

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

**INTERIM CONDENSED FINANCIAL INFORMATION  
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED  
SEPTEMBER 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 NINE-MONTH PERIODS ENDED SEPTEMBER 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)**

**INTRODUCTION**

We have reviewed the accompanying interim condensed statement of financial position of Al Sagr Cooperative Insurance Company (the "Company") as of September 30, 2025 and the related interim condensed statements of income and comprehensive income for the three-month and nine-month periods then ended, and the interim condensed statements of changes in equity and cash flows for the nine-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.

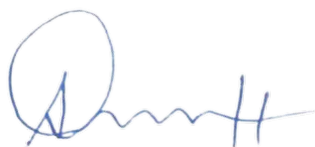
**SCOPE OF REVIEW**

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 condensed 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.

**PKF Albassam Chartered  
Accountants**



Ahmed Abdul Majeed Mohandis  
Certified Public Accountant  
License No. 477  
Khobar, Kingdom of Saudi Arabia

**Dr. Mohamed Al-Amri & Co.**



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




15 Jumada Al Awal, 1447 (H)  
6 November, 2025 (G)




**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)

		September 30, 2025	December 31, 2024
	Note	(Unaudited)	(Audited)
<b>ASSETS</b>			
Cash and cash equivalents	5	212,825,450	262,559,683
Term deposits	6	212,931,880	219,950,895
Financial assets at fair value through profit or loss ("FVTPL")	7	8,692,848	47,313,196
Financial assets at fair value through other comprehensive income ("FVOCI")	7	114,653,081	98,837,270
Prepaid expenses and other assets		14,937,486	22,611,688
Insurance contract assets	10	11,060,663	13,471,313
Reinsurance contract assets	10	14,431,839	6,484,257
Right-of-use assets		3,428,980	401,562
Property and equipment		5,306,861	6,247,601
Intangible assets		7,871,646	9,477,909
Accrued income on statutory deposit	9	1,745,939	640,078
Goodwill	8	25,513,750	25,513,750
Statutory deposit	9	30,000,000	30,000,000
<b>TOTAL ASSETS</b>		<b>663,400,423</b>	<b>743,509,202</b>
<b>LIABILITIES</b>			
Accrued and other liabilities		11,547,002	17,112,158
Insurance contract liabilities	10	251,081,649	260,532,476
Reinsurance contract liabilities	10	23,018,912	23,877,684
Employee benefit obligations		9,278,496	8,868,623
Lease liabilities		3,751,202	790,271
Zakat payable	17	12,462,836	30,408,598
Accrued income payable to Insurance Authority	9	1,745,939	640,078
Dividends payable		362,849	369,349
<b>Total liabilities</b>		<b>313,248,885</b>	<b>342,599,237</b>
<b>EQUITY</b>			
Share capital	11	300,000,000	300,000,000
(Accumulated losses) / retained earnings		(24,950,904)	28,840,334
Statutory reserve	18	8,982,272	8,982,272
Fair value reserve		61,640,929	58,608,118
Remeasurement reserve of employee benefit obligations		4,479,241	4,479,241
<b>Total equity</b>		<b>350,151,538</b>	<b>400,909,965</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>663,400,423</b>	<b>743,509,202</b>

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

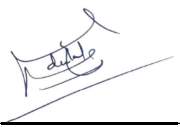
  
Masood Ahmad Bhatti  
Chief Financial Officer

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

	Note	For the three-month period ended September 30,		For the nine-month period ended September 30,	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Insurance revenue	12	152,070,192	128,027,645	455,611,890	362,285,463
Insurance service expenses	12	(174,460,282)	(115,858,305)	(491,136,559)	(293,521,144)
Net income / (expenses) from reinsurance contracts held	12	2,388,533	(11,400,284)	(20,312,236)	(53,003,790)
<b>Insurance service result from Company's directly written business</b>		(20,001,557)	769,056	(55,836,905)	15,760,529
Share of surplus from insurance pools	15	-	-	1,241,229	1,777,470
<b>Total insurance service result</b>		(20,001,557)	769,056	(54,595,676)	17,537,999
Interest income from financial assets not measured at FVTPL		6,134,425	6,814,985	20,623,636	18,118,936
Net (losses) / gains on financial assets measured at FVTPL		(1,200,906)	2,372,913	(4,608,606)	2,766,601
<b>Net investment income</b>		4,933,519	9,187,898	16,015,030	20,885,537
Finance income / (expense) from insurance contracts issued	13	183,650	(602,121)	385,462	(1,784,893)
Finance (expense) / income from reinsurance contracts held	13	(236,219)	(11,098)	(249,167)	1,157,089
<b>Net insurance finance income / (expense)</b>		(52,569)	(613,219)	136,295	(627,804)
<b>Net insurance and investment result</b>		(15,120,607)	9,343,735	(38,444,351)	37,795,732
Other operating expenses	14	(4,394,518)	(4,815,415)	(17,787,229)	(12,525,623)
Finance costs on lease liabilities		(18,055)	(3,075)	(59,658)	(10,799)
<b>Total (loss) / profit for the period before zakat</b>		(19,533,180)	4,525,245	(56,291,238)	25,259,310
Zakat (expense) / reversal	17	(1,000,000)	(1,400,000)	2,500,000	(4,200,000)
<b>NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>		(20,533,180)	3,125,245	(53,791,238)	21,059,310
<b>(Loss) / earnings per share (expressed in Saudi Riyals per share)</b>					
Basic (loss) / earnings per share	19	(0.68)	0.11	(1.79)	0.89
Diluted (loss) / earnings per share	19	(0.68)	0.11	(1.79)	0.89

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

**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)

	<b>For the three-month period ended September 30,</b>		<b>For the nine-month period ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>	<b>(20,533,180)</b>	<b>3,125,245</b>	<b>(53,791,238)</b>	<b>21,059,310</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to interim condensed statement of income in subsequent periods</b>				
Net changes in fair value of investments measured at FVOCI	-	-	2,503,522	-
<b>Items that will be reclassified to interim condensed statement of income in subsequent periods</b>				
Net changes in fair value of investments measured at FVOCI	164,667	45,894	529,289	45,894
<b>Total other comprehensive income</b>	<b>164,667</b>	<b>45,894</b>	<b>3,032,811</b>	<b>45,894</b>
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>	<b>(20,368,513)</b>	<b>3,171,139</b>	<b>(50,758,427)</b>	<b>21,105,204</b>

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

**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
<b>Balance at January 1, 2025 (Audited)</b>	<b>300,000,000</b>	<b>28,840,334</b>	<b>8,982,272</b>	<b>58,608,118</b>	<b>4,479,241</b>	<b>400,909,965</b>
<b>Total comprehensive loss for the period</b>						
Net loss for the period attributable to the shareholders	-	(53,791,238)	-	-	-	(53,791,238)
Other comprehensive income	-	-	-	3,032,811	-	3,032,811
<b>Total comprehensive (loss) / income for the period attributable to the shareholders</b>	<b>-</b>	<b>(53,791,238)</b>	<b>-</b>	<b>3,032,811</b>	<b>-</b>	<b>(50,758,427)</b>
<b>Balance at September 30, 2025 (Unaudited)</b>	<b>300,000,000</b>	<b>(24,950,904)</b>	<b>8,982,272</b>	<b>61,640,929</b>	<b>4,479,241</b>	<b>350,151,538</b>
Balance at January 1, 2024 (Audited)	140,000,000	10,442,518	2,610,630	41,561,172	3,583,284	198,197,604
<b>Total comprehensive income for the period</b>						
Net profit for the period attributable to the shareholders	-	21,059,310	-	-	-	21,059,310
Other comprehensive income	-	-	-	45,894	-	45,894
<b>Total comprehensive income for the period attributable to the shareholders</b>	<b>-</b>	<b>21,059,310</b>	<b>-</b>	<b>45,894</b>	<b>-</b>	<b>21,105,204</b>
Transfer to statutory reserve	-	(4,211,862)	4,211,862	-	-	-
Issuance of share capital (Note 19)	160,000,000	(7,088,750)	-	-	-	152,911,250
<b>Balance at September 30, 2024 (Unaudited)</b>	<b>300,000,000</b>	<b>20,201,216</b>	<b>6,822,492</b>	<b>41,607,066</b>	<b>3,583,284</b>	<b>372,214,058</b>

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**  
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**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
(All amounts expressed in Saudi Riyals unless otherwise stated)

		For the nine-month period ended September 30,	
	Note	2025 (Unaudited)	2024 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Total (loss) profit for the period before zakat		(56,291,238)	25,259,310
<b>Adjustments for:</b>			
Depreciation of property and equipment		1,199,796	834,371
Amortization of intangible assets		2,881,263	1,078,971
Depreciation of right-of-use assets		1,137,428	708,784
Finance costs on lease liabilities		59,658	10,799
Gain on disposal of property and equipment		(55,000)	-
Net losses / (gains) on financial assets measured at FVTPL	7	4,608,606	(2,232,992)
Provision for employee benefit obligations		1,524,351	1,599,668
<b>Changes in operating assets and liabilities:</b>			
Prepaid expenses and other assets		7,674,202	8,944,829
Insurance contract assets		2,410,650	(1,483,430)
Reinsurance contract assets		(7,947,582)	23,306,505
Accrued income on statutory deposit		(1,105,861)	(1,077,354)
Accrued and other liabilities		(5,565,156)	(2,509,978)
Insurance contract liabilities		(9,450,827)	(40,562,263)
Reinsurance contract liabilities		(858,772)	17,567,723
Accrued income payable to Insurance Authority		1,105,861	1,077,354
<b>Cash (used in) / generated from operations</b>		<b>(58,672,621)</b>	<b>32,522,297</b>
Employee benefit obligations paid		(1,114,478)	(1,179,985)
Finance costs paid on lease liabilities		(59,658)	(10,799)
Zakat paid	17	(15,445,762)	(12,750,928)
<b>Net cash (used in) / generated from operating activities</b>		<b>(75,292,519)</b>	<b>18,580,585</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Placement in term deposits		(185,486,304)	(153,486,304)
Redemption of term deposits		192,505,319	148,634,370
Purchases of financial assets held at FVTPL	7	(130,809,118)	(44,971,412)
Proceeds from disposal of financial assets held at FVTPL	7	164,820,860	42,647,286
Purchases of financial assets held at FVOCI	7	(12,783,000)	(19,489,427)
Payments for purchases of property and equipment		(259,056)	(395,648)
Payments for purchases of intangible assets		(1,275,000)	(3,256,700)
Proceeds from disposal of property and equipment		55,000	-
Placement in statutory deposit	9	-	(9,000,000)
<b>Net cash generated from / (used in) investing activities</b>		<b>26,768,701</b>	<b>(39,317,835)</b>

Majid Ahmed Al Suwaigh  
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 CASH FLOWS** (Continued)  
(All amounts expressed in Saudi Riyals unless otherwise stated)

		<b>For the nine-month period ended September 30,</b>	
		<b>2025</b>	<b>2024</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>Note</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment for principal elements of lease payments		(1,203,915)	(504,356)
Issuance of share capital, net of expenses		-	152,911,250
Dividends paid		(6,500)	(500)
<b>Net cash (used in) / generated from financing activities</b>		<b>(1,210,415)</b>	<b>152,406,394</b>
<b>Net change in cash and cash equivalents</b>			
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	212,825,450	287,416,812
<b>SUPPLEMENTAL NON-CASH INFORMATION</b>			
Net changes in fair value of investments measured at FVOCI	7	3,032,811	45,894
Additions in right-of-use assets		4,164,847	-

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

  
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Majid Ahmed Al Suwaigh  
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)**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION**  
**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**  
(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

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**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 Muharram 26, 1429H (corresponding to February 4, 2008) under commercial registration ("CR") number 1010243765 which was later amended to 2051036871 dated Rabi' I 22, 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 Ramadan 18, 1427H (corresponding to October 11, 2006), pursuant to Council of Ministers resolution number 233 dated Ramadan 16, 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 Rabi' I 23, 1429H (corresponding to March 31, 2008). The Company commenced insurance operations on Muharram 4, 1430H (corresponding to January 1, 2009). On Ramadan 11, 1436H (corresponding to September 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:

<b>Branch type</b>	<b>Location</b>	<b>CR number</b>
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 53.8 million during the nine-month period ended September 30, 2025 (net profit attributable to the shareholders of ﷲ 21.1 million during the nine-month period ended September 30, 2024). The Company's net operating cash outflow for the nine-month period then ended amounted to ﷲ 75.3 million (net cash inflow ﷲ 18.6 million for the nine-month period ended September 30, 2024). Also see note 1(c) below.

The losses incurred during the nine-month period ended September 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 September 30, 2025, the Company's accumulated loss amounted to ﷲ 24.95 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 NINE-MONTH PERIODS ENDED SEPTEMBER 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 nine-month period ended September 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.

Afterwards, 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 Organization 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.

**AL SAGR COOPERATIVE INSURANCE COMPANY**

(A SAUDI JOINT STOCK COMPANY)

**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)**

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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

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**2. BASIS OF PREPARATION (Continued)**

**(b) Basis of measurement**

These interim condensed financial statements are prepared under the historical cost convention, except for the measurement of investments carried at fair value through profit or loss (FVTPL) and investments carried at fair value through other comprehensive income (FVOCI), defined benefits obligation recorded at the present value using the projected unit credit method and liability of incurred claims (LIC) and assets for incurred claims (AIC) recorded at the present value at the current discount rates.

**(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 nine-month period ended September 30, 2025, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

**AL SAGR COOPERATIVE INSURANCE COMPANY**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION** (Continued)

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

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**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 interest income from financial assets not measured at FVTPL, net (losses)/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**  
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**4. INFORMATION RELATED TO PRODUCT LINES (Continued)**

<b>September 30, 2025 (Unaudited)</b>	<b>Medical</b>	<b>Motor Comprehensive</b>	<b>Motor Third party</b>	<b>Engineering</b>	<b>Property</b>	<b>General Accident</b>	<b>Marine Cargo</b>	<b>Marine Hull</b>	<b>Total</b>	<b>Shareholders' operations</b>	<b>Total</b>
<b>Assets</b>											
Insurance contract assets	-	-	-	-	11,060,663	-	-	-	11,060,663	-	11,060,663
Reinsurance contract assets	1,908,783	-	9,601,989	1,825,937	-	-	-	1,095,130	14,431,839	-	14,431,839
Unallocated assets	-	-	-	-	-	-	-	-	232,918,354	404,989,567	637,907,921
<b>Total assets</b>	<b>1,908,783</b>	<b>-</b>	<b>9,601,989</b>	<b>1,825,937</b>	<b>11,060,663</b>	<b>-</b>	<b>-</b>	<b>1,095,130</b>	<b>258,410,856</b>	<b>404,989,567</b>	<b>663,400,423</b>
<b>Liabilities</b>											
Insurance contract liabilities	82,612,925	28,297,656	112,136,939	6,121,074	-	19,184,293	285,864	2,442,898	251,081,649	-	251,081,649
Reinsurance contract liabilities	-	4,230,885	-	-	11,855,572	6,420,075	512,380	-	23,018,912	-	23,018,912
Unallocated liabilities and equity	-	-	-	-	-	-	-	-	90,700,457	298,599,405	389,299,862
<b>Total liabilities and equity</b>	<b>82,612,925</b>	<b>32,528,541</b>	<b>112,136,939</b>	<b>6,121,074</b>	<b>11,855,572</b>	<b>25,604,368</b>	<b>798,244</b>	<b>2,442,898</b>	<b>364,801,018</b>	<b>298,599,405</b>	<b>663,400,423</b>
<b>December 31, 2024 (Audited)</b>	<b>Medical</b>	<b>Motor Comprehensive</b>	<b>Motor Third party</b>	<b>Engineering</b>	<b>Property</b>	<b>General Accident</b>	<b>Marine Cargo</b>	<b>Marine Hull</b>	<b>Total</b>	<b>Shareholders' operations</b>	<b>Total</b>
<b>Assets</b>											
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
<b>Total assets</b>	<b>4,768,456</b>	<b>-</b>	<b>-</b>	<b>304,364</b>	<b>13,471,313</b>	<b>-</b>	<b>-</b>	<b>1,411,437</b>	<b>346,727,669</b>	<b>396,781,533</b>	<b>743,509,202</b>
<b>Liabilities</b>											
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
<b>Total liabilities and equity</b>	<b>73,228,713</b>	<b>37,484,159</b>	<b>122,599,100</b>	<b>5,588,612</b>	<b>13,520,866</b>	<b>28,923,531</b>	<b>664,241</b>	<b>2,400,938</b>	<b>372,467,765</b>	<b>371,041,437</b>	<b>743,509,202</b>

**AL SAGR COOPERATIVE INSURANCE COMPANY**  
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(All amounts expressed in Saudi Riyals (ﷲ) unless otherwise stated)

**4. INFORMATION RELATED TO PRODUCT LINES** (Continued)

For the three-month period ended September 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	66,498,477	31,232,732	43,632,121	1,905,642	1,385,083	6,504,006	826,012	86,119	152,070,192	-	152,070,192
Insurance service expenses	(65,689,566)	(36,078,604)	(67,141,254)	(1,639,124)	(821,967)	(2,774,468)	(316,685)	1,386	(174,460,282)	-	(174,460,282)
Net (expenses) / income from reinsurance contracts	(1,991,076)	(1,302,915)	10,366,816	(645,307)	(161,176)	(3,282,949)	(512,222)	(82,638)	2,388,533	-	2,388,533
<b>Insurance service result from Company's directly written business</b>	<b>(1,182,165)</b>	<b>(6,148,787)</b>	<b>(13,142,317)</b>	<b>(378,789)</b>	<b>401,940</b>	<b>446,589</b>	<b>(2,895)</b>	<b>4,867</b>	<b>(20,001,557)</b>	<b>-</b>	<b>(20,001,557)</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-	-	-
<b>Total insurance service result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,001,557)</b>	<b>-</b>	<b>(20,001,557)</b>
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	868,250	5,266,175	6,134,425
Net losses on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	(1,183,896)	(17,010)	(1,200,906)
<b>Net investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(315,646)</b>	<b>5,249,165</b>	<b>4,933,519</b>
Finance income / (expense) from insurance contracts issued	153,480	(81,143)	54,058	29,845	20,029	6,915	632	(166)	183,650	-	183,650
Finance income / (expense) from reinsurance contracts held	1,788	(697)	(174,042)	(22,183)	(33,597)	(6,763)	(820)	95	(236,219)	-	(236,219)
<b>Net insurance finance income / (expense)</b>	<b>155,268</b>	<b>(81,840)</b>	<b>(119,984)</b>	<b>7,662</b>	<b>(13,568)</b>	<b>152</b>	<b>(188)</b>	<b>(71)</b>	<b>(52,569)</b>	<b>-</b>	<b>(52,569)</b>
<b>Net insurance and investment result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,369,772)</b>	<b>5,249,165</b>	<b>(15,120,607)</b>
Other operating expenses	-	-	-	-	-	-	-	-	(3,993,795)	(400,723)	(4,394,518)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(18,055)	-	(18,055)
<b>Total (loss) / profit for the period before zakat</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,381,622)</b>	<b>4,848,442</b>	<b>(19,533,180)</b>
Zakat expense	-	-	-	-	-	-	-	-	-	(1,000,000)	(1,000,000)
<b>NET (LOSS) / PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,381,622)</b>	<b>3,848,442</b>	<b>(20,533,180)</b>

**AL SAGR COOPERATIVE INSURANCE COMPANY**  
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**NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)**  
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**4. INFORMATION RELATED TO PRODUCT LINES (Continued)**

For the three-month period ended September 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	53,733,617	27,474,974	32,312,153	2,148,976	4,482,774	6,772,629	965,982	136,540	128,027,645	-	128,027,645
Insurance service expenses	(50,714,488)	(30,795,824)	(29,140,155)	(951,294)	(1,605,993)	(1,985,200)	(678,117)	12,766	(115,858,305)	-	(115,858,305)
Net (expenses) from reinsurance contracts	(952,492)	(193,298)	(24,983)	(2,645,550)	(3,310,282)	(3,776,727)	(363,031)	(133,921)	(11,400,284)	-	(11,400,284)
<b>Insurance service result from Company's directly written business</b>	2,066,637	(3,514,148)	3,147,015	(1,447,868)	(433,501)	1,010,702	(75,166)	15,385	769,056	-	769,056
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-	-	-
<b>Total insurance service result</b>	-	-	-	-	-	-	-	-	769,056	-	769,056
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	2,567,675	4,247,310	6,814,985
Net gains on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	1,393,959	978,954	2,372,913
<b>Net investment income</b>	-	-	-	-	-	-	-	-	3,961,634	5,226,264	9,187,898
Finance (expense) income from insurance contracts issued	(215,646)	(97,653)	(244,495)	(58,842)	49,598	(37,025)	2,903	(961)	(602,121)	-	(602,121)
Finance income (expense) from reinsurance contracts held	(21,330)	7,502	(10,600)	7,003	(8,271)	17,577	(3,471)	492	(11,098)	-	(11,098)
<b>Net insurance finance income (expense)</b>	(236,976)	(90,151)	(255,095)	(51,839)	41,327	(19,448)	(568)	(469)	(613,219)	-	(613,219)
<b>Net insurance and investment result</b>	-	-	-	-	-	-	-	-	4,117,471	5,226,264	9,343,735
Other operating expenses	-	-	-	-	-	-	-	-	(2,953,271)	(1,862,144)	(4,815,415)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(3,075)	-	(3,075)
<b>Total profit for the period before zakat</b>	-	-	-	-	-	-	-	-	1,161,125	3,364,120	4,525,245
Zakat expense	-	-	-	-	-	-	-	-	-	(1,400,000)	(1,400,000)
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>	-	-	-	-	-	-	-	-	1,161,125	1,964,120	3,125,245



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**4. INFORMATION RELATED TO PRODUCT LINES** (Continued)

For the nine-month period ended September  
30, 2025 (Unaudited)

	Insurance operations								Shareholders' operations	Total
	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull		
Insurance revenue	189,432,006	88,763,976	136,113,161	9,474,639	9,138,163	20,462,873	1,925,280	301,792	455,611,890	- 455,611,890
Insurance service expenses	(197,561,923)	(103,788,251)	(177,110,966)	(5,042,635)	(2,132,901)	(5,109,090)	(347,571)	(43,222)	(491,136,559)	- (491,136,559)
Net (expenses) / income from reinsurance contracts	(5,140,256)	(2,825,641)	10,596,386	(4,529,448)	(7,246,485)	(9,694,081)	(1,181,581)	(291,130)	(20,312,236)	- (20,312,236)
<b>Insurance service result from Company's directly written business</b>	<b>(13,270,173)</b>	<b>(17,849,916)</b>	<b>(30,401,419)</b>	<b>(97,444)</b>	<b>(241,223)</b>	<b>5,659,702</b>	<b>396,128</b>	<b>(32,560)</b>	<b>(55,836,905)</b>	<b>- (55,836,905)</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,241,229	- 1,241,229
<b>Total insurance service result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,595,676)</b>	<b>- (54,595,676)</b>
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	4,965,616	15,658,020 20,623,636
Net losses on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	(4,603,684)	(4,922) (4,608,606)
<b>Net investment income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>361,932</b>	<b>15,653,098 16,015,030</b>
Finance income / (expense) from insurance contracts issued	245,170	30,493	51,896	88,046	26,151	(42,221)	(13,726)	(347)	385,462	- 385,462
Finance income / (expense) from reinsurance contracts held	41,646	(12,855)	(178,730)	(65,942)	(27,628)	(13,551)	7,682	211	(249,167)	- (249,167)
<b>Net insurance finance income / (expense)</b>	<b>286,816</b>	<b>17,638</b>	<b>(126,834)</b>	<b>22,104</b>	<b>(1,477)</b>	<b>(55,772)</b>	<b>(6,044)</b>	<b>(136)</b>	<b>136,295</b>	<b>- 136,295</b>
<b>Net insurance and investment result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,097,449)</b>	<b>15,653,098 (38,444,351)</b>
Other operating expenses	-	-	-	-	-	-	-	-	(15,280,451)	(2,506,778) (17,787,229)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(59,658)	- (59,658)
<b>Total loss for the period before zakat</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,437,558)</b>	<b>13,146,320 (56,291,238)</b>
Zakat reversal	-	-	-	-	-	-	-	-	-	2,500,000 2,500,000
<b>NET LOSS FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(69,437,558)</b>	<b>15,646,320 (53,791,238)</b>

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**4. INFORMATION RELATED TO PRODUCT LINES** (Continued)

For the nine-month period ended September 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	158,808,787	80,331,513	73,624,794	11,268,841	12,910,286	22,582,010	2,388,818	370,414	362,285,463	-	362,285,463
Insurance service (expenses) / income	(146,084,722)	(87,222,753)	(59,242,580)	(2,376,915)	8,884,826	(6,608,803)	(1,030,286)	160,089	(293,521,144)	-	(293,521,144)
Net expenses from reinsurance contracts	(3,943,982)	(2,221,303)	(1,333,441)	(9,509,941)	(22,343,254)	(12,400,552)	(1,209,911)	(41,406)	(53,003,790)	-	(53,003,790)
<b>Insurance service result from Company's directly written business</b>	8,780,083	(9,112,543)	13,048,773	(618,015)	(548,142)	3,572,655	148,621	489,097	15,760,529	-	15,760,529
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,777,470	-	1,777,470
<b>Total insurance service result</b>	-	-	-	-	-	-	-	-	17,537,999	-	17,537,999
Interest income from financial assets not measured at FVTPL	-	-	-	-	-	-	-	-	7,706,056	10,412,880	18,118,936
Net gains on financial assets measured at FVTPL	-	-	-	-	-	-	-	-	541,279	2,225,322	2,766,601
<b>Net investment income</b>	-	-	-	-	-	-	-	-	8,247,335	12,638,202	20,885,537
Finance (expense) income from insurance contracts issued	(365,287)	(98,224)	(173,033)	(82,306)	(1,055,787)	(6,143)	4,895	(9,008)	(1,784,893)	-	(1,784,893)
Finance income (expense) from reinsurance contracts held	168,232	(1,989)	9,476	(1,394)	985,638	7,564	(6,955)	(3,483)	1,157,089	-	1,157,089
<b>Net insurance finance (expense) income</b>	(197,055)	(100,213)	(163,557)	(83,700)	(70,149)	1,421	(2,060)	(12,491)	(627,804)	-	(627,804)
<b>Net insurance and investment result</b>	-	-	-	-	-	-	-	-	25,157,530	12,638,202	37,795,732
Other operating expenses	-	-	-	-	-	-	-	-	(10,061,224)	(2,464,399)	(12,525,623)
Finance costs on lease liabilities	-	-	-	-	-	-	-	-	(10,799)	-	(10,799)
<b>Total profit for the period before zakat</b>	-	-	-	-	-	-	-	-	15,085,507	10,173,803	25,259,310
Zakat expense	-	-	-	-	-	-	-	-	-	(4,200,000)	(4,200,000)
<b>NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS</b>	-	-	-	-	-	-	-	-	15,085,507	5,973,803	21,059,310

**AL SAGR COOPERATIVE INSURANCE COMPANY**

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

**5. CASH AND CASH EQUIVALENTS**

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

	<b>September 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Cash in hand	<b>101,827</b>	55,949
Cash at bank - current accounts	<b>17,930,908</b>	10,376,975
Time deposits	<b>95,240,136</b>	167,711,247
Money market funds	<b>99,552,579</b>	84,415,512
	<b><u>212,825,450</u></b>	<u>262,559,683</u>

Cash at banks is placed with counterparties with sound credit ratings. As at September 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 6.14% to 7.0% (December 31, 2024: 6.4% to 7.0%) and 7.9% (December 31, 2024: 8.0%) per annum, respectively.

Money market funds are managed by reputable financial institutions. These funds primarily invest in short-term highly liquid debt instruments with minimal credit risk.

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 September 30, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

**6. TERM DEPOSITS**

Short-term deposits, amounting to ﷻ 167.5 million (December 31, 2024: ﷻ 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 5.45% to 6.33% per annum for the period ended September 30, 2025 (December 31, 2024: 5.55% to 6.33%).

Long-term deposits, amounting to ﷻ 45.4 million (December 31, 2024: ﷻ 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 September 30, 2025 and December 31, 2024, the ECL allowance on such financial assets was immaterial.

**7. INVESTMENTS**

(a) *Investments are classified as follows:*

	<b>September 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
<b>Financial assets at FVTPL</b>		
Mutual funds	<b>6,082,848</b>	6,306,969
Ordinary shares	<b>2,610,000</b>	41,006,227
	<b><u>8,692,848</u></b>	<u>47,313,196</u>

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

**7. INVESTMENTS (Continued)**(a) *Investments are classified as follows (Continued)*

	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Financial assets at FVOCI</b>		
Ordinary shares	63,627,374	61,123,852
Debt instruments	51,025,707	37,713,418
	<u>114,653,081</u>	<u>98,837,270</u>
	<u>123,345,929</u>	<u>146,150,466</u>

Investment in mutual funds are classified as investments measured at FVTPL. 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 September 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 include Sukuk investments categorised under Stage 2 and Najm investments which are categorized under Stage 3. 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 September 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")

	September 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	(164,820,860)	(102,827,667)
Changes in fair value of investments	(4,608,606)	278,287
Balance at end of the period / year	<u>8,692,848</u>	<u>47,313,196</u>

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

	September 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	12,783,000	38,306,072
Changes in fair value of investments	3,032,811	17,046,946
Balance at end of the period / year	<u>114,653,081</u>	<u>98,837,270</u>

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

**8. GOODWILL**

The Company commenced its insurance operations on January 1, 2009. The Company's General Assembly approved on February 1, 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 January 1, 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 November 10, 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 September 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 – September 30, 2025**

	%
Insurance revenue growth	10.3
Insurance service expenses as a percentage of insurance revenue	91.2
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 122.9 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 10.3%. If all other assumptions kept the same, a reduction of this growth rate from 10.3% to 9.8% would give a value in use equal to the current carrying amount.

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**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 September 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 September 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 (ﷻ) 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:

<b>September 30, 2025 (Unaudited)</b>	<b>Medical</b>	<b>Motor Comprehensive</b>	<b>Motor Third party</b>	<b>Engineering</b>	<b>Property</b>	<b>General Accident</b>	<b>Marine Cargo</b>	<b>Marine Hull</b>	<b>Total</b>
<b>Insurance contracts</b>									
Insurance contract assets	-	-	-	-	11,060,663	-	-	-	11,060,663
Insurance contract liabilities	(82,612,925)	(28,297,656)	(112,136,939)	(6,121,074)	-	(19,184,293)	(285,864)	(2,442,898)	(251,081,649)
									<u>(240,020,986)</u>
<b>Reinsurance contracts</b>									
Reinsurance contract assets	1,908,783	-	9,601,989	1,825,937	-	-	-	1,095,130	14,431,839
Reinsurance contract liabilities	-	(4,230,885)	-	-	(11,855,572)	(6,420,075)	(512,380)	-	(23,018,912)
									<u>(8,587,073)</u>
<b>December 31, 2024 (Audited)</b>									
<b>Insurance contracts</b>									
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>
<b>Reinsurance contracts</b>									
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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## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Continued)

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### 10 INSURANCE AND REINSURANCE CONTRACTS (Continued)

#### 10.2 Analysis by remaining coverage and incurred claims

##### 10.2.1 Insurance contracts

	As at September 30, 2025 (Unaudited)					As at December 31, 2024 (Audited)				
	Liability for remaining coverage		Liability for incurred claims			Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	Total
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)	-	-	-	-	-
<b>Opening balance - net</b>	<b>167,482,032</b>	<b>7,543,792</b>	<b>69,154,535</b>	<b>2,880,804</b>	<b>247,061,163</b>	<b>146,382,337</b>	<b>15,090,344</b>	<b>140,977,648</b>	<b>3,970,990</b>	<b>306,421,319</b>
<b>Insurance revenue</b>	<b>(455,611,890)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(455,611,890)</b>	<b>(503,656,077)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(503,656,077)</b>
<b>Insurance service expenses</b>										
Incurred claims and other incurred insurance service expenses	-	-	402,315,616	2,618,933	404,934,549	-	-	366,515,666	2,528,589	369,044,255
Reversal of losses on onerous contracts	-	(382,909)	-	-	(382,909)	-	(7,546,552)	-	-	(7,546,552)
Changes that relate to past service - adjustments to the LIC	-	-	15,569,846	(1,832,693)	13,737,153	-	-	(33,428,925)	(3,665,187)	(37,094,112)
Insurance acquisition cashflows amortisation	72,847,766	-	-	-	72,847,766	76,158,023	-	-	-	76,158,023
<b>Insurance service expenses</b>	<b>72,847,766</b>	<b>(382,909)</b>	<b>417,885,462</b>	<b>786,240</b>	<b>491,136,559</b>	<b>76,158,023</b>	<b>(7,546,552)</b>	<b>333,086,741</b>	<b>(1,136,598)</b>	<b>400,561,614</b>
Finance (income) expense from insurance contracts	-	-	(375,271)	(10,191)	(385,462)	-	-	1,955,275	46,412	2,001,687
<b>Total changes in the statement of income</b>	<b>(382,764,124)</b>	<b>(382,909)</b>	<b>417,510,191</b>	<b>776,049</b>	<b>35,139,207</b>	<b>(427,498,054)</b>	<b>(7,546,552)</b>	<b>335,042,016</b>	<b>(1,090,186)</b>	<b>(101,092,776)</b>
<b>Cashflows</b>										
Premiums received	420,036,915	-	-	-	420,036,915	537,284,571	-	-	-	537,284,571
Claims and other directly attributable expenses paid	-	-	(392,110,054)	-	(392,110,054)	-	-	(406,865,129)	-	(406,865,129)
Insurance acquisition cashflows paid	(70,106,245)	-	-	-	(70,106,245)	(88,686,822)	-	-	-	(88,686,822)
<b>Total cash (outflows) inflows</b>	<b>349,930,670</b>	<b>-</b>	<b>(392,110,054)</b>	<b>-</b>	<b>(42,179,384)</b>	<b>448,597,749</b>	<b>-</b>	<b>(406,865,129)</b>	<b>-</b>	<b>41,732,620</b>
Insurance contracts										
Insurance contract liabilities - closing	133,471,067	7,160,883	106,826,766	3,622,933	251,081,649	169,005,193	7,543,792	81,177,511	2,805,980	260,532,476
Insurance contract assets - closing	1,177,511	-	(12,272,094)	33,920	(11,060,663)	(1,523,161)	-	(12,022,976)	74,824	(13,471,313)
<b>Closing balance - net</b>	<b>134,648,578</b>	<b>7,160,883</b>	<b>94,554,672</b>	<b>3,656,853</b>	<b>240,020,986</b>	<b>167,482,032</b>	<b>7,543,792</b>	<b>69,154,535</b>	<b>2,880,804</b>	<b>247,061,163</b>



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**10 INSURANCE AND REINSURANCE CONTRACTS (Continued)**
**10.2 Analysis by remaining coverage and incurred claims (Continued)**
**10.2.2 Reinsurance contracts held**

	As at September 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)
<b>Opening balance - net</b>	<b>(31,290,296)</b>	<b>-</b>	<b>13,739,628</b>	<b>157,241</b>	<b>(17,393,427)</b>	<b>(17,992,312)</b>	<b>-</b>	<b>52,263,682</b>	<b>1,457,227</b>	<b>35,728,597</b>
<b>Allocation of reinsurance premium</b>	<b>(40,746,382)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40,746,382)</b>	<b>(67,385,396)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(67,385,396)</b>
<b>Amounts recoverable from reinsurers</b>										
Claims recovered and other directly attributable expenses	-	-	2,879,054	83,059	2,962,113	-	-	5,098,273	128,848	5,227,121
Effect of changes in the risk of reinsurers non- performance	-	-	438,262	-	438,262	-	-	-	-	-
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	16,638,055	395,716	17,033,771	-	-	(9,048,253)	(1,471,594)	(10,519,847)
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>19,955,371</b>	<b>478,775</b>	<b>20,434,146</b>	<b>-</b>	<b>-</b>	<b>(3,949,980)</b>	<b>(1,342,746)</b>	<b>(5,292,726)</b>
Finance (expense) / income from reinsurance contracts	-	-	(238,693)	(10,474)	(249,167)	-	-	1,432,062	42,760	1,474,822
<b>Total changes in the statement of income</b>	<b>(40,746,382)</b>	<b>-</b>	<b>19,716,678</b>	<b>468,301</b>	<b>(20,561,403)</b>	<b>(67,385,396)</b>	<b>-</b>	<b>(2,517,918)</b>	<b>(1,299,986)</b>	<b>(71,203,300)</b>
<b>Cashflows</b>										
Premiums paid net of ceding commission	31,576,459	-	-	-	31,576,459	54,087,412	-	-	-	54,087,412
Recoveries from reinsurance	-	-	(2,208,702)	-	(2,208,702)	-	-	(36,006,136)	-	(36,006,136)
<b>Total cash (inflows) / outflows</b>	<b>31,576,459</b>	<b>-</b>	<b>(2,208,702)</b>	<b>-</b>	<b>29,367,757</b>	<b>54,087,412</b>	<b>-</b>	<b>(36,006,136)</b>	<b>-</b>	<b>18,081,276</b>
Reinsurance contracts										
Reinsurance contract assets - closing	(23,416,552)	-	37,341,673	506,718	14,431,839	(12,330,701)	-	18,758,066	56,892	6,484,257
Reinsurance contract liabilities - closing	(17,043,667)	-	(6,094,069)	118,824	(23,018,912)	(18,959,595)	-	(5,018,438)	100,349	(23,877,684)
<b>Closing balance - net</b>	<b>(40,460,219)</b>	<b>-</b>	<b>31,247,604</b>	<b>625,542</b>	<b>(8,587,073)</b>	<b>(31,290,296)</b>	<b>-</b>	<b>13,739,628</b>	<b>157,241</b>	<b>(17,393,427)</b>

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**11. SHARE CAPITAL**

The authorized, issued and paid-up share capital of the Company was ﷲ 300 million at September 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 nine-month periods September 30, 2025 and September 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 September 30, 2025  
(Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")</b>	<b>66,498,477</b>	<b>31,232,732</b>	<b>43,632,121</b>	<b>1,905,642</b>	<b>1,385,083</b>	<b>6,504,006</b>	<b>826,012</b>	<b>86,119</b>	<b>152,070,192</b>
Incurring claims and other incurred insurance service expenses	(54,845,179)	(30,147,020)	(46,706,119)	(1,523,098)	(153,751)	(1,504,898)	(122,167)	(13,654)	(135,015,886)
Changes that relate to past service - adjustments to the LIC	(3,844,832)	(934,151)	(11,561,652)	306,312	(355,947)	171,219	3,964	7,469	(16,207,618)
Losses / (reversal) on onerous contracts	2,047,823	(721,145)	581,234	-	-	-	-	-	1,907,912
Insurance acquisition cash flows amortisation	(9,047,378)	(4,276,288)	(9,454,717)	(422,338)	(312,269)	(1,440,789)	(198,482)	7,571	(25,144,690)
<b>Total insurance service expenses</b>	<b>(65,689,566)</b>	<b>(36,078,604)</b>	<b>(67,141,254)</b>	<b>(1,639,124)</b>	<b>(821,967)</b>	<b>(2,774,468)</b>	<b>(316,685)</b>	<b>1,386</b>	<b>(174,460,282)</b>
<b>Reinsurance income contracts measured under the PAA</b>									
Reinsurance premium ceded	(3,373,773)	(1,286,645)	(988,996)	(1,334,836)	(1,038,530)	(3,246,522)	(542,259)	(81,380)	(11,892,941)
Claims recovered and other directly attributable expenses	(1,021,433)	(8,720)	(40,332)	809,470	(4,311)	44,423	18,047	556	(202,300)
Effect of changes in the risk of reinsurers non- performance	35,585	12,588	(16,710)	(29,811)	(16,714)	(30,009)	5,226	2,746	(37,099)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	2,368,545	(20,138)	11,412,854	(90,130)	898,379	(50,841)	6,764	(4,560)	14,520,873
<b>Total net income from reinsurance contracts</b>	<b>(1,991,076)</b>	<b>(1,302,915)</b>	<b>10,366,816</b>	<b>(645,307)</b>	<b>(161,176)</b>	<b>(3,282,949)</b>	<b>(512,222)</b>	<b>(82,638)</b>	<b>2,388,533</b>
<b>Insurance service result from Company's directly written business</b>	<b>(1,182,165)</b>	<b>(6,148,787)</b>	<b>(13,142,317)</b>	<b>(378,789)</b>	<b>401,940</b>	<b>446,589</b>	<b>(2,895)</b>	<b>4,867</b>	<b>(20,001,557)</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-
<b>Total insurance service result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,001,557)</b>

**AL SAGR COOPERATIVE INSURANCE COMPANY**

(A SAUDI JOINT STOCK COMPANY)

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

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

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Insurance revenue from contracts measured under Premium Allocation Approach ("PAA")</b>	53,733,617	27,474,974	32,312,153	2,148,976	4,482,774	6,772,629	965,982	136,540	128,027,645
Incurred claims and other incurred insurance service expenses	(42,586,096)	(18,941,112)	(23,621,727)	(895,560)	(1,504,416)	(1,258,777)	(529,999)	(6,724)	(89,344,411)
Changes that relate to past service - adjustments to the LIC	(2,563,632)	(2,535,945)	(353,819)	482,698	562,972	329,804	26,265	21,779	(4,029,878)
Losses / (reversal) on onerous contracts	-	(2,377,944)	3,468,224	-	-	-	-	-	1,090,280
Insurance acquisition cash flows amortisation	(5,564,760)	(6,940,823)	(8,632,833)	(538,432)	(664,549)	(1,056,227)	(174,383)	(2,289)	(23,574,296)
<b>Total insurance service (expenses) / income</b>	<b>(50,714,488)</b>	<b>(30,795,824)</b>	<b>(29,140,155)</b>	<b>(951,294)</b>	<b>(1,605,993)</b>	<b>(1,985,200)</b>	<b>(678,117)</b>	<b>12,766</b>	<b>(115,858,305)</b>
<b>Reinsurance expense contracts measured under the PAA</b>									
Reinsurance premium ceded	(4,399,995)	(467,345)	(587,858)	(2,412,687)	(3,266,663)	(3,282,877)	(625,904)	(113,622)	(15,156,951)
Claims recovered and other directly attributable expenses	635,162	208,493	(30,750)	(2,940)	163,092	(327,263)	103,560	(6,470)	742,884
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	2,812,341	65,554	593,625	(229,923)	(206,711)	(166,587)	159,313	(13,829)	3,013,783
Reinsurance acquisition cash flow amortisation	-	-	-	-	-	-	-	-	-
<b>Total net expenses from reinsurance contracts</b>	<b>(952,492)</b>	<b>(193,298)</b>	<b>(24,983)</b>	<b>(2,645,550)</b>	<b>(3,310,282)</b>	<b>(3,776,727)</b>	<b>(363,031)</b>	<b>(133,921)</b>	<b>(11,400,284)</b>
<b>Insurance service result from Company's directly written business</b>	<b>2,066,637</b>	<b>(3,514,148)</b>	<b>3,147,015</b>	<b>(1,447,868)</b>	<b>(433,501)</b>	<b>1,010,702</b>	<b>(75,166)</b>	<b>15,385</b>	<b>769,056</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	-
<b>Total insurance service result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>769,056</b>

**AL SAGR COOPERATIVE INSURANCE COMPANY**

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**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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

**12. INSURANCE REVENUE AND EXPENSES (Continued)**

**For the nine-month period ended September 30, 2025  
(Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Insurance revenue from contracts measured under PAA</b>	<b>189,432,006</b>	<b>88,763,976</b>	<b>136,113,161</b>	<b>9,474,639</b>	<b>9,138,163</b>	<b>20,462,873</b>	<b>1,925,280</b>	<b>301,792</b>	<b>455,611,890</b>
Incurred claims and other incurred insurance service expenses	(176,214,604)	(87,477,422)	(133,489,465)	(2,306,070)	(938,592)	(4,090,349)	(390,695)	(27,352)	(404,934,549)
Changes that relate to past service - adjustments to the LIC	1,971,958	(1,298,297)	(17,762,298)	(972,570)	537,410	3,289,113	474,161	23,370	(13,737,153)
Losses / (reversal) on onerous contracts	1,128,704	1,336,734	(2,082,529)	-	-	-	-	-	382,909
Insurance acquisition cash flows amortisation	(24,447,981)	(16,349,266)	(23,776,674)	(1,763,995)	(1,731,719)	(4,307,854)	(431,037)	(39,240)	(72,847,766)
<b>Total insurance service (expense) / income</b>	<b>(197,561,923)</b>	<b>(103,788,251)</b>	<b>(177,110,966)</b>	<b>(5,042,635)</b>	<b>(2,132,901)</b>	<b>(5,109,090)</b>	<b>(347,571)</b>	<b>(43,222)</b>	<b>(491,136,559)</b>
<b>Reinsurance income / (expenses) measured under the PAA</b>									
Reinsurance premium ceded	(11,814,615)	(2,966,504)	(1,386,265)	(6,609,234)	(7,209,844)	(9,517,887)	(953,602)	(288,431)	(40,746,382)
Claims recovered and other directly attributable expenses	1,492,554	352,382	35,709	1,030,172	108,065	(88,340)	22,454	9,117	2,962,113
Effect of changes in the risk of reinsurers non-performance	(18,759)	12,753	27,228	172,913	199,292	33,007	9,080	2,748	438,262
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	5,200,564	(224,272)	11,919,714	876,701	(343,998)	(120,861)	(259,513)	(14,564)	17,033,771
<b>Total net expenses from reinsurance contracts</b>	<b>(5,140,256)</b>	<b>(2,825,641)</b>	<b>10,596,386</b>	<b>(4,529,448)</b>	<b>(7,246,485)</b>	<b>(9,694,081)</b>	<b>(1,181,581)</b>	<b>(291,130)</b>	<b>(20,312,236)</b>
<b>Insurance service result from Company's directly written business</b>	<b>(13,270,173)</b>	<b>(17,849,916)</b>	<b>(30,401,419)</b>	<b>(97,444)</b>	<b>(241,223)</b>	<b>5,659,702</b>	<b>396,128</b>	<b>(32,560)</b>	<b>(55,836,905)</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,241,229
<b>Total insurance service result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(54,595,676)</b>

**AL SAGR COOPERATIVE INSURANCE COMPANY**

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**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2025**

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

**12. INSURANCE REVENUE AND EXPENSES (Continued)**
**For the nine-month period ended 30 September 2024  
(Unaudited)**

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Insurance revenue from contracts measured under PAA</b>	158,808,787	80,331,513	73,624,794	11,268,841	12,910,286	22,582,010	2,388,818	370,414	362,285,463
Incurred claims and other incurred insurance service expenses	(129,486,563)	(71,894,292)	(60,633,798)	(1,968,368)	(3,827,783)	(5,186,684)	(1,035,907)	(22,998)	(274,056,393)
Changes that relate to past service - adjustments to the LIC	2,569,948	(177,259)	8,535,009	1,410,899	14,732,625	1,583,702	372,609	186,543	29,214,076
Losses / (reversal) on onerous contracts	-	(472,085)	5,025,665	-	-	-	-	-	4,553,580
Insurance acquisition cash flows amortisation	(19,168,107)	(14,679,117)	(12,169,456)	(1,819,446)	(2,020,016)	(3,005,821)	(366,988)	(3,456)	(53,232,407)
<b>Total insurance service (expense) / income</b>	<b>(146,084,722)</b>	<b>(87,222,753)</b>	<b>(59,242,580)</b>	<b>(2,376,915)</b>	<b>8,884,826</b>	<b>(6,608,803)</b>	<b>(1,030,286)</b>	<b>160,089</b>	<b>(293,521,144)</b>
<b>Reinsurance expenses measured under the PAA</b>									
Reinsurance premium ceded	(10,875,317)	(3,517,201)	(2,269,930)	(8,839,511)	(10,830,925)	(10,980,456)	(1,409,608)	165,313	(48,557,635)
Claims recovered and other directly attributable expenses	2,972,099	863,468	135,613	92,148	1,354,045	406,122	262,514	(87,200)	5,998,809
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	3,959,236	432,430	800,876	(762,578)	(12,866,374)	(1,826,218)	(62,817)	(119,519)	(10,444,964)
Reinsurance acquisition cash flows amortisation	-	-	-	-	-	-	-	-	-
<b>Total net expenses from reinsurance contracts</b>	<b>(3,943,982)</b>	<b>(2,221,303)</b>	<b>(1,333,441)</b>	<b>(9,509,941)</b>	<b>(22,343,254)</b>	<b>(12,400,552)</b>	<b>(1,209,911)</b>	<b>(41,406)</b>	<b>(53,003,790)</b>
<b>Insurance service result from Company's directly written business</b>	<b>8,780,083</b>	<b>(9,112,543)</b>	<b>13,048,773</b>	<b>(618,015)</b>	<b>(548,142)</b>	<b>3,572,655</b>	<b>148,621</b>	<b>489,097</b>	<b>15,760,529</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	-	1,777,470
<b>Total insurance service result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,537,999</b>

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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 nine-month periods ended September 30, 2025 and September 30, 2024 respectively is presented below:

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Finance income from insurance contracts issued</b>									
Interest accreted	153,480	(81,143)	54,058	29,845	20,029	6,915	632	(166)	183,650
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance income / (expense) from insurance contracts issued</b>	<b>153,480</b>	<b>(81,143)</b>	<b>54,058</b>	<b>29,845</b>	<b>20,029</b>	<b>6,915</b>	<b>632</b>	<b>(166)</b>	<b>183,650</b>
<b>Finance (expense) from reinsurance contracts held</b>									
Interest accreted	1,788	(697)	(174,042)	(22,183)	(33,597)	(6,763)	(820)	95	(236,219)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance (expense) / income from reinsurance contracts held</b>	<b>1,788</b>	<b>(697)</b>	<b>(174,042)</b>	<b>(22,183)</b>	<b>(33,597)</b>	<b>(6,763)</b>	<b>(820)</b>	<b>95</b>	<b>(236,219)</b>
<b>Net insurance finance income / (expense)</b>	<b>155,268</b>	<b>(81,840)</b>	<b>(119,984)</b>	<b>7,662</b>	<b>(13,568)</b>	<b>152</b>	<b>(188)</b>	<b>(71)</b>	<b>(52,569)</b>

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

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

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Finance expense from insurance contracts issued</b>									
Interest accreted	(215,646)	(97,653)	(244,495)	(58,842)	49,598	(37,025)	2,903	(961)	(602,121)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance (expense) / income from insurance contracts issued</b>	(215,646)	(97,653)	(244,495)	(58,842)	49,598	(37,025)	2,903	(961)	(602,121)
<b>Finance income from reinsurance contracts held</b>									
Interest accreted	(21,330)	7,502	(10,600)	7,003	(8,271)	17,577	(3,471)	492	(11,098)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance income / (expense) from reinsurance contracts held</b>	(21,330)	7,502	(10,600)	7,003	(8,271)	17,577	(3,471)	492	(11,098)
<b>Net insurance finance (expense) / income</b>	(236,976)	(90,151)	(255,095)	(51,839)	41,327	(19,448)	(568)	(469)	(613,219)

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

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Finance income from insurance contracts issued</b>									
Interest accreted	245,170	30,493	51,896	88,046	26,151	(42,221)	(13,726)	(347)	385,462
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance income / (expense) from insurance contracts issued</b>	<b>245,170</b>	<b>30,493</b>	<b>51,896</b>	<b>88,046</b>	<b>26,151</b>	<b>(42,221)</b>	<b>(13,726)</b>	<b>(347)</b>	<b>385,462</b>
<b>Finance expenses from reinsurance contracts held</b>									
Interest accreted	41,646	(12,855)	(178,730)	(65,942)	(27,628)	(13,551)	7,682	211	(249,167)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance income / (expense) from reinsurance contracts held</b>	<b>41,646</b>	<b>(12,855)</b>	<b>(178,730)</b>	<b>(65,942)</b>	<b>(27,628)</b>	<b>(13,551)</b>	<b>7,682</b>	<b>211</b>	<b>(249,167)</b>
<b>Net insurance finance income / (expense)</b>	<b>286,816</b>	<b>17,638</b>	<b>(126,834)</b>	<b>22,104</b>	<b>(1,477)</b>	<b>(55,772)</b>	<b>(6,044)</b>	<b>(136)</b>	<b>136,295</b>



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

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

	Medical	Motor Comprehensive	Motor Third party	Engineering	Property	General Accident	Marine Cargo	Marine Hull	Total
<b>Finance (expense) from insurance contracts issued</b>									
Interest accreted	(365,287)	(98,224)	(173,033)	(82,306)	(1,055,787)	(6,143)	4,895	(9,008)	(1,784,893)
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance (expense) / income from insurance contracts issued</b>	(365,287)	(98,224)	(173,033)	(82,306)	(1,055,787)	(6,143)	4,895	(9,008)	(1,784,893)
<b>Finance income from reinsurance contracts held</b>									
Interest accreted	168,232	(1,989)	9,476	(1,394)	985,638	7,564	(6,955)	(3,483)	1,157,089
Effects of changes in interest rates and other financial assumptions	-	-	-	-	-	-	-	-	-
<b>Finance income / (expense) from reinsurance contracts held</b>	168,232	(1,989)	9,476	(1,394)	985,638	7,564	(6,955)	(3,483)	1,157,089
<b>Net insurance finance income / (expense)</b>	(197,055)	(100,213)	(163,557)	(83,700)	(70,149)	1,421	(2,060)	(12,491)	(627,804)

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

**14. OTHER OPERATING EXPENSES**

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Employees' cost	1,489,166	1,537,306	4,915,851	4,369,501
Professional Fees	1,020,327	629,613	2,589,017	2,310,121
Repair and maintenance	373,791	701,958	1,537,374	1,740,273
Utilities	419,067	269,726	966,994	625,960
Business travel and transport	157,853	232,126	388,161	563,894
Directors' remuneration	140,000	1,016,000	1,809,971	1,241,000
VAT recoveries / expenses	(94,625)	-	3,247,890	-
Others	888,939	428,686	2,331,971	1,674,874
	<b>4,394,518</b>	<b>4,815,415</b>	<b>17,787,229</b>	<b>12,525,623</b>

**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 & Hajj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from January 1, 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 January 1, 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 Umrah scheme is amounting to ﷻ 0.04 million for the nine-month period ended September 30, 2025 (ﷻ 1.24 million for nine-month period ended September 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 June 25, 2020, an 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 nine-month period ended September 30, 2024: ﷻ 0.54 million).

During the period ended September 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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**15. SHARE OF SURPLUS FROM INSURANCE POOLS (Continued)****15.2 Share of surplus from Inherent defects insurance (Continued)**

The Company for Cooperative Insurance (Tawuniya) has been designated to lead the pool for Inherent Defects Insurance (IDI) from June 24, 2025 for a three-year term, announced by the Insurance Authority.

**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:

	<b>For the three-month period ended September 30,</b>		<b>For the nine-month period ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Salaries and benefits	<b>1,345,018</b>	2,100,115	<b>6,825,699</b>	5,770,137
Employee benefit obligations	<b>102,893</b>	123,673	<b>333,459</b>	360,539
Board of Directors' fees	<b>140,000</b>	1,016,000	<b>1,809,971</b>	1,241,000
Charge for the period	<b>1,587,911</b>	3,239,788	<b>8,969,129</b>	7,371,676

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:

	<b>For the three-month period ended September 30,</b>		<b>For the nine-month period ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Reversal) / charge for the period	<b>1,000,000</b>	1,400,000	<b>(2,500,000)</b>	4,200,000

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

	<b>September 30, 2025 (Unaudited)</b>	<b>December 31, 2024 (Audited)</b>
At the beginning of the period / year	<b>30,408,598</b>	40,186,311
Provisions		
- For the current period / year	<b>2,000,000</b>	7,313,986
- Adjustments related to prior years	<b>(4,500,000)</b>	1,500,000
	<b>(2,500,000)</b>	8,813,986
Paid during the period / year	<b>(15,445,762)</b>	(18,591,699)
At the end of the period / year	<b>12,462,836</b>	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:

	September 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 December 31, 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 nine-months period ended September 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 TVDRC ruled in favor of the Company and set aside the entire zakat liability of Saudi Riyal 1.6 million. ZATCA has appealed against the TVDRC decision at the Tax Violations and Disputes Appellate Committee (TVDAC) which is pending adjudication till date.

During 2024, the Company received a VAT assessment, for an additional liability of Saudi Riyal 4.1 million. The Company paid the assessed liability of ﷲ 4.1 million 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 Saudi Riyal 3.8 million. The Company escalated the case before the TVDRC. Subsequent to period end, TVDRC ruled in favor of the Company setting aside the earlier decision of ZATCA. ZATCA has appealed against the TVDRC decision before TVDAC which is pending adjudication till date.

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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 nine-month period ended September 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 September 26, 2024, approved the Company's proposed increase in the share capital by ﷲ 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 September 30,		For the nine-month period ended September 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	-	14,666,603	-	9,732,062
Weighted average number of ordinary shares	30,000,000	28,666,603	30,000,000	23,732,062
Total (loss) / income for the period attributable to the shareholders	(20,533,180)	3,125,245	(53,791,238)	21,059,310
Basic and diluted (loss) / earnings per share	(0.68)	0.11	(1.79)	0.89

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 ﷲ 18.26 and closing price per share of ﷲ 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*

	September 30, 2025 (Unaudited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments at FVTPL	-	-	8,692,848	8,692,848
Investments at FVOCI - debt	-	51,025,707	-	51,025,707
Investments at FVOCI - equities	-	-	63,627,374	63,627,374
<b>Total investments</b>	-	51,025,707	72,320,222	123,345,929

	December 31, 2024 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
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
<b>Total investments</b>	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*

	<b>September 30, 2025 (Unaudited)</b>	December 31, 2024 (Audited)
Balance at the beginning of the period / year	<b>70,040,821</b>	55,419,587
Purchases	-	5,000,000
Disposals	<b>(219,199)</b>	(7,773,545)
Unrealised loss on fair value through FVTPL	<b>(4,922)</b>	(244,821)
Unrealised gain on fair value through FVOCI	<b>2,503,522</b>	17,639,600
Balance at the end of the period / year	<b>72,320,222</b>	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;
- Premium solvency margin; or
- Claims solvency margin.

As of September 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 September 30, 2025 (Unaudited)**

Breakdown of GWP	September 30, 2025			
	Medical	Motor	Property & casualty	Total
Retail	5,290,328	74,606,532	3,295,251	83,192,111
Very small	9,397,763	1,866,850	397,692	11,662,305
Small	4,457,300	7,915,500	1,658,925	14,031,725
Medium	5,884,140	1,198,177	1,467,656	8,549,973
Corporate	25,644,084	4,534,863	2,741,839	32,920,786
Total	50,673,615	90,121,922	9,561,363	150,356,900

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

Breakdown of GWP	September 30, 2024			
	Medical	Motor	Property & casualty	Total
Retail	4,486,254	55,647,866	571,816	60,705,936
Very small	2,885,610	885,909	178,206	3,949,725
Small	10,553,944	5,496,164	1,606,288	17,656,396
Medium	7,770,422	2,510,595	2,853,549	13,134,566
Corporate	47,354,587	1,754,060	22,242,189	71,350,836
Total	73,050,817	66,294,594	27,452,048	166,797,459

**For the nine-month period ended September 30, 2025 (Unaudited)**

Breakdown of GWP	September 30, 2025			
	Medical	Motor	Property & casualty	Total
Retail	16,537,316	115,367,750	3,947,871	135,852,937
Very small	29,132,009	11,165,039	2,892,716	43,189,764
Small	16,992,866	14,886,424	5,608,947	37,488,237
Medium	20,959,013	11,102,883	14,097,124	46,159,020
Corporate	74,953,880	61,371,949	3,150,742	139,476,571
Total	158,575,084	213,894,045	29,697,400	402,166,529



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**23. GROSS WRITTEN PREMIUM (Continued)**

**For the nine-month period ended September 30, 2024 (Unaudited)**

	September 30, 2024			
<b>Breakdown of GWP</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Total</b>
<b>Retail</b>	13,645,753	116,573,444	3,754,527	133,973,724
<b>Very small</b>	10,092,698	2,589,659	839,742	13,522,099
<b>Small</b>	31,204,836	17,207,777	4,679,912	53,092,525
<b>Medium</b>	24,281,872	12,179,506	9,442,672	45,904,050
<b>Corporate</b>	83,091,297	58,219,576	34,534,344	175,845,217
<b>Total</b>	<u>162,316,456</u>	<u>206,769,962</u>	<u>53,251,197</u>	<u>422,337,615</u>

**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 September 30, 2025 (Unaudited)**

<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Total</b>
<b>Gross written premium</b>	<b>50,673,615</b>	<b>90,121,922</b>	<b>9,561,363</b>	<b>150,356,900</b>
<b>Reinsurance premium ceded – globally (including excess of loss)</b>	<b>(2,139,277)</b>	<b>(1,393,005)</b>	<b>(3,350,508)</b>	<b>(6,882,790)</b>
<b>Reinsurance premium ceded – locally (including excess of loss)</b>	<b>(1,234,496)</b>	<b>(640,125)</b>	<b>(3,380,508)</b>	<b>(5,255,129)</b>
<b>Net written premium - total</b>	<u><b>47,299,842</b></u>	<u><b>88,088,792</b></u>	<u><b>2,830,347</b></u>	<u><b>138,218,981</b></u>

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

<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Total</b>
<b>Gross written premium</b>	73,050,817	66,294,594	27,452,048	166,797,459
<b>Reinsurance premium ceded – globally (including excess of loss)</b>	(4,399,995)	(1,083,305)	(20,890,045)	(26,373,345)
<b>Reinsurance premium ceded – locally (including excess of loss)</b>	-	-	-	-
<b>Net written premium - total</b>	<u>68,650,822</u>	<u>65,211,289</u>	<u>6,562,003</u>	<u>140,424,114</u>

**For the nine -month period ended September 30, 2025 (Unaudited)**

<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Total</b>
<b>Gross written premium</b>	<b>158,575,084</b>	<b>213,894,045</b>	<b>29,697,400</b>	<b>402,166,529</b>
<b>Reinsurance premium ceded – globally (including excess of loss)</b>	<b>(8,324,616)</b>	<b>(2,387,240)</b>	<b>(12,570,847)</b>	<b>(23,282,703)</b>
<b>Reinsurance premium ceded – locally (including excess of loss)</b>	<b>(3,489,999)</b>	<b>(1,958,596)</b>	<b>(6,283,796)</b>	<b>(11,732,391)</b>
<b>Net written premium - total</b>	<u><b>146,760,469</b></u>	<u><b>209,548,209</b></u>	<u><b>10,842,757</b></u>	<u><b>367,151,435</b></u>

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**24. NET WRITTEN PREMIUM (Continued)**

**For the nine -month period ended September 30, 2024 (Unaudited)**

<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Property &amp; casualty</b>	<b>Total</b>
<b>Gross written premium</b>	162,316,456	206,769,962	53,251,197	422,337,615
<b>Reinsurance premium ceded – globally (including excess of loss)</b>	(9,261,319)	(4,151,035)	(34,660,410)	(48,072,764)
<b>Reinsurance premium ceded – locally (including excess of loss)</b>	(1,613,998)	(2,363,000)	(1,979,301)	(5,956,299)
<b>Net written premium - total</b>	<u>151,441,139</u>	<u>200,255,927</u>	<u>16,611,486</u>	<u>368,308,552</u>

**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 September 30, 2025, and before the date of approval of the interim condensed financial information, that could have a significant effect on the interim condensed financial information as at and for the period ended September 30, 2025.

**27. APPROVAL OF THE INTERIM CONDENSED FINANCIAL INFORMATION**

The interim condensed financial information have been approved by the Board of Directors on Jumada Al Awal 11, 1447H, corresponding to November 2, 2025.