance contract balances reconciliation.

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

	Medical	Motor-Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
Insurance revenue from contracts measured under PAA	26,202	16,701	82,775	5,053	2,723	4,504	2,773	140,731
Insurance revenue – total	26,202	16,701	82,775	5,053	2,723	4,504	2,773	140,731
Incurred claims and other incurred insurance service expenses*	(20,613)	(16,410)	(82,146)	(2,508)	(964)	2,887	(1,455)	(121,209)
Reversal of losses on onerous contracts	59	1,244	1,767	-	-	-	-	3,070
Changes that relate to past service	687	3,376	4,571	(98)	483	2,758	994	12,771
Insurance acquisition cash flows amortisation	(5,147)	(4,088)	(7,763)	(1,167)	(490)	(755)	(334)	(19,744)
Insurance service expenses – total	(25,014)	(15,878)	(83,571)	(3,773)	(971)	4,890	(795)	(125,112)
Allocation of reinsurance premium paid – contracts measured under the PAA	(2,791)	(503)	(1,445)	(2,794)	(2,043)	(3,285)	(1,834)	(14,695)
Amounts recoverable from reinsurers								
Claims recovered and other directly attributable expenses	1,840	153	641	10	332	(3,738)	884	122
Loss-recovery on onerous underlying contracts	-	(69)	-	-	-	-	-	(69)
Changes to amounts recoverable for incurred claims	1,498	(479)	(719)	9	(355)	(2,606)	(734)	(3,386)
Amounts recoverable from reinsurers – net	3,338	(395)	(78)	19	(23)	(6,344)	150	(3,333)
Net income / (expenses) from reinsurance contracts – total	547	(898)	(1,523)	(2,775)	(2,066)	(9,629)	(1,684)	(18,028)
Insurance service result from Company's directly written business	1,735	(75)	(2,319)	(1,495)	(314)	(235)	294	(2,409)
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,251
Total insurance service result	1,735	(75)	(2,319)	(1,495)	(314)	(235)	294	(1,158)

* This includes surplus distribution of Nil for the three-month period ended 30 June 2025.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

13. Insurance revenue and expenses (continued)

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

	Medical	Motor- Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
Insurance revenue from contracts measured under PAA	50,259	31,743	156,587	11,883	6,256	10,762	5,124	272,614
Insurance revenue – total	50,259	31,743	156,587	11,883	6,256	10,762	5,124	272,614
Incurred claims and other incurred insurance service expenses*	(43,385)	(33,159)	(160,847)	(4,782)	(1,747)	(10,613)	(2,663)	(257,196)
Losses on onerous contracts	(1,227)	(332)	(2,663)	-	-	-	-	(4,222)
Changes that relate to past service	5,446	6,236	114	417	724	3,290	1,857	18,084
Insurance acquisition cash flows amortisation	(13,229)	(8,966)	(17,442)	(2,951)	(1,331)	(2,210)	(901)	(47,030)
Insurance service expenses – total	(52,395)	(36,221)	(180,838)	(7,316)	(2,354)	(9,533)	(1,707)	(290,364)
Allocation of reinsurance premium paid – contracts measured under the PAA	(6,669)	(1,326)	(4,463)	(5,089)	(4,235)	(7,710)	(3,272)	(32,764)
Amounts recoverable from reinsurers								
Claims recovered and other directly attributable expenses	1,831	3,055	17,761	385	1,011	7,536	1,531	33,110
Loss-recovery on onerous underlying contracts	-	(382)	(91)	-	-	-	-	(473)
Changes to amounts recoverable for incurred claims	4,268	(3,129)	(14,774)	(550)	(799)	(3,596)	(1,603)	(20,183)
Amounts recoverable from reinsurers – net	6,099	(456)	2,896	(165)	212	3,940	(72)	12,454
Net expenses from reinsurance contracts – total	(570)	(1,782)	(1,567)	(5,254)	(4,023)	(3,770)	(3,344)	(20,310)
Insurance service result from Company's directly written business	(2,706)	(6,260)	(25,818)	(687)	(121)	(2,541)	73	(38,060)
Share of surplus from insurance pools	-	-	-	-	-	-	-	2,238
Total insurance service result	(2,706)	(6,260)	(25,818)	(687)	(121)	(2,541)	73	(35,822)

* This includes surplus distribution of Nil for the six-month period ended 30 June 2025.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

13. Insurance revenue and expenses (continued)

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

	Medical	Motor- Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
Insurance revenue from contracts measured under PAA	30,101	12,988	119,527	5,054	2,527	5,293	1,353	176,843
Insurance revenue – total	30,101	12,988	119,527	5,054	2,527	5,293	1,353	176,843
Incurred claims and other incurred insurance service expenses*	(16,736)	(16,338)	(92,330)	(1,399)	(545)	(5,961)	(320)	(133,629)
(Losses) / reversal of losses on onerous contracts	(202)	(756)	85	-	-	-	-	(873)
Changes that relate to past service	1,324	(275)	4,605	146	56	496	18	6,370
Insurance acquisition cash flows amortisation	(6,771)	(3,987)	(14,484)	(1,301)	(708)	(1,575)	(287)	(29,113)
Insurance service expenses – total	(22,385)	(21,356)	(102,124)	(2,554)	(1,197)	(7,040)	(589)	(157,245)
Allocation of reinsurance premium paid – contracts measured under the PAA	(2,272)	(2,390)	(13,706)	(1,515)	(1,627)	(3,812)	(837)	(26,159)
Amounts recoverable from reinsurers								
Claims recovered and other directly attributable expenses	-	1,145	10,712	51	319	3,990	203	16,420
Loss-recovery on onerous underlying contracts	-	76	(8)	-	-	-	-	68
Changes to amounts recoverable for incurred claims	901	60	399	(2)	28	(389)	(58)	939
Amounts recoverable from reinsurers – net	901	1,281	11,103	49	347	3,601	145	17,427
Net expenses from reinsurance contracts – total	(1,371)	(1,109)	(2,603)	(1,466)	(1,280)	(211)	(692)	(8,732)
Insurance service result from Company's directly written business	6,345	(9,477)	14,800	1,034	50	(1,958)	72	10,866
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,638
Total insurance service result	6,345	(9,477)	14,800	1,034	50	(1,958)	72	12,504

* This includes surplus distribution of Saudi Riyals 1.5 million for the three-month period ended 30 June 2024.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

13. Insurance revenue and expenses (continued)

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

	Medical	Motor-Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
Insurance revenue from contracts measured under PAA	62,797	26,476	251,937	9,009	3,535	8,933	2,641	365,328
Insurance revenue – total	62,797	26,476	251,937	9,009	3,535	8,933	2,641	365,328
Incurred claims and other incurred insurance service expenses*	(42,359)	(35,778)	(210,859)	(3,017)	(1,286)	(7,270)	(518)	(301,087)
Reversal of losses / (losses) on onerous contracts	238	(47)	71	-	-	-	-	262
Changes that relate to past service	2,528	(320)	34,171	317	327	1,235	(486)	37,772
Insurance acquisition cash flows amortisation	(14,255)	(7,810)	(29,892)	(2,698)	(1,258)	(2,484)	(618)	(59,015)
Insurance service expenses – total	(53,848)	(43,955)	(206,509)	(5,398)	(2,217)	(8,519)	(1,622)	(322,068)
Allocation of reinsurance premium paid – contracts measured under the PAA	(5,080)	(4,719)	(28,306)	(2,878)	(2,889)	(6,383)	(1,461)	(51,716)
Amounts recoverable from reinsurers								
Claims recovered and other directly attributable expenses	757	2,818	25,666	146	843	4,725	286	35,241
Loss-recovery on onerous underlying contracts	-	5	(7)	-	-	-	-	(2)
Changes to amounts recoverable for incurred claims	2,662	(494)	(5,349)	(75)	(155)	(846)	88	(4,169)
Amounts recoverable from reinsurers – net	3,419	2,329	20,310	71	688	3,879	374	31,070
Net expenses from reinsurance contracts – total	(1,661)	(2,390)	(7,996)	(2,807)	(2,201)	(2,504)	(1,087)	(20,646)
Insurance service result from Company's directly written business	7,288	(19,869)	37,432	804	(883)	(2,090)	(68)	22,614
Share of surplus from insurance pools	-	-	-	-	-	-	-	1,791
Total insurance service result	7,288	(19,869)	37,432	804	(883)	(2,090)	(68)	24,405

*This includes surplus distribution of Saudi Riyals 2.8 million for the six-month period ended 30 June 2024.

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**
(All amounts in Saudi Riyals '000 unless otherwise stated)

14. Share of surplus from insurance pools

Hajj and Umrah scheme

This represents the Company's share in the surplus for general accident product arising from the Hajj and Umrah 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 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 is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement since 2024 as the aforementioned arrangement has been discontinued.

Inherent Defects Insurance

This represents the Company's share of surplus 1.28% in the Inherent Defects Insurance ("IDI") product. On June 25, 2020, a Joint Venture agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on the SAMA approval authorizing Malath Cooperative Insurance Company ("Malath") 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 exclusively managed the portfolio during the period of validity of the IDI agreement of five years from issue date. The agreement expired during the six-month period ended 30 June 2025. Effective 24 June 2025, Tawuniya Cooperative Insurance Company has been appointed as the new operator for IDI. Following an increase in the number of participants from thirteen to seventeen, the Company's share has now changed to 0.15%.

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 441/187of the Governor of Saudi Central Bank ("SAMA") dated 05/08/1441 AH (corresponding to 29/03/2020).

Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance

The Company along with nineteen other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Al-Etihad Cooperative Insurance Company, effective from 3 November 2024. This compulsory product covers defaults default of entities in paying the rights and entitlements of non-Saudi employees in private sector entities offered by the "Ministry of Human Resources and Social Development" through IA. The agreement is valid for an initial term of five years, starting from 3 November 2024, and renewable for another five years, subject to the terms and conditions of the agreement.

15. Related party transactions and balances

Related parties represent shareholders with significant influence, directors and key management personnel (KMP) of the Company, and entities controlled or jointly controlled by such shareholders and KMP. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The due to balances of related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the major related party transactions during the year and the related balances:

Entities controlled, jointly controlled or significantly influenced by member of board of directors	Nature of transactions	Amount of transactions for the three-month period ended		Amount of transactions for the six-month period ended	
		30 June 2025	30 June 2024	30 June 2025	30 June 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Al Mamoon Insurance Brokers	Commissions incurred	633	26	1,862	52
Najm for Insurance Services	Najm fees	-	7,914	-	16,784

*During the year ended December 31, 2024, Najm for Insurance Services ("Najm") ceased to be a related party of the Company following the resignation of the related director from the Board of Najm.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

15. Related party transactions and balances (continued)

Related party balances

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Payable to the related parties		
Al Mamoon Insurance Brokers	1,104	631

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise directors, top management executives including the Chief Executive Officer and the Chief Financial Officer of the Company. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. Compensation to key management personnel is based on employment terms.

The following table shows the compensation of the key management personnel for the period:

	Three-month period 30 June 2025 (Unaudited)	Three-month period 30 June 2024 (Unaudited) Restated	Six-month period 30 June 2025 (Unaudited)	Six-month period 30 June 2024 (Unaudited) Restated
Salaries and other allowances	1,406	1,400	3,947	2,799
Employee benefit obligations	66	65	254	130
	1,472	1,465	4,201	2,929
Remuneration to those charged with governance – Board of Directors	1,576	1,075	1,612	1,542
Remuneration to those charged with governance – Board Committees	325	321	367	353

16. Fair values of financial instruments

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

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

The fair values of on-balance sheet financial instruments are not significantly different from their carrying amounts included in these financial statements.

(a) Determination of fair value and fair value hierarchy

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

- Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;
- Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and
- Level 3: valuation techniques for which any significant input is not based on observable market data. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the period end.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

16. Fair values of financial instruments (continued)

(b) Carrying amounts and fair value

The following table shows the carrying amount 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 asset 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 interest rates which are based on prevalent market interest rates.

30 June 2025 – (Unaudited)	Level 1	Level 2	Level 3	Total
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	63,632	63,632
Investment measured at fair value through profit or loss (FVTPL)				
Discretionary portfolio	-	-	16,252	16,252
	-	-	79,884	79,884
31 December 2024 – (Audited)	Level 1	Level 2	Level 3	Total
Investment measured at fair value through other comprehensive income (FVOCI)				
Equity	-	-	61,124	61,124
Investment measured at fair value through profit or loss (FVTPL)				
Discretionary portfolio	25,219	-	26,270	51,489
	25,219	-	87,394	112,613

Specific valuation techniques used by management's independent experts to value financial instruments in Level 3 i.e. Najm investments, 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
- **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.

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

16. Fair values of financial instruments (continued)

(b) Carrying amounts and fair value (continued)

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

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

There were no transfers between levels of the fair value hierarchy for the period ended 30 June 2025 and year ended 31 December 2024. Additionally, there were no changes in the valuation techniques. Furthermore, there were no transfers into and out of level 3 measurements.

(c) Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	87,394	64,158
Additions during the period / year	-	10,000
Disposals during the period / year	(10,334)	(3,114)
Fair value gain	2,824	16,350
Balance at the end of the period / year	79,884	87,394

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

16. Fair values of financial instruments (continued)

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

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	30 June 2025	31 December	30 June 2025	31 December	30 June 2025	31 December	
	(Unaudited)	2024 (Audited)	(Unaudited)	2024 (Audited)	(Unaudited)	2024 (Audited)	
Unquoted equity investment in Najm	63,632	61,124	Revenue growth rate	Revenue growth rate	9.0%	9.9%	Reducing the revenue growth rate by 100 basis points, would decrease the fair value by Saudi Riyals 0.6 million. (2024: Saudi Riyals 0.6 million)
			WACC	WACC	16.5%	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by Saudi Riyals 1.8 million. (2024: Saudi Riyals 1.7 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by Saudi Riyals 1.1 million. (2024: Saudi Riyals 1.1 million)
			EV/EBITDA multiple	EV/EBITDA multiple	7	7	Reducing the EV/EBITDA multiple to 6.3, would decrease the fair value by Saudi Riyals 1.8 million (2024: Saudi Riyals 1.4 million).

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

(e) *Valuation process*

The finance department of the Company performs the valuations of level 3 fair values required for financial reporting purposes. This team reports directly to the Chief Financial Officer (CFO), Investment Committee and the Audit Committee. Discussions of valuation processes and results are held between the CFO, AC, Investment Committee and the Finance team regularly. The main level 3 inputs used by the Company are derived and evaluated as follows:

- The discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- The terminal value growth rate is derived from publicly available databases.
- Revenue growth rate is estimated based on Company's own historical results and future projections.
- EV/EBITDA multiple is based on private precedent transactions.

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)**

17. Risk management

Risk governance

The Company's risk governance is manifested in a set of established policies, procedures and controls which uses the existing organisational structure to meet strategic targets. The Company's philosophy revolves on willing and knowledgeable risk acceptance commensurate with the risk appetite and strategic plan approved by the Board of Directors of the Company. The Company is exposed to insurance, reinsurance, regulatory framework, credit, liquidity, foreign currency, commission rate, and market risk.

Risk management structure:

A cohesive organisational structure is established within the Company in order to identify, assess, monitor, and control risks.

Board of directors:

The apex of risk governance is the centralised oversight of Board of Directors providing direction and the necessary approvals of strategies and policies in order to achieve defined corporate goals.

Audit committee and internal audit department:

The internal audit department performs risk assessments with senior management annually. The internal audit department examines both adequacy of procedures and the Company's compliance with the procedures through regular audits. Audit findings and recommendations are reported directly to the Audit Committee.

Senior management:

Senior management is responsible for the day-to-day operations towards achieving the strategic goals within the Company's pre-defined risk appetite.

Risk management committee:

The Board of Directors of the Company has constituted a Risk Management Committee, which oversees the risk management function of the Company and report to Board on a periodic basis. This committee operates under framework established by the Board of Directors.

The primary objective of the Company's risk and financial management framework is to protect the Company from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities.

The risks under all insurance contracts issued, reinsurance contracts held by the Company and the risk management policies are consistent with those as disclosed in the annual financial statements for the year ended 31 December 2024.

18. Capital management

Objectives are set by the Board of Directors 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 amounts of dividends paid to shareholders or issue shares.

The Company manages its capital to ensure that it is able to continue as going concern and comply with the regulators' capital requirements of the markets in which the Company operates while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of equity attributable to equity holders comprising paid share capital, reserves and retained earnings.

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

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

**SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025**
(All amounts in Saudi Riyals '000 unless otherwise stated)

18. Capital management (continued)

The equity as at 30 June 2025 consists of Company's regulatory capital which is financed solely by paid-up share capital of Saudi Riyals 300 million, accumulated losses of Saudi Riyals 48.8 million, fair value revaluation reserve of Saudi Riyals 61.7 million and remeasurement reserve of employee benefit obligations of Saudi Riyals 0.7 million (31 December 2024: paid-up share capital of Saudi Riyals 200 million, accumulated losses of Saudi Riyals 5.6 million, fair value revaluation reserve of Saudi Riyals 59.2 million and remeasurement reserve of employee benefit obligations of Saudi Riyals 0.7 million), in the statement of financial position.

The amendment made to the Co-operative Insurance Companies Law in accordance with the Royal Decree (M/12) dated 23/1/1443H (corresponding to 01/09/2021) requires the minimum capital of insurance companies to be Saudi Riyals 300 million.

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements as at 30 June 2025.

19. Operating segments

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess its performance.

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of income. Segment assets and liabilities comprise operating assets and liabilities.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2024.

Segment assets do not include cash and cash equivalents, term deposits, investments, prepaid expenses and other assets, property and equipment, intangible assets, statutory deposit and accrued income on statutory deposit. Accordingly, these are included in unallocated assets.

Segment liabilities do not include accrued expenses and other liabilities, provision for zakat, employee benefit obligations and accrued commission income payable to Insurance Authority. Accordingly, these are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to CODM under related segments and are monitored on a centralised basis. For management reporting purposes, the Company is organised into business units on the basis of products and services offered by the Company.

The segment information provided to the Company's Board of Directors for the reportable segments for the Company's total assets and liabilities at 30 June 2025 and 31 December 2024, its total revenues, expenses, and net income for the three-month and six-month periods then ended 30 June 2025 and 30 June 2024, are as follows:

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

19. Operating segments (continued)

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

	Medical	Motor	Others	Total
Insurance revenue	26,202	99,476	15,053	140,731
Insurance service expenses	(25,014)	(99,449)	(649)	(125,112)
Net expenses from reinsurance contracts	547	(2,421)	(16,154)	(18,028)
Insurance service result from Company's directly written business	1,735	(2,394)	(1,750)	(2,409)
Share of surplus from insurance pools	-	-	-	1,251
Total insurance service result	1,735	(2,394)	(1,750)	(1,158)
Commission income from financial assets not measured at FVTPL				7,020
Net gains on investments measured at FVTPL				-
Net impairment loss on financial assets				(10)
Net investment income				7,010
Net finance costs from insurance contracts issued	(37)	(625)	(1,444)	(2,106)
Net finance income from reinsurance contracts held	-	56	1,316	1,372
Net insurance finance costs	(37)	(569)	(128)	(734)
Net insurance and investment result				5,118
Other operating expenses				(8,329)
Loss for the period attributable to the shareholders before zakat				(3,210)
Zakat expense				(500)
Net loss for the period attributable to the shareholders				(3,711)

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

	Medical	Motor	Others	Total
Insurance revenue	30,101	132,515	14,227	176,843
Insurance service expenses	(22,385)	(123,481)	(11,379)	(157,245)
Net expenses from reinsurance contracts	(1,371)	(3,713)	(3,648)	(8,732)
Insurance service result from Company's directly written business	6,345	5,321	(800)	10,866
Share of deficit from insurance pools	-	-	-	1,638
Total insurance service result	6,345	5,321	(800)	12,504
Commission income from financial assets not measured at FVTPL				7,044
Net losses on investments measured at FVTPL				342
Net impairment reversal on financial assets				45
Net investment income				7,431
Net finance costs income from insurance contracts issued	(43)	(655)	(32)	(730)
Net finance income from reinsurance contracts held	-	61	-	61
Net insurance finance costs	(43)	(594)	(32)	(669)
Net insurance and investment result				19,266
Other operating expenses				(6,836)
Profit for the period attributable to the shareholders before zakat				12,430
Zakat expense				(1,000)
Net profit for the period attributable to the shareholders				11,430

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

19. Operating segments (continued)

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

	Medical	Motor	Others	Total
Insurance revenue	50,259	188,330	34,025	272,614
Insurance service expenses	(52,395)	(217,059)	(20,910)	(290,364)
Net expenses from reinsurance contracts	(570)	(3,349)	(16,391)	(20,310)
Insurance service result from Company's directly written business	(2,706)	(32,078)	(3,276)	(38,060)
Share of surplus from insurance pools	-	-	-	2,238
Total insurance service result	(2,706)	(32,078)	(3,276)	(35,822)
Commission income from financial assets not measured at FVTPL				13,568
Net gains on investments measured at FVTPL				316
Net impairment reversal on financial assets				67
Net investment income				13,951
Net finance costs from insurance contracts issued	(178)	(1,775)	(3,234)	(5,187)
Net finance income from reinsurance contracts held	-	236	2,935	3,171
Net insurance finance costs	(178)	(1,539)	(299)	(2,016)
Net insurance and investment result				(23,887)
Other operating expenses				(14,962)
Loss for the period attributable to the shareholders before zakat				(38,849)
Zakat expense				(283)
Net loss for the period attributable to the shareholders				(39,132)

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

	Medical	Motor	Others	Total
Insurance revenue	62,797	278,413	24,118	365,328
Insurance service expenses	(53,848)	(250,465)	(17,755)	(322,068)
Net expenses from reinsurance contracts	(1,661)	(10,387)	(8,598)	(20,646)
Insurance service result from Company's directly written business	7,288	17,561	(2,235)	22,614
Share of surplus from insurance pools	-	-	-	1,791
Total insurance service result	7,288	17,561	(2,235)	24,405
Commission income from financial assets not measured at FVTPL				14,778
Net losses on investments measured at FVTPL				(243)
Net impairment reversal on financial assets				33
Net investment income				14,568
Net finance costs income from insurance contracts issued	(237)	(1,872)	(257)	(2,366)
Net finance income from reinsurance contracts held	4	198	185	387
Net insurance finance costs	(233)	(1,674)	(72)	(1,979)
Net insurance and investment result				36,994
Other operating expenses				(13,513)
Profit for the period attributable to the shareholders before zakat				23,481
Zakat expense				(2,000)
Net profit for the period attributable to the shareholders				21,481

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

19. Operating segments (continued)

As at 30 June 2025 (Unaudited)

	Medical	Motor	Others	Total
Assets				
Reinsurance contract assets	927	19,144	138,263	158,334
Unallocated assets	-	-	-	610,051
Total assets				768,385
Liabilities				
Insurance contract liabilities	30,204	213,573	157,605	401,382
Unallocated liabilities	-	-	-	53,355
Total liabilities				454,737

As at 31 December 2024 (Audited)

	Medical	Motor	Others	Total
Assets				
Reinsurance contract assets	278	22,871	140,984	164,133
Unallocated assets	-	-	-	581,373
Total assets				745,506
Liabilities				
Insurance contract liabilities	33,763	210,736	166,242	410,741
Unallocated liabilities	-	-	-	80,439
Total liabilities				491,180

20. Surplus distribution

As required by the Implementing Regulations and the by-laws of the Company, surplus arising from the Insurance Operations is distributed as follows:

Transfer to Shareholders' operations	90%
Transfer to Policyholders payable	10%
	100%

In case of deficit arising from insurance operations, the entire deficit is allocated and transferred to shareholders' operations.

21. Gross written premium

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

Breakdown of GWP	For the three-month period ended 30 June 2025			
	(Unaudited)			
	Medical	Motor	Others	Total
Individual	1,073	34,283	1,006	36,362
Large	4,868	8,734	11,718	25,320
Medium	1,102	4,116	1,958	7,176
Small	1,166	2,053	2,649	5,868
Very small	21,639	1,304	647	23,590
Total	29,848	50,490	17,978	98,316

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

21. Gross written premium (continued)

	For the six-month period ended 30 June 2025			
	(Unaudited)			
Breakdown of GWP	Medical	Motor	Others	Total
Individual	1,851	106,321	2,186	110,358
Large	16,950	23,124	21,367	61,441
Medium	5,328	7,910	6,182	19,420
Small	4,606	5,410	5,028	15,044
Very small	52,455	2,788	1,783	57,026
Total	81,190	145,553	36,546	263,289

	For the three-month period ended 30 June 2024			
	(Unaudited)			
Breakdown of GWP	Medical	Motor	Others	Total
Individual	101	45,662	1,280	47,043
Large	5,996	3,283	11,887	21,166
Medium	270	8,645	2,837	11,752
Small	720	4,414	2,149	7,283
Very small	11,390	3,709	1,051	16,150
Total	18,477	65,713	19,204	103,394

	For the six-month period ended 30 June 2024			
	(Unaudited)			
Breakdown of GWP	Medical	Motor	Others	Total
Individual	101	110,778	3,298	114,177
Large	13,220	12,533	20,457	46,210
Medium	1,199	12,679	6,916	20,794
Small	2,453	9,469	3,976	15,898
Very small	33,759	4,603	1,908	40,270
Total	50,732	150,062	36,555	237,349

22. Net written premium

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

	For the three-month period ended 30 June 2025			
	(Unaudited)			
Item	Medical	Motor	Others	Total
Gross written premium	29,847	50,490	17,979	98,316
Reinsurance premium ceded – globally (including excess of loss)	(2,696)	(752)	(8,888)	(12,336)
Reinsurance premium ceded – locally (including excess of loss)	-	(250)	(1,881)	(2,131)
Net written premium - total	27,151	49,488	7,210	83,849

	For the six-month period ended 30 June 2025			
	(Unaudited)			
Item	Medical	Motor	Others	Total
Gross written premium	81,189	145,553	36,547	263,289
Reinsurance premium ceded – globally (including excess of loss)	(6,481)	(1,519)	(19,129)	(27,129)
Reinsurance premium ceded – locally (including excess of loss)	(2)	(504)	(4,449)	(4,955)
Net written premium - total	74,706	143,530	12,969	231,205

	For the three-month period ended 30 June 2024			
	(Unaudited)			
Item	Medical	Motor	Others	Total
Gross written premium	18,477	65,713	19,204	103,394
Reinsurance premium ceded – globally (including excess of loss)	(2,272)	(6,374)	(11,502)	(20,148)
Reinsurance premium ceded – locally (including excess of loss)	-	(2,700)	(1,846)	(4,546)
Net written premium - total	16,205	56,639	5,856	78,700

SALAMA COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2025
(All amounts in Saudi Riyals '000 unless otherwise stated)

22. Net written premium (continued)

Item	For the six-month period ended 30 June 2024			
	(Unaudited)			
	Medical	Motor	Others	Total
Gross written premium	50,732	150,062	36,555	237,349
Reinsurance premium ceded – globally (including excess of loss)	(5,080)	(15,719)	(22,944)	(43,743)
Reinsurance premium ceded – locally (including excess of loss)	-	(5,028)	(3,351)	(8,379)
Net written premium - total	45,652	129,315	10,260	185,227

23. Subsequent events

There have been no significant subsequent events since the period end, that would require disclosures or adjustments in this interim condensed financial information.

24. Approval of the interim condensed financial information

The interim condensed financial information has been approved by the Board of Directors on 31 July 2025.