

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

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

30 JUNE 2024



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 2024, 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.

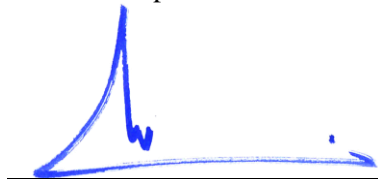
Conclusion

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 months period ended 30 June 2024 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, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority "CMA" and organization of security activity and its executive regulations, as amended, during the six months period ended 30 June 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



BADER A. AL-ABDULJADER

LICENCE NO. 207 A

EY

AL AIBAN, AL OSAIMI & PARTNERS

7 August 2024

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 2024

		<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
		2024	2023	2024	2023
	<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Revenue:					
Insurance revenue	3	10,112,503	10,544,651	20,962,452	20,433,749
Insurance service expenses	3	(4,412,789)	(4,622,645)	(8,959,049)	(10,073,166)
Insurance service result before reinsurance contracts held		5,699,714	5,922,006	12,003,403	10,360,583
Amounts recoverable from reinsurers for incurred claims	3	148,632	(91,297)	(250,746)	83,962
Allocation of reinsurance premiums	3	(4,472,856)	(4,248,194)	(8,851,575)	(7,953,806)
Net expense from reinsurance contracts held		(4,324,224)	(4,339,491)	(9,102,321)	(7,869,844)
Insurance service result		1,375,490	1,582,515	2,901,082	2,490,739
Finance expenses from insurance contracts issued	3	(136,421)	(162,581)	(385,958)	(618,113)
Finance income from reinsurance contracts held	3	57,399	180,875	208,278	476,876
Net insurance financial result		1,296,468	1,600,809	2,723,402	2,349,502
Net investment income	4	85,299	455,566	1,742,509	1,106,262
Unallocated general and administrative expenses		(696,023)	(913,246)	(1,094,660)	(1,345,494)
Other income		240,671	258,548	189,078	110,041
PROFIT FOR THE PERIOD BEFORE TAXATION		926,415	1,401,677	3,560,329	2,220,311
Contribution to KFAS		(8,618)	(12,949)	(34,002)	(21,228)
NLST		(31,869)	(23,291)	(104,397)	(42,849)
Zakat		(12,212)	(8,811)	(40,366)	(16,198)
NET PROFIT FOR THE PERIOD		873,716	1,356,626	3,381,564	2,140,036
Attributable to:					
Equity holders of the Parent Company		862,765	1,354,892	3,360,746	2,131,651
Non-controlling interests		10,951	1,734	20,818	8,385
PROFIT FOR THE PERIOD		873,716	1,356,626	3,381,564	2,140,036
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	3.60 fils	5.58 fils	14.04 fils	8.80 fils

The attached notes 1 to 14 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)

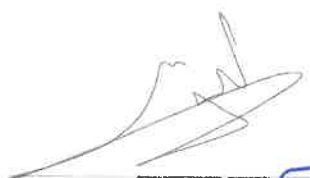
For the period ended 30 June 2024

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
Profit for the period	873,716	1,356,626	3,381,564	2,140,036
Other comprehensive income:				
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
Share of other comprehensive gain (loss) from associates	1,193	298	(26,592)	(4,655)
	1,193	298	(26,592)	(4,655)
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Change in fair value of financial assets at FVOCI	1,112,962	920,501	2,257,095	909,685
	1,112,962	920,501	2,257,095	909,685
Other comprehensive income for the period	1,114,155	920,799	2,230,503	905,030
Total comprehensive income for the period	1,987,871	2,277,425	5,612,067	3,045,066
Attributable to:				
Equity holders of the Parent Company	1,976,920	2,275,691	5,591,249	3,036,681
Non-controlling interests	10,951	1,734	20,818	8,385
	1,987,871	2,277,425	5,612,067	3,045,066

The attached notes 1 to 14 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 2024

			(Audited)	
	Notes	30 June 2024 KD	31 December 2023 KD	30 June 2023 KD
ASSETS				
Cash and cash equivalent	8	5,047,907	5,374,525	4,544,130
Term deposits	7	7,465,644	6,975,000	8,608,100
Other assets		1,330,970	996,660	1,336,351
Reinsurance contract assets	3	22,220,639	21,590,441	23,883,117
Financial assets at fair value through profit or loss		20,157,217	20,238,608	20,116,468
Financial assets at fair value through other comprehensive income		28,529,830	26,072,733	17,720,152
Investments in associates		3,620,125	3,687,314	8,237,825
Property and equipment	6	7,061,064	7,170,580	7,278,844
TOTAL ASSETS		95,433,396	92,105,861	91,724,987
LIABILITIES AND EQUITY				
LIABILITIES				
Bank overdraft		-	-	1,337,144
Insurance contract liabilities	3	39,925,929	39,347,212	41,872,111
Term loans		4,000,000	4,000,000	4,000,000
Other liabilities		11,921,588	12,470,653	11,398,447
Total liabilities		55,847,517	55,817,865	58,607,702
Equity				
Share capital		25,000,000	25,000,000	25,000,000
Statutory reserve		4,552,539	4,552,539	8,781,109
General reserve		132,367	132,367	132,367
Treasury shares	9	(686,385)	(1,210,017)	(937,987)
Treasury shares reserve		218,607	212,222	206,990
Cumulative changes in fair value reserve		5,650,461	3,419,958	4,954,301
Retained earnings (Accumulated deficit)		4,739,875	4,223,330	(4,960,636)
Equity attributable to the equity holders of the Parent Company		39,607,464	36,330,399	33,176,144
Non-controlling interests		(21,585)	(42,403)	(58,859)
Total equity		39,585,879	36,287,996	33,117,285
TOTAL LIABILITIES AND EQUITY		95,433,396	92,105,861	91,724,987



Anwar Jawad Bu-Khamseen
Chairman



Sheikh / Mohammed Jarrah Sabah Al-Sabah
Vice Chairman

The attached notes 1 to 14 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 2024

	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
As at 1 January 2024	25,000,000	4,552,539	132,367	-	(1,210,017)	212,222	3,419,958	4,223,330	36,330,399	(42,403)	36,287,996
Profit for the period	-	-	-	-	-	-	-	3,360,746	3,360,746	20,818	3,381,564
Other comprehensive income	-	-	-	-	-	-	2,230,503	-	2,230,503	-	2,230,503
Total comprehensive income for the period	-	-	-	-	-	-	2,230,503	3,360,746	5,591,249	20,818	5,612,067
Cash dividends (Note 10)	-	-	-	-	-	-	-	(2,380,118)	(2,380,118)	-	(2,380,118)
Bonus dividends (Note 10)	-	-	-	-	476,297	(12,214)	-	(464,083)	-	-	-
Movement in treasury shares (Note 9)	-	-	-	-	47,335	18,599	-	-	65,934	-	65,934
As at 30 June 2024	25,000,000	4,552,539	132,367	-	(686,385)	218,607	5,650,461	4,739,875	39,607,464	(21,585)	39,585,879
As at 1 January 2024 (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	-	-	-	-	-	-	-	(1,572,969)	(1,572,969)	-	(1,572,969)
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	2,252,655	37,173,072	(67,244)	37,105,828
Impact of initial application of IFRS 17	-	-	-	-	-	-	(513,967)	(5,324,760)	(5,838,727)	-	(5,838,727)
As at 1 January 2023	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 10)	-	-	-	-	-	-	-	(1,363,556)	(1,363,556)	-	(1,363,556)
Movement in treasury shares	-	-	-	-	184,750	(16,076)	-	-	168,674	-	168,674
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

The attached notes 1 to 14 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 2024

		<i>Six months ended</i>	
		<i>30 June</i>	
	<i>Notes</i>	2024	2023
		KD	KD
OPERATING ACTIVITIES			
Profit for the period before contribution to Zakat, KFAS and NLST		3,560,329	2,220,311
<i>Adjustments to Profit for the period before contribution to Zakat, KFAS and NLST:</i>			
Depreciation of property and equipment		116,205	114,440
Net investment income	4	(2,049,573)	(1,334,912)
Provision of employees' end if service benefits		101,233	65,295
		1,728,194	1,065,134
<i>Working Capital changes:</i>			
Other assets		(310,158)	(1,188,949)
Reinsurance contract assets		(630,198)	213,265
Insurance contract liabilities		578,717	275,989
Other liabilities		(858,667)	482,110
Cash flows from operating activities		507,888	847,549
Employees' end if service benefits paid		(54,134)	(140,432)
Net cash flows from operating activities		453,754	707,117
INVESTING ACTIVITIES			
Movement in time deposits		(490,644)	(1,801,325)
Net movement of treasury shares		65,934	168,674
Purchase of financial assets at fair value through profit or loss		(225,429)	(61,448)
Purchase of financial assets at fair value through other comprehensive income		(200,000)	(3,879,976)
Proceed from sale of financial assets at fair value through profit or loss		469,832	1,530,316
Purchase of property and equipment		(6,689)	(88,314)
Investment income received		1,903,005	1,092,290
Net cash flows from (used in) investing activities		1,516,009	(3,039,783)
FINANCING ACTIVITIES			
Cash dividends paid		(2,296,381)	(1,313,596)
Net cash flows used in financing activities		(2,296,381)	(1,313,596)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(326,618)	(3,646,262)
Cash and cash equivalents at 1 January		5,374,525	6,853,248
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	8	5,047,907	3,206,986

The attached notes 1 to 14 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 2024

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 2024 were authorized for issuance by the Board of Directors (“BOD”) on 7 August 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting held on 7 April 2024 (Note 10).

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 2023. 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 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Certain prior year amounts have been reclassified to conform to the current period presentation. These reclassifications had no impact on the reported results of operations, net profit and equity.

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 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.1.1 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity’s right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group’s interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group’s annual consolidated financial statements.

Other amendments to IFRS which are effective for annual accounting period starting from 1 January 2024 did not have any material impact on the accounting policies, financial position or performance of the Group.

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS

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

		30 June 2024			30 June 2023		
	Valuation Approach	Assets KD	Liabilities KD	Net KD	Assets KD	Liabilities KD	Net KD
Insurance contract assets & liabilities							
Medical	PAA	-	(10,514,564)	(10,514,564)	-	(10,615,324)	(10,615,324)
Group life	PAA	-	(5,944,300)	(5,944,300)	-	(6,781,901)	(6,781,901)
Motor	PAA	-	(9,636,077)	(9,636,077)	-	(9,156,994)	(9,156,994)
Marine & aviation	PAA	-	(974,398)	(974,398)	-	(1,018,768)	(1,018,768)
Fire	PAA	-	(4,509,033)	(4,509,033)	-	(4,732,017)	(4,732,017)
General accident	PAA	-	(6,721,891)	(6,721,891)	-	(7,902,089)	(7,902,089)
Total – PAA (Note 3.1)		-	(38,300,263)	(38,300,263)	-	(40,207,093)	(40,207,093)
Individual life	GMM	-	(1,625,666)	(1,625,666)	-	(1,665,018)	(1,665,018)
Total – GMM (Note 3.2)		-	(1,625,666)	(1,625,666)	-	(1,665,018)	(1,665,018)
Total insurance contract assets & liabilities		-	(39,925,929)	(39,925,929)	-	(41,872,111)	(41,872,111)
Reinsurance contract assets & liabilities							
Medical	PAA	4,015,761	-	4,015,761	5,571,463	-	5,571,463
Group life	PAA	4,749,604	-	4,749,604	4,347,322	-	4,347,322
Motor	PAA	1,171,419	-	1,171,419	800,942	-	800,942
Marine & aviation	PAA	973,346	-	973,346	748,286	-	748,286
Fire	PAA	4,388,015	-	4,388,015	4,644,394	-	4,644,394
General accident	PAA	6,915,825	-	6,915,825	7,770,710	-	7,770,710
Total – PAA (Note 3.3)		22,213,970	-	22,213,970	23,883,117	-	23,883,117
Individual life	GMM	6,669	-	6,669	-	-	-
Total – GMM		6,669	-	6,669	-	-	-
Total reinsurance contract assets & liabilities		22,220,639	-	22,220,639	23,883,117	-	23,883,117

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.1 Analysis of insurance contract assets and liabilities for contracts measured under PAA

	30 June 2024				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	(9,694,705)	-	(27,455,594)	(536,052)	(37,686,351)
Opening assets	-	-	-	-	-
Net opening balance	(9,694,705)	-	(27,455,594)	(536,052)	(37,686,351)
Insurance revenue	20,894,176	-	-	-	20,894,176
<i>Insurance service expenses</i>					
Incurred benefits and expenses	-	-	(8,400,713)	(82,484)	(8,483,197)
Changes that relate to past service - adjustments to LIC	-	-	442,627	116,042	558,669
Amortisation of insurance acquisition cash flows	(933,245)	-	-	-	(933,245)
Insurance service expenses	(933,245)	-	(7,958,086)	33,558	(8,857,773)
Insurance service result	19,960,931	-	(7,958,086)	33,558	12,036,403
Net finance expense from insurance contracts	-	-	(357,756)	-	(357,756)
Total changes in the interim condensed consolidated statement of income	19,960,931	-	(8,315,842)	33,558	11,678,647
<i>Cash flows</i>					
Premiums received	(22,808,642)	-	-	-	(22,808,642)
Claims paid	-	-	8,192,660	-	8,192,660
Directly attributable non- acquisition expenses paid	-	-	1,900,877	-	1,900,877
Insurance acquisition cash flows	422,546	-	-	-	422,546
Total cash flows	(22,386,096)	-	10,093,537	-	(12,292,559)
Net closing balance	(12,119,870)	-	(25,677,899)	(502,494)	(38,300,263)
Closing liabilities	(12,119,870)	-	(25,677,899)	(502,494)	(38,300,263)
Closing assets	-	-	-	-	-
Net closing balance	(12,119,870)	-	(25,677,899)	(502,494)	(38,300,263)

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.1 Analysis of insurance contract assets and liabilities for contracts measured under PAA (continued)

	30 June 2023				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	(4,083,280)	-	(29,594,460)	(522,334)	(34,200,074)
Opening assets	-	-	-	-	-
Net opening balance	(4,083,280)	-	(29,594,460)	(522,334)	(34,200,074)
ECL impact	(5,838,727)	-	-	-	(5,838,727)
Net opening balance - after IFRS 9 adoption	(9,922,007)	-	(29,594,460)	(522,334)	(40,038,801)
Insurance revenue	20,192,343	-	-	-	20,192,343
Insurance service expenses					
Incurred benefits and expenses	-	-	(9,860,938)	(194,072)	(10,055,010)
Changes that relate to past service - adjustments to LIC	-	-	974,469	32,016	1,006,485
Amortisation of insurance acquisition cash flows	(863,135)	-	-	-	(863,135)
Insurance service expenses	(863,135)	-	(8,886,469)	(162,056)	(9,911,660)
Insurance service result	19,329,208	-	(8,886,469)	(162,056)	10,280,683
Net finance expense from insurance contracts	-	-	(563,739)	-	(563,739)
Total changes in the interim condensed consolidated statement of income	19,329,208	-	(9,450,208)	(162,056)	9,716,944
Cash flows					
Premiums received	(21,184,949)	-	-	-	(21,184,949)
Claims paid	-	-	9,643,674	-	9,643,674
Directly attributable non- acquisition expenses paid	-	-	853,888	-	853,888
Insurance acquisition cash flows	802,151	-	-	-	802,151
Total cash flows	(20,382,798)	-	10,497,562	-	(9,885,236)
Net closing balance	(10,975,597)	-	(28,547,106)	(684,390)	(40,207,093)
Closing liabilities	(10,975,597)	-	(28,547,106)	(684,390)	(40,207,093)
Closing assets	-	-	-	-	-
Net closing balance	(10,975,597)	-	(28,547,106)	(684,390)	(40,207,093)

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.2 Analysis of insurance contract assets and liabilities for contracts measured under GMM

	30 June 2024				
	LRC		LIC		Total KD
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	
Opening liabilities	(1,541,967)	(80,396)	(36,784)	(1,714)	(1,660,861)
Opening assets	-	-	-	-	-
Net opening balance	(1,541,967)	(80,396)	(36,784)	(1,714)	(1,660,861)
Insurance revenue:					
Insurance revenue	68,276	-	-	-	68,276
Insurance service expenses					
Incurred benefits and expenses	-	-	(181,370)	(8,571)	(189,941)
Changes that relate to past service - adjustments to LIC	-	-	(1,920)	7,990	6,070
Losses on onerous contracts and reversal of those losses	-	82,595	-	-	82,595
Insurance service expenses	-	82,595	(183,290)	(581)	(101,276)
Insurance service result	68,276	82,595	(183,290)	(581)	(33,000)
Finance expenses from insurance contracts issued	(24,772)	(2,653)	(777)	-	(28,202)
Total changes in the interim condensed consolidated statement of income	43,504	79,942	(184,067)	(581)	(61,202)
Cash flows:					
Premiums received	(76,084)	-	-	-	(76,084)
Claims paid	-	-	159,793	-	159,793
Directly attributable non-acquisition expenses paid	-	-	12,688	-	12,688
Net Cash flows	(76,084)	-	172,481	-	96,397
Net closing balance	(1,574,547)	(454)	(48,370)	(2,295)	(1,625,666)
Closing liabilities	(1,574,547)	(454)	(48,370)	(2,295)	(1,625,666)
Closing assets	-	-	-	-	-
Net closing balance	(1,574,547)	(454)	(48,370)	(2,295)	(1,625,666)

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.2 Analysis of insurance contract assets and liabilities for contracts measured under GMM (continued)

	LRC		30 June 2023	LIC	
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	(1,492,415)	(22,782)	(40,108)	(2,016)	(1,557,321)
Opening assets	-	-	-	-	-
Net opening balance	(1,492,415)	(22,782)	(40,108)	(2,016)	(1,557,321)
Insurance revenue:					
Insurance revenue	241,406	-	-	-	241,406
Insurance service expenses					
Incurred benefits and expenses	-	-	(90,401)	(4,063)	(94,464)
Changes that relate to past service - adjustments to LIC	-	-	-	4,166	4,166
Losses on onerous contracts and reversal of those losses	-	(71,208)	-	-	(71,208)
Insurance service expenses	-	(71,208)	(90,401)	103	(161,506)
Insurance service result	241,406	(71,208)	(90,401)	103	79,900
Finance expenses from insurance contracts issued	(56,422)	2,260	(212)	-	(54,374)
Total changes in the interim condensed consolidated statement of income	184,984	(68,948)	(90,613)	103	25,526
Cash flows:					
Premiums received	(225,902)	-	-	-	(225,902)
Claims paid	-	-	83,285	-	83,285
Directly attributable non-acquisition expenses paid	-	-	9,394	-	9,394
Net Cash flows	(225,902)	-	92,679	-	(133,223)
Net closing balance	(1,533,333)	(91,730)	(38,042)	(1,913)	(1,665,018)
Closing liabilities	(1,533,333)	(91,730)	(38,042)	(1,913)	(1,665,018)
Closing assets	-	-	-	-	-
Net closing balance	(1,533,333)	(91,730)	(38,042)	(1,913)	(1,665,018)

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.2 Analysis of insurance contract assets and liabilities for contracts measured under GMM (continued)

3.2.1 Reconciliation of insurance contract assets and liabilities by components for contracts measured under GMM

	30 June 2024			
	Estimates of the present value of future cash flows <i>KD</i>	Risk Adjustment for non-financial risk <i>KD</i>	Contractual Service Margin (CSM) <i>KD</i>	Total <i>KD</i>
Opening liabilities	(996,023)	(35,920)	(628,918)	(1,660,861)
Opening assets	-	-	-	-
Net opening balance	(996,023)	(35,920)	(628,918)	(1,660,861)
<i>Changes that relate to current services:</i>				
CSM recognized in consolidated statement of income for services provided	-	-	-	-
Changes in risk adjustment for risks expired	-	-	-	-
Experience adjustment-arising from premium received in the period that related to past service	(109,023)	(8,571)	-	(117,594)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	(16,561)	(4,537)	21,098	-
- Changes in estimates that result in onerous contracts or reversal of losses	72,605	5,919	-	78,524
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	(1,920)	7,990	-	6,070
Insurance service result	(54,899)	801	21,098	(33,000)
Net finance expense from insurance contracts	(16,102)	-	(12,100)	(28,202)
Total changes in the interim condensed consolidated statement of income	(71,001)	801	8,998	(61,202)
<i>Cash flows:</i>				
Premiums received	(76,084)	-	-	(76,084)
Claims paid	159,793	-	-	159,793
Directly attributable non- acquisition expenses paid	12,688	-	-	12,688
Total cash flows	96,397	-	-	96,397
Net closing balance	(970,627)	(35,119)	(619,920)	(1,625,666)
Closing liabilities	(970,627)	(35,119)	(619,920)	(1,625,666)
Closing assets	-	-	-	-
Net closing balance	(970,627)	(35,119)	(619,920)	(1,625,666)

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.2 Analysis of insurance contract assets and liabilities for contracts measured under GMM (continued)

3.2.1 Reconciliation of insurance contract assets and liabilities by components for contracts measured under GMM (continued)

	30 June 2023			
	Estimates of the present value of future cash flows KD	Risk Adjustment for non-financial risk KD	Contractual Service Margin (CSM) KD	Total KD
Opening liabilities	(1,109,713)	(52,987)	(394,621)	(1,557,321)
Opening assets	-	-	-	-
Net opening balance	(1,109,713)	(52,987)	(394,621)	(1,557,321)
<i>Changes that relate to current services:</i>				
CSM recognized in consolidated statement of income for services provided	-	-	184,126	184,126
Changes in risk adjustment for risks expired	-	1,821	-	1,821
Experience adjustment-arising from premium received in the period that related to past service	(33,881)	(4,063)	-	(37,944)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	111,700	11,063	(122,763)	-
- Changes in estimates that result in onerous contracts or reversal of losses	(73,298)	1,029	-	(72,269)
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	-	4,166	-	4,166
Insurance service result	4,521	14,016	61,363	79,900
Net finance expense from insurance contracts	(46,830)	-	(7,544)	(54,374)
Total changes in the interim condensed consolidated statement of income	(42,309)	14,016	53,819	25,526
<i>Cash flows:</i>				
Premiums received	(225,902)	-	-	(225,902)
Claims paid	83,285	-	-	83,285
Directly attributable non- acquisition expenses paid	9,394	-	-	9,394
Total cash flows	(133,223)	-	-	(133,223)
Net closing balance	(1,285,245)	(38,971)	(340,802)	(1,665,018)
Closing liabilities	(1,285,245)	(38,971)	(340,802)	(1,665,018)
Closing assets	-	-	-	-
Net closing balance	(1,285,245)	(38,971)	(340,802)	(1,665,018)

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.3 Analysis of reinsurance contract assets and liabilities for contracts measured under PAA

	Assets for remaining coverage (ARC)		30 June 2024 Assets for amounts recoverable on incurred claims (AIC)		
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	-	-	-	-	-
Opening assets	1,981,394	-	19,297,422	298,145	21,576,961
Net opening balance	1,981,394	-	19,297,422	298,145	21,576,961
Allocation of reinsurance premiums	(8,842,128)	-	-	-	(8,842,128)
Amounts recoverable from reinsurers					
- Amounts recoverable for claims and other expenses	-	-	854,483	11,752	866,235
- Changes that relate to past service – adjustments to AIC	-	-	(986,203)	(37,028)	(1,023,231)
- Expenses directly attributable to reinsurance	-	-	(93,750)	-	(93,750)
Total reinsurance recoverable for incurred claims	-	-	(225,470)	(25,276)	(250,746)
Net income or expense from reinsurance contract held	(8,842,128)	-	(225,470)	(25,276)	(9,092,874)
Reinsurance finance income through profit and loss	-	-	208,278	-	208,278
Total changes in the interim condensed consolidated statement of income	(8,842,128)	-	(17,192)	(25,276)	(8,884,596)
Cash flows					
Premiums paid	10,743,412	-	-	-	10,743,412
Directly attributable expenses paid	-	-	93,750	-	93,750
Recoveries from reinsurance	-	-	(1,315,557)	-	(1,315,557)
Total cash flows	10,743,412	-	(1,221,807)	-	9,521,605
Net closing balance	3,882,678	-	18,058,423	272,869	22,213,970
Closing liabilities	-	-	-	-	-
Closing assets	3,882,678	-	18,058,423	272,869	22,213,970
Net closing balance	3,882,678	-	18,058,423	272,869	22,213,970

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 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.3 Analysis of reinsurance contract assets and liabilities for contracts measured under PAA (continued)

	Assets for remaining coverage (ARC)		30 June 2023 Assets for amounts recoverable on incurred claims (AIC)		Total KD
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	
Opening liabilities	-	-	-	-	-
Opening assets	1,984,844	-	21,867,199	244,339	24,096,382
Net opening balance	1,984,844	-	21,867,199	244,339	24,096,382
Allocation of reinsurance premiums	(7,953,806)	-	-	-	(7,953,806)
Amounts recoverable from reinsurers					
- Amounts recoverable for claims and other expenses	-	-	1,024,801	13,592	1,038,393
- Changes that relate to past service – adjustments to AIC	-	-	(903,916)	40,966	(862,950)
- Expenses directly attributable to reinsurance	-	-	(91,481)	-	(91,481)
Total reinsurance recoverable for incurred claims	-	-	29,404	54,558	83,962
Net income or expense from reinsurance contract held	(7,953,806)	-	29,404	54,558	(7,869,844)
Reinsurance finance income through profit and loss	-	-	476,876	-	476,876
Total changes in the interim condensed consolidated statement of income	(7,953,806)	-	506,280	54,558	(7,392,968)
Cash flows					
Premiums paid	9,454,173	-	-	-	9,454,173
Directly attributable expenses paid	-	-	91,481	-	91,481
Recoveries from reinsurance	-	-	(2,365,951)	-	(2,365,951)
Total cash flows	9,454,173	-	(2,274,470)	-	7,179,703
Net closing balance	3,485,211	-	20,099,009	298,897	23,883,117
Closing liabilities	-	-	-	-	-
Closing assets	3,485,211	-	20,099,009	298,897	23,883,117
Net closing balance	3,485,211	-	20,099,009	298,897	23,883,117

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

3.4 Net Insurance service results:

The breakdown of insurance service income and reinsurance contracts held by valuation approach is set out in the table below:

Valuation Approach	PAA		GMM		Total	
	2024 KD	2023 KD	2024 KD	2023 KD	2024 KD	2023 KD
Insurance Service Revenue	20,894,176	20,192,343	68,276	241,406	20,962,452	20,433,749
Insurance service expenses	(8,857,773)	(9,911,660)	(101,276)	(161,506)	(8,959,049)	(10,073,166)
Insurance service result before reinsurance contracts held	12,036,403	10,280,683	(33,000)	79,900	12,003,403	10,360,583
Amounts recoverable from reinsurers for incurred claims	(250,746)	83,962	-	-	(250,746)	83,962
Allocation of reinsurance premiums	(8,842,128)	(7,953,806)	(9,447)	-	(8,851,575)	(7,953,806)
Net expense from reinsurance contracts held	(9,092,874)	(7,869,844)	(9,447)	-	(9,102,321)	(7,869,844)
Insurance service result	2,943,529	2,410,839	(42,447)	79,900	2,901,082	2,490,739

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 2024

4 NET INVESTMENT INCOME

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2024	2023	2024	2023
	KD	KD	KD	KD
Dividend income	141,256	121,867	1,369,263	829,866
Interest income	157,249	259,770	377,247	479,239
Unrealized (loss) gain of financial assets at fair value through profit or loss	(65,477)	62,078	143,908	(196,430)
Realized gain (loss) from sale of financial assets at fair value through profit or loss	1,627	(3,430)	19,852	9,152
Share of results of associates	53,530	107,599	139,303	213,085
	288,185	547,884	2,049,573	1,334,912
Investment expense	(202,886)	(92,318)	(307,064)	(228,650)
	85,299	455,566	1,742,509	1,106,262

5 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>	
	2024	2023	2024	2023
	KD	Restated KD	KD	Restated KD
Profit for the period attributable to the equity holders of the Parent Company (KD)	862,765	1,354,892	3,360,746	2,131,651
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	239,466,095	242,747,581	239,406,711	242,236,733
Earnings per share	3.6 Fils	5.58 Fils	14.04 Fils	8.80 Fils

Earnings per share calculation for the period ended 30 June 2024 and 30 June 2023 have been adjusted to take account of the bonus shares proposed to be issued in 2024 (Note 10).

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

6 PROPERTY AND EQUIPMENT

The Group's land and building with a net carrying value of KD Nil (31 December 2023: KD Nil and 30 June 2023: KD 775,000) are under lien to the Insurance Regulatory Unit (IRU).

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 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 2023: KD 1,800,000 and 30 June 2023: KD 1,800,000).

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 2024

7 TERM DEPOSITS (continued)

The effective interest rate on term deposits was 4.60% to 5.1% per annum (31 December 2023: 4.60% to 5.80% and 30 June 2023: 5.19% to 5.8 %).

8 CASH AND CASH EQUIVALENTS

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

	30 June 2024 KD	<i>(Audited)</i> 31 December 2023 KD	30 June 2023 KD
Cash on hand	14,293	17,631	13,835
Cash in portfolio	453,459	285,662	809,636
Short term deposits (Maturity within 3 months ending period)	-	489,665	-
Bank balances	4,580,155	4,581,567	3,720,659
	5,047,907	5,374,525	4,544,130
Bank overdraft	-	-	(1,337,144)
	5,047,907	5,374,525	3,206,986

The effective interest rate on short term deposits was Nil % per annum (31 December 2023: 5.01% and 30 June 2023: Nil).

9 TREASURY SHARES

	30 June 2024	<i>(Audited)</i> 31 December 2023	30 June 2023
Number of shares	6,570,244	11,789,448	9,210,863
Percentage to issued shares (%)	2.63%	4.72%	3.68%
Market value (KD)	919,835	1,187,197	1,188,201

An amount of KD 686,385 (31 December 2023: KD 1,210,017 and 30 June 2023: KD 937,987) 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 2024 was 140 Fils per share (31 December 2023: 115 Fils per share and 30 June 2023: 129 Fils per share).

During the current period ended 30 June 2024, to the Group purchased treasury shares of 83,765 shares (30 June 2023: 3,765,132 shares) for total consideration amounting to KD 9,058 (30 June 2023: KD 518,691 shares) and sold treasury shares of 540,000 (30 June 2023: 7,677,547) with total consideration amounting to KD 56,393 (30 June 2023: KD 703,441).

10 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of the shareholders of the Parent Company was held on 7 April 2024 approved the consolidated financial statements for the year ended 31 December 2023 and the distribution of cash dividends of 10% for the year ended 31 December 2023 (2022: 8%) and the distribution date was on 9 May 2024, in addition to issuance of bonus shares of 2% from the treasury shares for every (100) shares of the parent company's stock for the year ended 31 December 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 2024

11 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 2024</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	9,145,192	2,858,211	-	-	12,003,403
Reinsurance contracts held	(8,175,704)	(926,617)	-	-	(9,102,321)
Finance expenses from insurance contracts issued	(190,265)	(195,693)	-	-	(385,958)
Finance income from reinsurance contracts held	145,331	62,947	-	-	208,278
Net investment income	-	-	1,742,509	-	1,742,509
Non-attributable general and administrative expenses	-	-	-	(1,094,660)	(1,094,660)
Other income	-	-	-	189,078	189,078
KFAS, ZAKAT, NLST	-	-	-	(178,765)	(178,765)
Net profit for the period	924,554	1,798,848	1,742,509	(1,084,347)	3,381,564
Assets	11,950,811	10,269,828	73,212,757	-	95,433,396
Liabilities	25,228,134	16,679,675	8,857,230	5,082,478	55,847,517

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

11 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 2023 (Audited)					
Assets	16,697,369	4,893,072	70,515,420	-	92,105,861
Liabilities	27,548,688	16,002,423	8,753,080	3,513,674	55,817,865
	<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>
30 June 2023					
Insurance service result before reinsurance contracts held	8,536,564	1,824,019	-	-	10,360,583
Reinsurance contracts held	(6,848,785)	(1,021,059)	-	-	(7,869,844)
Finance expenses from insurance contracts issued	(332,013)	(286,100)	-	-	(618,113)
Finance income from reinsurance contracts held	265,480	211,396	-	-	476,876
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

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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12 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 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Insurance activities					
Insurance contract assets	87,441	4,280,420	4,367,861	3,684,294	6,241,962
Insurance contract liabilities	-	536,521	536,521	465,488	405,026
Investment activities					
Financial assets at fair value through profit or loss	-	8,069,915	8,069,915	7,968,832	7,152,096
Financial assets at fair value through other comprehensive income	-	22,568,470	22,568,470	20,278,438	11,902,758
Investment in associates	-	3,620,125	3,620,125	3,687,314	8,237,825
Term deposits	-	6,975,000	6,975,000	5,175,000	-
Cash and cash equivalents	-	2,644,367	2,644,367	3,915,983	3,316,749
Other liabilities	-	4,747,684	4,747,684	4,753,080	4,873,643

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>2024 KD</i>	<i>2023 KD</i>	<i>2024 KD</i>	<i>2023 KD</i>
Premiums written	287,013	217,081	1,119,423	1,174,950
Dividend income	76,916	135,385	897,423	396,990
Share of results of associates	53,530	107,599	139,303	213,085
Compensation to key management personnel:				
	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024 KD</i>	<i>2023 KD</i>	<i>2024 KD</i>	<i>2023 KD</i>
Short term employees' benefits	172,112	172,528	577,248	518,129
Employees' end of service benefit	7,263	5,117	12,759	9,720
	179,375	177,645	590,007	527,849

13 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>30 June 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 June 2023 KD</i>
Letters of guarantee	330,815	364,164	826,351
Capital commitments	6,480	6,480	6,480

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13 CAPITAL COMMITMENTS AND CONTINGENCIES (continued)

Contingencies

The Group has outstanding legal case, where the customer is claiming an amount of KD 1.8 million. A preliminary verdict has been issued in the Group's favour rejecting the customer's claim. The customer appealed on 15 July 2019 and the appeal court verdict was in the favor of the Group as well, issued on 13 January 2021 the customer reappealed the verdict in Court of Cassation who has transferred the case to the primary court.

On 24 July 2023, a preliminary verdict has been issued in the customer's favor, The Group appealed the verdict and a new session is scheduled on 13 November 2023 then transferred to department of expertise on 4 March 2024, then scheduled for a hearing on 16 September 2024.

During prior year, the Group has provided an amount of KD 500,000 as a provision against this legal case. The Group believes the current provision taken is adequate based on the current legal status of the legal case.

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.

14 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</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>30 June 2024</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Financial assets at fair value through profit or loss</i>	13,611,991	1,245,226	5,300,000	20,157,217
<i>Financial assets at fair value through other comprehensive income</i>	18,019,033	-	10,510,797	28,529,830
Total	31,631,024	1,245,226	15,810,797	48,687,047

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14 FAIR VALUE MEASUREMENT (continued)

	<i>Fair value measurement using</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2023</i>				
<i>Financial assets at fair value through profit or loss</i>	13,343,642	1,594,966	5,300,000	20,238,608
<i>Financial assets at fair value through other comprehensive income</i>	15,749,696	-	10,323,037	26,072,733
Total	29,093,338	1,594,966	15,623,037	46,311,341
	<i>Fair value measurement using</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>30 June 2023</i>				
<i>Financial assets at fair value through profit or loss</i>	13,257,744	1,558,724	5,300,000	20,116,468
<i>Financial assets at fair value through other comprehensive income</i>	16,862,746	-	857,406	17,720,152
Total	30,120,490	1,558,724	6,157,406	37,836,620

During the period ended 30 June 2024, 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 1 January 2024 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 2024 KD</i>
30 June 2024				
<i>Investments at FVOCI:</i>				
Unquoted equity securities	10,323,037	(12,240)	200,000	10,510,797
<i>Investments at FVTPL:</i>				
Unquoted bonds	5,300,000	-	-	5,300,000
	15,623,037	(12,240)	200,000	15,810,797

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14 FAIR VALUE MEASUREMENT (continued)

			<i>Change recorded in the consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	
<i>31 December 2023</i>	<i>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 KD</i>			<i>As at 31 December 2023 KD</i>
<i>Investments at FVOCI:</i>					
Unquoted equity securities	603,569	-	40,367	9,679,101	10,323,037
<i>Investments at FVTPL:</i>					
Unquoted bonds	-	5,300,000	-	-	5,300,000
	<u>603,569</u>	<u>5,300,000</u>	<u>40,367</u>	<u>9,679,101</u>	<u>15,623,037</u>
<i>30 June 2023</i>	<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>
<i>Investments at FVOCI:</i>					
Unquoted equity securities	603,569	-	103,357	150,480	857,406
<i>Investments at FVTPL:</i>					
Unquoted bonds	-	5,300,000	-	-	5,300,000
	<u>603,569</u>	<u>5,300,000</u>	<u>103,357</u>	<u>150,480</u>	<u>6,157,406</u>

Reconciliation of recurring fair value measurement categorized within level three of the fair value hierarchy:

Set out below are the significant unobservable inputs to valuation as at 30 June 2024:

	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>	<i>Range</i>	<i>Sensitivity of the input to fair value</i>
Unquoted equity securities	Price to book value	Discount for lack of marketability (DLOM)	10%	An increase or (decrease) by 10% in the discount for lack of marketability & lack of control would result in (decrease) or increase in fair value by KD 1,581 thousand.
Unquoted equity securities	Price to book value	Price to book multiple "Represents amounts used when the Group has determined that market participants would use such multiples when pricing the investments"	10%	An increase or (decrease) by 10% in the price to book multiple would result in increase or (decrease) in fair value by KD 1,581 thousand.