

Element List	Explanation
Introduction	The Board of Directors of Salama Cooperative Insurance Company hereby cordially invites the shareholders to attend, participate and vote in the first meeting of the Ordinary General Assembly Meeting, which will be in presence and through modern technology means on a 29/04/2026 corresponding 12/11/1447H, at 20:30,
City and Location of the General Assembly's Meeting	Jeddah city, In Salama Headquarter Office in AL-Madinah Road Jeddah, in presence and .through modern technology using Tadawulaty System
Hyperlink of the Meeting Location	<a href="#">- Google Maps شركة سلامة للتأمين التعاوني Salama Cooperative Insurance Company</a>
Date of the General Assembly's Meeting	29/04/2029
Time of the General Assembly's Meeting	20:30
Methodology of Convening the General Assembly's Meeting	Attendance in-person and via modern technology means
Attendance Eligibility, Registration Eligibility, and Voting End	Shareholders who are registered in the issuers shareholders record at the Depository Center by the end of the trade session prior to the general assembly meeting and in accordance with the laws and regulations. The shareholder has the right to delegate whomever other than the board of directors. The right to register a name to attend the general assembly meeting ends at the time of convening the general assembly meeting. The attendees right to vote on the items of the assembly's agenda ends upon the end of screening the votes by the Screening Committee.
Quorum for Convening the General Assembly's Meeting	The meeting of the Ordinary General Assembly is valid if attended by shareholders representing a 25% of the company's capital. If the necessary quorum is not available to hold this meeting, the second meeting will be held an hour after the end of the period specified for holding the first meeting. represented in it.
General Assembly Meeting Agenda	<p>1- Viewing and discussing the Board of Directors report for the fiscal year ending on 31-12-2025. (Attached)</p> <p>2- To vote on the company's auditor's report for the fiscal year ending 31/12/2025 after its discussion. (Attached)</p> <p>3- Viewing and discussing the financial statements for the fiscal year ending on 31-12-2025. (Attached)</p> <p>4- Voting to absolve the Board of Directors from their liabilities pertaining to the management of the company for the fiscal year ended 31/12/2025.</p> <p>5- Voting on paying an amount of (1,967,301) SR as remuneration to the Board members and board committee member for the Fiscal year ended on 31/12/2025.</p>

	<p>6- Voting on authorizing the Board of Directors with the General Assembly authority with the rights mentioned in paragraph (1) of Article (27) of the Companies Law for one year from the date of approval of the General Assembly or until the end of the session of the authorized Board of Directors, whichever is earlier, in accordance with the conditions mentioned in the Implementing Regulation of the Companies Law for Listed Joint Stock Companies.</p> <p>7- Voting on appointing the auditor for the company from the selected candidates based on the Audit Committee's recommendation. The appointed auditor shall examine, review and audit the (second and third) quarters and annual financial statements of the fiscal year 2026, and the first quarters of the fiscal year 2027. In addition to, the determination of the auditor's remuneration.</p>
Proxy Form	Attached
The shareholder right in discussing the assembly agenda topics, asking questions, and exercising the voting right	<p>Eligibility for Attendance Registration and Voting Ends upon the Convenience of the General Assembly's Meeting.</p> <p>Eligibility for Voting on the Meeting Agenda Ends upon the Counting Committee Concludes Counting the Votes</p>
Details of the electronic voting on the Assembly's agenda	The shareholders registered in Tadawulaty services may vote on the items of the General Assembly agenda online starting from Saturday 1:00 AM on 25/04/2026 corresponding to 08-11-1447H and shall continue until the end of General Assembly meeting. Please note that registration in Tadawulaty service and voting is provided free of charge for all shareholders through the following <a href="http://www.tadawulaty.com.sa">www.tadawulaty.com.sa</a>
Method of Communication in Case of Any Enquiries	<p>For inquiries, please contact the investors relation Affairs during official working hours from 8AM – 4PM on telephone no:</p> <p>012-6845757</p> <p>012-6845696</p> <p>or by email: <a href="mailto:ir@salama.com.sa">ir@salama.com.sa</a></p>
Attached Documents	Attached

## Audit committie report of Salama Cooperative Insurance Company

### Introduction:

The Audit Committee at Salama Cooperative Insurance Company is pleased to present to the company's esteemed shareholders its annual report for the financial year ending on December 31, 2025, which includes details of its performance of its powers and stipulated tasks stipulated in the regulations for audit committees in insurance companies issued by the Insurance Authority, and the opinion of the Audit Committee on the adequacy of the control system.

### Previous Committee Composition:

Based on the approval of the General Assembly on 20th of November 2023, the previous committee has formed of 4 independent members, including specialists in financial, accounting affairs and internal auditing:

- 1- Mr. Mohammed Al-Safi - Chairman of the Committee and an independent member from within the Council.
- 2- Mr. Salah Baraba'a - An independent member from outside the Council.
- 3- Mr. Ghassan Shuaib - An independent member from outside the Council.
- 4- Mrs. Noha Solaimani - An independent member from outside the Council.

### Current Committee Composition:

Based on the approval of the General Assembly on 22<sup>th</sup> of October 2025, the current committee has formed of 3 independent members, including specialists in financial, accounting affairs and internal control matters up to the current period:

- 1- Mr. Khalid Mohammed Salem Bajnaid - Chairman of the Committee and an independent member from within the Council.
- 2- Mr. Majed Daa Al-Din Karim - An independent member from outside the Council.
- 3- Mr. Yasser Khaled Malek - An independent member from outside the Council.

## The most important work carried out by the committee during the year 2025:

1- Study the annual financial statements for the year 2024 & and the quarterly financial statement for the year 2025, discuss it with the executive management, review the external elements and ensure the following:

- A- Appropriateness and proof of followed accounting policies and standards.
- B- Soundness of the foundations of accounting estimates in preparing financial statements and adequacy of allocations.
- C- Adequacy and appropriateness of disclosures in the financial statements.
- D- Committed with laws and regulations related to financial statements.

2- Study the Internal Audit Department's plan for the year 2025 and ensure that the plan covers all important activities and operations in the company.

3- Discussing with the Compliance Department's work plan for the year 2025.

4- Work on discussing the Insurance Authority's observations, reviewing the corrective action plans submitted by the Company's management, and ensuring that they are presented to the Board of Directors and that the Board is duly informed thereof.

5- Evaluating the current situation of the Compliance and Internal Audit departments and identifying recommendations to raise the work level for both departments.

6- Ensuring the independence of the Audit and Compliance departments.

7- Study the offers submitted by the external auditors and recommend the appointment of external auditors for the year 2025.

8- Verify the adequacy of the number of staff in the control functions (Compliance and Internal Audit), ensuring their ability to efficiently implement the approved work plans and complete their duties in accordance with the applicable requirements.

9- Provide the necessary recommendations to the Board of Directors and Executive Management regarding the approval of the financial statements and follow up on the observations of the control functions.

### The committee's opinion on the adequacy and effectiveness of the internal control, Financial control, and Risk Management system:

Within the scope of its responsibilities, the Audit Committee reviews the periodic reports prepared by the Internal Audit Department of the Company, in addition to discussing and reviewing the results of the Company's external auditor and engaging with the Company's management in evaluating the internal control procedures in terms of their design and implementation.

The Committee also follows up on the recommendations made by the Internal Audit Department and the external auditor to address observations and monitor their remediation, particularly with respect to the fairness of the financial statements. This is done while taking into consideration that any internal control system, regardless of the soundness of its design and effectiveness of its implementation, cannot provide absolute assurance regarding the effectiveness of the applied internal control systems.

Accordingly, the Committee has not identified any material weakness in the Company's internal control systems since its formation, while noting the need to further enhance the effectiveness of the internal control system compared to the previous fiscal year.

**Sincere Greetings**

**Edited on: 01 of April 2026**

Chairman of the Audit Committee	Member of the Audit Committee	Member of the Audit Committee
Khalid Mohammed Salem Bajnaid	Majed Diaa Al-Din Karim	Yasser Khaled Malek
		

## البند الأول

الإطلاع على تقرير مجلس الإدارة للعام المالي المنتهي في 2025/12/31 م ومناقشته.

### Item 1.

Viewing and discussing the Board of Directors report for the fiscal year ending on 31-12-2025.

# SALAMA Cooperative Insurance Company

## Annual Report 2025



Custodian of the Two Holy Mosques  
**King Salman bin Abdulaziz Al Saud**



His Royal Highness Crown Prince  
**Mohammed bin Salman bin Abdulaziz Al Saud**



**“ My first goal is for our country to be a successful and pioneering model in the world at all levels, and I will work with you to achieve this“.**

Custodian of the Two Holy Mosques King  
**Salman bin Abdulaziz Al Saud**

**“Our ambition is to build a more prosperous homeland, in which every citizen will find what they wish for The future of our homeland that we build together will only be accepted by us to make it at the forefront of the world countries“.**

His Royal Highness Crown Prince  
**Mohammed bin Salman bin Abdulaziz Al Saud**

# Content

- |  |  |  |   |  |
|--|--|--|---|--|
| <p><b>1</b> overview of the condition of the Saudi insurance company</p> <p><b>2</b> The most important developments of the company</p> <p><b>3</b> Corporate Governance</p> <p><b>4</b> The Board of directors</p> <p><b>5</b> The Board Committees.</p> <p><b>6</b> Means Adopted to Evaluate the Performance of the Board of Directors, its Committees and its Members.</p> <p><b>7</b> Executive Management.</p> <p><b>8</b> companies inside or outside the kingdom wherein a member of the company's board of directors is a member of its current of directors or one of its directors.</p> | <p><b>9</b> Composition of the Board of Directors and Classification of Its Members.</p> <p><b>10</b> Procedures Taken by the Board of Directors to Inform Its Members of Shareholders' Proposals and Observations Regarding the Company and Its Performance.</p> <p><b>11</b> Penalties imposed on the company by the authority or any supervisory authority</p> <p><b>12</b> Ownership of major shareholders and members of the board of directors.</p> <p><b>13</b> Ownership of Shares and Debt Instruments of the Board of Directors and Their Relative.</p> <p><b>14</b> Disclosure of the Remuneration of Members of the Board of Directors, its Committees, and the Executive Management.</p> <p><b>15</b> Remuneration Policy.</p> <p><b>16</b> The Relationship between the Remunerations Granted and the Remunerations Policy</p> | <p><b>17</b> The Annual Review of the Effectiveness of the Company's Internal Control Procedures and the Opinion of the Audit Committee on the Adequacy of the Internal Control Systems.</p> <p><b>18</b> The Company's Social Contribution.</p> <p><b>19</b> The General Assemblies of Shareholders Held during the Financial Year and the Names of the Board Members Attending these General Assemblies.</p> <p><b>20</b> Description of the Company's Principal Activities</p> <p><b>21</b> The Substantial Differences in Operational Results</p> <p><b>22</b> Future Outlook of the Company's Business</p> <p><b>23</b> The Company's Risks</p> | <p><b>24</b> The Company's Assets and Liabilities.</p> <p><b>25</b> Comparison of the Company's Results of Operations or Assets and Liabilities in a Graphical Format.</p> <p><b>26</b> Comparison of the Results of Operations in Tabular Form</p> <p><b>27</b> Geographical Analysis of the Total Revenues of the Company and Its Subsidiaries.</p> <p><b>28</b> Material Differences in the Operating Results.</p> <p><b>29</b> Description of the Company's Policy in Distributing Dividends.</p> <p><b>30</b> The number of the company's requests related to the shareholders' register, the date and reason for the request.</p> | <p><b>31</b> Contracts and Transactions with Related Parties</p> <p><b>32</b> Compensation of the Board of Directors and Its Committees, in Addition to Senior Executive Management.</p> <p><b>33</b> Statement of Statutory Payments Paid and Payable.</p> <p><b>34</b> External Auditor's Opinion</p> <p><b>35</b> Representations.</p> <p><b>36</b> A Message of Appreciation to the Shareholders of Salama</p> |
|--|--|--|---|--|

## First: About the Company

Salama Cooperative Insurance Company is a Saudi joint stock company registered in the Kingdom of Saudi Arabia under Commercial Registration No. 4030169661 dated 06/05/1428H, The Company was established pursuant to Council of Ministers Resolution No. 223 dated 16/09/1427H and the Royal Decree No. M/60 dated 18/09/1427H with a fully paid capital of SAR 250 million.

During 2024, the Company increased its capital from SAR 200 million to SAR 300 million following the approval of the Extraordinary General Assembly held on 11/12/2024.

## Company's Activity :

Salama Cooperative Insurance Company provides integrated insurance solutions in the field of cooperative insurance. The Company offers 34 insurance products divided into two main segments: General Insurance and Health Insurance.

The Company conducts all its activities in accordance with the laws and regulations governing cooperative insurance in the Kingdom of Saudi Arabia.



## Second: Key Developments of the Company

Among the most notable developments in the Company's infrastructure and operations during the year were the following:



### Human resources Department:

During 2025, the Company implemented a series of strategic initiatives in the Human Resources function, aimed at strengthening organizational capabilities and supporting

long-term sustainability. These initiatives focus on enhancing internal systems, advancing professional development programs, and establishing structured succession planning frameworks for critical roles. In parallel, the Company further developed its recruitment practices and introduced clear career progression pathways to support employee growth and retention.

These efforts contributed to achieving the Company's annual Saudization targets, resulting in its classification within the Platinum range and recognition among the Elite Clients of the Ministry of Human Resources and Social Development.

As part of its commitment to continuous learning and regulatory compliance, the Company provided comprehensive training programs, with 240 employees participating in various mandatory and specialized training initiatives, including: Personal Data Protection Law Medical Insurance Product Training Cybersecurity Awareness Anti-Money Laundering and Counter-Terrorism Financing Insurance Fraud Prevention In addition, the Company

supported 53 employees in obtaining professional certifications, further enhancing workforce capabilities and professional readiness.

In collaboration with the Ministry of Human Resources and Social Development, the Company actively contributed to national talent development through on-the-job training programs. During the year, 15 trainees were enrolled, of whom 6 trainees were successfully employed within the Company.

From a retention perspective, the Company maintained a voluntary turnover rate of 11%, reflecting a stable and attractive work environment, despite the implementation of cost optimization initiatives. These outcomes underscore the effectiveness of the Company's human capital strategy and its alignment with broader operational and regulatory objectives.

## Sales :

In 2025, we delivered a strong overall performance, achieving GWP of SR 655 million against a target of SR 640 million, or 102% of plan.

The retail sector exceeded expectations, reaching more than 114% of its sales target and underscoring our clear strategic focus and effective execution.

In contrast, the corporate sector faced significant challenges, including ongoing price wars from major players, intensified competition, and profitability constraints, resulting in an achievement rate of approximately 77%.

## Sales Performance:

The corporate segment posted mixed results. The Western Region grew by 5% and the Eastern Region by 10% compared to the previous year, while the Central Region declined by 30%. This pattern reflects our deliberate focus on protecting the bottom line in corporate rather than engaging in heavy price-based competition.

At the same time, we achieved strong growth in the retail sector, particularly in high-margin segments such as the Medical SME market. Medical SME business in the retail channel increased from SR 52 million to SR 128 million, a remarkable 146% growth.

Our general lines business recorded a slight decline from SR 74 million to SR 73 million after losing a few key accounts due to intense competition and decisions favoring captive companies.

Conversely, the company's overall medical line grew from SR 96 million to SR 170 million, a strong 77% increase. In the motor segment, the corporate portfolio declined from SR 65 million to SR 62 million (a 4% drop), while the company's total motor portfolio grew from SR 354 million to SR 417 million, representing 18% growth.

Going forward, we will continue to grow our corporate general lines segment with a clear focus on profitability, while carefully managing our participation in attractive retail segments.

We will continue to leverage our strengths while implementing targeted measures to overcome challenges in the corporate segment.

## Channel Performance:

From a channel perspective, the retail business delivered robust growth of 39%, increasing from SR 352 million to SR 491 million. In contrast, corporate channels declined from SR 174 million to SR 162 million, a 7% decrease, underscoring the intense competition and challenges faced in this space.

We will focus on reinforcing our corporate segment while exploring innovative strategies in retail to further enhance overall performance.

Our objective is to sustain healthy growth and profitability across all sales channels.



## Market Analysis:

In 2025, the market expanded but experienced significant premium reductions compared to 2024.

Competition in both General and Motor segments made retention highly challenging.

Nevertheless, the market outlook remains positive, with new insurers entering KSA and additional brokers joining the market.

This environment reflects growing demand for specialized insurance solutions and aligns with our strategy of serving evolving client needs.

## Strategic Focus:

Over the past year, our strategy has centered on strengthening our General Insurance (GI) portfolio and improving corporate GWP and growth. We focused on profitable segments, underwriting larger GI-driven accounts, and positioning ourselves as a trusted corporate underwriter.

This is critical to reducing our reliance on the more volatile retail sector, where retention is typically lower.

A key strategic priority has been improving retention of our existing portfolio, with a target to increase our retention rate to 80%.

One of the key strategic priorities was improving the retention rate of the existing portfolio, with a target of increasing the retention rate to 80%.

Looking ahead, the Company will continue implementing these priorities to build a stronger corporate portfolio and support sustainable long-term growth while maintaining flexibility in a dynamic market environment.

## Marketing and Communication :

We have focused our efforts on leveraging social media as a primary tool for regularly promoting our products by creating posts related to the insurance products offered by Salama. Additionally, we participated in campaigns launched by the Insurance Authority, such as the travel insurance awareness campaign.



We also launched a marketing campaign during Ramadan on MBC, achieving significant success with over 2 million views.



We targeted a wide audience with attractive advertising content that highlighted the importance of insurance, enhancing our market presence and increasing customer engagement with our services.

We placed a high priority on keeping up with global events that enhance external communication through our engagement with the community and our celebration of international days, which contributed to building a strong reputation for the company.

These unique moments provided us with an opportunity to highlight our values and interact with the audience.

Additionally, we worked on developing customized visual content for National Day, where we organized celebrations at the company, strengthening the bonds between employees and departments.



By the end of 2025, Salama Company committed to showcasing its image uniquely in the market by participating in the Ingate Insurance Exhibition, which helped expand its customer base and increase brand awareness in the insurance sector.

## Technical Department:

### A) Insurance Products:

Salama Cooperative Insurance Company offers 34 diverse insurance products designed to keep pace with developments in the Saudi insurance market and meet the needs of various customer segments including commercial clients and individuals.

These products also contribute to promoting financial inclusion while aligning with the Company's strategic objectives.

### B) General Insurance:

Salama Cooperative Insurance Company provides integrated insurance solutions within the cooperative insurance sector. An operational plan has been developed to increase productivity within general insurance products while maintaining appropriate loss ratios to ensure profitability. The Company conducts all its operations in accordance with the rules and regulations governing cooperative insurance in the Kingdom of Saudi Arabia and under the supervision of the Insurance Authority.

### C) Health Insurance:

Salama Cooperative Insurance Company aims to provide healthcare services with the highest standards of quality and professionalism.

The Company collaborates with GlobeMed, the medical claims management provider, to ensure that all required healthcare services are delivered efficiently to their customers.

The Company has also developed its health insurance products to meet the needs of institutions and small, medium, and large enterprises, in accordance with the applicable policy terms and conditions.

### D) motors Insurance:

The Motor Insurance Department possesses the expertise and capabilities necessary to assess insurance risks related to individuals and commercial fleets while meeting the needs of various customer segments.

The Company provides both:  
 Comprehensive Motor Insurance products in accordance with the model approved by the Insurance Authority.  
 Mandatory Third-Party Liability Motor Insurance as per the official form issued by the Insurance Authority.  
 The Motor Insurance Department applies best practices aligned with the Saudi insurance market and delivers services through multiple channels, including digital platforms, to facilitate customer access to insurance services and products.  
 The department is also working on automating its operational systems to increase productivity and enhance the efficiency of national talent working in the motor insurance sector.

## Reinsurance:

The Company renewed reinsurance agreements with a group of the best international reinsurance companies with high credit ratings, as shown in the table. The Company succeeded in increasing its capacity by concluding several reinsurance agreements, enabling it to provide outstanding support and services to the o their Underwriting and Sales Departments and to promptly respond to the requirements of the local market.

Treaty Reinsurers	Credit Ratings	Rating Agency	Facultative Reinsurers	Credit Ratings	Rating Agency
SCOR	A+	Fitch	Swiss Re	AAA	S&P
Saudi Re	A+	Fitch	Saudi Re	A+	Fitch
Swiss Re	AAA	S&P	Liberty	A+	Fitch
Echo Re	A+	S&P	CCR	AA	S&P
Hannover Re	AA-	S&P	Lloyd's	AA-	S&P
Helvetia	A+	S&P	Zurich Insurance	AA-	S&P
Chaucer	AA	S&P	QBE	AA-	S&P

## Information Technology Department:

The Information Technology Department at SALAMA Cooperative Insurance Company is an enabler and development of the technical future of all insurance requirements in the Kingdom of Saudi Arabia to reach a peak and beyond, through different stages of digital transformation and continuous change to adopt the volatile Saudi insurance market that meets the requirements of the Insurance Authority and beyond.

The objectives of information technology in Salama Cooperative Insurance Company lie in the following:

- Develop an effective practical environment to adopt variables
- Automate and optimize all workflows
- Manifestation to achieve the customer's goal
- Achieving Vision 2030 to the fullest

## Cybersecurity Department :

Salama Cyber Security main objective is to maintain the CIA (Confidentiality, Integrity & Availability) triad in a 24/7/365 scale, as well as ensuring that all related policies and procedures are well-communicated with strong enforcement in alignment with SAMA CSF (Cyber Security Framework) to meet a certain maturity level. In addition, we bring the best-of-breed security solutions to protect all tangible and intangible assets of SALAMA along with qualified and high caliber professionals to mitigate the risk of emerging cyber threats. Lastly, cyber security works diligently with all stakeholders to educate all SALAMA employees as they are our first line of defense and provide them with the robust and sensible cyber security awareness training to protect themselves, their families and SALAMA in general against any types of cyber threats.

## Internal Audit :

The Internal Audit Department serves as the Company's third line of defense, providing independent and objective assurance over the effectiveness of the Company's operations. Its mission is to strengthen the Company's processes by supporting continuous improvement, promoting accountability, and facilitating informed decision-making.

Through a systematic and disciplined approach, the Department evaluates and enhances the effectiveness of the Company's risk management, internal control, and governance processes, ensuring alignment with organizational objectives and applicable regulatory and professional standards.

To preserve its independence and objectivity, the Internal Audit Department reports functionally and directly to the Audit Committee in a clear and transparent manner.

For administrative purposes, the Department coordinates with the Chief Executive Officer to support effective integration within the Company's governance and leadership framework.

## Customer Care Department:

The Customer Care sector is committed to keeping up with developments in the Saudi insurance market, both at the regulatory level and among competing insurance companies. Given the high importance of customers to the company, we work to empower our team to compete fairly through the services we provide. The Customer Care sector includes two main departments:

- Customer Service Department: Responsible for delivering outstanding services to customers by receiving all customer requests, inquiries, and complaints through multiple channels, and working to resolve them according to the highest quality standards applied within the company.
- Beneficiary Experience Department: The role of the Beneficiary Experience Department focuses on standardizing service procedures in the simplest ways possible, measuring customer satisfaction, identifying future needs, and working to enhance them with the aim of achieving a positive experience for beneficiaries with us.

The management's values have been framed within a "Triangle of Success" to support the achievement of our mission. These values are:



The company has provided full support to the sector by attracting qualified national talents, who have been trained and prepared to carry out the tasks and responsibilities assigned to them. From a technical perspective, the company has also implemented an electronic system to automate customer requests, ensuring customer service is delivered at the required speed and quality.

We have achieved qualitative advancements in meeting our customers' needs, in line with the performance standards set by the regulator, which has positively impacted on customer care. We will continue to develop our performance to achieve customer satisfaction and fulfill the company's overall objectives.

## Compliance and Governance Department:

The year 2025 witnessed an important organizational step, which was the integration of compliance and governance departments and their affiliated units into a unified organizational structure, with the aim of enhancing the efficiency and effectiveness of the internal control system and establishing an integrated institutional framework for governance and compliance.

This decision is in line with best practices that emphasize the importance of integrating compliance, governance, legal affairs, and anti-money laundering functions within a cohesive control system that supports business sustainability.

During the year, a number of development initiatives were implemented to strengthen the compliance and governance system, most notably:

1. Strengthening the institutional framework for compliance management by developing monitoring and follow-up tools, improving the efficiency of regulatory compliance monitoring mechanisms, and enhancing periodic compliance reports submitted to the Audit Committee and the Board of Directors to support regulatory decision-making.
2. Activating proactive oversight of compliance risks by updating the regulatory risk register, linking it to audit and corrective action plans, and following up on its implementation according to clear performance indicators that ensure the effective closure of observations.

3. Update policies and procedures related to governance and compliance in line with regulatory developments, particularly in the areas of anti-money laundering and counter-terrorist financing, conflict of interest management, disclosure and transparency, and data protection.

4. Strengthen the role of the committees emanating from the Board of Directors by reviewing their charters and mandates, ensuring clarity of roles and responsibilities, and raising the level of oversight governance over the company's operations.

5. Developing mechanisms for communication with regulatory authorities and enhancing the level of readiness to respond to regulatory inquiries and observations within specified time frames, reflecting the company's commitment to transparency and cooperation.

6. Spreading a culture of compliance within the company through awareness and training programs for employees and senior management, with the aim of promoting awareness of regulatory requirements and reinforcing the principles of professional conduct and integrity.

7. Strengthening integration between compliance, risk, and internal audit departments to support the three lines of defense model and improve the efficiency of the internal control system.

8. Promoting digital transformation in compliance and anti-money laundering management by developing and activating specialized technical systems for compliance management and monitoring money laundering and terrorist financing risks, including automating screening and follow-up processes, managing alerts, and linking them to risk registers and treatment plans. This has contributed to increased accuracy and efficiency, improved responsiveness to regulatory observations, and enhanced continuous monitoring capabilities based on a risk-based approach.

The Board of Directors affirms that this organizational integration, supported by technical and digital empowerment, represents a step forward in establishing a proactive compliance and governance system that strengthens the company's regulatory framework and supports the sustainability of its business and stakeholder confidence.

## Fraud Department:

Insurance fraud is one of the most significant challenges facing insurance companies due to its direct impact on financial stability and customer trust. In line with Salama Cooperative Insurance Company's commitment to safeguarding its assets and protecting the rights of its shareholders, the Anti-Fraud Department continues to strengthen its control framework and implement best professional and regulatory practices to mitigate fraud risks.

During the year, the Department focused on enhancing policies and procedures, strengthening fraud indicators and proactive oversight over operational activities, and implementing awareness and training programs to promote a culture of integrity and compliance. It also supported the adoption of technological solutions and advanced data analytics, while fostering collaboration with regulatory authorities and business partners, thereby improving operational efficiency and reinforcing trust with all stakeholders.

## Investment:

SALAMA owns %3.45 of the capital of Najm, which has a capital of 200 Million Saudi Riyals. Otherwise, there is no subsidiary of SALAMA Cooperative Insurance Company inside or outside the Kingdom.

SALAMA invests in Governmental Saudi Sukuks amounted 116.5 million Saudi Riyals.

As for the rest of the investments, they are Islamic investment funds, DPM and deposits with local banks and financial institutions, with a value of 249.5 million Saudi Riyals.

Salama Cooperative Insurance Company confirms that there are no loans on the company and there are no amounts paid by the company in repayment of loans during the year.

## Risk Management, Risk Strategy and potential Future Risks.

We have focused our efforts on leveraging social media as a primary tool for regularly promoting our products by creating posts related to the insurance products offered by Salama. Additionally, we participated in campaigns launched by the Insurance Authority, such as the travel insurance awareness campaign.

### Risk Management Department

- SALAMA defines a risk as an event with either a positive or negative impact on SALAMA business, which may have internal or external sources and vary in complexity.
- SALAMA operates by implementing a common approach to risk management across the company. Increases risk awareness. It ensures proper risk management through the participation of all individuals in the company in the risk management process.

## potential Future Risks:

As Salama is operating in the insurance and investment, Salama may face various types of risks, such as:

Insurance Risk	It is the risk related to the assessment and acceptance of insurance risk.
Reinsurance Risks	It is the risk associated with when a reinsurer fails to meet its obligations.
Product development Risk	Risk related to changes to an existing product. These changes may affect product coverage and requirements.
Claims Management Risk	It is the risk related to the payment of claims to policyholders on the basis of policy coverage.
Pricing Risk	It is the risk resulting from the process by which the company tries to determine the appropriate premium price.
Liquidity Risk	It is the risk related to the inability to liquidate assets quickly enough without sacrificing part of the value of the assets.

IT Risk	Risk arising from the use of technology to support the company's core operations, such as sales, insurance, and claims management.
Cybersecurity Risks	Risk that causes damage to the organization's reputation as a result of data breaches or information security incidents.
Outsourcing Risk	Outsourcing risk is typically categorized into four general areas: loss of control, loss of innovation, loss of organizational trust, and higher-than-expected transaction costs.
Corporate Governance Risks	Risks related to the rules that dictate how rights and responsibilities are shared among shareholders, directors, senior management, and other financial stakeholders.
Business Continuity Risk	It is the risk related to business interruption due to fire or failure of systems and lack of readiness to restore them in sufficient time to avoid losses.
Non-Compliance Risk	Risk of legal and regulatory sanctions resulting from the company's failure to comply with laws and regulations

• To manage these risks, SALAMA adopts a comprehensive system for risk management and internal control evaluation. This system helps identify and monitor risks related to all aspects of operations and ensures that all identified risks are properly and continuously measured and monitored.

• To manage these risks, SALAMA adopts a comprehensive system for risk management and internal control evaluation. This system helps identify and monitor risks related to all aspects of operations and ensures that all identified risks are properly and continuously measured and monitored.

### Third: Corporate Governance:

Peace And Blessings M/S Shareholders of Salama Cooperative Insurance Company, Greetings, The Company's Board of Directors provide you with the Annual Report for the Financial Year ending on 31/12/2025, including the most important developments, financial results, operating activities and disclosures, accompanied by the audited –financial statements, clarifications, and the report of the external auditors, in accordance with the provisions of the Company's Articles of Association and according to the rules and regulations.

We expect the Saudi insurance market to regain its balance in 2026 and create good opportunities for the growth of insurance companies during the coming period. All this will ensure that we have a good share of the Saudi insurance market.

We thank our shareholders for their trust and the members of the Board of Directors and its committees, and we promise our valued customers more achievements.

## Fourth: The Board of Directors and Committees

The Company is managed by a Board of Directors composed of seven (7) members. At least three (3) members must be independent natural persons elected by the Ordinary General Assembly of shareholders for a term not exceeding four years.

The composition of the Board of Directors is as follows:

- Members of the previous Board term which began on 11/09/2022 and ended on 10/09/2025 (\*)
- Members of the current Board term which began on 11/09/2025 and will end on 10/09/2029 (\*\*)

Members whose membership ended at the end of the previous term are indicated with the symbol (\*)

Members of the current term—whether continuing members or newly appointed members—are indicated with the symbol (\*\*), to distinguish between the Board composition in the two terms.



\*\* Mr. Montaser Mohammed Foudah

### Independent Member

#### Current Positions:

Chairman of the Board – Salama Cooperative Insurance Company.  
Chairman of the Executive Committee – Salama Cooperative Insurance Company.  
Member of the Risk Management Committee – Salama Cooperative Insurance Company.  
Chief of Governance and Compliance – Sedco Holding.

Acting Head – Financial Planning Unit – National Commercial Bank.  
Senior Client Investment Manager – National Commercial Bank.  
Investment Marketing Officer – Riyadh Bank.

#### Qualifications:

Bachelor's Degree in Business Administration – King Abdulaziz University.

#### Previous Positions:

Head of Governance, Compliance and AML Reporting – AlWatani Wealth Management.  
Head of Risk, Compliance, AML Reporting and Board Secretary – AlWatani Wealth Management.  
Head of Custody and Endowments Sector – Alkhabeer Capital.  
Deputy Head of Risk and Compliance – Alkhabeer Capital.  
Head of Governance and Compliance – Alkhabeer Capital.  
Vice President – Wealth Management – Alkhabeer Capital.

#### Experience:

He possesses extensive leadership experience in governance, compliance, risk management and anti-money laundering, gained through several senior executive roles in asset management companies and the banking sector.

He also serves as a Board member and as chairman and member of committees derived from the Board at Salama Cooperative Insurance Company.



## \* MR. Adnan Jameel Khoja

### Non-Executive Member

#### Current Positions:

Insurance Consultant – Al-Maamoun Insurance Brokerage Company.

#### Previous Positions:

Vice Chairman – Salama Cooperative Insurance Company  
Chairman of the Risk Management Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Medical Insurance Manager – Tawuniya Insurance  
Insurance Coordinator – Saudi Aramco  
Insurance Coordinator – SAMREC  
Assistant Legal Advisor – Petromin

#### Qualifications:

Bachelor's Degree in Political Science – King Abdulaziz University

#### Experience:

He has extensive professional experience in the insurance sector including supervising insurance operations and providing specialized insurance advisory services.

He has also accumulated leadership experience in insurance companies through multiple executive and supervisory positions.



## \*\* Mr. Bader Khalid Alanzi

### Executive Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Investment Committee – Salama Cooperative Insurance Company  
Vice Chairman – Manafith Company  
Member of the Executive Committee – Manafith Company  
Chief Executive Officer – Salama Cooperative Insurance Company

#### Previous Positions:

Chief Executive Officer and Vice President for Finance – Solidarity Company  
Payments Manager – Maaden Company  
Payments Manager – Tawuniya Insurance  
Treasury Analyst – Saudi Telecom Company (STC)  
Operations Officer – Riyad Bank

#### Qualifications:

Master's Degree in Accounting – Oklahoma University – United States  
Bachelor's Degree in Accounting – Kuwait University  
Insurance Diploma – Insurance Institute – Egypt  
Insurance Diploma – Insurance Institute – London

#### Experience:

He possesses extensive executive and financial leadership experience in the insurance and financial services sector gained through executive roles in several companies.  
He also serves on boards of directors and committees in several companies.



## \*\* Khalid Mohammed Salem Bajnaid

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Chairman of the Audit Committee – Salama Cooperative Insurance Company

#### Previous Positions:

Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Chairman of the Investment Committee – Salama Cooperative Insurance Company  
Chief Financial Officer – Arch Capital  
Vice President – Operations and Custody – Alawwal Capital  
Acting Chief Financial Officer – Salama Cooperative Insurance Company

Financial Controller – Sedco Financial Investment  
Chief Financial Officer – Saudi Research and Media Group  
Vice President – Finance and Administration – Real Estate Development and Construction Management Company  
Senior Consultant – Arthur Andersen – Audit and Financial Consulting

#### Qualifications:

Bachelor's Degree in Economics and Accounting – King Abdulaziz University

#### Experience:

He possesses extensive executive and financial experience in the insurance and financial services sector gained through executive positions in several companies.  
He also serves as a Board member and member of committees derived from the Board at Salama Cooperative Insurance Company.



## \* Mr. Abdullah Adel Sultan

### Independent Member

Note: Resigned on 2025/01/08

#### Current Positions:

Chief Executive Officer – Kingdom Brokerage Company

#### Previous Positions:

Board Member – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Member of the Investment Committee – Salama Cooperative Insurance Company  
Chief Executive Officer – Ethihad Insurance Brokers Company  
Chief Operating Officer – Alwathiq Accredited Insurance Brokerage Company  
Corporate Sales Manager and Deputy CEO for Sales – Salama Cooperative Insurance Company  
Non-Motor Insurance Manager and Deputy CEO for Operations – Salama Cooperative Insurance

#### Company

Regional Manager – Western Region – Wafa Insurance (Saudi Indian Cooperative Insurance)

Senior Insurance Underwriter – Salama Cooperative Insurance Company  
Insurance Underwriter – Al-Ahleia Cooperative Insurance Company

#### Qualifications:

Bachelor's Degree in Insurance – King Abdulaziz University

#### Experience:

He possesses experience in the insurance sector gained through executive positions in sales, operations and insurance brokerage.  
He also served as a Board member and a member of committees derived from the Board at Salama Cooperative Insurance Company.



## \* Mr. Mohammed Taha Al-Safi

### Independent Member

#### Current Positions:

Chairman of the Board – Elite Traveler Travel and Tourism Company.  
Founder and Chief Executive Officer – Tasheel Al-Arabia Establishment.

Al-Majal Company

General Manager – Cap Holding Company  
Human Resources Manager – Mahmoud Saeed Partnership Company  
Branch Manager – Arab Bank

#### Previous Positions:

Board Member – Salama Cooperative Insurance Company  
Chairman of the Audit Committee – Salama Cooperative Insurance Company  
Advisor to the Chairman – International Recruitment Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Management Consultant – Freyssinet Saudi Arabia Company  
Human Resources Manager –

#### Qualifications:

Bachelor's Degree in Political Science – King Abdulaziz University

#### Experience:

He has extensive professional experience in the insurance sector including supervising insurance operations and providing specialized insurance advisory services.

He has also accumulated leadership experience in insurance companies through multiple executive and supervisory positions.



## \*\* Mr. Wael Abdulrahman Al-Bassam

### Independent Member

#### Current Positions:

Senior Advisor to the Minister of Human Resources and Social Development.  
Board Member – Salama Cooperative Insurance Company.  
Chairman of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.  
Board Member – Saudi Tourism Investment Company (SHAMS).  
Chairman of the Nomination and Remuneration Committee – Saudi Tourism Investment Company (SHAMS).  
Member of the Nomination and Remuneration Committee – Al-Jabr Finance Company.

Paper Manufacturing Company.

Vice President for Development and Education – Bank Aljazira.  
Vice President for Shared Services – Al-Rashid Group.

#### Qualifications:

Master's Degree in Business Administration – Bahrain University College  
Bachelor's Degree in Languages and Translation – Imam Mohammad Ibn Saud Islamic University

#### Experience:

He possesses extensive leadership experience in development and human resources management through several senior executive positions.  
He also serves on boards of directors and committees derived from them in several companies.

#### Previous Positions:

Member of the Risk Management Committee – Salama Cooperative Insurance Company.  
Board Member – Saudi Paper Manufacturing Company.  
Chairman of the Nomination and Remuneration Committee – Saudi



## \*\* Mr. Fahad Talal Kurdi

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
 Member of the Executive Committee – Salama Cooperative Insurance Company.  
 Chairman of the Investment Committee – Salama Cooperative Insurance Company.  
 Board Member – Gulf Lifting Financial Leasing Company.  
 Wealth Management Advisor – Al-Watani Wealth Management.

#### Previous Positions:

Executive Vice President and Head of Wealth Management – Al-Watani Wealth Management.  
 Senior Relationship Management Team Manager – Investcorp.  
 Vice President and Head of Western Region – Jadwa Investment.  
 Private Wealth Manager – Banque Saudi Fransi.  
 Board Member – Al-Saqr Cooperative Insurance Company.  
 Member of the Nomination and Remuneration Committee –

Al-Saqr Cooperative Insurance Company.

Member of the Investment Committee – Al-Saqr Cooperative Insurance Company.

#### Qualifications:

Bachelor's Degree in Business Administration – Webster University, Geneva, Switzerland.

#### Experience:

He possesses extensive experience in wealth management, investment and financial services gained through leadership roles in investment companies and banks.  
 He also serves on boards of directors and committees derived from them in several companies.



## \*\* Mr. Nasser Dhaifallah Al-Rahili

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
 Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.  
 Chairman of the Board – Tabuk Agricultural Development Company.  
 Chairman of the Executive Committee – Tabuk Agricultural Development Company.  
 Chairman of the Strategy and Investment Committee – Tabuk Agricultural Development Company.

#### Previous Positions:

Acting Advisor – Ministry of Municipalities and Housing.  
 Director of Jeddah Electricity Department – Saudi Electricity

Company.

Director of North Jeddah Electricity Services Office – Saudi Electricity Company.  
 Director of Maintenance Department in Jeddah – Saudi Electricity Company.

#### Qualifications:

Bachelor's Degree in Electrical Engineering – King Abdulaziz University

#### Experience:

He possesses technical and executive experience in the energy and infrastructure sector, gained through several leadership positions at the Saudi Electricity Company.  
 He also serves on boards of directors and committees derived from them in several companies.



## \*\* Mr. Omar Bashir Al-Sayed

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.  
Member of the Investment Committee – Salama Cooperative Insurance Company.  
Section Head of Governance and Compliance – Sedco Capital.

#### Previous Positions:

Head of Compliance Department – Abdul Latif Jameel United Finance Company.  
General Manager of Compliance – Abdul Latif Jameel United Finance Company.  
Head of compliance – Abdul Latif

Jameel United Finance Company  
Compliance Officer – National Commercial Bank.

Relationship Manager for high Affluent Customers – Arab National Bank.

#### Qualifications:

Bachelor's Degree in Financial Management – University of Business administration (UPT).

#### Experience:

He possesses extensive experience in compliance, governance and financial services, gained through leadership positions in compliance departments in both the banking and financing sectors.

He also serves as a Board member and as a member of committees derived from the Board at Salama Cooperative Insurance Company.

## Board Meetings:

The Board of Directors shall meet at least four (4) times a year, with at least one meeting every three months. A Board meeting shall only be valid if attended by at least half of the members, either in person or by proxy, provided that the number of members attending in person is not less than three.

## Board of Directors Meetings Attendance

	Member's Name	First 20/02/2025	Second 27/02/2025	Third 23/06/2025	Fourth 14/09/2025	Fifth 25/12/2025	Total
	<b>Mountasar Mohammed Foudah**</b>	✓	✓	✓	✓	✓	5
	<b>Adnan Jameel Khoja*</b>	✓	✓	✓	Membership Ended		3
	<b>Bader Khalid Alanzi**</b>	✓	✓	✓	✓	✓	5
	<b>Khaled Mohammed Salem Bajnaid**</b>	Resigned on 08/01/2025					5
	<b>Abdullah Adel Sultan*</b>	✓	✓	✓	✓	✓	0
	<b>Mohammed Taha Al-Safi*</b>	✓	✓	✓	Membership Ended		3
	<b>Wael Abdulrahman Albassam**</b>	✓	✓	✓	✓	✓	5
	<b>Fahad Talal Kurdi**</b>	Not Yet Member			✓	✓	2
	<b>Nasser Dhaifallah Al-Rahili**</b>	Not Yet Member			✓	✓	2
	<b>Omar Bashir Al-Sayed**</b>	Not Yet Member			✓	✓	2

## Fifth: The Board Committees:

Executive Committee

Risk Committee

Audit Committee

Investment Committee

Nomination and Remuneration  
Committee

### A) Executive Committee

#### Executive Committee Members:

Members of the Executive Committee whose membership ended at the end of the previous term are indicated with the symbol (\*).

Members of the current term are marked with (\*\*), whether they continued from the previous term or are newly appointed members, in order to distinguish between the Committee composition in the two terms.



### \*\* Mr. Montaser Mohammed Foudah

Independent Member

#### Current Positions:

Chairman of the Board – Salama Cooperative Insurance Company.  
Chairman of the Executive Committee – Salama Cooperative Insurance Company.  
Member of the Risk Management Committee – Salama Cooperative Insurance Company.  
Chief of Governance and Compliance – Sedco Holding.

#### Previous Positions:

Head of Governance, Compliance and AML Reporting – AlWatani Wealth Management.  
Head of Risk, Compliance, AML Reporting and Board Secretary – AlWatani Wealth Management.  
Head of Custody and Endowments Sector – Alkhabeer Capital.  
Deputy Head of Risk and Compliance – Alkhabeer Capital.  
Head of Governance and Compliance – Alkhabeer Capital.  
Vice President – Wealth Management – Alkhabeer Capital.

Acting Head – Financial Planning Unit – National Commercial Bank.  
Senior Client Investment Manager – National Commercial Bank.  
Investment Marketing Officer – Riyad Bank.

#### Qualifications:

Bachelor's Degree in Business Administration – King Abdulaziz University.

#### Experience:

He possesses extensive leadership experience in governance, compliance, risk management and anti-money laundering, gained through several senior executive roles in asset management companies and the banking sector.

He also serves as a Board member and as chairman and member of committees derived from the Board at Salama Cooperative Insurance Company.



## \*\* Mr. Bader Khalid Alanzi

### Executive Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Investment Committee – Salama Cooperative Insurance Company  
Vice Chairman – Manafith Company  
Member of the Executive Committee – Manafith Company  
Chief Executive Officer – Salama Cooperative Insurance Company

#### Previous Positions:

Chief Executive Officer and Vice President for Finance – Solidarity Company  
Payments Manager – Maaden Company  
Payments Manager – Tawuniya Insurance  
Treasury Analyst – Saudi Telecom Company (STC)  
Operations Officer – Riyadh Bank

#### Qualifications:

Master's Degree in Accounting – Oklahoma University – United States  
Bachelor's Degree in Accounting – Kuwait University  
Insurance Diploma – Insurance Institute – Egypt  
Insurance Diploma – Insurance Institute – London

#### Experience:

He possesses extensive executive and financial leadership experience in the insurance and financial services sector gained through executive roles in several companies.  
He also serves on boards of directors and committees in several companies.



## \* Khalid Mohammed Salem Bajnaid

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Chairman of the Audit Committee – Salama Cooperative Insurance Company

#### Previous Positions:

Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Chairman of the Investment Committee – Salama Cooperative Insurance Company  
Chief Financial Officer – Arch Capital  
Vice President – Operations and Custody – Alawwal Capital  
Acting Chief Financial Officer – Salama Cooperative Insurance Company

Financial Controller – Sedco Financial Investment  
Chief Financial Officer – Saudi Research and Media Group  
Vice President – Finance and Administration – Real Estate Development and Construction Management Company  
Senior Consultant – Arthur Andersen – Audit and Financial Consulting

#### Qualifications:

Bachelor's Degree in Economics and Accounting – King Abdulaziz University

#### Experience:

He possesses extensive executive and financial experience in the insurance and financial services sector gained through executive positions in several companies.  
He also serves as a Board member and member of committees derived from the Board at Salama Cooperative Insurance Company.



## \*\* Mr. Fahad Talal Kurdi

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
Member of the Executive Committee – Salama Cooperative Insurance Company.  
Chairman of the Investment Committee – Salama Cooperative Insurance Company.  
Board Member – Gulf Lifting Financial Leasing Company.  
Wealth Management Advisor – Al-Watani Wealth Management.

Al-Saqr Cooperative Insurance Company.  
Member of the Investment Committee – Al-Saqr Cooperative Insurance Company.

#### Qualifications:

Bachelor's Degree in Business Administration – Webster University, Geneva, Switzerland.

#### Experience:

He possesses extensive experience in wealth management, investment and financial services gained through leadership roles in investment companies and banks.  
He also serves on boards of directors and committees derived from them in several companies.

#### Previous Positions:

Executive Vice President and Head of Wealth Management – Al-Watani Wealth Management.  
Senior Relationship Management Team Manager – Investcorp.  
Vice President and Head of Western Region – Jadwa Investment.  
Private Wealth Manager – Banque Saudi Fransi.  
Board Member – Al-Saqr Cooperative Insurance Company.  
Member of the Nomination and Remuneration Committee –

	Name	Membership Nature	Number of Meeting-6					
			First 12/02/2025	Second 30/04/2025	Third 19/06/2025	Fourth 08/09/2025	Fifth 07/10/2025	Sixth 21/12/2025
Previous Term: From 2022/10/24 to 2025/09/10 Current Term: From 2025/10/22 to 2026/09/10	Montasar Mohammed Foudah**	Committee Chairman Independent Member	✓	✓	✓	✓	✓	✓
	Bader Khalid Alanzi **	Executive Member	✓	✓	✓	✓	✓	✓
	Khalid Mohammed Salem Rajnaid *	Independent Member	✓	✓	✓	✓	Membership Ended	
	Fahad Talal Kurdi**	Independent Member	Not Yet Member				✓	✓

## Brief Description of the Competence of the Executive Committee:

- Subject to any instructions set by the IA or the Board of Directors, the Executive Committee exercises all the powers determined by the IA or the Board, and the Executive Committee shall cooperate with the CEO and Managing Director.
- The Committee exercises all the powers granted to it to carry out its duties related to the meetings of the Board of Directors, and its members have the right to access confidential information of the Company.

- The Committee formulates, reviews, reports and manage the Company's strategy in relation to the interests of shareholders, customers, employees and other stakeholders.
- The Committee discusses and makes decisions related to urgent issues that require urgent decision-making.
- The Committee approves the amendments to the budget items and grants final approval of the capital expenditure items according to the powers of the Committee stipulated in the Authority Matrix.
- The Committee approves of the Company's business policies and procedures.
- The Committee monitors the performance of the CEO and senior management and makes recommendations in this regard.
- The Committee performs the tasks listed below, which are related to the Company's strategy:
  - Reviewing the Company's strategic planning procedures and processes in cooperation with the CEO.
  - Ensuring the completion of strategic plans that achieve the Company's goals.

- Reviewing the CEO's recommendations regarding the allocation of the Company's resources aimed at achieving alignment between the Company's strategic plans and its long-term operational objectives.
- Periodically reviewing the strategic plans and operational objectives of the Company and its subsidiaries (if any) to ensure their consistency with the Company's objectives.
- Monitoring the implementation of the policies and procedures of the Board of Directors.
- The Committee prepares recommendations to the Board of Directors regarding the Company's operational priorities and the relevant strategies.
- The Company performs the tasks listed below, which are related to the company's financial planning:
  - Preparing and reviewing annual and long-term financial objectives and strategies and making the necessary recommendations to the Board of Directors.
  - Reviewing the financial aspects of the Company, in cooperation with the Company's executive management and the Audit Committee.

- Preparing and reviewing dividend distribution policies and how to implement them and making recommendations thereon to the Board of Directors.
- Periodically reviewing the actual capital expenditures to match them with the budgets approved by the Board of Directors.
- The Committee submits a periodic report at least once every six (6) months on its work to the Board of Directors.
- Notifying the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions made by the Committee.
- Preparing an annual audit and evaluation of the activities of the Committee and its members.
- The Board shall be provided with all the meetings minutes related to the Committee.

## **b) Risk Committee:**

Members of the Risk Committee whose membership ended at the end of the previous term are indicated with the symbol (\*).

Members of the current term are marked with (\*\*), whether they continued from the previous term or are newly appointed members, in order to distinguish between the Committee composition in the two terms.



## \*\* Mr. Montaser Mohammed Foudah

### Independent Member

#### Current Positions:

Chairman of the Board – Salama Cooperative Insurance Company.  
Chairman of the Executive Committee – Salama Cooperative Insurance Company.  
Member of the Risk Management Committee – Salama Cooperative Insurance Company.  
Chief of Governance and Compliance – Sedco Holding.

#### Previous Positions:

Head of Governance, Compliance and AML Reporting – AlWatani Wealth Management.  
Head of Risk, Compliance, AML Reporting and Board Secretary – AlWatani Wealth Management.  
Head of Custody and Endowments Sector – Alkhabeer Capital.  
Deputy Head of Risk and Compliance – Alkhabeer Capital.  
Head of Governance and Compliance – Alkhabeer Capital.  
Vice President – Wealth Management – Alkhabeer Capital.

Acting Head – Financial Planning Unit – National Commercial Bank.  
Senior Client Investment Manager – National Commercial Bank.  
Investment Marketing Officer – Riyad Bank.

#### Qualifications:

Bachelor's Degree in Business Administration – King Abdulaziz University.

#### Experience:

He possesses extensive leadership experience in governance, compliance, risk management and anti-money laundering, gained through several senior executive roles in asset management companies and the banking sector.

He also serves as a Board member and as chairman and member of committees derived from the Board at Salama Cooperative Insurance Company.



## \* MR. Adnan Jameel Khoja

### Non-Executive Member

#### Current Positions:

Insurance Consultant – Al-Maamoun Insurance Brokerage Company.

#### Previous Positions:

Vice Chairman – Salama Cooperative Insurance Company  
Chairman of the Risk Management Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Medical Insurance Manager – Tawuniya Insurance  
Insurance Coordinator – Saudi Aramco  
Insurance Coordinator – SAMREC  
Assistant Legal Advisor – Petromin

#### Qualifications:

Bachelor's Degree in Political Science – King Abdulaziz University

#### Experience:

He has extensive professional experience in the insurance sector including supervising insurance operations and providing specialized insurance advisory services.

He has also accumulated leadership experience in insurance companies through multiple executive and supervisory positions.



## \*\* Mr. Wael Abdulrahman Al-Bassam

### Independent Member

#### Current Positions:

Senior Advisor to the Minister of Human Resources and Social Development.

Board Member – Salama Cooperative Insurance Company.  
Chairman of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.

Board Member – Saudi Tourism Investment Company (SHAMS).

Chairman of the Nomination and Remuneration Committee – Saudi Tourism Investment Company (SHAMS).

Member of the Nomination and Remuneration Committee – Al-Jabr Finance Company.

#### Previous Positions:

Member of the Risk Management Committee – Salama Cooperative Insurance Company.

Board Member – Saudi Paper Manufacturing Company.

Chairman of the Nomination and Remuneration Committee – Saudi

Paper Manufacturing Company.

Vice President for Development and Education – Bank Aljazira.

Vice President for Shared Services – Al-Rashid Group.

#### Qualifications:

Master's Degree in Business Administration – Bahrain University College

Bachelor's Degree in Languages and Translation – Imam Mohammad Ibn Saud Islamic University

#### Experience:

He possesses extensive leadership experience in development and human resources management through several senior executive positions.

He also serves on boards of directors and committees derived from them in several companies.

## \*\* Abdelfattah Ibrahim El-Tawil

### Independent Member (External Member)

#### Current Positions:

Chairman of the Risk Management Committee – Salama Cooperative Insurance Company.

Member of the Compliance and Risk Committee – Derayah Financial Company.

#### Previous Positions:

Member of the Compliance and Governance Committee – Bank Albilad.

Member of the Risk Management Committee – Bank Albilad.

Head of Risk, Compliance and Governance – Alkhabeer Capital.

#### Qualifications:

Master of Business Administration – Tarleton University

Bachelor of Commerce – Cairo University

#### Experience:

Extensive leadership experience in risk management, compliance, and governance within the financial sector. Held several executive and supervisory positions in banking, investment, and insurance institutions.

Serves as a member of several committees in multiple companies.

## \*\* Moath Yahya Al-Hadi

### Independent Member (External Member)

#### Current Positions:

Member of the Risk Management Committee – Salama Cooperative Insurance Company  
Risk Management Director – Taajeer Finance Company

#### Qualifications:

Master of Science in Finance and Islamic Banking – International Islamic University  
Bachelor's Degree in Financial Management – University of Business and Technology

#### Previous Positions:

Risk Management Manager – Aljazira Takaful Company  
Risk Officer – Abdul Latif Jameel United Finance Company  
Financial Analyst – Alawwal Capital

#### Experience:

Extensive leadership experience in risk management within the financing and insurance sectors.  
Held several executive positions in risk management functions.  
Possesses professional experience in financial analysis and risk assessment committees in multiple companies.

	Name	Membership Nature	Number of Meeting (2)	
			First	Second
			10/03/2025	30/11/2025
Previous Term: From 2022/10/24 to 2025/09/10 Current Term: From 2025/11/05 to 2029/09/10	Adnan Jamel Khoja*	Committee Chairman non-executive Member	✓	Membership Ended
	Montaser Mohammed Foudah**	Independent Member	✓	✓
	Wael Abdulrahman Albassam*	Independent Member	✓	Membership Ended
	Mr. Abdelfattah Ibrahim El-Tawil **	Committee Chairman Independent Member (External Member)	Not yet Member	✓
	Mr. Moath Yahya Al-Hadi **	Independent Member (External Member)	Not yet Member	✓

### **Brief Description of the Competence of the Risk Committee:**

- Determining the risks that the Company may face and maintaining an acceptable level of risks related to the Company.
- Supervising risk management systems and evaluating their effectiveness.
- Verifying the feasibility of the Company's sustainability and the successful continuation of its activity, along with identifying the risks that threaten its continuation during the next twelve months.
- Developing a comprehensive risk management strategy for the Company,

supervising its implementation, and periodically reviewing and updating it, considering the relevant internal and external variables.

- Reviewing risk management policies.
- Reviewing and reassessing, on a regular basis, the Company's level of risk appetite and the extent of its risk exposure.
- Submitting detailed reports to the Board of Directors about potential risks and making recommendations on how to manage them.
- Providing advice to the Board of Directors regarding risk management.
- Ensuring the availability of adequate resources and systems to manage risks.

## C) Audit Committee:

### Audit Committee Member:

Members of the Audit Committee whose membership ended at the end of the previous term are indicated with the symbol (\*).

Members of the current term are marked with (\*\*), whether they continued from the previous term or are newly appointed members, in order to distinguish between the Committee composition in the two terms.



### \* Mr. Mohammed Taha Al-Safi

#### Independent Member

##### Current Positions:

Chairman of the Board – Elite Traveler Travel and Tourism Company.  
Founder and Chief Executive Officer – Tasheel Al-Arabia Establishment.

Al-Majal Company  
General Manager – Cap Holding Company  
Human Resources Manager – Mahmoud Saeed Partnership Company  
Branch Manager – Arab Bank

##### Previous Positions:

Board Member – Salama Cooperative Insurance Company  
Chairman of the Audit Committee – Salama Cooperative Insurance Company  
Advisor to the Chairman – International Recruitment Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Management Consultant – Freyssinet Saudi Arabia Company  
Human Resources Manager –

##### Qualifications:

Bachelor's Degree in Political Science – King Abdulaziz University

##### Experience:

He has extensive professional experience in the insurance sector including supervising insurance operations and providing specialized insurance advisory services.

He has also accumulated leadership experience in insurance companies through multiple executive and supervisory positions.

## \* Ghassan Omar Shuaib

### Independent Member (External Member)

#### Current Positions:

Chief Executive Officer – Dar Al-Hikmah Professional Consulting Company

#### Previous Positions:

Member of the Audit Committee – Salama Cooperative Insurance Company  
Head of Treasury and Financial Institutions – Jabal Omar Company  
Head of Treasury – Saudi Binladin Group

#### Qualifications:

Master's Degree in International Management – Thunderbird School of Global Management  
Bachelor's Degree in Accounting – King Abdulaziz University

#### Experience:

Extensive experience in financial and executive management.  
Experience in treasury management and financial institutions.  
Experience serving on audit committees.

## \* Salah Mohammed Barba

### Independent Member (External Member)

#### Current Positions:

General Manager – Salah Mohammed Barba Auditors and Certified Public Accountants Office  
Member of the Audit Committee – Mutawifs of Pilgrims of Turkey, Europe, America and Australia Company

#### Previous Positions:

Member of the Audit Committee – Salama Cooperative Insurance Company  
Head of Financial Control – National Commercial Bank

#### Qualifications:

Bachelor's Degree in Accounting – King Abdulaziz University

#### Experience:

Extensive experience in accounting, auditing and financial control.  
Held leadership positions in banking and auditing sectors.  
Serves on audit committees in several companies.

## \* Noha Abdulghani Suleimani

### Independent Member (External Member)

#### Current Positions:

Compliance, Anti-Money Laundering and Counter-Terrorist Financing Consultant – Noha Abdulghani Suleimani Administrative Consulting Company

Director of Compliance, AML and CTF – Emirates Capital

#### Qualifications:

Master's Degree in Finance and Investment – University of Leeds  
 Bachelor's Degree in Accounting – King Abdulaziz University

#### Experience:

Extensive experience in compliance, regulatory frameworks and financial crime prevention.  
 Expertise in anti-money laundering (AML) and counter-terrorist financing (CTF) within the financial sector.  
 Experience serving on audit committees in several companies.

#### Previous Positions:

Member of the Audit Committee – Salama Cooperative Insurance Company  
 Chairman of the Audit Committee – Saudi Cable Company  
 Director of Compliance, AML and CTF – Al-Amoudi Exchange Company  
 Director of Compliance, AML and CTF – Al-Nefae Investment Group



## \*\* Khalid Mohammed Salem Bajnaid

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
 Chairman of the Audit Committee – Salama Cooperative Insurance Company

Financial Controller – Sedco Financial Investment  
 Chief Financial Officer – Saudi Research and Media Group  
 Vice President – Finance and Administration – Real Estate Development and Construction Management Company  
 Senior Consultant – Arthur Andersen – Audit and Financial Consulting

#### Previous Positions:

Member of the Executive Committee – Salama Cooperative Insurance Company  
 Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
 Chairman of the Investment Committee – Salama Cooperative Insurance Company  
 Chief Financial Officer – Arch Capital  
 Vice President – Operations and Custody – Alawwal Capital  
 Acting Chief Financial Officer – Salama Cooperative Insurance Company

#### Qualifications:

Bachelor's Degree in Economics and Accounting – King Abdulaziz University

#### Experience:

He possesses extensive executive and financial experience in the insurance and financial services sector gained through executive positions in several companies.  
 He also serves as a Board member and member of committees derived from the Board at Salama Cooperative Insurance Company.

## \*\* Majed Daa Al-Din Karim

### Independent Member (External Member)

#### Current Positions:

Member of the Audit Committee – Salama Cooperative Insurance Company.

Member of the Audit Committee – Al-Khumasiyah International Real Estate Development Company.

Board Member – Jeddah International College.

Director – Raghaf Catering Services Company.

#### Previous Positions:

Board Member – Gulf Union Cooperative Insurance Company.

Chairman of the Audit Committee – Saudi Cable Company.

Member of the Audit Committee – Mohammed Awad Bin Laden Company.

Board Member – SEPCO

Environment Company.

Chairman of the Audit Committee – SEPCO Environment Company.

#### Qualifications:

Bachelor's Degree in Financial Management – King Saud University

#### Experience:

Extensive experience in internal auditing.

Held leadership positions as chairman and member of audit committees.

Executive experience in business management.

Board and audit committee experience across insurance, industry, environment, real estate and education sectors.

## \*\* Yasser Khaled Malek

### Independent Member (External Member)

#### Current Positions:

Member of the Audit Committee – Salama Cooperative Insurance Company.

Member of the Audit Committee – Saudi Aircraft Maintenance and Preparation Company.

Head of Audit, Risk and Compliance – flyadeal.

#### Previous Positions:

Internal Audit Manager – flyadeal

Senior Finance Manager – Panda Retail Company.

Head of Internal Audit – MENA Food Industries Company.

#### Qualifications:

Bachelor's Degree in Accounting – King Abdulaziz University.

#### Experience:

Extensive experience in internal auditing.

Executive experience in financial management.

Held senior leadership roles in internal audit and finance across aviation, retail and food industries.

Currently serves on audit committees in several organizations.

## Audit Committee Member:

	Name	Audit Committee Meeting Number of Meeting 9									
		Membership Nature	First	Second	Third	Fourth	Fifth	Sixth	Seventh	Eighth	Ninth
			26/02/20251	3/03/2025	06/05/2025	25/06/2025	30/07/2025	27/08/2025	30/10/20250	1/12/2025	17/12/2025
Previous Term: From 2023/11/20 to 2025/09/10 Current Term: From 2025/10/22 to 2029/09/10	Mohammed taha alsafi*	Committee Chairman Independent Member	✓	✓	✓	✓	✓	✓	Membership Ended		
	Ghassan Omar Shuaib*	External Member	✓	✓	✓	✓	✓	✓	Membership Ended		
	Salah Muhammad Barbara*	External Member	✓	✓	✓	✓	✓	✓	Membership Ended		
	Noha Abdulgani Slimani*	External Member	✓	✓	✓	✓	✓	✓	Membership Ended		
	Khalid MohammedSalem Bajnaid **	Committee Chairman Independent Member	Not yet Member						✓	✓	✓
	Majed Diaa Al-Din Karim **	External Member	Not yet Member						✓	✓	✓
	Yasser Khaled Malek **	External Member	Not yet Member						✓	✓	✓

## Brief Description of the Competence of the Audit Committee:

- The members of the Audit Committee shall be responsible before the IA, the Company's shareholders, and the Company's Board of Directors for implementing the provisions of this regulations, and for implementing the action plan of the Audit Committee issued by a resolution of the Board of Directors.
- Committee members, while performing their duties, shall give priority to the Company's interest over any other considerations that may affect their actions and decisions.
- The Audit Committee has the right to directly communicate with the Board of Directors and senior management in the Company, all employees, committees, legal advisors, internal and external auditors in the Company's headquarters and branches, as well as other parties related to the Company, and it has the right to access all records and private and confidential documents necessary for the performance of its duties. The Audit Committee may seek the assistance of any advisory body from outside the Company to carry out specific tasks in order to assist it in performing its duties.

- All members of the Audit Committee shall maintain the confidentiality of matters relating to the work of the Audit Committee, even after they cease to be members of the Committee.
- A member of the Audit Committee may not have a direct or indirect interest in the business and contracts that are made for the Company.
- A member of the Audit Committee may not participate in any business that would compete with the Company, or trade in the activities practiced by the Company, and the Company may claim compensation for any damage incurred by it as a result of such act or conduct.
- The Company shall not issue or renew any insurance policy for any of the members of the Audit Committee or the parties related to it before paying the full due premium. If any of the members of the Audit Committee submits a claim for compensation for an insurance policy issued to him/her by the Company, such claim shall be dealt with according to the procedures set out in the regulations applicable to customer claims and without preferential treatment, and the statutory controller shall be notified of any compensation due to the member.



## \*\* Khalid Mohammed Salem Bajnaid

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Chairman of the Audit Committee – Salama Cooperative Insurance Company

#### Previous Positions:

Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Chairman of the Investment Committee – Salama Cooperative Insurance Company  
Chief Financial Officer – Arch Capital  
Vice President – Operations and Custody – Alawwal Capital  
Acting Chief Financial Officer – Salama Cooperative Insurance Company

Financial Controller – Sedco Financial Investment

Chief Financial Officer – Saudi Research and Media Group

Vice President – Finance and Administration – Real Estate Development and Construction Management Company  
Senior Consultant – Arthur Andersen – Audit and Financial Consulting

#### Qualifications:

Bachelor's Degree in Economics and Accounting – King Abdulaziz University

#### Experience:

He possesses extensive executive and financial experience in the insurance and financial services sector gained through executive positions in several companies.

He also serves as a Board member and member of committees derived from the Board at Salama Cooperative Insurance Company.

## D) Investment Committee: Investment Committee Member:

Members of the Investment Committee whose membership ended at the end of the previous term are indicated with the symbol (\*).

Members of the current term are marked with (\*\*), whether they continued from the previous term or are newly appointed members, in order to distinguish between the Committee composition in the two terms.



## \*\* Mr. Fahad Talal Kurdi

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
Member of the Executive Committee – Salama Cooperative Insurance Company.  
Chairman of the Investment Committee – Salama Cooperative Insurance Company.  
Board Member – Gulf Lifting Financial Leasing Company.  
Wealth Management Advisor – Al-Watani Wealth Management.

#### Previous Positions:

Executive Vice President and Head of Wealth Management – Al-Watani Wealth Management.  
Senior Relationship Management Team Manager – Investcorp.  
Vice President and Head of Western Region – Jadwa Investment.  
Private Wealth Manager – Banque Saudi Fransi.  
Board Member – Al-Saqr Cooperative Insurance Company.  
Member of the Nomination and Remuneration Committee –

Al-Saqr Cooperative Insurance Company.  
Member of the Investment Committee – Al-Saqr Cooperative Insurance Company.

#### Qualifications:

Bachelor's Degree in Business Administration – Webster University, Geneva, Switzerland.

#### Experience:

He possesses extensive experience in wealth management, investment and financial services gained through leadership roles in investment companies and banks.  
He also serves on boards of directors and committees derived from them in several companies.



## \*\* Mr. Bader Khalid Alanzi

### Executive Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Investment Committee – Salama Cooperative Insurance Company  
Vice Chairman – Manafith Company  
Member of the Executive Committee – Manafith Company  
Chief Executive Officer – Salama Cooperative Insurance Company

#### Previous Positions:

Chief Executive Officer and Vice President for Finance – Solidarity Company  
Payments Manager – Maaden Company  
Payments Manager – Tawuniya Insurance  
Treasury Analyst – Saudi Telecom Company (STC)  
Operations Officer – Riyad Bank

#### Qualifications:

Master's Degree in Accounting – Oklahoma University – United States  
Bachelor's Degree in Accounting – Kuwait University  
Insurance Diploma – Insurance Institute – Egypt  
Insurance Diploma – Insurance Institute – London

#### Experience:

He possesses extensive executive and financial leadership experience in the insurance and financial services sector gained through executive roles in several companies.  
He also serves on boards of directors and committees in several companies.



## \*\* Mr. Omar Bashir Al-Sayed

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.  
Member of the Investment Committee – Salama Cooperative Insurance Company.  
Section Head of Governance and Compliance – Sedco Capital.

#### Previous Positions:

Head of Compliance Department – Abdul Latif Jameel United Finance Company.  
General Manager of Compliance – Abdul Latif Jameel United Finance Company.  
Head of compliance – Abdul Latif

Jameel United Finance Company  
Compliance Officer – National Commercial Bank.  
Relationship Manager for high Affluent Customers – Arab National Bank.

#### Qualifications:

Bachelor's Degree in Financial Management – University of Business administration (UPT).

#### Experience:

He possesses extensive experience in compliance, governance and financial services, gained through leadership positions in compliance departments in both the banking and financing sectors.  
He also serves as a Board member and as a member of committees derived from the Board at Salama Cooperative Insurance Company.



## \* Mr. Abdullah Adel Sultan

### Independent Member

Note: Resigned on 2025/01/08

#### Current Positions:

Chief Executive Officer – Kingdom Brokerage Company

#### Previous Positions:

Board Member – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Member of the Investment Committee – Salama Cooperative Insurance Company  
Chief Executive Officer – Ethad Insurance Brokers Company  
Chief Operating Officer – Alwathiq Accredited Insurance Brokerage Company  
Corporate Sales Manager and Deputy CEO for Sales – Salama Cooperative Insurance Company  
Non-Motor Insurance Manager and Deputy CEO for Operations – Salama Cooperative Insurance

#### Company

Regional Manager – Western Region – Wafa Insurance (Saudi Indian Cooperative Insurance)  
Senior Insurance Underwriter – Salama Cooperative Insurance Company  
Insurance Underwriter – Al-Ahleia Cooperative Insurance Company

#### Qualifications:

Bachelor's Degree in Insurance – King Abdulaziz University

#### Experience:

He possesses experience in the insurance sector gained through executive positions in sales, operations and insurance brokerage.  
He also served as a Board member and a member of committees derived from the Board at Salama Cooperative Insurance Company.

## Investment Committee Member:

	Name	Membership Nature	Number of Meeting (2)	
			First 29/10/2025	Second 21/12/2025
Previous Term: From 2022/10/24 to 2025/09/10 Current Term: From 2025/10/22 to 2029/09/10	Khaled MuhammedSalem Bajnaid *	Committee Chairman Independent	Membership Ended	
	Abdullah Adel Sultan*	Independent Member	Resigned on 08/01/2025	
	Fahad Talal Kurdi **	Committee Chairman Independent	✓	✓
	Bader Khaled Alanzi**	Executive member	✓	✓
	Omar Bashir Al-Sayed **	Independent Member	✓	✓

### **Brief Description of the Competence of the Investment Committee:**

- Subject to any instructions set by the IA or the Board of Directors, the Investment Committee exercises all the powers delegated to it by the Board of Directors, and the Committee cooperates with the CEO and the Managing Director regarding the investment decisions.
- The Committee exercises all the powers granted to it to carry out its duties towards its shareholders and the Company's strategy.
- The Committee is responsible for preparing the Company's investment Policy, which shall be presented to the IA, and obtains approval on it.
- The Committee prepares and formulates the the on

Company's Investment Policy, follows up on its implementation, and annually obtains the Board of Directors approval on it. This Policy may be amended only after obtaining the approval of the Board of Directors on any amendment.

- The Committee supervises the implementation of the Investment Policy and the operations of the Company's investment portfolios within the stable practical frameworks of strategy and risks.
- The Committee reviews policies, objectives, and special investment plans, and makes recommendations thereon.
- The Committee takes the necessary steps to inform the concerned employees, directly and indirectly, of investment activities and ensures that they understand them.

- The Committee conducts the strategic allocation of assets to major investment categories.
- The Committee reviews the performance of each asset category.
- The Committee sets limits for the allocation of assets according to geographical areas, financial markets, relevant sectors, securities, and currencies.
- The Committee defines and identifies illiquid assets and sets restrictions on investing in them.
- The Committee continuously monitors the performance of the Company's investment portfolios and submits reports on a quarterly basis.
- The Committee periodically follows up on and monitors investment risks.
- The Committee's responsibilities include making investment-related decisions as per the delegation of authority granted by the Board of Directors.

- The Committee comprehensively reviews, on an annual basis, the adequacy of the general Investment Policy in light of the Company's activities, the general risk tolerance, the requirements for the return on long-term risks and the solvency ratio.
- The Committee reviews the due diligence reports prepared by external asset managers or any third-party providing investment-related services.
- The Committee conducts a comprehensive evaluation of investment and asset management service providers and external parties related to investment on an annual basis to ensure the stability of the conditions on the basis of which such entities are appointed and that there are no fundamental changes that may lead the Company reconsidering its dealings with such entities.

- The Committee recommends the appointment of investment or asset managers, or a portfolio manager licensed by the Capital Market Authority or any other authority or regulatory authority if the investments are outside the Kingdom.
- The Committee manages the relationship between the Company and the officially appointed asset managers.
- The Committee ensures that the Company's investments comply with the investment regulations issued by the IA.
- The Committee monitors the performance of the CEO and senior management in relation to the Company's investments and makes recommendations in this regard.

- The Committee submits a quarterly periodic report on its work and on the performance of investment portfolios to the Board of Directors.
- The Committee notifies the Board of Directors in the event of the existence or emergence of any conflict of interest as a result of the decisions made by the Committee.
- The Committee prepares an annual review and evaluation of the activities of the Committee and its members.
- The Board shall be provided with all the meetings minutes related to the Committee.

## E) Nomination and Remuneration Committee:

### Nomination and Remuneration Committee Member:

Members of the Nomination and Remuneration Committee whose membership ended at the end of the previous term are indicated with the symbol (\*).

Members of the current term are marked with (\*\*), whether they continued from the previous term or are newly appointed members, in order to distinguish between the Committee composition in the two terms.



### \*\* Mr. Wael Abdulrahman Al-Bassam Independent Member

#### Current Positions:

Senior Advisor to the Minister of Human Resources and Social Development.

Board Member – Salama Cooperative Insurance Company.

Chairman of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.

Board Member – Saudi Tourism Investment Company (SHAMS).

Chairman of the Nomination and Remuneration Committee – Saudi Tourism Investment Company (SHAMS).

Member of the Nomination and Remuneration Committee – Al-Jabr Finance Company.

#### Previous Positions:

Member of the Risk Management Committee – Salama Cooperative Insurance Company.

Board Member – Saudi Paper Manufacturing Company.

Chairman of the Nomination and Remuneration Committee – Saudi

Paper Manufacturing Company.

Vice President for Development and Education – Bank Aljazira.

Vice President for Shared Services – Al-Rashid Group.

#### Qualifications:

Master's Degree in Business Administration – Bahrain University College

Bachelor's Degree in Languages and Translation – Imam Mohammad Ibn Saud Islamic University

#### Experience:

He possesses extensive leadership experience in development and human resources management through several senior executive positions.

He also serves on boards of directors and committees derived from them in several companies.



## \* MR. Adnan Jameel Khoja

### Non-Executive Member

#### Current Positions:

Insurance Consultant – Al-Maamoun Insurance Brokerage Company.

#### Previous Positions:

Vice Chairman – Salama Cooperative Insurance Company  
Chairman of the Risk Management Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Medical Insurance Manager – Tawuniya Insurance  
Insurance Coordinator – Saudi Aramco  
Insurance Coordinator – SAMREC  
Assistant Legal Advisor – Petromin

#### Qualifications:

Bachelor's Degree in Political Science – King Abdulaziz University

#### Experience:

He has extensive professional experience in the insurance sector including supervising insurance operations and providing specialized insurance advisory services.

He has also accumulated leadership experience in insurance companies through multiple executive and supervisory positions.



## \* Mr. Abdullah Adel Sultan

### Independent Member

Note: Resigned on 2025/01/08

#### Current Positions:

Chief Executive Officer – Kingdom Brokerage Company

#### Previous Positions:

Board Member – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Member of the Investment Committee – Salama Cooperative Insurance Company  
Chief Executive Officer – Ethad Insurance Brokers Company  
Chief Operating Officer – Alwathiqah Accredited Insurance Brokerage Company  
Corporate Sales Manager and Deputy CEO for Sales – Salama Cooperative Insurance Company  
Non-Motor Insurance Manager and Deputy CEO for Operations – Salama Cooperative Insurance Company

#### Company

Regional Manager – Western Region – Wafa Insurance (Saudi Indian Cooperative Insurance)  
Senior Insurance Underwriter – Salama Cooperative Insurance Company  
Insurance Underwriter – Al-Ahleia Cooperative Insurance Company

#### Qualifications:

Bachelor's Degree in Insurance – King Abdulaziz University

#### Experience:

He possesses experience in the insurance sector gained through executive positions in sales, operations and insurance brokerage. He also served as a Board member and a member of committees derived from the Board at Salama Cooperative Insurance Company.



## \*\* Khalid Mohammed Salem Bajnaid

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company  
Chairman of the Audit Committee – Salama Cooperative Insurance Company

#### Previous Positions:

Member of the Executive Committee – Salama Cooperative Insurance Company  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company  
Chairman of the Investment Committee – Salama Cooperative Insurance Company  
Chief Financial Officer – Arch Capital  
Vice President – Operations and Custody – Alawwal Capital  
Acting Chief Financial Officer – Salama Cooperative Insurance Company

Financial Controller – Sedco Financial Investment  
Chief Financial Officer – Saudi Research and Media Group  
Vice President – Finance and Administration – Real Estate Development and Construction Management Company  
Senior Consultant – Arthur Andersen – Audit and Financial Consulting

#### Qualifications:

Bachelor's Degree in Economics and Accounting – King Abdulaziz University

#### Experience:

He possesses extensive executive and financial experience in the insurance and financial services sector gained through executive positions in several companies.  
He also serves as a Board member and member of committees derived from the Board at Salama Cooperative Insurance Company.



## \*\* Mr. Omar Bashir Al-Sayed

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.  
Member of the Investment Committee – Salama Cooperative Insurance Company.  
Section Head of Governance and Compliance – Sedco Capital.

#### Previous Positions:

Head of Compliance Department – Abdul Latif Jameel United Finance Company.  
General Manager of Compliance – Abdul Latif Jameel United Finance Company.  
Head of compliance – Abdul Latif

Jameel United Finance Company  
Compliance Officer – National Commercial Bank.  
Relationship Manager for high Affluent Customers – Arab National Bank.

#### Qualifications:

Bachelor's Degree in Financial Management – University of Business administration (UPT).

#### Experience:

He possesses extensive experience in compliance, governance and financial services, gained through leadership positions in compliance departments in both the banking and financing sectors.  
He also serves as a Board member and as a member of committees derived from the Board at Salama Cooperative Insurance Company.



## \*\* Mr. Nasser Dhaifallah Al-Rahili

### Independent Member

#### Current Positions:

Board Member – Salama Cooperative Insurance Company.  
Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.  
Chairman of the Board – Tabuk Agricultural Development Company.  
Chairman of the Executive Committee – Tabuk Agricultural Development Company.  
Chairman of the Strategy and Investment Committee – Tabuk Agricultural Development Company.

#### Previous Positions:

Acting Advisor – Ministry of Municipalities and Housing.  
Director of Jeddah Electricity Department – Saudi Electricity

Company.

Director of North Jeddah Electricity Services Office – Saudi Electricity Company.

Director of Maintenance Department in Jeddah – Saudi Electricity Company.

#### Qualifications:

Bachelor's Degree in Electrical Engineering – King Abdulaziz University

#### Experience:

He possesses technical and executive experience in the energy and infrastructure sector, gained through several leadership positions at the Saudi Electricity Company.

He also serves on boards of directors and committees derived from them in several companies.

## \*\* Alauddin Hisham Al-Bakri \*\*

### Independent Member (External Member)

#### Current Positions:

Member of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company.

Chairman of the Nomination and Remuneration Committee – Anfas Medical Company.

Member of the Nomination and Remuneration Committee – Bakhit Holding Company.

Member of the Nomination and Remuneration Committee – Al-Andalus Education Company.

#### Previous Positions:

Member of the Nomination and Remuneration Committee – Methaq Holding Investment Company.

Member of the Nomination and Remuneration Committee – Elaf Group for Travel, Tourism and Hotels.

Member of the Nomination and Remuneration Committee – Alam Al-Sayarat Company.

Chief Human Resources Officer – Sedco Holding Company.

#### Qualifications:

Bachelor's Degree in Commerce – Concordia University.  
Diploma in Business Administration – Success Combo College.

#### Experience:

Extensive experience in human resources management gained through several leadership positions.

Experience serving as chairman and member of nomination and remuneration committees in several companies.

	Name	Membership Nature	Number of Meeting- 4			
			First 04/03/2025	Second 16/06/2025	Third 13/08/2025	Fourth 10/11/2025
Previous Term: From 2022/10/24 to 2025/09/10 Current Term: From 2025/10/22 to 2029/09/10	Wael Abdulrahman Albassam**	Committee Chairman Independent Member	✓	✓	✓	✓
	Khaled Muhammed Salem Bajnaid *	Independent Member	✓	✓	✓	Membership Ended
	Adnan Jamel Khoja*	Non-Executive Member	✓	✓	✓	Membership Ended
	Omar Bashir Al-Sayed **	Independent Member	Not Yet Member			✓
	Nasser Dhaifallah Al-Rahili **	Independent Member	Not Yet Member			✓
	Alauddin Hisham Al-Bakri **	Independent Member (External Member)	Not Yet Member			✓
	Abdullah Adel Sultan *	Independent Member	Resigned on 08/01/2025			

## Brief Description of the Competence of the Nomination and Remuneration Committee:

The duties and responsibilities of the Nomination and Remuneration Committee are as follows:

- Proposing clear policies and criteria for membership in the Board of Directors and Senior Executive Management.
- Recommending, to the Board of Directors, the nomination for membership of the Board of Directors and its committees in accordance with the legal requirements and approved policies and standards.
- Developing job descriptions for executive members, non-executive members, independent members, and senior executives.

- Conducting annual review of the required appropriate skills for membership of the Board of Directors and its committees; preparing a description of the capabilities and qualifications required for filling the positions of the Senior Executive Management and the membership of the Board of Directors and its committees; determining the time that the member allocates for the work of the Board or its committees; evaluating the structure and composition of the Board and its committees; determining the relevant weaknesses on a regular basis; and proposing necessary steps for addressing them.
- Evaluating and monitoring the independence of the members of the Board of Directors and its committees, and ensuring the absence of conflict of interest, including checking, on an annual basis, the independence of the independent members.
- Developing clear policies for the compensation and remuneration of members of the Board of Directors, its committees, and members of Senior Management, and submitting them to the Board of Directors for approval by the General Assembly, taking into account that such policy follows performance-related standards, disclosing and verifying their implementation.

- Periodically reviewing the Remuneration Policy and evaluating its effectiveness in achieving the desired objectives.
- Clarifying the relationship between the remuneration granted and the applicable remuneration policy and identifying any substantial deviation from this Policy.
- Periodically supervising the evaluation of the performance of the Board members and committees.
- Making recommendations regarding the appointment and dismissal of senior management members.
- Establishing special procedures if a position of a member of the Board of Directors or a senior executive becomes vacant.
- Proposing succession policy and procedures to the CEO and senior members of the senior management and monitoring the implementation of their succession plans and procedures.
- Reviewing compensation plans for senior management members.
- Supervising the induction program and periodic training for the members of the Board of Directors.
- Making recommendations to the Board on issues related to nominations and remuneration of Board members, its committees, and senior executives of the Company in accordance with the approved policy.

## Sixth: Means Adopted to Evaluate the Performance of the Board of Directors, its Committees and its Members

The Board of Directors of the Company conducts an annual evaluation of the effectiveness of its performance, as well as the performance of its committees and members, whether at the individual or collective level, with the aim of enhancing the efficiency of the Board's performance and improving its effectiveness in carrying out its supervisory duties.

The Nomination and Remuneration Committee is responsible for designing and preparing a framework for evaluating the performance of the Board of Directors, its committees and its members. The framework includes a set of criteria and indicators covering several aspects, most notably the effectiveness of Board and committee meetings, the level of participation in discussions, and the contribution to decision-making. The evaluation process is conducted on an annual basis, and the results of the evaluation are submitted to the Nomination and Remuneration Committee for review and for providing the necessary recommendations to the Board of Directors.

## Seventh: Executive Management:



### Bader Khaled Dhaar Al-Anzi

CEO of Salama Cooperative Insurance Company, as of December 1, 2021

#### Positions:

CEO, Solidarity Saudi Takaful Company, September 2016 - March 2021

Executive Vice President and Chief Financial Officer, Solidarity Saudi Takaful Company, May 2013 - April 2016

Creditors Account Manager, Saudi Arabian Mining Company (Maden), July 2012 - April 2013

Manager of Accounts Payable Department, Cooperative Insurance Company, May 2010 - June 2012

Financial Controller and Treasury Analyst, Saudi Telecom Company (STC),

September 2002-2010  
Operations Manager, Riyad Bank, 2001-2002

#### Qualifications:

Master of Science in Accounting, the University of Oklahoma, 2008

Bachelor's Degree in Accounting, Kuwait University, 2000

Professional Insurance Diploma, 2017  
Insurance Diploma – Insurance Institute, London – 2024



## Ammar Ahmed Hamza Ghurab

Chief Technical Officer – Salama Cooperative Insurance Company

### Positions:

Chief Technical Officer – Salama Cooperative Insurance Company (2017 – Present)  
General Manager – Motor Insurance – Salama Cooperative Insurance Company (2017 – 2011)  
Motor Claims Manager – Salama Cooperative Insurance Company (2011 – 2003)

### Qualifications:

Bachelor's degree of Business Administration, King Abdulaziz University, 1998  
Insurance Diploma – Bahrain Institute of Banking and Finance – 2011



## Christopher Andrew Radcliffe

Internal Actuary Expert

### Positions:

Senior Actuarial Manager – Gulf Investment, Bahrain (– 2021 2023) – Motor, Medical and P&C Insurance; IFRS 17 Implementation  
Chief Actuary – Takaaf, Bahrain (2021 – 2017) – Investment Services Company  
Associate Actuary – Aon, Leeds, United Kingdom (2017 – 2016) – Actuarial Consulting Services  
Actuarial Analyst – Mercer, Leeds, United Kingdom (– 2011 2016) – Actuarial Consulting Services  
Eastern Consulting – Seconded to the Ministry of Municipalities and Urban Planning, Doha, Qatar (2011 – 2010) – Economic and Demographic Studies  
Associate Consultant – WYG,

Leeds, United Kingdom (– 2002 2010) – Regulatory Compliance Specialist

### Qualifications:

Bachelor of Science (Honours) in Mathematical Sciences – The Open University, United Kingdom – 2005  
Certificate in Finance and Investment – Institute and Faculty of Actuaries, United Kingdom – 2014  
Diploma in Actuarial Techniques – Institute and Faculty of Actuaries, United Kingdom – 2014  
Fellow – Institute and Faculty of Actuaries, United Kingdom – 2017  
Fellow – Society of Actuaries, United States – 2021



### Hani Ghazi Saeed Bahadi

Chief of Sales

#### Positions:

Regional Manager – Western Region – Alinma Tokio Marine Insurance (February 2014 – April 2023)  
Business Development Manager – Alinma Tokio Marine Insurance (November 2013 – February 2014)  
Branch Manager – Al Rajhi Takaful Company (October 2011 – October 2013)

#### Qualifications:

Bachelor's Degree in Physical Oceanography.  
Holds a certificate in strategic planning.  
Holds a certificate in governance for managers and leaders of insurance companies.



### Mohammed Nasser Abdul Aziz Al-Wahbi

Chief of Customer Care

#### Positions:

Manager of Personnel Sales Branch, Al-Rajhi Company for Cooperative Insurance  
Branch Manager, the Saudi Investment Bank  
Customer Service, the Saudi Investment Bank  
Head of Support Services Department, Patients Affairs Supervisor of the Admission Office, Dallah Hospital

#### Qualifications:

Bachelor's Degree in Business Administration, King Faisal University High School  
BIC, Principles of Investment



## Shaker bin Faisal Al-Khenani

Chief Risk Officer

### Positions:

He held several positions in different sectors for more than 18 years, including:

Compliance and Risk Manager – Al-Mostaqelah Insurance Brokerage Services Company  
Chief Risk Officer – Salama Cooperative Insurance Company (2019 – 2014)  
Chief Risk Officer – Al-Saqr Cooperative Insurance Company  
Chief Risk Officer – United Cooperative Insurance Company  
General Manager – Risk and Business Continuity – Najm Insurance Services Company  
Chief Risk Officer – Salama Cooperative Insurance Company (Current Term)  
Board Member and Risk Advisor – FinTech Startups  
Certified Trainer and Consultant in Risk Management and Governance

### Qualifications:

Diploma in Computer Programming  
Bachelor's Degree in Business Administration (Marketing) – University of Business and Technology (UBT)  
Master's Degree in Financial Services Management – University of Salford  
Additional Professional Certifications include:  
ISO Internal Audit Certification  
Fraud Analysis Certification  
Strategic Management Program – Harvard University  
Leadership Program for National Transformation 2020 (Vision 2030 Program)  
Risk, Compliance and Governance Certifications  
He was awarded Best Chief Risk Officer in the Insurance Sector (Financial Category) in the Kingdom for 2023.



## Turki Awad Mubarki

Internal Audit Manager

### Positions:

Audit Manager – Alinma Bank (Branches and Head Office Audit) (2023 – 2021)  
Assistant Audit Manager – Bank Albilad – Western Region (2019 2021 –)  
Senior Branch Auditor – Bank Albilad – Southern Region (2018 – 2017)  
Senior Auditor – Al Rajhi Bank – Western and Southern Regions (2013 – 2010)  
Internal Auditor – Al Rajhi Bank – Western and Southern Regions (2010 – 2006)

### Qualifications:

Certified Financial Consultant (CFC) – American Institute of

Management – 2025  
Certified Financial Manager (CFM) – American Institute of Management – 2025  
Insurance Foundations Certification (IFCE) – Financial Academy – 2024  
Certified Internal Auditor (CIA) – Institute of Internal Auditors – 2024  
GRCP Governance, Risk and Compliance Professional – 2022  
Master of Business Administration – Nottingham College for Professional Training, London – 2025  
Master of Professional Accounting – King Abdulaziz University – 2011  
Bachelor's Degree in Accounting – King Abdulaziz University – 2005



## Issam Ibrahim Khtarash

Anti-Fraud Manager

### Positions:

Objections and Anti-Fraud Officer – Najm Company (2014 – 2016 –)  
Traffic Accident Investigator – Najm Company (2014 – 2013)  
Public Relations Officer – Abha Private Hospital (2009 – 2007)

### Qualifications:

Diploma in Health Administration – International Academy for Health Sciences



## Hassan Ahmed Al-Zahrani

Chief of Compliance and Governance

### Positions:

Regulatory Compliance Manager – Aljazira Takaful Company (October 2022 – September 2024)  
Secretary of the Nomination and Remuneration Committee – Salama Cooperative Insurance Company (December 2021 – October 2022)  
Compliance Manager – Salama Cooperative Insurance Company (November 2021 – October 2022)  
Assistant Compliance Manager – Salama Cooperative Insurance Company (May 2021 – November 2021)  
Senior Compliance Officer – Salama Cooperative Insurance Company (January 2018 – May 2021)  
Compliance Officer – Salama Cooperative Insurance Company (2015 – January 2018)

### Qualifications:

Bachelor's Degree in Business Administration – Arab Open University (July 2020 – Ongoing)  
High School Diploma – Ibn Hazm Secondary School – (2013 – 2014)  
Diploma in Corporate Governance – King Khalid University (Ongoing)  
Professional Certifications:  
Certified Anti-Money Laundering Specialist (CAMS) – Financial Academy – 2024  
Risk Analysis and Management in Insurance Companies – Financial Academy – 2024  
Certified Compliance Officer (CCO) – Financial Academy – 2018  
Compliance Officer in Insurance Companies – Financial Academy – 2023  
Insurance Foundations Certification (IFCE) – Financial Academy – 2016  
Professional Disclosure Certification – Saudi Tadawul Group – 2025

## Eighth: companies inside or outside the kingdom wherein a member of the company's board of directors is a member of its current of directors or one of its directors.

Names of the board of directors	current membership in board of directors of other companies	Inside /outside the kingdom	Legal entity	Membership in the previous boards or position as a director	Inside /outside the kingdom	Legal entity
Montazer Mohammed Foudah**	Member of the Board of directors at Salama Cooperative insurance company.	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Adnan Jamel Khoja*	Member of the Board of directors at Salama Cooperative insurance company	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Bader Khalid Alanzhi**	Member of the Board of directors at Salama Cooperative insurance Company. Manafez company.	Inside the kingdom	(Open Joint-Stock Company) Closed shareholding	—	—	—
Khaled Muhammed Salem Bajrad**	Member of the Board of directors at Salama Cooperative insurance company.	Inside the kingdom	(Open Joint-Stock Company)	Najam for Insurance services	Inside the kingdom	Closed shareholding
Abdullah Adel Sultan*	Resigned on 08/01/2025					
Mohammed Taha Al-Safi*	Member of the Board of directors at Salama Cooperative insurance company .	Inside the kingdom	(Open Joint-Stock Company)	—	—	—
Wael Abdulrahman Albassam**	Member of the Board of Directors of the Saudi Tourism Projects Company (Shams). Member of the Board of directors at Salama Cooperative insurance company .	Inside the kingdom	(Open Joint-Stock Company)	Member of the board of director in Saudi paper manufacturing company	Inside the kingdom	(Open Joint-Stock Company)
Fahad Talal Kurdi**	Board Member Salama Cooperative Insurance Company. Board Member – Gulf Lifting Financial Leasing Company	Inside the kingdom	(Open Joint-Stock Company) Closed Joint Stock Company	Board Member AlSaqr Cooperative Insurance Company.	Inside the kingdom	(Open Joint-Stock Company)
Nasser Dhaifallah Al-Rahili**	Board Member – Salama Cooperative Insurance Company. Board Member Tabuk Agricultural Development Company.	Inside the kingdom	(Open Joint-Stock Company) (Open Joint-Stock Company)	—	—	—
Omar Bashir Al-Sayed**	Board Member Salama Cooperative Insurance Company.	Inside the kingdom	(Open Joint-Stock Company)	—	—	—

•Members of the previous Board term which began on 11/09/2022 and ended on 10/09/2025 (\*)

•Members of the current Board term which began on 11/09/2025 and will end on 10/09/2029 (\*\*)

Members whose membership ended at the end of the previous term are indicated with the symbol (\*)

Members of the current term, whether continuing members or newly appointed members, are indicated with the symbol (\*\*), to distinguish between the Board composition in the two terms.

## Ninth: Composition of the Board of Directors and Classification of Its Members

The composition of the Board of Directors for the previous term from 11/09/2022 to 10/09/2025, and the current term from 11/09/2025 to 10/09/2029.

Members of the Board of Directors whose membership ended at the end of the previous term are indicated with the symbol (\*)

members of the current term are marked with (\*\*), whether they continued from the previous term or are newly appointed members, in order to distinguish between the Board composition in the two terms.

Member's Names	Membership Classification	Change in the Composition of the Board of Directors
Mountasar Mohammed Foudah**	Independent	Chairman of the Board in the previous term; joined the current term and was appointed as Chairman of the Board
Adnan Jamel Khoja*	Non-executive	Vice Chairman of the Board in the previous term; membership ended upon the expiry of the Board term on 10/09/2025
Fahad Talal Kurdi**	Independent	Joined the Board of Directors for the current term on 11/09/2025 and was appointed as Vice Chairman of the Board
Bader Khalid Alanzi**	Executive	Board member in the previous term; joined the Board of Directors for the current term on 11/09/2025
Abdullah Adel Sultan*	Independent	(Submitted his resignation on 08/01/2025)
Khaled Mohammed Salem Bajnaid**	Independent	Board member in the previous term; joined the Board of Directors for the current term on 11/09/2025
Mohammed Taha Al-Safi*	Independent	Membership ended upon the expiry of the Board term on 10/09/2025
Wael Abdulrahman Albassam**	Independent	Board member in the previous term; joined the Board of Directors for the current term on 11/09/2025
Nasser Dhaifallah Al-Rahili**	Independent	Joined the Board of Directors for the current term on 11/09/2025
Omar Bashir Al-Sayed**	Independent	Joined the Board of Directors for the current term on 11/09/2025

## Tenth: Procedures Taken by the Board of Directors to Inform Its Members of Shareholders' Proposals and Observations Regarding the Company and Its Performance:

The Company received inquiries, proposals, and observations from its shareholders through email and telephone communications. All such inquiries, proposals, and observations were addressed and responded to during the General Assembly meetings in the presence of all members of the Board of Directors.

Salama Cooperative Insurance Company is committed to enabling shareholders to exercise their statutory rights related to their shares, including their right to submit comments and proposals through the Shareholders Relations Department or during General Assembly meetings.

Members of the Board of Directors, particularly non-executive members, are informed of such comments and proposals (if any) through Board of Directors meetings, committee meetings, or during General Assembly meetings.

## Eleventh: Penalties imposed on the company by the authority or any supervisory authority

	Fiscal year 2024				Fiscal year 2025			
	Subject and reason of the violation	Number of executive decisions	Total amount of fines Saudi riyals	Ways of remedying it and avoiding its occurrence in the future	Subject and reason of the violation	Number of executive decisions	Total fines amount in Saudi riyals	Ways to treat and avoid its occurrence in the future
Insurance Authority	Violation of supervisory and regulatory instructions regarding the requirements of the Cooperative Insurance Companies Control System and its executive regulations.	1	360,000 SAR	The company implemented corrective programs, supervised by the CEO, to address violations and prevent recurrence in the future.	Violation of supervisory and regulatory instructions	1	24,000 SAR	The company implemented corrective programs, supervised by the CEO, to address violations and prevent recurrence in the future.
	Violation of supervisory and regulatory instructions regarding the application of certain verification controls for clients of financial technology companies.	1	210,000 SAR		Violation of instructions relating to cybersecurity risks	1	54,000 SAR	

## Twelfth: Ownership of major shareholders and members of the board of directors:

Major Shareholders	Board Members	Ownership Percentage
None	<b>Montaser Mohammed Foudah</b>	0.001666667%
	<b>Fahad Talal Kurdi</b>	0.000333333%
	<b>Adnan Jameel Khoja</b>	0.002616667%
	<b>Badr Khaled Al-Anzi</b>	0.003333333%
	<b>Wael Abdulrahman Al-Bassam</b>	0.011500000%
	<b>Khalid Mohammed Salem Bajnaid</b>	0.000033333%
	<b>Mohammed Taha Al-Safi</b>	0.000046666%
	<b>Nasser Dhaifallah Al-Rahili</b>	0.010000000%
	<b>Omar Bashir Al-Sayed</b>	0.000016666%

## Thirteenth: Ownership of Shares and Debt Instruments of the Company by Members of the Board of Directors and Their Relative:

No.	Name	Beginning of the Fiscal Year 2025			End of the Fiscal Year 2025			Net Change	Change (%)
		Number of Shares	Debt Instruments	Ownership Type	Number of Shares	Debt Instruments	Ownership Type		
1	Montaser Mohammed Foudah	0	0	-	500	0	Direct	500	100%
2	Fahad Talal Kurdi	0	0	-	100	0	Direct	100	100%
3	Adnan Jameel Khoja	0	0	-	785	0	Direct	785	100%
4	Badr Khaled Al-Anzi	0	0	-	1000	0	Direct	1000	100%
5	Wael Abdulrahman Al-Bassam	3450	0	Direct	3450	0	Direct	0	0%
6	Khalid Mohammed Salem Bajnaid	0	0	-	10	0	Direct	10	100%
7	Mohammed Taha Al-Safi	0	0	-	14	0	Direct	14	100%
8	Nasser Dhaifallah Al-Rahili	0	0	-	3000	0	Direct	3000	100%
9	Omar Bashir Al-Sayed	0	0	-	5	0	Direct	5	100%

## Fourteenth: Disclosure of the Remuneration of Members of the Board of Directors, Its Committees, and the Executive Management:

Session  
Previous Term: From 24/10/2022 to 10/09/2025

Executive Committee	Name of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Meeting attendance fees	Total	Number of Meetings 4
Mountasar Mohammed Foudah	Chairman	Independent		8,000	24,000 SR	
Khaled Mohammed Salem Bajnaid	Member	Independent		8,000		
Bader Khalid Alanzi	Member	Executive		8,000		
Total				24,000		

Session  
Current Term: From 22/10/2025 to 10/09/2029

Executive Committee	Name of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Meeting attendance fees	Total	Number of Meetings 2
Mountasar Mohammed Foudah	Chairman	Independent		4,000	12,000 SR	
Fahad Talal Mohammed Kardi	Member	Independent		4,000		
Bader Khalid Alanzi	Member	Executive		4,000		
Total				12,000		

Session  
Previous Term: From 24/10/2022 to 10/09/2025

Investment Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Meeting attendance fees	Total	No Meetings
Khaled Mohammed Salem Bajnaid	Chairman	Independent				
Abdullah Adel Sultan (*)	Member	Independent				
Bader Khalid Alanzi	Member	Executive				
Total						

(\*) He submitted his resignation on Thursday, 08/07/1446H, corresponding to 08/01/2025, and the Board of Directors approved the resignation on Thursday, 12/07/1446H, corresponding to 12/07/2025.

Session  
Current Term: From 22/10/2025 to 10/09/2029

Investment Committee	Nature of membership	Membership Status	Fixed remuneration (except meeting attendance fees)	Meeting attendance fees	Total	Number of Meetings 2
Fahad Talal Mohammed Kardi	Chairman	Independent		4,000	12,000 SR	
Omar Basheer Ali Alsayed	Member	Independent		4,000		
Bader Khalid Alanzi	Member	Executive		4,000		
Total				12,000		

Session  
Previous Term: From 24/10/2022 to 10/09/2025

Risk Committee	Nature of membership	Membership status	Fixed remuneration (except meeting attendance fee)	Meeting attendance fee	Total	Number of Meetings 1
Adnan Jameel Khoja	Chairman	Non executive	-	2,000	6,000 SR	
Mountasar Mohammed Foudah	Member	Independent	-	2,000		
Wael Abdulrahman Albassam	Member	Independent	-	2,000		
Total				6,000		

Session  
Current Term: From 05/11/2025 to 10/09/2029

Risk Committee	Nature of membership	Membership status	Fixed remuneration (except meeting attendance fee)	Meeting attendance fee	Total	Number of Meetings 1
Abdelfattah Ibrahim Eltawil	Chairman	Independent	-	2,000	6,000 SR	
Muath Yehia Alhadi	Member	Independent	-	2,000		
Mountasar Mohammed Foudah	Member	Independent	-	2,000		
Total				6,000		

Session  
Previous Term: From 24/10/2022 to 10/09/2025

Nomination and Remuneration Committee	Nature of membership	Membership status	Fixed remuneration (except meeting attendance fee)	Meeting attendance fee	Total	Number of Meetings 3
Wael Abdulrahman Albassam	Chairman	Independent	-	6,000	18,000 SR	
Adnan Jameel Khoja	Member	Non executive	-	6,000		
Khaled Mohammed Salem Bajnaid	Member	Independent	-	6,000		
Total				18,000		

Session  
Current Term: From 22/10/2025 to 10/09/2029

Nomination and Remuneration Committee	Nature of membership	Membership status	Fixed remuneration (except meeting attendance fee)	Meeting attendance fee	Total	Number of Meetings 2
Wael Abdulrahman Albassam	Chairman	Independent	-	2,000	8,000 SR	
Nasser Diefullah Alrahli	Member	Independent	-	2,000		
Omar Basheer Ali Alsayed	Member	Independent	-	2,000		
Alaa El Din Hesham Bakry	Member (not outside the Board)	Independent	-	2,000		
Total				6,000		

Session

"The previous session started from 20/11/2023 till 10/09/2025"

Audit Committee	Nature of membership	Membership status	Fixed remuneration (except meeting attendance fee)	Meeting attendance fee	Total	Number of Meetings 6
Mohammed Taha Alsaifi	Chairman	Independent	70,000	12,000	82,000	
Noha Abdulghani Suleimani	Member outside the Board	Independent	70,000	12,000	82,000	
Ghassan Omar Shoibe	Member outside the Board	Independent	70,000	12,000	82,000	
Salah Mohammed Baraba	Member outside the Board	Independent	70,000	12,000	82,000	
<b>Total</b>			280,000	48,000	328,000	

Session

"The current session started from 22/10/2025 till 10/09/2029 (\*)"

Nomination and Remuneration Committee	Nature of membership	Membership status	Fixed remuneration (except meeting attendance fee)	Meeting attendance fee	Total	Number of Meetings 3
Khaled Mohammed Salem Bajnaid	Chairman	Independent		6,000	18,000	
Yasir Khalid Malak	Member outside the Board	Independent		6,000	SR	
Majed Diaaouddin Kareem	Member outside the Board	Independent		6,000		
<b>Total</b>				18,000		

# Remuneration of the Board of Directors Members:

"The previous session  
started from 11/09/2022 till 10/09/2025"

Member name	Fixed Remunerations					Amount received by the board members under their capacity as employees and administrators, or amount received by the board member for their technical, administrative or consulting works.	Administration to the Board Chairman, Managing Director or Board Secretary if he is a member (**)	Total	Variable Remunerations						End of service indemnity	Gross Total	Expenses allowance reimbursement
	Nature of membership	Specified amount	Meeting attendance fees	Total committees attendance fees	In kind benefits				Percentage from income	Periodic rewards	Short term incentive plans	Long term incentive plans	Granted shares	Total			
<b>A - Independent board members</b>																	
Mountasar Mohammed Foudah	Chairman	-	9,000	10,000	-	-	200,000	219,000	-	-	-	-	-	-	-	219,000	1,865
Abdullah Adel Sultan (**)	Member	-	-	-	-	-	200,000	200,000	-	-	-	-	-	-	-	200,000	-
Khaled Mohammed Salem Bajnaid	Member	-	9,000	16,000	-	-	200,000	225,000	-	-	-	-	-	-	-	225,000	-
Wael Abdulrahman Albassam	Member	-	9,000	8,000	-	-	200,000	217,000	-	-	-	-	-	-	-	217,000	-
Mohammed Taha Alsafi	Member	-	9,000	12,000	-	-	200,000	221,000	-	-	-	-	-	-	-	221,000	-
<b>Total SR</b>			<b>36,000</b>	<b>46,000</b>			<b>1,100,000</b>	<b>1,190,000</b>								<b>1,190,000</b>	<b>1,865</b>
<b>B - Non executive board members</b>																	
Adnan Jameel Khoja	Member	-	9,000	8,000	-	-	200,000	217,000	-	-	-	-	-	-	-	217,000	-
<b>Total SR</b>			<b>9,000</b>	<b>8,000</b>			<b>200,000</b>	<b>217,000</b>								<b>217,000</b>	<b>-</b>
<b>C - Executive board members</b>																	
Bader Khalid Alanzi	Member	-	9,000	8,000	-	-	200,000	217,000	-	-	-	-	-	-	-	217,000	-
<b>Total SR</b>			<b>9,000</b>	<b>8,000</b>			<b>200,000</b>	<b>217,000</b>								<b>217,000</b>	<b>-</b>
<b>Gross total SR</b>			<b>54,000</b>	<b>62,000</b>			<b>1,500,000</b>	<b>1,614,000</b>								<b>1,614,000</b>	<b>1,865</b>

(\* ) It represents rewards paid during the year 2025 that pertain to the year 2024.

(\*\*) He submitted his resignation on Thursday, 08/07/1446H, corresponding to 08/01/2025, and the Board of Directors approved the resignation on Thursday, 12/07/1446H, corresponding to 12/07/2025.

Number of Meetings  
3

## Remuneration of the Board of Directors Members:

"The current session  
started from 11/09/2025 till 10/09/2029"

Member name	Fixed Remunerations						Amount received by the board members under their capacity as employees and administrators or amount received by the board member due their technical administration or consulting work.	Remuneration to the Board Chairman, Managing Director or Board Secretary, if he is a member	Total	Variable Remunerations						End of service indemnity	Gross Total	Expenses allowance reimbursement
	Nature of membership	Specified amount	Meeting attendance fees	Total committees attendance fees	In kind benefits	Percentage from income				Periodic rewards	Short term incentive plans	Long term incentive plans	Granted shares	Total				
<b>A - Independent board members</b>																		
Mountasar Mohammed Foudah	Chairman	-	6,000	6,000	-	-	-	12,000	-	-	-	-	-	-	-	12,000	-	
Fahad Talal Mohammed Kurdi	Member	-	6,000	6,000	-	-	-	16,000	-	-	-	-	-	-	-	16,000	-	
Khaled Mohammed Salem Bajnaid	Member	-	6,000	6,000	-	-	-	12,000	-	-	-	-	-	-	-	12,000	-	
Nasser Dieffullah Alrahili	Member	-	6,000	2,000	-	-	-	8,000	-	-	-	-	-	-	-	8,000	-	
Omar Basheer Ali Alsayed	Member	-	6,000	6,000	-	-	-	12,000	-	-	-	-	-	-	-	12,000	-	
Wael Abdulrahman Albassam	Member	-	6,000	2,000	-	-	-	8,000	-	-	-	-	-	-	-	8,000	-	
<b>Total SR</b>			36,000	36,000	-	-	-	66,000	-	-	-	-	-	-	-	66,000	-	
<b>C - Executive board members</b>																		
Bader Khalid Alanzi	Member	-	6,000	8,000	-	-	-	16,000	-	-	-	-	-	-	-	16,000	-	
<b>Total SR</b>			6,000	8,000	-	-	-	14,000	-	-	-	-	-	-	-	14,000	-	
<b>Gross total SR</b>			42,000	44,000	-	-	-	80,000	-	-	-	-	-	-	-	80,000	-	

Number of  
Meetings  
2

## Executive Management Remuneration

Description	Fixed Remuneration				Variable Remuneration						End of service indemnity	Total executive remuneration for the board, if any	Total Summation
	Salaries	Allowances	Benefits in kind	Total	(*) Periodic remuneration	Profits	Short-term incentive plans	Long-term incentive plans	Granted Shares (Value is entered)	Total			
Remunerations and compensations received by five of the company's senior executives, including the Chief Executive Officer	5,603	0	Health insurance for the employee and their dependents, and life insurance for the employees in the event of death and personal accidents, according to the company's policies	5,603	1,145	-	-	-	-	1,145	386	231	7,365

(\*) It represents bonus paid during the year 2025 that pertain to the year 2024.

## Fifteenth: Remuneration Policy:

The Nomination and Remuneration Committee is responsible for remuneration matters as follows:

1. Developing a clear policy for compensation, remuneration, and incentives for members of the Board of Directors and the executive management of the Company and organizing the efforts of each Board member and executive manager in implementing the Company's strategic objectives. The policy shall include performance-related criteria and the Committee's evaluation of their individual performance against the objectives set by the Board of Directors.
2. Establishing standards for the remuneration of the Chairman and members of the Board of Directors that enable the Company to achieve distinguished performance without compromising the independence of Board members.
3. Establishing standards for the remuneration of the Chief Executive Officer and the heads of departments and units within the Company, as well as setting long-term incentive criteria to align the interests of management with those of the Company's shareholders.
4. Reviewing the annual fixed salaries and variable allowances on an annual basis for all employees of the Company.

5. Continuously reviewing the appropriateness of the Company's remuneration standards in relation to the Company's performance, financial position, and prevailing trends in the labor market.

6. Ensuring that the Company's incentive policy does not encourage the taking of unjustified risks.

7. Submitting recommendations to the Board of Directors regarding the remuneration of Board members, Board committees, and executive management. The Board of Directors shall review such recommendations and submit matters related to the remuneration of Board members to the General Assembly of shareholders for approval, in accordance with the applicable laws and regulations.

8. Following up on the implementation of the resolutions issued by the General Assembly of shareholders relating to the remuneration of Board members and senior executives of the Company, as well as the manner in which such remuneration is disclosed in the Company's annual Board of Directors report.

## Sixteenth: The Relationship between the Remunerations Granted and the Remunerations Policy:

The remuneration was distributed in accordance with the approved remuneration policy, with no material deviations.

## Seventeenth: The Annual Review of the Effectiveness of the Company's Internal Control Procedures and the Opinion of the Audit Committee on the Adequacy of the Internal Control Systems:

### First: Annual Review of the Effectiveness of the Company's Internal Control Procedures:

The Company's internal control procedures are subject to continuous review by the Internal Audit Department in accordance with structured working methodologies based on risk assessment and the prioritization of such risks.

These reviews aim to verify the efficiency and effectiveness of the approved controls and to provide the necessary recommendations to strengthen and develop them in a manner that contributes to safeguarding the Company's assets and supporting the achievement of its strategic objectives.

The Internal Audit Department also submits periodic reports to the Audit Committee summarizing the results of audit activities. These reports are reviewed and discussed with the executive management, while the implementation of the necessary corrective actions is followed up in order to address observations and continuously enhance the internal control environment.

### Second: The Audit Committee's Opinion on the Adequacy of Internal Control Systems:

Within the scope of its responsibilities, the Audit Committee reviews the periodic reports prepared by the Internal Audit Department of the Company, in addition to discussing and reviewing the results of the Company's external auditor and engaging with the Company's management in evaluating the internal control procedures in terms of their design and implementation.

The Committee also follows up on the recommendations made by the Internal Audit Department and the external auditor to address observations and monitor their remediation, particularly with respect to the fairness of the financial statements. This is done while taking into consideration that any internal control system, regardless of the soundness of its design and effectiveness of its implementation, cannot provide absolute assurance regarding the effectiveness of the applied internal control systems.

Accordingly, the Committee has not identified any material weakness in the Company's internal control systems since its formation, while noting the need to further enhance the effectiveness of the internal control system compared to the previous fiscal year.

## Eighteenth: The Company's Social Contributions:

In order to enhance social responsibility, the Company implemented a Ramadan Food Basket Distribution Initiative, aimed at encouraging cooperation and participation among members of the community.

These baskets were prepared with essential food items to support families in need during the holy month.

The initiative focused on providing food assistance and promoting the values of giving and solidarity among people, reflecting the Company's commitment to contributing to the strengthening of social ties and reinforcing positive values during the blessed month of Ramadan.

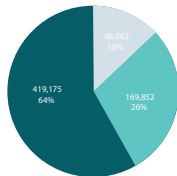
## Nineteenth: The General Assemblies of Shareholders Held during the Financial Year and the Names of the Board Members Attending these General Assemblies:

Name	First meeting 18/06/2025	Second meeting 10/09/2025
Mountasar Mohammed Foudah	Attended	Attended
Adnan Jamel Khoja	Attended	Attended
Bader Khalid Alanzi	Attended	Attended
Khaled Mohammed Salem Bajnaid	Attended	Attended
Abdullah Adel Sultan	(Submitted his resignation on 08/01/2025)	(Submitted his resignation on 08/01/2025)
Mohammed Taha Alsafi	Attended	Attended
Wael Abdulrahman Albassam	Attended	Attended
Nasser Dhaifallah Al-Rahili	Not Yet a Member	Not Yet a Member
Omar Bashir Al-Sayed	Not Yet a Member	Not Yet a Member
Fahad Talal Kurdi	Not Yet a Member	Not Yet a Member

Activity description	Total Premium for the year 2025 (Thousands of Riyals)*	Gross Written Saudi	Percentage %	Total Premium for the year 2024 (Thousands of Riyals)*	Gross Written Saudi	Percentage %
Motor insurance	419,175	64%		356,918	68%	
Medical insurance	169,852	26%		94,584	18%	
Other insurances	66,062	10%		75,068	14%	
<b>Total</b>	<b>655,089</b>	<b>100%</b>		<b>526,570</b>	<b>100%</b>	

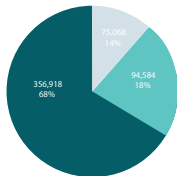
Total Gross Written Premium for the year 2025 (Thousands of Saudi Riyals)

Total Gross Written Premium for the year 2024 (Thousands of Saudi Riyals)



Total 655,089

■ Motor insurance ■ Medical insurance ■ Other insurances

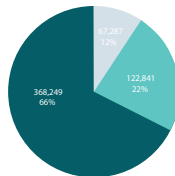


Total 526,570

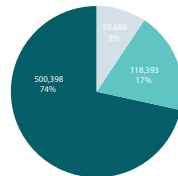
Activity description	Total Gross Written Premium for the year 2025 (Thousands of Riyals)*	Percentage %	Total Gross Written Premium for the year 2024 (Thousands of Riyals)*	Percentage %
Motor insurance	368,249	66%	500,398	74%
Medical insurance	122,841	22%	118,393	17%
Other insurances	67,287	12%	59,688	9%
<b>Total</b>	<b>558,377</b>	<b>100%</b>	<b>678,479</b>	<b>100%</b>

Total Gross Written Premium for the year 2025 (Thousands of Saudi Riyals)

Total Gross Written Premium for the year 2024 (Thousands of Saudi Riyals)



Total 558,377



Total 678,479

■ Motor insurance ■ Medical insurance ■ Other insurances

## Twenty-First: The Company's Significant Plans and Decisions

### Significant Company Decisions:

Within the framework of the Board of Directors' supervisory and oversight role, the Board issued a number of key decisions that had a direct impact on enhancing financial stability and institutional governance. The most notable of these decisions include:

Approving the implementation plan for the Risk-Based Capital (RBC) Framework.

Approving the Company's estimated budget for the year 2027.

Approving leadership and organizational appointments to support the institutional structure.

Approving structural changes to the Company's internal organization, including the merger of the Compliance and Governance departments, and the establishment of a Beneficiary Experience Department.

## Twenty-Second: Future Outlook of the Company's Business:

Completing transformation initiatives in internal systems and developing the technological infrastructure supporting the Company's operations.

Expanding digital channels and increasing the volume of electronic sales.

Growing the Company's insurance portfolio through expansion in insurance products.

Increasing diversification within the Company's portfolios by introducing new high-profit insurance products.

Strengthening the risk management and financial solvency framework through the implementation of the Risk-Based Capital (RBC) Framework requirements.

Developing and enhancing human capital through training programs and attracting specialized talents.

Supporting the effectiveness of the Board of Directors and its committees through training programs and specialized workshops.

## Twenty-third The Company's Risks:

### Risks Faced by SALAMA

SALAMA is committed to achieving its strategic objectives in support of Saudi Vision 2030 by enhancing the reliability and continuity of its digital services. In light of rapid changes and ongoing developments surrounding its operations, and despite the Company's adoption of robust security measures, its information systems remain exposed to risks such as cyberattacks, viruses, and human errors, which may directly or indirectly impact business continuity, financial performance, and customer experience.

Accordingly, the Company has updated its policies and established integrated business continuity plans (BCP), disaster recovery plans (DRP), and crisis and emergency management frameworks. In addition, regular stress testing is conducted. It is also worth noting that the Company has developed a modern cloud data center (Cloud Data Center), enhancing its resilience in responding to crises and ensuring the seamless and effective restoration of services, in line with its commitment to operational sustainability.

### Competition

Due to the high intensity of competition in the Saudi insurance market and the high number of insurance companies licensed and listed in the market, the opportunities and business of the Company may be affected in the future. Therefore, the Company has developed sales channels and is keen to gain the satisfaction of its customers.

### Application of the International Standard (IFR17)

The insurance sector has long been considered a special case in financial reporting, particularly due to the complexity of insurance activities, their long-term nature, and the inherent difficulty in determining returns compared to other business activities. This results in differences in the financial statements of insurance companies compared to other sectors.

The year 2021 marked the beginning of the implementation of IFRS 17, which aims to standardize insurance accounting at the global level, improve comparability, and enhance transparency.

### Spread of Epidemics

Out of concern for the health of the Company's employees, Salama Company takes all precautionary and preventive measures necessary to create a healthy work environment, ensure the progress of work and commit to serving its customers to the fullest.

### Implementation of Risk-Based Capital (RBC): A Forward-Looking Perspective

The Company is preparing to transition to the Risk-Based Capital (RBC) framework issued by the Saudi Insurance Authority. This represents a strategic shift aimed at allocating capital in a manner that accurately reflects the level of actual risks. Risk Management views this transition as an opportunity to enhance the efficiency of capital utilization, rather than merely a regulatory compliance requirement, by strengthening risk control.

#### Financial Solvency:

Preliminary simulation studies have been conducted, indicating the Company's ability to align its financial

position with the new requirements, and action plans have been developed to ensure the stability of solvency margins.

#### Portfolio Efficiency:

The Company is currently re-evaluating its products to ensure that each insurance unit achieves a return exceeding its allocated cost of capital, thereby supporting sustainable profitability.

#### Operational Readiness:

The Company has invested in data systems and actuarial capabilities to ensure accurate and organized compliance, reducing the risk of regulatory surprises.

Risk Management and Actuarial functions work closely with Executive Management to ensure that the implementation of the RBC framework serves as a driver for intelligent growth, through achieving an optimal balance between assets and liabilities, and ensuring a better trade-off between risk and return.

## Twenty-Fourth: The Company's Assets and Liabilities:

1- Net loss for the year amounted to SAR (91,564) thousand, and loss per share amounted to SAR (3.05) per share.

2- The Company achieved Gross Written Premiums (GWP) of SAR 655,089 thousand.

3- Net earned premiums (NEP) amounted to SAR 483,467 thousand.

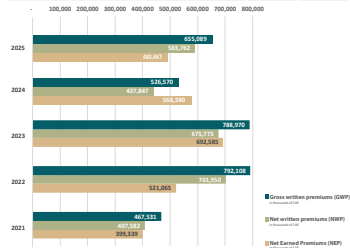
4- Net claims incurred during the period amounted to SAR 424,941 thousand.

## Twenty-Fifth: Comparison of the Company's Results of Operations or Assets and Liabilities in a Graphical Format:

Comparison of business results or a assets and liabilities of the company in a graph:

in thousands of SAR

	2025	2024	2023	2022	2021
Gross written premiums (GWP)	655,089	526,570	788,970	792,108	467,531
Net written premiums (NWP)	583,762	437,847	675,775	701,950	407,582
Net Earned Premiums (NEP)	483,467	568,380	692,585	521,065	399,339



Numbers are in thousands of riyals

	2021	2022	2023	2024	2025
Net claims incurred	348,582	445,300	519,728	412,982	424,941
Net income (loss) after zakat	(146,565)	(38,866)	51,302	30,123	(91,564)



## Twenty-Sixth: Comparison of the Results of Operations in Tabular Form:

in accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented

Numbers are in thousands of riyals

Statement of business results (Statement of Income)	2025	2024	2023	2022 (Restated)
Insurance Revenues	558,377	678,479	802,288	598,351
Result of Insurance Services	(38,015)	(19,547)	78,322	(30,646)
Net Profit (Loss) of The Insurance Results	(88,301)	33,872	38,037	(38,004)
Net Profit (Loss) of The Investment Results	27,147	26,155	27,510	19,248
Net Insurance Financing Expenses	(3,186)	(3,220)	(1,994)	367
Net Profit (Loss), Before Zakat, Attributable To Shareholders	(90,044)	28,620	55,302	(35,866)
Net Profit (Loss), After Zakat, Attributable To Shareholders	(91,564)	30,123	51,302	(38,866)
Total Comprehensive Income (Loss)	(80,376)	49,347	54,369	(36,585)
Total Shareholders' Equity	269,577	253,597	205,813	60,997
Profit (Loss) per Share	(3.05)	1.23	3.25	(2.55)

## in accordance with IFRS 4 (previously applied)

Statement of business results (Statement of Income)		Numbers are in thousands of riyals
	2021 (Restated)	
Gross premiums written	467,531	
Net premiums written	407,582	
Net premiums earned	399,339	
Net claims incurred	348,582	
Surplus (Deficit) from insurance operations	(22,681)	
Net Profit (Loss), Before Zakat, Attributable To Shareholders	(106,410)	
Net Profit (Loss), After Zakat, Attributable To Shareholders	(112,410)	
Total Comprehensive Income (Loss)	(112,110)	
Total Shareholders' Equity	96,236	
Profit (Loss) per Share	(11.24)	

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of business results (statement of income) for the year 2022 only, whereas the results of the year 2021, are presented in accordance with the previously applied International Financial Reporting Standard 4.

## In accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented

Numbers are in  
thousands of riyals

Statement of assets (Statement of Financial Position)	2025	2024	2023	2022 (Restated)	2021 (Restated)
<b>Insurance operations assets:</b>					
Cash and cash equivalents	272,313	142,660	324,082	134,733	123,527
Reinsurance contract assets	132,403	164,133	62,331	75,029	63,348
Other assets	48,009	150,294	87,691	297,258	190,934
<b>Total insurance operations assets</b>	<b>452,725</b>	<b>457,087</b>	<b>474,104</b>	<b>507,020</b>	<b>377,809</b>

### Shareholders' operations assets:

Cash and cash equivalents	10,070	90,143	91,003	32	489
Other assets	345,980	198,276	241,142	159,758	192,568
<b>Total shareholders' operations assets</b>	<b>356,050</b>	<b>288,419</b>	<b>332,145</b>	<b>159,790</b>	<b>193,057</b>
<b>Total assets†</b>	<b>808,775</b>	<b>745,506</b>	<b>806,249</b>	<b>666,810</b>	<b>570,866</b>

The Company has adapted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021.

In accordance with IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) currently implemented

Numbers are in thousands of riyals

Statement of assets (Statement of Financial Position)	2025	2024	2023	2022 (Restated)	2021 (Restated)
Insurance operations liabilities:					
Insurance contract liabilities	494,150	410,741	508,116	524,418	389,729
Other liabilities	32,592	46,754	54,684	45,994	52,180
<b>Total insurance operations liabilities</b>	<b>526,742</b>	<b>457,495</b>	<b>562,800</b>	<b>570,412</b>	<b>441,909</b>
Shareholders' liabilities:					
Shareholders' operation liabilities	12,137	33,685	38,470	35,542	31,516
<b>Total shareholders' liabilities</b>	<b>12,137</b>	<b>33,685</b>	<b>38,470</b>	<b>35,54</b>	<b>31,516</b>
<b>Total liabilities</b>	<b>538,879</b>	<b>491,180</b>	<b>601,270</b>	<b>605,954</b>	<b>473,425</b>
Equity:					
Insurance operations equity	319	729	(834)	(141)	248
Shareholders' equity	269,577	253,597	205,813	60,997	97,193
<b>Total shareholders' liabilities and equity</b>	<b>269,896</b>	<b>254,326</b>	<b>204,979</b>	<b>60,856</b>	<b>97,441</b>
<b>Total liabilities and equity</b>	<b>808,775</b>	<b>745,506</b>	<b>806,249</b>	<b>666,810</b>	<b>570,866</b>

The Company has adopted IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments), as endorsed in Saudi Arabia, starting 1 January 2023, with retrospective application, which has materially changed the presentation of the financial results for periods starting Q1 2023 onwards with the comparative periods restated under the new standard. Therefore, International Financial Reporting Standard 17 (Insurance Contracts) and International Financial Reporting Standard 9 (Financial Instruments) were applied retrospectively to the statement of Financial Position for the years 2022 and 2021.

## Twenty-Eighth: Material Differences in the Operating Results:

Statement of insurance operations:

Figures in thousands of Saudi riyals	Change Percentage	2024	2025
Insurance revenue from contracts	(18)%	678,479	558,377
Insurance service expenses	(15)%	(698,026)	(596,392)
Net (expense) / income from reinsurance contracts	(194)%	53,419	(50,286)
Insurance service result from Company's directly written business	(361)%	33,872	(88,301)
Share of surplus from insurance pool	(24)%	2,281	2,824
<b>Total insurance service result</b>	<b>(336)%</b>	<b>36,153</b>	<b>(85,477)</b>
Commission income from financial assets not measured at FVTPL	(25)%	19,115	14,338
Net gains on financial assets measured at FVTPL	(110)%	(574)	55
Net (impairment losses) / reversal of impairment losses on financial assets	(100)%	17	-
Net investment income	(22)%	18,558	14,388
Finance costs from insurance contracts issued	(131)%	(3,573)	(8,244)
Finance income from reinsurance contracts held	(1333)%	353	5,058
Net insurance finance costs	(1)%	(3,220)	3,186
<b>Net insurance and investment result</b>	<b>(244)%</b>	<b>51,491</b>	<b>74,270</b>
Other (expense) / income	(157)%	149	85
Other operating expenses	(27)%	(29,746)	(21,850)
Net (deficit) / surplus from operations	(539)%	21,894	(96,205)
(Deficit) / Surplus transfer to shareholders	(539)%	(21,894)	96,205

## Twenty-Seventh: Geographical Analysis of the Total Revenues of the Company and Its Subsidiaries:

Schedule of the distribution of gross written premiums according to the geographical regions of the Kingdom of Saudi Arabia

Region	2025	2024
Eastern Region	39,909	37,303
Central Region	387,675	313,031
Western Region	221,472	159,091
Other Regions	6,033	17,145
<b>Total</b>	<b>655,089</b>	<b>526,570</b>

Net loss before Zakat attributable to shareholders of the Issuer for the current year amounted to SAR (90.04) million, compared to a net profit before Zakat attributable to shareholders of the Issuer of SAR 28.62 million for the previous year. Net loss after Zakat attributable to shareholders of the Issuer for the current year amounted to SAR (91.56) million, compared to a net profit after Zakat attributable to shareholders of the Issuer of SAR 30.12 million for the previous year. The reasons for the net loss after zakat for the current year, compared to the net profit after zakat for the previous year, are mainly due to the following:

- 1- A decrease in insurance revenue for the current year by SAR 120.10 million, with a decrease of 17.70% compared to the previous year, as a result of the increase in gross unearned premiums, specifically in motor and medical insurance segments.
- 2- In addition to the above, net incurred claims increased by SAR 11.96 million for the current year compared to the previous year.
- 3- Net technical reserves also increased by SAR 8.31 million for the current year compared to the previous year, mainly due to the increase in loss component reserve, which represents the liability for remaining coverage.
- 4- Zakat provision also increased by SAR 3.22 million for the current year compared to the previous year.
- 5- In addition, the Company recorded non-recurring expenses related to the merger transaction amounting to SAR 3.82 million for the current year compared to the previous year.

This comes despite the Company saving in expenses of net reinsurance premiums, after deducting earned reinsurance commissions, by SAR 29.34 million for the current year compared to the previous year.

Gross written premiums for the current year amounted to SAR 655.09 million compared to SAR 526.57 million for the previous year, with an increase of 24.41%.

Other (expense) / income	(157)%	149	85
Other operating expenses	(27)%	(29,746)	(21,850)
Net (deficit) / surplus from operations	(539)%	21,894	(96,205)
(Deficit) / Surplus transfer to shareholders	(539)%	(21,894)	96,205

### Statement of shareholder operations:

Figures in thousands of Saudi riyals

	Change Percentage	2024	2025
Shareholders' share in (deficit) / surplus from insurance operations	(539)%	21,894	(96,205)
Commission income from financial assets not measured at FVTPL	55%	7,573	12,462
Net income on financial assets measured at FVTPL	75%	91	159
Net (impairment losses) / reversal of impairment losses on financial assets	299%	(67)	133
Net investment income	68%	7,597	12,754
Other operating expenses	657%	(871)	(6,593)
(Loss) / profit for the year attributable to the shareholders before zakat	(415)%	28,620	(90,044)
Zakat expense	(201)%	1,503	(1,520)
NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS	(404)%	30,123	(91,564)
Basic and diluted (losses) / earnings per share (expressed in Saudi Riyals per share)	(348)%	1.23	(3.05)

## Twenty-Ninth: Description of the Company's Policy in Distributing Dividends:

Article (45) of the Company's Articles of Association states that: The Company shall:

- 1- The Ordinary General Assembly, when determining the share of shares in net profits, may decide to form other reserves, to the extent that achieves the interest of the company or ensures the distribution of fixed profits as much as possible to shareholders. The Assembly may also deduct amounts from the net profits to achieve social purposes for the company's employees.
- 2- The General Assembly shall determine the percentage that must be distributed to shareholders from the net profits after deducting reserves, if any.
- 3- To avoid 20% of net profits as a regular reserve, the General Assembly may suspend such avoidance when the total reserve (100%) of the paid capital is reached.

Article (46) of the Company's Articles of Association states that: The Company shall:

The contributor shall be entitled to its share of profits in accordance with the General Assembly resolution in this regard, and the decision shall indicate the due date and the date of distribution. The profit entitlement is for the owners of the shares registered in the shareholder's records at the end of the scheduled day. The company shall inform the Financial Market Authority without delay of any decisions to distribute or recommend the profits and pay the dividends to be distributed to the shareholders in the place and the dates set by the Board of Directors, in accordance with the instructions issued by the competent authority, subject to the prior written approval .of the Insurance Authority of Saudi Arabia

## Thirtieth: The number of the company's requests related to the shareholders' register, the date and reason for the request:

Salama Cooperative Insurance Company requested the shareholders' register from the Securities Depository Center Company (Edaa) seventeen (17) times during the fiscal year 2025.

Number of requests	Date of request	Reason for request
1	14/01/2025	Company Procedures
2	26/02/2025	Company Procedures
3	7/5/2025	Company Procedures
4	11/5/2025	Company Procedures
5	25/05/2025	General Assembly
6	16/06/2025	Company Procedures

Number of requests	Date of request	Reason for request
7	27/07/2025	Company Procedures
8	29/07/2025	Company Procedures
9	18/08/2025	Company Procedures
10	7/9/2025	General Assembly
11	8/9/2025	Company Procedures
12	08/09/2025	General Assembly
13	10/9/2025	General Assembly
14	30/09/2025	Company Procedures
15	27/10/2025	Company Procedures
16	14/12/2025	General Assembly
17	28/12/2025	Company Procedures

## Thirty-First: Contracts and Transactions with Related Parties:

### Related Party Transactions

Related parties represent major shareholders, directors and key management personnel [Key Management Personnel includes all directors, executive and non-executive, and senior management] of the Company, and companies of which they are principal owners and any other entities controlled, jointly controlled or significantly influenced by them. Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. t

Party Name	Nature of transactions	Amount of transactions For the year ended 31 December	
		2025	2024
In thousands of Saudi riyals			
<b>Entities controlled, jointly controlled or significantly influenced by member of board of directors</b>			
Al Mamoon Insurance Brokers	Commissions incurred	-	1,261
Najm for Insurance Services*	Najm fees	-	28,292

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

Related Parties Balances (Payable) / receivable to the related parties			
Al Mamoon Insurance Brokers		-	631
<b>Total</b>		-	631

## Thirty-Second: Compensation of the Board of Directors and Its Committees, in Addition to Senior Executive Management:

	2025	2024
<b>Compensation to the key management personnel</b>	In thousands of Saudi riyals	
Salaries and other allowances	6,748	6,893
End of service indemnities	386	268
<b>Total</b>	<b>7,134</b>	<b>7,161</b>

	2025	2024
Compensation to Board, committees and to those charged with governance	In thousands of Saudi riyals	
Remuneration and attendance fees to the Board and to those charged with governance - Board of Directors	1,663	1,732
Remuneration and attendance fees to the Board Committees and to those charged with governance Board Committees	474	396
<b>Total</b>	<b>2,137</b>	<b>2,128</b>

The following table shows the compensation to Board, committees and the key management personnel for the year ended

## Thirty-Third: Statement of Statutory Payments Paid and Payable:

Description			Brief description	Reasons
	Amount paid	Due at end of the annual financial period and not been paid		
Zakat	26,015	5,872	Provision provided during the year	Mandatory
Value Added Tax	73,662	4,855	Value added tax	Mandatory
General Organization for Social Insurance	1,223	259	Withholding tax on foreign transfers	Mandatory
Withholding Tax	4,462	348	Subscription fees	Mandatory
Supervision Fees of Insurance Authority - IA	4,159	1527	Supervision fees	Mandatory
Costs of visas, passports, labour office fees, and other government expenses	649	-	Payment of governmental fees	Mandatory
Saudi Exchange (Tadawul) service fees	429	-	Subscription fees	Mandatory

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Thirty-Fifth: Representations:

- 1-The Account records have been properly prepared.
- 2-The internal control system has been prepared on sound foundations and is being implemented effectively.
- 3- There is no doubt about the ability of SALAMA Company to continue its activity
- 4-No loans on the company.
- 5-There are no competing business activities conducted by members of the Board of Directors in relation to any of the Company activities
- 6-Application of the articles of Corporate Governance Regulations from the Insurance Authority. Salama Cooperative Insurance Company has applied all articles of the Corporate Governance Regulation issued by the Insurance Authority and the Corporate Governance Regulations issued by the Capital Market Authority (CMA), except for the following articles:  
Article 90(4/B): Five Senior Executives who have received the highest remuneration from the Company, provided that the chief executive officer and chief financial officer are among them, this is partially complied.  
The company committed to disclose the total elements of the remuneration of the senior executive management in accordance with the statutory requirements

## Thirty-Fourth: External Auditor's Opinion:

INDEPENDENT AUDITORS' REPORT  
TO THE SHAREHOLDERS OF SALAMA COOPERATIVE INSURANCE COMPANY  
(A SAUDI JOINT STOCK COMPANY)

### Opinion

We have audited the financial statements of Salama Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, from 1 to 35, to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

### basis for Opinion

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report.

## Thirty-Sixth: A Message of Appreciation to the Shareholders of Salama Cooperative Insurance Company

The Board of Directors expresses its thanks and appreciation to the Company's valued customers for their valuable trust and is pleased to express sincere thanks and gratitude to all the shareholders, whose shares have played a major role in enhancing the Company's leadership in the Saudi insurance market. The Board also appreciates the .Company's management and employees for their sincere e-orts during the year

## البند الثاني

التصويت على تقرير مراجعي حسابات الشركة الخارجيين عن العام المالي المنتهي في 2025/12/31م  
بعد مناقشته.

### Item 2.

To vote on the company's auditor's report for the fiscal year ending 31-12-2025



P.O Box 16415  
Jeddah 21464  
Kingdom of Saudi Arabia



P.O Box 8335  
Riyadh 12333  
Kingdom of Saudi Arabia

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company*

### *Report on the audit of the financial statements*

#### *Our opinion*

We have audited the financial statements of Salama Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, from 1 to 35, to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Branch of PricewaterhouseCoopers Public Accountants  
(professional limited liability company), Jameel square, floor 5  
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CR. 4030289002, UN No. 7003482481, capital of 500,000 SAR, (main CR. 1010371622, main UN No. 7000928734), national address: 2091 Prince Mohammed Bin Abdulaziz Street, Al Andalus Dist., postal code 23326, secondary number 8909, Jeddah, Kingdom of Saudi Arabia

RSM Allied Accountants Professional Services

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CR. 4030228773, UN No. 7091521892 capital of 1,100,000 SAR.

national address: 3193 Al Urubah Branch Street,

Al Olaya Dist., postal code 12333, secondary number 8335, Riyadh, Kingdom of Saudi Arabia

## Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)

### Key audit matters (continued)

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation of liability for incurred claims and loss component</i></p> <p>The estimation of the liability for incurred claims and loss component involves a significant degree of judgment. This entails estimating the present value of future cash flows and risk adjustment for non-financial risk (forming part of liability for incurred claims) and loss component (forming part of liability for remaining coverage).</p> <p>The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. Such loss component is remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the general measurement model relating to the future service and the carrying amount of the liability for remaining coverage without the loss component.</p> <p>As at 31 December 2025, the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component amount to Saudi Riyals 210.8 million, Saudi Riyals 9.1 million and Saudi Riyals 18.2 million respectively, as disclosed in Note 9 to the financial statements.</p> <p>Accordingly, the complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, as well as the actuarial methodology that is applied and the assumptions on current and future events.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"><li>• Updated our understanding, evaluated the design and implementation of key controls over the accuracy of the claims and related provisions recorded by the Company;</li><li>• Evaluated the competence, capabilities and objectivity of the management's Appointed Actuary based on their professional qualifications and experience and assessed their independence to the Company;</li><li>• Performed substantive procedures, on a sample basis, on the amounts recorded by the Company for paid and outstanding claims;</li><li>• Tested, on a sample basis, the integrity of the claims data, including salvage and subrogation recoveries, used as inputs by management and their Appointed Actuary into the actuarial valuations in estimating the present value of the future cash flows, risk adjustment for non-financial risk and loss component;</li><li>• Engaged our actuarial specialists to assess the reasonableness of the actuarial models and assumptions, including expected loss ratios and expense allocation, used to calculate the present value of the future cash flows (net of salvage and subrogation recoveries), the risk adjustment and loss component, to obtain comfort over the actuarial report issued by management's Appointed Actuary. Our internal actuarial specialists also performed rejections of the present value of future cash flows, risk adjustment for non-financial risk and loss component for significant product lines and compared them with the amounts recorded by the management for reasonableness; and</li></ul>

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Key audit matters (continued)*

<i>Key audit matter</i>	<i>How our audit addressed the Key audit matter</i>
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#### *Valuation of liability for incurred claims and loss component (continued)*

The Company uses an external actuary (“Appointed Actuary”) to provide them with the estimate of such liabilities. A range of methods were used to determine these liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

We have considered this as a key audit matter due to the inherent estimation uncertainty, complexity and subjectivity involved in the valuation of the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component arising from insurance contracts.

Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions related to insurance contract liabilities.

- Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

#### *Other information*

Management is responsible for the other information. The other information comprises the information included in the Company’s annual report but does not include the financial statements and our auditors’ report thereon. The Company’s annual report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company’s annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company’s By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Responsibilities of management and those charged with governance for the financial statements (continued)*

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)

### Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### For PricewaterhouseCoopers

Mufaddal A. Ali  
Certified Public Accountant  
License No. 447

#### For RSM Allied Accountants Professional Services

Mohammad A. Mohandes  
Certified Public Accountant  
License No. 564

Jeddah: 12 March 2026  
Corresponding to: 23 Ramadan 1447H



### البند الثالث

الإطلاع على القوائم المالية للشركة عن العام المالي المنتهي في 2025/12/31 م ومناقشتها.

#### Item 3.

**Viewing and discussing the financial statements for the fiscal year ending on 31-12-2025.**

**SALAMA COOPERATIVE INSURANCE COMPANY  
(A Saudi Joint Stock Company)**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025  
AND INDEPENDENT AUDITORS' REPORT

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>Index</b>	<b>Page</b>
Independent auditors' report	2 – 6
Statement of financial position	7
Statement of income	8
Statement of comprehensive income	9
Statement of changes in equity	10 – 11
Statement of cash flows	12 – 13
Notes to the financial statements	14 – 112
Supplementary information	113 – 118



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Kingdom of Saudi Arabia



P.O Box 8335  
Riyadh 12333  
Kingdom of Saudi Arabia

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company*

### *Report on the audit of the financial statements*

#### *Our opinion*

We have audited the financial statements of Salama Cooperative Insurance Company (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes, from 1 to 35, to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia, and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), endorsed in the Kingdom of Saudi Arabia (the "Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code's requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Al Olaya Dist., postal code 12333, secondary number 8335, Riyadh, Kingdom of Saudi Arabia

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Key audit matters (continued)*

<i>Key audit matter</i>	<i>How our audit addressed the Key audit matter</i>
<p><i>Valuation of liability for incurred claims and loss component</i></p> <p>The estimation of the liability for incurred claims and loss component involves a significant degree of judgment. This entails estimating the present value of future cash flows and risk adjustment for non-financial risk (forming part of liability for incurred claims) and loss component (forming part of liability for remaining coverage).</p> <p>The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils its obligations under insurance contracts. The present value of future cash flows is based on the best-estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not. The loss component is recognised if at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous. Such loss component is remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the general measurement model relating to the future service and the carrying amount of the liability for remaining coverage without the loss component.</p> <p>As at 31 December 2025, the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component amount to Saudi Riyals 210.8 million, Saudi Riyals 9.1 million and Saudi Riyals 18.2 million respectively, as disclosed in Note 9 to the financial statements.</p> <p>Accordingly, the complexity arises from calculating the actuarial best estimate using historical data which is sensitive to external inputs, as well as the actuarial methodology that is applied and the assumptions on current and future events.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"><li>• Updated our understanding, evaluated the design and implementation of key controls over the accuracy of the claims and related provisions recorded by the Company;</li><li>• Evaluated the competence, capabilities and objectivity of the management's Appointed Actuary based on their professional qualifications and experience and assessed their independence to the Company;</li><li>• Performed substantive procedures, on a sample basis, on the amounts recorded by the Company for paid and outstanding claims;</li><li>• Tested, on a sample basis, the integrity of the claims data, including salvage and subrogation recoveries, used as inputs by management and their Appointed Actuary into the actuarial valuations in estimating the present value of the future cash flows, risk adjustment for non-financial risk and loss component;</li><li>• Engaged our actuarial specialists to assess the reasonableness of the actuarial models and assumptions, including expected loss ratios and expense allocation, used to calculate the present value of the future cash flows (net of salvage and subrogation recoveries), the risk adjustment and loss component, to obtain comfort over the actuarial report issued by management's Appointed Actuary. Our internal actuarial specialists also performed rejections of the present value of future cash flows, risk adjustment for non-financial risk and loss component for significant product lines and compared them with the amounts recorded by the management for reasonableness; and</li></ul>

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Key audit matters (continued)*

<i>Key audit matter</i>	<i>How our audit addressed the Key audit matter</i>
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#### *Valuation of liability for incurred claims and loss component (continued)*

The Company uses an external actuary (“Appointed Actuary”) to provide them with the estimate of such liabilities. A range of methods were used to determine these liabilities which were based on a number of explicit or implicit assumptions relating to the expected settlement amount and settlement patterns of claims.

- Assessed the adequacy and appropriateness of the related disclosures in the financial statements.

We have considered this as a key audit matter due to the inherent estimation uncertainty, complexity and subjectivity involved in the valuation of the estimates of present value of future cash flows, risk adjustment for non-financial risk and loss component arising from insurance contracts.

Refer to Notes 3 and 4 for the material accounting policies and significant accounting judgements, estimates and assumptions related to insurance contract liabilities.

#### *Other information*

Management is responsible for the other information. The other information comprises the information included in the Company’s annual report but does not include the financial statements and our auditors’ report thereon. The Company’s annual report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company’s annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by SOCPA, and the applicable requirements of the Regulations for Companies and the Company’s By-laws, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Responsibilities of management and those charged with governance for the financial statements (continued)*

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e. the Board of Directors, are responsible for overseeing the Company's financial reporting process.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## *Independent auditors' report to the shareholders of Salama Cooperative Insurance Company (continued)*

### *Auditors' responsibilities for the audit of the financial statements (continued)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **For PricewaterhouseCoopers**



Mufaddal A. Ali  
Certified Public Accountant  
License No. 447

#### **For RSM Allied Accountants Professional Services**



Mohammad A. Mohandes  
Certified Public Accountant  
License No. 564

Jeddah: 12 March 2026  
Corresponding to: 23 Ramadan 1447H



**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	As at 31 December	
		2025	2024
<b>ASSETS</b>			
Cash and cash equivalents	5	282,383	232,803
Term deposits	6	93,177	60,797
Investments:			
Financial assets at fair value through profit or loss ("FVTPL")	7	26,190	51,489
Financial assets at fair value through other comprehensive income ("FVOCI")	7	72,722	61,124
Financial assets at amortised cost	7	117,211	90,968
Prepaid expenses and other assets	8	14,831	20,426
Reinsurance contract assets	9	132,403	164,133
Right-of-use assets	10	12,737	16,103
Property and equipment	11	6,064	6,334
Intangible assets		4,089	2,592
Statutory deposit	12	45,000	37,500
Accrued commission income on statutory deposit	12	1,968	1,237
<b>TOTAL ASSETS</b>		<b>808,775</b>	<b>745,506</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Insurance contract liabilities	9	494,150	410,741
Accrued expenses and other liabilities	13	12,949	22,530
Lease liabilities	10	15,225	18,476
Employee benefit obligations	14	8,715	7,829
Provision for zakat	21	5,872	30,367
Accrued commission income payable to Insurance Authority	12	1,968	1,237
<b>TOTAL LIABILITIES</b>		<b>538,879</b>	<b>491,180</b>
<b>EQUITY</b>			
Share capital	15	300,000	200,000
Accumulated losses		(101,222)	(5,604)
Fair value reserve for investments	7	70,799	59,201
Remeasurement reserve of employee benefit obligations	14	319	729
<b>NET EQUITY</b>		<b>269,896</b>	<b>254,326</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>808,775</b>	<b>745,506</b>

The accompanying notes from 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF INCOME****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
Insurance revenue	16	558,377	678,479
Insurance service expenses	16	(596,392)	(698,026)
Net (expenses) / income from reinsurance contracts	16	(50,286)	53,419
<b>Insurance service result from Company's directly written business</b>		<b>(88,301)</b>	<b>33,872</b>
Share of surplus from insurance pools	19	2,824	2,281
<b>Total insurance service result</b>		<b>(85,477)</b>	<b>36,153</b>
Commission income from financial assets not measured at FVTPL	17	26,800	26,688
Net gains / (losses) on financial assets measured at FVTPL	17	214	(483)
Net impairment reversal / (losses) on financial assets		133	(50)
<b>Net investment income</b>		<b>27,147</b>	<b>26,155</b>
Net finance costs from insurance contracts issued	18	(8,244)	(3,573)
Net finance income from reinsurance contracts held	18	5,058	353
<b>Net insurance finance costs</b>		<b>(3,186)</b>	<b>(3,220)</b>
<b>Net insurance and investment result</b>		<b>(61,516)</b>	<b>59,088</b>
Other (expense) / income		(85)	149
Other operating expenses	20	(28,443)	(30,617)
<b>(Loss) / profit for the year attributable to the shareholders before zakat</b>		<b>(90,044)</b>	<b>28,620</b>
Zakat	21	(1,520)	1,503
<b>NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>		<b>(91,564)</b>	<b>30,123</b>
<b>Basic and diluted (losses) / earnings per share (expressed in Saudi Riyals per share)</b>	22	<b>(3.05)</b>	<b>1.23</b>

The accompanying notes from 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer  
Chief Executive Officer  
Chairman

**SALAMA COOPERATIVE INSURANCE COMPANY**

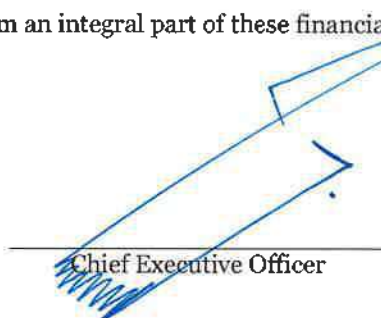
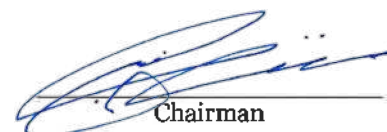
(A Saudi Joint Stock Company)

**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	Year ended 31 December	
		2025	2024
<b>NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>		<b>(91,564)</b>	<b>30,123</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of income in subsequent years</b>			
Net changes in fair value of investment measured at FVOCI equity instruments	7	<b>11,598</b>	17,661
Remeasurement (loss) / gain on employee benefit obligations	14	<b>(410)</b>	1,563
<b>Total other comprehensive income</b>		<b>11,188</b>	<b>19,224</b>
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>		<b>(80,376)</b>	<b>49,347</b>

The accompanying notes from 1 to 35 form an integral part of these financial statements.

  
\_\_\_\_\_  
Chief Financial Officer  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Chairman

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY**

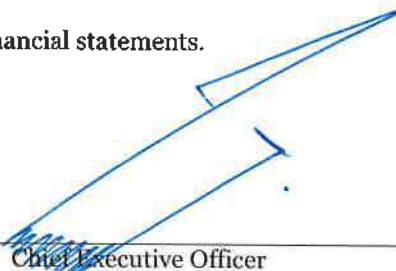
**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Note	Share capital	Accumulated Losses	Fair value reserve for investments	Remeasurement reserve of employee benefit obligations	Net equity
<b>Balance at 31 December 2024</b>		<b>200,000</b>	<b>(5,604)</b>	<b>59,201</b>	<b>729</b>	<b>254,326</b>
<b>Total comprehensive loss for the year:</b>						
Net loss for the year attributable to the shareholders		-	(91,564)	-	-	(91,564)
Net changes in fair value of investment measured at FVOCI		-	-	11,598	-	11,598
Remeasurement loss on employee benefit obligations		-	-	-	(410)	(410)
<b>Total comprehensive loss for the year attributable to the shareholders</b>		<b>-</b>	<b>(91,564)</b>	<b>11,598</b>	<b>(410)</b>	<b>(80,376)</b>
<b>Transaction with shareholders of the Company:</b>						
Increase in share capital	15	100,000	-	-	-	100,000
Transaction costs		-	(4,054)	-	-	(4,054)
<b>Balance at 31 December 2025</b>		<b>300,000</b>	<b>(101,222)</b>	<b>70,799</b>	<b>319</b>	<b>269,896</b>

The accompanying notes from 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer

  
Chief Executive Officer

  
Chairman

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF CHANGES IN EQUITY (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

	Share capital	Accumulated losses	Fair value reserve for investments	Remeasurement reserve of employee benefit obligations	Total equity
<b>Balance at 31 December 2023</b>	200,000	(35,727)	41,540	(834)	204,979
<b>Total comprehensive income for the year:</b>					
Net profit for the year attributable to the shareholders	-	30,123	-	-	30,123
Net changes in fair value of investment measured at FVOCI	-	-	17,661	-	17,661
Remeasurement gain on employee benefit obligations	-	-	-	1,563	1,563
<b>Total comprehensive income for the year attributable to the shareholders</b>	-	30,123	17,661	1,563	49,347
<b>Balance at 31 December 2024</b>	200,000	(5,604)	59,201	729	254,326

The accompanying notes from 1 to 35 form an integral part of these financial statements.

  
 Chief Financial Officer

  
 Chief Executive Officer

  
 Chairman

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

		<b>31 December</b>	<b>2024</b>
	<b>Note</b>	<b>31 December</b>	<b>(Restated –</b>
		<b>2025</b>	<b>Note 31)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit for the year attributable to the shareholders before zakat		<b>(90,044)</b>	28,620
<u>Adjustments for non-cash items:</u>			
Depreciation of property and equipment	11	<b>1,852</b>	1,571
Amortisation of intangible assets		<b>633</b>	331
Depreciation of right-of-use assets	10	<b>4,230</b>	4,692
Finance costs on lease liabilities	10	<b>760</b>	927
Net impairment (reversal) / losses on financial assets		<b>(133)</b>	50
Loss on financial assets measured at FVTPL		<b>368</b>	574
Realised gain on financial assets measured at FVTPL		<b>(582)</b>	(91)
Commission income from financial assets not measured at FVTPL		<b>(26,800)</b>	(26,688)
Provision for employees benefit obligations	14	<b>1,876</b>	2,065
		<b>(107,840)</b>	12,051
<b>Changes in operating assets and liabilities:</b>			
Prepaid expenses and other assets		<b>5,595</b>	16,104
Reinsurance contract assets		<b>31,730</b>	(101,802)
Insurance contract liabilities		<b>83,409</b>	(97,375)
Reinsurance contract liabilities		<b>-</b>	(3,185)
Accrued expenses and other liabilities		<b>(9,581)</b>	(3,060)
<b>Cash generated from / (used in) operations</b>		<b>3,313</b>	(177,267)
Commission income received from financial assets not measured at FVTPL		<b>22,475</b>	26,951
Zakat paid	21	<b>(26,015)</b>	(1,572)
Employee benefit obligations paid	14	<b>(1,400)</b>	(1,390)
<b>Net cash used in operating activities</b>		<b>(1,627)</b>	(153,278)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Term deposits		<b>(27,500)</b>	27,237
Placements in statutory deposit		<b>(7,500)</b>	-
Payments for purchases of financial assets at FVTPL	7	<b>(10,000)</b>	(10,090)
Proceeds from sale of investments held at FVTPL	7	<b>35,513</b>	3,205
Payments for purchases of financial assets at amortised cost		<b>(38,115)</b>	(39,965)
Proceeds from maturity of financial assets held at amortised cost		<b>11,450</b>	-
Payments for purchases of property and equipment	11	<b>(1,582)</b>	(2,434)
Payments for purchases of intangible assets		<b>(2,130)</b>	(2,060)
<b>Net cash used in investing activities</b>		<b>(39,864)</b>	(24,107)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of share capital	15	<b>100,000</b>	-
Transaction costs on the issue of rights shares	15	<b>(4,054)</b>	-
Principal elements of lease payments	10	<b>(4,115)</b>	(3,970)
Finance costs paid on lease liabilities	10	<b>(760)</b>	(927)
<b>Net cash generated from / (used in) financing activities</b>		<b>91,071</b>	(4,897)


  
Chief Financial Officer


  
Chief Executive Officer


  
Chairman

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**STATEMENT OF CASH FLOWS** (continued)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals unless '000 otherwise stated)

		<b>31 December</b>	<b>2024</b>
	Note	<b>31 December</b>	<b>(Restated –</b>
		<b>2025</b>	<b>Note 31)</b>
<b>Net changes in cash and cash equivalents</b>		<b>49,580</b>	<b>(182,282)</b>
Cash and cash equivalents at the beginning of the year	5	<b>232,803</b>	<b>415,085</b>
<b>Cash and cash equivalents at end of the year</b>	<b>5</b>	<b>282,383</b>	<b>232,803</b>

Refer 24 for details regarding supplemental schedule of non-cash information.

The accompanying notes from 1 to 35 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

#### **1. General information - legal status and principal activities**

##### *(a) General information*

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

The registered office address of the Company is:

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

The objective of the Company is to transact cooperative insurance operations and related activities in accordance with the Law on Supervision of Cooperative Insurance Companies in the Kingdom of Saudi Arabia and its implementing regulations. From 23 November 2023 the Insurance Authority (IA) became the 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. The Company was listed on the Saudi Stock Exchange on 23 May 2007. The Company started its operations on 1 January 2008.

##### *(b) Rights issue*

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

##### *(c) Merger agreement*

On 26 Sha’ban 1446H (corresponding to 25 February 2025), the Company signed a non-binding Memorandum of Understanding (MoU) with Saudi Enaya Cooperative Insurance Company (“Enaya”), a company incorporated in the Kingdom of Saudi Arabia, to evaluate a potential merger between Enaya and the Company. The Company has received the non-objection of the General Authority for Competition on the completion of the economic concentration resulting from the potential merger. On 20 Safar 1447H (corresponding to 14 August 2025), the Company signed a merger agreement with Enaya, for which approvals from the Insurance Authority, were obtained on 25 Jumada al-Ula 1447H (corresponding to 16 November 2025) and the CMA on 10 Jumada Ath-Thaniyah 1447H (corresponding to 12 December 2025).

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

#### **1. General information - legal status and principal activities** (continued)

##### *(c) Merger agreement* (continued)

The Company obtained the approval from its shareholders in an EOGM held on 15 Rajab 1447H (corresponding to 4 January 2026). However, Enaya's shareholders voted against the merger at their EOGM on 13 Sha'ban 1447H (corresponding to 01 February 2026), and therefore the merger has not been approved from Enaya's side. As a result, the merger will not proceed, and the process is considered terminated.

##### *(d) Going concern assessment*

The Company has incurred a total loss attributable to the shareholders of Saudi Riyals 91.6 million for the year ended 31 December 2025, and as of that date, its accumulated losses amounted to Saudi Riyals 101.2 million which reached 33.7% of its paid-up share capital as of that date. Also, the Company had net operating cash outflows of Saudi Riyals 1.6 million for the year ended 31 December 2025.

Underwriting performance during the year, particularly in the motor segment, was influenced by competitive pricing pressures and the recognition of losses on certain onerous contracts. These factors contributed to fluctuations in underwriting margins and the increase in accumulated losses during the year. Management continues to closely monitor performance indicators across all lines of business and prevailing market conditions as part of its ongoing oversight. Management has prepared forward-looking projections for the period 2026 to 2028 based on the approved business plan. These projections incorporate assumptions related to pricing adequacy, portfolio mix, expected loss-ratio trends and cost levels. The projections indicate improved operating results and adequate liquidity over the forecast period, assuming underlying economic and business conditions materialise as expected.

Management has performed an assessment of its going concern assumption and based on the on-going detailed business plan of the Company, as mentioned in the preceding paragraph, 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. Management's assessment is based on a number of estimates and assumptions including growth in gross written premiums, better pricing, improvement of loss ratios and certain other measures. Further, during the year, the Company recorded net cash used in operating activities of Saudi Riyals 1.6 million, compared to Saudi Riyals 153.3 million in 2024. The improvement in operating cash flows mainly reflects a more stable pattern of claims settlements, timing of premium collections, and the absence of the large adverse movements that affected cash flows in the prior year. Despite the increase in accumulated losses, the Company's solvency margin remained above the minimum regulatory requirement mandated by the Insurance Authority ("IA"). Based on the Company's solvency position, improvement in operating cash flows, and management's assessment of projected financial performance and liquidity, management believes that the Company's operations shall continue for a foreseeable future under the normal course of business and the going concern basis used in the preparation of these financial statements, based on the assessment performed by the management, remains appropriate. Accordingly, these financial statements have been prepared on a going concern basis.

#### **2. Basis of preparation**

##### *a) Statement of Compliance*

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants (SOCPA).

As required by the Saudi Arabian Insurance Regulations (herein referred to as "Insurance Regulations"), the Company maintains separate books of accounts for "Insurance Operations" and "Shareholders' Operations". Insurance Regulations require a clear segregation of assets, liabilities, income and expenses of the insurance and shareholders operations. Accordingly, assets, liabilities, revenues and expenses attributable to either operation are recorded in the respective accounts. The statement of financial position, statements of income, comprehensive income and cash flows of the insurance operations and shareholders operations which are presented as supplementary information have been provided to comply with requirements of the Insurance Regulations and is not required by International Financial Reporting Standards (IFRS). Moreover, the details relating to surplus distribution, gross written premium and net written premium are also disclosed under notes 29, 33 and 34 of these financial statements to comply with the requirements of the Regulator.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

## **2. Basis of preparation (continued)**

In preparing the Company's financial statements in compliance with IFRS as endorsed in KSA, the balances and transactions of the insurance operations are amalgamated and combined with those of the shareholders' operations. Inter-operation balances, transactions and 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.

In accordance with the requirements of the Regulations issued by 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.

### *(b) Basis of measurement*

The financial statements are prepared under the going concern basis and the historical cost convention, except as described in respective policies in Note 3.

### *(c) Basis of presentation*

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

### *(d) Functional and presentation currency*

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

### *(e) Seasonality of operations*

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

### *(f) Changes in products and services*

During the year ended 31 December 2025, there were no significant changes in products or services and their terms of the insurance contracts offered by the Company.

## **3. Material accounting policies**

The material accounting policies used in the preparation of these financial statements are consistently applied for all years presented.

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

A number of new amendments became applicable for the current reporting period i.e. for reporting periods beginning on or after 1 January 2025 and the Company had to change its accounting policies as a result of adopting the following amendments:

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**3. Material accounting policies (continued)****3.1 New IFRS, International Financial Reporting and Interpretations Committee's interpretations (IFRIC) and amendments thereof, adopted by the Company (continued)**

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

The Company did not identify any impact as a result of these amendments.

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

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

<b>Title</b>	<b>Description</b>	<b>Effective date</b>
Amendment to IFRS 9 and IFRS 7 - Classification and measurement of financial instruments	These amendments: <ul style="list-style-type: none"> <li>- clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;</li> <li>- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;</li> <li>- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and</li> <li>- make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).</li> </ul>	Annual periods beginning on or after 1 January 2026.
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: <ul style="list-style-type: none"> <li>• IFRS 1 First-time Adoption of International Financial Reporting Standards;</li> <li>• IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;</li> <li>• IFRS 9 Financial Instruments;</li> <li>• IFRS 10 Consolidated Financial Statements; and</li> <li>• IAS 7 Statement of Cash Flows.</li> </ul>	Annual periods beginning on or after 1 January 2026.
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	These narrow-scope amendments specify the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. The entity applies the amendments if: <ul style="list-style-type: none"> <li>• its functional currency is that of a non-hyperinflationary economy and it is translating its results and financial position into the currency of a hyperinflationary economy; or</li> <li>• it is translating into the currency of a hyperinflationary economy the results and financial position of a foreign operation whose functional currency is that of a non-hyperinflationary economy.</li> </ul> <p>The amendments aim to improve the usefulness of the resulting information in a cost-effective manner. Developed in response to stakeholder feedback, these amendments are expected to reduce diversity in practice and provide a clearer basis for reporting in a hyperinflationary currency.</p>	Annual periods beginning on or after 1 January 2027.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### 3. Material accounting policies (continued)

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

Title	Description	Effective date
IFRS 18 – Presentation and disclosure in financial statements	The new standard on presentation and disclosure in financial statements, require more focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: - the structure of the statement of profit or loss; - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	Annual periods beginning on or after 1 January 2027.
IFRS 19 Subsidiaries without public accountability: Disclosures	This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.  A subsidiary is eligible if: - it does not have public accountability; - it has ultimate or intermediate parent that produces consolidated financial statement available for public use that comply IFRS Accounting Standards.	Annual periods beginning on or after 1 January 2027.

#### *Impact assessment*

Several amendments apply for the first time in 2026 or after, but do not have a material impact, except for the application of IFRS 18, for which the management is assessing the impact on the financial statements of the Company.

### 3.3 Insurance and reinsurance contracts

#### *i. Classification and summary of measurement models*

The Company issues insurance contracts that transfer insurance risk. Insurance contracts are those contracts where the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

The Company issues non-life insurance to individuals and businesses. Non-life insurance products offered include medical, motor, liability, engineering, general accident, fire and marine. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident. The Company does not issue any contracts with direct participating features.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

None of the insurance contracts issued by the Company contain embedded derivatives, investment components or any other goods and services.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### 3. Material accounting policies (continued)

#### 3.3 Insurance and reinsurance contracts (continued)

##### ii. Level of aggregation

The Company identifies portfolios of insurance contracts. Each portfolio comprises contracts that are subject to similar risks and managed together, and is divided into three groups:

- Any contracts that are onerous on initial recognition;
- Any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts in the portfolio.

The portfolios are further divided by year of issue.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous. This assessment is performed at a policyholder-pricing-groups level.

##### iii. Recognition

The Company recognises a group of insurance contracts issued from the earliest of the following:

- The beginning of the coverage period of the group of contracts.
- The date when the first payment from a policyholder in the group becomes due. If there is no contractual due date, then it is considered to be the date when the first payment is received from the policyholder.
- For a group of onerous contracts, the date when facts and circumstances indicate that the group to which an insurance contract will belong is onerous.

The Company recognises a group of reinsurance contracts held it has entered into from the earlier of the following:

- For reinsurance contracts that provide proportionate coverage, at the later of:
  - (i) the beginning of the coverage period of the group of reinsurance contracts and
  - (ii) the initial recognition of any underlying contract.
- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts;

However, if the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held, in this case, is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.3 Insurance and reinsurance contracts (continued)**

##### *iv. Contract boundaries*

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period under which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services.

The contract boundary is reassessed at each reporting date and, therefore, may change over time.

##### *v. Measurement*

The general measurement model (GMM), also known as the building block approach, consists of the fulfilment cash flows and the contractual service margin. This is the default model under IFRS 17 to measure insurance contracts. However, the Premium Allocation Approach (PAA), which is a simplified measurement model, is permitted if, and only if, at the inception of the group:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The Company uses the PAA to simplify the measurement of groups of contracts on the following bases:

- Insurance contracts:

The coverage period of medical, motor, property, fire, marine and general accident contracts in the group of contracts is one year or less and are therefore eligible to be measured under the PAA.

PAA eligibility testing has been performed for the engineering and liability group of contracts. The Company reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA would not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

- Reinsurance contracts:

The Company reasonably expects that the resulting measurement under the PAA measurement model would not differ materially from the result of applying the general measurement model.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the year before a claim is incurred.

Measurement on initial recognition under PAA:

On initial recognition of each group of insurance contracts that are not onerous, the carrying amount of the liability for remaining coverage ("LRC") is measured at the premiums received on initial recognition less any insurance acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid.

On initial recognition of each group of insurance contracts, the Company assesses the time between providing each part of the coverage and the related premium due date. If the period is no more than a year i.e. no significant financing component exists, the Company does not adjust the carrying amount of the LRC and ARC to reflect the time value of money and the effect of financial risk using the discount rates.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### 3. Material accounting policies (continued)

#### 3.3 Insurance and reinsurance contracts (continued)

##### v. Measurement (continued)

Subsequent measurement under PAA:

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the LIC, comprising the fulfilment cash flows ("FCF") related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the year, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the year
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the year;
- d. increased for the amortisation of insurance acquisition cash flows in the year recognised as insurance service expenses; and
- e. increased for any adjustment to the financing component, where applicable.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the year; and
- b. decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the year.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. Fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows, and a risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value. If there are significant interdependencies between cash flows that vary based on changes in market variables and other cash flows, then the Company uses stochastic modelling techniques to estimate the expected present value. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation, which are covered in Note 3.4 (ii).

The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the liability for incurred claims is also adjusted for the time value of money and the effect of financial risk.

Some insurance contracts permit the Company to sell (usually damaged) assets acquired in settling a claim (for example, salvage). The Company may also have the right to pursue third parties for payment of some or all costs (for example, subrogation).

Estimates of salvage recoveries are included in the estimates of claims liability as it can reasonably be recovered from the disposal of the asset.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### 3. Material accounting policies (continued)

#### 3.3 Insurance and reinsurance contracts (continued)

##### v. Measurement (continued)

Onerous contract assessment:

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in insurance service expense and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows, determined under the GMM, that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the liability for remaining coverage. A loss component will be established for the amount of the loss recognised. Subsequently, the loss component will be remeasured at each reporting date as the difference between the amounts of the fulfilments cash flows determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Non-performance risk (NPR) adjustment:

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

##### vi. De-recognition and contract modification

The Company derecognises a contract when it is extinguished i.e. when the specified obligations in the contract expire or are discharged or cancelled. The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows. There were no instances of modification or derecognition identified for the year ended 31 December 2025.

##### vii. Acquisition & Attributable Cost

Insurance acquisition cash flows are the costs that directly associated with selling and handling acquired businesses. The company considers underwriting, sales, and regulatory levies as acquisition costs. Acquisition costs are not expensed when incurred and are deferred over the life of the insurance contract. While attributable costs are the costs that can fully or partially attributed to the insurance operations. The Company has in place allocation technique to allocate the costs based on direct to indirect costs ratio. Both acquisition and attributable costs fall under the insurance service expense while the non-attributable costs are reported under other operating expenses.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies** (continued)

#### **3.3 Insurance and reinsurance contracts** (continued)

##### *viii. Risk adjustments for non-financial risk*

The Company has decided to adopt the Value at risk method on incurred claims for the estimation of risk adjustment. The Company has chosen a confidence level based on the 75th percentile of the distribution of the claim reserves, considering this level is adequate to cover sources of uncertainty about the amount and timing of the cash flows. While for premium risk, Solvency II approach is used to derive the risk with the same percentile as the claim reserves.

##### *ix. Presentation*

Groups of insurance contracts that are assets and those that are liabilities, and groups of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. The Company recognised in the statement of income (a) an insurance service result, comprising insurance revenue and insurance service expenses and net income / (expenses) from reinsurance contract, and (b) insurance finance income or expenses.

##### *Insurance revenue:*

The insurance revenue for each year is the amount of expected premium receipts for providing coverage in the period. The Company allocates the expected premium receipts to each period on the passage of time.

##### *Insurance service expenses:*

Insurance service expenses include the following:

- a. incurred claims for the year.
- b. other incurred directly attributable expenses.
- c. insurance acquisition cash flows amortization.
- d. changes that relate to past service – changes in the FCF relating to the LIC.
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time for all groups of contracts except for longer term policies under engineering and liability groups for which amortisation is done based on the expected timing of incurred insurance service expenses.

##### *Net expenses from reinsurance contracts:*

Net expenses from reinsurance contracts comprise reinsurance expenses less amounts recovered from reinsurers. The Company recognises reinsurance expenses as it receives coverage or other services under groups of reinsurance contracts. For contracts measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts except for longer term policies under engineering and liability groups for which amortisation is done based on the expected timing of incurred insurance service expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### 3. Material accounting policies (continued)

#### 3.3 Insurance and reinsurance contracts (continued)

##### ix. Presentation (continued)

##### *Umrah and Hajj insurance pool:*

The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 2020. The compulsory Hajj / Umrah product is offered by the ministry and approved by IA 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 Hajj / Umrah. The agreement terms are for 4 years starting from 1 January 2020 and it is renewable for another four years subject to the terms and conditions of the agreement. There is no renewal to the agreement in 2024 as the aforementioned arrangement has been discontinued.

This co-insurance arrangement, in which the Company is a participant, is an insurance contract as defined in IFRS 17, and the Company has accordingly applied the recognition and measurement principles of IFRS 17. Given the bespoke nature of the arrangement and given that the rights and obligations from the arrangement are managed and settled on a net basis, the Company has accordingly presented the results from the arrangement on a net basis in insurance service results as a separate line item on the statement of comprehensive income and has provided more details in the notes.

##### *Insurance finance income and expenses:*

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk, and changes therein.

The Company includes all insurance finance income or expenses for the year in profit or loss.

#### 3.3.1 Classification, recognition and measurement

- **Deferral of acquisition costs** – Insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. The Company has elected to capitalise and amortise these costs over the coverage period based on the passage of time for all groups of contracts except for longer term policies under engineering and liability groups for which amortisation is done based on the expected timing of incurred insurance service expenses.

- **Discount rate** – The liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Company has established discount yield curves using risk-free rates adjusted to reflect the appropriate illiquidity characteristics of the applicable insurance contracts. Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.

- **Risk Adjustment** – The liability for incurred claims includes an explicit risk adjustment for non-financial risk (“risk adjustment”). Risk adjustment is the compensation required for bearing the uncertainty that arises from non-financial risk.

- **Onerous contracts** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level. For onerous contracts, the loss component based on projected profitability is recognized immediately in Net income.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.3 Insurance and reinsurance contracts (continued)**

##### **3.3.2 Presentation and disclosure**

###### **Statement of financial position**

Presentation is driven by portfolios which are composed of groups of contracts covering similar risks and which are managed together. Portfolios of insurance and reinsurance contracts are presented separately between:

- Portfolios of insurance and reinsurance contracts issued that are assets;
- Portfolios of insurance and reinsurance contracts issued that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

###### **Statement of income**

Insurance revenue includes gross earned premiums and estimates for expected premium receipts.

Insurance service expense includes gross incurred claims, changes in loss component, policy acquisition costs, attributable expenses and the impact of risk adjustment for non-financial risk.

Net income / (expenses) from reinsurance contracts held includes reinsurance premium ceded, changes in reinsurer's share of unearned premiums, reinsurance commission earned, reinsurance share of paid claims, reinsurance share of outstanding claims, reinsurance share of changes in claims incurred but not reported, change in reinsurance accrual reserve, expected credit losses on reinsurance receivables and the impact of loss adjustment the risk adjustment for non-financial risk.

Insurance service results are presented without the impact of discount unwinding and changes in discount rates which are shown separately under net insurance financial result.

Share of surplus from insurance pools (i.e. Umrah & Hajj scheme, Inherent Defects Insurance and Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance) is presented on a net basis within the total insurance service results after the insurance service result from the Company's directly written business.

Underwriting expenses, claims handling expenses, policy acquisition costs and general and administrative expenses are classified either as 'Incurred claims and other directly attributable expenses' within insurance service expense or as other operating expenses when they are not directly attributable to insurance contracts.

#### **3.4 Financial assets and liabilities**

##### *i. Initial recognition of financial assets*

At initial recognition, the Company measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition of financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss ("ECL") allowance is recognised for financial assets measured at amortised cost and investments measured at FVOCI.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- a. When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (that is, a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- b. In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.4 Financial assets and liabilities (continued)**

##### **Amortised cost and effective interest rate**

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective profit method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, contributions or discounts and fees and points paid or received that are integral to the effective profit rate, such as origination fees.

Commission income is recognised using the effective profit rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit impaired, profit income is recognised by applying the effective interest rate to the net carrying value of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, commission income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

##### *ii. Classification and subsequent measurement of financial assets*

The Company classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI)
- Held at amortised cost.

The classification requirements for debt and equity instruments are described below:

##### **Debt instruments**

Classification and subsequent measurement of debt instruments depend on:

- (i) the Company's business model for managing the financial assets; and
- (ii) the contractual cash flow characteristics of the financial assets.

##### *Business model:*

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the liquidity portfolio of assets, which is held by the Company as part of liquidity management and is generally classified within the hold to collect and sell business model. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies** (continued)

#### **3.4 Financial assets and liabilities** (continued)

##### *ii. Classification and subsequent measurement of financial assets* (continued)

##### *Solely payments of principal and profit:*

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent solely payments of principal and profit. In making this assessment, the Company considers whether the contractual cash flows are consistent with the financing agreement i.e. profit includes only consideration for the time value of resources, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Company exercises judgment in determining whether the contractual terms of financial assets it originates or acquires give rise on specific dates to cash flows that are solely payments of principal and profit income on the principal outstanding and so may qualify for amortised cost measurement. In making the assessment the Company considers all contractual terms, including any prepayment terms or provisions to extend the maturity of the assets, terms that change the amount and timing of cash flows and whether the contractual terms contain leverage. Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

##### *Amortised cost:*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised. Profit income from these financial assets is included in 'Commission income' using the effective profit method.

##### *Fair value through other comprehensive income ("FVOCI"):*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and profit, and that are not designated at FVTPL, are designated as FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, special commission income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Profit income from these financial assets is included in 'Commission income' using the effective profit method. Currently no debt instrument is classified as FVOCI.

##### *Fair value through profit or loss (FVTPL):*

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL presented in profit or loss in the year in which it arises. Currently investment in mutual funds and Sukuk which failed SPPI assessment are classified as FVTPL.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are not expected to be frequent and no such instances have occurred during the year ended 31 December 2025.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies** (continued)

#### **3.4 Financial assets and liabilities** (continued)

##### *ii. Classification and subsequent measurement of financial assets* (continued)

#### **Equity instruments:**

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Company classifies all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, transaction costs are made part of the cost at initial recognition and subsequent fair value gains and losses (unrealized) are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. The Company has designated its investment in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company, as FVOCI.

Dividends, when representing a return on such investments, continue to be recognized in the statement of income as 'Dividend income' when the Company's right to receive payments is established. Currently all equity securities are designated as FVOCI.

Any gain or loss on the disposal of equity classified as FVOCI will be non-recycling i.e. on disposal, fair value movement residing in OCI will be moved directly from OCI to retained earnings.

##### *iii. Impairment of financial assets*

The Company assesses on a forward-looking basis the ECL associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company applies the three-stage model for impairment of financial assets measured at amortised cost and FVOCI, based on changes in credit quality since initial recognition.

Stage 1 ("Performing") includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these financial assets, 12-month expected credit losses ("ECL") are recognised and financial income is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). A 12-month ECL is the ECL that results from default events that are possible within 12-months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12-months.

Stage 2 ("Under-performing") includes financial assets that have had a significant increase in credit risk since initial recognition, but do not have objective evidence of impairment. A significant increase in credit risk is presumed if a receivable is more than 30 days past due. For these financial assets, lifetime ECL are recognised, but financial income is still calculated on the gross carrying amount of the asset. Lifetime ECL is the ECL that results from all possible default events over the maximum contractual period during which the Company is exposed to credit risk. ECL is the weighted average credit losses, with the respective risks of a default occurring as the weights.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies** (continued)

#### **3.4 Financial assets and liabilities** (continued)

##### *iii. Impairment of financial assets* (continued)

Stage 3 (“Non-performing”) includes financial assets that have objective evidence of impairment at the reporting date. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. For these financial assets, lifetime ECL are recognised and financial income is calculated on the net carrying amount (that is, net of credit allowance).

The Company, when determining whether the credit risk on a financial asset has increased significantly, considers reasonable and supportable information available (e.g. days past due, customer credit scoring etc.), in order to compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial asset.

Financial assets are written-off only when there is no reasonable expectation of recovery.

Where financial assets are written-off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Recoveries made, after write-off, are recognized in profit or loss.

Impairment losses on financial assets are presented separately on the statement of income.

##### *iv. Derecognition of financial assets*

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership, or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

The Company enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of income.

##### *v. Classification and subsequent measurement of financial liabilities*

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognized initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortized cost using the effective profit method.

##### *vi. Derecognition of financial liabilities*

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of income.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.4 Financial assets and liabilities (continued)**

##### **3.4.1 Classification and measurement**

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics. The following classification categories apply to financial assets under IFRS 9:

- Financial assets at fair value through profit or loss, including equity instruments and derivatives;
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition;
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition; and
- Debt instruments at amortised cost.

All fair value changes of financial liabilities designated as at FVTPL will generally be presented as follows:

- The amount of the change in the fair value that is attributable to changes in the credit risk of the liability will be presented in Other Comprehensive Income (OCI);
- The remaining amount of the change in the fair value is presented in the statement of income.

##### **3.4.2 Impairment calculation**

The Expected Credit Loss ("ECL") allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss); unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

Lifetime expected credit losses represent ECL that would result from all possible default events over the expected life of the financial asset whereas 12 month expected credit losses are those life expected credit losses expected to occur within 12 months of statement of financial position date. Both lifetime ECLs and 12-month ECLs will be calculated on an individual basis depending on the nature of the underlying portfolio of financial instruments.

ECL is computed based on the parameters namely Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) values. ECL is discounted to present value.

Probability of Default ('PD'): The probability of default is an estimate of the likelihood of default over a given time horizon.

Loss Given Default ('LGD'): Loss given default inputs are determined by class of financial instrument based on historical experience of loss and recovery rates for similar financial instruments and other relevant industry data.

Exposure at Default ('EAD'): The exposure at default is an estimate of the exposure at a future default date.

Forward looking estimate: While estimating the ECL, the Company will review macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company will analyze the relationship between key economic trends with the estimate of PD.

Impairment applies to financial instruments that are not measured at fair value through profit or loss (FVTPL). Equity instruments measured at FVOCI are also excluded from the purview of impairment.

Financial assets that are subject to impairment consist of investment portfolio and cash and cash equivalents.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.5 Commission, dividend income and other income**

Commission income on term deposits is recognised on a time proportion basis using the effective interest rate method and are disclosed under 'Investment and commission income' in statement of income. Dividend income is recognised when the right to receive a dividend is established and is included under realised gain on FVTPL investments in the statement of income.

#### **3.6 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

#### **3.7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and with banks and other short-term highly liquid investments, if any, with less than three months maturity from the date of acquisition.

#### **3.8 Term deposits**

Short-term deposits 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.

Long-term deposit represents deposit with maturity of more than one year from the date of placement and is placed with a financial institution carrying commission income.

#### **3.9 Operating segments**

A segment is a distinguishable component of the Company that is engaged in providing products or services (an operating segment), which is subject to risk and rewards that are different from those of other segments. For management purposes, the Company is organized into business units based on their products and services and has the following major reportable segments:

- Medical provides compensation to policyholders for expenses incurred in treatment of a disease, illness or injury.
- Motor provides coverage against losses and liability related to motor vehicles.
- Other includes property, marine, engineering, accident and liability.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer that makes strategic decisions.

No inter-segment transactions occurred during the period. If any transaction were to occur, transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expense and results will then include those transfers between business segments which will then be eliminated at the level of the financial statements of the Company.

#### **3.10 Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial year in which they are incurred.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### 3. Material accounting policies (continued)

#### 3.10 Property and equipment (continued)

Land is not depreciated. The cost of other items of property and equipment is depreciated on the straight-line method to allocate the cost over estimated useful lives, as follows:

	<u>Years</u>
Furniture and fixtures	4 – 5
Computer & equipment	4 – 5
Motor vehicles	5

The assets' residual values and useful lives are reviewed at each reporting date and adjusted if appropriate. The carrying values of these assets are reviewed for impairment when event or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of income.

#### **Capital work-in-progress**

Assets in the course of construction or development are capitalised in the capital work-in-progress within property and equipment. The asset under construction or development is transferred to the appropriate category in property and equipment, once the asset is in a location and / or condition necessary for it to be capable of operating in the manner intended by management.

The cost of an item of capital work-in-progress comprises its purchase price, construction / development cost and any other costs directly attributable to the construction or acquisition of an item intended by management.

Capital work-in-progress is measured at cost less any recognised impairment. Capital work-in-progress is not depreciated. Depreciation only commences when the assets are capable of operating in the manner intended by management, at which point they are transferred to the appropriate asset category.

#### 3.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalized, and the related expenditure is reflected in the statement of income in the period in which the expenditure is incurred. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Further, capital work in progress is not amortized.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The amortization expense on intangible assets with finite lives is recognized in the statement of income in the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized. Intangible assets with indefinite useful lives are tested for impairment annually at the cash generating unit ("CGU") level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.11 Intangible assets (continued)**

The estimated useful lives for the current year are as follows:

Software	5 years
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Any impairment loss is recognised immediately in the statement of income.

The amortization method, useful life and residual value are reviewed at each reporting date and the changes are adjusted, if appropriate.

#### **3.12 Lease liabilities and right-of-use-assets**

##### ***Lease liabilities***

The lease liability is initially measured at the net present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the RoU asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the individual lessee, which does not have recent third-party financing, and
- makes adjustments specific to the lease, for example term, country, currency and security.

Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related RoU asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.12 Lease liabilities and right-of-use-assets (continued)**

##### ***Right-of-use assets (RoU)***

The RoU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provisions, contingent liabilities and contingent assets.

#### **3.13 Provisions and other liabilities**

Provisions are recognised when the Company has an obligation (legal or constructive) arising from past events, and the costs to settle the obligation are both probable and may be measured reliably. Provisions are not recognised for future operating losses. Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

#### **3.14 Employee benefit obligations**

The Company operates a single post-employment benefit scheme of defined benefit plan driven by the labor laws and workman laws of the Kingdom of Saudi Arabia which is based on most recent salary and number of service years.

The post-employment benefits plan is not funded. Accordingly, valuations of the obligations under the plan are carried out by an independent actuary based on the projected unit credit method. The costs relating to such plans primarily consist of the present value of the benefits attributed on an equal basis to each year of service and the interest on this obligation in respect of employee service in previous years.

Current and past service costs related to post-employment benefits are recognised immediately in the statement of income and while unwinding of the liability at discount rates used are recorded in the statement of income. Any changes in net liability due to actuarial valuations and changes in assumptions are taken as re-measurement in the statement of comprehensive income.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in the statement of comprehensive income and transferred to retained earnings in the statement of changes in equity in the year in which they occur.

Changes in the present value of the defined benefit obligations resulting from plan amendments or curtailments are recognised immediately in statement of income as past service costs. End of service payments are based on employees' final salaries and allowances and their cumulative years of service, as stated in the labor law of Saudi Arabia.

#### **3.15 Zakat**

The Company is subject to zakat in accordance with the regulations of the Zakat, Tax, and Customs Authority ("ZATCA"). Zakat is calculated based on higher of approximate zakat base and adjusted profit and charged to profit or loss. Additional zakat, if any, is accounted for when determined to be required for payment.

Amounts accrued for zakat expense in one year may have to be adjusted in a subsequent year if the estimate of the annual charge changes.

On 22 March 2024, the Zakat, Tax and Customs Authority ("ZATCA") announced the issuance of a new Zakat Implementing Regulation, through the Ministerial Resolution (MR) No.1007 dated 29 February 2024, which was electronically published in the Official Gazette (Umm Al-Qura) on 21 March 2024. The new Zakat regulation is replacing the current regulation issued through MR No. 2216 dated 14 March 2019.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

### **3. Material accounting policies (continued)**

#### **3.16 Impairment of non-financial assets**

Assets that have an indefinite useful life – for example, land – are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units).

#### **3.17 Statutory reserve**

In accordance with the Company's by-laws, the Company shall allocate 20% of its net income from shareholders operations each year to the statutory reserve until it has built up a reserve equal to the share capital. The reserve is not available for distribution.

#### **3.18 Fair values**

The fair value of financial assets is based on quoted prices for marketable securities or estimated fair values. The fair value of commission-bearing items is estimated based on discounted cash flow using commission for items with similar terms and risk characteristics.

For financial assets where there is no active market, fair value is determined by reference to the market value of a similar financial assets or where the fair values cannot be derived from active market, they are determined using a variety of valuation techniques. The inputs of this models are taken from observable market where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

### **4. Critical accounting judgments, estimates and assumptions**

The preparation of 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.

Following are the accounting judgments and estimates that are critical in preparation of these financial statements:

#### *i. Estimates of future cash flows to fulfil insurance contracts*

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experiences, updated to reflect current expectations of future events. The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**4. Critical accounting judgments, estimates and assumptions (continued)***i. Estimates of future cash flows to fulfil insurance contracts (continued)*

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups. The Company performs regular expense studies to determine the extent to which fixed and variable overheads are directly attributable to fulfil the insurance contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premiums receivable within the contract boundary. Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads. Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

*ii. Discounting methodology*

Discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and other financial risks to accrete interest on the liability for incurred claims.

The bottom-up approach was used to derive the discount rate. Under this approach, the USD based risk free discount rates were used as a starting point for preparing the yield curve given that SAR is pegged with USD. The Company then further added a KSA country risk premium to make the yield curve appropriate for application. The Company has used the USD volatility adjustment for Solvency II as a proxy for illiquidity premium. The Company is currently discounting liability for incurred claims for all groups of insurance contracts.

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

**2025****Insurance contracts issued and reinsurance contracts held**

	<b>Currency</b>	<b>1 year</b>	<b>2 years</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>
Medical	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>
Motor – Comprehensive	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>
Motor – TPL	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>
Accident & liability	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>
Engineering	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>
Property	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>
Marine	<b>SAR</b>	<b>4.67%</b>	<b>4.65%</b>	<b>4.91%</b>	<b>5.12%</b>	<b>5.32%</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**4. Critical accounting judgments, estimates and assumptions (continued)**ii. *Discounting methodology (continued)***2024****Insurance contracts issued and reinsurance contracts held**

	Currency	1 year	2 years	3 years	4 years	5 years
<i>Medical</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%
<i>Motor – Comprehensive</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%
<i>Motor – TPL</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%
<i>Accident &amp; liability</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%
<i>Engineering</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%
<i>Property</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%
<i>Marine</i>	SAR	5.37%	5.55%	5.52%	5.72%	5.84%

iii. *Risk adjustment for non-financial risks*

The Company shall adjust the estimate of the present value of the future cashflows to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. So, the purpose of the risk adjustment for non-financial risk is to measure the effect of uncertainty in the cashflows that arise from insurance contracts, other than uncertainty arising from financial risk. The risks covered by the risk adjustment for non-financial risk are insurance risk and other non-financial risks such as lapse risk and expense risk.

The Company adopted the PAA simplification for the calculation of liability for remaining coverage. Therefore, risk adjustment for liability for remaining coverage will only be estimated in case a group of contracts is recognized as onerous.

Applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows.

iv. *Onerosity determination*

Under the PAA, the Company shall assume no contracts in the portfolio are onerous at initial recognition unless “facts and circumstances” indicate otherwise. The Company performs the assessment of onerous contracts on an annual and underwriting year basis, in conjunction with updated information on product profitability. Furthermore, the assessment shall be repeated if “facts and circumstances” indicate that there are significant changes in product pricing, product design, plans and forecasts. This level of granularity determines sets of contracts. The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Company has established a process for the underwriting team to capture onerous, potentially onerous and profitable contracts by assessing the profitability of the different portfolios at the start of the underwriting year. The profitability of each portfolio shall be assessed separately. Refer Note 3.3.1 for further details in this regard.

v. *Fair value of financial instruments*

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and to make assumptions that are mainly based on market conditions existing at the end of each reporting period. Refer to Note 25 for details relating to fair valuation techniques and a sensitivity analysis in relation to the significant assumptions.

## SALAMA COOPERATIVE INSURANCE COMPANY

(A Saudi Joint Stock Company)

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 DECEMBER 2025

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

#### 4. Critical accounting judgments, estimates and assumptions (continued)

##### vi. *Estimates for expected premium receipts*

The Company has developed a methodology for expected premium receipts based on provision matrix approach. Such balances have been reclassified to insurance contract liabilities in line with the requirements of IFRS 17. To measure the estimates, such balances have been grouped based on shared credit risk characteristics for respective policyholder base portfolio and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors, affecting the ability of the customers to settle the receivables. The Company has identified the Gross domestic product (GDP) of the country in which it operates to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. An increase of 1% in the forward-looking GDP assumption, will result in a corresponding adjustment to the loss rates applied in the provision matrix, would result in a decrease of Saudi Riyals 0.6 million in insurance contract liabilities, with a corresponding increase in profit for the year. Conversely, a decrease of 1% in the forward-looking GDP assumption would result in an increase of Saudi Riyals 0.7 million in insurance contract liabilities, with a corresponding decrease in profit for the year.

##### vii. *Presentation of the share of income from insurance pools*

IFRS 17 does not have specific requirements on the presentation of assigning insurance income and expenses, and insurance assets and liabilities when an insurance contract is issued by more than one entity. Accordingly, the Company applied the requirements in IAS 8 in developing a policy for the presentation of the arrangement in which it is a co-insurer (refer to note 3.3 ix). The Company analysed the contractual terms of the arrangement policy and concluded that given the nature and substance of the arrangement, it is appropriate to present the results within net insurance results as a separate line item in the statement of comprehensive income, with details provided in the notes. The Company believes this is appropriate as management has no ability to change the pricing or control the expenditure and as such do not think it is appropriate to include the results within revenue and expenses that are controllable by the Company. The current presentation of the arrangement is similar where an entity is acting as an agent, where the principle is as there is no control net presentation is more appropriate and disclosure is provided in the notes. Management believes the presentation and disclosure reflects the substance of the arrangement.

#### 5. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Bank balances	<b>144,347</b>	142,695
Deposits with original maturity of less than 3 months	<b>138,053</b>	90,257
Cash in hand	-	1
Expected credit loss	<b>(17)</b>	(150)
	<b>282,383</b>	232,803

Cash at banks is placed with counterparties with sound credit ratings. As at 31 December 2025, deposits were placed with the local bank with original maturity of less than three months from the date of placement and earned commission income ranges from 5.4% to 7.3% (2024: 6.0% to 6.5%).

The gross carrying amount of cash and cash equivalents 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 Fitch's rating of A+ to A-. The Company's exposures to credit risk are not collateralized.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**5. Cash and cash equivalents**

Movement in allowance for expected credit losses on cash and cash equivalents is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balance at beginning of the year	<u>150</u>	120
ECL (reversal) / allowance recognised in statement of income during the year	<u>(133)</u>	30
Balance at end of the year	<u>17</u>	<u>150</u>

**6. Term deposits**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Term deposits	<b>87,500</b>	60,000
Accrued commission income	<b>5,776</b>	896
Expected credit loss	<b>(99)</b>	(99)
Balance at end of the year	<u><b>93,177</b></u>	<u>60,797</u>

The term deposits represent deposits held with the local commercial banks and earn commission at market rates. These term deposits are denominated in Saudi Arabian Riyals and have an original maturity of more than three-months and less than twelve-months. As of 31 December 2025, the deposit yield commission rate ranges from 6.3% to 7.3% (31 December 2024: rate of 6.3%).

The gross carrying amount of term deposits represents the Company's maximum exposure to credit risk on these financial assets which are categorised under investment grade and Stage 1. Company's exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on term deposits is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balance at beginning of the year	<u>99</u>	79
ECL allowance recognised in statement of income during the year	<u>-</u>	20
Balance at end of the year	<u>99</u>	<u>99</u>

**7. Investments**

(a) *Investments are classified as follows:*

	<b>Note</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Financial assets at FVTPL	7.1	<b>26,190</b>	51,489
Financial assets at FVOCI	7.2	<b>72,722</b>	61,124
Financial assets at amortised cost	7.3	<b>117,211</b>	90,968
		<u><b>216,123</b></u>	<u>203,581</u>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**7. Investments (continued)****7.1 Financial assets at fair value through profit or loss (“FVTPL”)**

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

Movement in investment in discretionary portfolio is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balance at beginning of the year	<b>51,489</b>	45,087
Additions during the year	<b>10,000</b>	10,090
Disposal during the year	<b>(35,513)</b>	(3,205)
Changes in fair value of investments	<b>214</b>	(483)
Balance at end of the year	<b>26,190</b>	51,489

**7.2 Financial assets at fair value through other comprehensive income (“FVOCI”)**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balance at beginning of the year	<b>61,124</b>	43,463
Changes in fair value of investments	<b>11,598</b>	17,661
Balance at end of the year	<b>72,722</b>	61,124

This above represents the Company’s 3.45% (31 December 2024: 3.45%) holding in Najm for Insurance Services Company, a Saudi Closed Joint Stock Company. These shares are un-quoted and are carried at fair value. Refer to Note 25 for details relating to fair valuation techniques and a sensitivity analysis in relation to the significant assumptions.

**7.3 Financial assets at amortised cost**

	<b>Note</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Saudi Government Sukuk	7.3.1	<b>116,589</b>	79,991
SNB Capital Company Sukuk		-	10,000
Commission accrued		<b>629</b>	984
Gross amount - total		<b>117,218</b>	90,975
Expected credit loss		<b>(7)</b>	(7)
Net amount – total		<b>117,211</b>	90,968

**7.3.1** These represent Sukuks with coupon rates ranging from 2.6% to 4.6% per annum. These Sukuks have maturity dates ranging from 26 July 2027 to 17 March 2037.

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 Fitch's rating of A+. The Company’s exposures to credit risk are not collateralized.

Movement in allowance for expected credit losses on investments measured at amortised cost is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balance at beginning of the year	7	7
ECL allowance reversal recognised in statement of income during the year	-	-
Balance at end of the year	<b>7</b>	<b>7</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**8. Prepaid expenses and other assets**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Co-insurance income receivable	<b>4,149</b>	2,470
Advance to suppliers	<b>2,862</b>	10,414
Prepayments	<b>3,283</b>	2,325
Advance to staff	<b>1,631</b>	1,899
Deposits	<b>300</b>	300
Other receivables	<b>2,606</b>	3,018
	<b>14,831</b>	20,426

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts****9.1 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>Medical</b>	<b>Motor- Comprehensive</b>	<b>Motor-TPL</b>	<b>Accident &amp; Liability</b>	<b>Engineering</b>	<b>Property</b>	<b>Marine</b>	<b>Total</b>
<b>31 December 2025</b>								
<b>Insurance contracts</b>								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	<b>(60,662)</b>	<b>(23,779)</b>	<b>(248,156)</b>	<b>(18,538)</b>	<b>(8,821)</b>	<b>(112,761)</b>	<b>(21,433)</b>	<b>(494,150)</b>
	<b>(60,662)</b>	<b>(23,779)</b>	<b>(248,156)</b>	<b>(18,538)</b>	<b>(8,821)</b>	<b>(112,761)</b>	<b>(21,433)</b>	<b>(494,150)</b>
<b>Reinsurance contracts</b>								
Reinsurance contract assets	<b>4,474</b>	<b>71</b>	<b>1,292</b>	<b>3,118</b>	<b>5,548</b>	<b>99,125</b>	<b>18,775</b>	<b>132,403</b>
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
	<b>4,474</b>	<b>71</b>	<b>1,292</b>	<b>3,118</b>	<b>5,548</b>	<b>99,125</b>	<b>18,775</b>	<b>132,403</b>
<b>31 December 2024</b>								
<b>Insurance contracts</b>								
Insurance contract assets	-	-	-	-	-	-	-	-
Insurance contract liabilities	<b>(33,763)</b>	<b>(47,862)</b>	<b>(162,874)</b>	<b>(21,293)</b>	<b>(14,524)</b>	<b>(106,549)</b>	<b>(23,876)</b>	<b>(410,741)</b>
	<b>(33,763)</b>	<b>(47,862)</b>	<b>(162,874)</b>	<b>(21,293)</b>	<b>(14,524)</b>	<b>(106,549)</b>	<b>(23,876)</b>	<b>(410,741)</b>
<b>Reinsurance contracts</b>								
Reinsurance contract assets	278	4,542	18,329	6,123	10,819	102,601	21,441	164,133
Reinsurance contract liabilities	-	-	-	-	-	-	-	-
	278	4,542	18,329	6,123	10,819	102,601	21,441	164,133

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims**

**9.2.1 Insurance contracts (all portfolios)**

	As at 31 December 2025				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	172,383	6,499	222,600	9,259	410,741
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>172,383</b>	<b>6,499</b>	<b>222,600</b>	<b>9,259</b>	<b>410,741</b>
<b>Insurance revenue</b>	<b>(558,377)</b>	-	-	-	<b>(558,377)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses*	-	-	515,153	2,081	517,234
Losses on onerous contracts	-	11,658	-	-	11,658
Changes that relate to past service	-	-	(33,555)	(2,766)	(36,321)
Insurance acquisition cashflows amortisation	103,821	-	-	-	103,821
<b>Insurance service expenses</b>	<b>103,821</b>	<b>11,658</b>	<b>481,598</b>	<b>(685)</b>	<b>596,392</b>
Finance cost from insurance contracts	-	-	7,745	499	8,244
<b>Total changes in the statement of income</b>	<b>(454,556)</b>	<b>11,658</b>	<b>489,343</b>	<b>(186)</b>	<b>46,259</b>
<b>Cashflows</b>					
Premiums received	649,317	-	-	-	649,317
Claims and other incurred insurance service expenses	-	-	(501,164)	-	(501,164)
Insurance acquisition cashflows paid	(111,003)	-	-	-	(111,003)
<b>Total cash inflows / (outflows)</b>	<b>538,314</b>	-	<b>(501,164)</b>	-	<b>37,150</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	256,141	18,157	210,779	9,073	494,150
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>256,141</b>	<b>18,157</b>	<b>210,779</b>	<b>9,073</b>	<b>494,150</b>

\*This includes surplus distribution of Nil for the year ended 31 December 2025.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (all portfolios) (continued)**

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

\* This includes surplus distribution of Saudi Riyals 2.7 million for the year ended 31 December 2024.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Medical)**

	As at 31 December 2025				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	26,223	892	6,335	313	33,763
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>26,223</b>	<b>892</b>	<b>6,335</b>	<b>313</b>	<b>33,763</b>
<b>Insurance revenue</b>	<b>(122,841)</b>	-	-	-	<b>(122,841)</b>
<b>Insurance service expenses</b>					
Incurring claims and other incurred insurance service expenses	-	-	92,931	304	93,235
Losses on onerous contracts	-	1,124	-	-	1,124
Changes that relate to past service	-	-	(5,433)	(284)	(5,717)
Insurance acquisition cashflows amortisation	30,698	-	-	-	30,698
<b>Insurance service expenses</b>	<b>30,698</b>	<b>1,124</b>	<b>87,498</b>	<b>20</b>	<b>119,340</b>
Finance costs from insurance contracts	-	-	215	17	232
<b>Total changes in the statement of income</b>	<b>(92,143)</b>	<b>1,124</b>	<b>87,713</b>	<b>37</b>	<b>(3,269)</b>
<b>Cashflows</b>					
Premiums received	154,985	-	-	-	154,985
Claims and other incurred insurance service expenses	-	-	(87,094)	-	(87,094)
Insurance acquisition cashflows paid	(37,723)	-	-	-	(37,723)
<b>Total cash inflows / (outflows)</b>	<b>117,262</b>	-	<b>(87,094)</b>	-	<b>30,168</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	51,342	2,016	6,954	350	60,662
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>51,342</b>	<b>2,016</b>	<b>6,954</b>	<b>350</b>	<b>60,662</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Medical) (continued)**

	As at 31 December 2024				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	48,617	892	22,321	29	71,859
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>48,617</b>	<b>892</b>	<b>22,321</b>	<b>29</b>	<b>71,859</b>
<b>Insurance revenue</b>	(118,393)	-	-	-	(118,393)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	76,537	272	76,809
Changes that relate to past service	-	-	(3,425)	10	(3,415)
Insurance acquisition cashflows amortisation	25,456	-	-	-	25,456
<b>Insurance service expenses</b>	<b>25,456</b>	<b>-</b>	<b>73,112</b>	<b>282</b>	<b>98,850</b>
Finance costs from insurance contracts	-	-	287	2	289
<b>Total changes in the statement of income</b>	<b>(92,937)</b>	<b>-</b>	<b>73,399</b>	<b>284</b>	<b>(19,254)</b>
<b>Cashflows</b>					
Premiums received	93,541	-	-	-	93,541
Claims and other incurred insurance service expenses	-	-	(89,385)	-	(89,385)
Insurance acquisition cashflows paid	(22,998)	-	-	-	(22,998)
<b>Total cash inflows / (outflows)</b>	<b>70,543</b>	<b>-</b>	<b>(89,385)</b>	<b>-</b>	<b>(18,842)</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	26,223	892	6,335	313	33,763
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>26,223</b>	<b>892</b>	<b>6,335</b>	<b>313</b>	<b>33,763</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Motor-Comprehensive)**

	As at 31 December 2025				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	24,543	4,694	18,001	624	47,862
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>24,543</b>	<b>4,694</b>	<b>18,001</b>	<b>624</b>	<b>47,862</b>
<b>Insurance revenue</b>	<b>(55,084)</b>	-	-	-	<b>(55,084)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	69,683	224	69,907
Losses on onerous contracts	-	2,215	-	-	2,215
Changes that relate to past service	-	-	(7,945)	(458)	(8,403)
Insurance acquisition cashflows amortisation	17,690	-	-	-	17,690
<b>Insurance service expenses</b>	<b>17,690</b>	<b>2,215</b>	<b>61,738</b>	<b>(234)</b>	<b>81,409</b>
Finance costs from insurance contracts	-	-	461	34	495
<b>Total changes in the statement of income</b>	<b>(37,394)</b>	<b>2,215</b>	<b>62,199</b>	<b>(200)</b>	<b>26,820</b>
<b>Cashflows</b>					
Premiums received	33,231	-	-	-	33,231
Claims and other incurred insurance service expenses	-	-	(68,075)	-	(68,075)
Insurance acquisition cashflows paid	(16,059)	-	-	-	(16,059)
<b>Total cash inflows / (outflows)</b>	<b>17,172</b>	<b>-</b>	<b>(68,075)</b>	<b>-</b>	<b>(50,903)</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	4,321	6,909	12,125	424	23,779
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>4,321</b>	<b>6,909</b>	<b>12,125</b>	<b>424</b>	<b>23,779</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Motor- Comprehensive) (continued)**

	As at 31 December 2024				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	21,730	1,949	13,520	276	37,475
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>21,730</b>	<b>1,949</b>	<b>13,520</b>	<b>276</b>	<b>37,475</b>
<b>Insurance revenue</b>	(53,955)	-	-	-	(53,955)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	67,927	308	68,235
Losses on onerous contracts	-	2,745	-	-	2,745
Changes that relate to past service	-	-	2,058	23	2,081
Insurance acquisition cashflows amortisation	14,314	-	-	-	14,314
<b>Insurance service expenses</b>	<b>14,314</b>	<b>2,745</b>	<b>69,985</b>	<b>331</b>	<b>87,375</b>
Finance costs from insurance contracts	-	-	234	17	251
<b>Total changes in the statement of income</b>	<b>(39,641)</b>	<b>2,745</b>	<b>70,219</b>	<b>348</b>	<b>33,671</b>
<b>Transfer from LRC to LIC</b>	<b>(3,153)</b>	<b>-</b>	<b>3,153</b>	<b>-</b>	<b>-</b>
<b>Cashflows</b>					
Premiums received	60,885	-	-	-	60,885
Claims and other incurred insurance service expenses	-	-	(68,891)	-	(68,891)
Insurance acquisition cashflows paid	(15,278)	-	-	-	(15,278)
<b>Total cash inflows / (outflows)</b>	<b>45,607</b>	<b>-</b>	<b>(68,891)</b>	<b>-</b>	<b>(23,284)</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	24,543	4,694	18,001	624	47,862
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>24,543</b>	<b>4,694</b>	<b>18,001</b>	<b>624</b>	<b>47,862</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Motor-TPL)**

	As at 31 December 2025				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	88,413	913	70,981	2,567	162,874
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>88,413</b>	<b>913</b>	<b>70,981</b>	<b>2,567</b>	<b>162,874</b>
<b>Insurance revenue</b>	<b>(313,165)</b>	-	-	-	<b>(313,165)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	319,911	794	320,705
Losses on onerous contracts	-	8,319	-	-	8,319
Changes that relate to past service	-	-	(5,574)	(1,449)	(7,023)
Insurance acquisition cashflows amortisation	41,052	-	-	-	41,052
<b>Insurance service expenses</b>	<b>41,052</b>	<b>8,319</b>	<b>314,337</b>	<b>(655)</b>	<b>363,053</b>
Finance costs from insurance contracts	-	-	2,147	138	2,285
<b>Total changes in the statement of income</b>	<b>(272,113)</b>	<b>8,319</b>	<b>316,484</b>	<b>(517)</b>	<b>52,173</b>
<b>Cashflows</b>					
Premiums received	406,181	-	-	-	406,181
Claims and other incurred insurance service expenses	-	-	(328,787)	-	(328,787)
Insurance acquisition cashflows paid	(44,285)	-	-	-	(44,285)
<b>Total cash inflows / (outflows)</b>	<b>361,896</b>	-	<b>(328,787)</b>	-	<b>33,109</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	178,196	9,232	58,678	2,050	248,156
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>178,196</b>	<b>9,232</b>	<b>58,678</b>	<b>2,050</b>	<b>248,156</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts** (continued)

**9.2 Analysis by remaining coverage and incurred claims** (continued)

**9.2.1 Insurance contracts (Motor-TPL)** (continued)

	As at 31 December 2024				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	234,251	72	114,976	3,546	352,845
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>234,251</b>	<b>72</b>	<b>114,976</b>	<b>3,546</b>	<b>352,845</b>
<b>Insurance revenue</b>	(446,443)	-	-	-	(446,443)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	365,382	663	366,045
Losses on onerous contracts	-	841	-	-	841
Changes that relate to past service	-	-	(35,893)	(1,863)	(37,756)
Insurance acquisition cashflows amortisation	51,914	-	-	-	51,914
<b>Insurance service expenses</b>	<b>51,914</b>	<b>841</b>	<b>329,489</b>	<b>(1,200)</b>	<b>381,044</b>
Finance costs from insurance contracts	-	-	2,637	221	2,858
<b>Total changes in the statement of income</b>	<b>(394,529)</b>	<b>841</b>	<b>332,126</b>	<b>(979)</b>	<b>(62,541)</b>
<b>Cashflows</b>					
Premiums received	294,058	-	-	-	294,058
Claims and other incurred insurance service expenses	-	-	(376,121)	-	(376,121)
Insurance acquisition cashflows paid	(45,367)	-	-	-	(45,367)
<b>Total cash inflows / (outflows)</b>	<b>248,691</b>	<b>-</b>	<b>(376,121)</b>	<b>-</b>	<b>(127,430)</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	88,413	913	70,981	2,567	162,874
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>88,413</b>	<b>913</b>	<b>70,981</b>	<b>2,567</b>	<b>162,874</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Accident & liability)**

	As at 31 December 2025				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	15,597	-	5,434	262	21,293
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>15,597</b>	<b>-</b>	<b>5,434</b>	<b>262</b>	<b>21,293</b>
<b>Insurance revenue</b>	<b>(26,779)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(26,779)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	7,703	63	7,766
Changes that relate to past service	-	-	(567)	(34)	(601)
Insurance acquisition cashflows amortisation	5,648	-	-	-	5,648
<b>Insurance service expenses</b>	<b>5,648</b>	<b>-</b>	<b>7,136</b>	<b>29</b>	<b>12,813</b>
Finance costs from insurance contracts	-	-	268	14	282
<b>Total changes in the statement of income</b>	<b>(21,131)</b>	<b>-</b>	<b>7,404</b>	<b>43</b>	<b>(13,684)</b>
<b>Cashflows</b>					
Premiums received	23,299	-	-	-	23,299
Claims and other incurred insurance service expenses	-	-	(6,682)	-	(6,682)
Insurance acquisition cashflows paid	(5,688)	-	-	-	(5,688)
<b>Total cash inflows / (outflows)</b>	<b>17,611</b>	<b>-</b>	<b>(6,682)</b>	<b>-</b>	<b>10,929</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	12,077	-	6,156	305	18,538
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>12,077</b>	<b>-</b>	<b>6,156</b>	<b>305</b>	<b>18,538</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Accident & liability) (continued)**

	As at 31 December 2024				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	9,671	-	3,654	57	13,382
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>9,671</b>	<b>-</b>	<b>3,654</b>	<b>57</b>	<b>13,382</b>
<b>Insurance revenue</b>	(22,572)	-	-	-	(22,572)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	5,990	156	6,146
Changes that relate to past service	-	-	(49)	46	(3)
Insurance acquisition cashflows amortisation	5,671	-	-	-	5,671
<b>Insurance service expenses</b>	<b>5,671</b>	<b>-</b>	<b>5,941</b>	<b>202</b>	<b>11,814</b>
Finance costs from insurance contracts	-	-	146	3	149
<b>Total changes in the statement of income</b>	<b>(16,901)</b>	<b>-</b>	<b>6,087</b>	<b>205</b>	<b>(10,609)</b>
<b>Cashflows</b>					
Premiums received	29,261	-	-	-	29,261
Claims and other incurred insurance service expenses	-	-	(4,307)	-	(4,307)
Insurance acquisition cashflows paid	(6,434)	-	-	-	(6,434)
<b>Total cash inflows / (outflows)</b>	<b>22,827</b>	<b>-</b>	<b>(4,307)</b>	<b>-</b>	<b>18,520</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	15,597	-	5,434	262	21,293
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>15,597</b>	<b>-</b>	<b>5,434</b>	<b>262</b>	<b>21,293</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Engineering)**

	As at 31 December 2025				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	7,874	-	6,339	311	14,524
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>7,874</b>	<b>-</b>	<b>6,339</b>	<b>311</b>	<b>14,524</b>
<b>Insurance revenue</b>	<b>(12,261)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,261)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	4,964	73	5,037
Changes that relate to past service	-	-	(5,597)	(205)	(5,802)
Insurance acquisition cashflows amortisation	2,811	-	-	-	2,811
<b>Insurance service expenses</b>	<b>2,811</b>	<b>-</b>	<b>(633)</b>	<b>(132)</b>	<b>2,046</b>
Finance costs from insurance contracts	-	-	330	17	347
<b>Total changes in the statement of income</b>	<b>(9,450)</b>	<b>-</b>	<b>(303)</b>	<b>(115)</b>	<b>(9,868)</b>
<b>Cashflows</b>					
Premiums received	8,455	-	-	-	8,455
Claims and other incurred insurance service expenses	-	-	(2,120)	-	(2,120)
Insurance acquisition cashflows paid	(2,170)	-	-	-	(2,170)
<b>Total cash inflows / (outflows)</b>	<b>6,285</b>	<b>-</b>	<b>(2,120)</b>	<b>-</b>	<b>4,165</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	4,709	-	3,916	196	8,821
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>4,709</b>	<b>-</b>	<b>3,916</b>	<b>196</b>	<b>8,821</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts** (continued)

**9.2 Analysis by remaining coverage and incurred claims** (continued)

**9.2.1 Insurance contracts (Engineering)** (continued)

	As at 31 December 2024				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	5,895	-	1,517	22	7,434
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>5,895</b>	<b>-</b>	<b>1,517</b>	<b>22</b>	<b>7,434</b>
<b>Insurance revenue</b>	(10,311)	-	-	-	(10,311)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	6,469	251	6,720
Changes that relate to past service	-	-	(903)	37	(866)
Insurance acquisition cashflows amortisation	2,739	-	-	-	2,739
<b>Insurance service expenses</b>	<b>2,739</b>	<b>-</b>	<b>5,566</b>	<b>288</b>	<b>8,593</b>
Finance costs from insurance contracts	-	-	(22)	1	(21)
<b>Total changes in the statement of income</b>	<b>(7,572)</b>	<b>-</b>	<b>5,544</b>	<b>289</b>	<b>(1,739)</b>
<b>Cashflows</b>					
Premiums received	12,541	-	-	-	12,541
Claims and other incurred insurance service expenses	-	-	(722)	-	(722)
Insurance acquisition cashflows paid	(2,990)	-	-	-	(2,990)
<b>Total cash inflows / (outflows)</b>	<b>9,551</b>	<b>-</b>	<b>(722)</b>	<b>-</b>	<b>8,829</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	7,874	-	6,339	311	14,524
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>7,874</b>	<b>-</b>	<b>6,339</b>	<b>311</b>	<b>14,524</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Property)**

	As at 31 December 2025				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	7,553	-	94,704	4,292	106,549
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>7,553</b>	<b>-</b>	<b>94,704</b>	<b>4,292</b>	<b>106,549</b>
<b>Insurance revenue</b>	<b>(20,348)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,348)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	14,727	503	15,230
Changes that relate to past service	-	-	(6,682)	(294)	(6,976)
Insurance acquisition cashflows amortisation	4,236	-	-	-	4,236
<b>Insurance service expenses</b>	<b>4,236</b>	<b>-</b>	<b>8,045</b>	<b>209</b>	<b>12,490</b>
Finance costs from insurance contracts	-	-	4,117	231	4,348
<b>Total changes in the statement of income</b>	<b>(16,112)</b>	<b>-</b>	<b>12,162</b>	<b>440</b>	<b>(3,510)</b>
<b>Cashflows</b>					
Premiums received	17,890	-	-	-	17,890
Claims and other incurred insurance service expenses	-	-	(4,082)	-	(4,082)
Insurance acquisition cashflows paid	(4,086)	-	-	-	(4,086)
<b>Total cash inflows / (outflows)</b>	<b>13,804</b>	<b>-</b>	<b>(4,082)</b>	<b>-</b>	<b>9,722</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	5,245	-	102,784	4,732	112,761
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>5,245</b>	<b>-</b>	<b>102,784</b>	<b>4,732</b>	<b>112,761</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts** (continued)

**9.2 Analysis by remaining coverage and incurred claims** (continued)

**9.2.1 Insurance contracts (Property)** (continued)

	As at 31 December 2024				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of FCF	Risk Adjustment for non-financial risk	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	5,557	-	1,835	21	7,413
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>5,557</b>	<b>-</b>	<b>1,835</b>	<b>21</b>	<b>7,413</b>
<b>Insurance revenue</b>	(21,071)	-	-	-	(21,071)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	96,243	4,216	100,459
Changes that relate to past service	-	-	(1,422)	54	(1,368)
Insurance acquisition cashflows amortisation	4,697	-	-	-	4,697
<b>Insurance service expenses</b>	<b>4,697</b>	<b>-</b>	<b>94,821</b>	<b>4,270</b>	<b>103,788</b>
Finance costs from insurance contracts	-	-	(140)	1	(139)
<b>Total changes in the statement of income</b>	<b>(16,374)</b>	<b>-</b>	<b>94,681</b>	<b>4,271</b>	<b>82,578</b>
<b>Cashflows</b>					
Premiums received	23,252	-	-	-	23,252
Claims and other incurred insurance service expenses	-	-	(1,812)	-	(1,812)
Insurance acquisition cashflows paid	(4,882)	-	-	-	(4,882)
<b>Total cash inflows / (outflows)</b>	<b>18,370</b>	<b>-</b>	<b>(1,812)</b>	<b>-</b>	<b>16,558</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	7,553	-	94,704	4,292	106,549
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>7,553</b>	<b>-</b>	<b>94,704</b>	<b>4,292</b>	<b>106,549</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.1 Insurance contracts (Marine)**

	As at 31 December 2025				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	2,180	-	20,806	890	23,876
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>2,180</b>	<b>-</b>	<b>20,806</b>	<b>890</b>	<b>23,876</b>
<b>Insurance revenue</b>	<b>(7,899)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,899)</b>
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	5,234	120	5,354
Changes that relate to past service	-	-	(1,757)	(42)	(1,799)
Insurance acquisition cashflows amortisation	1,686	-	-	-	1,686
<b>Insurance service expenses</b>	<b>1,686</b>	<b>-</b>	<b>3,477</b>	<b>78</b>	<b>5,241</b>
Finance costs from insurance contracts	-	-	207	48	255
<b>Total changes in the statement of income</b>	<b>(6,213)</b>	<b>-</b>	<b>3,684</b>	<b>126</b>	<b>(2,403)</b>
<b>Cashflows</b>					
Premiums received	5,276	-	-	-	5,276
Claims and other incurred insurance service expenses	-	-	(4,324)	-	(4,324)
Insurance acquisition cashflows paid	(992)	-	-	-	(992)
<b>Total cash inflows / (outflows)</b>	<b>4,284</b>	<b>-</b>	<b>(4,324)</b>	<b>-</b>	<b>(40)</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	251	-	20,166	1,016	21,433
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>251</b>	<b>-</b>	<b>20,166</b>	<b>1,016</b>	<b>21,433</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts** (continued)

**9.2 Analysis by remaining coverage and incurred claims** (continued)

**9.2.1 Insurance contracts (Marine)** (continued)

	As at 31 December 2024				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	
<b>Insurance contracts</b>					
Insurance contract liabilities – opening	908	-	16,488	312	17,708
Insurance contract assets – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>908</b>	<b>-</b>	<b>16,488</b>	<b>312</b>	<b>17,708</b>
<b>Insurance revenue</b>	(5,734)	-	-	-	(5,734)
<b>Insurance service expenses</b>					
Incurred claims and other incurred insurance service expenses	-	-	4,824	101	4,925
Changes that relate to past service	-	-	(15)	458	443
Insurance acquisition cashflows amortisation	1,194	-	-	-	1,194
<b>Insurance service expenses</b>	<b>1,194</b>	<b>-</b>	<b>4,809</b>	<b>559</b>	<b>6,562</b>
Finance costs from insurance contracts	-	-	167	19	186
<b>Total changes in the statement of income</b>	<b>(4,540)</b>	<b>-</b>	<b>4,976</b>	<b>578</b>	<b>1,014</b>
<b>Transfer from LRC to LIC</b>	<b>(62)</b>	<b>-</b>	<b>62</b>	<b>-</b>	<b>-</b>
<b>Cashflows</b>					
Premiums received	7,147	-	-	-	7,147
Claims and other incurred insurance service expenses	-	-	(720)	-	(720)
Insurance acquisition cashflows paid	(1,273)	-	-	-	(1,273)
<b>Total cash inflows / (outflows)</b>	<b>5,874</b>	<b>-</b>	<b>(720)</b>	<b>-</b>	<b>5,154</b>
<b>Insurance contracts</b>					
Insurance contract liabilities – closing	2,180	-	20,806	890	23,876
Insurance contract assets – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>2,180</b>	<b>-</b>	<b>20,806</b>	<b>890</b>	<b>23,876</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (all portfolios)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(16,369)	(558)	(141,369)	(5,837)	(164,133)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(16,369)</b>	<b>(558)</b>	<b>(141,369)</b>	<b>(5,837)</b>	<b>(164,133)</b>
<b>Allocation of reinsurance premium</b>	<b>68,976</b>	-	-	-	<b>68,976</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(31,986)	(567)	(32,553)
Loss-recovery on onerous underlying contracts	-	556	-	-	556
Changes that relate to past service	-	-	12,563	744	13,307
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>556</b>	<b>(19,423)</b>	<b>177</b>	<b>(18,690)</b>
Finance income from reinsurance contracts	-	-	(4,745)	(313)	(5,058)
<b>Total changes in the statement of income</b>	<b>68,976</b>	<b>556</b>	<b>(24,168)</b>	<b>(136)</b>	<b>45,228</b>
<b>Cashflows</b>					
Premiums ceded	(63,035)	-	-	-	(63,035)
Fixed commission received	9,804	-	-	-	9,804
Recoveries from reinsurance	-	-	39,733	-	39,733
<b>Total cash (outflows) / inflows</b>	<b>(53,231)</b>	<b>-</b>	<b>39,733</b>	<b>-</b>	<b>(13,498)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(624)	(2)	(125,804)	(5,973)	(132,403)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(624)</b>	<b>(2)</b>	<b>(125,804)</b>	<b>(5,973)</b>	<b>(132,403)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (all portfolios) (continued)**

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

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Medical)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(275)	-	(3)	-	(278)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(275)</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(278)</b>
<b>Allocation of reinsurance premium</b>	<b>17,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,891</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(13,571)	-	(13,571)
Changes that relate to past service	-	-	(1,156)	-	(1,156)
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(14,727)</b>	<b>-</b>	<b>(14,727)</b>
Finance income from reinsurance contracts	-	-	(3)	-	(3)
<b>Total changes in the statement of income</b>	<b>17,891</b>	<b>-</b>	<b>(14,730)</b>	<b>-</b>	<b>3,161</b>
<b>Cashflows</b>					
Premiums ceded	(17,615)	-	-	-	(17,615)
Recoveries from reinsurance	-	-	10,258	-	10,258
<b>Total cash (outflows) / inflows</b>	<b>(17,615)</b>	<b>-</b>	<b>10,258</b>	<b>-</b>	<b>(7,357)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	1	-	(4,475)	-	(4,474)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>1</b>	<b>-</b>	<b>(4,475)</b>	<b>-</b>	<b>(4,474)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Medical) (continued)**

	<b>As at 31 December 2024</b>				<b>Total</b>
	<b>Asset for remaining coverage</b>		<b>Asset for incurred claims</b>		
	<b>Excluding Loss recovery component</b>	<b>Loss recovery component</b>	<b>Estimates of present value of FCF</b>	<b>Risk adjustment for non-financial risk</b>	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	-	-	-	-	-
Reinsurance contract liabilities – opening	3,940	-	(755)	-	3,185
<b>Opening balance – net</b>	<b>3,940</b>	<b>-</b>	<b>(755)</b>	<b>-</b>	<b>3,185</b>
<b>Allocation of reinsurance premium</b>	10,716	-	-	-	10,716
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(4,602)	-	(4,602)
Changes that relate to past service	-	-	(4,548)	-	(4,548)
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(9,150)</b>	<b>-</b>	<b>(9,150)</b>
Finance income from reinsurance contracts	-	-	(6)	-	(6)
<b>Total changes in the statement of income</b>	<b>10,716</b>	<b>-</b>	<b>(9,156)</b>	<b>-</b>	<b>1,560</b>
<b>Cashflows</b>					
Premiums ceded	(14,931)	-	-	-	(14,931)
Recoveries from reinsurance	-	-	9,908	-	9,908
<b>Total cash (outflows) / inflows</b>	<b>(14,931)</b>	<b>-</b>	<b>9,908</b>	<b>-</b>	<b>(5,023)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(275)	-	(3)	-	(278)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(275)</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>(278)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Motor - Comprehensive)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	83	(467)	(4,083)	(75)	(4,542)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>83</b>	<b>(467)</b>	<b>(4,083)</b>	<b>(75)</b>	<b>(4,542)</b>
<b>Allocation of reinsurance premium</b>	<b>2,709</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,709</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(695)	-	(695)
Loss-recovery on onerous underlying contracts	-	465	-	-	465
Changes that relate to past service	-	-	856	75	931
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>465</b>	<b>161</b>	<b>75</b>	<b>701</b>
Finance income from reinsurance contracts	-	-	(55)	(4)	(59)
<b>Total changes in the statement of income</b>	<b>2,709</b>	<b>465</b>	<b>106</b>	<b>71</b>	<b>3,351</b>
<b>Cashflows</b>					
Premiums ceded	(2,660)	-	-	-	(2,660)
Fixed commission received	(2)	-	-	-	(2)
Recoveries from reinsurance	-	-	3,782	-	3,782
<b>Total cash (outflows) / inflows</b>	<b>(2,662)</b>	<b>-</b>	<b>3,782</b>	<b>-</b>	<b>1,120</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	130	(2)	(195)	(4)	(71)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>130</b>	<b>(2)</b>	<b>(195)</b>	<b>(4)</b>	<b>(71)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Motor- Comprehensive) (continued)**

	<b>As at 31 December 2024</b>				<b>Total</b>
	<b>Asset for remaining coverage</b>		<b>Asset for incurred claims</b>		
	<b>Excluding Loss recovery component</b>	<b>Loss recovery component</b>	<b>Estimates of present value of FCF</b>	<b>Risk adjustment for non-financial risk</b>	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(628)	(195)	(1,848)	(35)	(2,706)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(628)</b>	<b>(195)</b>	<b>(1,848)</b>	<b>(35)</b>	<b>(2,706)</b>
<b>Allocation of reinsurance premium</b>					
	7,741	-	-	-	7,741
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(5,147)	(41)	(5,188)
Loss-recovery on onerous underlying contracts	-	(272)	-	-	(272)
Changes that relate to past service	-	-	350	3	353
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>(272)</b>	<b>(4,797)</b>	<b>(38)</b>	<b>(5,107)</b>
Finance income from reinsurance contracts	-	-	(28)	(2)	(30)
<b>Total changes in the statement of income</b>	<b>7,741</b>	<b>(272)</b>	<b>(4,825)</b>	<b>(40)</b>	<b>2,604</b>
<b>Cashflows</b>					
Premiums ceded	(7,404)	-	-	-	(7,404)
Fixed commission received	374	-	-	-	374
Recoveries from reinsurance	-	-	2,590	-	2,590
<b>Total cash (outflows) / inflows</b>	<b>(7,030)</b>	<b>-</b>	<b>2,590</b>	<b>-</b>	<b>(4,440)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	83	(467)	(4,083)	(75)	(4,542)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>83</b>	<b>(467)</b>	<b>(4,083)</b>	<b>(75)</b>	<b>(4,542)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Motor-TPL)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	2,314	(91)	(20,266)	(286)	(18,329)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>2,314</b>	<b>(91)</b>	<b>(20,266)</b>	<b>(286)</b>	<b>(18,329)</b>
<b>Allocation of reinsurance premium</b>	<b>6,116</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,116</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(3,656)	6	(3,650)
Loss-recovery on onerous underlying contracts	-	91	-	-	91
Changes that relate to past service	-	-	460	197	657
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>91</b>	<b>(3,196)</b>	<b>203</b>	<b>(2,902)</b>
Finance income from reinsurance contracts	-	-	(245)	(15)	(260)
<b>Total changes in the statement of income</b>	<b>6,116</b>	<b>91</b>	<b>(3,441)</b>	<b>188</b>	<b>2,954</b>
<b>Cashflows</b>					
Premiums ceded	(7,128)	-	-	-	(7,128)
Fixed commission received	1	-	-	-	1
Recoveries from reinsurance	-	-	21,210	-	21,210
<b>Total cash (outflows) / inflows</b>	<b>(7,127)</b>	<b>-</b>	<b>21,210</b>	<b>-</b>	<b>14,083</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	1,303	-	(2,497)	(98)	(1,292)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>1,303</b>	<b>-</b>	<b>(2,497)</b>	<b>(98)</b>	<b>(1,292)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Motor-TPL) (continued)**

	<b>As at 31 December 2024</b>				<b>Total</b>
	<b>Asset for remaining coverage</b>		<b>Asset for incurred claims</b>		
	<b>Excluding loss recovery component</b>	<b>Loss recovery component</b>	<b>Estimates of present value of FCF</b>	<b>Risk adjustment for non-financial risk</b>	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(18,921)	(7)	(12,454)	(257)	(31,639)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(18,921)</b>	<b>(7)</b>	<b>(12,454)</b>	<b>(257)</b>	<b>(31,639)</b>
<b>Allocation of reinsurance premium</b>	45,854	-	-	-	45,854
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(38,573)	(85)	(38,658)
Loss-recovery on onerous underlying contracts	-	(84)	-	-	(84)
Changes that relate to past service	-	-	5,717	72	5,789
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>(84)</b>	<b>(32,856)</b>	<b>(13)</b>	<b>(32,953)</b>
Finance income from reinsurance contracts	-	-	(277)	(16)	(293)
<b>Total changes in the statement of income</b>	<b>45,854</b>	<b>(84)</b>	<b>(33,133)</b>	<b>(29)</b>	<b>12,608</b>
<b>Cashflows</b>					
Premiums ceded	(26,095)	-	-	-	(26,095)
Fixed commission received	1,476	-	-	-	1,476
Recoveries from reinsurance	-	-	25,321	-	25,321
<b>Total cash (outflows) / inflows</b>	<b>(24,619)</b>	<b>-</b>	<b>25,321</b>	<b>-</b>	<b>702</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	2,314	(91)	(20,266)	(286)	(18,329)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>2,314</b>	<b>(91)</b>	<b>(20,266)</b>	<b>(286)</b>	<b>(18,329)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Accident & liability)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(5,501)	-	(609)	(13)	(6,123)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(5,501)</b>	<b>-</b>	<b>(609)</b>	<b>(13)</b>	<b>(6,123)</b>
<b>Allocation of reinsurance premium</b>	<b>10,989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,989</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(79)	-	(79)
Changes that relate to past service	-	-	190	8	198
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>8</b>	<b>119</b>
Finance income from reinsurance contracts	-	-	(12)	(1)	(13)
<b>Total changes in the statement of income</b>	<b>10,989</b>	<b>-</b>	<b>99</b>	<b>7</b>	<b>11,095</b>
<b>Cashflows</b>					
Premiums ceded	(10,541)	-	-	-	(10,541)
Fixed commission received	2,066	-	-	-	2,066
Recoveries from reinsurance	-	-	385	-	385
<b>Total cash (outflows) / inflows</b>	<b>(8,475)</b>	<b>-</b>	<b>385</b>	<b>-</b>	<b>(8,090)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(2,987)	-	(125)	(6)	(3,118)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(2,987)</b>	<b>-</b>	<b>(125)</b>	<b>(6)</b>	<b>(3,118)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts** (continued)

**9.2 Analysis by remaining coverage and incurred claims** (continued)

**9.2.2 Reinsurance contracts held (Accident & liability)** (continued)

	As at 31 December 2024				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(1,468)	-	(73)	(1)	(1,542)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(1,468)</b>	<b>-</b>	<b>(73)</b>	<b>(1)</b>	<b>(1,542)</b>
<b>Allocation of reinsurance premium</b>	<b>8,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,073</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(213)	(6)	(219)
Changes that relate to past service	-	-	(104)	(6)	(110)
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(317)</b>	<b>(12)</b>	<b>(329)</b>
Finance income from reinsurance contracts	-	-	1	-	1
<b>Total changes in the statement of income</b>	<b>8,073</b>	<b>-</b>	<b>(316)</b>	<b>(12)</b>	<b>7,745</b>
<b>Cashflows</b>					
Premiums ceded	(14,944)	-	-	-	(14,944)
Fixed commission received	2,838	-	-	-	2,838
Recoveries from reinsurance	-	-	(220)	-	(220)
<b>Total cash outflows</b>	<b>(12,106)</b>	<b>-</b>	<b>(220)</b>	<b>-</b>	<b>(12,326)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(5,501)	-	(609)	(13)	(6,123)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(5,501)</b>	<b>-</b>	<b>(609)</b>	<b>(13)</b>	<b>(6,123)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Engineering)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(5,325)	-	(5,203)	(291)	(10,819)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(5,325)</b>	<b>-</b>	<b>(5,203)</b>	<b>(291)</b>	<b>(10,819)</b>
<b>Allocation of reinsurance premium</b>	<b>9,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,267</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(2,340)	(72)	(2,412)
Changes that relate to past service	-	-	4,490	202	4,692
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>2,150</b>	<b>130</b>	<b>2,280</b>
Finance income from reinsurance contracts	-	-	(259)	(16)	(275)
<b>Total changes in the statement of income</b>	<b>9,267</b>	<b>-</b>	<b>1,891</b>	<b>114</b>	<b>11,272</b>
<b>Cashflows</b>					
Premiums ceded	(8,343)	-	-	-	(8,343)
Fixed commission received	2,044	-	-	-	2,044
Recoveries from reinsurance	-	-	298	-	298
<b>Total cash (outflows) / inflows</b>	<b>(6,299)</b>	<b>-</b>	<b>298</b>	<b>-</b>	<b>(6,001)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(2,357)	-	(3,014)	(177)	(5,548)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(2,357)</b>	<b>-</b>	<b>(3,014)</b>	<b>(177)</b>	<b>(5,548)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Engineering) (continued)**

	As at 31 December 2024				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(3,916)	-	(1,065)	(21)	(5,002)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(3,916)</b>	<b>-</b>	<b>(1,065)</b>	<b>(21)</b>	<b>(5,002)</b>
<b>Allocation of reinsurance premium</b>	7,227	-	-	-	7,227
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(4,789)	(237)	(5,026)
Changes that relate to past service	-	-	628	(32)	596
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(4,161)</b>	<b>(269)</b>	<b>(4,430)</b>
Finance income from reinsurance contracts	-	-	19	(1)	18
<b>Total changes in the statement of income</b>	<b>7,227</b>	<b>-</b>	<b>(4,142)</b>	<b>(270)</b>	<b>2,815</b>
<b>Cashflows</b>					
Premiums ceded	(11,810)	-	-	-	(11,810)
Fixed commission received	3,174	-	-	-	3,174
Recoveries from reinsurance	-	-	4	-	4
<b>Total cash (outflows) / inflows</b>	<b>(8,636)</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>(8,632)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(5,325)	-	(5,203)	(291)	(10,819)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(5,325)</b>	<b>-</b>	<b>(5,203)</b>	<b>(291)</b>	<b>(10,819)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Property)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(5,955)	-	(92,355)	(4,291)	(102,601)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(5,955)</b>	<b>-</b>	<b>(92,355)</b>	<b>(4,291)</b>	<b>(102,601)</b>
<b>Allocation of reinsurance premium</b>	<b>15,908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,908</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(8,398)	(412)	(8,810)
Changes that relate to past service	-	-	6,084	240	6,324
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(2,314)</b>	<b>(172)</b>	<b>(2,486)</b>
Finance income from reinsurance contracts	-	-	(3,986)	(230)	(4,216)
<b>Total changes in the statement of income</b>	<b>15,908</b>	<b>-</b>	<b>(6,300)</b>	<b>(402)</b>	<b>9,206</b>
<b>Cashflows</b>					
Premiums ceded	(10,231)	-	-	-	(10,231)
Fixed commission received	3,213	-	-	-	3,213
Recoveries from reinsurance	-	-	1,288	-	1,288
<b>Total cash (outflows) / inflows</b>	<b>(7,018)</b>	<b>-</b>	<b>1,288</b>	<b>-</b>	<b>(5,730)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	2,935	-	(97,367)	(4,693)	(99,125)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>2,935</b>	<b>-</b>	<b>(97,367)</b>	<b>(4,693)</b>	<b>(99,125)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Property) (continued)**

	As at 31 December 2024				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(4,014)	-	(1,197)	(24)	(5,235)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(4,014)</b>	<b>-</b>	<b>(1,197)</b>	<b>(24)</b>	<b>(5,235)</b>
<b>Allocation of reinsurance premium</b>	15,072	-	-	-	15,072
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(92,374)	(4,212)	(96,586)
Changes that relate to past service	-	-	973	(54)	919
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(91,401)</b>	<b>(4,266)</b>	<b>(95,667)</b>
Finance income from reinsurance contracts	-	-	149	(1)	148
<b>Total changes in the statement of income</b>	<b>15,072</b>	<b>-</b>	<b>(91,252)</b>	<b>(4,267)</b>	<b>(80,447)</b>
<b>Cashflows</b>					
Premiums ceded	(21,862)	-	-	-	(21,862)
Fixed commission received	4,849	-	-	-	4,849
Recoveries from reinsurance	-	-	94	-	94
<b>Total cash (outflows) / inflows</b>	<b>(17,013)</b>	<b>-</b>	<b>94</b>	<b>-</b>	<b>(16,919)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(5,955)	-	(92,355)	(4,291)	(102,601)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(5,955)</b>	<b>-</b>	<b>(92,355)</b>	<b>(4,291)</b>	<b>(102,601)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Marine)**

	As at 31 December 2025				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(1,710)	-	(18,850)	(881)	(21,441)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(1,710)</b>	<b>-</b>	<b>(18,850)</b>	<b>(881)</b>	<b>(21,441)</b>
<b>Allocation of reinsurance premium</b>	<b>6,096</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,096</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(3,247)	(89)	(3,336)
Changes that relate to past service	-	-	1,639	22	1,661
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(1,608)</b>	<b>(67)</b>	<b>(1,675)</b>
Finance income from reinsurance contracts	-	-	(185)	(47)	(232)
<b>Total changes in the statement of income</b>	<b>6,096</b>	<b>-</b>	<b>(1,793)</b>	<b>(114)</b>	<b>4,189</b>
<b>Cashflows</b>					
Premiums ceded	(6,517)	-	-	-	(6,517)
Fixed commission received	2,482	-	-	-	2,482
Recoveries from reinsurance	-	-	2,512	-	2,512
<b>Total cash (outflows) / inflows</b>	<b>(4,035)</b>	<b>-</b>	<b>2,512</b>	<b>-</b>	<b>(1,523)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	351	-	(18,131)	(995)	(18,775)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>351</b>	<b>-</b>	<b>(18,131)</b>	<b>(995)</b>	<b>(18,775)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**9. Insurance and reinsurance contracts (continued)**

**9.2 Analysis by remaining coverage and incurred claims (continued)**

**9.2.2 Reinsurance contracts held (Marine) (continued)**

	As at 31 December 2024				Total
	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	
<b>Reinsurance contracts</b>					
Reinsurance contract assets – opening	(433)	-	(15,176)	(598)	(16,207)
Reinsurance contract liabilities – opening	-	-	-	-	-
<b>Opening balance – net</b>	<b>(433)</b>	<b>-</b>	<b>(15,176)</b>	<b>(598)</b>	<b>(16,207)</b>
<b>Allocation of reinsurance premium</b>	<b>3,634</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,634</b>
<b>Amounts recoverable from reinsurers</b>					
Claims recovered and other directly attributable expenses	-	-	(3,954)	(49)	(4,003)
Changes that relate to past service	-	-	100	(197)	(97)
<b>Amounts recoverable from reinsurers – net</b>	<b>-</b>	<b>-</b>	<b>(3,854)</b>	<b>(246)</b>	<b>(4,100)</b>
Finance income from reinsurance contracts	-	-	(154)	(37)	(191)
<b>Total changes in the statement of income</b>	<b>3,634</b>	<b>-</b>	<b>(4,008)</b>	<b>(283)</b>	<b>(657)</b>
<b>Transfer from ARC to AIC</b>	<b>2</b>	<b>-</b>	<b>(2)</b>	<b>-</b>	<b>-</b>
<b>Cashflows</b>					
Premiums ceded	(6,775)	-	-	-	(6,775)
Fixed commission received	1,862	-	-	-	1,862
Recoveries from reinsurance	-	-	336	-	336
<b>Total cash (outflows) / inflows</b>	<b>(4,913)</b>	<b>-</b>	<b>336</b>	<b>-</b>	<b>(4,577)</b>
<b>Reinsurance contracts</b>					
Reinsurance contract assets – closing	(1,710)	-	(18,850)	(881)	(21,441)
Reinsurance contract liabilities – closing	-	-	-	-	-
<b>Closing balance – net</b>	<b>(1,710)</b>	<b>-</b>	<b>(18,850)</b>	<b>(881)</b>	<b>(21,441)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**10. Right-of-use assets and lease liabilities**

*a) Amounts recognised in the statement of financial position*

The statement of financial position shows the following amounts relating to leases:

**Right-of-use assets – net**

	<b>31 December 2025</b>	<b>31 December 2024</b>
1 January	<b>16,103</b>	18,120
Additions during the year	<b>864</b>	2,675
Depreciation during the year	<b>(4,230)</b>	(4,692)
31 December	<b>12,737</b>	16,103

Right-of-use assets relate to leases of the Company's head office and point-of-sale (POS) branches, amounting to Saudi Riyals 10.6 million (2024: Saudi Riyals 13.6 million) and Saudi Riyals 2.1 million (2024: Saudi Riyals 2.5 million), respectively.

**Lease liabilities**

Commitments in relation to lease obligations are payable as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Within one year	<b>4,848</b>	4,764
Later than one year but not later than five years	<b>11,222</b>	14,977
Later than five years	-	-
	<b>16,070</b>	19,741
Future finance costs	<b>(845)</b>	(1,265)
Lease liabilities	<b>15,225</b>	18,476

Movement in lease liabilities is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
1 January	<b>18,476</b>	19,771
Addition during the year	<b>864</b>	2,675
Finance costs	<b>760</b>	927
Payment during the year	<b>(4,875)</b>	(4,897)
31 December	<b>15,225</b>	18,476

*b) Amounts recognised in the statement of income*

Total finance costs recognised in the statement of income pertaining to lease liabilities amounted to Saudi Riyals 0.8 million for the year ended 31 December 2025.

*c) Details for leasing activities of the Company*

The Company leases office premises and various point-of-sale stores across the Kingdom of Saudi Arabia. Rental contracts are typically made for a period of 12 months, but may have extension options.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**11. Property and equipment**

	<b>Furniture and fixtures</b>	<b>Computer and equipment</b>	<b>Motor Vehicles</b>	<b>Capital work in progress</b>	<b>Total</b>
<b>Cost:</b>					
1 January 2025	21,118	22,077	96	278	43,569
Additions	-	588	-	994	1,582
At 31 December 2025	<b>21,118</b>	<b>22,665</b>	<b>96</b>	<b>1,272</b>	<b>45,151</b>
<b>Accumulated depreciation:</b>					
1 January 2025	19,464	17,675	96	-	37,235
Charge for the year	164	1,688	-	-	1,852
31 December 2025	<b>19,628</b>	<b>19,363</b>	<b>96</b>	<b>-</b>	<b>39,087</b>
<b>Net book value:</b>					
31 December 2025	<b>1,490</b>	<b>3,302</b>	<b>-</b>	<b>1,272</b>	<b>6,064</b>

	<b>Furniture and fixtures</b>	<b>Computer and equipment</b>	<b>Motor Vehicles</b>	<b>Capital work in progress</b>	<b>Total</b>
<b>Cost:</b>					
1 January 2024	20,143	20,227	96	669	41,135
Additions	60	941	-	1,433	2,434
Transfer	915	909	-	(1,824)	-
At 31 December 2024	21,118	22,077	96	278	43,569
<b>Accumulated depreciation:</b>					
1 January 2024	18,808	16,760	96	-	35,664
Charge for the year	656	915	-	-	1,571
31 December 2024	19,464	17,675	96	-	37,235
<b>Net book value:</b>					
31 December 2024	1,654	4,402	-	278	6,334

**12. Statutory deposit**

As required by Insurance Regulations, the Company has deposited an amount equivalent to 15% of its paid-up share capital, amounting to Saudi Riyals 45 million as at 31 December 2025 (31 December 2024: Saudi Riyals 37.5 million), in a bank designated by Insurance Authority (IA). As a result of an increase in the Company's share capital due to the rights share issue completed during 2025 (see Note 15), the Company deposited a further amount of Saudi Riyals 7.5 million during the year ended 31 December 2025. Accrued income on this deposit is payable to IA amounting to Saudi Riyals 2 million (31 December 2024: Saudi Riyals 1.2 million) and this deposit cannot be withdrawn without approval from IA. As requested by IA, the Company has released the accrued income on statutory deposit to IA up to 31 March 2025 amounting to Saudi Riyals 1.6 million.

**13. Accrued and other liabilities**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Due to government entities	6,891	12,419
Suppliers and other creditors	606	4,614
Accrued expenses	1,104	3,238
Other payables	4,348	2,259
	<b>12,949</b>	<b>22,530</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**14. Employee benefit obligations**

**14.1 General description of the plan**

The Company operates a defined benefit plan in line with the Labour Law requirement in the Kingdom of Saudi Arabia. The end-of-service benefit payments under the plan are based on the employees' final salaries and allowances and their cumulative years of service at the date of their termination of employment, as defined by the conditions stated in the Labour Laws of the Kingdom of Saudi Arabia. Employees' end-of-service benefit plans are unfunded plans, and the benefit payment obligation are met when they fall due upon termination of employment.

**14.2 Movement of defined benefit obligations is as follows:**

	<b>31 December 2025</b>	<b>31 December 2024</b>
1 January	<b>7,829</b>	8,717
Current service cost	<b>1,505</b>	1,672
Finance costs	<b>371</b>	393
Payments	<b>(1,400)</b>	(1,390)
Remeasurement	<b>410</b>	(1,563)
31 December	<b>8,715</b>	7,829

*a. Amounts recognised in the statements of income and comprehensive income*

The amounts recognised in the statements of income and comprehensive income related to employee benefit obligations are as follows:

	<b>2025</b>	<b>2024</b>
Current service result	<b>1,505</b>	1,672
Interest expense	<b>371</b>	393
<b>Total amount recognised in the statement of income</b>	<b>1,876</b>	2,065
Remeasurement	<b>410</b>	(1,563)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>2,286</b>	502

**14.3 Principal actuarial assumptions**

The following range of significant actuarial assumptions was used by the Company for the valuation of employee defined benefit obligations:

	<b>2025</b>	<b>2024</b>
Discount rate	<b>5.3%</b>	5.2%
Salary growth rate	<b>3.0%</b>	3.0%

**14.4 Sensitivity analysis for actuarial assumptions**

The impact of changes in sensitivity on present value of defined benefit obligation is as follows:

	<b>2025</b>	<b>2024</b>
Discount rate		
- Increase by 1%	<b>(519)</b>	(467)
- Decrease by 1%	<b>580</b>	521
Salary growth rate		
- Increase by 1%	<b>588</b>	528
- Decrease by 1%	<b>(536)</b>	(480)

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**14. Employee benefit obligations** (continued)

**14.4 Sensitivity analysis for actuarial assumptions** (continued)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with projected unit credit method at the end of the reporting period) has been applied when calculating the benefit obligations.

The weighted average duration of the defined benefit obligation is 7.1 years (2024: 7.5 years). The expected maturity analysis of undiscounted employee benefit obligations is as follows:

**14.5 Expected maturity analysis**

	<b>Less than 1 year</b>	<b>Between 1 – 2 Years</b>	<b>Between 2 – 5 years</b>	<b>Over 5 years</b>	<b>Total</b>
31 December 2025	<b>1,405</b>	<b>1,565</b>	<b>4,572</b>	<b>18,150</b>	<b>25,692</b>
31 December 2024	1,314	1,354	4,420	16,785	23,873

**15. Share capital**

During the year ended 31 December 2025, the Company completed its right issue of Saudi Riyals 100 million consisting of 10 million new shares of Saudi Riyals 10 each. Accordingly, the authorised, issued and paid-up capital of the Company was Saudi Riyals 300 million as at 31 December 2025 (31 December 2024: Saudi Riyals 200 million) consisting of 30 million shares (31 December 2024: 20 million shares) of Saudi Riyals 10 each. Also see Note 1.

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

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**16. Insurance service results**

An analysis of insurance revenue, insurance expenses and net income / (expenses) from reinsurance contracts held by portfolio of contracts for the years ended 31 December 2025 and 31 December 2024 is included in following tables respectively. Additional information on amounts recognized in statement of income is included in the insurance and reinsurance contract balances reconciliation.

**For the year ended 31 December 2025:**

	<b>Motor- Medical</b>	<b>Motor- Comprehensive</b>	<b>Motor-TPL</b>	<b>Accident &amp; Liability</b>	<b>Engineering</b>	<b>Property</b>	<b>Marine</b>	<b>Total</b>
Insurance revenue from contracts measured under PAA	<b>122,841</b>	<b>55,084</b>	<b>313,165</b>	<b>26,779</b>	<b>12,261</b>	<b>20,348</b>	<b>7,899</b>	<b>558,377</b>
<b>Insurance revenue</b>	<b>122,841</b>	<b>55,084</b>	<b>313,165</b>	<b>26,779</b>	<b>12,261</b>	<b>20,348</b>	<b>7,899</b>	<b>558,377</b>
Incurred claims and other incurred insurance service expenses*	<b>(93,235)</b>	<b>(69,907)</b>	<b>(320,705)</b>	<b>(7,766)</b>	<b>(5,037)</b>	<b>(15,230)</b>	<b>(5,354)</b>	<b>(517,234)</b>
Changes that relate to past service - adjustments to the LIC	<b>5,717</b>	<b>8,403</b>	<b>7,023</b>	<b>601</b>	<b>5,802</b>	<b>6,976</b>	<b>1,799</b>	<b>36,321</b>
Losses on onerous contracts	<b>(1,124)</b>	<b>(2,215)</b>	<b>(8,319)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,658)</b>
Insurance acquisition cash flows amortisation	<b>(30,698)</b>	<b>(17,690)</b>	<b>(41,052)</b>	<b>(5,648)</b>	<b>(2,811)</b>	<b>(4,236)</b>	<b>(1,686)</b>	<b>(103,821)</b>
<b>Total insurance service expenses</b>	<b>(119,340)</b>	<b>(81,409)</b>	<b>(363,053)</b>	<b>(12,813)</b>	<b>(2,046)</b>	<b>(12,490)</b>	<b>(5,241)</b>	<b>(596,392)</b>

\*This includes surplus distribution of Nil for the year ended 31 December 2025.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**16. Insurance service results (continued)**

**For the year ended 31 December 2025: (continued)**

	Medical	Motor- Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
<b>Allocation of reinsurance premium paid - contracts measured under the PAA</b>								
Premium ceded on reinsurance contracts held	(17,891)	(2,792)	(6,451)	(13,039)	(11,839)	(19,721)	(8,402)	(80,135)
Commission earned on reinsurance contracts held	-	83	335	2,050	2,572	3,813	2,306	11,159
	<b>(17,891)</b>	<b>(2,709)</b>	<b>(6,116)</b>	<b>(10,989)</b>	<b>(9,267)</b>	<b>(15,908)</b>	<b>(6,096)</b>	<b>(68,976)</b>
<b>Amounts recoverable from reinsurers</b>								
Claims recovered	13,571	695	3,650	79	2,412	8,810	3,336	32,553
Losses on onerous contracts	-	(465)	(91)	-	-	-	-	(556)
Changes to amounts recoverable for incurred claims	1,156	(931)	(657)	(198)	(4,692)	(6,324)	(1,661)	(13,307)
<b>Amounts recoverable from reinsurers – net</b>	<b>14,727</b>	<b>(701)</b>	<b>2,902</b>	<b>(119)</b>	<b>(2,280)</b>	<b>2,486</b>	<b>1,675</b>	<b>18,690</b>
<b>Net expenses from reinsurance contracts</b>	<b>(3,164)</b>	<b>(3,410)</b>	<b>(3,214)</b>	<b>(11,108)</b>	<b>(11,547)</b>	<b>(13,422)</b>	<b>(4,421)</b>	<b>(50,286)</b>
<b>Insurance service result from Company's directly written business</b>	<b>337</b>	<b>(29,735)</b>	<b>(53,102)</b>	<b>2,858</b>	<b>(1,332)</b>	<b>(5,564)</b>	<b>(1,763)</b>	<b>(88,301)</b>
Share of surplus from insurance pools	-	-	-	-	-	-	-	2,824
<b>Total insurance service result</b>	<b>337</b>	<b>(29,735)</b>	<b>(53,102)</b>	<b>2,858</b>	<b>(1,332)</b>	<b>(5,564)</b>	<b>(1,763)</b>	<b>(85,477)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**16. Insurance service results** (continued)**For the year ended 31 December 2024:**

	<b>Medical</b>	<b>Motor- Comprehensive</b>	<b>Motor-TPL</b>	<b>Accident &amp; Liability</b>	<b>Engineering</b>	<b>Property</b>	<b>Marine</b>	<b>Total</b>
Insurance revenue from contracts measured under PAA	118,393	53,955	446,443	22,572	10,311	21,071	5,734	678,479
<b>Insurance revenue</b>	<b>118,393</b>	<b>53,955</b>	<b>446,443</b>	<b>22,572</b>	<b>10,311</b>	<b>21,071</b>	<b>5,734</b>	<b>678,479</b>
Incurring claims and other incurred insurance service expenses*	(76,809)	(68,235)	(366,045)	(6,146)	(6,720)	(100,459)	(4,925)	(629,339)
Changes that relate to past service - adjustments to the LIC	3,415	(2,081)	37,756	3	866	1,368	(443)	40,884
Losses on onerous contracts	-	(2,745)	(841)	-	-	-	-	(3,586)
Insurance acquisition cash flows amortisation	(25,456)	(14,314)	(51,914)	(5,671)	(2,739)	(4,697)	(1,194)	(105,985)
<b>Total insurance service expenses</b>	<b>(98,850)</b>	<b>(87,375)</b>	<b>(381,044)</b>	<b>(11,814)</b>	<b>(8,593)</b>	<b>(103,788)</b>	<b>(6,562)</b>	<b>(698,026)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**16. Insurance service results (continued)****For the year ended 31 December 2024:** (continued)

	Medical	Motor- Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
<b>Allocation of reinsurance premium paid - contracts measured under the PAA</b>								
Premium ceded on reinsurance contracts held	(10,716)	(8,280)	(50,420)	(9,984)	(10,001)	(19,515)	(5,139)	(114,055)
Commission earned on reinsurance contracts held	-	539	4,566	1,911	2,774	4,443	1,505	15,738
	(10,716)	(7,741)	(45,854)	(8,073)	(7,227)	(15,072)	(3,634)	(98,317)
<b>Amounts recoverable from reinsurers</b>								
Claims recovered	4,602	5,188	38,658	219	5,026	96,586	4,003	154,282
Losses on onerous contracts	-	272	84	-	-	-	-	356
Changes to amounts recoverable for incurred claims	4,548	(353)	(5,789)	110	(596)	(919)	97	(2,902)
<b>Amounts recoverable from reinsurers – net</b>	9,150	5,107	32,953	329	4,430	95,667	4,100	151,736
<b>Net expenses / (income) from reinsurance contracts</b>	(1,566)	(2,634)	(12,901)	(7,744)	(2,797)	80,595	466	53,419
<b>Insurance service result from Company's directly written business</b>	17,977	(36,054)	52,498	3,014	(1,079)	(2,122)	(362)	33,872
Share of surplus from insurance pools	-	-	-	-	-	-	-	2,281
<b>Total insurance service result</b>	17,977	(36,054)	52,498	3,014	(1,079)	(2,122)	(362)	36,153

\*This includes surplus distribution of Saudi Riyals 2.7 million for the year ended 31 December 2024.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**17. Investment income**

	<b>31 December 2025</b>	<b>31 December 2024</b>
<u>Commission income from financial assets not measured at FVTPL</u>		
Term deposits	<b>23,574</b>	24,628
Sukuks	<b>3,226</b>	2,060
Total commission income from financial assets not measured at FVTPL	<b>26,800</b>	26,688
Net gains / (losses) on financial assets measured at FVTPL	<b>214</b>	(483)
Net impairment reversal / (losses) on financial assets	<b>133</b>	(50)
<b>Net investment income</b>	<b>27,147</b>	26,155

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**18. Insurance finance costs – net**

An analysis of the net insurance finance income / (costs) by portfolio of contracts for years ended 31 December 2025 and 31 December 2024 respectively is presented below:

**For the year ended 31 December 2025:**

	<b>Medical</b>	<b>Motor- Comprehensive</b>	<b>Motor-TPL</b>	<b>Accident &amp; Liability</b>	<b>Engineering</b>	<b>Property</b>	<b>Marine</b>	<b>Total</b>
<b>31 December 2025</b>								
<b>Finance costs from insurance contracts issued</b>								
Interest accreted	(232)	(495)	(2,285)	(282)	(347)	(4,348)	(255)	(8,244)
<b>Finance costs from insurance contracts issued</b>	<b>(232)</b>	<b>(495)</b>	<b>(2,285)</b>	<b>(282)</b>	<b>(347)</b>	<b>(4,348)</b>	<b>(255)</b>	<b>(8,244)</b>
<b>Finance income from reinsurance contracts held</b>								
Interest accreted	3	59	260	13	275	4,216	232	5,058
<b>Finance income from reinsurance contracts held</b>	<b>3</b>	<b>59</b>	<b>260</b>	<b>13</b>	<b>275</b>	<b>4,216</b>	<b>232</b>	<b>5,058</b>
<b>Finance costs – net</b>	<b>(229)</b>	<b>(436)</b>	<b>(2,025)</b>	<b>(269)</b>	<b>(72)</b>	<b>(132)</b>	<b>(23)</b>	<b>(3,186)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**18. Insurance finance costs – net (continued)****For the year ended 31 December 2024:**

	Medical	Motor- Comprehensive	Motor-TPL	Accident & Liability	Engineering	Property	Marine	Total
<b>31 December 2024</b>								
<b>Finance costs from insurance contracts issued</b>								
Interest accreted	(289)	(251)	(2,858)	(149)	21	139	(186)	(3,573)
<b>Finance costs from insurance contracts issued</b>	(289)	(251)	(2,858)	(149)	21	139	(186)	(3,573)
<b>Finance income from reinsurance contracts held</b>								
Interest accreted	6	30	293	(1)	(18)	(148)	191	353
<b>Finance income from reinsurance contracts held</b>	6	30	293	(1)	(18)	(148)	191	353
<b>Finance costs – net</b>	(283)	(221)	(2,565)	(150)	3	(9)	5	(3,220)

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**19. Share of surplus from insurance pools**

	<b>31 December 2025</b>	<b>31 December 2024</b>
Share of surplus from Umrah and Hajj scheme (Note 19.1)	<b>1,010</b>	1,533
Share of (loss) / surplus from Inherent Defects Insurance (Note 19.2)	<b>(242)</b>	748
Share of surplus from Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance (Note 19.3)	<b>2,056</b>	-
	<b>2,824</b>	2,281

**19.1 Share of surplus from Umrah and Hajj scheme**

This represents the Company's share in the surplus for general accident product arising from the Umrah & Haj scheme. The Company with twenty-seven other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with CCI effective from 1 January 2020. The compulsory Umrah product is offered by the ministry and approved by SAMA for insurance of pilgrims coming from outside of the Kingdom of Saudi Arabia except for citizens of the Gulf Cooperation Council countries. This covers general accidents and health benefits of the pilgrims entering the Kingdom of Saudi Arabia to perform Umrah. The agreement terms are for 4 years starting from 1 January 2020 and it is 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.

**19.2 Share of (loss) / surplus from Inherent Defects Insurance**

This represents the Company's share of (loss) / surplus in the Inherent Defects Insurance ("IDI") product. On June 25, 2020, a Joint Venture agreement was signed among thirteen insurance companies ("Participating Companies") operating in Kingdom of Saudi Arabia for IDI product, based on the SAMA approval authorizing Malath Cooperative Insurance Company ("Malath") as the leading company ("Operator"), to manage the IDI program on behalf of the participating insurance companies, selling the product and providing its insurance coverage by creating joint insurance portfolios. Malath exclusively managed the portfolio during the period of validity of the IDI agreement of five years from issue date. The agreement expired during the year ended 31 December 2025. Effective 24 June 2025, Tawuniya Cooperative Insurance Company has been appointed as the new operator for IDI. Following an increase in the number of participants from thirteen to seventeen, the Company's share has now changed to 0.15% from 1.28% in 2024.

IDI is a mandatory insurance policy for contractors to insure against inherent defects that may appear in buildings and constructions after their occupation in non-governmental sector projects, according to Saudi Council of Ministers Decree No. 509 of 21/09/1439 AH (corresponding to 05/06/2018) and in accordance with the decision 441/187of the Governor of Saudi Central Bank ("SAMA") dated 05/08/1441 AH (corresponding to 29/03/2020).

**19.3 Share of surplus from Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance**

This represents the Company's share of surplus of 3.1% from Rights and Entitlements of Non-Saudi Employees in Private Sector Entities Insurance The Company along with nineteen other insurance companies operating in the Kingdom of Saudi Arabia, entered into an agreement with Al-Etihad Cooperative Insurance Company, effective from 3 November 2024. This compulsory product covers defaults default of entities in paying the rights and entitlements of non-Saudi employees in private sector entities offered by the "Ministry of Human Resources and Social Development" through IA. The agreement is valid for an initial term of five years, starting from 3 November 2024, and renewable for another five years, subject to the terms and conditions of the agreement.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**20. Operating expenses**

	Note	<b>31 December 2025</b>	<b>31 December 2024</b>
Salaries and benefits		<b>45,181</b>	47,614
Commission incurred		<b>39,498</b>	35,714
Najm fees		<b>22,691</b>	27,413
Audit and professional fee	20.1	<b>8,910</b>	8,482
Elm fees		<b>10,951</b>	7,469
Information technology		<b>7,657</b>	6,208
Bank charges		<b>7,497</b>	6,186
Depreciation on right-of-use assets		<b>4,230</b>	4,740
TPA fees		<b>6,202</b>	5,806
Incentives and discounts		<b>2,674</b>	3,988
IA supervision costs		<b>4,916</b>	3,507
Communication expenses		<b>2,371</b>	2,192
Depreciation and amortisation		<b>2,491</b>	1,901
Repair and maintenance		<b>1,572</b>	1,535
Others		<b>6,074</b>	12,021
		<b>172,915</b>	174,776

**20.1** Auditors' remuneration for the statutory audit and review of the Company's financial statements for the year ended 31 December 2025 amounts to Saudi Riyals 1.8 million (2024: Saudi Riyals 1.9 million). Fee for other statutory and related services provided by the auditors to the Company amounts to Saudi Riyals 0.3 million (2024: Nil).

Allocation of expenses is as follows:

	Note	<b>31 December 2025</b>	<b>31 December 2024</b>
Insurance acquisition cashflows amortisation	20.2	<b>103,821</b>	105,985
Other incurred insurance service expenses	20.2	<b>40,651</b>	38,174
Other operating expenses	20.3	<b>28,443</b>	30,617
		<b>172,915</b>	174,776

**20.2** Reported as part of insurance service expenses.

**20.3** Other operating expenses include non-attributable expenses which are administrative expenses and are not linked to insurance contracts.

**21. Zakat**Components of zakat base

Significant components of zakat base of the Company attributable to the Saudi shareholders, which are subject to adjustment under zakat and income tax regulations, are shareholders' equity at the end of the year and certain other items. Zakat base has been computed based on the zakat regulations enforced in the Kingdom of Saudi Arabia. The zakat regulations in Saudi Arabia are subject to different interpretations, and the assessments to be raised by the Zakat, Tax and Customs Authority ("ZATCA") could be different from the declaration filed by the Company.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**21. Zakat (continued)**

Following are the components of the zakat base under the new regulations:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Equity, at end of the year	<b>283,192</b>	253,597
Employee benefits obligations	<b>8,715</b>	8,558
Non-current liabilities	<b>76,729</b>	24,581
Non-current portion of lease liabilities	<b>15,225</b>	18,476
Debts classified as non-current	<b>1,968</b>	1,237
Property and equipment and intangible assets, as adjusted	<b>(10,153)</b>	(8,926)
Right of use assets	<b>(12,737)</b>	(16,103)
Investments	<b>(189,933)</b>	(140,057)
Statutory deposit	<b>(45,000)</b>	(37,500)
Zakat base	<b>128,006</b>	<b>103,863</b>

a. *Movement in zakat provision is as follows:*

	<b>31 December 2025</b>	<b>31 December 2024</b>
Opening balance	<b>30,367</b>	33,442
Provided during the year	<b>4,167</b>	4,000
Prior year reversal	<b>(2,647)</b>	(5,503)
	<b>1,520</b>	(1,503)
Payments during the year	<b>(26,015)</b>	(1,572)
Closing balance	<b>5,872</b>	30,367

b. *Status of zakat assessments*

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

The final assessments for years 2021, 2022 and 2023 have been issued by ZATCA and the related liabilities have been settled in full during the year ended 31 December 2025. The Company had maintained adequate provisions to cover these assessments.

For the year ended 31 December 2024, the ZATCA has issued a draft assessment. The Company has provided its initial response, and the assessment is currently under review by ZATCA.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**22. Basic and diluted (losses) / earnings per share**

Basic and diluted (losses) / earnings per share for the year ended 31 December 2025 and 2024 are calculated by dividing net (loss) / profit for the year attributable to the shareholders by the weighted average number of outstanding shares at the reporting date.

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:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Issued ordinary shares at 1 January	<b>30,000</b>	20,000
Rights issue adjustment	-	4,567
Weighted average number of ordinary shares	<b>30,000</b>	24,567
Net (loss) / profit for the year attributable to the shareholders	<b>(91,564)</b>	30,123
Weighted average number of ordinary shares for basic and diluted (loss) / income per share	<b>30,000</b>	24,567
Basic and diluted (losses) / earnings per share	<b>(3.05)</b>	1.23

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

**23. Related party transactions and balances**

Related parties represent major shareholders, directors 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 (affiliated entities). Pricing policies and terms of these transactions are approved by the Company's management and Board of Directors. The due from and due to balances of related parties are unsecured, interest free and repayable in cash on demand. The following are the details of the major related party transactions during the year and the related balances:

	<b>Nature of transactions</b>	<b>Transactions for the year ended</b>	
		<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Entities controlled, jointly controlled, or significantly influenced by member of board of directors</b>			
Al Mamoon Insurance Brokers	Commissions incurred	-	1,261
Najm for Insurance Services Company*	Najm fees	-	28,292

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

**Related parties' balances**

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Payable to the related parties</b>		
Al Mamoon Insurance Brokers	-	631
	-	631

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**23. Related party transactions and balances (continued)**

Key management personnel are persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and comprise top management executives including the Chief Executive Officer of the Company. The transactions with related parties are carried out at commercial terms and conditions. Compensation to key management personnel is based on employment terms and as per the by-laws of the Company.

The compensation of key management personnel during the year ended is as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Short-term benefits	<b>6,748</b>	6,893
Long-term benefits	<b>386</b>	268
	<b>7,134</b>	7,161
Remuneration to those charged with governance – Board of Directors	<b>1,663</b>	1,732
Remuneration to those charged with governance – Board Committees	<b>474</b>	396

Short-term benefits include salaries, allowances, annual bonuses and incentives whilst long-term benefits include employee benefit obligations.

Employee benefit obligations payable to key management personnel amounted to Saudi Riyals 2.1 million (2023: Saudi Riyals 1.7 million).

**24. Supplemental schedule of non-cash information**

	<b>Note</b>	<b>31 December 2025</b>	<b>31 December 2024</b>
Net changes in fair value of investment measured at FVOCI	7	<b>11,598</b>	17,661
Additions to right-of-use assets and lease liabilities	10	<b>864</b>	2,675

**25. 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 advantageous accessible market for the asset or liability.

The fair values of on-balance sheet financial instruments are not materially different (except for financial statement line item 'Financial assets at amortised cost') from their carrying amounts included in these financial statements. The fair value and carrying amount of Financial assets at amortised cost amounts to Saudi Riyals 112.4 million (2024: Saudi Riyals 92.4 million) and Saudi Riyals 117.2 million (2024: 91.0 million) respectively and are categorised within Level 1 of the fair value hierarchy.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**25. Fair value of financial instruments (continued)***a) Determination of fair value and fair value hierarchy*

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

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

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

Level 3-valuation techniques for which any significant input is not based on observable market data. The Company ascertains the Level 3 fair values based on a valuation technique which is primarily derived by net assets value of the respective investee at the year end.

*b) Carrying amounts and fair value*

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

	<b>31 December 2025°</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Investment measured at fair value through other comprehensive income (FVOCI)</b>				
Equity	-	-	<b>72,722</b>	<b>72,722</b>
<b>Financial assets measured at fair value</b>				
Discretionary portfolio	-	-	<b>26,190</b>	<b>26,190</b>
<b>Total investments</b>	-	-	<b>98,912</b>	<b>98,912</b>

	<b>31 December 2024</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Investment measured at fair value through other comprehensive income (FVOCI)</b>				
Equity	-	-	61,124	61,124
<b>Financial assets measured at fair value</b>				
Discretionary portfolio	25,219	-	26,270	51,489
<b>Total investments</b>	<b>25,219</b>	-	<b>87,394</b>	<b>112,613</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**25. Fair value of financial instruments** (continued)*b) Carrying amounts and fair value* (continued)

Specific valuation techniques used by management's independent experts to value financial instruments in Level 3 pertaining to investment in Najm, are as follows:

- **Discounted cashflows ("DCF") method:** The DCF valuation to discount the future operating cash flows of the Company to their present value using a weighted average cost of capital as the discount rate ("WACC"). The value derived from such an analysis results into a value for the enterprise (the "Enterprise Value"). This value includes the equity value of the company in addition to its net debt position. In order to arrive to an equity value of a company (the "Equity Value"), all outstanding financial debt and debt-like items, adjusted for excess cash and other liquid financial assets such as Murabahas and other investments, are subtracted from the Enterprise Value; and
- **Market multiples method:** The acquisition multiples of comparable private precedent transactions were assessed to indicate the value of the Company based on similar private transactions that have occurred during the previous period and covering full economic cycle. The Company has relied on local multiples valuation consisting of companies operating with a similar business model.

A weight of 60% and 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 deposits, accrued commission 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 year. Additionally, there were no changes in the valuation techniques. Furthermore, there were no transfers into and out of level 3 measurements.

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

	<b>31 December 2025</b>	<b>31 December 2024</b>
Balance at the beginning of the year	<b>87,394</b>	64,158
Additions during the year	<b>10,000</b>	10,000
Disposals during the year	<b>(10,168)</b>	(3,114)
Fair value gain	<b>11,686</b>	16,350
Balance at the end of the year	<b>98,912</b>	87,394

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**25. Fair value of financial instruments** (continued)

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

	Fair value		Unobservable inputs		Range of inputs		Relationship of Unobservable input to Fair value
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	
Unquoted equity investment in Najm	72,722	61,124	Revenue growth rate	Revenue growth rate	8.74%	9.9%	Reducing the revenue growth rate by 100 basis points, would decrease the fair value by SAR 1.14 million. (2024: SAR 0.61 million)
			WACC	WACC	17.00%	16.5%	Increasing the WACC by 100 basis points, would decrease the fair value by SAR 1.86 million. (2024: SAR 1.71 million)
			Terminal value growth rate	Terminal value growth rate	1.50%	1.5%	Reducing the terminal value growth rate to 0.5%, would decrease the fair value by SAR 1.06 million. (2024: SAR 1.10 million)
			EV/EBITDA multiple	EV/EBITDA multiple	7	7	Reducing the EV/EBITDA multiple to 6.0, would decrease the fair value by SAR 2.76 million (2024: SAR 2.76 million). Reducing the EV/EBITDA multiple to 6.3, would decrease the fair value by SAR 1.44 million.

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

e) *Valuation process*

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

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

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

## **26. Risk management**

### **Risk governance**

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

### **Risk management structure:**

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

### **The Board of Directors:**

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

### **Audit committee and internal audit department:**

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

### **Senior management:**

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

### **Risk management committee:**

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

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

The risks faced by the Company and the manner in which these risks are mitigated by management are summarized below:

#### **26.1 Insurance risk**

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. For longer tail claims that take some years to settle, there is also inflation risk. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, structured claims management, quarterly review of reserves as well as the use of reinsurance arrangements.

Further, strict claim review policies to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims are established to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly settling claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. Inflation risk is mitigated by taking expected inflation into account when estimating insurance contract liabilities and pricing appropriately.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

## **26. Risk management (continued)**

### **26.1 Insurance risk (continued)**

The Company purchases reinsurance as part of its risk mitigation program. Reinsurance ceded is placed on both a proportional and non-proportional basis. The majority of proportional reinsurance is quota-share reinsurance which is taken out to reduce the overall exposure of the Company to certain classes of business. Non-proportional reinsurance is primarily excess-of-loss reinsurance designed to mitigate the Company's net exposure to catastrophe losses. Retention limits for the excess-of-loss reinsurance vary by product line and territory.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Company has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance arrangements. The Company's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Company substantially dependent upon any single reinsurance contract.

#### *(a) Frequency and severity of claims*

The frequency and severity of claims can be affected by several factors like natural disasters, flood, environmental and economical, atmospheric disturbances, concentration of risks, civil riots etc. The Company manages this risk through the measures described above. The company has limited its risk by imposing maximum claim amounts on certain contracts as well as the use of reinsurance arrangements in order to limit exposure to catastrophic events (e.g., hurricanes, earthquakes and flood damage). The purpose of these underwriting and reinsurance strategies is to limit exposure to catastrophes based on the Company's risk appetite as decided by management. The Board of Directors may decide to increase or decrease the maximum tolerances based on market conditions and other factors.

#### *(b) Concentration of insurance risk*

The Company monitors the concentration of insurance risks primarily by class of business. The major concentration lies in medical and motor segments.

The Company also monitors the concentration of risk by evaluating multiple risks covered in the same geographical location. For flood or earthquake risk, a complete city is classified as a single location. For fire and property risk a particular building and neighbouring buildings, which could be affected by a single claim incident, are considered as a single location. Similarly, for marine risk, multiple risks covered in a single vessel voyage are considered as a single risk while assessing concentration of risk. The Company evaluates the concentration of exposures to individual and cumulative insurance risks and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

Since the Company operates primarily in Saudi Arabia, hence, all the insurance risks relate to policies written in Saudi Arabia.

#### *(c) Reinsurance Risk*

In order to minimize financial exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other parties for reinsurance purposes.

To minimize its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Reinsurers are selected using the following parameters and guidelines set by the Company's Board of Directors. The criteria may be summarized as follows:

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.1 Insurance risk** (continued)*(c) Reinsurance Risk* (continued)

- Minimum acceptable credit rating by recognized rating agencies (e.g. Fitch) that is not lower than BBB or equivalent;
- Reputation of particular reinsurance companies; and
- Existing or past business relationship with the reinsurer.

Furthermore, the financial strength and managerial and technical expertise as well as historical performance of the reinsurers, wherever applicable, are thoroughly reviewed by the Company and agreed to pre-set requirements of the Company's Board of Directors and Reinsurance Committee before approving them for reinsurance business. As at 31 December 2025 and 31 December 2024 there is no significant concentration of reinsurance balances.

Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders and as a result the Company remains liable for the portion of insurance contract liabilities reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

There is no single counterparty exposure that exceeds 10% of total reinsurance assets at the reporting date.

The nature of the Company's exposure to insurance risks and its objectives, policies and processes used to manage and measure the risks have not changed from the previous year.

The following tables show the concentration of net insurance contract liabilities by type of contract:

	<b>31 December 2025</b>			<b>31 December 2024</b>		
	<b>Insurance contracts issued</b>	<b>Reinsurance contracts held</b>	<b>Net</b>	<b>Insurance contracts issued</b>	<b>Reinsurance contracts held</b>	<b>Net</b>
Medical	<b>60,662</b>	<b>4,474</b>	<b>56,188</b>	33,763	278	33,485
Motor-Comprehensive	<b>23,779</b>	<b>71</b>	<b>23,708</b>	47,862	4,542	43,320
Motor-TPL	<b>248,156</b>	<b>1,292</b>	<b>246,864</b>	162,874	18,329	144,545
Accident & liability	<b>18,538</b>	<b>3,118</b>	<b>15,420</b>	21,293	6,123	15,170
Engineering	<b>8,821</b>	<b>5,548</b>	<b>3,273</b>	14,524	10,819	3,705
Property	<b>112,761</b>	<b>99,125</b>	<b>13,636</b>	106,549	102,601	3,948
Marine	<b>21,433</b>	<b>18,775</b>	<b>2,658</b>	23,876	21,441	2,435
<b>Total</b>	<b>494,150</b>	<b>132,403</b>	<b>361,747</b>	410,741	164,133	246,608

*(d) Sensitivities analysis on major assumptions used*

The following sensitivity analysis shows the impact on gross and net liabilities, profit / loss before zakat and equity for reasonably possible movements in key assumptions with all other assumptions held constant. The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year. The impact of sensitivities to changes in discount rates is minimal therefore not presented.

The Company believes that the claim liabilities under insurance contracts outstanding at the reporting periods below are adequate. However, these amounts are not certain and actual payments may differ from the claim's liabilities provided in the financial statements. The insurance results are sensitive to various assumptions. It has not been possible to quantify the sensitivity specific variables such as legislative changes or uncertainties in the estimation process.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.1 Insurance risk** (continued)*(d) Sensitivities analysis on major assumptions used* (continued)

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Liability for incurred claims</b>		
Estimates of present value of FCF	<b>210,779</b>	222,600
Risk adjustment for non-financial risk	<b>9,073</b>	9,259
<b>Asset for incurred claims</b>		
Estimates of present value of FCF	<b>(125,804)</b>	(141,369)
Risk adjustment for non-financial risk	<b>(5,973)</b>	(5,837)

Following are the sensitivities derived for the portfolios computed under PAA approach after risk mitigation by reinsurance contracts held:

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Change in estimates of present value of FCF</b>		
Unpaid claims and expenses increase by 5%	<b>(10,539)</b>	(11,574)
Unpaid claims and expenses decrease by 5%	<b>10,539</b>	11,574
<b>Change in risk adjustment for non-financial risk</b>		
5 percentiles increase in the confidence level	<b>(605)</b>	(617)
5 percentiles decrease in the confidence level	<b>605</b>	617

Following are the sensitivities derived for the portfolios computed under PAA approach for the reinsurance contracts held:

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Change in estimates of present value of FCF</b>		
Unpaid claims and expenses increase by 5%	<b>6,290</b>	7,068
Unpaid claims and expenses decrease by 5%	<b>(6,290)</b>	(7,068)
<b>Change in risk adjustment for non-financial risk</b>		
5 percentiles increase in the confidence level	<b>398</b>	389
5 percentiles decrease in the confidence level	<b>(398)</b>	(389)

The following shows the impact of a reasonable possible change in direct expense ratio on the loss component as at the reporting date.

	<b>31 December 2025</b>	<b>31 December 2024</b>
<b>Impact on equity, insurance contract liabilities and profit or loss due to change in direct expense ratio – loss component*</b>		
Increase by 2%	<b>(4,938)</b>	(3,600)
Decrease by 2%	<b>4,938</b>	1,600

\*Direct expense ratio is the ratio of sum of directly attributable expenses, acquisition cashflows and surplus for the period to earned premium.

*(e) Claims development table*

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. In setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.1 Insurance risk** (continued)*(e) Claims development table* (continued)

The Company aims to maintain adequate reserves in respect of its insurance business in order to protect against adverse future claims experience and developments. Claims triangulation analysis is by accident years, spanning a number of financial years.

<b>2025 Accident year</b>	<b>2021 &amp; earlier</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Undiscounted liabilities for incurred claims, gross of reinsurance:</b>						
At end of accident year	402,855	542,183	547,471	577,378	452,920	2,522,807
1 year later	379,739	537,198	515,464	564,166	-	1,996,567
2 years later	382,379	538,386	510,443	-	-	1,431,208
3 years later	385,943	536,913	-	-	-	922,856
4 years later	2,947,136	-	-	-	-	2,947,136
<b>Gross estimates of the undiscounted amount of the claims</b>	2,947,136	536,913	510,443	564,166	452,920	5,011,578
<b>Cumulative gross claims and other incurred insurance service expenses paid</b>	(2,929,940)	(535,804)	(504,401)	(459,807)	(375,078)	(4,805,030)
<b>Gross undiscounted liabilities for incurred claims</b>	17,196	1,109	6,042	104,359	77,842	206,548
Gross undiscounted liabilities for other incurred insurance service expenses						3,605
Effect of surplus distribution payable						5,918
Total Gross undiscounted liabilities for other incurred insurance service expenses						216,071
Effect of discounting						(5,292)
<b>Gross discounted liabilities for incurred claims excluding risk adjustment (Note 9.2.1)</b>						210,779
Effect of the risk adjustment margin for non-financial risk (Note 9.2.1)						9,073
<b>Gross liabilities for incurred claims</b>						219,852

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.1 Insurance risk** (continued)*(e) Claims development table* (continued)

<b>2025 Accident year</b>	<b>2021 &amp; earlier</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
<b>Undiscounted liabilities for incurred claims, net of reinsurance:</b>						
<b>At end of accident year</b>	<b>366,040</b>	<b>479,683</b>	<b>498,123</b>	<b>431,468</b>	<b>435,083</b>	<b>2,210,397</b>
1 year later	<b>347,120</b>	<b>473,278</b>	<b>469,502</b>	<b>428,146</b>	-	<b>1,718,046</b>
2 years later	<b>347,841</b>	<b>475,348</b>	<b>464,907</b>	-	-	<b>1,288,096</b>
3 years later	<b>351,531</b>	<b>474,293</b>	-	-	-	<b>825,824</b>
4 years later	<b>2,828,758</b>	-	-	-	-	<b>2,828,758</b>
<b>Net estimates of the undiscounted amount of the claims</b>	<b>2,828,758</b>	<b>474,293</b>	<b>464,907</b>	<b>428,146</b>	<b>435,083</b>	<b>4,631,187</b>
<b>Cumulative net claims and other directly attributable expenses paid</b>	<b>(2,826,909)</b>	<b>(473,288)</b>	<b>(459,661)</b>	<b>(417,065)</b>	<b>(370,751)</b>	<b>(4,547,674)</b>
<b>Net undiscounted liabilities for incurred claims</b>	<b>1,849</b>	<b>1,005</b>	<b>5,246</b>	<b>11,081</b>	<b>64,332</b>	<b>83,513</b>
Net undiscounted liabilities for other incurred insurance service expenses						<b>(2,120)</b>
Effect of surplus distribution payable						<b>5,918</b>
Effect of discounting						<b>(2,336)</b>
<b>Net discounted liabilities for incurred claims excluding risk adjustment</b>						<b>84,975</b>
Effect of the risk adjustment margin for non-financial risk						<b>3,100</b>
<b>Net liabilities for incurred claims</b>						<b>88,075</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.1 Insurance risk** (continued)*(e) Claims development table* (continued)

The reconciliation of the net liabilities for incurred claims with the aggregate carrying amounts of the groups of insurance contracts and reinsurance contracts is presented below:

	<b>Estimates of present value of FCF</b>	<b>Risk adjustment for non-financial risk</b>	<b>Total</b>
Gross liabilities for incurred claims	<b>210,779</b>	<b>9,073</b>	<b>219,852</b>
Amounts recoverable from reinsurers	<b>(125,804)</b>	<b>(5,973)</b>	<b>(131,777)</b>
<b>Net liabilities for incurred claims</b>	<b>84,975</b>	<b>3,100</b>	<b>88,075</b>

**26.2 Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market commission rates (commission rate risk) and market prices (price risk).

- The Company's market risk policy sets out the assessment and determination of what constitutes market risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains for policyholders which are in line with their expectations.
- The Company stipulates diversification benchmarks by type of instrument and geographical area.

The Board of Directors of the Company ensure that the overall market risk exposure is maintained at prudent levels and is consistent with the available capital. While the Board of Directors gives a strategic direction and goals, risk management function related to market risk is mainly the responsibility of the Investment Committee team. The team prepares forecasts showing the effects of various possible changes in market conditions related to risk exposures. This risk is being mitigated through the proper selection of securities. The Company maintains diversified portfolio and performs regular monitoring of developments in related markets. In addition, the key factors that affect stock and sukuk market movements are monitored, including analysis of the operational and financial performance of investees.

Market risk comprises of three types of risk: currency risk, commission rate risk and other price risk.

*a) Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management assesses that there is minimal risk of significant losses due to exchange rate fluctuations and, consequently, the Company does not hedge its foreign currency exposure. The Company has transactions in Saudi Riyals and US Dollars which are pegged and hence there is no currency risk exposure to the Company.

*b) Commission rate risk*

Commission rate risk is the risk that the value of future cash flows of a financial instrument will change because of change in market commission rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value commission rate risk.

There is no direct contractual relationship between financial assets and insurance and reinsurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net commission rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The Company has no significant concentration of interest rate risk.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.2 Market risk** (continued)

The Company is exposed to commission rate risk through its debt instruments held, deposits and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred. The Company determines a reasonably possible change in interest rates by analysing recent market volatility, historical benchmark rate movements, and current economic forecasts.

The Company's exposure to commission rate risk sensitive instruments are, as follows:

	<u>2025</u>	<u>2024</u>
Insurance contract liabilities, net	<b>494,150</b>	410,741
Reinsurance contract assets, net	<b>132,403</b>	164,133
Debt instruments at amortized cost	<b>349,300</b>	241,872

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit/(loss) before zakat and impact on equity. The correlation of variables will have a significant effect in determining the ultimate impact of commission rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous year.

	<b>Changes in commission rate</b>	<u>31 December 2025</u>	<u>31 December 2024</u>
Insurance contract liabilities, net	+/-2%	<b>9,883</b>	8,215
Reinsurance contract assets, net	+/-2%	<b>2,648</b>	3,283
Debt instruments at amortized cost	+/-2%	<b>6,986</b>	4,837

*c) Other price risk*

Other price risk is the risk that the fair value or future cash flows of financial instruments or insurance contract assets and / or liabilities will fluctuate because of changes in market prices (other than those arising from commission rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or contract, or by factors affecting all similar financial instruments traded in the market.

The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company does not issue any participating contracts. Therefore, there are no insurance or reinsurance contracts which are exposed to price risk. The Company's investments amounting to Saudi Riyals 26.2 million (31 December 2024: SAR 51.5 million) are susceptible to market price risk arising from uncertainty about the future value of invested securities. The Company limits this nature of market risk by diversifying its invested and by actively monitoring the developments in markets.

	<u>Fair value change</u>	<u>Effect on Company's profit / equity</u>
31 December 2025	+/-10%	+ / - <b>2,619</b>
31 December 2024	+/-10%	+/- 5,149

The impact of hypothetical change of a 10% increase and 10% decrease in the market prices of investments measured at fair value through other comprehensive income on Company's comprehensive income would be as follows:

	<u>Fair value change</u>	<u>Effect on Company's comprehensive income / equity</u>
31 December 2025	+/-10%	+/- <b>7,272</b>
31 December 2024	+/-10%	+/-6,112

The sensitivity analysis presented is based upon the portfolio position as at 31 December 2025 and 2024. Accordingly, the sensitivity analysis prepared is not necessarily indicative of the effect on the Company's assets of future movements in the value of investments held by the Company. The method used for deriving sensitivity information and significant variables has not changed from the previous year.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.3 Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial instruments held by the Company, the maximum credit risk exposure to the Company is the carrying value as disclosed in the statement of financial position.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

The Company only enters into insurance and reinsurance contracts with recognized, credit worthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Company's exposure to bad debts.

The Company seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

The Company's investment portfolio is managed by the investment committee in accordance with the investment policy established by the investment committee, which is approved by the Board of Directors.

The Company's other financial assets are held with commercial banks and financial institutions with strong financial positions and credit ratings. The Company's policy is to invest in high-quality, liquid (that is, investment-grade) financial instruments. The Company maintains its bank balances, short-term, long term and statutory deposits with banks which have investment grade credit ratings. Investments are made in instruments with either investment grade or satisfactory non-investment grade credit rating.

The table below shows the maximum exposure to credit risk for the components of the statement of financial position:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Cash and cash equivalents	<b>282,383</b>	232,802
Term deposits	<b>93,177</b>	60,797
Reinsurance contract assets	<b>132,403</b>	164,133
Investments	<b>143,401</b>	142,457
Statutory deposit	<b>45,000</b>	37,500
Accrued commission income on statutory deposit	<b>1,968</b>	1,237
Staff receivables	<b>1,631</b>	1,899
	<b>699,963</b>	640,825

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the management's best estimate. Investment grade is considered to be the highest possible rating. Assets falling outside the range of investment grade are classified as non-investment grade satisfactory or past due but not impaired.

	<b>Investment grade</b>	<b>Non-investment grade</b>		<b>Total</b>
		<b>Satisfactory</b>	<b>Past due but not impaired</b>	
<b>31 December 2025</b>				
Cash and cash equivalents	<b>282,383</b>	-	-	<b>282,383</b>
Term deposits	<b>93,177</b>	-	-	<b>93,177</b>
Reinsurance contract assets	-	<b>129,729</b>	<b>1,923</b>	<b>132,403</b>
Investments	<b>143,401</b>	-	-	<b>143,401</b>
Statutory deposit	<b>45,000</b>	-	-	<b>45,000</b>
Accrued commission income on statutory deposit	<b>1,968</b>	-	-	<b>1,968</b>
Staff receivables	-	<b>1,631</b>	-	<b>1,631</b>
	<b>565,929</b>	<b>131,360</b>	<b>1,923</b>	<b>699,963</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.3 Credit risk** (continued)

	Investment grade	Non-investment grade			Total
		Satisfactory	Past due but not impaired	Past due and impaired	
<b>31 December 2024</b>					
Cash and cash equivalents	232,803	-	-	-	232,803
Term deposits	60,797	-	-	-	60,797
Reinsurance contract assets	-	160,956	837	2,340	164,133
Investments	142,457	-	-	-	142,457
Statutory deposit	37,500	-	-	-	37,500
Accrued commission income on statutory deposit	1,237	-	-	-	1,237
Staff receivables	-	1,899	-	-	1,899
	<b>474,794</b>	<b>162,855</b>	<b>837</b>	<b>2,340</b>	<b>640,826</b>

**Concentration of credit risk**

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. All of the Company's underwriting activities are carried out in Saudi Arabia. The Company's portfolio of financial instruments is broadly diversified, and transactions are entered into with diverse credit-worthy counterparties thereby mitigating any significant concentrations of credit risk.

**26.4 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet obligations and commitments associated with financial liabilities. The Company has a proper cash management system, where daily cash collections and payments are strictly monitored and reconciled on regular basis. The Company manages liquidity risk by maintaining maturities of financial assets and financial liabilities and investing in liquid financial assets. Further, the Company manages liquidity risk as follows:

- The Company's liquidity risk policy which sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- Guidelines are set for asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.
- Contingency funding plans are in place, which specify minimum proportions of funds to meet emergency calls as well as specifying events that would trigger such plans.
- The Company's catastrophe excess-of-loss reinsurance contracts contain clauses permitting the immediate draw down of funds to meet claim payments should claim events exceed a certain size.

The table below summarizes the maturities of the Company's undiscounted contractual obligations relating to financial assets and liabilities as at 31 December 2025 and 2024.

	Less than 12 months	More than 12 months	Total
<b>Financial assets</b>			
Financial assets at fair value through profit or loss ("FVTPL")	<b>26,190</b>	-	<b>26,190</b>
Financial assets at fair value through other comprehensive income ("FVOCI")	-	<b>72,722</b>	<b>72,722</b>
Financial assets at amortised cost	-	<b>117,211</b>	<b>117,211</b>
Statutory deposit	-	<b>45,000</b>	<b>45,000</b>
Accrued commission income on statutory deposit	-	<b>1,968</b>	<b>1,968</b>
Term deposits	<b>93,177</b>	-	<b>93,177</b>
Cash and cash equivalents	<b>282,383</b>	-	<b>282,383</b>
<b>31 December 2025</b>	<b>401,750</b>	<b>236,901</b>	<b>638,651</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management (continued)**
**26.4 Liquidity risk (continued)**

<b>Financial liabilities</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Accrued expenses and other liabilities	12,949	-	12,949
Lease liabilities	4,848	11,222	16,070
Accrued commission income on statutory deposit	1,968	-	1,968
<b>31 December 2025</b>	<b>19,765</b>	<b>11,222</b>	<b>30,987</b>

<b>Financial assets</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Financial assets at fair value through profit or loss ("FVTPL")	35,739	15,750	51,489
Financial assets at fair value through other comprehensive income ("FVOCI")	-	61,124	61,124
Financial assets at amortised cost	12,035	78,933	90,968
Statutory deposit	-	37,500	37,500
Accrued commission income on statutory deposit	-	1,237	1,237
Term deposits	60,797	-	60,797
Cash and cash equivalents	232,803	-	232,803
<b>31 December 2024</b>	<b>341,374</b>	<b>194,544</b>	<b>535,918</b>

<b>Financial liabilities</b>	<b>Less than 12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Accrued expenses and other liabilities	22,530	-	22,530
Lease liabilities	4,764	14,977	19,741
Accrued commission income on statutory deposit	1,237	-	1,237
<b>31 December 2024</b>	<b>28,531</b>	<b>14,977</b>	<b>43,508</b>

<b>Insurance contracts issued</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>Above 5 years</b>
Medical	7,005	108	2	-	-	-
Motor Comprehensive	11,452	620	186	54	-	-
Motor-TPL	46,393	9,472	3,709	547	38	-
Accident & Liability	3,422	1,481	1,290	277	33	-
Engineering	1,708	1,362	1,106	-	-	-
Property	104,698	708	31	-	-	-
Marine	20,155	214	-	-	-	-
<b>31 December 2025</b>	<b>194,833</b>	<b>13,965</b>	<b>6,324</b>	<b>878</b>	<b>71</b>	<b>-</b>

<b>Reinsurance contracts held</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>Above 5 years</b>
Medical	4,421	68	1	-	-	-
Motor Comprehensive	182	10	3	1	-	-
Motor-TPL	1,966	401	157	23	2	-
Accident & Liability	70	30	26	6	1	-
Engineering	1,313	1,047	850	-	-	-
Property	99,184	671	30	-	-	-
Marine	18,115	193	-	-	-	-
<b>31 December 2025</b>	<b>125,251</b>	<b>2,420</b>	<b>1,067</b>	<b>30</b>	<b>3</b>	<b>-</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**26. Risk management** (continued)**26.4 Liquidity risk** (continued)

<b>Insurance contracts issued</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>Above 5 years</b>
Medical	6,396	124	1	-	-	-
Motor Comprehensive	16,900	1,468	158	-	-	-
Motor TPL	50,110	14,257	7,345	1,990	219	-
Accident & Liability	2,811	1,856	969	147	-	-
Engineering	1,634	840	782	3,881	-	-
Property	72,162	26,419	-	-	-	-
Marine	20,935	42	-	-	-	-
<b>31 December 2024</b>	<b>170,948</b>	<b>45,006</b>	<b>9,255</b>	<b>6,018</b>	<b>219</b>	<b>-</b>

<b>Reinsurance contracts held</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>3-4 years</b>	<b>4-5 years</b>	<b>Above 5 years</b>
Medical	1	-	-	-	-	-
Motor Comprehensive	3,673	430	42	-	-	-
Motor TPL	13,432	4,292	2,222	608	46	-
Accident & Liability	305	201	105	16	-	-
Engineering	1,356	679	614	3,182	-	-
Property	70,258	25,864	-	-	-	-
Marine	18,969	32	-	-	-	-
<b>31 December 2024</b>	<b>107,994</b>	<b>31,498</b>	<b>2,983</b>	<b>3,806</b>	<b>46</b>	<b>-</b>

To manage the liquidity risk arising from financial liabilities mentioned above, the Company holds liquid assets comprising cash and cash equivalents and investment securities. These assets can be readily sold to meet liquidity requirements.

The assets with maturity less than one year are expected to realize as follows:

- Fair value through profit or loss investments includes investments in mutual funds and Murabaha placements and are held for cash management purposes and expected to be matured/ settled within 12 months from the balance sheet date.
- Term deposits classified as includes deposits placed with high credit rating financial institutions with maturity of less than twelve months from the date of placement.
- Cash and bank balances are available on demand.
- Reinsurers contract assets mainly pertain to property and casualty segment and are generally realized within 6 to 9 months based on settlement of claims.

The liabilities with maturity less than one year are expected to settle as follows:

- Reinsurers contract liabilities are settled on a periodic basis as per terms of reinsurance agreements.
- Majority of insurance contract liabilities are expected to be settled within 12 months in accordance with statutory timelines for payment. Property and casualty policies due to the inherent nature are generally settled within 12 months from the date of receipt of loss adjustor report.
- Accrued expenses and other liabilities are expected to settle within a year of 12 months from the year end date except for end of services benefits.

## **SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

#### **27. 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 amounts of dividends paid to shareholders or issue shares.

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

As per guidelines laid out by 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; or
- Claims solvency margin

The equity as at 31 December 2025 consists of paid-up share capital of Saudi Riyals 300 million, accumulated losses of Saudi Riyals 101.2 million, fair value revaluation reserve of Saudi Riyals 70.8 million and remeasurement reserve of employee benefit obligations of Saudi Riyals 0.3 million (31 December 2024: paid-up share capital of SAR 200 million, accumulated losses of SAR 5.6 million, fair value revaluation reserve of Saudi Riyals 59.2 million and remeasurement reserve of employee benefit obligations of Saudi Riyals 0.7 million), in the statement of financial position.

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

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements as at 31 December 2025.

#### **28. Operating segments**

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

Transactions between the operating segments are on normal commercial terms and conditions. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of income. Segment assets and liabilities comprise operating assets and liabilities. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 31 December 2024.

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

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**28. Operating segments** (continued)

Segment liabilities do not include accrued expenses and other liabilities, provision for zakat, lease liabilities, employee benefit obligations and accrued commission income on statutory deposit. Accordingly, these are included in unallocated liabilities.

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

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

<b>For the year ended 31 December 2025</b>	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
Insurance revenue	122,841	368,249	67,287	558,377
Insurance service expenses	(119,340)	(444,462)	(32,590)	(596,392)
Net expenses from reinsurance contracts	(3,164)	(6,624)	(40,498)	(50,286)
<b>Insurance service result from Company's directly written business</b>	<b>337</b>	<b>(82,837)</b>	<b>(5,801)</b>	<b>(88,301)</b>
Share of surplus from insurance pools	-	-	-	2,824
<b>Total insurance service result</b>	<b>337</b>	<b>(82,837)</b>	<b>(5,801)</b>	<b>(85,477)</b>
Commission income from financial assets not measured at FVTPL				26,800
Net gains on financial assets measured at FVTPL				214
Net impairment reversal on financial assets				133
<b>Net investment income</b>				<b>27,147</b>
Net finance costs from insurance contracts	(232)	(2,780)	(5,232)	(8,244)
Net finance income from reinsurance contracts	3	319	4,736	5,058
<b>Net insurance finance costs</b>	<b>(229)</b>	<b>(2,461)</b>	<b>(496)</b>	<b>(3,186)</b>
<b>Net insurance and investment result</b>	<b>108</b>	<b>(85,298)</b>	<b>(6,297)</b>	<b>(61,516)</b>
Other expense				(85)
Other operating expenses				(28,443)
<b>Loss for the year attributable to the shareholders before zakat</b>				<b>(90,044)</b>
Zakat				(1,520)
<b>Net loss for the year attributable to the shareholders</b>				<b>(91,564)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**28. Operating segments (continued)****For the year ended 31 December 2024**

	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
Insurance revenue	118,393	500,398	59,688	678,479
Insurance service expenses	(98,850)	(468,419)	(130,757)	(698,026)
Net expenses from reinsurance contracts	(1,566)	(15,535)	70,520	53,419
<b>Insurance service result from Company's directly written business</b>	<b>17,977</b>	<b>16,444</b>	<b>(549)</b>	<b>33,872</b>
Share of surplus from insurance pools	-	-	-	2,281
<b>Total insurance service result</b>	<b>17,977</b>	<b>16,444</b>	<b>(549)</b>	<b>36,153</b>
Commission income from financial assets not measured at FVTPL				26,688
Net losses on financial assets measured at FVTPL				(483)
Net impairment losses on financial assets				(50)
<b>Net investment income</b>				<b>26,155</b>
Net finance costs from insurance contracts	(289)	(3,109)	(175)	(3,573)
Net finance income from reinsurance contracts	6	323	24	353
<b>Net insurance finance costs</b>	<b>(283)</b>	<b>(2,786)</b>	<b>(151)</b>	<b>(3,220)</b>
<b>Net insurance and investment result</b>	<b>17,694</b>	<b>13,658</b>	<b>(700)</b>	<b>59,088</b>
Other income				149
Other operating expenses				(30,617)
<b>Profit for the year attributable to the shareholders before zakat</b>				<b>28,620</b>
Zakat				1,503
<b>Net profit for the year attributable to the shareholders</b>				<b>30,123</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**28. Operating segments (continued)**

<b>As at 31 December 2025</b>	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
<b>Assets</b>				
Reinsurance contract assets	4,474	1,363	126,566	132,403
Unallocated assets	-	-	-	676,372
<b>Total assets</b>				<b>808,775</b>
<b>Liabilities</b>				
Insurance contract liabilities	60,662	271,935	161,553	494,150
Unallocated liabilities	-	-	-	44,729
<b>Total liabilities</b>				<b>538,879</b>
<b>As at 31 December 2024</b>				
<b>Assets</b>				
Reinsurance contract assets	278	22,871	140,984	164,133
Unallocated assets	-	-	-	581,373
<b>Total assets</b>				<b>745,506</b>
<b>Liabilities</b>				
Insurance contract liabilities	33,763	210,736	166,242	410,741
Unallocated liabilities	-	-	-	80,439
<b>Total liabilities</b>				<b>491,180</b>

**29. Surplus distribution**

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

Transfer to Shareholders' operations	90%
Transfer to Policyholders payable	10%
	<b>100%</b>

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

The surplus payables to policyholders for the year 31 December 2025 amounts to Saudi Riyals 5.9 million (2024: Saudi Riyals 6.5 million). This has been allocated as follows:

	<b>31 December 2025</b>	<b>31 December 2024</b>
Medical	848	1,174
Motor Comprehensive	459	519
Motor TPL	4,508	4,524
Accident & liability	56	117
Engineering	10	58
Property	33	127
Marine	4	27
<b>Total</b>	<b>5,918</b>	<b>6,546</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**30. Commitments and contingencies**

1. The Company, in common with significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not believe that the outcome of these cases will have a material impact on the Company's financial performance.
2. The Company's bankers have given guarantees to non-government customers amounting to Saudi Riyals 2.2 million (2024: Saudi Riyals 2.2 million) in respect of motor insurance. During 2022, the Company had settled the liability with the ZATCA for the years 2008 to 2012.
3. See Note 21 for contingencies pertaining to zakat and income tax assessments.

**31. Comparative figures**

During the year ended 31 December 2025, management of the Company reassessed the presentation of certain transactions and concluded that a reclassification is required to comply with the requirements of International Financial Reporting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements issued by the Saudi Organization for Chartered and Professional Accountants ("SOCPA"). Accordingly, management has restated the comparative statement of cash flows as summarised below.

In accordance with International Accounting Standard 7 - Statement of Cash Flows ("IAS 7"), as endorsed in the Kingdom of Saudi Arabia, all cash received from commission income on financial assets not measured at FVTPL should be presented separately within operating activities in the statement of cash flows and commission income earned from such financial assets should be included as non cash transaction adjustment within operating activities. Previously, only commission income received from Sukuks which are measured at amortised cost was separately disclosed in investing activities, and commission income earned and received on other financial assets not measured at FVTPL were omitted. Management has corrected this error by separately presenting all commission income earned and received in operating activities which includes commission income received from Sukuks to ensure compliance with IAS 7 as detailed below.

	<i>Previously reported</i>	<i>Restatement</i>	<i>Restated amount</i>
<b><u>Statement of cashflows</u></b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i>For the year ended 31 December 2024</i>			
<b>Adjustments for non-cash items:</b>			
Commission income from investments measured at amortised cost	(2,034)	2,034	-
Commission income from financial assets not measured at FVTPL	-	(26,688)	(26,688)
	<u>36,705</u>	<u>(24,654)</u>	<u>12,051</u>
Cash used in operations	(152,613)	(24,654)	(177,267)
Commission income received from financial assets not measured at FVTPL	-	26,951	26,951
<b>Net cash used in operating activities</b>	<b>(155,575)</b>	<b>2,297</b>	<b>(v)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**31. Comparative figures** (continued)

	<i>Previously reported</i>	<i>Restatement</i>	<i>Restated amount</i>
<b><i>Statement of cashflows</i></b> (continued)			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Term deposits	28,160	(923)	27,237
Commission income received from financial assets at amortised cost	1,374	(1,374)	-
<b>Net cash used in investing activities</b>	<b>(21,810)</b>	<b>(2,297)</b>	<b>(24,107)</b>

The reclassification had no impact on the net decrease in cash and cash equivalents in the statement of cash flows, statement of financial position, statement of comprehensive income, or statement of changes in equity.

**32. Subsequent events**

Subsequent to the reporting date, the Company's shareholders approved the proposed merger in the EOGM held on 15 Rajab 1447H (4 January 2026). However, Enaya's shareholders disapproved the merger in their EOGM held on 13 Sha'ban 1447H (1 February 2026). Accordingly, the merger will not proceed and the process is considered terminated (see Note 1).

Subsequent to the year ended 31 December 2025, significant geopolitical developments occurred in the Gulf region. While the situation introduces uncertainty regarding potential future claims and risk exposure, there is currently insufficient information to estimate any impact on the Company's financial position as at 31 December 2025. This is considered as a non-adjusting subsequent event under IAS 10 "Events after the reporting period". Management continues to monitor the situation closely and will provide updates and disclosures in future periods, if required, as more information becomes available.

There have been no other subsequent events since the year end, that would require disclosures or adjustments in these financial statements.

**33. Gross written premium**

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

**For the year ended 31 December 2025**

Breakdown of GWP	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
Retail	<b>38,004</b>	<b>348,480</b>	<b>3,961</b>	<b>390,445</b>
Very small	<b>89,618</b>	<b>4,782</b>	<b>4,027</b>	<b>98,427</b>
Small	<b>8,097</b>	<b>13,654</b>	<b>10,980</b>	<b>32,731</b>
Medium	<b>7,074</b>	<b>24,582</b>	<b>15,418</b>	<b>47,074</b>
Corporate	<b>27,059</b>	<b>27,677</b>	<b>31,676</b>	<b>86,412</b>
<b>Total</b>	<b>169,852</b>	<b>419,175</b>	<b>66,062</b>	<b>655,089</b>

**For the year ended 31 December 2024**

Breakdown of GWP	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
Retail	1,259	280,335	6,278	287,872
Very small	58,472	7,976	3,534	69,982
Small	3,566	22,152	7,531	33,249
Medium	2,628	17,222	18,711	38,561
Corporate	28,659	29,233	39,014	96,906
<b>Total</b>	<b>94,584</b>	<b>356,918</b>	<b>75,068</b>	<b>526,570</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**  
(A Saudi Joint Stock Company)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**34. Net written premium**

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

**For the year ended 31 December 2025**

<b>Item</b>	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
Gross written premium	<b>169,852</b>	<b>419,175</b>	<b>66,062</b>	<b>655,089</b>
Reinsurance premium ceded – globally (including excess of loss)	<b>(17,612)</b>	<b>(3,742)</b>	<b>(38,316)</b>	<b>(59,670)</b>
Reinsurance premium ceded – locally (including excess of loss)	<b>(2)</b>	<b>(1,313)</b>	<b>(10,342)</b>	<b>(11,657)</b>
Net written premium - total	<b>152,238</b>	<b>414,120</b>	<b>17,404</b>	<b>583,762</b>

**For the year ended 31 December 2024**

	<b>Medical</b>	<b>Motor</b>	<b>Others</b>	<b>Total</b>
Gross written premium	94,584	356,918	75,068	526,570
Reinsurance premium ceded – globally (including excess of loss)	(10,897)	(17,310)	(46,076)	(74,283)
Reinsurance premium ceded – locally (including excess of loss)	(96)	(5,555)	(8,789)	(14,440)
Net written premium – total	<b>83,591</b>	<b>334,053</b>	<b>20,203</b>	<b>437,847</b>

**35. Approval of the financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2026 corresponding to 9 Ramadan 1447H.

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**Supplementary information**

As required by the SAMA Implementing Regulations, the statement of financial position, statement of income and statement of cash flows are separately disclosed for both insurance operations and shareholders' operations as follows:

**a) STATEMENT OF FINANCIAL POSITION**

	<b>31 December 2025</b>			<b>31 December 2024</b>		
	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
<b>ASSETS</b>						
Cash and cash equivalents	<b>272,313</b>	<b>10,070</b>	<b>282,383</b>	142,660	90,143	232,803
Term deposits	-	<b>93,177</b>	<b>93,177</b>	60,796	1	60,797
Investments:						
Financial assets at fair value through profit or loss ("FVTPL")	<b>10,440</b>	<b>15,750</b>	<b>26,190</b>	35,739	15,750	51,489
Financial assets at fair value through other comprehensive income ("FVOCI")	-	<b>72,722</b>	<b>72,722</b>	-	61,124	61,124
Financial assets at amortised cost	-	<b>117,211</b>	<b>117,211</b>	10,586	80,382	90,968
Prepaid expenses and other assets	<b>14,679</b>	<b>152</b>	<b>14,831</b>	18,144	2,282	20,426
Reinsurance contract assets	<b>132,403</b>	-	<b>132,403</b>	164,133	-	164,133
Right-of-use assets	<b>12,737</b>	-	<b>12,737</b>	16,103	-	16,103
Property and equipment	<b>6,064</b>	-	<b>6,064</b>	6,334	-	6,334
Intangible assets	<b>4,089</b>	-	<b>4,089</b>	2,592	-	2,592
Statutory deposit	-	<b>45,000</b>	<b>45,000</b>	-	37,500	37,500
Accrued commission income on statutory deposit	-	<b>1,968</b>	<b>1,968</b>	-	1,237	1,237
Due from shareholders' operations	<b>74,336</b>	-	<b>74,336</b>	1,137	-	1,137
<b>TOTAL ASSETS</b>	<b>527,061</b>	<b>356,050</b>	<b>883,111</b>	458,224	288,419	746,643
Less: Inter-operations eliminations	<b>(74,336)</b>	-	<b>(74,336)</b>	(1,137)	-	(1,137)
<b>TOTAL ASSETS AS PER STATEMENT OF FINANCIAL POSITION</b>	<b>452,725</b>	<b>356,050</b>	<b>808,775</b>	457,087	288,419	745,506

(continued)

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**Supplementary information** (continued)**a) STATEMENT OF FINANCIAL POSITION** (continued)

	<b>31 December 2025</b>			<b>31 December 2024</b>		
	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
<b>LIABILITIES</b>						
Insurance contract liabilities	494,150	-	494,150	410,741	-	410,741
Accrued expenses and other liabilities	8,652	4,297	12,949	20,449	2,081	22,530
Lease liabilities	15,225	-	15,225	18,476	-	18,476
Employee benefit obligations	8,715	-	8,715	7,829	-	7,829
Provision for zakat	-	5,872	5,872	-	30,367	30,367
Accrued commission income on statutory deposit	-	1,968	1,968	-	1,237	1,237
Due to insurance operations	-	74,336	74,336	-	1,137	1,137
<b>TOTAL LIABILITIES</b>	<b>526,742</b>	<b>86,473</b>	<b>613,215</b>	457,495	34,822	492,317
Less: Inter-operations eliminations	(74,336)	-	(74,336)	-	(1,137)	(1,137)
<b>TOTAL LIABILITIES AS PER STATEMENT OF FINANCIAL POSITION</b>	<b>452,406</b>	<b>86,473</b>	<b>538,879</b>	457,495	33,685	491,180
<b>EQUITY</b>						
Share capital	-	300,000	300,000	-	200,000	200,000
Accumulated losses	-	(101,222)	(101,222)	-	(5,604)	(5,604)
Fair value reserve for investment	-	70,799	70,799	-	59,201	59,201
Remeasurement reserve of employee benefit obligations	319	-	319	729	-	729
<b>TOTAL EQUITY</b>	<b>319</b>	<b>269,577</b>	<b>269,896</b>	729	253,597	254,326
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>452,725</b>	<b>356,050</b>	<b>808,775</b>	458,224	287,282	745,506

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**Supplementary information** (continued)

**b) STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER**

	2025			2024		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>REVENUES</b>						
Insurance revenue	558,377	-	558,377	678,479	-	678,479
Insurance service expense	(596,392)	-	(596,392)	(698,026)	-	(698,026)
Net (expense) / income from reinsurance contracts	(50,286)	-	(50,286)	53,419	-	53,419
<b>Insurance service result from Company's directly written business</b>	<b>(88,301)</b>	<b>-</b>	<b>(88,301)</b>	<b>33,872</b>	<b>-</b>	<b>33,872</b>
Share of surplus from insurance pools	2,824	-	2,824	2,281	-	2,281
<b>Total insurance service result</b>	<b>(85,477)</b>	<b>-</b>	<b>(85,477)</b>	<b>36,153</b>	<b>-</b>	<b>36,153</b>
Commission income from financial assets not measured at FVTPL	14,338	12,462	26,800	19,115	7,573	26,688
Net gains / (losses) on financial assets measured at FVTPL	55	159	214	(574)	91	(483)
Net impairment reversal / (losses) on financial assets	-	133	133	17	(67)	(50)
<b>Net investment income</b>	<b>14,393</b>	<b>12,754</b>	<b>27,147</b>	<b>18,558</b>	<b>7,597</b>	<b>26,155</b>
Net finance costs from insurance contracts issued	(8,244)	-	(8,244)	(3,573)	-	(3,573)
Net finance income from reinsurance contracts held	5,058	-	5,058	353	-	353
<b>Net insurance finance costs</b>	<b>(3,186)</b>	<b>-</b>	<b>(3,186)</b>	<b>(3,220)</b>	<b>-</b>	<b>(3,220)</b>
<b>Net insurance and investment result</b>	<b>(74,270)</b>	<b>12,754</b>	<b>(61,516)</b>	<b>51,491</b>	<b>7,597</b>	<b>59,088</b>
Other (expense) / income	(85)	-	(85)	149	-	149
Other operating expenses	(21,850)	(6,593)	(28,443)	(29,746)	(871)	(30,617)
<b>Net (losses) / surplus from operations</b>	<b>(96,205)</b>	<b>6,161</b>	<b>(90,044)</b>	<b>21,894</b>	<b>6,726</b>	<b>28,620</b>
Surplus transfer to shareholders	96,205	(96,205)	-	(21,894)	21,894	-
<b>(Loss) / profit for the year attributable to the shareholders before zakat</b>	<b>-</b>	<b>(90,044)</b>	<b>(90,044)</b>	<b>-</b>	<b>28,620</b>	<b>28,620</b>
Zakat	-	(1,520)	(1,520)	-	1,503	1,503
<b>NET (LOSS) / PROFIT FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>	<b>-</b>	<b>(91,564)</b>	<b>(91,564)</b>	<b>-</b>	<b>30,123</b>	<b>30,123</b>
<b>Basic and diluted (losses) / earnings per share – (expressed in Saudi Riyals per share)</b>	<b>-</b>	<b>(3.05)</b>	<b>-</b>	<b>-</b>	<b>1.23</b>	<b>-</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**Supplementary information** (continued)**c) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER**

	2025			2024		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>NET (LOSS) / PROFIT THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>	-	<b>(91,564)</b>	<b>(91,564)</b>	-	30,123	30,123
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to statement of income in subsequent years</b>						
Net changes in fair value of investment measured at FVOCI – equity instruments	-	<b>11,598</b>	<b>11,598</b>	-	17,661	17,661
Remeasurement (loss) / gain on employee benefit obligations	-	<b>(410)</b>	<b>(410)</b>	-	1,563	1,563
<b>Total other comprehensive income</b>	-	<b>11,188</b>	<b>11,188</b>	-	19,224	19,224
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR ATTRIBUTABLE TO THE SHAREHOLDERS</b>	-	<b>(80,376)</b>	<b>(80,376)</b>	-	49,347	49,347

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**Supplementary information** (continued)**d) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER**

CASH FLOWS FROM OPERATING ACTIVITIES	2025			2024		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
(Loss) / profit for the year attributable to the shareholders before zakat	(96,205)	6,161	(90,044)	21,894	6,726	28,620
<u>Adjustments for non-cash items:</u>						
Depreciation of property and equipment	1,852	-	1,852	1,571	-	1,571
Amortisation of intangible assets	633	-	633	331	-	331
Depreciation for right-of-use assets	4,230	-	4,230	4,692	-	4,692
Finance costs on lease liabilities	760	-	760	927	-	927
Net impairment (reversal) / losses on financial assets	-	(133)	(133)	(17)	67	50
Unrealized losses on financial assets measured at FVTPL	367	1	368	574	-	574
Realized gain on financial assets measured at FVTPL	(422)	(160)	(582)	-	(91)	(91)
Commission income from financial assets not measured at FVTPL	(14,338)	(12,462)	(26,800)	(19,115)	(7,573)	(26,688)
Provision for employees benefit obligations	1,876	-	1,876	2,065	-	2,065
	<b>(101,247)</b>	<b>(6,593)</b>	<b>(107,840)</b>	12,922	(871)	12,051
<b><u>Changes in operating assets and liabilities:</u></b>						
Prepaid expenses and other assets	3,465	2,130	5,595	15,756	348	16,104
Reinsurance contract assets	31,730	-	31,730	(101,802)	-	(101,802)
Accrued expenses and other liabilities	(11,797)	2,216	(9,581)	(2,562)	(498)	(3,060)
Insurance contract liabilities	83,409	-	83,409	(97,375)	-	(97,375)
Reinsurance contract liabilities	-	-	-	(3,185)	-	(3,185)
Due to insurance operations	60,483	(60,483)	-	64,831	(64,831)	-
<b>Cash generated from / (used in) operations</b>	<b>66,043</b>	<b>(62,730)</b>	<b>3,313</b>	<b>(111,415)</b>	<b>(65,852)</b>	<b>(177,267)</b>
Commission income received from financial assets not measured at FVTPL	16,199	6,276	22,475	19,215	7,736	26,951
Employee benefit obligations paid	(1,400)	-	(1,400)	-	(1,390)	(1,390)
Zakat paid	-	(26,015)	(26,015)	(1,572)	-	(1,572)
<b>Net cash generated from / (used in) operating activities</b>	<b>80,842</b>	<b>(82,469)</b>	<b>(1,627)</b>	<b>(93,772)</b>	<b>(59,506)</b>	<b>(153,278)</b>

**SALAMA COOPERATIVE INSURANCE COMPANY**

(A Saudi Joint Stock Company)

**FOR THE YEAR ENDED 31 DECEMBER 2025**

(All amounts expressed in Saudi Riyals '000 unless otherwise stated)

**Supplementary information** (continued)**d) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER** (continued)

	2025			2024		
	Insurance operations	Shareholders' operations	Total	Insurance operations	Shareholders' operations	Total
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Term deposits	60,000	(87,500)	(27,500)	(61,283)	88,520	27,237
Placements in statutory deposit	-	(7,500)	(7,500)	-	-	-
Payments for purchases of financial assets at FVTPL	(10,000)	-	(10,000)	(10,090)	-	(10,090)
Proceeds from sale of investments held at FVTPL	35,513	-	35,513	3,114	91	3,205
Payments for purchases of financial assets at amortised cost	(38,115)	-	(38,115)	(10,000)	(29,965)	(39,965)
Proceeds from maturity of financial assets held at amortised cost	10,000	1,450	11,450	-	-	-
Payments for purchases of property and equipment	(1,582)	-	(1,582)	(2,434)	-	(2,434)
Payments for purchases of intangible assets	(2,130)	-	(2,130)	(2,060)	-	(2,060)
<b>Net cash generated from / (used in) investing activities</b>	<b>53,686</b>	<b>(93,550)</b>	<b>(39,864)</b>	<b>(82,753)</b>	<b>58,646</b>	<b>(24,107)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from issuance of share capital	-	100,000	100,000	-	-	-
Transaction costs on the issue of rights shares	-	(4,054)	(4,054)	-	-	-
Principal elements of lease payments	(4,115)	-	(4,115)	(3,970)	-	(3,970)
Finance costs paid on lease liabilities	(760)	-	(760)	(927)	-	(927)
<b>Net cash (used in) / generated from financing activities</b>	<b>(4,875)</b>	<b>95,946</b>	<b>91,071</b>	<b>(4,897)</b>	<b>-</b>	<b>(4,897)</b>
<b>Net changes in cash and cash equivalents</b>	<b>129,653</b>	<b>(80,073)</b>	<b>49,580</b>	<b>(181,422)</b>	<b>(860)</b>	<b>(182,282)</b>
Cash and cash equivalents at the beginning of the year	142,660	90,143	232,803	324,082	91,003	415,085
<b>Cash and cash equivalents at end of the year</b>	<b>272,313</b>	<b>10,070</b>	<b>282,383</b>	<b>142,660</b>	<b>90,143</b>	<b>232,803</b>

## Audit committie report of Salama Cooperative Insurance Company

### Introduction:

The Audit Committee at Salama Cooperative Insurance Company is pleased to present to the company's esteemed shareholders its annual report for the financial year ending on December 31, 2025, which includes details of its performance of its powers and stipulated tasks stipulated in the regulations for audit committees in insurance companies issued by the Insurance Authority, and the opinion of the Audit Committee on the adequacy of the control system.

### Previous Committee Composition:

Based on the approval of the General Assembly on 20th of November 2023, the previous committee has formed of 4 independent members, including specialists in financial, accounting affairs and internal auditing:

- 1- Mr. Mohammed Al-Safi - Chairman of the Committee and an independent member from within the Council.
- 2- Mr. Salah Baraba'a - An independent member from outside the Council.
- 3- Mr. Ghassan Shuaib - An independent member from outside the Council.
- 4- Mrs. Noha Solaimani - An independent member from outside the Council.

### Current Committee Composition:

Based on the approval of the General Assembly on 22<sup>th</sup> of October 2025, the current committee has formed of 3 independent members, including specialists in financial, accounting affairs and internal control matters up to the current period:

- 1- Mr. Khalid Mohammed Salem Bajnaid - Chairman of the Committee and an independent member from within the Council.
- 2- Mr. Majed Daa Al-Din Karim - An independent member from outside the Council.
- 3- Mr. Yasser Khaled Malek - An independent member from outside the Council.

## The most important work carried out by the committee during the year 2025:

1- Study the annual financial statements for the year 2024 & and the quarterly financial statement for the year 2025, discuss it with the executive management, review the external elements and ensure the following:

- A- Appropriateness and proof of followed accounting policies and standards.
- B- Soundness of the foundations of accounting estimates in preparing financial statements and adequacy of allocations.
- C- Adequacy and appropriateness of disclosures in the financial statements.
- D- Committed with laws and regulations related to financial statements.

2- Study the Internal Audit Department's plan for the year 2025 and ensure that the plan covers all important activities and operations in the company.

3- Discussing with the Compliance Department's work plan for the year 2025.

4- Work on discussing the Insurance Authority's observations, reviewing the corrective action plans submitted by the Company's management, and ensuring that they are presented to the Board of Directors and that the Board is duly informed thereof.

5- Evaluating the current situation of the Compliance and Internal Audit departments and identifying recommendations to raise the work level for both departments.

6- Ensuring the independence of the Audit and Compliance departments.

7- Study the offers submitted by the external auditors and recommend the appointment of external auditors for the year 2025.

8- Verify the adequacy of the number of staff in the control functions (Compliance and Internal Audit), ensuring their ability to efficiently implement the approved work plans and complete their duties in accordance with the applicable requirements.

9- Provide the necessary recommendations to the Board of Directors and Executive Management regarding the approval of the financial statements and follow up on the observations of the control functions.

### The committee's opinion on the adequacy and effectiveness of the internal control, Financial control, and Risk Management system:

Within the scope of its responsibilities, the Audit Committee reviews the periodic reports prepared by the Internal Audit Department of the Company, in addition to discussing and reviewing the results of the Company's external auditor and engaging with the Company's management in evaluating the internal control procedures in terms of their design and implementation.

The Committee also follows up on the recommendations made by the Internal Audit Department and the external auditor to address observations and monitor their remediation, particularly with respect to the fairness of the financial statements. This is done while taking into consideration that any internal control system, regardless of the soundness of its design and effectiveness of its implementation, cannot provide absolute assurance regarding the effectiveness of the applied internal control systems.

Accordingly, the Committee has not identified any material weakness in the Company's internal control systems since its formation, while noting the need to further enhance the effectiveness of the internal control system compared to the previous fiscal year.

**Sincere Greetings**

**Edited on: 01 of April 2026**

Chairman of the Audit Committee	Member of the Audit Committee	Member of the Audit Committee
Khalid Mohammed Salem Bajnaid	Majed Diao Al-Din Karim	Yasser Khaled Malek
		