

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

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

30 JUNE 2023





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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Warba Insurance and Reinsurance Company K.S.C.P. (the “Parent Company”) and its subsidiary (collectively “the Group”) as at 30 June 2023, and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six 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 six-month period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its financial position.

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

Report on Other Legal and Regulatory Requirements (continued)

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 six months period ended 30 June 2023 that might have had a material effect on the business of the Parent Company or on its financial position.



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

8 August 2023
Kuwait

Warba Insurance and Reinsurance Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)
For the period ended 30 June 2023

	Notes	Three months ended 30 June		Six months ended 30 June	
		2023 KD	2022 KD (Restated)	2023 KD	2022 KD (Restated)
Revenue:					
Insurance revenue	4	10,419,281	9,657,004	20,308,379	18,988,725
Insurance service expenses	4	(4,356,881)	(7,391,691)	(10,002,170)	5,342,141
Insurance service result before reinsurance contracts held		6,062,400	2,265,313	10,306,209	24,330,866
Amounts recoverable from reinsurers for incurred claims	5	47,753	2,689,854	223,012	(14,859,301)
Net expense from reinsurance contracts held	5	(4,248,194)	(4,149,870)	(7,953,806)	(8,489,326)
Net expense from reinsurance contracts held		(4,200,441)	(1,460,016)	(7,730,794)	(23,348,627)
Insurance service result		1,861,959	805,297	2,575,415	982,239
Finance (expenses) income from insurance contracts issued	4	(108,207)	421,088	(563,739)	684,811
Finance income (expenses) from reinsurance contracts held	5	41,825	(177,342)	337,826	(329,158)
Net insurance financial result		1,795,577	1,049,043	2,349,502	1,337,892
Net investment income (loss)	6	455,566	(236,890)	1,106,262	502,257
Unallocated general and administrative expenses		(913,246)	(238,578)	(1,345,494)	(684,173)
Other income		63,780	43,509	110,041	207,116
Total expenses		(393,900)	(431,959)	(129,191)	25,200
PROFIT FOR THE PERIOD BEFORE TAXATION		1,401,677	617,084	2,220,311	1,363,092
Contribution to KFAS		(12,949)	(11,204)	(21,228)	(16,269)
NLST		(23,291)	(29,137)	(42,849)	(63,452)
Zakat		(8,811)	(12,204)	(16,198)	(24,687)
NET PROFIT FOR THE PERIOD		1,356,626	564,539	2,140,036	1,258,684
Attributable to:					
Equity holders of the Parent Company		1,354,892	570,753	2,131,651	1,244,134
Non-controlling interests		1,734	(6,214)	8,385	14,550
PROFIT FOR THE PERIOD		1,356,626	564,539	2,140,036	1,258,684
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
	7	5.58 fils	2.35 fils	8.80 fils	5.12 fils

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

Warba Insurance and Reinsurance Company K.S.C.P. and its Subsidiary
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 (UNAUDITED)
 For the period ended 30 June 2023

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	2023	2022	2023	2022
	KD	KD	KD	KD
		<i>(Restated)</i>		<i>(Restated)</i>
Profit for the period	1,356,626	564,539	2,140,036	1,258,684
Other comprehensive income (loss):				
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
Share of other comprehensive income (loss) from associates	298	(2,378)	(4,655)	14,630
	298	(2,378)	(4,655)	14,630
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Change in fair value of financial assets at FVOCI	920,501	(2,091,718)	909,685	(1,024,708)
	920,501	(2,091,718)	909,685	(1,024,708)
Other comprehensive income (loss) for the period	920,799	(2,094,096)	905,030	(1,010,078)
Total comprehensive income (loss) for the period	2,277,425	(1,529,557)	3,045,066	248,606
Attributable to:				
Equity holders of the Parent Company	2,275,691	(1,523,343)	3,036,681	234,056
Non-controlling interests	1,734	(6,214)	8,385	14,550
	2,277,425	(1,529,557)	3,045,066	248,606

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

Warba Insurance and Reinsurance Company K.S.C.P. and its Subsidiary
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL
 POSITION (UNAUDITED)
 As at 30 June 2023

		(Audited)	
	Notes	30 June 2023 KD	31 December 2022 KD (Restated)
			30 June 2022 KD (Restated)
ASSETS			
Cash and cash equivalent	10	4,544,130	6,853,248
Term deposits	9	8,608,100	6,806,775
Other assets		1,319,279	944,604
Reinsurance contract assets	5	23,883,117	24,096,382
Investment assets		37,836,620	33,370,615
Loans secured by life insurance policies		17,072	17,072
Investments in associates		8,237,825	8,330,796
Property and equipment	8	7,278,844	7,304,970
TOTAL ASSETS		91,724,987	87,724,462
LIABILITIES AND EQUITY			
LIABILITIES			
Bank overdraft	10	1,337,144	-
Insurance contract liabilities	4	41,872,111	35,757,395
Term loans		4,000,000	4,000,000
Other liabilities		11,398,447	10,861,239
Total liabilities		58,607,702	50,618,634
Equity			
Share capital	9	25,000,000	17,710,846
Statutory reserve		8,781,109	8,781,109
General reserve		132,367	4,000,000
Voluntary reserve		-	764,895
Treasury shares	11	(937,987)	(1,122,737)
Treasury shares reserve		206,990	223,066
Cumulative changes in fair value reserve		4,954,301	4,563,238
(Accumulated deficit) / Retained earnings		(4,960,636)	2,252,655
Equity attributable to the equity holders of the Parent Company		33,176,144	37,173,072
Non-controlling interests		(58,859)	(67,244)
Total equity		33,117,285	37,105,828
TOTAL LIABILITIES AND EQUITY		91,724,987	87,724,462



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 and Reinsurance Company K.S.C.P. and its Subsidiary

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2023

	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/ Accumulated deficit KD	Sub total KD	Non- controlling interests KD	Total equity KD
Balance as at 1 January 2023 (audited) as previously reported	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,563,238	3,825,624	38,746,041	(67,244)	38,678,797
Impact of initial application of IFRS 17 (Note 2.1.1)	-	-	-	-	-	-	-	(1,572,969)	(1,572,969)	-	(1,572,969)
Balance as at 1 January 2023 after application of IFRS 17 (restated)	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,563,238	2,252,655	37,173,072	(67,244)	37,105,828
Impact of initial application of IFRS 9 (Note 2.1.1)	-	-	-	-	-	-	(513,967)	(5,324,760)	(5,838,727)	-	(5,838,727)
Balance as at 1 January 2023 (restated)	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,049,271	(3,072,105)	31,334,345	(67,244)	31,267,101
Profit for the period	-	-	-	-	-	-	-	2,131,651	2,131,651	8,385	2,140,036
Other comprehensive income	-	-	-	-	-	-	905,030	-	905,030	-	905,030
Total comprehensive income for the period	-	-	-	-	-	-	905,030	2,131,651	3,036,681	8,385	3,045,066
Issuance of bonus shares	7,289,154	-	(3,867,633)	(764,895)	-	-	-	(2,656,626)	-	-	-
Cash dividends (Note 12)	-	-	-	-	-	-	-	(1,363,556)	(1,363,556)	-	(1,363,556)
Movement in treasury shares	-	-	-	-	184,750	(16,076)	-	-	168,674	-	168,674
Balance as at 30 June 2023	25,000,000	8,781,109	132,367	-	(937,987)	206,990	4,954,301	(4,960,636)	33,176,144	(58,859)	33,117,285
Balance as at 1 January 2022 (audited) as previously reported	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
Impact of initial application of IFRS 17 (Note 2.1.1)	-	-	-	-	-	-	-	(3,320,518)	(3,320,518)	-	(3,320,518)
Balance as at 1 January 2022 (restated)	17,710,846	8,781,109	4,000,000	764,895	(893,031)	305,756	7,608,455	(896,690)	37,381,340	(64,969)	37,316,371
Profit for the period	-	-	-	-	-	-	-	1,244,134	1,244,134	14,550	1,258,684
Other comprehensive loss	-	-	-	-	-	-	(1,010,078)	-	(1,010,078)	-	(1,010,078)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(1,010,078)	1,244,133	234,056	14,550	248,606
Cash dividends (Note 12)	-	-	-	-	-	-	-	(1,712,206)	(1,712,206)	-	(1,712,206)
Movement in treasury shares	-	-	-	-	(355,766)	(5,711)	-	-	(361,477)	-	(361,477)
Balance as at 30 June 2022	17,710,846	8,781,109	4,000,000	764,895	(1,248,797)	300,045	6,598,377	(1,364,762)	35,541,713	(50,419)	35,491,294

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

Warba Insurance and Reinsurance Company K.S.C.P. and its Subsidiary
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(UNAUDITED)

For the period ended 30 June 2023

	Notes	Six months ended 30 June	
		2023 KD	2022 KD (Restated)
OPERATING ACTIVITIES			
Profit for the period before contribution to Zakat, KFAS and NLST		2,220,311	1,363,092
<i>Adjustments for:</i>			
Depreciation of property and equipment		114,440	103,267
Net investment income	6	(1,334,912)	(637,905)
Provision of employees' end if service benefits		65,295	201,004
		1,065,134	1,029,458
<i>Changes in operating assets and liabilities:</i>			
Other assets		(1,188,949)	(1,086,272)
Reinsurance contract assets		213,265	14,522,084
Insurance contract liabilities		275,989	(12,606,902)
Other liabilities		482,110	346,807
Cash flows from operations		847,549	2,205,175
Employees' end if service benefits paid		(140,432)	(101,249)
Net cash flows from operating activities		707,117	2,103,926
INVESTING ACTIVITIES			
Movement in time deposits		(1,801,325)	3,538,820
Net movement of loan secured by life insurance policies		-	222
Net movement of treasury shares		168,674	(361,477)
Purchase of financial assets at fair value through other comprehensive income		(3,879,976)	-
Purchase of financial assets at fair value through profit or loss		(61,448)	(2,347,501)
Proceed from sale of financial assets at fair value through profit or loss		1,530,316	1,010,365
Purchase of property and equipment		(88,314)	(176,673)
Investment income received		1,092,290	1,177,440
Net cash flows (used in) from investing activities		(3,039,783)	2,841,196
FINANCING ACTIVITIES			
Cash dividends paid		(1,313,596)	(1,703,556)
Term loans		-	600,000
Net cash flows used in financing activities		(1,313,596)	(1,103,556)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(3,646,262)	3,841,566
Cash and cash equivalents at 1 January		6,853,248	7,445,592
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	10	3,206,986	11,287,158

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

1 ACTIVITIES

Warba Insurance and Reinsurance Company K.S.C.P. (the “Parent Company”), previously Warba insurance Company K.S.C.P. 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 six months’ period ended 30 June 2023 were authorized for issuance by the Board of Directors (“BOD”) on 8 August 2023.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting held on 26 March 2023 (Note 12).

2 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard (IAS 34), Interim Financial Reporting. The interim condensed consolidated financial information is presented in Kuwaiti Dinars, which is the functional 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 International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2022. 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 six months period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

Certain prior year amounts have been reclassified to conform to the current period presentation.

2.1 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 2022, except for the below.

In this interim condensed consolidated financial information, the Group has applied IFRS 17 and IFRS 9 for the first time. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.1 IFRS 17 Insurance Contracts

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023.

The Group has restated comparative information for 2022 applying the transitional provisions in Appendix C to IFRS 17 adopting the full retrospective approach, modified retrospective approach and fair value approach where applicable. The nature of the changes in accounting policies can be summarised, as follows:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.1 IFRS 17 Insurance Contracts (continued)

2.1.1.1 Changes to classification and measurement:

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

The key principles of IFRS 17 are that the Group:

- Identifies insurance contracts as those under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder
- Separates specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounts for them in accordance with other standards
- Divides the insurance and reinsurance contracts into groups it will recognise and measure
- Recognises and measures groups of insurance contracts at:
 - A risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all available information about the fulfilment cash flows in a way that is consistent with observable market information
 - Plus
 - An amount representing the unearned profit in the group of contracts (the contractual service margin or CSM)
- Recognises profit from a group of insurance contracts over each period the Group provides insurance contract services, as the Group is released from risk. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately.
- Recognises an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised. Such an asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

Under IFRS 17, the Group's insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the Premium Allocation Approach (PAA), General Model (GM) or Variable fee approach (VFA). The PAA simplifies the measurement of insurance contracts in comparison with the General Model (GM) in IFRS 17.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Group under IFRS 4 in the following key areas:

- The liability for remaining coverage (LRC) reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided.
- Measurement of the LRC includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these have formed part of the unexpired risk reserve provision).
- Measurement of the liability for incurred claims (LIC) (previously outstanding claims and incurred-but-not-reported (IBNR) reserves) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.1 IFRS 17 Insurance Contracts (continued)

2.1.1.1 Changes to classification and measurement (continued):

The Group has determined that the majority of its insurance contracts qualify for the simplified approach. As a result, the Group has established its policy choice to account for its insurance contracts under the Premium Allocation Approach, where eligible.

The application of the PAA model is optional. This means that if the eligibility criteria are fulfilled for a certain group of insurance contracts, an entity can choose between measuring this group of contracts under the General Model (GM) or under the PAA.

The Group has determined that contracts are eligible for the PAA if they have a coverage period of one year or less (Criteria 1) or the liability for remaining coverage would not differ materially from the liability for remaining coverage under the GM in any of the given reporting periods (Criteria 2) or if the volatility in historical expectations was low, i.e. when expectations were stable over time (Criteria 3).

The Group's classification and measurement of insurance and reinsurance contracts is explained in Note 3.

2.1.1.2 Changes to presentation and disclosure

For presentation in the interim condensed consolidated statement of financial position, the Group aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets.
- Portfolios of insurance and reinsurance contracts issued that are liabilities.
- Portfolios of reinsurance contracts held that are assets.
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

Portfolios of insurance contracts issued include any assets for insurance acquisition cash flows.

The line-item descriptions in the interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of other comprehensive income have been changed significantly compared with last year. As follows:

Previously reported under IFRS 4:

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

2.1.1.3 Transition

On transition date, 1 January 2022, the Group:

- Has identified, recognised and measured each group of insurance contracts as if IFRS 17 had always applied.
- Has identified, recognised and measured assets for insurance acquisition cash flows as if IFRS 17 has always applied. However, at transition date, a recoverability assessment was performed, and no impairment loss was identified.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in equity.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.1 IFRS 17 Insurance Contracts (continued)

2.1.1.3 Transition (continued)

Full retrospective approach

On transition to IFRS 17, the Group has applied the full retrospective approach unless impracticable. The Group has applied the full retrospective approach on transition to all contracts issued on or after 1 January 2021.

Fair valuation approach

The Group has applied the fair value approach on transition for certain groups of term-life contracts as, prior to transition, it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Group has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date.

The Group has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

For the application of the fair value approach, the Group has used reasonable and supportable information available at the transition date in order to:

- Identify groups of insurance contracts
- Determine whether any contracts are direct participating insurance contracts
- Identify any discretionary cash flows for insurance contracts without direct participation features.

The discount rate for the group of contracts applying the fair value approach was determined at the transition date. Therefore, for the measurement of fulfilment cash flows at the date of transition, the locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception.

Bottom-up approach is operationally simpler given most insurance contract cash-flows do not vary based on returns on underlying items. As a result, the yield curve used to discount insurance contracts will be based on a risk-free rate and an illiquidity premium.

The Group estimates that, on adoption of IFRS 17, the impact of these changes is as follows:

	Impact on equity for the year ended 31 December 2021 KD	Impact on equity for the year ended 31 December 2022 KD
Change in liabilities	(2,794,315)	(1,575,910)
Risk adjustment	(401,704)	(330,982)
Deferred acquisition cost	460,872	113,989
Discounting impact	(191,226)	662,083
Contractual Service Margin	(279,739)	(394,621)
Others	(114,406)	(47,528)
	<u>(3,320,518)</u>	<u>(1,572,969)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.2 IFRS 9 Financial Instruments

IFRS 9 replaced IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. However, the Group elected, under the amendments to IFRS 4, to apply the temporary exemption from IFRS 9, thereby deferring the initial application date of IFRS 9 to align with the initial application of IFRS 17.

The Group has applied IFRS 9 using the modified retrospective approach and accordingly, the comparative periods have not been restated for the financial instruments within the scope of IFRS 9. Differences arising from the adoption of IFRS 9 were recognised in retained earnings as of 1 January 2023.

The nature of the changes in accounting policies can be summarised, as follows:

2.1.2.1 Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the Group's business model for managing the assets and the instruments' contractual cash flow characteristics.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cashflows are solely payments of principal and interest (SPPI test)

The Group assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (the 'SPPI test').

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition that may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of profit within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the profit rate is set.

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As at and for the period ended 30 June 2023

2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.2 IFRS 9 Financial Instruments (continued)

2.1.2.1 Changes to classification and measurement (continued)

Assessment of whether contractual cashflows are solely payments of principal and interest (SPPI test) (continued)

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

The Group reclassifies when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent.

Measurement categories of financial assets and liabilities

The IAS 39 measurement categories of financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity and amortised cost) have been replaced by:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVOCI), with gains or losses recycled to profit or loss on derecognition
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition
- Financial assets at FVTPL

The accounting for financial liabilities remains largely the same as it was under IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVTPL. Such movements are presented in other comprehensive income with no subsequent reclassification to the interim condensed consolidated statement of income.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed.

Debt instruments at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments measured at amortised cost are subsequently measured at amortised cost using the effective yield method adjusted for impairment losses, if any.

Equity instruments at FVOCI

Upon initial recognition, the Group may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to the interim condensed consolidated statement of income. Dividends are recognised in interim condensed consolidated statement of income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in other comprehensive income. Equity instruments at FVOCI are not subject to an impairment assessment. Upon disposal cumulative gains or losses are reclassified from fair value reserve to retained earnings in the interim condensed consolidated statement of changes in equity. The management classifies certain equity investments at FVOCI and are separately disclosed in the interim condensed consolidated statement of financial position.

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2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.2 IFRS 9 Financial Instruments (continued)

2.1.2.1 Changes to classification and measurement (continued)

Measurement categories of financial assets and liabilities (continued)

Financial assets at FVTPL

The Group classifies financial assets fair value through profit and loss when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the interim condensed consolidated statement of financial position at fair value. In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair values and dividends are recorded in interim condensed consolidated statement of income according to the terms of the contract, or when the right to payment has been established.

Included in this classification are certain equity securities that have been acquired principally for the purpose of selling or repurchasing in the near term and certain debt instruments that failed the SPPI test.

2.1.2.2 Impairment of financial assets

The Group previously recognized impairment losses on financial assets based on incurred loss model, under IAS 39. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For the Group's financial assets, the management has applied the standard's simplified approach and has determined lifetime expected credit losses on these instruments. The management has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the counter parties and the economic environment.

The management considers a financial asset in default when the contractual payments are passing the default point. However, in certain cases, the management may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

The adoption of the ECL requirements of IFRS 9 has resulted in change of impairment allowances in respect of the Group's debt instruments. The increase in allowance was adjusted to retained earnings.

Hedge accounting

The general hedge accounting requirements of IFRS 9 aim to simplify hedge accounting, creating a stronger link with risk management strategy and permitting hedge accounting to be applied to a greater variety of hedging instruments and risks. The adoption of general hedge accounting requirements of IFRS 9 does not result in any change in accounting policies of the Group and does not have any material effect on the Group's interim condensed consolidated financial information.

2.1.2.3 Transition impact

The impact of this change in accounting policy as at 1 January 2023 has resulted in a decrease in retained earnings by KD 5,324,760 and a decrease in the cumulative changes in fair value by KD 513,967 as follows:

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As at and for the period ended 30 June 2023

2 BASIS OF PREPARATION (continued)

2.1 New standards, interpretations and amendments adopted by the Group (continued)

2.1.2 IFRS 9 Financial Instruments (continued)

2.1.2.3 Transition impact

	<i>Retained earnings</i> KD	<i>Cumulative changes in fair value</i> KD
Closing balance under IAS 39 (31 December 2022)	2,252,655	4,563,238
<i>Impact on reclassification and re-measurements of financial assets:</i>		
Quoted bonds	(395,600)	395,600
Unquoted equity investments	797,587	(797,587)
Unquoted bonds	111,980	(111,980)
<i>Impact on recognition of Expected Credit Losses on financial assets:</i>		
Allowance for impairment of trade receivables based on Expected Credit Loss model	(5,838,727)	-
Opening balance under IFRS 9 on date of initial application as of 1 January 2023	<u>(3,072,105)</u>	<u>4,049,271</u>

The following table shows reconciliation of original measurement categories and carrying value in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Group's financial assets and financial liabilities as at 1 January 2023.

	<i>Original classification under IAS 39</i>	<i>Original carrying amount under IAS 39</i> KD	<i>New classification under IFRS 9</i>	<i>Re-measurement /ECL/ others</i> KD	<i>New carrying amount under IFRS 9</i> KD
Quoted equity investments	AFS	12,297,580	FVOCI	-	12,297,580
Bonds	AFS	8,895,323	FVTPL	(395,600)	8,895,323
Unquoted equity investments	AFS	603,569	FVOCI	797,587	603,569
Bonds	FVTPL	438,601	FVOCI	111,980	438,601
Bonds	FVTPL	7,592,084	FVTPL	-	7,481,051
Quoted equity investments	FVTPL	2,130,762	FVTPL	-	2,130,762
Managed funds	FVTPL	1,412,696	FVTPL	-	1,412,696
Insurance and reinsurance receivable	Receivable	10,610,935	Insurance contract assets	(5,838,727)	4,772,208

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Group has not early adopted any standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial information. The Group intends to adopt these standards when they become effective.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

3 INSURANCE AND REINSURANCE CONTRACTS

3.1 Classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

The Group issues the following products

- non-life insurance to individuals and businesses. Non-life insurance products offered include but not limited to, property, marine, and personal accident. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of a policyholder's accident.
- annuity contracts and term life contracts with a surrender value.

The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

3.2 Separating components from insurance and reinsurance contracts

The Group assesses its non-life insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation.

3.3 Level of Aggregation

IFRS 17 requires the Group to determine the level of aggregation for applying its requirements.

The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The Group applied a full retrospective approach and modified retrospective approach when applicable for transition to IFRS 17. The portfolios are further divided by year of issue and profitability for recognition and measurement purposes. Hence, within each year of issue, portfolios of contracts are divided into two groups, as follows:

- (i) any contracts that are onerous on initial recognition;
- (ii) any remaining contracts in the portfolio.

The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances. The Group considers facts and circumstances to identify whether a group of contracts are onerous based on:

- Pricing information
- Results of similar contracts it has recognised
- Environmental factors, e.g., a change in market experience or regulations

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.4 Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date.
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

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

- The beginning of the coverage period of the group of reinsurance contracts held. (However, the Group delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Group recognises an onerous group of underlying insurance contracts if the Group entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

3.5 Contract boundary

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

- The Group has the practical ability to reassess the risks of the policyholder and, as a result, can set a price or level of benefits that fully reflects those risks.

Or Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

3.6 Insurance contracts- Initial and subsequent measurement

3.6.1 Initial measurement

The Group applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary. Or
- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.6 Insurance contracts- Initial and subsequent measurement (continued)

3.6.1 Initial measurement (continued)

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

3.6.2 Subsequent measurement

The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

3.7 Reinsurance contracts- Initial and subsequent measurement

3.7.1 Initial measurement

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

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3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.7 Reinsurance contracts- Initial and subsequent measurement

3.7.2 Subsequent measurement

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. Where the Group has established a loss-recovery component, the Group subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

3.8 Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

All acquisition costs are to be deferred. The Group uses a systematic and rational method to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:

- to that group; and
- to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the condensed consolidated statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

If an impairment loss is recognised, the carrying amount of the asset is adjusted and an impairment loss is recognised in profit or loss.

The Group recognises in profit or loss a reversal of some or all of an impairment loss previously recognised and increases the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

3.9 Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses. The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the periods presented, all revenue has been recognised on the basis of the passage of time.

3.10 Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Group allocate insurance finance income or expenses on insurance contracts issued to profit or loss. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in P&L in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities.

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3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.11 Net income or expense from reinsurance contracts held

The Group presents separately on the face of the interim condensed consolidated statement income, the amounts expected to be recovered from reinsurers, net of allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the interim condensed consolidated statement income.

4 INSURANCE CONTRACT LIABILITIES

30 June 2023	<i>Liability for Remaining Coverage KD</i>	<i>Liability for Incurred claims KD</i>	<i>Total KD</i>
Insurance contracts liabilities as at 1 January 2023	(3,755,171)	(30,444,903)	(34,200,074)
Insurance contracts liabilities at beginning of period	(3,755,171)	(30,444,903)	(34,200,074)
Insurance revenue	20,192,343	-	20,192,343
Incurred claims and other directly attributable expenses	(1,137,380)	(9,780,765)	(10,918,145)
Changes that relate to past service-Changes in FCF relating to LIC	-	1,006,485	1,006,485
Insurance service expenses	(1,137,380)	(8,774,280)	(9,911,660)
Insurance service result	19,054,963	(8,774,280)	10,280,683
Finance expenses from insurance contracts issued recognised in income statement	-	(509,366)	(509,366)
Total amounts recognized in profit or loss	19,054,963	(9,283,646)	9,771,317
Cash Flows:			
Premium received	(27,077,540)	-	(27,077,540)
Claims and other directly attributable expenses paid	-	10,497,053	10,497,053
Insurance acquisition cash flows	802,151	-	802,151
Total cash flows	(26,275,389)	10,497,053	(15,778,336)
Insurance contract liabilities as at 30 June 2023	(10,975,597)	(29,231,496)	(40,207,093)
Insurance contract liabilities as at 30 June 2023	(10,975,597)	(29,231,496)	(40,207,093)

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As at and for the period ended 30 June 2023

4 INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

30 June 2023	<i>Present Value of Future Cash Flows KD</i>	<i>Risk adjustment for non-financial risk KD</i>	<i>CSM KD</i>	<i>Total KD</i>
Insurance contracts liabilities as at 1 January 2023	(1,109,713)	(52,987)	(394,621)	(1,557,321)
Insurance contracts liabilities as at 1 January 2023	(1,109,713)	(52,987)	(394,621)	(1,557,321)
Changes that relate to current service:				
Contractual service margin recognized for service provided	-	-	36,985	36,985
Changes in the risk adjustment for non-financial risk for the risk expired	-	1,821		1,821
Experience adjustments-relating to insurance service expenses	(33,881)	(4,063)	-	(37,944)
Changes that relate to future service:				
Changes in estimates that adjust the CSM	111,700	11,063	(122,763)	-
Contracts initially recognised in the period	(73,298)	1,029	-	(72,269)
Changes that relate to past service:				
Changes that relate to past service - adjusting to LFIC	92,766	4,167	-	96,933
Insurance service result	97,287	14,017	(85,778)	25,526
Finance expenses from insurance contracts issued	(46,830)	-	(7,543)	(54,373)
Total amounts recognised in profit or loss	50,457	14,017	(93,321)	(28,847)
Cash Flows:				
Premium received	(78,850)	-	-	(78,850)
Total cash flows	(78,850)	-	-	(78,850)
Insurance contracts liabilities at 30 June 2023	(1,138,106)	(38,970)	(487,942)	(1,665,018)

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4 INSURANCE CONTRACT LIABILITIES (continued)

30 June 2022 (restated)	<i>Liability for Remaining Coverage KD</i>	<i>Liability for Incurred claims KD</i>	<i>Total KD</i>
Insurance contracts liabilities as at 1 January 2022	(4,789,867)	(57,088,633)	(61,878,500)
Insurance contracts liabilities as at 1 January 2022	(4,789,867)	(57,088,633)	(61,878,500)
Insurance revenue	18,826,516	-	18,826,516
Incurred claims and other directly attributable expenses	(1,174,309)	(13,098,089)	(14,272,398)
Changes that relate to past service-Changes in FCF relating to LIC	-	19,704,624	19,704,624
Insurance service expenses	(1,174,309)	6,606,535	5,432,226
Insurance service result	17,652,207	6,606,535	24,258,742
Finance income from insurance contracts	-	488,187	488,187
Total amounts recognized in profit or loss	17,652,207	7,094,722	24,746,929
Cash Flows:			
Premium received	(25,907,979)	-	(25,907,979)
Claims and other directly attributable expenses paid	-	12,318,437	12,318,437
Insurance acquisition cash flows	1,192,438	-	1,192,438
Total cash flows	(24,715,541)	12,318,437	(24,715,541)
Insurance contracts liabilities as at 30 June 2022	(11,853,201)	(37,675,474)	(49,528,675)
Insurance contracts liabilities as at 30 June 2022	(11,853,201)	(37,675,474)	(49,528,675)

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4 INSURANCE CONTRACT LIABILITIES (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

30 June 2022 (restated)	<i>Present Value of Future Cash Flows KD</i>	<i>Risk adjustment for non- financial risk KD</i>	<i>CSM KD</i>	<i>Total KD</i>
Insurance contracts liabilities at 1 January 2022	(1,569,781)	(69,649)	(279,739)	(1,919,169)
Insurance contracts liabilities at 1 January 2022	(1,569,781)	(69,649)	(279,739)	(1,919,169)
Changes that relate to current service:				
Contractual service margin recognized for service Provided	-	-	19,324	19,324
Changes in the risk adjustment for non-financial risk for the risk expired	-	3,002	-	3,002
Experience adjustments-relating to insurance service expenses	(26,385)	(3,658)	-	(30,043)
Changes that relate to future service:				
Changes in estimates that adjust the CSM	24,665	12,710	(37,375)	-
Changes in estimate that results in onerous contract losses or reversal of such losses	65,349	11,152	-	76,501
Changes that relate to past service:				
Changes that relate to past service - adjusting to LFIC	109	3,231	-	3,340
Insurance service result	63,738	26,437	(18,051)	72,124
Finance expenses from insurance contracts issued	201,925	-	(5,301)	196,624
Total amounts recognised in profit or loss	265,663	26,437	(23,352)	268,748
Cash Flows:				
Premium received	(11,668)	-	-	(11,668)
Total cash flows	(11,668)	-	-	(11,668)
Insurance contracts liabilities at 30 June 2022	(1,315,786)	(43,212)	(303,091)	(1,662,089)

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

5 REINSURANCE CONTRACTS ASSETS

30 June 2023	<i>Reinsurance remaining coverage KD</i>	<i>Reinsurance incurred claims KD</i>	<i>Total KD</i>
Reinsurance contracts assets as at 1 January 2023	1,984,845	22,111,537	24,096,382
Reinsurance contracts asset as at 1 January 2023	1,984,845	22,111,537	24,096,382
Reinsurance expenses	(7,953,806)	-	(7,953,806)
Other Incurred directly attributable expenses	-	(91,481)	(91,481)
Incurred claims recovery	-	1,174,482	1,174,482
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	(859,989)	(859,989)
Net (expense) income from reinsurance contracts held	(7,953,806)	223,012	(7,730,794)
Finance income from reinsurance contracts held	-	337,826	337,826
Total amounts recognised in profit or loss	(7,953,806)	560,838	(7,392,968)
Cash Flows:			
Premiums paid net of ceding commissions and other directly attributable expenses	9,454,172	91,481	9,545,653
Recoveries from reinsurance	-	(2,365,950)	(2,365,950)
Total cash flows	9,454,172	(2,274,469)	7,179,703
Reinsurance contracts asset as at 30 June 2023	3,485,211	20,397,906	23,883,117
Reinsurance contracts assets as at 30 June 2023	3,485,211	20,397,906	23,883,117

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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5 REINSURANCE CONTRACTS ASSETS (continued)

30 June 2022 (restated)	<i>Reinsurance Remaining Coverage KD</i>	<i>Reinsurance Incurred claims KD</i>	<i>Total KD</i>
Reinsurance contracts assets as at 1 January 2022	1,954,221	49,944,065	51,898,286
Reinsurance contracts assets 1 January 2022	<u>1,954,221</u>	<u>49,944,065</u>	<u>51,898,286</u>
Reinsurance expenses	(8,489,326)	-	(8,489,326)
Other incurred directly attributable expenses	-	(81,542)	(81,542)
Incurred claims recovery	-	198,087	198,087
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	(14,975,846)	(14,975,846)
Net expense from reinsurance contracts held	<u>(8,489,326)</u>	<u>(14,859,301)</u>	<u>(23,348,627)</u>
Finance expense from reinsurance contracts held	-	(329,158)	(329,158)
Total amounts recognised in profit or loss	<u>(8,489,326)</u>	<u>(15,188,459)</u>	<u>(23,677,785)</u>
Cash Flows:			
Premiums paid net of ceding commissions and other directly attributable expenses	11,946,188	81,542	12,027,730
Recoveries from reinsurance	-	(2,872,030)	(2,872,030)
Total cash flows	<u>11,946,188</u>	<u>(2,790,488)</u>	<u>9,155,700</u>
Reinsurance contracts assets as at 30 June 2022	<u>5,411,083</u>	<u>31,965,118</u>	<u>37,376,201</u>
Reinsurance contracts assets as at 30 June 2022	<u><u>5,411,083</u></u>	<u><u>31,965,118</u></u>	<u><u>37,376,201</u></u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

6 NET INVESTMENT INCOME (LOSS)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2023	<i>2022 restated</i>	2023	<i>2022 restated</i>
	KD	<i>KD</i>	KD	<i>KD</i>
Dividend income	121,867	226,945	829,866	693,592
Interest income	259,770	113,361	479,239	236,927
Unrealized gain (loss) of financial assets at fair value through profit or loss	62,078	(539,225)	(196,430)	(518,377)
Realized (loss) gain from sale of financial assets at fair value through profit or loss	(3,430)	9,178	9,152	26,161
Share of results of associates	107,599	20,649	213,085	199,602
	547,884	(169,092)	1,334,912	637,905
Investment expense	(92,318)	(67,798)	(228,650)	(135,648)
	455,566	(236,890)	1,106,262	502,257

7 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares, less treasury shares, outstanding during the period.

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2023	<i>2022 Restated</i>	2023	<i>2022 Restated</i>
	KD	<i>KD</i>	KD	<i>KD</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	1,354,892	570,753	2,131,651	1,244,134
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	242,747,581	243,369,948	242,236,733	243,021,831
Earnings per share	5.58 fils	2.35 fils	8.80 fils	5.12 fils

Earnings per share calculation for the period ended 30 June 2023 and 30 June 2022 have been adjusted to take account of the bonus shares proposed to be issued in 2023 (Note 12).

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

8 PROPERTY AND EQUIPMENT

The Group's land and building with a net carrying value of KD 775,000 (31 December 2022 KD: 775,000 and 30 June 2022: KD 1,189,895) are under lien to the Insurance Regulatory Unit (IRU).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

9 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 1,800,000 held in State of Kuwait under lien to the Insurance Regulatory Unit (IRU) in accordance with insurance regulations of State of Kuwait (31 December 2022: KD 1,800,000 and 30 June 2022: KD 1,950,000).

The effective interest rate on term deposits was 5.19% to 5.8 % per annum (31 December 2022: 5.19% to 5.7% and 30 June 2022: 1.56 % to 2.19 %).

10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows include the following balances:

	30 June	<i>(Audited)</i> 31 December	30 June
	2023	2022	2022
	KD	KD	KD
Cash on hand	13,835	25,194	18,102
Cash in portfolio	809,636	180,447	588,937
Short term deposits (Maturity within 3 months ending period)	-	1,800,000	4,541,222
Bank balances	3,720,659	4,847,607	6,138,897
	4,544,130	6,853,248	11,287,158
Bank overdraft	(1,337,144)	-	-
	3,206,986	6,853,248	11,287,158

The effective interest rate on short term deposits was Nil% per annum (31 December 2022: 2.125% and 30 June 2022: 1.25% to 1.75%).

11 TREASURY SHARES

	30 June	<i>(Audited)</i> 31 December	30 June
	2023	2022	2022
Number of shares	9,210,863	7,605,402	7,963,628
Percentage to issued shares (%)	3.68	4.29	4.5
Market value (KD)	1,188,201	981,097	1,011,380

An amount of KD 937,987 (31 December 2022: KD 1,122,737 and 30 June 2022: KD 1,248,797) equivalent to the cost of purchase of the treasury shares have been earmarked as non-distributable from reserves and retained earnings throughout the holding period of treasury shares.

The weighted average market price of the Parent Company's shares for the period ended 30 June 2023 was 129 fils per share (31 December 2022: 133 fils per share and 30 June 2022: 140 fils per share).

During the current period ended 30 June 2023, to the Group purchased treasury shares of 3,765,132 shares for total consideration amounting to KD 518,691 and to sold treasury shares of 7,677,547 shares with total consideration of KD 703,441.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

12 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of the shareholders of the Parent Company was held on 26 March 2023 approved the consolidated financial statements for the year ended 31 December 2022 and the distribution of cash dividends of 8% for the year ended 31 December 2022 (2021: 10%), in addition to increase the share capital from KD 17,710,846 to KD 25,000,000 by the issuance of bonus shares of 41.16% (2021: KD Nil) of the fully paid-up share capital using the general reserve, voluntary reserve and retained earnings as at 31 December 2022. The change has been notarized in the Parent Company's commercial register dated 30 April 2023.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

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, General Accidents and Fire 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:

<i>30 June 2023</i>	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
Insurance service result before reinsurance contracts held	8,536,564	1,769,645	-	-	10,306,209
Reinsurance contracts held	(6,848,785)	(882,009)	-	-	(7,730,794)
Finance expenses from insurance contracts issued	(332,013)	(231,726)	-	-	(563,739)
Finance income from reinsurance contracts held	265,480	72,346	-	-	337,826
Net investment income	-	-	1,106,262	-	1,106,262
Non-attributable general and administrative expenses	-	-	-	(1,345,494)	(1,345,494)
Other income	-	-	-	110,041	110,041
KFAS, ZAKAT, NLST	-	-	-	(80,275)	(80,275)
Net profit for the period	1,621,246	728,256	1,106,262	(1,315,728)	2,140,036
Assets	19,364,476	4,518,641	67,841,870	-	91,724,987
Liabilities	24,383,216	19,267,321	10,210,787	4,746,378	58,607,702

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2023

13 SEGMENT INFORMATION (continued)

	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Investment KD</i>	<i>Unallocated KD</i>	<i>Total KD</i>
31 December 2022 (restated)					
Assets	13,978,086	10,118,296	63,628,080	-	87,724,462
Liabilities	18,759,493	18,678,430	8,793,705	4,387,006	50,618,634
30 June 2022 (restated)					
Insurance service result before reinsurance contracts held	22,031,969	2,298,897	-	-	24,330,866
Reinsurance contracts held	(22,008,520)	(1,340,107)	-	-	(23,348,627)
Finance income/(expenses) from insurance contracts issued	371,468	313,343	-	-	684,811
Finance income/(expenses) from reinsurance contracts held	(293,619)	(35,539)	-	-	(329,158)
Net investment income	-	-	502,257	-	502,257
Non-attributable general and administrative expenses	-	-	-	(684,173)	(684,173)
Other income	-	-	-	207,116	207,116
KFAS, ZAKAT, NLST	-	-	-	(104,408)	(104,408)
Net profit for the period	101,298	1,236,594	502,257	(581,465)	1,258,684
Assets	32,819,138	4,557,063	63,534,461	-	100,910,662
Liabilities	36,704,182	16,312,483	8,319,205	4,083,498	65,419,368

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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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>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Insurance activities					
Insurance contract assets	46,318	6,195,644	6,241,962	5,938,283	5,556,585
Insurance contract liabilities	-	405,026	405,026	770,599	748,359
Investment activities					
Investment assets	-	19,054,854	19,054,854	15,669,436	16,287,667
Investment in associates	-	8,237,825	8,237,825	8,330,796	8,111,123
Term deposits	-	-	-	1,800,000	1,950,000
Cash and cash equivalents	-	3,316,749	3,316,749	3,464,888	7,484,564
Other liabilities	-	4,873,643	4,873,643	4,793,705	3,719,205

Transactions included in the interim condensed consolidated statement of income:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 KD</i>	<i>2022 KD</i>	<i>2023 KD</i>	<i>2022 KD</i>
Premiums written	217,081	350,056	1,174,950	998,531
Dividend income	135,385	222,061	396,990	327,943
Share of results of associates	107,599	20,649	213,085	199,602

Compensation to key management personnel:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2023 KD</i>	<i>2022 KD</i>	<i>2023 KD</i>	<i>2022 KD</i>
Short term employees' benefits	172,528	340,330	518,129	515,472
Employees' end of service benefit	5,117	58,305	9,720	66,235
	177,645	398,635	527,849	581,707

15 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>30 June 2023 KD</i>	<i>(Audited) 31 December 2022 KD</i>	<i>30 June 2022 KD</i>
Letters of guarantee	826,351	2,780,338	622,558
Capital commitments	6,480	6,480	6,480

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

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As at and for the period ended 30 June 2023

15 CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

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.

16 FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of investments assets, insurance contract assets and reinsurance contract assets, term deposits and cash and cash equivalent. Financial liabilities consist of insurance contract assets, reinsurance contract assets, term loans and other liabilities.

The fair values of financial instruments 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; and

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 provides the fair value measurement hierarchy of the Group's assets carried at fair value.

	<i>Fair value measurement using</i>			<i>Total KD</i>
	<i>Level 1 KD</i>	<i>Level 2 KD</i>	<i>Level 3 KD</i>	
30 June 2023				
<i>Investments carried at fair value through other comprehensive income:</i>				
Quoted equity securities	16,813,564	-	-	16,813,564
Unquoted equity securities	-	-	857,406	857,406
Quoted bonds	-	457,281	-	457,281
<i>Investments carried at fair value through profit or loss:</i>				
Quoted securities	1,695,190	-	-	1,695,190
Managed funds	358,148	1,200,500	-	1,558,648
Quoted bonds	11,154,531	-	-	11,154,531
Unquoted bonds	-	-	5,300,000	5,300,000
Total	30,021,433	1,657,781	6,157,406	37,836,620

Warba Insurance and Reinsurance Company K.S.C.P. and its Subsidiary
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16 FAIR VALUE MEASUREMENT (CONTINUED)

	<i>Fair value measurement</i>			<i>Total KD</i>
	<i>Level 1 KD</i>	<i>Level 2 KD</i>	<i>Level 3 KD</i>	
<i>31 December 2022 (Audited)</i>				
<i>Available for sale investment</i>				
Quoted equity securities	12,297,580	-	-	12,297,580
Unquoted equity securities	-	-	603,569	603,569
Quoted bonds	-	3,595,323	-	3,595,323
<i>Investments carried at fair value through profit or loss:</i>				
Quoted securities	2,002,379	-	-	2,002,379
Managed funds	361,344	1,179,735	-	1,541,079
Quoted bonds	8,030,685	-	-	8,030,685
Total	22,691,988	4,775,058	603,569	28,070,615
	<i>Fair value measurement</i>			<i>Total KD</i>
	<i>Level 1 KD</i>	<i>Level 2 KD</i>	<i>Level 3 KD</i>	
<i>30 June 2022</i>				
<i>Available for sale investments:</i>				
Quoted equity securities	13,838,453	-	-	13,838,453
Unquoted equity securities	-	-	909,951	909,951
Quoted bonds	-	3,707,146	-	3,707,146
<i>Investments carried at fair value through profit or loss:</i>				
Quoted securities	1,911,044	-	-	1,911,044
Managed funds	388,204	1,206,655	-	1,594,859
Quoted bonds	6,627,784	-	-	6,627,784
Total	22,765,485	4,913,801	909,951	28,589,237

Available for sale investments contain unquoted bonds carried at cost as at 31 December 2022 KD 5,300,000 (30 June 2022: KD 5,300,000).

During the period ended 30 June 2023, 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.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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16 FAIR VALUE MEASUREMENT (continued)

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

30 June 2023	<i>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 KD</i>	<i>change recorded in the interim condensed consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 30 June 2023 KD</i>
Investments at FVOCI:					
Unquoted equity securities	-	603,569	103,357	150,480	857,406
Investments at FVTPL					
Unquoted bonds	-	5,300,000	-	-	5,300,000
	<u>-</u>	<u>5,903,569</u>	<u>103,357</u>	<u>150,480</u>	<u>6,157,406</u>
	<u><u>-</u></u>	<u><u>5,903,569</u></u>	<u><u>103,357</u></u>	<u><u>150,480</u></u>	<u><u>6,157,406</u></u>
31 December 2022		<i>As at 1 January 2022 KD</i>	<i>change recorded in the consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 31 December 2022 KD</i>
Financial assets at FVOCI:					
Unquoted equity securities		923,118	(319,549)	-	603,569
		<u>923,118</u>	<u>(319,549)</u>	<u>-</u>	<u>603,569</u>
		<u><u>923,118</u></u>	<u><u>(319,549)</u></u>	<u><u>-</u></u>	<u><u>603,569</u></u>
		<i>As at 1 January 2022 KD</i>	<i>Change recorded in the interim condensed consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 30 June 2022 KD</i>
Investments available for sale					
Unquoted equity securities		923,118	(13,167)	-	909,951
		<u>923,118</u>	<u>(13,167)</u>	<u>-</u>	<u>909,951</u>
		<u><u>923,118</u></u>	<u><u>(13,167)</u></u>	<u><u>-</u></u>	<u><u>909,951</u></u>

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