

**WARBA INSURANCE COMPANY K.S.C.P.  
AND ITS SUBSIDIARY**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)**

**31 MARCH 2022**

## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF WARBA INSURANCE COMPANY K.S.C.P.

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Warba Insurance Company K.S.C.P. (the “Parent Company”) and its subsidiary (collectively “the Group”) as at 31 March 2022, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing 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 consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

### *Report on Other Legal and Regulatory Requirements*

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



ABDULKARIM AL SAMDAN  
LICENCE NO. 208-A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

11 May 2022  
Kuwait

Warba Insurance Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 KD	2021 KD
<b>REVENUES:</b>			
Gross premiums written		17,208,972	12,484,217
Premium ceded to reinsurers		(8,938,339)	(6,695,615)
<b>Net premiums written</b>		<b>8,270,633</b>	<b>5,788,602</b>
Movement in unearned premium reserve		(1,546,730)	(533,725)
Movement in life mathematical reserve		38,432	(51,168)
<b>Net premiums earned</b>		<b>6,762,335</b>	<b>5,203,709</b>
Commissions income on ceded reinsurance		483,248	469,579
Policy issuance fees		26,361	18,541
<b>Total revenues</b>		<b>7,271,944</b>	<b>5,691,829</b>
<b>EXPENSES:</b>			
Net claims incurred		(3,953,586)	(2,646,232)
Commissions and premiums' acquisition costs		(660,658)	(656,261)
General and administrative expenses		(920,809)	(923,065)
<b>Total expenses</b>		<b>(5,535,053)</b>	<b>(4,225,558)</b>
<b>NET UNDERWRITING INCOME</b>		<b>1,736,891</b>	<b>1,466,271</b>
Net investment income	3	560,194	115,275
Share of results of associates		178,953	172,282
Other insurance services income		255,701	195,246
Foreign currency exchange differences		(1,598)	150,186
Other income		14,681	1,678
		<b>2,744,822</b>	<b>2,100,938</b>
<b>OTHER EXPENSES:</b>			
Unallocated general and administrative expenses		(389,306)	(245,944)
Other insurance services expense		(133,499)	(144,530)
Allowance for impairment of doubtful and bad debts		(750,000)	(500,000)
		<b>(1,272,805)</b>	<b>(890,474)</b>
<b>Profit before provisions for contribution to Kuwait Foundation for the Advancement of Science (KFAS), National Labor Support Tax (NLST) and Zakat</b>		<b>1,472,017</b>	<b>1,210,464</b>
Contribution to KFAS		(13,269)	(9,893)
NLST		(60,452)	(44,866)
Zakat		(20,687)	(15,905)
<b>PROFIT FOR THE PERIOD</b>		<b>1,377,609</b>	<b>1,139,800</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		1,356,845	1,132,084
Non-controlling interest		20,764	7,716
		<b>1,377,609</b>	<b>1,139,800</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>	4	<b>7.94 Fils</b>	<b>6.54 Fils</b>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Warba Insurance Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 31 March 2022

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2022</b>	<b>2021</b>
	<b>KD</b>	<b>KD</b>
<b>Profit for the period</b>	<b>1,377,609</b>	1,139,800
<b>Other comprehensive income:</b>		
<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
- Net unrealized gain of financial assets available for sale	<b>1,067,010</b>	582,036
- Share of other comprehensive income of associates	<b>17,009</b>	5,664
<b>Other comprehensive income for the period</b>	<b>1,084,018</b>	587,700
<b>Total comprehensive income for the period</b>	<b>2,461,627</b>	1,727,500
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>2,440,863</b>	1,719,784
Non-controlling interests	<b>20,764</b>	7,716
	<b>2,461,627</b>	1,727,500

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

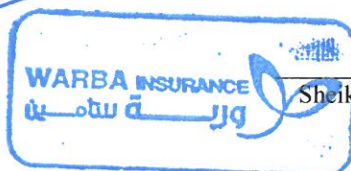
Warba Insurance Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2022

	Notes	31 March 2022 KD	(Audited) 31 December 2021 KD	31 March 2021 KD
<b>ASSETS</b>				
Property and equipment	5	7,263,041	7,235,392	7,260,377
Investment in associates		8,272,752	8,076,790	7,906,524
Loan secured by life insurance policies		22,066	22,288	26,918
Financial assets available for sale	6	25,808,057	24,727,974	21,333,459
Financial assets at fair value through profit or loss		9,808,304	9,288,767	11,013,408
Reinsurance share in outstanding claims reserve		24,146,330	42,188,938	43,557,037
Insurance and reinsurance receivables		15,062,631	12,096,387	13,415,826
Other assets		7,780,673	6,621,005	7,129,313
Term deposits	7	3,971,019	5,488,820	6,438,215
Cash and cash equivalents	8	9,403,015	7,445,592	6,003,740
<b>TOTAL ASSETS</b>		<b>111,537,888</b>	<b>123,191,953</b>	<b>124,084,817</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	9	17,710,846	17,710,846	17,710,846
Statutory reserve		8,781,109	8,781,109	8,781,109
General reserve		4,000,000	4,000,000	4,000,000
Voluntary reserve		764,895	764,895	764,895
Treasury shares	10	(1,021,103)	(893,031)	(1,288,026)
Treasury shares reserve		307,386	305,756	164,760
Cumulative changes in fair values reserve		8,692,473	7,608,455	5,424,590
Retained earnings		3,780,673	2,423,828	3,258,508
<b>Equity attributable to equity holders of the Parent Company</b>		<b>43,016,279</b>	<b>40,701,858</b>	<b>38,816,682</b>
Non-controlling interests		(44,205)	(64,969)	(34,283)
<b>Total equity</b>		<b>42,972,074</b>	<b>40,636,889</b>	<b>38,782,399</b>
<b>Liabilities</b>				
Long term loan		4,000,000	4,000,000	2,000,000
Insurance contract liabilities	11	44,363,518	59,663,899	61,409,087
Insurance and reinsurance payables		11,274,476	9,641,318	11,900,343
Other liabilities		8,927,820	9,249,847	9,992,988
<b>Total liabilities</b>		<b>68,565,814</b>	<b>82,555,064</b>	<b>85,302,418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>111,537,888</b>	<b>123,191,953</b>	<b>124,084,817</b>

Anwar Jawad Bu-Khamseen  
Chairman



Sheikh / Mohammed Jarrah Sabah Al-Sabah  
Vice Chairman

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

## Warba Insurance Company K.S.C.P. and its Subsidiary

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2022

	<i>Equity attributable to equity holders of the Parent Company</i>										
	Share capital KD	Statutory reserve KD	General reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Cumulative changes in fair values reserve KD	Retained earnings KD	Sub total KD	Non-controlling interests KD	Total equity KD
Balance as at 1 January 2022 (audited)	17,710,846	8,781,109	4,000,000	764,895	(893,031)	305,756	7,608,455	2,423,828	40,701,858	(64,969)	40,636,889
Profit for the period	-	-	-	-	-	-	-	1,356,845	1,356,845	20,764	1,377,609
Other comprehensive income	-	-	-	-	-	-	1,084,018	-	1,084,018	-	1,084,018
Total comprehensive income for the period	-	-	-	-	-	-	1,084,018	1,356,845	2,440,863	20,764	2,461,627
Movement in treasury shares (Note 10)	-	-	-	-	(128,072)	1,630	-	-	(126,442)	-	(126,442)
<b>Balance as at 31 March 2022</b>	<b>17,710,846</b>	<b>8,781,109</b>	<b>4,000,000</b>	<b>764,895</b>	<b>(1,021,103)</b>	<b>307,386</b>	<b>8,692,473</b>	<b>3,780,673</b>	<b>43,016,279</b>	<b>(44,205)</b>	<b>42,972,074</b>
Balance as at 1 January 2021 (audited)	17,710,846	8,781,109	4,000,000	764,895	(1,275,970)	164,760	4,836,890	2,126,424	37,108,954	(41,999)	37,066,955
Profit for the period	-	-	-	-	-	-	-	1,132,084	1,132,084	7,716	1,139,800
Other comprehensive loss	-	-	-	-	-	-	587,700	-	587,700	-	587,700
Total comprehensive income for the period	-	-	-	-	-	-	587,700	1,132,084	1,719,784	7,716	1,727,500
Movement in treasury shares (Note 10)	-	-	-	-	(12,056)	-	-	-	(12,056)	-	(12,056)
<b>Balance as at 31 March 2021</b>	<b>17,710,846</b>	<b>8,781,109</b>	<b>4,000,000</b>	<b>764,895</b>	<b>(1,288,026)</b>	<b>164,760</b>	<b>5,424,590</b>	<b>3,258,508</b>	<b>38,816,682</b>	<b>(34,283)</b>	<b>38,782,399</b>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

Warba Insurance Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

For period ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 KD	2021 KD
<b>OPERATING ACTIVITIES</b>			
Profit for the period before contribution to KFAS, NLST and Zakat		1,472,017	1,210,464
<i>Adjustments to reconcile profit for the period to net cash flows:</i>			
Dividend income	3	(466,647)	(136,873)
Interest income	3	(123,566)	(110,072)
Unrealized (gain) loss of financial assets at fair value through profit or loss	3	(20,848)	79,062
Realized (gain) loss from sale of financial assets at fair value through profit or loss	3	(16,983)	410
Impairment loss of financial assets available for sale	3	-	1,568
Gain from sale of financial assets available for sale	3	-	(5,309)
Share of results of associates		(178,953)	(172,282)
Depreciation of property and equipment		51,474	53,445
Allowance for impairment of doubtful and bad debts		750,000	500,000
Provision for employees' end of service benefits		81,736	138,859
Foreign currency exchange differences		(13,573)	19,148
		<b>1,534,657</b>	<b>1,578,420</b>
Changes in operating assets and liabilities:			
Reinsurance's share in outstanding claims reserve		18,042,608	1,912,215
Insurance and reinsurance receivables		(3,716,244)	(1,187,793)
Other assets		(775,857)	(399,335)
Insurance contract liabilities		(15,300,381)	(1,146,097)
Insurance and reinsurance payables		1,633,158	3,106,131
Other liabilities		(408,293)	(197,100)
Cash flows from operations		<b>1,009,648</b>	<b>3,666,441</b>
Employees' end of service benefits paid		(89,875)	(32,291)
Net cash flows from operating activities		<b>919,773</b>	<b>3,634,150</b>
<b>INVESTING ACTIVITIES</b>			
Net movement in term deposits		1,517,801	150,000
Movement in loans secured by life insurance policies		222	-
Purchase of financial assets available for sale		-	(1,520,000)
Additions to investment in associate		-	(45,000)
Purchases of financial assets at fair value through profit or loss		(1,330,081)	(2,402,860)
Proceed from sale of financial assets available for sale		848,872	23,909
Proceed from financial assets at fair value through profit or loss		-	267,012
Purchases of property and equipment		(79,123)	(5,050)
Dividends received		107,341	118,002
Interest income received		99,060	61,884
Net cash flows from (used in) investing activities		<b>1,164,092</b>	<b>(3,352,103)</b>
<b>FINANCING ACTIVITY</b>			
Movement in treasury shares	10	(126,442)	(12,056)
Net cash flows used in financing activity		<b>(126,442)</b>	<b>(12,056)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of the period		7,445,592	5,733,749
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	8	<b>9,403,015</b>	<b>6,003,740</b>

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

# Warba Insurance Company K.S.C.P. and its Subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

### 1 INCORPORATION AND OBJECTIVES OF THE PARENT COMPANY

Warba Insurance Company K.S.C.P. (the “Parent Company”) was incorporated as a Public Kuwaiti Shareholding Company in State of Kuwait in accordance with the Amiri Decree of October 24, 1976.

The objectives of the Parent Company are to underwrite life and non- life insurance risks such as fire, general accidents, marine and aviation and others; lend funds which resulted from issuance of insurance policies and to invest in permitted securities.

The address of the Parent Company’s registered office is at P.O. Box 24282, Safat 13103 - State of Kuwait.

The interim condensed consolidated financial information of the Group for the three months’ period ended 31 March 2022 were authorized for issuance by the Board of Directors on 11 May 2022.

The consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting held on 17 April 2022 (Note 12).

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS 34), Interim Financial Reporting.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is the functional and reporting currency of the Parent Company.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2021. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the three months’ period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

#### 2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2021. Amendments to IFRSs which are effective for annual accounting period starting from 1 January 2022 did not have any material impact on the accounting policies, financial position or performance of the Group.

#### 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

##### *IFRS 17 Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The core of IFRS 17 is the general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach).
- ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 on or before the date it first applies IFRS 17. The Group will apply these amendments when they become effective.



Warba Insurance Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

**3 NET INVESTMENT INCOME / EXPENSE**

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
	<i>KD</i>	<i>KD</i>
Dividend income	<b>466,647</b>	136,873
Interest income	<b>123,566</b>	110,072
Unrealized gain (loss) of financial assets at fair value through profit or loss	<b>20,848</b>	(79,062)
Realized gain (loss) from sale of financial assets at fair value through profit or loss	<b>16,983</b>	(410)
Impairment loss of financial assets available for sale (Note 6)	-	(1,568)
Gain from sale of financial assets available for sale	-	5,309
	<b>628,044</b>	171,214
Investment expense	<b>(67,850)</b>	(55,939)
	<b>560,194</b>	115,275

**4 BASIC AND DILUTED EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2022</i>	<i>2021</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<b>1,356,845</b>	1,132,084
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	<b>170,803,879</b>	173,122,296
Earnings per share	<b>7.94 Fils</b>	6.54 Fils

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

**5 PROPERTY AND EQUIPMENT**

The Group's land and building with a net carrying value of KD 1,189,895 (31 December 2021 KD: 1,189,895 and 31 March 2021: KD 2,233,042) are under lien to the Insurance Regulatory Unit (IRU).

**6 FINANCIAL ASSETS AVAILABLE FOR SALE**

	<i>31 March</i>	<i>(Audited)</i>	<i>31 March</i>
	<i>2022</i>	<i>31 December</i>	<i>2021</i>
	<i>KD</i>	<i>2021</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>
Quoted securities*	<b>15,591,514</b>	14,544,485	12,661,289
Unquoted securities	<b>1,113,739</b>	923,118	682,447
Investment in bonds**	<b>9,102,804</b>	9,260,371	7,989,723
	<b>25,808,057</b>	24,727,974	21,333,459

# Warba Insurance Company K.S.C.P. and its Subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

### 6 FINANCIAL ASSETS AVAILABLE FOR SALE (continued)

\* Quoted shares with a fair value of KD 2,142,504 (31 December 2021: KD 2,142,504 and 31 March 2021: KD 2,793,429) are under lien to the Insurance Regulatory Unit (IRU).

\*\* Bonds carry interest rate ranging from 3.63% to 5.75 % per annum (31 December 2021: 3.63% to 5.75% and 31 March 2021: 3.63% to 6.5%), mature in 5 to 10 years. The KD denominated bonds amounting KD 5,300,000 (31 December 2021: KD 5,300,000 and 31 March 2021: KD 3,100,000) are carried at cost less impairment since their fair values cannot be reliably determined, while the rest (USD denominated) are carried at fair value.

As at 31 March 2022, the management has performed a review of its financial assets available for sale to assess whether any impairment has occurred in their value. Accordingly, no impairment loss has been recorded in the interim condensed consolidated statement of income (31 December 2021: KD 30,906 and 31 March 2021: KD 1,568).

### 7 TERM DEPOSITS

Term deposits represent deposits with banks whose original maturity period exceeds three months from date of deposit.

Term deposits include an amount of KD 3,350,000 held in State of Kuwait under lien to the Insurance Regulatory Unit (IRU) in accordance with insurance regulations of State of Kuwait (31 December 2021: KD 5,186,020 and 31 March 2021: KD 5,185,415).

The effective interest rate on term deposits was 1.75% to 2.00% per annum (31 December 2021: 1.50% to 3.25% and 31 March 2021: 1.35% to 3.5%).

### 8 CASH AND CASH EQUIVALENTS

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
Cash on hand	<b>18,923</b>	13,461	17,186
Cash in portfolio	<b>820,440</b>	319,937	241,250
Short term deposit (Maturity within 3 months ending period)	<b>1,519,000</b>	301,485	-
Bank balances	<b>7,044,652</b>	6,810,709	5,745,304
	<b><u>9,403,015</u></b>	<u>7,445,592</u>	<u>6,003,740</u>

Short term deposits amounting to KD 1,519,000 held in State of Kuwait under lien to the Insurance Regulatory Unit (IRU) in accordance with insurance regulations of State of Kuwait (31 December 2021: KD Nil and 31 March 2021: KD Nil).

The effective interest rate on short term deposits was 1.10% to 1.25% per annum (31 December 2021: 3.25% and 31 March 2021: Nil%).

### 9 SHARE CAPITAL

The authorized, issued and paid-up capital consists of 177,108,460 shares (31 December 2021: 177,108,460 shares and 31 March 2021: 177,108,460 shares) of 100 fils each, fully paid in cash.

Warba Insurance Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

**10 TREASURY SHARES**

	<i>31 March</i> <b>2022</b>	<i>(Audited)</i> <i>31 December</i> <b>2021</b>	<i>31 March</i> <b>2021</b>
Number of shares	<b>6,524,834</b>	5,795,002	11,070,502
Percentage to issued shares (%)	<b>3.68</b>	3.27	6.25
Market value (KD)	<b>991,775</b>	869,250	1,273,108
Cost (KD)	<b>1,021,103</b>	893,031	1,288,026

Reserves equivalent to the cost of treasury shares held are not available for distribution.

The weighted average market price of the Parent Company's shares for the period ended 31 March 2022 was 151 fils per share (31 December 2021: 139 fils per share and 31 March 2021: 115 fils per share).

During the current period ended 31 March 2022, the management of the Parent Company approved to purchase treasury shares of 7,776,604 shares by total consideration amounting to KD of 1,226,443 and to sell treasury shares of 7,046,772 shares with total consideration by KD 1,100,001.

**11 INSURANCE CONTRACT LIABILITIES**

	<i>31 March</i> <b>2022</b> <b>KD</b>	<i>(Audited)</i> <i>31 December</i> <b>2021</b> <b>KD</b>	<i>31 March</i> <b>2021</b> <b>KD</b>
Reserve for outstanding claims	<b>35,227,874</b>	52,124,946	54,129,295
Reserve for unearned premiums	<b>6,697,769</b>	5,151,039	4,913,949
Reserve for life mathematical	<b>1,989,155</b>	2,027,587	2,015,979
Unearned Reinsurance Commission	<b>448,720</b>	360,327	349,864
	<b><u>44,363,518</u></b>	<u>59,663,899</u>	<u>61,409,087</u>

**12 ANNUAL GENERAL ASSEMBLY**

The Annual General Assembly of the shareholders of the Parent Company was held on 17 April 2022 approved the consolidated financial statements for the year ended 31 December 2021 and director's proposal to distribute cash dividends of 10% for the year ended 31 December 2021 (2020: 8%) in addition to bonus share from treasury shares Nil% (2020: KD 4%).

## Warba Insurance Company K.S.C.P. and its Subsidiary

### NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

#### 13 SEGMENT INFORMATION

The Group operates in three segments: general risk insurance, life and medical insurance and investment. Within general risk insurance are Marine and Aviation, Fire and General Accidents and Motor.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with interim condensed consolidated statement of income.

The following are the details of these segments:

	General risk insurance			Total general risk insurance	Life and medical insurance	Investment	Unallocated	Total
	Marine & aviation	General accidents and fire	Motor					
	KD	KD	KD	KD	KD	KD	KD	KD
<b>31 March 2022</b>								
Segment revenue	87,613	795,492	1,767,546	2,650,651	4,621,293	1,062,718	30,556	8,365,218
Segment results	48,518	256,509	71,551	376,578	1,361,268	826,262	(1,186,499)	1,377,609
				<b>Total general risk insurance</b>	<b>Life and medical insurance</b>	<b>Investment</b>		<b>Total</b>
				KD	KD	KD		KD
Assets				61,386,874	6,261,901	43,889,113		111,537,888
Liabilities				61,700,252	2,865,562	4,000,000		68,565,814
				<b>Total general risk insurance</b>	<b>Life and medical insurance</b>	<b>Investment</b>		<b>Total</b>
				KD	KD	KD		KD
<b>31 December 2021 (Audited)</b>								
Assets				77,190,235	3,908,187	42,093,531		123,191,953
Liabilities				76,247,356	2,307,708	4,000,000		82,555,064

Warba Insurance Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

13 SEGMENT INFORMATION (continued)

	General risk insurance			Total general risk insurance	Life and medical insurance	Investment	Unallocated	Total
	Marine & aviation KD	General accidents and fire KD	Motor KD					
31 March 2021								
Segment revenue	107,037	798,091	1,811,095	2,716,223	2,981,465	632,989	(4,181)	6,326,496
Segment results	35,072	356,796	497,769	889,637	576,631	343,496	(669,964)	1,139,800
Assets								
				Total general risk insurance KD	Life and medical insurance KD	Investment KD		Total KD
				78,176,009	5,655,417	40,253,391		124,084,817
Liabilities				81,671,846	3,630,572	-		85,302,418

# Warba Insurance Company K.S.C.P. and its Subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

### 14 RELATED PARTY DISCLOSURES

The Group has entered into various transactions with related parties, i.e. shareholders, Board of directors, key management personnel, associates and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

	<i>Parent company's shareholders KD</i>	<i>Entities under common control KD</i>	<i>31 March 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>31 March 2021 KD</i>
<b>Insurance activities</b>					
Insurance services receivable	27,941	5,461,802	5,489,743	5,096,056	5,451,043
Insurance service payable	-	754,489	754,489	733,595	711,999
<b>Investment activities</b>					
Financial assets at fair value through profit or loss	-	7,589,339	7,589,339	7,854,529	8,944,000
Financial assets available for sale	-	9,765,061	9,765,061	8,553,213	7,475,254
Investment in associates	-	8,272,752	8,272,752	8,076,790	7,906,524
Term deposits	-	5,171,800	5,171,800	5,171,800	6,121,800
Cash and cash equivalent	-	4,288,610	4,288,610	3,391,766	5,450,564
Other liabilities	-	3,671,471	3,671,471	3,840,259	5,717,123

Transactions included in the interim condensed consolidated statement of income:

	<i>Three months ended 31 March</i>	
	<i>2022 KD</i>	<i>2021 KD</i>
Premiums written	648,475	644,431
Dividend income	105,882	94,445

Compensation to key management personnel:

	<i>Three months ended 31 March</i>	
	<i>2022 KD</i>	<i>2021 KD</i>
Short term employees' benefits	175,142	183,694
Employees' end of service benefit	7,930	44,324
	<b>183,072</b>	<b>228,018</b>

### 15 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>31 March 2022 KD</i>	<i>(Audited) 31 December 2021 KD</i>	<i>31 March 2021 KD</i>
Letters of guarantee	6,566,558	6,349,293	352,807
Capital commitments	6,480	6,480	6,480

#### Contingencies

The Group is subject to litigation in the normal course of its business. The Group based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Group's interim condensed consolidated income or consolidated financial position.

# Warba Insurance Company K.S.C.P. and its Subsidiary

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

### 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of financial assets available for sale, financial assets at fair value through profit or loss, insurance and reinsurance receivables, term deposits and bank balances. Financial liabilities consist of insurance and reinsurance liabilities and other liabilities.

The fair values of financial instruments, with the exception of certain financial assets available for sale carried at cost amounting to KD 5,300,000 (31 December 2021: KD 5,300,000 and 31 March 2021: KD 3,100,000) (Note 6), are not materially different from their carrying values.

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in an active market for identical assets and liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: Other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant observable inputs (Level 2) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total fair Value KD</i>
<i>As at 31 March 2022</i>				
Financial assets at fair value through profit or loss	8,477,450	1,330,854	-	9,808,304
Financial assets available for sale	15,591,514	3,802,804	1,113,739	20,508,057
<b>Total</b>	<b>24,068,964</b>	<b>5,133,658</b>	<b>1,113,739</b>	<b>30,316,361</b>
<i>As at 31 December 2021 (audited)</i>				
Financial assets at fair value through profit or loss	8,135,732	1,153,035	-	9,288,767
Financial assets available for sale	14,544,485	3,960,371	923,118	19,427,974
<b>Total</b>	<b>22,680,217</b>	<b>5,113,406</b>	<b>923,118</b>	<b>28,716,741</b>

Warba Insurance Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

<i>As at 31 March 2021</i>	<i>Quoted prices in active markets (Level 1)</i> KD	<i>Significant observable inputs (Level 2)</i> KD	<i>Significant unobservable inputs (Level 3)</i> KD	<i>Total fair Value</i> KD
Financial assets at fair value through profit or loss	10,005,970	1,007,438	-	11,013,408
Financial assets available for sale	12,661,288	4,889,723	682,447	18,233,458
<b>Total</b>	<b>22,667,258</b>	<b>5,897,161</b>	<b>682,447</b>	<b>29,246,866</b>

Description of significant unobservable inputs to valuation performed at the reporting date is as follows:

	<i>Valuation Technique</i>	<i>Significant unobservable inputs</i>	<i>Range</i>	<i>Sensitivity of the input to fair value</i>
Unquoted securities	Price to book value	Discount for lack of marketability & lack of Control	10%	An increase (decrease) by 10% in the discount for lack of marketability & lack of control would result in (decrease) increase in fair value by KD 148 thousand.
	Price to book value	Price to book multiple	10%	An increase (decrease) by 10% in the price to book multiple would result in an increase (decrease) in fair value by KD 111 thousand.

During the period ended 31 March 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value.

<i>As at 31 March 2022</i>	<i>At the beginning of the period</i> KD	<i>Net fair value recorded in the interim condensed consolidated statement of comprehensive income</i> KD	<i>Net result recorded in the interim condensed consolidated statement of income</i> KD	<i>At the end of the period</i> KD
Financial assets available for sale	923,118	190,621	-	1,113,739
	<b>923,118</b>	<b>190,621</b>	<b>-</b>	<b>1,113,739</b>



Warba Insurance Company K.S.C.P. and its Subsidiary

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for period ended 31 March 2022

16 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

<i>As at 31 December 2021 (audited)</i>	<i>At the beginning of the year KD</i>	<i>Net fair value recorded in the consolidated statement of comprehensive income KD</i>	<i>Net result recorded in the consolidated statement of income KD</i>	<i>At the end of the year KD</i>
Financial assets available for sale	623,694	330,330	(30,906)	923,118
	<u>623,694</u>	<u>330,330</u>	<u>(30,906)</u>	<u>923,118</u>
<i>As at 31 March 2021</i>	<i>At the beginning of the period KD</i>	<i>Net fair value recorded in the interim condensed consolidated statement of comprehensive income KD</i>	<i>Net result recorded in the interim condensed consolidated statement of income KD</i>	<i>At the end of the period KD</i>
Financial assets available for sale	623,694	60,319	(1,566)	682,447
	<u>623,694</u>	<u>60,319</u>	<u>(1,568)</u>	<u>682,447</u>