

**GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A SAUDI JOINT STOCK COMPANY)**

**CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITORS REVIEW REPORT
FOR THE THREE-MONTH PERIOD ENDED
31 March 2025**

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED INTERIM STATEMENT OF FINANCIAL STATEMENTS
As at 31 March 2025

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Zahran Business Center
Prince Sultan Street
P. O. Box 55078
Jeddah 21534
Kingdom of Saudi Arabia
Commercial Registration No 4030290792

Headquarter in Riyadh



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Independent auditors' report on review of condensed interim financial statements

To the shareholders of Gulf General Cooperative Insurance Company – A Saudi Joint Stock Company

Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of Gulf General Cooperative Insurance Company ("the Company") which comprises:

- the condensed statement of financial position as at 31 March 2025;
- the condensed statement of income for the three-month period ended 31 March 2025;
- the condensed statement of other comprehensive income for the three-month period ended 31 March 2025;
- the condensed statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed statement of cash flow for the three-month period ended 31 March 2025; and
- the notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" that is endorsed in the Kingdom of Saudi Arabia. A review of the condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 condensed interim financial statements as at 31 March 2025 of Gulf General Cooperative Insurance Company are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' that is endorsed in the Kingdom of Saudi Arabia.

Emphasis of matter

We draw attention to Note 2 (f) of these financial statements, which indicates that the Company has incurred a net loss of SR 23.8 million for the three-month period ended 31 March 2025, and, as of that date, the Company's accumulated losses amounted to SR 162 million which represents 54% of the share capital. As at 31 March 2025, the solvency ratio of the Company stands at a lower rate than required. These conditions, along with other matters as set forth in Note 2 (f), indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



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Independent auditors' report on review of condensed interim financial statements (continued)

To the shareholders of Gulf General Cooperative Insurance Company – A Saudi Joint Stock Company

Report on Other Legal and Regulatory Requirements

We draw your attention to note 16 of the condensed interim financial statements which describes that the Company has not complied with the applicable requirements of maintaining the solvency ratio as per Article 66 of the Implementing Regulations of the Cooperative Insurance Companies Control Law.

For KPMG Professional Services Company

Nasser Ahmed Al Shutairy
Certified Public Accountant
License No. 454

Al Kharashi & Co. Certified

Abdullah AIMsned
Certified Public Accountant
License No. 456




Jeddah, Kingdom of Saudi Arabia
Date: 14 May 2025
Corresponding to 16 Dhul Qidah 1446 AH

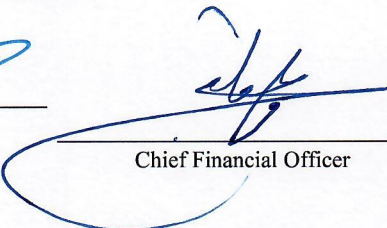


GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025
(All amounts in Saudi Riyal thousands unless otherwise stated)


	Note	31 March 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Cash and cash equivalents	4	118,113	6,559
Investments held at amortised cost	5	--	181,381
Financial assets at fair value through profit or loss ("FVTPL")	6.1	57,247	57,048
Financial assets at fair value through other comprehensive income ("FVOCI")	6.2	63,631	61,124
Prepaid expenses and other assets	7	14,318	15,936
Reinsurance contract assets	9.1	37,632	36,847
Insurance contract asset	9.1	2,281	1,491
Property and equipment		10,538	11,088
Intangible assets		10,883	11,172
Right of use asset		3,925	4,221
Statutory deposit	8	44,986	44,992
Accrued income on statutory deposit		1,878	1,327
TOTAL ASSETS		365,432	433,186
LIABILITIES AND EQUITY			
LIABILITIES			
Accrued expenses and other liabilities		10,662	13,235
Insurance contract liabilities	9.1	138,138	183,564
Employees' defined benefit obligations		4,199	4,070
Zakat payable	11.1	4,869	3,669
Lease liabilities		3,055	3,415
Accrued income on statutory deposit		1,878	1,327
TOTAL LIABILITIES		162,801	209,280
EQUITY			
Share capital	12	300,000	300,000
Statutory reserve		2,165	2,165
Accumulated losses		(162,118)	(138,336)
Fair value reserve for investment		61,708	59,201
Re-measurement reserve of defined benefit obligations		876	876
TOTAL EQUITY		202,631	223,906
TOTAL LIABILITIES AND EQUITY		365,432	433,186
COMMITMENTS AND CONTINGENCIES	19	300	300



Director



Chief Financial Officer



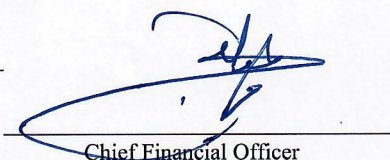
Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENT OF INCOME (UNAUDITED)
For the three-month period ended 31 March 2025
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Three-month period ended 31 March	
		2025	2024
REVENUES			
Insurance revenue	13	94,109	87,768
Insurance service expenses	13	(110,674)	(88,542)
Net expenses from reinsurance contracts	13	(4,904)	(5,663)
Insurance service result from Company's directly written business		(21,469)	(6,437)
Share of surplus from insurance pools		904	1,236
Total insurance service results		(20,565)	(5,201)
Net gains on investments measured at FVTPL		202	1,707
Commission income on investments measured at amortised cost		1,507	2,447
Commission income on investments measured at FVTPL		63	63
Dividend income		53	42
Investment return		1,825	4,259
Net finance expenses from insurance contracts	14	(610)	(658)
Net finance income from reinsurance contracts	14	374	203
Net insurance finance expense		(236)	(455)
Net insurance and investment result		(18,976)	(1,397)
Operating expense		(3,606)	(2,525)
Net loss for the period before zakat		(22,582)	(3,922)
Zakat	11.1	(1,200)	(1,817)
NET LOSS FOR THE PERIOD		(23,782)	(5,739)
Loss per share (expressed in SAR per share)	17	(0.79)	(0.19)



Director



Chief Financial Officer



Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)

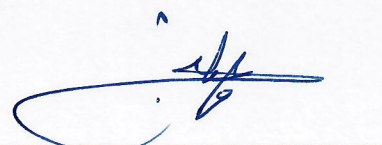
For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)


	Note	Three-month periods ended 31 March	
		2025	2024
NET LOSS FOR THE PERIOD		(23,782)	(5,739)
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to the statement of income:</i>			
Fair value gain on financial assets at fair value through other comprehensive income	6	<u>2,507</u>	<u>--</u>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(21,275)</u>	<u>(5,739)</u>



Director



Chief Financial Officer

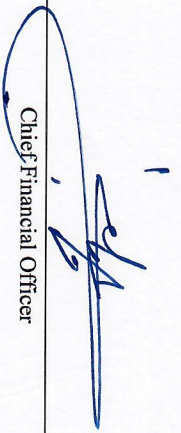


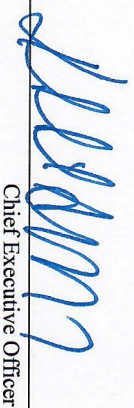
Chief Executive Officer

GULF GENERAL COOPERATIVE INSURANCE COMPANY
(A Saudi Joint Stock Company)
CONDENSED STATEMENTS OF CHANGES IN EQUITY
For the three-month period ended 31 March 2025
(All amounts in Saudi Riyal thousands unless otherwise stated)

	Note	Share capital	Statutory reserve	Accumulated losses	Fair value reserve on investments	Re-measurement reserve of defined benefit obligations	Total
Balance as at 1 January 2024 (Audited)		500,000	2,165	(244,129)	41,539	818	300,393
Total comprehensive income							
Loss for the period		--	--	(5,739)	--	--	(5,739)
Total comprehensive loss for the period		--	--	(5,739)	--	--	(5,739)
Transaction with owners of the Company							
Reduction of share capital to absorb losses	12	(200,000)	--	200,000	--	--	--
Balance as at 31 March 2024 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>(49,868)</u>	<u>41,539</u>	<u>818</u>	<u>294,654</u>
Balance at 1 January 2025 (Audited)		<u>300,000</u>	<u>2,165</u>	<u>(138,336)</u>	<u>59,201</u>	<u>876</u>	<u>223,906</u>
Total comprehensive income:							
Loss for the period		--	--	(23,782)	--	--	(23,782)
Other comprehensive income for the period	6	--	--	--	2,507	--	2,507
Total comprehensive (loss)/income for the period		--	--	(23,782)	2,507	--	(21,275)
Balance at 31 March 2025 (Unaudited)		<u>300,000</u>	<u>2,165</u>	<u>(162,118)</u>	<u>61,708</u>	<u>876</u>	<u>202,631</u>


Director


Chief Financial Officer


Chief Executive Officer

The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

CONDENSED STATEMENT OF CASH FLOW

For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

	Notes	31 March 2025	31 March 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Total loss for the period before zakat		(22,582)	(3,922)
<u>Adjustments for non-cash items:</u>			
Depreciation		550	572
Amortization of intangible assets		289	370
Amortization of right-of-use assets		296	297
Finance cost on lease liability		38	51
Net gain on financial assets at FVTPL		(199)	(1,707)
Employee defined benefit obligation		409	394
Commission income on FVTPL investments and Murabaha		1,507	(2,510)
ECL Provision		48	--
Dividend income		(53)	(42)
		<u>(19,697)</u>	<u>(6,497)</u>
<u>Changes in operating assets and liabilities:</u>			
Insurance contract liability		(45,426)	65,953
Insurance contract asset		(790)	--
Reinsurance contract asset		(785)	2,762
Prepaid and other assets		1,857	2,539
Accrued expenses and other liabilities		(3,094)	(560)
Cash (used in) / generate from operating activities		(67,935)	64,197
Zakat paid	11	--	(617)
Employee defined benefit obligation paid		(222)	(103)
Net cash (used in) / generated from operating activities		<u>(68,157)</u>	<u>63,477</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment		--	(25)
Commission income on FVTPL investments and Murabaha		5,907	2,510
Dividend income		53	42
Maturity / (addition) of Murabaha deposits		174,149	(59,486)
Net cash generated from investing activities		<u>180,109</u>	<u>(56,959)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(398)	(199)
Net cash used in financing activities		<u>(398)</u>	<u>(199)</u>
Net increase in cash and cash equivalents		111,554	6,319
Cash and cash equivalents at the beginning of the period		<u>6,559</u>	<u>14,462</u>
Cash and cash equivalents at the end of the period	4	<u>118,113</u>	<u>20,781</u>
NON-CASH TRANSACTIONS:			
Decrease of capital to absorb accumulated losses	12		<u>(200,000)</u>


Director
Chief Financial Officer
Chief Executive Officer

The accompanying notes 1 to 21 form an integral part of these condensed interim financial statements.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

1. General

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

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

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

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

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

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

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

In case of deficit arising from the insurance operations, the entire deficit is allocated and transferred to the shareholders' operations in full. In accordance with Article 70 of SAMA implementing regulations, the Company proposes to distribute, subject to the approval of SAMA, its annual net policyholders' surplus directly to policyholders at a time, and according to criteria, as set by its Board of Directors. The new Companies Law issued through Royal Decree M/132 on 03/04/1443H (corresponding to 30 September 2022) (hereinafter referred as "the New Law") came into force on 26/06/1444H (corresponding to 19 January 2023) as well as the amended implementing regulations issued by the Capital Market Authority (CMA) based on the New Law. For certain provisions of the New Law and the amended CMA implementing regulations, full compliance is expected not later than two years from 26/6/1444H (corresponding to 19 January 2023). The management has assessed the impact of the New Law and will amend its By-laws with the amendments in the provisions required to align with the provisions of the New Law and the amended CMA implementing regulations, and with any other amendments that may take advantage of the New Law and the amended CMA implementing regulations. The Company has presented the amended By-laws, within the timeframe allowed, to the shareholders and got them approved in its Extraordinary General Assembly meeting held on 7 November 2024.

The Company has announced the signing of a binding merger agreement with Gulf Union Al Ahlia Cooperative Insurance Company (GUAI) dated 12 February 2025 corresponding to 13th Shaban 1446H subject to certain conditions and has also obtained approval from Insurance Authority on 11 February 2025 and from CMA on 24 February 2025 to proceed with the merger. However, on 25 March 2025, the Company announced the termination of the merger agreement and accordingly the merger has been cancelled.

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

2 Basis of preparation

(a) Statement of compliance

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

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

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

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Basis of presentation

The condensed interim financial statements do not include all of the information required for complete set of annual financial statements and should be read in conjunction with the annual financial statements as of and for the year ended 31 December 2024. In addition, results for the interim three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

(e) Seasonality of operations

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

(f) Going concern

The Company has incurred losses of SR 23.8 million and negative cash flows from operations for the period ended 31 March 2025, and as of that date, the accumulated losses reached to SAR 162 million which represents 54% of its share capital, further, the Company's calculated solvency ratio following article 66 requirements was 63% and considering the ratio at the time of applying the new capital requirement of SR 300 million which will be 21%, the minimum solvency ratio in both cases should be 100% based on these instructions, If the Company continues to fails in maintaining this ratio, the Insurance Authority may require it to take appropriate corrective actions. These matters indicate existence of a material uncertainty which may raise substantial doubt on the Company's ability to continue as going concern.

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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

2 Basis of preparation (continued)

(f) Going concern (continued)

Regardless the above indicators, the Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future (12 months from the reporting date). By concentrating on customer segments that positively impact the bottom line, the Company seeks to enhance revenue quality and overall financial performance. This strategic shift includes the implementation of a dynamic pricing model, allowing for adjustments based on prevailing market conditions, competitive dynamics, and individual risk assessments. Furthermore, the Company has developed targeted underwriting criteria tailored to distinct customer segments and risk profiles. This approach ensures that premium levels are not only appropriate but also sustainable, thereby reinforcing our commitment to profitability and the long-term success of the organization.

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

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

Based on the above measures taken by the management, along with existing cash and cash equivalents and other liquid assets, the management and those charged with governance remain confident that going concern assumption is valid. Based on the above these condensed interim financial statements have been prepared on a going concern basis.

(g) Critical accounting judgments, estimates and assumptions

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

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

3. Material accounting policies

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

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

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

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

3.2 Standards, interpretations and amendments issued but not yet effective

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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

3. Material accounting policies (continued)**3.2 Standards, interpretations and amendments issued but not yet effective (continued)**

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

4 Cash and cash equivalents

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Insurance operations		
Cash in hand	15	14
Cash at bank	118,119	6,546
Expected credit loss ("ECL")	(21)	(1)
	<u>118,113</u>	<u>6,559</u>

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

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

5 Investments held at amortised cost

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

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

GULF GENERAL COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2025

(All amounts in Saudi Riyal thousands unless otherwise stated)

6 Financial assets at fair value through profit or loss ("FVTPL")**6.1 Investments held as fair value through profit or loss**

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Equity securities	19,585	18,423
Mutual funds	32,662	33,625
Sukuks (6.1.1)	5,000	5,000
	<u>57,247</u>	<u>57,048</u>

6.1.1 Investment in Tier-1 sukuks:

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

These represents the Company's investment in Banque Saudi Fransi and AlRajhi Tier 1 Sukuks. These represent 2 Sukuks at a face value of SR 5 million with a coupon rate of 4.50% and 5.5% per annum. The Company has earned commission income of SR 0.06 million during the period (31 March 2024: SR 0.06 million). The profit distribution on these sukuks is at the discretion of the issuer therefore these sukuks classified as FVTPL.

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

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	57,048	53,572
Addition during the period / year	-	841
Unrealized (loss) / gain during the period / year	199	2,635
Balance at end of the period / year	<u>57,247</u>	<u>57,048</u>

6.2 Investments held at FVOCI

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

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

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7 Prepaid expenses and other assets

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Prepayments	9,322	10,494
Due from employer's delinquency insurance pool	904	--
Due from Tawuniya for pool deals	1,236	1,451
Due from travel and covid-19 products	472	472
Staff receivables	274	458
Bank guarantee	300	300
Other	1,870	2,826
	<u>14,378</u>	<u>16,001</u>
Expected credit loss ("ECL")	(60)	(65)
	<u>14,318</u>	<u>15,936</u>

8 Statutory Deposit

During the year ended 31 December 2024, the Company has obtained a no objection certificate ("NOC") from SAMA dated 9 May 2024 with regards to release of SR 30 million of the statutory deposit, from the bank designated by SAMA. The release was done on account of reduction in the share capital of the Company by SR 500 million to SR 300 million based on extra ordinary meeting dated 19 March 2024. The statutory deposit as at 31 March 2025 amounted to SR 45 million which is equivalent to 15% of the share capital of the Company which is in compliance with Article 58 of the "Executive Regulations of the Cooperative Insurance Companies Control Law".

9 Insurance and reinsurance contracts

9.1 Composition of statement of financial position

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

	Medical	Motor- TPL	Motor- Comp	Property	Engineering	Marine	Accident & liability	Total
As at 31 March 2025 (Unaudited)								
Insurance Contracts								
Insurance contract assets	--	--	--	(2,281)	--	--	--	(2,281)
Insurance contract liabilities	15,186	79,980	27,901	--	2,703	2,409	9,959	138,138
	<u>15,186</u>	<u>79,980</u>	<u>27,901</u>	<u>(2,281)</u>	<u>2,703</u>	<u>2,409</u>	<u>9,959</u>	<u>135,857</u>
Reinsurance contracts								
Reinsurance contract assets	1,035	13,580	5,119	6,939	2,504	1,546	6,909	37,632
Reinsurance contract liabilities	--	--	--	--	--	--	--	-
	<u>1,035</u>	<u>13,580</u>	<u>5,119</u>	<u>6,939</u>	<u>2,504</u>	<u>1,546</u>	<u>6,909</u>	<u>37,632</u>
As at 31 December 2024 (Audited)								
Insurance Contracts								
Insurance contract assets	-	-	-	(1,491)	-	-	-	(1,491)
Insurance contract liabilities	17,212	121,441	29,379	-	3,191	2,181	10,160	183,564
	<u>17,212</u>	<u>121,441</u>	<u>29,379</u>	<u>(1,491)</u>	<u>3,191</u>	<u>2,181</u>	<u>10,160</u>	<u>182,073</u>
Reinsurance contracts								
Reinsurance contract assets	785	13,070	4,431	7,210	3,016	1,134	7,201	36,847
Reinsurance contract liabilities	--	--	--	--	--	--	--	-
	<u>785</u>	<u>13,070</u>	<u>4,431</u>	<u>7,210</u>	<u>3,016</u>	<u>1,134</u>	<u>7,201</u>	<u>36,847</u>

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9 Insurance and reinsurance contracts (continued)

9.2 Analysis by remaining coverage and incurred claims

9.2.1 Insurance contracts:

	As at 30 March 2025 (Unaudited)				Total
	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	
Insurance contracts					
Insurance contract liabilities - opening	107,088	7,540	67,089	1,847	183,564
Insurance contract assets – opening	(3,110)	--	1,522	97	(1,491)
Opening balance – net (audited)	103,978	7,540	68,611	1,944	182,073
Insurance revenue	(94,109)	--	--	--	(94,109)
Insurance service expenses					
Incurred claims and other directly attributable expenses	--	--	37,692	(120)	37,572
Onerous contracts recognized	--	--	--	--	-
Changes that relate to past service - adjustments to the LIC	--	--	56,171	(287)	55,884
Reversal of losses on onerous contracts	--	(309)	--	--	(309)
Insurance acquisition cash flows amortisation	17,527	--	--	--	17,527
Insurance service expenses	17,527	(309)	93,863	(407)	110,674
Finance expense from insurance contracts	--	--	610	--	610
Total changes in the statement of income	(76,582)	(309)	94,473	(407)	17,175
Cash flows					
Premiums received	66,023	--	--	--	66,023
Claims and other directly attributable expenses paid	--	--	(112,427)	--	(112,427)
Insurance acquisition cash flows paid	(16,987)	--	--	--	(16,987)
Total cash inflows / (outflows)	49,036	--	(112,427)	--	(63,391)
Insurance contracts					
Insurance contract liabilities – closing	80,268	7,231	49,199	1,440	138,138
Insurance contract assets – closing	(3,836)	--	1,458	97	(2,281)
Closing balance – net (Unaudited)	76,432	7,231	50,657	1,537	135,857

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9 Insurance and reinsurance contracts (continued)**9.2 Analysis by remaining coverage and incurred claims (continued)****9.2.1 Insurance contracts (continued):**

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

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9.2 Analysis by remaining coverage and incurred claims (continued)**9.2.2 Reinsurance contracts held (continued):**

	As at 31 March 2025 (Unaudited)				Total
	Asset for remaining coverage		Asset for incurred claims		
	Excluding recovery component	Recovery component	Estimates of present value of FCF	Risk adjustment for non- financial risk	
Reinsurance contracts					
Reinsurance contract assets – opening	5,070	248	30,941	588	36,847
Reinsurance contract liabilities – opening	--	--	--	--	--
Opening balance – net	5,070	248	30,941	588	36,847
Reinsurance premium earned	(7,797)	--	--	--	(7,797)
Reinsurance service expenses					
Claims recovered and other directly attributable expenses	--	--	607	35	642
Changes that relate to past service - adjustments to the LIC	--	--	2,273	54	2,327
Reversal of loss component	--	(76)	--	--	(76)
Reinsurance service expenses - net	--	(76)	2,880	89	2,893
Finance income from reinsurance contracts	--	--	374	--	374
Total changes in the statement of income	(7,797)	(76)	3,254	89	(4,530)
Cash flows					
Premiums ceded and acquisition cash flows paid	8,074	--	--	--	8,074
Recoveries from reinsurance	--	--	(1,409)	--	(1,409)
Commission from reinsurance	(1,350)	--	--	--	(1,350)
Total cash (outflows) / inflows	6,724	--	(1,409)	-	5,315
Reinsurance contracts					
Reinsurance contract assets – closing	3,997	172	32,786	677	37,632
Reinsurance contract liabilities - closing	--	--	--	--	--
Closing balance – net (Unaudited)	3,997	172	32,786	677	37,632

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9 Insurance and reinsurance contracts (continued)**9.2 Analysis by remaining coverage and incurred claims (continued)****9.2.2 Reinsurance contracts held (continued):**

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

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10 Related party transactions and balances**10.1 Related party transactions**

Related parties represent shareholders, Board members and key management personnel of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Contract pricing policies and terms are approved by the Company's management or where required and applicable the Company's Board of Directors. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The following are the details of the related party transactions during the period and their related balances:

<u>Related party</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Transaction for the three - months period ended</u>		<u>Balance receivable / (payable) as at</u>	
			<u>31 March 2025</u> <u>(Unaudited)</u>	<u>31 March 2024</u> <u>(Unaudited)</u>	<u>31 March 2025</u> <u>(Unaudited)</u>	<u>31 December 2024</u> <u>(Audited)</u>
Insurance operations						
Saudi General Insurance Company Ltd. E.C.	Shareholder	Expenses paid	--	--	(309)	(309)
Rolaco Group *	Related to Shareholders	Premiums underwritten.	61	26	11	10
		Claims paid	(12)	--	(578)	(20)
Dabbagh Group *	Related to Shareholders	Premiums underwritten	(9)	642	1,118	1,112
		Claims paid	(741)	(241)	(1,505)	(1,633)
Raghaf Establishment *	Related to Shareholders	Premiums underwritten.	--	75	--	--
		Claims paid	(6)	(15)	(6)	(3)
Key Management Personnel		Short-term benefits	1,556	1,136	--	--
		Long-term benefits	65	48	(591)	(219)
Shareholders' operations						
Board of Directors		Board of Directors remuneration and related expenses	450	450	2,250	1,800

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

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11 Zakat

11.1 Zakat Provision

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

	31 March 2025 (Unaudited)	31 December 2024 (Audited)
Balance as at beginning of the period / year	3,669	2,973
Provided during the period / year	1,200	5,615
Paid during the period / year	--	(4,919)
Balance as at end of the period / year	4,869	3,669

11.2 Status of assessments

The Company has filled its Zakat assessment returns for the years ended 31 December 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 and has obtained the related zakat certificates.

Year ended 31 December 2010 to 2020

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

Year ended 31 December 2021 to 2022

ZATCA has issued the Zakat assessments for the years ended 31 December 2021 and 2022 and claimed additional Zakat liability of SR 0.58 million and SR 0.91 million respectively. The Company is under an objection process at ZATCA level. The Company objected against the said assessment. ZATCA rejected the objection for the year 2021 and issued the revised assessment for the year 2022 which reduced the Zakat differences to SR 0.89 million. Total provision for the year 2021 and 2022 amounts to SR 1.47 million. The company has escalated its objection for the years 2021 and 2022 to CRTVD and is waiting for the committee to set up a hearing date.

Year ended 31 December 2023

The Company filed the Zakat return for the year 2023 and obtained the necessary Zakat certificates. ZATCA did not finalize the study of the said year.

12 Share capital

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

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

During the year ended 31 December 2024, the Company has announced the results of the Extraordinary General meeting held on 19 March 2024 corresponding to 9 Ramadan 1445H which approved the Board recommendation for decrease in the share capital of the Company by SR 200 million. The reduction in the share capital set off against the accumulated losses of the Company.

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13 Insurance revenue and expenses

An analysis of insurance revenue, insurance expenses and net expenses from reinsurance contracts held by product line for 31 March 2025 and 31 March 2024 is included in following tables. Additional information on amounts recognized in statement of income is included in the insurance contract balances reconciliation.

For the three-months period ended 31 March 2025 (Unaudited)	Medical	Motor-Comp	Motor-TPL	Property	Engineering	Marine	Accident & liability	Total
Insurance revenue from contracts measured under PAA	4,331	29,338	52,103	4,335	1,049	1,206	1,747	94,109
Insurance revenue – total	4,331	29,338	52,103	4,335	1,049	1,206	1,747	94,109
Incurring claims and other directly attributable expenses	(3,462)	(10,851)	(20,936)	(786)	(355)	(584)	(598)	(37,572)
Changes that relate to past service - adjustments to the LIC	(3,250)	(21,871)	(30,589)	33	29	(203)	(33)	(55,884)
(Losses) on onerous contracts and reversal of the losses	1,126	(985)	168	--	--	--	--	309
Insurance acquisition cash flows amortisation	(302)	(6,237)	(9,693)	(696)	(171)	(147)	(281)	(17,527)
Insurance service expenses – total	(5,888)	(39,944)	(61,050)	(1,449)	(497)	(934)	(912)	(110,674)
Reinsurance income (expenses) - contracts measured under the PAA								
Claims recovered	130	182	301	--	--	28	1	642
Reinsurance premium ceded	(1,143)	(380)	(384)	(3,058)	(876)	(1,113)	(843)	(7,797)
Movement in Loss Recovery Component adjustment to reinsurance	(84)	10	(2)	--	--	--	--	(76)
Changes that relate to past service - adjustments to incurred claims	1,123	626	450	(47)	(34)	188	21	2,327
Net income / (expenses) from reinsurance contracts held - total	26	438	365	(3,105)	(910)	(897)	(821)	(4,904)
Insurance service result – total	(1,531)	(10,168)	(8,582)	(219)	(358)	(625)	14	(21,469)

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13 Insurance revenue and expenses (continued)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
for the three-months period ended 31 March 2024 (Unaudited)								
Insurance revenue from contracts measured under PAA	9,773	27,767	38,578	5,883	670	2,590	2,507	87,768
Insurance revenue – total	9,773	27,767	38,578	5,883	670	2,590	2,507	87,768
Incurred claims and other directly attributable expenses	(3,795)	(6,558)	(15,191)	(1,035)	(477)	(849)	(721)	(28,626)
Changes that relate to past service - adjustments to the LIC (Losses) on onerous contracts and reversal of the losses	(8,981)	(18,319)	(20,879)	669	445	120	(584)	(47,529)
Insurance acquisition cash flows amortisation	829	-	-	--	-	--	--	829
Insurance service expenses – total	(988)	(3,927)	(6,424)	(976)	(146)	(311)	(444)	(13,216)
Reinsurance income (expenses) - contracts measured under the PAA	(12,935)	(28,804)	(42,494)	(1,342)	(178)	(1,040)	(1,749)	(88,542)
Claims recovered	192	34	44	-	62	133	-	465
Reinsurance premium ceded	(1,094)	(2,621)	(2,829)	(3,185)	(684)	(1,254)	1,064	(10,603)
Movement in Loss Recovery Component adjustment to reinsurance	(695)	-	-	--	--	--	--	(695)
Changes that relate to past service - adjustments to incurred claims	676	2,155	2,521	(69)	(219)	84	22	5,170
Net income / (expenses) from reinsurance contracts held – total	(921)	(432)	(264)	(3,254)	(841)	(1,037)	1,086	(5,633)
Insurance service result – total	(4,083)	(1,469)	(4,180)	1,287	(349)	513	1,844	(6,437)

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14 Insurance finance expense - net

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

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the three-month period ended 31 March 2025 (Unaudited)								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(86)	46	(480)	(16)	(10)	(15)	(49)	(610)
Finance expense from insurance contracts issued	(86)	46	(480)	(16)	(10)	(15)	(49)	(610)
Finance income from reinsurance contracts held								
Interest accreted	12	100	113	75	12	24	38	374
Finance income from reinsurance contracts held	12	100	113	75	12	24	38	374
Insurance finance expense – net	(74)	146	(367)	59	2	9	(11)	(236)

	Medical	Motor- Comp	Motor- TPL	Property	Engineering	Marine	Accident & liability	Total
For the three-months period ended 31 March 2024								
Finance income / (expense) from insurance contracts issued								
Interest accreted	(99)	(151)	(214)	(98)	(17)	(26)	(53)	(658)
Finance income / (expense) from insurance contracts issued	(99)	(151)	(214)	(98)	(17)	(26)	(53)	(658)
Finance income / (expense) from reinsurance contracts held								
Interest accreted	9	34	16	74	14	19	37	203
Finance income / (expense) from reinsurance contracts held	9	34	16	74	14	19	37	203
Insurance finance expense - net	(90)	(117)	(198)	(24)	(3)	(7)	(16)	(455)

15 Financial Risk Management

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

Fair values of financial instruments

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

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

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

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15 Financial Risk Management (continued)**Determination of fair value and fair value hierarchy**

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

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

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

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

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

	Fair value through profit or loss (FVTPL)	Fair value through other comprehensive income (FVOCI)	Fair value		
			Level 1	Level 2	Level 3
31 March 2025 (Unaudited)					
Financial assets measured at fair value					
Equity	19,585	63,631	19,585	--	63,631
Mutual funds	32,662	--	--	32,662	--
Sukuks	5,000	--	--	5,000	--
	57,247	63,631	19,585	37,662	63,631
31 December 2024 (Audited)					
Financial assets measured at fair value					
Equity	18,423	61,124	18,423	--	61,124
Mutual funds	33,625	--	--	33,625	--
Sukuks	5,000	--	--	5,000	--
	57,048	61,124	18,423	38,625	61,124

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

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

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

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

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15 Financial Risk Management (continued)**Reconciliation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy (continued)**

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

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	31	31	31	31	31	31	
	March	December	March	December	March	December	
	2025	2024	2025	2024	2025	2024	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
Unquoted equity investment in Najm	63,631	61,124	Earnings growth factor	Earnings growth factor	6.9%	6.9%	Reducing the Earnings growth factor to 5%, would decrease the fair value by SR 0.8 million. (2024: Reducing the Earnings growth factor to 10%, would decrease the fair value by SR 0.8 million)
			WACC	WACC	16.5%	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by SR 1.2 million. (2024: SR 1.2 million)
			Terminal value growth rate	Terminal value growth rate	1.5%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by SR 0.7 million. (2024: SR 0.7 million)

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

16 Capital management

Objectives are set by the Company to maintain healthy capital ratios in order to support its business objectives and maximize shareholders' value.

The Company manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in market conditions and risk characteristics of the Company's activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue shares.

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

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

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

As at 31 March 2025 consists of paid-up share capital of SR 300 million, statutory reserve of SR 2.2 million, accumulated loss of SR 162 million and fair value reserve for investments of SR 61.7 million (December 31, 2024: paid-up share capital of SR 300 million, statutory reserve of SR 2.2 million, accumulated losses of SR 138 million and fair value reserve for investments of SR 59.2 million), in the condensed statement of financial position.

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16 Capital management (continued)

The solvency ratio as of 31 March 2025 calculated using the requirement as per article 66 equivalent to 63% which is below the required 100% margin (31 December 2024: 76%).

The amendment made to the Co-operative Insurance Companies Law in accordance with the Royal Decree (M/12) dated 23/1/1443H (corresponding to 01/09/2021) requires the minimum capital of insurance companies to be SR 300 million by December 15, 2024. Calculating the solvency ratio as of 31 March 2025 using the new capital requirement will result to 21% which is below the minimum ratio requirement.

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

As at 31 March 2024, the accumulated losses of the Company exceeded 50% of the Company's share capital due to which the requirements of Article 150 of the Regulations for Companies became applicable, the management and the board of directors are aware of the current situation and taking the necessary actions to comply with such requirements.

17 Loss per share

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

	For the three-month period ended 31 March	
	2025 (Unaudited)	2024 (Unaudited)
Loss for the period	(23,782)	(5,739)
Weighted average number of ordinary shares for basic and diluted EPS	30,000	30,000
Earnings per share - basic and diluted	(0.79)	(0.19)

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

18 Operating segments

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

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

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

19 Commitment and contingencies

19.1 The Company's bankers have issued payment guarantees of SR 0.3 million as at 31 March 2025 (December 31, 2024: SR 0.3 million) to its suppliers on behalf of the Company.

19.2 The Company operates in the insurance industry and is subject to legal proceedings in the ordinary course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

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19 Commitment and contingencies (continued)

19.3 Please refer to note 12 with respect to Zakat contingencies.

19.4 Saudi General Insurance Company E.C. ("SGI") has raised a lawsuit against the Company requesting the Company to settle the Zakat and taxes on financial years 2005 to 2010. The Primary Committee ruled/decided to decline the case and obligate SGI to pay the Zakat and Tax amounts for 2005 to 2008, moreover, they ruled/decided to obligate GGI to pay the Zakat and tax amounts for 2009 and 2010. GGI will object and reject the decision before the GSTC Appealing Committee based on the decision of GSTC in 2018, and they believe that the Company does not have any financial impact as a result of this case.

20 Subsequent events

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

21 Approval of condensed interim financial statements

These financial statements have been approved by the Board of Directors on 6th May 2025, corresponding to 8th Dhul Qidah 1446H.