

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

**INTERIM CONDENSED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT (UNAUDITED)**

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

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

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

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## INDEPENDENT AUDITORS' REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

To: The Shareholders of Malath Cooperative Insurance Company  
(A Saudi Joint Stock Company)

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of **Malath Cooperative Insurance Company** ("the Company") as of March 31, 2025, and the related interim condensed statements of income and comprehensive income for the three-months period then ended, and the related interim condensed statements of changes in equity and cash flows for the three-months period then ended, and other explanatory notes (collectively referred to as "the interim condensed financial statements"). Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard 34 "*Interim Financial Reporting*" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### Scope of Review

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

### Conclusion

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

#### For Forvis Mazars AlKharashi & Co. Certified Accountants and Auditors

P.O. Box 8306  
Riyadh 11482  
Kingdom of Saudi Arabia



**Abdullah S. Al Msned**  
Certified Public Accountant  
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#### For PKF Al Bassam Chartered Accountants

P.O. Box 69658  
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**Ibrahim A. Al-Bassam**  
Certified Public Accountant  
License No. 337



May 15, 2025  
(Dhu'l-Qi'dah 17, 1446H)

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

**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**AS AT 31 MARCH 2025**

	Notes	31 March 2025 (Unaudited)	31 December 2024 (Audited)
<b>ASSETS</b>			
Cash and cash equivalents	4	171,217	172,975
Term deposits	5	605,752	523,259
Reinsurance contract assets	6.3	148,503	130,480
Investments	7	269,501	205,014
Prepayments and other assets		93,843	83,923
Property and equipment		2,638	3,028
Right-of-use assets		573	688
Statutory deposit	17	74,986	74,986
Accrued commission income on statutory deposit		6,220	5,284
<b>TOTAL ASSETS</b>		<b>1,373,233</b>	<b>1,199,637</b>
<b>LIABILITIES</b>			
Accrued expenses and other liabilities		51,013	54,627
Lease liabilities		477	701
Insurance contract liabilities	6.3	814,839	653,353
Reinsurance contract liabilities	6.3	3,960	-
Provision for employees' end-of-service benefits		29,340	29,233
Provision for zakat	8	24,663	23,663
Accrued return payable to Insurance Authority		6,220	5,285
<b>TOTAL LIABILITIES</b>		<b>930,512</b>	<b>766,862</b>
<b>EQUITY</b>			
Share capital	9	500,000	500,000
Statutory reserve	10	2,131	2,131
Accumulated losses		(98,179)	(108,060)
Investments fair value reserve		57,661	57,596
Re-measurement losses on defined benefit plans		(18,892)	(18,892)
<b>TOTAL EQUITY</b>		<b>442,721</b>	<b>432,775</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,373,233</b>	<b>1,199,637</b>
Commitments and contingencies	14		

  
 ACTING CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE OFFICER

  
 BOARD MEMBER

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.

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

**INTERIM CONDENSED STATEMENT OF INCOME**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

	Notes	Three-months period ended 31 March	
		2025 (Unaudited)	2024 (Unaudited)
Insurance service revenue	6.1	340,128	205,764
Insurance service expenses	6.1	(364,844)	(193,624)
<b>Insurance service result before reinsurance contracts held</b>		<b>(24,716)</b>	<b>12,140</b>
Allocation of reinsurance premiums	6.2	(13,389)	(13,711)
Amounts recoverable from reinsurance	6.2	27,523	822
<b>Net revenues / (expenses) from reinsurance contracts held</b>		<b>14,134</b>	<b>(12,889)</b>
<b>Insurance service result</b>		<b>(10,582)</b>	<b>(749)</b>
Investment income on financial assets at amortised cost		7,843	4,827
Investment income on financial assets at FVTPL		3,917	8,672
Other investment income		267	178
<b>Net investment income</b>		<b>12,027</b>	<b>13,677</b>
Finance expenses from insurance contracts issued	6.1	(6,189)	(3,392)
Finance income from reinsurance contracts held	6.2	2,612	797
<b>Net insurance finance expenses</b>		<b>(3,577)</b>	<b>(2,595)</b>
<b>Net insurance and investment result</b>		<b>(2,132)</b>	<b>10,333</b>
Other operating expenses		(6,332)	(11,200)
Other income		19,345	14,685
<b>Net income attributable to shareholders before zakat</b>		<b>10,881</b>	<b>13,818</b>
Zakat charge for the period	8	(1,000)	(2,376)
<b>Net income attributable to shareholders' operations</b>		<b>9,881</b>	<b>11,442</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share	11	0.20	0.23
Weighted average number of shares issued throughout the period (thousands)		50,000	50,000

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

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

	<b>Three-months period ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Net income attributable to shareholders' operations	<b>9,881</b>	11,442
<b>Other comprehensive income:</b>		
<i>Items that will not be recycled to statements of income in subsequent periods</i>		
Change in fair value of financial investments at FVTOCI	<b>65</b>	1,934
<b>Total other comprehensive income for the period</b>	<b>65</b>	1,934
<b>Total comprehensive income for the period</b>	<b>9,946</b>	<b>13,376</b>

  
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ACTING CHIEF FINANCIAL OFFICER

  
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CHIEF EXECUTIVE OFFICER

  
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BOARD MEMBER

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

**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

	Share capital	Statutory reserve	Accumulated losses	Investment fair value reserve	Re-measurement losses on defined benefit plans	Total equity
Balance at 1 January 2024 (Audited)	500,000	2,131	(134,949)	37,942	(15,034)	390,090
Net income for the period	-	-	11,442	-	-	11,442
Change in fair value of financial investments at FVTOCI	-	-	-	1,934	-	1,934
Total comprehensive income	-	-	11,442	1,934	-	13,376
Balance at 31 March 2024 (Unaudited)	<u>500,000</u>	<u>2,131</u>	<u>(123,507)</u>	<u>39,876</u>	<u>(15,034)</u>	<u>403,466</u>
<b>Balance at 1 January 2025 (Audited)</b>	<b>500,000</b>	<b>2,131</b>	<b>(108,060)</b>	<b>57,596</b>	<b>(18,892)</b>	<b>432,775</b>
Net income for the period	-	-	9,881	-	-	9,881
Change in fair value of financial investments at FVTOCI	-	-	-	65	-	65
Total comprehensive income	-	-	9,881	65	-	9,946
Balance at 31 March 2025 (Unaudited)	<u>500,000</u>	<u>2,131</u>	<u>(98,179)</u>	<u>57,661</u>	<u>(18,892)</u>	<u>442,721</u>

  
 ACTING CHIEF FINANCIAL OFFICER

  
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**MALATH COOPERATIVE INSURANCE COMPANY**  
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**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

		Three-months period ended 31 March	
	Notes	2025 (Unaudited)	2024 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before zakat		10,881	13,818
<b>Adjustments for:</b>			
Other investment income		(113)	(178)
Depreciation of property and equipment		421	425
Amortisation on right to use assets		115	1,048
Investment income on financial assets at FVTPL		(3,917)	(8,672)
Finance expenses from insurance contracts issued	6.1	6,189	3,392
Finance income from reinsurance contracts held	6.2	(2,612)	(797)
Reversal of zakat provision		-	(5,853)
Provision for employees' end-of-service benefits		522	959
<b>Changes in operating assets and liabilities:</b>			
Insurance contract assets	6.1	-	(10,218)
Reinsurance contract assets	6.2	(15,411)	831
Prepayments and other assets		(9,920)	16,013
Accrued expenses and other liabilities		(3,641)	4,497
Insurance contract liabilities	6.1	155,297	(503)
Reinsurance contract liabilities		3,960	384
<b>Cash from operations</b>		<b>141,771</b>	<b>15,146</b>
Employees' end-of-service benefits paid		(415)	(774)
<b>Net cash generated from operating activities</b>		<b>141,356</b>	<b>14,372</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net placement to term deposits		(82,493)	22,914
Addition to investment		(60,568)	(53,332)
Proceeds from investments disposals		202	-
Addition to property and equipment		(31)	(579)
<b>Net cash used in investing activities</b>		<b>(142,890)</b>	<b>(30,997)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liabilities		(224)	(625)
<b>Net cash used in financing activities</b>		<b>(224)</b>	<b>(625)</b>
<b>Net change in cash and cash equivalents</b>		<b>(1,758)</b>	<b>(17,250)</b>
Cash and cash equivalents at the beginning of the period	4	172,975	110,571
<b>Cash and cash equivalents at the end of the period</b>	4	<b>171,217</b>	<b>93,321</b>
<b>Supplemental non-cash information:</b>			
Change in fair value of financial investments at FVTOCI		65	1,934
Commission movement on statutory deposit		935	1,107

ACTING CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE OFFICER

BOARD MEMBER

The accompanying notes 1 to 23 form an integral part of these interim condensed financial statements.



# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **1 ORGANIZATION AND PRINCIPAL ACTIVITIES**

Malath Cooperative Insurance Company (the “Company”) is a Saudi Joint Stock Company established in Riyadh, Kingdom of Saudi Arabia by Royal Decree Number M/60 and incorporated on 21 Rabi Al-Awal 1428H corresponding to 9 April 2007 under Commercial Registration No. 1010231787. The Company’s head office is situated at Mohammad Bin Abdelaziz Street, P.O. Box 99763, Riyadh 11625, and Kingdom of Saudi Arabia.

The purpose of the Company is to transact cooperative insurance operations and all related activities. Its principal lines of business includes medical, motor, marine, property, engineering, casualty and other general insurance.

On 31 July 2003, corresponding to 2 Jumada II 1424H, the Law on the Supervision of Cooperative Insurance Companies (“Insurance Law”) was promulgated by Royal Decree Number (M/32). During March 2008, the Insurance Authority (“IA”), then known as SAMA, as the principal authority responsible for the application and administration of the Insurance Law and its Implementing Regulations, granted the Company a license to transact insurance activities in the Kingdom of Saudi Arabia.

The Board of Directors approved the distribution of the surplus from insurance operations in accordance with the Insurance Implementing Regulations issued by Insurance Authority (IA), whereby the 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 on insurance operations is transferred to the shareholders’ operations in full. The surplus payable is included in the insurance contract liabilities under LIC.

#### **PROPOSED MERGER**

The Company signed a non-binding Memorandum of Understanding (the “MOU”) with Liva Insurance Company on 18-02-1446H (corresponding to 22-08-2024G) to evaluate a potential merger between the two companies and the subsequent development announcement on 05/03/1446H (corresponding to 08/09/2024G) regarding the appointment of the financial adviser, and the subsequent development announcement on 16/05/1446H (corresponding to 18/11/2024G) regarding the issuance of the non-objection of the General Authority for Competition on the completion of the economic concentration resulting from the Potential Merger. Any final binding agreement will be entered into by both companies in respect of the Proposed Transaction will include a number of conditions precedent including but not limited to the approvals of the Insurance Authority, the Capital Market Authority and the Saudi Exchange, as well as obtaining the requisite approvals of the shareholders of both companies. The consideration under the Proposed Transaction will be in the form of newly issued ordinary shares issued by one company to the shareholders of the other Company and shall be based on an agreed exchange ratio which shall be determined after each party concluding (to its satisfaction) all due diligence measures.

The signing of the non-binding MoU does not mean that both companies will reach a final and binding decision regarding the Proposed Transaction nor that the Proposed Transaction will be completed. Malath and Liva have agreed, on a non-binding and preliminary basis, that the Potential Merger structure will be through merging Liva as the merged company into Malath as the merging company. The Potential Merger is under consideration and no binding agreement has been reached to date on the Potential Merger and the structure.

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

##### **1 ORGANIZATION AND PRINCIPAL ACTIVITIES (continued)**

##### **2 BASIS OF PREPARATION**

###### **(a) Statement of compliance**

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

The Company's interim condensed statement of financial position is presented in order of liquidity but not presented using a current / non-current classification. However, the following items would generally be classified as non-current: statutory deposit, accrued income on statutory deposit, property and equipment, right-of-use assets, investments measured at amortized cost, investments measured at FVTOCI (partially), accrued income payable to Insurance Authority (IA), lease liabilities (partially), provision for employees' end-of-service benefits and those insurance & reinsurance contracts liabilities and assets that would not settled within next twelve months. All other financial statements line items would generally be classified as current.

In preparing the interim condensed financial statements in compliance with IFRS, the balances and transactions of the insurance operations are combined with those of the shareholders' operations. Inter-operations balances, transactions if any, are eliminated in full during preparation. The accounting policies adopted for the insurance operations and shareholders operations are uniform for like transactions and events in similar circumstances.

The interim condensed statement of financial position, interim condensed statement of income, statement of comprehensive income and cash flows of the insurance operations and shareholders operations which are presented in Note 19 of the financial statements have been provided as supplementary financial information to comply with the requirements of the Insurance Implementing Regulations (the "Implementing Regulations") and is not required by IFRS. The implementing regulations requires the clear segregation of the assets, liabilities, income and expenses of the insurance operations and the shareholders operations. Accordingly, the statement of financial position, statement of income, statement of comprehensive income and cash flows prepared for the insurance operations and shareholders operations as referred to above, reflect only the statement of financial position, statement of income, statement of comprehensive income of the respective operations.

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

## **2 BASIS OF PREPARATION (continued)**

### **(b) Basis of measurement**

The interim condensed financial statements of the Company are prepared under the going concern basis and the historical cost convention, except for the measurement of investments carried at fair value through profit and loss ("FVTPL") and investments carried at fair value through other comprehensive income ("FVTOCI"), liabilities for defined benefit obligations recorded at the present value using the projected unit credit method and liabilities for incurred claim ("LIC") and assets for incurred claim ("AIC") recorded at the present value of the current discount rates.

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

These interim condensed financial statements have been presented in Saudi Riyals (SR), which is also the functional currency of the Company. All financial information presented in Saudi Riyals (SR) has been rounded to the nearest thousand, unless otherwise stated.

### **(d) Seasonality of operations**

There are no seasonal changes that affect insurance operations.

### **(e) Fiscal year**

The Company follows a fiscal year ending December 31.

### **(f) Critical accounting judgments, estimates and assumptions**

The preparation of the interim condensed 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 expense. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Following are the accounting judgments and estimates that are critical in preparation of these financial statements:

### **(i) PAA eligibility assessment**

Eligibility assessment testing to apply PAA on insurance and reinsurance contracts where the contract period is more than one year is the area where management assumptions and assessment are involved. The Company has applied the Premium Allocation Approach (PAA) only for contracts with a coverage period of 12 months or less. 'Inherent Defect Insurance' "IDI" portfolio pertains to the company share is measured at GMM.

### **(ii) Liability for remaining coverage (LRC)**

#### **Acquisition cash flows**

The Company has opted to defer and amortize insurance acquisition cash flows over the term of the insurance contracts to which these relate, similar to premiums earned.

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

## **2 BASIS OF PREPARATION (continued)**

### **(e) Critical accounting judgments, estimates and assumptions (continued)**

#### **Expected premium receipts adjustment**

Insurance revenue will be adjusted with the amounts of expected premium receipts adjustment calculated on premiums not yet collected as of the date of the statement of financial position. The computation is performed using IFRS 9 simplified approach to calculate Expected Credit Loss (ECL) allowance. The corresponding impact of this adjustment is recorded in the LRC.

#### **(iii) Liability for incurred claims**

The ultimate cost of incurred claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the best estimate ultimate cost of claims. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

#### **(iv) Onerosity determination**

For contracts measured under GMM and PAA, a group of contracts is onerous at initial recognition if there is a net outflow of fulfilment cash flows. As a result, a liability for the net outflow is recognized as a loss component within the liability for remaining coverage and a loss is recognized immediately in the statement of income in insurance service expense. The loss component is then amortized to statement of income over the coverage period to offset incurred claims in insurance service expense.

For contracts measured under PAA, the Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **2 BASIS OF PREPARATION (continued)**

##### **(e) Critical accounting judgments, estimates and assumptions (continued)**

##### **(iv) Onerosity determination (continued)**

The Company also considers facts and circumstances to identify whether a group of contracts are onerous based on the following key inputs:

- Pricing information: Underwriting combined ratios and price adequacy ratios.
- Historical combined ratio of similar and comparable sets of contracts
- Any relevant inputs from underwriters,
- Other external factors such as inflation and change in market claims experience or change in regulations

##### **(v) Expense attribution**

The Company identifies expenses which are directly attributable towards acquiring insurance contracts (acquisition costs) and fulfilling / maintaining (other attributable expenses) such contracts and those expenses which are not directly attributable to such contracts (non-attributable expenses). Acquisition costs, such as underwriting costs, are no longer recognized in the statement of income when incurred and instead spread over the lifetime of the group of contracts based on the passage of time.

Other attributable expenses are allocated to the groups of contracts using an allocation mechanism considering the activity based costing principles. The Company has determined costs directly identified to the groups of contracts, as well as costs where a judgement is applied to determine the share of expenses as applicable to that group.

On the other hand, non-directly attributable expenses and overheads are recognized in the statement of income immediately when incurred.

##### **(vi) Estimates of future cash flows**

The Company primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard time-series techniques.

##### **- Expenses**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Company. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. (Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics).

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **2 BASIS OF PREPARATION (continued)**

##### **(e) Critical accounting judgments, estimates and assumptions (continued)**

##### **(vi) Estimates of future cash flows (continued)**

##### **(vii) Risk adjustment for non-financial risk**

Risk adjustment reflects the compensation that is required for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Three stochastic methods were considered: Mack models, Stochastic - Bornheutter Ferguson, and Bootstrap. The paid triangles gross of recoveries were used. For each portfolio, once the risk adjustment was calculated based on the selected methodology, diversification was applied using the solvency II correlation matrix. The total diversified risk adjustment obtained was then allocated to each line proportional to its non - diversified risk adjustment. The Company decided to adopt the 75th percentile risk adjustment figures based on their risk appetite. The risk adjustment percentages will be revised once a year, unless more frequent review was deemed necessary.

The Company disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

##### **(ix) Unit of account**

Judgement is involved in the identification of portfolios of contracts, as required by IFRS 17 (that is, having similar risks and being managed together). Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts. Similar grouping assessment is required for reinsurance contracts held. Areas of potential judgements include:

- The determination of contract sets within portfolios and whether the Company has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by IFRS 17, and
- judgements might be applied on initial recognition to distinguish between non-onerous contracts (those having no significant possibility of becoming onerous) and other contracts.

For insurance contracts issued which are measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **2 BASIS OF PREPARATION (continued)**

##### **(e) Critical accounting judgments, estimates and assumptions (continued)**

###### **(x) Discount rates**

Insurance contract liabilities and Reinsurance contracts assets are calculated by discounting expected future cash flows at a discount rate that reflects the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. The Company applied bottom-up approach to derive the applicable yield curve when determining the discount rate, where the curve is based on the European Insurance and Occupational Pensions Authority (EIOPA) volatility adjusted risk-free curve denominated in United States Dollars while applying certain adjustments for factors under IFRS 17.

Discount rates applied for discounting of future cash flows are listed below:

###### **Discount Yield Curve**

<b>Evaluation date</b>	<b>1 Year</b>	<b>2 Year</b>	<b>3 Year</b>	<b>4 Year</b>
31 March 2025	5.01%	4.74%	4.67%	4.65%
31 December 2024	5.47%	5.37%	5.35%	5.32%

###### **(xi) Methods used to measure the risk adjustment for non-financial risk**

Judgement is involved in assessing the most appropriate method to estimate the risk adjustment for non-financial risk and also to choose the most appropriate confidence level to which the risk adjustment for non-financial risk should correspond.

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion.

###### **(xii) Measurement of the Expected Credit Losses allowance (ECL)**

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behavior. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held). A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

- determining the criteria for significant increase in credit risk,
- choosing appropriate models and assumptions for the measurement of ECL, and
- establishing groups of similar financial assets for the purposes of measuring ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

# **MALATH COOPERATIVE INSURANCE COMPANY**

## **(A SAUDI JOINT STOCK COMPANY)**

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

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(All amounts are in thousands Saudi Riyal unless otherwise stated)

#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **2 BASIS OF PREPARATION (continued)**

##### **(e) Critical accounting judgments, estimates and assumptions (continued)**

##### **(xiii) Fair value of financial instruments**

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair values.

##### **(xiv) Going concern**

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

#### **3 MATERIAL ACCOUNTING POLICIES**

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

##### **3.1 Standards, interpretations and amendments to accounting and reporting standards which are effective in current year**

These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements.

##### **Effective from annual period beginning on or after:**

- IAS 21 Lack of Exchangeability

1 January 2025

##### **3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective**

The following new accounting standards, interpretations and amendments have been issued by the IASB that are effective in future accounting periods. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments

1 January 2026

IFRS 10 and IAS 28 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture

Available for optional adoption/effective date deferred indefinitely

- IFRS 18, 'Presentation and Disclosure in Financial Statements'

1 January 2027

- IFRS 19, 'Reducing subsidiaries disclosures'

1 January 2027



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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**4 CASH AND CASH EQUIVALENTS**

	<b>31 March</b>	31 December
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Audited)
<b>Insurance operations</b>		
Cash in banks	<b>136,169</b>	161,231
Cash on hand	<b>22</b>	22
Short term - term deposits	<b>22,867</b>	-
Accrued income on term deposits	<b>155</b>	-
	<b>159,214</b>	161,253
<b>Shareholders' operations</b>		
Cash in banks	<b>12,004</b>	11,723
Less: ECL allowance	<b>(1)</b>	(1)
	<b>12,003</b>	11,722
<b>Total cash and cash equivalents</b>	<b>171,217</b>	172,975

Short term - term deposits have original maturity of less than three months from the date of acquisition and are subject to an average commission rate of 4.45% per annum as at 31 March 2025 (31 December 2024: Nil)

Cash and cash equivalents includes an amount of SR 25.5 million 31 March 2025 (31 December 2024: SR 15.4 million) that pertains to the Company's share of Inherent Defect Insurance (IDI) portfolio.

**5 TERM DEPOSITS**

	<b>31 March</b>	31 December
	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Audited)
<b>Insurance operations</b>		
Short term - term deposits	<b>441,972</b>	382,702
Accrued income on term deposits	<b>7,245</b>	10,403
Less: ECL allowance	<b>(55)</b>	(55)
	<b>449,161</b>	393,050
<b>Shareholders' operations</b>		
Short term - term deposits	<b>154,598</b>	125,634
Accrued income on term deposits	<b>2,000</b>	4,583
Less: ECL allowance	<b>(8)</b>	(9)
	<b>156,590</b>	130,208
<b>Total term deposits</b>	<b>605,752</b>	523,258

Term deposits have an original maturity of more than three months from the date of acquisition and are subject to an average commission rate of 5.14% per annum as at 31 March 2025 (31 December 2024: 5.74%).

Term deposits are placed with local counterparties who have sound credit rating under standard and poor's rating, fitch and Moody's rating methodology.

Term deposits includes an amount of SR 13 million as at 31 March 2025 (31 December 2024: SR 13.6 million) that pertains to the Company's share of Inherent Defect Insurance (IDI) portfolio.

As of 31 March 2025, (31 December 2024: SAR 20 million) the Company has a term deposit amounting to SAR 20 million against issuance of letter of guarantees as a collateral placed in a local bank. Company may not withdraw the deposit before expiration of the guarantees.

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS**

6.1 Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA

31 March 2025 - Medical (Unaudited)					
<u>Premium allocation approach</u>	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
<b>Opening insurance contract liabilities</b>	73,495	-	141,847	3,936	219,278
<b>Insurance revenue</b>	(153,467)	-	-	-	(153,467)
<b>Insurance service expense</b>					
Incurred claims	-	-	112,903	2,655	115,558
Other incurred insurance service expenses	-	-	10,440	-	10,440
Insurance acquisition amortization	20,963	-	-	-	20,963
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	(6,050)	(2,453)	(8,503)
	20,963	-	117,293	202	138,458
<b>Total insurance service result</b>	(132,504)	-	117,293	202	(15,009)
<b>Finance costs</b>	-	-	1,668	53	1,721
<b>Cash flows</b>					
Premium received	201,529	-	-	-	201,529
Claims and other expenses paid	-	-	(64,730)	-	(64,730)
Acquisition cash flows paid	(7,839)	-	-	-	(7,839)
<b>Total cash flows</b>	193,690	-	(64,730)	-	128,960
<b>Net closing balance</b>	134,681	-	196,078	4,191	334,950

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

6.1 Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 March 2025 - Motor (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
<b>Opening insurance contract liabilities</b>	<b>112,087</b>	<b>-</b>	<b>79,334</b>	<b>3,216</b>	<b>194,637</b>
<b>Insurance revenue</b>	<b>(158,992)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(158,992)</b>
<b>Insurance service expense</b>					
Incurred claims	-	-	118,639	2,598	121,237
Other incurred insurance service expenses	-	-	8,123	-	8,123
Insurance acquisition amortization	27,583	-	-	-	27,583
(Reversals) / losses on onerous contracts	-	1,265	-	-	1,265
Changes that relate to past service	-	-	15,949	(1,843)	14,106
	<b>27,583</b>	<b>1,265</b>	<b>142,711</b>	<b>755</b>	<b>172,314</b>
<b>Total insurance service result</b>	<b>(131,409)</b>	<b>1,265</b>	<b>142,711</b>	<b>755</b>	<b>13,322</b>
<b>Finance costs</b>	<b>-</b>	<b>-</b>	<b>1,060</b>	<b>42</b>	<b>1,102</b>
<b>Cash flows</b>					
Premium received	130,060	-	-	-	130,060
Claims and other expenses paid	-	-	(119,923)	-	(119,923)
Acquisition cash flows paid	(17,974)	-	-	-	(17,974)
<b>Total cash flows</b>	<b>112,086</b>	<b>-</b>	<b>(119,923)</b>	<b>-</b>	<b>(7,837)</b>
<b>Net closing balance</b>	<b>92,764</b>	<b>1,265</b>	<b>103,182</b>	<b>4,012</b>	<b>201,224</b>

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 March 2025 - Property (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		
<u>Premium allocation approach</u>	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	Total
Opening insurance contract liabilities	(590)	-	61,641	3,297	64,348
Insurance revenue	(6,028)	-	-	-	(6,028)
Insurance service expense					
Incurred claims	-	-	2,439	204	2,643
Other incurred insurance service expenses	-	-	282	-	282
Insurance acquisition amortization	883	-	-	-	883
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	31,465	1,711	33,176
	883	-	34,186	1,915	36,984
Total insurance service result	(5,145)	-	34,186	1,915	30,956
Finance costs	-	-	606	35	641
Cash flows					
Premium received	130	-	-	-	130
Claims and other expenses paid	-	-	(132)	-	(132)
Acquisition cash flows paid	(543)	-	-	-	(543)
Total cash flows	(413)	-	(132)	-	(545)
Net closing balance	(6,148)	-	96,301	5,247	95,400

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 March 2025 - Engineering (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		
<u>Premium allocation approach</u>	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	Total
Opening insurance contract liabilities	4,559	7	33,601	887	39,054
Insurance revenue	(3,902)	-	-	-	(3,902)
Insurance service expense					
Incurred claims	-	-	(146)	-	(146)
Other incurred insurance service expenses	-	-	56	-	56
Insurance acquisition amortization	579	-	-	-	579
(Reversals) / losses on onerous contracts	-	319	-	-	319
Changes that relate to past service	-	-	3,265	341	3,606
	579	319	3,175	341	4,414
Total insurance service result	(3,323)	319	3,175	341	512
Finance costs	-	-	88	10	98
Cash flows					
Premium received	4,064	-	-	-	4,064
Claims and other expenses paid	-	-	(26,048)	-	(26,048)
Acquisition cash flows paid	(315)	-	-	-	(315)
Total cash flows	3,749	-	(26,048)	-	(22,299)
Net closing balance	4,985	325	10,816	1,239	17,365

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

31 March 2025 - Marine (Unaudited)					
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
<b>Opening insurance contract liabilities</b>	(7,242)	-	16,464	1,868	11,090
<b>Insurance revenue</b>	(1,640)	-	-	-	(1,640)
<b>Insurance service expense</b>					
Incurred claims	-	-	(2)	-	(2)
Other incurred insurance service expenses	-	-	58	-	58
Insurance acquisition amortization	211	-	-	-	211
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	(461)	(80)	(541)
	211	-	(405)	(80)	(274)
<b>Total insurance service result</b>	(1,429)	-	(405)	(80)	(1,914)
<b>Finance costs</b>	-	-	239	27	266
<b>Cash flows</b>					
Premium received	8,662	-	-	-	8,662
Claims and other expenses paid	-	-	(182)	-	(182)
Acquisition cash flows paid	(24)	-	-	-	(24)
<b>Total cash flows</b>	8,638	-	(182)	-	8,456
<b>Net closing balance</b>	(33)	-	16,116	1,813	17,898

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 March 2025 - Others (Unaudited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
<b>Opening insurance contract liabilities</b>	<b>58,340</b>	<b>-</b>	<b>13,721</b>	<b>686</b>	<b>72,747</b>
<b>Insurance revenue</b>	<b>(16,099)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16,099)</b>
<b>Insurance service expense</b>					
Incurred claims	-	-	7,366	534	7,900
Other incurred insurance service expenses	-	-	816	-	816
Insurance acquisition amortization	3,569	-	-	-	3,569
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	766	(101)	665
	<b>3,569</b>	<b>-</b>	<b>8,948</b>	<b>433</b>	<b>12,950</b>
<b>Total insurance service result</b>	<b>(12,530)</b>	<b>-</b>	<b>8,948</b>	<b>433</b>	<b>(3,149)</b>
<b>Finance costs</b>	<b>-</b>	<b>-</b>	<b>2,354</b>	<b>8</b>	<b>2,362</b>
<b>Cash flows</b>					
Premium received	32,287	-	-	-	32,287
Claims and other expenses paid	-	-	(14,208)	-	(14,208)
Acquisition cash flows paid	(3,495)	-	-	-	(3,495)
<b>Total cash flows</b>	<b>28,792</b>	<b>-</b>	<b>(14,208)</b>	<b>-</b>	<b>14,584</b>
<b>Net closing balance</b>	<b>74,602</b>	<b>-</b>	<b>10,815</b>	<b>1,127</b>	<b>86,544</b>

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 December 2024 - Medical (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of Future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
Opening insurance contract liabilities	78,405	1,893	156,907	4,477	241,682
Insurance revenue	(541,714)	-	-	-	(541,714)
Insurance service expense					
Incurred claims	-	-	434,358	3,517	437,875
Other incurred insurance service expenses	-	-	40,541	-	40,541
Insurance acquisition amortization	80,358	-	-	-	80,358
(Reversals) / losses on onerous contracts	-	(1,893)	-	-	(1,893)
Changes that relate to past service	-	-	(10,075)	(4,317)	(14,392)
	80,358	(1,893)	464,824	(800)	542,490
Total insurance service result	(461,356)	(1,893)	464,824	(800)	776
Finance costs	-	-	6,817	259	7,076
Cash flows					
Premium received	534,194	-	-	-	534,194
Claims and other expenses paid	-	-	(486,701)	-	(486,701)
Acquisition cash flows paid	(77,748)	-	-	-	(77,748)
Total cash flows	456,446	-	(486,701)	-	(30,255)
Net closing balance	73,495	-	141,847	3,936	219,278



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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 December 2024 - Motor (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of Future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
Opening insurance contract liabilities	(13,441)	-	37,597	1,403	25,559
Insurance revenue	(375,999)	-	-	-	(375,999)
Insurance service expense					
Incurred claims	-	-	234,671	2,870	237,541
Other incurred insurance service expenses	-	-	30,944	-	30,944
Insurance acquisition amortization	76,577	-	-	-	76,577
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	39,016	(1,150)	37,866
	76,577	-	304,631	1,720	382,928
Total insurance service result	(299,422)	-	304,631	1,720	6,929
Finance costs	-	-	2,424	93	2,517
Cash flows					
Premium received	509,899	-	-	-	509,899
Claims and other expenses paid	-	-	(265,318)	-	(265,318)
Acquisition cash flows paid	(84,949)	-	-	-	(84,949)
Total cash flows	424,950	-	(265,318)	-	159,632
Net closing balance	112,087	-	79,334	3,216	194,637

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA(continued)

	31 December 2024 - Property (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of Future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
Opening insurance contract liabilities	(560)	-	72,158	2,666	74,264
Insurance revenue	(29,129)	-	-	-	(29,129)
Insurance service expense					
Incurred claims	-	-	9,047	107	9,154
Other incurred insurance service expenses	-	-	1,091	-	1,091
Insurance acquisition amortization	5,680	-	-	-	5,680
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	(11,564)	408	(11,156)
	5,680	-	(1,426)	515	4,769
Total insurance service result	(23,449)	-	(1,426)	515	(24,360)
Finance costs	-	-	2,899	116	3,015
Cash flows					
Premium received	27,585	-	-	-	27,585
Claims and other expenses paid	-	-	(11,990)	-	(11,990)
Acquisition cash flows paid	(4,166)	-	-	-	(4,166)
Total cash flows	23,419	-	(11,990)	-	11,429
Net closing balance	(590)	-	61,641	3,297	64,348

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA(continued)

	31 December 2024 - Engineering (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of Future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
Opening insurance contract liabilities	5,164	19	40,655	398	46,236
Insurance revenue	(16,214)	-	-	-	(16,214)
Insurance service expense					
Incurred claims	-	-	676	346	1,022
Other incurred insurance service expenses	-	-	338	-	338
Insurance acquisition amortization	2,812	-	-	-	2,812
(Reversals) / losses on onerous contracts	-	(12)	-	-	(12)
Changes that relate to past service	-	-	3,838	125	3,963
	2,812	(12)	4,852	471	8,123
Total insurance service result	(13,402)	(12)	4,852	471	(8,091)
Finance costs	-	-	167	18	185
Cash flows					
Premium received	15,300	-	-	-	15,300
Claims and other expenses paid	-	-	(12,073)	-	(12,073)
Acquisition cash flows paid	(2,503)	-	-	-	(2,503)
Total cash flows	12,797	-	(12,073)	-	724
Net closing balance	4,559	7	33,601	887	39,054

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 December 2024 - Marine (Audited)				
	Liability for remaining coverage		Liability for incurred claims		
	Excluding loss component	Loss component	Present value of Future cash flows	Risk adjustment	Total
<i>Premium allocation approach</i>					
Opening insurance contract liabilities	(2,928)	-	3,388	344	804
Insurance revenue	(13,117)	-	-	-	(13,117)
Insurance service expense					
Incurred claims	-	-	366	1,594	1,960
Other incurred insurance service expenses	-	-	341	-	341
Insurance acquisition amortization	1,952	-	-	-	1,952
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	12,572	(125)	12,447
	1,952	-	13,279	1,469	16,700
Total insurance service result	(11,165)	-	13,279	1,469	3,583
Finance costs	-	-	526	55	581
Cash flows					
Premium received	8,119	-	-	-	8,119
Claims and other expenses paid	-	-	(729)	-	(729)
Acquisition cash flows paid	(1,268)	-	-	-	(1,268)
Total cash flows	6,851	-	(729)	-	6,122
Net closing balance	(7,242)	-	16,464	1,868	11,090

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in PAA (continued)

	31 December 2024 - Others (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of Future cash flows	Risk adjustment	
<i>Premium allocation approach</i>					
Opening insurance contract liabilities	2,374	-	13,009	358	15,741
Insurance revenue	(30,090)	-	-	-	(30,090)
Insurance service expense					
Incurred claims	-	-	1,892	431	2,323
Other incurred insurance service expenses	-	-	3,621	-	3,621
Insurance acquisition amortization	10,800	-	-	-	10,800
(Reversals) / losses on onerous contracts	-	-	-	-	-
Changes that relate to past service	-	-	2,687	(117)	2,570
	10,800	-	8,200	314	19,314
Total insurance service result	(19,290)	-	8,200	314	(10,776)
Finance costs	-	-	241	14	255
Cash flows					
Premium received	91,809	-	-	-	91,809
Claims and other expenses paid	-	-	(7,729)	-	(7,729)
Acquisition cash flows paid	(16,553)	-	-	-	(16,553)
Total cash flows	75,256	-	(7,729)	-	67,527
Net closing balance	58,340	-	13,721	686	72,747

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.1** Analysis by remaining coverage and incurred claims for insurance contracts measured in GMM

<b>General measurement model</b>	<b>31 March 2025 Inherent defect insurance (Unaudited)</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>Excluding risk adjustment</b>	<b>Risk adjustment</b>	
Opening insurance contract liabilities	51,945	-	237	15	52,197
<b>Insurance revenue</b>					
Expected incurred claims and directly attributable expenses	(1,196)	-	-	-	(1,196)
Change in Risk Adjustment for Non-Financial Risk	(7)	-	-	-	(7)
CSM recognized for services provided	(230)	-	-	-	(230)
Premium and related Receipts Relating to Past and Current Service	-	-	-	-	-
	(1,433)	-	-	-	(1,433)
<b>Insurance service expense</b>					
Incurred claims and other directly attributable expenses			634	13	647
Changes to liabilities for incurred claims - past service			(209)	(6)	(215)
	-	-	426	7	432
<b>Total insurance service result</b>	(1,433)	-	426	7	(1,001)
<b>Finance costs</b>	2,218	-	39	1	2,258
<b>Cash flows</b>					
Premium received	8,210	-	-	-	8,210
Claims and other expenses paid	-	-	(205)	-	(205)
<b>Total cash flows</b>	8,210	-	(205)	-	8,005
<b>Net closing balance</b>	60,940	-	496	23	61,459
<b>Total closing balance of insurance contract liability</b>					814,839

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General measurement model	31 December 2024 - Inherent defect insurance (Audited)				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Excluding risk adjustment	Risk adjustment	
Opening insurance contract liabilities	29,226	-	9	-	29,235
Insurance revenue					-
Expected incurred claims and directly attributable expenses	(3,267)	-	-	-	(3,267)
Change in Risk Adjustment for Non-Financial Risk	(17)	-	-	-	(17)
CSM recognized for services provided	(338)	-	-	-	(338)
Premium and related Receipts Relating to Past and Current Service	(838)	-	-	-	(838)
	(4,461)	-	-	-	(4,460)
Insurance service expense					
Incurred claims and other directly attributable expenses	-	-	1,912	23	1,935
Changes to liabilities for incurred claims - past service	-	-	(223)	(6)	(229)
	-	-	1,689	15	1,706
Total insurance service result	(4,461)	-	1,689	15	(2,754)
Finance costs	587	-	(42)	-	545
Cash flows					
Premium received	26,593	-	-	-	26,593
Claims and other expenses paid	-	-	(1,419)	-	(1,419)
Total cash flows	26,593	-	(1,419)	-	25,174
Net closing balance	51,945	-	237	15	52,197
Total closing balance of insurance contract liability					653,353

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

31 March 2025 - Medical (Unaudited)					
Assets for remaining coverage			Assets for incurred claims		Total
Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	
<b>Opening reinsurance contract assets</b>	<b>75</b>	<b>-</b>	<b>4,917</b>	<b>-</b>	<b>4,992</b>
Reinsurance service expense	(242)	-	-	-	(242)
Claims recovered	-	-	527	-	527
Changes that relate to past service: Changes related to LIC	-	-	(858)	-	(858)
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
<b>Net expense from reinsurance contracts held</b>	<b>(242)</b>	<b>-</b>	<b>(331)</b>	<b>-</b>	<b>(573)</b>
Finance income	-	-	-	-	-
<b>Cash flows</b>					
Premiums ceded paid net of commission	-	-	-	-	-
Recoveries from reinsurance	-	-	775	-	775
<b>Total cash flows</b>	<b>-</b>	<b>-</b>	<b>775</b>	<b>-</b>	<b>775</b>
<b>Net closing balance</b>	<b>(167)</b>	<b>-</b>	<b>5,361</b>	<b>-</b>	<b>5,194</b>



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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

31 March 2025 - Motor (Unaudited)				
Assets for remaining coverage		Assets for incurred claims		
Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	Total
<b><i>Premium allocation approach</i></b>				
<b>Opening reinsurance contract assets</b>	-	15,416	-	15,416
Reinsurance service expense	(1,533)	-	-	(1,533)
Claims recovered	-	(222)	-	(222)
Changes that relate to past service: Changes related to LIC	-	35	-	35
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-
<b>Net expense from reinsurance contracts held</b>	<b>(1,533)</b>	<b>(187)</b>	<b>-</b>	<b>(1,720)</b>
Finance income	-	-	-	-
<b>Cash flows</b>				
Premiums ceded paid net of commission	4,417	-	-	4,417
Recoveries from reinsurance	-	733	-	733
<b>Total cash flows</b>	<b>4,417</b>	<b>733</b>	<b>-</b>	<b>5,150</b>
<b>Net closing balance</b>	<b>2,884</b>	<b>15,962</b>	<b>-</b>	<b>18,846</b>

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

<b>31 March 2025 - Property (Unaudited)</b>					
<b>Assets for remaining coverage</b>			<b>Assets for incurred claims</b>		<b>Total</b>
<b>Excluding loss component</b>	<b>Loss component</b>		<b>Present value of future cash flows</b>	<b>Risk adjustment</b>	
<b><i>Premium allocation approach</i></b>					
<b>Opening reinsurance contract assets</b>	(7,309)	-	53,739	2,341	48,771
Reinsurance service expense	(4,280)	-	-	-	(4,280)
Claims recovered	-	-	207	-	207
Changes that relate to past service: Changes related to LIC	-	-	25,086	1,119	26,205
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
<b>Net expense from reinsurance contracts held</b>	<b>(4,280)</b>	<b>-</b>	<b>25,293</b>	<b>1,119</b>	<b>22,132</b>
Finance income	-	-	524	24	548
<b>Cash flows</b>					
Premiums ceded paid net of commission	(2,896)	-	-	-	(2,896)
Recoveries from reinsurance	-	-	(588)	-	(588)
<b>Total cash flows</b>	<b>(2,896)</b>	<b>-</b>	<b>(588)</b>	<b>-</b>	<b>(3,484)</b>
<b>Net closing balance</b>	<b>(14,485)</b>	<b>-</b>	<b>78,968</b>	<b>3,485</b>	<b>67,967</b>

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

	31 March 2025 - Engineering (Unaudited)				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
<b><u>Premium allocation approach</u></b>					
<b>Opening reinsurance contract assets</b>	<b>3,706</b>	<b>9</b>	<b>5,967</b>	<b>547</b>	<b>10,229</b>
Reinsurance service expense	(3,034)	-	-	-	(3,034)
Claims recovered	-	-	3	-	3
Changes that relate to past service: Changes related to LIC	-	(230)	2,792	238	2,800
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
<b>Net expense from reinsurance contracts held</b>	<b>(3,034)</b>	<b>(230)</b>	<b>2,795</b>	<b>238</b>	<b>(231)</b>
Finance income	-	-	68	6	74
<b>Cash flows</b>					
Premiums ceded paid net of commission	(423)	-	-	-	(423)
Recoveries from reinsurance	-	-	(253)	-	(253)
<b>Total cash flows</b>	<b>(423)</b>	<b>-</b>	<b>(253)</b>	<b>-</b>	<b>(676)</b>
<b>Net closing balance</b>	<b>19</b>	<b>9</b>	<b>8,577</b>	<b>792</b>	<b>9,396</b>

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

31 March 2025 - Marine (Unaudited)					
Assets for remaining coverage			Assets for incurred claims		Total
Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	
<b>Opening reinsurance contract assets</b>					
	(5,336)	-	14,862	1,301	10,827
Reinsurance service expense	(1,077)	-	-	-	(1,077)
Claims recovered	-	-	(5,985)	(416)	(6,401)
Changes that relate to past service: Changes related to LIC	-	-	5,590	364	5,954
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
<b>Net expense from reinsurance contracts held</b>	<b>(1,077)</b>	<b>-</b>	<b>(395)</b>	<b>(52)</b>	<b>(1,524)</b>
Finance income	-	-	212	19	231
<b>Cash flows</b>					
Premiums ceded paid net of commission	5,281	-	-	-	5,281
Recoveries from reinsurance	-	-	(203)	-	(203)
<b>Total cash flows</b>	<b>5,281</b>	<b>-</b>	<b>(203)</b>	<b>-</b>	<b>5,078</b>
<b>Net closing balance</b>	<b>(1,132)</b>	<b>-</b>	<b>14,476</b>	<b>1,267</b>	<b>14,612</b>

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

	31 March 2025 - Others (Unaudited)				
	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
<b><u>Premium allocation approach</u></b>					
<b>Opening reinsurance contract assets</b>	<b>2,778</b>	<b>-</b>	<b>3,513</b>	<b>175</b>	<b>6,466</b>
Reinsurance service expense	(2,688)	-	-	-	(2,688)
Claims recovered	-	-	202	-	202
Changes that relate to past service: changes related to LIC	-	-	327	17	344
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
<b>Net expense from reinsurance contracts held</b>	<b>(2,688)</b>	<b>-</b>	<b>529</b>	<b>17</b>	<b>(2,142)</b>
Finance income	-	-	1,756	2	1,758
<b>Cash flows</b>					
Premiums ceded paid net of commission	(8,239)	-	-	-	(8,239)
Recoveries from reinsurance	-	-	(1,803)	-	(1,803)
<b>Total cash flows</b>	<b>(8,239)</b>	<b>-</b>	<b>(1,803)</b>	<b>-</b>	<b>(10,042)</b>
<b>Net closing balance</b>	<b>(8,149)</b>	<b>-</b>	<b>3,995</b>	<b>215</b>	<b>(3,960)</b>

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 6 INSURANCE AND REINSURANCE CONTRACTS (continued)

##### 6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

31 December 2024 - Medical (Audited)					
Assets for remaining coverage			Assets for incurred claims		Total
Excluding loss component	Loss component		Present value of future cash flows	Risk adjustment	
Opening reinsurance contract assets	75	-	4,776	-	4,851
Reinsurance service expense	(5,588)	-	-	-	(5,588)
Claims recovered	-	-	6,570	-	6,570
Changes that relate to past service: Changes related to LIC	-	-	(1,025)	-	(1,025)
Net expense from reinsurance contracts held	(5,588)	-	5,545	-	(43)
Cash flows					
Premiums paid net of ceding commission	5,588	-	-	-	5,588
Recoveries from reinsurance	-	-	(5,404)	-	(5,404)
Total cash flows	5,588	-	(5,404)	-	184
Net closing balance	75	-	4,917	-	4,992

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025****6 INSURANCE AND REINSURANCE CONTRACTS (continued)****6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

	31 December 2024 -Motor (Audited)				
<u>Premium allocation approach</u>	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Opening reinsurance contract assets	-	-	21,360	-	21,360
Reinsurance service expense	(6,360)	-	-	-	(6,360)
Claims recovered	-	-	1,988	-	1,988
Changes that relate to past service: Changes related to LIC	-	-	(317)	-	(317)
Net expense from reinsurance contracts held	(6,360)	-	1,671	-	(4,689)
Cash flows					
Premiums paid net of ceding commission	6,360	-	-	-	6,360
Recoveries from reinsurance	-	-	(7,615)	-	(7,615)
Total cash flows	6,360	-	(7,615)	-	(1,255)
Net closing balance	-	-	15,416	-	15,416

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 6 INSURANCE AND REINSURANCE CONTRACTS (continued)

##### 6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

	31 December 2024 - Property (Audited)				
<u>Premium allocation approach</u>	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Opening reinsurance contract assets	(16,199)	4	64,678	2,014	50,497
Reinsurance service expense	(21,277)	-	-	-	(21,277)
Claims recovered	-	-	13,481	200	13,681
Changes that relate to past service: Changes related to LIC	-	-	(15,066)	44	(15,022)
Recovery / ( reversal) on losses on onerous contracts	-	(4)	-	-	(4)
Net expense from reinsurance contracts held	(21,277)	(4)	(1,585)	244	(22,622)
Finance income	-	-	2,584	83	2,667
Cash flows					
Premiums paid net of ceding commission	30,167	-	-	-	30,167
Recoveries from reinsurance	-	-	(11,938)	-	(11,938)
Total cash flows	30,167	-	(11,938)	-	18,229
Net closing balance	(7,309)	-	53,739	2,341	48,771



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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

<i>Premium allocation approach</i>	31 December 2024 - Engineering (Audited)				Total
	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Opening reinsurance contract assets	(1,893)	9	2,894	259	1,269
Reinsurance service expense	(12,587)	-	-	-	(12,587)
Claims recovered	-	-	1,325	74	1,399
Changes that relate to past service: Changes related to LIC	-	-	2,868	202	3,070
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
Net expense from reinsurance contracts held	(12,587)	-	4,193	276	(8,118)
Finance income	-	-	135	12	147
Cash flows					
Premiums paid net of ceding commission	18,186	-	-	-	18,186
Recoveries from reinsurance	-	-	(1,255)	-	(1,255)
Total cash flows	18,186	-	(1,255)	-	16,931
Net closing balance	3,706	9	5,967	547	10,229

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 6 INSURANCE AND REINSURANCE CONTRACTS (continued)

##### 6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

<i>Premium allocation approach</i>	31 December 2024 - Marine (Audited)				Total
	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Opening reinsurance contract assets	(4,738)	-	2,273	191	(2,274)
Reinsurance service expense	(8,329)	-	-	-	(8,329)
Claims recovered	-	-	270	(916)	(646)
Changes that relate to past service: Changes related to LIC	-	-	12,239	1,987	14,226
Recovery / ( reversal) on losses on onerous contracts	-	-	-	-	-
Net expense from reinsurance contracts held	(8,329)	-	12,509	1,071	5,251
Finance income	-	-	461	39	500
Cash flows					
Premiums paid net of ceding commission	7,731	-	-	-	7,731
Recoveries from reinsurance	-	-	(381)	-	(381)
Total cash flows	7,731	-	(381)	-	7,350
Net closing balance	(5,336)	-	14,862	1,301	10,827

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**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

**6.2** Analysis by remaining coverage and incurred claims for reinsurance contracts measured in PAA (continued)

	31 December 2024 - Others (Audited)				
<i>Premium allocation approach</i>	Assets for remaining coverage		Assets for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment	
Opening reinsurance contract assets	17,934	-	(7,375)	207	10,766
Reinsurance service expense	(9,254)	-	-	-	(9,254)
Claims recovered	-	-	1,348	(107)	1,241
Changes that relate to past service: Changes related to LIC	-	-	(636)	68	(568)
Net expense from reinsurance contracts held	(9,254)	-	712	(39)	(8,581)
Finance income	-	-	145	7	152
Cash flows					
Premiums paid net of ceding commission	(5,902)	-	-	-	(5,902)
Recoveries from reinsurance	-	-	10,031	-	10,031
Total cash flows	(5,902)	-	10,031	-	4,129
Net closing balance	2,778	-	3,513	175	6,466

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**6 INSURANCE AND REINSURANCE CONTRACTS (continued)**

6.2 Analysis by remaining coverage and incurred claims for reinsurance contracts measured in GMM

**General measurement model**

General measurement model	31 March 2025 Inherent defect insurance (Unaudited)				Total
	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss component	Loss component	Excluding risk adjustment	Risk adjustment	
Opening reinsurance contract assets	42,180	-	(8,380)	(20)	33,780
<u>Allocation of reinsurance premiums</u>					
Expected claims recoverable	(230)	-	-	-	(230)
Changes in risk adjustment for non-financial risk	(7)	-	-	-	(7)
Others items Relating to Past and Current Service	(175)	-	-	-	(175)
CSM recognized during the period	(150)	-	-	-	(150)
	(562)	-	-	-	(562)
<u>Amounts recoverable from reinsurance</u>					
Incurred claims & other directly attributable expenses	-	-	376	-	376
changes to assets for incurred claims - Past service	-	-	(187)	-	(187)
	-	-	189	-	189
Finance income	1,709	-	15	-	1,724
Cash flows					
Ceded premium	-	-	-	-	-
Incurred claims recoveries	-	-	(33)	-	(33)
Commission and management fees received	(2,612)	-	-	-	(2,612)
Total cash flows	(2,612)	-	(33)	-	(2,645)
Net closing balance	40,716	-	(8,208)	(20)	32,488
Total closing balance of reinsurance contract assets and liabilities					144,543

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### General measurement model

General measurement model	31 March 2024 Inherent defect insurance (Unaudited)				Total
	Assets for remaining coverage		Assets for incurred claims		
	Excluding loss component	Loss component	Excluding risk adjustment	Risk adjustment	
Opening reinsurance contract assets	28,133	-	(9,284)	-	18,848
<u>Allocation of reinsurance premiums</u>					
Expected claims recoverable	(315)	-	-	-	(315)
Changes in risk adjustment for non-financial risk	(3)	-	-	-	(3)
Others items Relating to Past and Current Service	(54)	-	-	-	(54)
CSM recognized during the period	(354)	-	-	-	(354)
	(726)	-	-	-	(726)
<u>Amounts recoverable from reinsurance</u>					
Incurred claims & other directly attributable expenses			839		839
changes to assets for incurred claims - Past service	-	-	(203)	-	(203)
	-	-	636	-	636
Finance income	243	-	268	-	511
Cash flows					
Ceded premium	17,468	-	-	-	17,468
Incurred claims recoveries	-	-	-	(20)	(20)
Commission and management fees received	(2,938)	-	-	-	(2,938)
Total cash flows	14,530	-	-	(20)	14,510
Net closing balance	42,180	-	(8,380)	(20)	33,780
Total closing balance of reinsurance contract assets					130,480

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 6 INSURANCE AND REINSURANCE CONTRACTS (continued)

**6.3** The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

#### Insurance contracts issued

	31 March 2025 (Unaudited)		31 December 2024 (Audited)	
	Assets	Liabilities	Assets	Liabilities
Medical	-	334,950	-	219,279
Motor	-	201,224	-	194,637
Property	-	95,400	-	64,348
Engineering	-	17,365	-	39,054
Marine	-	17,898	-	11,090
Others	-	86,544	-	72,747
Inherent defect insurance	-	61,459	-	52,197
<b>Total insurance contracts issued</b>	<b>-</b>	<b>814,839</b>	<b>-</b>	<b>653,353</b>

#### Reinsurance contracts held

	31 March 2025 (Unaudited)		31 December 2024 (Audited)	
	Assets	Liabilities	Assets	Liabilities
Medical	5,194	-	4,992	-
Motor	18,846	-	15,416	-
Property	67,967	-	48,771	-
Engineering	9,396	-	10,229	-
Marine	14,612	-	10,826	-
Others	-	3,960	6,466	-
Inherent defect insurance	32,488	-	33,780	-
<b>Total reinsurance contracts held</b>	<b>148,503</b>	<b>3,960</b>	<b>130,480</b>	<b>-</b>

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**7 INVESTMENTS**

	<u><b>31 March</b></u> <u><b>2025</b></u> <b>(Unaudited)</b>	<u>31 December</u> <u>2024</u> <b>(Audited)</b>
<b>Insurance operations</b>		
Financial assets measured at FVTPL	<b>84,520</b>	20,107
Financial assets at amortised cost – net	<b>4,911</b>	4,903
	<u><b>89,431</b></u>	<u>25,010</u>
<b>Shareholders' operations</b>		
Financial assets measured at FVTPL	<b>114,476</b>	114,475
Financial assets measured at FVTOCI	<b>65,594</b>	65,529
	<u><b>180,070</b></u>	<u>180,004</u>
<b>Total investments</b>	<u><b>269,501</b></u>	<u>205,014</u>

a) Investments measured at FVTPL comprise of the following:

	<u><b>31 March</b></u> <u><b>2025</b></u> <b>(Unaudited)</b>	<u>31 December</u> <u>2024</u> <b>(Audited)</b>
<b>Insurance operations</b>		
Tier 1 sukuk	<b>10,000</b>	10,000
Funds	<b>74,520</b>	10,107
<b>Shareholders' operations</b>		
Equity & tier 1 sukuk	<b>69,830</b>	69,863
Funds	<b>44,647</b>	44,612
<b>Total financial assets at FVTPL</b>	<u><b>198,996</b></u>	<u>134,582</u>

b) Investments measured at FVTOCI comprise of the following:

	<u><b>31 March</b></u> <u><b>2025</b></u> <b>(Unaudited)</b>	<u>31 December</u> <u>2024</u> <b>(Audited)</b>
<b>Shareholders' operations</b>		
Najm investment	<b>61,141</b>	61,141
Other equity	<b>4,453</b>	4,388
<b>Total financial assets at FVTOCI</b>	<u><b>65,594</b></u>	<u>65,529</u>

c) Investments measured at amortised cost comprise of the following:

	<u><b>31 March</b></u> <u><b>2025</b></u> <b>(Unaudited)</b>	<u>31 December</u> <u>2024</u> <b>(Audited)</b>
<b>Insurance operations</b>		
Sukuks	<b>4,930</b>	4,922
Impairment allowance	<b>(19)</b>	(19)
<b>Total investments</b>	<u><b>4,911</b></u>	<u>4,903</u>

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**7 INVESTMENTS (continued)**

d) There is no movement in impairment ECL allowance between staegs 1 to 3 during the year.

**The movement in the financial assets are as follows:**

	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b>a) Measured at FVTPL:</b>		
<b>Insurance operations</b>		
Balance at beginning of the period	20,107	18,863
Addition during the period	60,673	56,935
Disposals during the period	-	(55,935)
Changed in the fair value of financial assets	3,740	244
Balance at end of the period	<b>84,520</b>	<b>20,107</b>
<b>Shareholders' operations</b>		
Balance at beginning of the period	114,475	107,567
Addition during the period	-	-
Disposals during the period	(176)	-
Changed in the fair value of financial assets	177	6,908
Balance at end of the period	<b>114,476</b>	<b>114,475</b>
<b>b) Measured at FVOCI:</b>		
<b>Insurance operations</b>		
Balance at beginning of the period	-	140
Addition during the period	-	-
Disposals during the period	-	(114)
Changed in the fair value of financial assets	-	(26)
Balance at end of the period	<b>-</b>	<b>-</b>
<b>Shareholders' operations</b>		
Balance at beginning of the period	65,529	47,510
Addition during the period	-	-
Disposals during the period	-	(1,501)
Impairment reversal / (allowance)	-	-
Changed in the fair value of financial assets	65	19,520
Balance at end of the period	<b>65,594</b>	<b>65,529</b>



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**7 INVESTMENTS (continued)**

	<b>31 March 2025 (Unaudited)</b>	<b>31 December 2024 (Audited)</b>
<b>c) Measured at amortised cost:</b>		
<b>Insurance operations</b>		
Balance at beginning of the period	4,903	4,868
Amortization	8	34
Impairment allowance	-	1
Balance at end of the period	<u>4,911</u>	<u>4,903</u>
<b>Shareholders' operations</b>		
Balance at beginning of the period	-	187
Matured during the year	-	(200)
Disposals during the period	-	-
Impairment allowance	-	13
Balance at end of the period	<u>-</u>	<u>-</u>

**Investment income**

Details on investment income for the period are as follows:

	<b>31 March 2025 (Unaudited)</b>		
	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
<b>Income on financial assets at FVTPL</b>			
Un-realized gain on investments at fair value	3,740	81	194
Realized gain on investments at fair value	-	97	3,837
Dividend income on investments at fair value	113	154	154
	<u>3,853</u>	<u>332</u>	<u>4,185</u>
	<b>31 March 2024 (Unaudited)</b>		
	<b>Insurance operations</b>	<b>Shareholders' operations</b>	<b>Total</b>
<b>Income on financial assets at FVTPL</b>			
Un-realized gain on investments at fair value	1,174	7,476	8,650
Realized gain on investments at fair value	291	(91)	200
Dividend income on investments at fair value	-	-	-
	<u>1,465</u>	<u>7,385</u>	<u>8,850</u>

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**8 Zakat payable**

The movement in zakat payable during the period is as follows:

	<b>31 March</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
Balance at beginning of the year	<b>23,663</b>	30,587
Charge for the year	<b>1,000</b>	9,504
Payments during the year	-	(6,688)
Reversal of zakat provision year	-	(5,853)
Reclassification of zakat provision to other liability	-	(3,887)
Balance at end of the year	<b>24,663</b>	<b>23,663</b>

**a) Status of assessments**

The Company has filed the zakat returns for the financial year 2024 and received a temporary Zakat certificate. Assessments have been received from ZATCA to date in respect of these years. Furthermore, ZATCA has started its review procedures for years 2021 and 2022 but has not raised any final assessment related to these years.

Management believes that appropriate and adequate provisions have been created and that the finalization of the above-mentioned assessments is not expected to have a material impact on the financial statements for the period ending March 31, 2025.

**b) Status of appeals**

The years from 2016 to 2018: On December 27, 2020, the ZATCA raised its assessments for those years claiming additional zakat liability of SR 3.3 million, then the Company has appealed against such assessment within the legally prescribed period. As result, ZATCA has partially accepted the Company's appeal and issued a revised assessment for the Company's favor which resulted an overpaid amount of SR 1.5 million for the Company. However, the Company has decided to escalate the case to the GSTC. During August 2022, the Committee for Resolution of Tax Violations and Disputes ("CRTVD") (which is the first level of the GSTC committees) has issued its decision which resulted an overpaid amount of SR 2.8 million for the Company. However, such CRTVD ruling is not final as both ZATCA and the Company have escalated the case to the Appellate Committee for Tax Violations and Disputes Resolution ("ACTVDR") (Which is the second and final level of GSTC committees), and the hearing session/final ruling is awaiting.

The years 2019 & 2020: On September 30, 2021, ZATCA raised its assessments for those years claiming additional zakat liability of SR 5.2 million, then the company has appealed against such assessment within the legally prescribed period. As result, ZATCA has partially accepted the Company's appeal and issued a revised assessment through which the additional zakat liability has been reduced to SR 5 million knowing that the Company has already settled along with the appeal an amount of SR 1.3 million which represents 25% of the disputed additional zakat liability as per the original assessment to fulfil the formality conditions of appeal submission stated in the zakat regulations, then the Company has escalated its appeal case to the GSTC. During September 2022, CRTVD has issued its decision and reduced the zakat liability to 3.7 million. However, such CRTVD ruling is not final as both ZATCA and the Company have escalated the case to ACTVDR, and the hearing session/final ruling is awaiting.

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## **(A SAUDI JOINT STOCK COMPANY)**

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

(All amounts are in thousands Saudi Riyal unless otherwise stated)

### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **8 Zakat payable (continued)**

##### **c) Status of VAT assessment**

On 29 November 2022, ZATCA raised an assessment based on the tax audit conducted with respect to VAT for the tax periods from January 2018 to December 2020 (36 tax periods).

The total assessed VAT liability for the mentioned tax periods is SAR 7.7 million.

The ZATCA also applied late payment and incorrect filing penalties on the Company. However, given that the Company paid the assessed VAT liability during the ZATCA's penalty exemption initiative all penalty charges have since been waived by ZATCA under the tax amnesty in force.

Considering the assessed items, we understand that the Company was of the view that it had good grounds supported by the VAT legislation in KSA and the guidance issued by the ZATCA and therefore the Company submitted objection letters for all the assessed tax periods through the ZATCA portal on 27 January 2023, objecting to the assessment raised by ZATCA.

On 3 March 2023, the Company's objections regarding certain items were rejected, while others were accepted by ZATCA. The items that were accepted are as follow:

- Reinsurers' share of claims paid that were not subjected to standard VAT rate for the years 2018, 2019 and 2020.
- The total loss claims considered outside the scope of VAT for the years 2018, 2019, and 2020.

Moreover, the Company received partial acceptance of the objection in relation to the difference between the Financial Statement and VAT returns for the year 2020.

On 24 January 2024, ZATCA raised a VAT assessment based on their on-going audit conducted for the periods from January 2021 to December 2022 (24 tax periods).

The total assessed VAT liability for the relevant tax periods is SR 12.2 million against which SR 3.4 million is provided by the Company.

The ZATCA has waived the penalties applied for late payment and incorrect filing. However, the Company was eligible for a penalty waiver since the payment was settled before the end of ZATCA's amnesty program.

The Company filed an objection with the ZATCA for the assessed periods from January 2021 to December 2022 on 21 March 2024. Upon the filing of the objection, the ZATCA objection committee arranged a meeting with Malath to discuss the merits of the objection and requested additional information. The Company provided all the requested information. Consequently, a decision was issued.

On 12 June 2024, The Company's objections regarding the following items were accepted by ZATCA as follows:

- ZATCA has accepted the objection on third-party claims with full acceptance of those claims.
- Acceptance of bad debts for the purpose of reassessment. (The auditor will review the breakdown provided and reissue the assessment based on that information).

The Company has filed a second objection with ZATCA for the assessment period from 01 November 2021 to 30 November 2021 on 08 August 2024. The objection pertains to the ongoing disputed items. The objection is currently in progress and under ZATCA's review

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**9 SHARE CAPITAL**

As at 31 March 2025 and 31 December 2024, the issued and paid up share capital of the Company amounting to SR 500 million, divided into 50 million ordinary shares of SR 10 each.

**10 STATUTORY RESERVE**

In accordance with the Company's By-Laws and in compliance with Article 70(2)(g) of the Insurance Implementing Regulations issued by Insurance Authority, formerly Saudi Central Bank (SAMA), the Company is required to allocate 20% of its net shareholder's income for the year to the statutory reserve until it equals the value of share capital and such transfer is only made at year end. The statutory reserve is not available for distribution to shareholders until liquidation of the Company.

**11 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share for the period have been calculated by dividing the total net income for the period by the weighted average number of shares in issue throughout the period.

The basic and diluted earning per share are as follows:

	<b>For the period ended 31</b>	
	<b>March</b>	
	<b>2025</b>	<b>2024</b>
Basic and diluted earnings per share (SR)	<b>0.20</b>	<b>0.23</b>
Weighted average number of shares throughout the period (thousands)	<b>50,000</b>	<b>50,000</b>

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### NOTES TO THE FINANCIAL STATEMENTS

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 12 CAPITAL MANAGEMENT

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

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

As per guidelines laid out by Insurance Authority in Article 66 of the Implementing Insurance Regulations detailing the solvency margin requirements, the Company shall maintain solvency margin equivalent to the highest of the following three methods as per Insurance Authority Implementing Regulations:

- Minimum Capital Requirement of SR 300 million
- Premium Solvency Margin
- Claims Solvency Margin

In the opinion of the Board of Directors, the Company has fully complied with the externally imposed capital requirements during the reported financial period.

#### 13 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable), and

Level 3: Valuation techniques (for which the lowest level input that is significant to the fair value measurement is

The following table summarizes the financial assets recorded at fair value as of 31 March 2025 and 31 December 2024 by level of the fair value hierarchy. There are no transfers among the levels during the period. Some equity financial investment are reported at cost, where their fair value are not materially different from the carrying value.

As at March 31 2025 (Unaudited)	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL	198,996	80,350	32,298	86,348	198,996
Financial assets measured at FVTOCI	65,594	4,453	-	61,141	65,594
	<u>264,590</u>	<u>84,803</u>	<u>32,298</u>	<u>147,489</u>	<u>264,590</u>
As at 31 December 2024 (Audited)	Carrying value	Level 1	Level 2	Level 3	Total
Financial assets measured at FVTPL	134,582	80,384	32,298	21,900	134,582
Financial assets measured at FVTOCI	65,529	4,388	-	61,141	65,529
	<u>200,111</u>	<u>84,772</u>	<u>32,298</u>	<u>83,041</u>	<u>200,111</u>
Sensitivity analysis of Level 3 investments	Sensitivity factor	Impact on fair value due to decrease in sensitivity factor		Impact on fair value due to decrease in sensitivity	
As at 31 March 2025 (Unaudited)	+/- 10% change in the price	(14,749)		14,749	
As at 31 December 2024 (Audited)	+/- 10% change in the price	(8,304)		8,304	

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#### **FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

#### **14 COMMITMENTS AND CONTINGENCIES**

##### **a. Legal proceedings and regulations**

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

##### **b. Contingent liabilities**

The Company's contingent liabilities are as follows:

	<b>31 March</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
Letters of guarantee	<b>11,839</b>	12,398

The Company has submitted these bank guarantees to various parties which are fully covered by margin deposits amounting to SAR 20 million (2024: SAR 20 million).

#### **15 RELATED PARTY TRANSACTIONS**

Members of the Board of Directors do not receive any remuneration for their role in managing the Company unless approved by the General Assembly. Members of the Board of Directors receive an attendance allowance for Board and Board Committee meetings. Executive Directors receive fixed remuneration as a result of their direct duties and responsibilities. The top Senior Executives, including the Chief Executive Officer and the Chief Financial Officer, receive remuneration according to the employment contracts signed with them.

Related parties represent transactions with directors and key management personnel of the Company.

The following are the details of the major related party transactions during the period and the related balances:

	<b>31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Remuneration to Board of Directors	<b>225</b>	3,781
Board of directors' and committees meeting fees	<b>165</b>	141
Key management personnel compensations	<b>1,930</b>	1,827
End of service indemnities	<b>129</b>	144

The Key Management Personnel compensation and benefits consist of gross salaries, General Organization for Social Insurance contributions, allowances and accrued bonus.

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**16 SEGMENT INFORMATION**

Consistent with the Company's internal reporting process, operating segments have been approved by management in respect of the Company's activities, assets and liabilities as stated below. Segment results do not include income from investments, other income or expense and general and administrative expenses.

Segment results do not include commission on short-term murabaha deposits. Segment assets do not include cash and cash equivalents, investments, prepayments and other assets and property and equipment. Accordingly, they are included in unallocated assets. Segment liabilities do not include accrued expenses and other liabilities, as well as end of service liabilities. Accordingly, they are included in unallocated liabilities.

These unallocated assets and liabilities are not reported to Chief Executive Officer under related segments and are monitored on a centralized basis.

**Gross written premium**

For the period ended 31 March 2025						
(Unaudited)						
Operating segment	Individuals	Very small enterprises	Small enterprises	Medium enterprises	Corporates	Total
<b>Gross premiums written:</b>						
Medical	8,333	27,288	11,678	14,553	113,017	174,869
Motor	240,123	524	7,940	2,235	1,121	251,943
Property	2	2	16	4,626	3,802	8,448
Engineering	-	20	602	1,273	2,451	4,346
Marine	-	-	120	96	55	271
Others	26,507	73	546	2,205	2,201	31,532
<b>Total</b>	<b>274,965</b>	<b>27,907</b>	<b>20,902</b>	<b>24,988</b>	<b>122,647</b>	<b>471,409</b>
For the period ended 31 March 2024						
(Unaudited)						
Operating segment	Individuals	Very small enterprises	Small enterprises	Medium enterprises	Corporates	Total
<b>Gross premiums written:</b>						
Medical	11,850	22,067	24,969	15,268	128,488	202,642
Motor	77,469	60	12,276	4,330	3,578	97,713
Property	3	10	1,025	3,588	4,793	9,419
Engineering	-	3	253	3,984	1,190	5,430
Marine	-	-	27	426	4,423	4,876
Others	1,596	4	461	2,453	2,877	7,391
<b>Total</b>	<b>90,918</b>	<b>22,144</b>	<b>39,011</b>	<b>30,049</b>	<b>145,349</b>	<b>327,471</b>

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**16 SEGMENT INFORMATION (continued)**

**Reinsurance premium ceded**

	<b>For the period ended 31 March (Unaudited)</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Local</b>	<b>International</b>	<b>Total</b>	<b>Local</b>	<b>International</b>	<b>Total</b>
<b>Operating segment</b>						
<b>Reinsurance Premium Ceded :</b>						
Medical	121	121	242	113	112	225
Motor	317	1,216	1,533	274	1,310	1,584
Property	1,443	6,013	7,456	861	7,458	8,319
Engineering	615	3,611	4,226	649	4,617	5,266
Marine	79	301	380	432	3,270	3,702
Others	4,681	3,329	8,010	2,328	2,767	5,095
<b>Total</b>	<b>7,256</b>	<b>14,591</b>	<b>21,847</b>	<b>4,657</b>	<b>19,534</b>	<b>24,191</b>



# MALATH COOPERATIVE INSURANCE COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

### 16 SEGMENT INFORMATION (continued)

		31 March 2025 (Unaudited)								
Operating segment		Medical	Motor	Property	Engineering	Marine	Others	Insurance Operations	Shareholders' Operations	Total
Assets										
Reinsurance contract assets		5,194	18,846	67,967	9,396	14,612	32,488	148,503	-	148,503
Unallocated assets		-	-	-	-	-	-	750,572	495,934	1,246,506
Total assets		5,194	18,846	67,967	9,396	14,612	32,488	899,075	495,934	1,395,009
Liabilities										
Insurance contract liabilities		334,950	201,224	95,400	17,365	17,898	148,003	814,839	-	814,839
Reinsurance contract liabilities							3,960	3,960	-	3,960
Unallocated liabilities and insurance operations` surplus		-	-	-	-	-	-	80,276	495,934	576,210
Total liabilities and insurance operations` surplus		334,950	201,224	95,400	17,365	17,898	151,963	899,075	495,934	1,395,009
		31 December 2024 (Audited)								
Operating segment		Medical	Motor	Property	Engineering	Marine	Others	Insurance Operations	Shareholders' Operations	Total
Assets										
Reinsurance contract assets		4,992	15,416	48,773	10,229	10,827	40,244	130,481	-	130,481
Unallocated assets		-	-	-	-	-	-	622,907	484,026	1,106,933
Total assets		4,992	15,416	48,773	10,229	10,827	40,244	753,388	484,026	1,237,414
Liabilities										
Insurance contract liabilities		219,279	194,637	64,348	39,054	11,090	124,944	653,352	-	653,352
Unallocated liabilities and insurance operations` surplus		-	-	-	-	-	-	100,036	484,026	584,062
Total liabilities and insurance operations` surplus		219,279	194,637	64,348	39,054	11,090	124,944	753,388	484,026	1,237,414

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 16 SEGMENT INFORMATION (continued)

	For the period ended 31 March 2025 (Unaudited)								
Operating segment	Medical	Motor	Property	Engineering	Marine	Others	Insurance Operations	Shareholders' Operations	Total
Insurance service revenue	153,467	158,992	6,028	3,902	1,640	16,099	340,128	-	340,128
Insurance service expenses	(138,458)	(172,313)	(36,984)	(4,414)	274	(12,950)	(364,844)	-	(364,844)
Insurance service result before reinsurance contracts held	15,009	(13,321)	(30,956)	(512)	1,914	3,149	(24,716)	-	(24,716)
Allocation of reinsurance premiums	(242)	(1,533)	(4,280)	(3,034)	(1,077)	(3,223)	(13,389)	-	(13,389)
Amounts recoverable from reinsurance	(331)	(187)	25,387	2,803	(649)	500	27,523	-	27,523
Net revenues / (expenses) from reinsurance contracts held	(573)	(1,720)	21,107	(231)	(1,726)	(2,723)	14,134	-	14,134
Insurance service result	14,436	(15,041)	(9,849)	(743)	188	427	(10,582)	-	(10,582)
Finance expenses from insurance contracts issued	(1,721)	(1,102)	(640)	(97)	(266)	(2,363)	(6,189)	-	(6,189)
Finance income from reinsurance contracts held	-	-	548	74	231	1,759	2,612	-	2,612
Net insurance finance expenses	(1,721)	(1,102)	(92)	(23)	(35)	(604)	(3,577)	-	(3,577)
Unallocated income	-	-	-	-	-	-	29,064	2,308	31,372
Unallocated expenses	-	-	-	-	-	-	(6,009)	(323)	(6,332)
Net income before zakat	-	-	-	-	-	-	8,896	1,985	10,881
Net income attributable to shareholders before zakat									10,881

# MALATH COOPERATIVE INSURANCE COMPANY

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### FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025

#### 16 SEGMENT INFORMATION (continued)

For the period ended 31 March 2024 (Unaudited)									
Operating segment	Medical	Motor	Property	Engineering	Marine	Others	Insurance Operations	Shareholders' Operations	Total
Insurance service revenue	114,581	71,597	6,517	4,442	3,401	5,226	205,764	-	205,764
Insurance service expenses	(121,624)	(65,904)	(1,249)	(1,488)	(311)	(3,048)	(193,624)	-	(193,624)
Insurance service result before reinsurance contracts held	(7,043)	5,693	5,268	2,954	3,090	2,178	12,140	-	12,140
Allocation of reinsurance premiums	(225)	(1,583)	(4,771)	(3,174)	(2,039)	(1,919)	(13,711)	-	(13,711)
Amounts recoverable from reinsurance	2,091	628	(1,888)	118	(537)	410	822	-	822
Net revenues / (expenses) from reinsurance contracts held	1,866	(955)	(6,659)	(3,056)	(2,576)	(1,509)	(12,889)	-	(12,889)
<b>Insurance service result</b>	<b>(5,177)</b>	<b>4,738</b>	<b>(1,391)</b>	<b>(102)</b>	<b>514</b>	<b>669</b>	<b>(749)</b>	<b>-</b>	<b>(749)</b>
Finance expenses from insurance contracts issued	(1,924)	(454)	(836)	(45)	(33)	(100)	(3,392)	-	(3,392)
Finance income from reinsurance contracts held	-	-	769	36	22	(30)	797	-	797
<b>Net insurance finance expenses</b>	<b>(1,924)</b>	<b>(454)</b>	<b>(67)</b>	<b>(9)</b>	<b>(11)</b>	<b>(130)</b>	<b>(2,595)</b>	<b>-</b>	<b>(2,595)</b>
Unallocated income	-	-	-	-	-	-	13,026	15,336	28,362
Unallocated expenses	-	-	-	-	-	-	(7,361)	(3,839)	(11,200)
<b>Net income before zakat</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,321</b>	<b>11,497</b>	<b>13,818</b>
<b>Net income attributable to shareholders before zakat</b>									<b>13,818</b>

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**17 STATUTORY DEPOSIT**

In compliance with Article 58 of the Implementing Regulations issued by the Insurance Authority, the Company has deposited 15% (31 March 2025) of its share capital, amounting to SR 75 million (31 December 2024: SR 75 million), in a bank designated by IA. The statutory deposit is maintained with a reputed local bank and can be withdrawn only with the consent of IA. The Company is not entitled to receive the investment return on this deposit. This investment return is shown as a separate line item in the interim condensed statement of Financial Position. Income is accrued on statutory deposit at rate of 4.98% (31 December 2024: 4.98% ) per annum. The balance is net of expected credit loss amounting to SR 14 (31 December 2024: SR 14)

**18 EXPENSE ANALYSIS**

Following is the breakdown of expenses by category:

	31 March 2025 (Unaudited)				
	Insurance acquisition costs	Attributable non-acquisition expenses	Total attributable expenses	Non attributable expenses	Total
<b>Expenses pertaining to insurance operations</b>					
Commissions incurred on premium written during the period	27,050	-	27,050	-	27,050
Claims handling and other expenses	-	4,346	4,346	-	4,346
Other underwriting expenses	7,690	-	7,690	-	7,690
<b>Total expenses</b>	<b>34,740</b>	<b>4,346</b>	<b>39,086</b>	<b>-</b>	<b>39,086</b>
Salaries and staff related costs	9,492	10,693	20,185	4,200	24,385
Depreciation and amortization	126	293	419	1	420
Communication and technology	555	2,055	2,610	497	3,107
Legal and professional fees	1,610	335	1,945	595	2,540
Regulatory fees	3,330	-	3,330	-	3,330
Rents	801	448	1,249	41	1,290
Advertisement and marketing expenses	2,222	-	2,222	-	2,222
Other expenses	907	729	1,636	675	2,311
<b>Total expenses</b>	<b>19,043</b>	<b>14,553</b>	<b>33,596</b>	<b>6,009</b>	<b>39,605</b>
<b>Expenses pertaining to shareholders' operations</b>					
Director's Remunerations	-	-	-	225	225
Others	-	-	-	98	98
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323</b>	<b>323</b>
<b>Total expenses</b>	<b>53,783</b>	<b>18,899</b>	<b>72,682</b>	<b>6,332</b>	<b>79,014</b>

**MALATH COOPERATIVE INSURANCE COMPANY**  
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(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**18 EXPENSE ANALYSIS (continued)**

Following is the breakdown of expenses by category:

	31 March 2024 (Unaudited)				
	Insurance acquisition costs	Attributable non-acquisition expenses	Total attributable expenses	Non attributable expenses	Total
<b>Expenses pertaining to insurance operations</b>					
Commissions incurred on premium written during the period	15,915	-	15,915	-	15,915
Claims handling and other expenses	-	3,334	3,334	-	3,334
Other underwriting expenses	5,156	-	5,156	-	5,156
<b>Total expenses</b>	<b>21,071</b>	<b>3,334</b>	<b>24,405</b>	<b>-</b>	<b>24,405</b>
Salaries and staff related costs	9,592	10,057	19,649	4,991	24,640
Depreciation and amortization	129	288	417	8	425
Communication and technology	521	1,579	2,100	1,039	3,139
Legal and professional fees	861	356	1,217	772	1,989
Regulatory fees	2,390	38	2,428	12	2,440
Rents	1,155	870	2,025	-	2,025
Advertisement and marketing expenses	804	-	804	-	804
Other expenses	439	767	1,206	539	1,745
<b>Total expenses</b>	<b>15,891</b>	<b>13,955</b>	<b>29,846</b>	<b>7,361</b>	<b>37,207</b>
<b>Expenses pertaining to shareholders' operations</b>					
Director's Remunerations	-	-	-	3,782	3,782
Others	-	-	-	57	57
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,839</b>	<b>3,839</b>
<b>Total expenses</b>	<b>36,962</b>	<b>17,289</b>	<b>54,251</b>	<b>11,200</b>	<b>65,451</b>

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION**

**19.1 Interim condensed statement of financial position**

	<b>Insurance operations</b>		<b>Shareholders' operations</b>		<b>Total</b>	
	<b>31 March</b>	31 December	<b>31 March</b>	31 December	<b>31 March</b>	31 December
	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Audited)	<b>(Unaudited)</b>	(Audited)	<b>(Unaudited)</b>	(Audited)
<b>ASSETS</b>						
Cash and cash equivalents	<b>159,214</b>	161,253	<b>12,003</b>	11,722	<b>171,217</b>	172,975
Term deposits	<b>449,161</b>	393,050	<b>156,590</b>	130,209	<b>605,752</b>	523,259
Reinsurance contract assets	<b>148,503</b>	130,480	-	-	<b>148,503</b>	130,480
Investments	<b>89,431</b>	25,010	<b>180,070</b>	180,004	<b>269,501</b>	205,014
Prepayments and other assets	<b>49,555</b>	39,880	<b>44,289</b>	44,043	<b>93,843</b>	83,923
Property and equipment	<b>2,638</b>	3,028	-	-	<b>2,638</b>	3,028
Right-of-use assets	<b>573</b>	688	-	-	<b>573</b>	688
Statutory deposit	-	-	<b>74,986</b>	74,986	<b>74,986</b>	74,986
Accrued commission income on statutory deposit	-	-	<b>6,220</b>	5,285	<b>6,220</b>	5,285
	<b>899,075</b>	753,389	<b>474,158</b>	446,249	<b>1,373,233</b>	1,199,638
Due from insurance operations	-	-	<b>21,776</b>	37,778	<b>21,776</b>	37,778
<b>TOTAL ASSETS</b>	<b>899,075</b>	753,389	<b>495,934</b>	484,027	<b>1,395,009</b>	1,237,416

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION (continued)**

**19.1 Interim condensed Statement of financial position (continued)**

	<b>Insurance operations</b>		<b>Shareholders' operations</b>		<b>Total</b>	
	<b>31 March</b>	31 December	<b>31 March</b>	31 December	<b>31 March</b>	31 December
	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
	<b>(Unaudited)</b>	(Audited)	<b>(Unaudited)</b>	(Audited)	<b>(Unaudited)</b>	(Audited)
<b>LIABILITIES</b>						
Accrued expenses and other liabilities	47,575	51,216	3,438	3,412	51,013	54,628
Lease liabilities	477	701	-	-	477	701
Insurance contract liabilities	814,839	653,353	-	-	814,839	653,353
Reinsurance contract liabilities	3,960	-	-	-	3,960	-
Employees' end-of-service benefits	29,340	29,233	-	-	29,340	29,233
Provision for zakat	-	-	24,663	23,663	24,663	23,663
Accrued return payable to Insurance Authority	-	-	6,220	5,285	6,220	5,285
	<b>896,191</b>	734,503	<b>34,321</b>	32,360	<b>930,512</b>	766,863
Due to shareholders' operations	21,776	37,778	-	-	21,776	37,778
<b>TOTAL LIABILITIES</b>	<b>917,967</b>	772,281	<b>34,321</b>	32,360	<b>952,288</b>	804,641
<b>EQUITY</b>						
Share capital	-	-	500,000	500,000	500,000	500,000
Statutory reserve	-	-	2,131	2,131	2,131	2,131
Accumulated losses	-	-	(98,179)	(108,060)	(98,179)	(108,060)
Investments fair value reserve	-	-	57,661	57,596	57,661	57,596
Re-measurement losses on defined benefit plans	(18,892)	(18,892)	-	-	(18,892)	(18,892)
<b>TOTAL EQUITY</b>	<b>(18,892)</b>	(18,892)	<b>461,613</b>	451,667	<b>442,721</b>	432,775
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>899,075</b>	753,389	<b>495,934</b>	484,027	<b>1,395,009</b>	1,237,416

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION (continued)**

**19.2 Interim condensed statement of income**

	Three-months period ended 31 March					
	Insurance operations		Shareholders' operations		Total	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Insurance service revenue	340,128	205,764	-	-	340,128	205,764
Insurance service expenses	(364,844)	(193,624)	-	-	(364,844)	(193,624)
<b>Insurance service result before reinsurance contracts held</b>	<b>(24,716)</b>	12,140	-	-	<b>(24,716)</b>	12,140
Allocation of reinsurance premiums	(13,389)	(13,711)	-	-	(13,389)	(13,711)
Amounts recoverable from reinsurance	27,523	822	-	-	27,523	822
<b>Net expenses from reinsurance contracts held</b>	<b>14,134</b>	(12,889)	-	-	<b>14,134</b>	(12,889)
<b>Insurance service result</b>	<b>(10,582)</b>	(749)	-	-	<b>(10,582)</b>	(749)
Investment income on financial assets at amortised cost	5,866	2,728	1,977	2,099	7,843	4,827
Investment income on financial assets at FVTPL	3,740	1,287	177	7,385	3,917	8,672
Impairment losses on financial assets	-	-	-	-	-	-
Other investment income	113	178	154	-	267	178
<b>Net investment income</b>	<b>9,719</b>	4,193	<b>2,308</b>	9,484	<b>12,027</b>	13,677
Finance expenses from insurance contracts issued	(6,189)	(3,392)	-	-	(6,189)	(3,392)
Finance income from reinsurance contracts held	2,612	797	-	-	2,612	797
<b>Net insurance finance expenses</b>	<b>(3,577)</b>	(2,595)	-	-	<b>(3,577)</b>	(2,595)
<b>Net insurance and investment result</b>	<b>(4,440)</b>	849	<b>2,308</b>	9,484	<b>(2,132)</b>	10,333



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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION (continued)**

**19.2 Interim condensed statement of income (continued)**

	Three-months period ended 31 March					
	Insurance operations		Shareholders' operations		Total	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net insurance and investment result	(4,440)	849	2,308	9,484	(2,132)	10,333
Other operating expenses	(6,009)	(7,361)	(323)	(3,839)	(6,332)	(11,200)
Other income	19,345	8,833	-	5,852	19,345	14,685
<b>Total income for the period</b>	<b>8,896</b>	<b>2,321</b>	<b>1,985</b>	<b>11,497</b>	<b>10,881</b>	<b>13,818</b>
Zakat charge for the period	-	-	(1,000)	(2,376)	(1,000)	(2,376)
<b>Net income attributable to shareholders' operations</b>	<b>8,896</b>	<b>2,321</b>	<b>985</b>	<b>9,121</b>	<b>9,881</b>	<b>11,442</b>

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION (continued)**

**19.3 Interim condensed statement of comprehensive income**

	Three-months period ended 31 March					
	Insurance operations		Shareholders' operations		Total	
	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Net income for the period	-	-	9,881	11,442	9,881	11,442
Other comprehensive income:						
<i>Items that will not be recycled to statements of income in subsequent periods</i>						
Change in fair value of financial investments at FVTOCI	-	(6)	65	1,940	65	1,934
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>(6)</b>	<b>9,946</b>	<b>13,382</b>	<b>9,946</b>	<b>13,376</b>
Total comprehensive income attributable to insurance operations	-	-	-	-	-	-
<b>Total comprehensive (loss) / income attributable to shareholders</b>	<b>-</b>	<b>(6)</b>	<b>9,946</b>	<b>13,382</b>	<b>9,946</b>	<b>13,376</b>

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**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION (continued)**

**19.4 Interim condensed statement of cash flows**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income for the period before zakat

**Adjustments for:**

Other investment income

Depreciation of property and equipment

Amortisation on right to use assets

Investment income on financial assets at FVTPL

Finance expenses from insurance contracts issued

Finance income from reinsurance contracts held

Reversal of zakat provision

Provision for employees' end-of-service benefits

**Changes in operating assets and liabilities:**

Insurance contract assets

Reinsurance contract assets

Prepayments and other assets

Accrued expenses and other liabilities

Insurance contract liabilities

Reinsurance contract liabilities

**Cash from operations**

Three-months period ended 31 March					
Insurance operations		Shareholders' operations		Total	
2025	2024	2025	2024	2025	2024
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
-	-	10,881	13,818	10,881	13,818
(113)	(178)	-	-	(113)	(178)
421	425	-	-	421	425
115	1,048	-	-	115	1,048
(3,740)	(1,287)	(177)	(7,385)	(3,917)	(8,672)
6,189	3,392	-	-	6,189	3,392
(2,612)	(797)	-	-	(2,612)	(797)
-	-	-	(5,853)	-	(5,853)
522	959	-	-	522	959
-	(10,218)	-	-	-	(10,218)
(15,411)	831	-	-	(15,411)	831
(9,675)	16,013	(246)	-	(9,920)	16,013
(3,641)	1,507	-	2,990	(3,641)	4,497
155,297	(503)	-	-	155,297	(503)
3,960	384	-	-	3,960	384
131,313	11,576	10,458	3,570	141,771	15,146

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**19 SUPPLEMENTARY INFORMATION (continued)**

**19.4 Statement of cash flows (continued)**

	Three-months period ended 31 March					
	Insurance operations		Shareholders' operations		Total	
	2025	2024	2025	2024	2025	2024
Due to/from insurance operations	(16,002)	(2,596)	16,002	2,596	-	-
Employees' end-of-service benefits paid	(415)	(774)	-	-	(415)	(774)
<b>Net cash from operating activities</b>	<b>114,896</b>	<b>8,206</b>	<b>26,460</b>	<b>6,166</b>	<b>141,356</b>	<b>14,372</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Net placement to term deposits	(56,112)	27,124	(26,381)	(4,210)	(82,493)	22,914
Addition to investment	(60,568)	(52,136)	-	(1,196)	(60,568)	(53,332)
Proceeds from investments disposals	-	-	201	-	202	-
Addition to property and equipment	(31)	(579)	-	-	(31)	(579)
<b>Net cash used in investing activities</b>	<b>(116,711)</b>	<b>(25,591)</b>	<b>(26,179)</b>	<b>(5,406)</b>	<b>(142,890)</b>	<b>(30,997)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Lease liabilities	(224)	(625)	-	-	(224)	(625)
<b>Net cash used in financing activities</b>	<b>(224)</b>	<b>(625)</b>	<b>-</b>	<b>-</b>	<b>(224)</b>	<b>(625)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2,039)</b>	<b>(18,010)</b>	<b>281</b>	<b>760</b>	<b>(1,758)</b>	<b>(17,250)</b>
Cash and cash equivalents at the beginning of the period	161,253	103,215	11,722	7,356	172,975	110,571
<b>Cash and cash equivalents at the end of the period</b>	<b>159,214</b>	<b>85,205</b>	<b>12,003</b>	<b>8,116</b>	<b>171,217</b>	<b>93,321</b>
<b>Supplemental non-cash information:</b>						
Change in fair value of financial investments at FVTOCI	-	(6)	65	1,940	65	1,934
Commission movement on statutory deposit	-	-	935	1,107	935	1,107

**MALATH COOPERATIVE INSURANCE COMPANY**  
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**NOTES TO THE FINANCIAL STATEMENTS**

(All amounts are in thousands Saudi Riyal unless otherwise stated)

**FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2025**

**20 INSURANCE PORTFOLIO SHARE**

On 25 June 2020 the Company, signed the Inherent Defect Insurance (IDI) shared agreement with 14 other participating insurance companies relating to inherent defects insurance provides coverage against post usage detected defects in buildings and constructions. Malath as a leading company to manages the IDI portfolio on behalf of the participating insurance companies and will exclusively be entitled to management fees of managing the portfolio to be earned over the period of validity of the IDI agreement that is ending at 24 June 2025.

The participating insurance companies will account on their financials the IDI portfolio assets, liabilities, revenues and expenses relating to their share in the portfolio in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Malath has reported its share of the IDI transaction under the others segment.

**21 SUBSEQUENT EVENTS**

There are no subsequent events which have occurred subsequent to the reporting date and before the issuance of this financial statements which requires adjustments or additional disclosures.

**22 RECLASSIFICATION OF PRIOR PERIODS NOTES TO THE FINANCIAL STATEMENTS**

Certain amounts from prior periods in notes to the financial statements have been reclassified to align with current periods's presentation. However, there are no material reclassifications.

**23 APPROVAL OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The interim condensed financial statements were approved by the Board of Directors on 10 Dhul Qadah 1446 H corresponding to 08 May 2025.