

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

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

FOR THE PERIOD ENDED 30 JUNE 2025



**Shape the future
with confidence**

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 2025, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement 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.

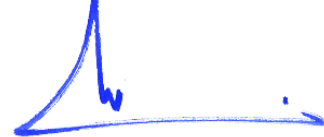
Conclusion

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 2025 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority (“CMA”) and organisation of security activity and its executive regulations, as amended, during the six-months period ended 30 June 2025 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

6 August 2025
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)

For the period ended 30 June 2025

		<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>Notes</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Revenue:					
Insurance revenue	3	10,482,780	10,112,503	22,234,917	20,962,452
Insurance service expenses	3	(6,013,323)	(4,412,789)	(13,218,312)	(8,959,049)
Insurance service result before reinsurance contracts held		4,469,457	5,699,714	9,016,605	12,003,403
Amounts recoverable from reinsurers for incurred claims	3	1,006,827	148,632	2,625,517	(250,746)
Allocation of reinsurance premiums	3	(4,694,895)	(4,472,856)	(9,758,185)	(8,851,575)
Net expense from reinsurance contracts held		(3,688,068)	(4,324,224)	(7,132,668)	(9,102,321)
Insurance service result		781,389	1,375,490	1,883,937	2,901,082
Finance expenses from insurance contracts issued	3	(169,400)	(136,421)	(463,641)	(385,958)
Finance income from reinsurance contracts held	3	52,975	57,399	194,007	208,278
Net insurance financial result		664,964	1,296,468	1,614,303	2,723,402
Net investment income	4	533,542	85,299	2,119,435	1,742,509
Unallocated general and administrative expenses		(578,409)	(696,023)	(1,084,825)	(1,094,660)
Other income		78,120	240,671	234,437	189,078
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO TAX		698,217	926,415	2,883,350	3,560,329
Contribution to KFAS		(6,399)	(8,618)	(27,302)	(34,002)
NLST		(17,256)	(31,869)	(76,216)	(104,397)
Zakat		(5,972)	(12,212)	(28,017)	(40,366)
NET PROFIT FOR THE PERIOD		668,590	873,716	2,751,815	3,381,564
Attributable to:					
Equity holders of the Parent Company		664,045	862,765	2,735,782	3,360,746
Non-controlling interests		4,545	10,951	16,033	20,818
NET PROFIT FOR THE PERIOD		668,590	873,716	2,751,815	3,381,564
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	2.73 Fils	3.60 Fils	11.24 Fils	14.04 Fils

The attached notes 1 to 13 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 2025

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>	<i>2025</i> <i>KD</i>	<i>2024</i> <i>KD</i>
PROFIT FOR THE PERIOD	668,590	873,716	2,751,815	3,381,564
Other comprehensive income:				
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:</i>				
Share of other comprehensive income (loss) from associates	4,240	1,193	3,386	(26,592)
<i>Net other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods,</i>	4,240	1,193	3,386	(26,592)
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:</i>				
Net gain on equity instruments at FVOCI	4,477,341	1,112,962	7,429,839	2,257,095
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax	4,477,341	1,112,962	7,429,839	2,257,095
Other comprehensive income for the period	4,481,581	1,114,155	7,433,225	2,230,503
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,150,171	1,987,871	10,185,040	5,612,067
Attributable to:				
Equity holders of the Parent Company	5,145,626	1,976,920	10,169,007	5,591,249
Non-controlling interests	4,545	10,951	16,033	20,818
	5,150,171	1,987,871	10,185,040	5,612,067

The attached notes 1 to 13 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 2025

			(Audited)	
	Notes	30 June 2025 KD	31 December 2024 KD	30 June 2024 KD
ASSETS				
Cash and cash equivalents	7	7,935,291	5,958,187	5,047,907
Term deposits	6	8,332,533	10,592,237	7,465,644
Other assets		1,606,409	1,055,485	1,330,970
Reinsurance contract assets	3	20,790,686	18,539,292	22,220,639
Financial assets at fair value through profit or loss		29,335,746	27,463,542	20,157,217
Financial assets at fair value through other comprehensive income		37,345,574	29,915,735	28,529,830
Investment in associate		3,791,055	3,827,378	3,620,125
Property and equipment		6,648,186	6,751,549	7,061,064
TOTAL ASSETS		115,785,480	104,103,405	95,433,396
LIABILITIES AND EQUITY				
LIABILITIES				
Bank overdraft	7	504,885	-	-
Insurance contract liabilities	3	38,924,400	36,675,698	39,925,929
Term loans		4,000,000	4,000,000	4,000,000
Other liabilities		21,798,639	20,135,781	11,921,588
Total liabilities		65,227,924	60,811,479	55,847,517
Equity				
Share capital		25,000,000	25,000,000	25,000,000
Statutory reserve		5,145,049	5,145,049	4,552,539
General reserve		132,367	132,367	132,367
Treasury shares	8	(686,385)	(686,385)	(686,385)
Treasury shares reserve		218,607	218,607	218,607
Fair value reserve		14,504,381	7,071,156	5,650,461
Retained earnings		6,223,488	6,407,116	4,739,875
Equity attributable to the equity holders of the Parent Company		50,537,507	43,287,910	39,607,464
Non-controlling interests		20,049	4,016	(21,585)
Total equity		50,557,556	43,291,926	39,585,879
TOTAL LIABILITIES AND EQUITY		115,785,480	104,103,405	95,433,396



Anwar Jawad Bu-Khamseen
Chairman

Sheikh / Mohammed Jarrah Sabah Al-Sabah
Vice Chairman

The attached notes 1 to 13 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 2025

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>General reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Fair value reserve KD</i>	<i>Retained earnings KD</i>	<i>Sub total KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
As at 1 January 2025	25,000,000	5,145,049	132,367	(686,385)	218,607	7,071,156	6,407,116	43,287,910	4,016	43,291,926
Profit for the period	-	-	-	-	-	-	2,735,782	2,735,782	16,033	2,751,815
Other comprehensive income	-	-	-	-	-	7,433,225	-	7,433,225	-	7,433,225
Total comprehensive income for the period	-	-	-	-	-	7,433,225	2,735,782	10,169,007	16,033	10,185,040
Cash dividends (Note 9)	-	-	-	-	-	-	(2,919,410)	(2,919,410)	-	(2,919,410)
As at 30 June 2025	25,000,000	5,145,049	132,367	(686,385)	218,607	14,504,381	6,223,488	50,537,507	20,049	50,557,556
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 9)	-	-	-	-	-	-	(2,380,118)	(2,380,118)	-	(2,380,118)
In-kind dividends	-	-	-	476,297	(12,214)	-	(464,083)	-	-	-
Net movement in treasury shares	-	-	-	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

The attached notes 1 to 13 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 2025

		Six months ended 30 June	
	Notes	2025 KD	2024 KD
OPERATING ACTIVITIES			
Profit for the period before contribution to Zakat, KFAS and NLST		2,883,350	3,560,329
<i>Adjustments to reconcile profit before contribution to Zakat, KFAS and NLST to net cash flows:</i>			
Depreciation of property and equipment		121,566	116,205
Investment income	4	(2,575,950)	(2,049,573)
Provision of employees' end if service benefits		93,584	101,233
		522,550	1,728,194
<i>Working capital changes:</i>			
Other assets		(230,472)	(310,159)
Reinsurance contract assets		(2,251,394)	(630,198)
Insurance contract liabilities		2,248,702	578,717
Other liabilities		1,548,087	(657,032)
Cash flows from operations		1,837,473	709,522
Employees' end if service benefits paid		(7,828)	(54,134)
Contribution to NLST & Zakat paid		(198,880)	(201,634)
Net cash flows from operating activities		1,630,765	453,754
INVESTING ACTIVITIES			
Net movement in time deposits		2,259,704	(490,644)
Net movement in treasury shares		-	65,934
Purchase of financial assets at fair value through profit or loss		(2,532,410)	(225,429)
Purchase of financial assets at fair value through other comprehensive income		-	(200,000)
Proceeds from sale of financial assets at fair value through profit or loss		964,031	469,832
Purchase of property and equipment		(18,203)	(6,689)
Investment income received		1,991,382	1,903,005
Net cash flows from investing activities		2,664,504	1,516,009
FINANCING ACTIVITIES			
Cash dividends paid		(2,823,050)	(2,296,381)
Net cash flows used in financing activities		(2,823,050)	(2,296,381)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		5,958,187	5,374,525
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	7	7,430,406	5,047,907

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Warba Insurance and Reinsurance Company K.S.C.P. (the “Parent Company”) and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2025 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 6 August 2025.

The shareholders of the Parent Company at the annual general assembly meeting (“AGM”) held on 16 April 2025 approved the consolidated financial statements for the year ended 31 December 2024. Dividends proposed and paid by the Group for the year then ended are provided in Note 9.

The Parent Company was incorporated as a Public Kuwaiti Shareholding Company in the State of Kuwait in accordance with the Amiri Decree of October 24, 1976.

The primary 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.

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

The interim condensed consolidated financial information for the three months ended 30 June 2025 have been prepared in accordance with International Accounting standard 34 “*Interim Financial Reporting*”.

The Group has prepared the consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

One amendment applies for the first time in 2025 but does not have an impact on the interim condensed consolidated financial information of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group’s 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 2025

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 2025			30 June 2024		
	Valuation Approach	Assets KD	Liabilities KD	Net KD	Assets KD	Liabilities KD	Net KD
Insurance contract assets & liabilities							
Medical	PAA	-	(11,802,080)	(11,802,080)	-	(10,514,564)	(10,514,564)
Group life	PAA	-	(4,647,218)	(4,647,218)	-	(5,944,300)	(5,944,300)
Motor	PAA	-	(9,981,547)	(9,981,547)	-	(9,636,077)	(9,636,077)
Marine & aviation	PAA	-	(985,243)	(985,243)	-	(974,398)	(974,398)
Fire	PAA	-	(3,573,060)	(3,573,060)	-	(4,509,033)	(4,509,033)
General accident	PAA	-	(6,445,810)	(6,445,810)	-	(6,721,891)	(6,721,891)
Total – PAA (Note 3.1)		-	(37,434,958)	(37,434,958)	-	(38,300,263)	(38,300,263)
Individual life	GMM	-	(1,489,442)	(1,489,442)	-	(1,625,666)	(1,625,666)
Total – GMM (Note 3.2)		-	(1,489,442)	(1,489,442)	-	(1,625,666)	(1,625,666)
Total insurance contract assets & liabilities		-	(38,924,400)	(38,924,400)	-	(39,925,929)	(39,925,929)
Reinsurance contract assets & liabilities							
Medical	PAA	5,472,879	-	5,472,879	4,015,761	-	4,015,761
Group life	PAA	4,600,083	-	4,600,083	4,749,604	-	4,749,604
Motor	PAA	1,474,434	-	1,474,434	1,171,419	-	1,171,419
Marine & aviation	PAA	896,555	-	896,555	973,346	-	973,346
Fire	PAA	3,323,439	-	3,323,439	4,388,015	-	4,388,015
General accident	PAA	5,006,465	-	5,006,465	6,915,825	-	6,915,825
Total – PAA (Note 3.3)		20,773,855	-	20,773,855	22,213,970	-	22,213,970
Individual life	GMM	16,831	-	16,831	6,669	-	6,669
Total – GMM		16,831	-	16,831	6,669	-	6,669
Total reinsurance contract assets & liabilities		20,790,686	-	20,790,686	22,220,639	-	22,220,639

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2025				
	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	(9,172,749)	-	(25,435,679)	(517,044)	(35,125,472)
Opening assets	-	-	-	-	-
Net opening balance	(9,172,749)	-	(25,435,679)	(517,044)	(35,125,472)
Insurance revenue (Note 3.4)	22,047,413	-	-	-	22,047,413
<i>Insurance service expenses</i>					
Incurred benefits and expenses	-	-	(10,600,927)	(145,823)	(10,746,750)
Changes that relate to past service - adjustments to LIC	-	-	(1,503,491)	139,949	(1,363,542)
Amortisation of insurance acquisition cash flows	(919,689)	-	-	-	(919,689)
Insurance service expenses (Note 3.4)	(919,689)	-	(12,104,418)	(5,874)	(13,029,981)
Insurance service result (Note 3.4)	21,127,724	-	(12,104,418)	(5,874)	9,017,432
Net finance expense from insurance contracts	-	-	(413,985)	-	(413,985)
Total changes in profit or loss	21,127,724	-	(12,518,403)	(5,874)	8,603,447
<i>Cash flows</i>					
Premiums received	(22,274,521)	-	-	-	(22,274,521)
Claims paid	-	-	8,763,094	-	8,763,094
Directly attributable non- acquisition expenses paid	-	-	1,923,512	-	1,923,512
Insurance acquisition cash flows	674,982	-	-	-	674,982
Total net cash flows	(21,599,539)	-	10,686,606	-	(10,912,933)
Net closing balance	(9,644,564)	-	(27,267,476)	(522,918)	(37,434,958)
Closing liabilities	(9,644,564)	-	(27,267,476)	(522,918)	(37,434,958)
Closing assets	-	-	-	-	-
Net closing balance	(9,644,564)	-	(27,267,476)	(522,918)	(37,434,958)

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 2025

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	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 profit or loss	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 net 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)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2025				
	LRC		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	(1,486,635)	(530)	(59,994)	(3,067)	(1,550,226)
Opening assets	-	-	-	-	-
Net opening balance	(1,486,635)	(530)	(59,994)	(3,067)	(1,550,226)
Insurance revenue (Note 3.4)	187,504	-	-	-	187,504
<i>Insurance service expenses</i>					
Incurred benefits and expenses	-	-	(186,322)	(5,592)	(191,914)
Changes that relate to past service - adjustments to LIC	-	-	(1,753)	5,431	3,678
Losses on onerous contracts and reversal of those losses	-	(95)	-	-	(95)
Insurance service expenses (Note 3.4)	-	(95)	(188,075)	(161)	(188,331)
Insurance service result	187,504	(95)	(188,075)	(161)	(827)
Finance expenses from insurance contracts issued	(47,917)	-	(1,739)	-	(49,656)
Total changes in profit or loss	139,587	(95)	(189,814)	(161)	(50,483)
<i>Cash flows:</i>					
Premiums received	(73,746)	-	-	-	(73,746)
Claims paid	-	-	176,741	-	176,741
Directly attributable non-acquisition expenses paid	-	-	8,272	-	8,272
Total net cash flows	(73,746)	-	185,013	-	111,267
Net closing balance	(1,420,794)	(625)	(64,795)	(3,228)	(1,489,442)
Closing liabilities	(1,420,794)	(625)	(64,795)	(3,228)	(1,489,442)
Closing assets	-	-	-	-	-
Net closing balance	(1,420,794)	(625)	(64,795)	(3,228)	(1,489,442)

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 2025

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2024				
	LRC		LIC		
	Excluding loss component <i>KD</i>	Loss component <i>KD</i>	Estimates of the present value of future cash flows <i>KD</i>	Risk adjustment <i>KD</i>	Total <i>KD</i>
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)
<i>Insurance revenue:</i>					
Insurance revenue	68,276	-	-	-	68,276
<i>Insurance service expenses</i>					
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 profit or loss	43,504	79,942	(184,067)	(581)	(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 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 2025

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 2025			
	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	(898,131)	(36,243)	(615,852)	(1,550,226)
Opening assets	-	-	-	-
Net opening balance	(898,131)	(36,243)	(615,852)	(1,550,226)
<i>Changes that relate to current services:</i>				
CSM recognized in the statement of profit or loss provided	-	-	49,182	49,182
Changes in risk adjustment for risks expired	-	3,019	-	3,019
Experience adjustment-arising from premium received in the period that related to past service	(50,488)	(5,592)	-	(56,080)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	(51,359)	(3,409)	54,768	-
- Changes in estimates that result in onerous contracts or reversal of losses	-	(626)	-	(626)
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	(1,753)	5,431	-	3,678
Insurance service result	(103,600)	(1,177)	103,950	(827)
Net finance expense from insurance contracts	(37,738)	-	(11,918)	(49,656)
Total changes in profit or loss	(141,338)	(1,177)	92,032	(50,483)
<i>Cash flows:</i>				
Premiums received	(73,746)	-	-	(73,746)
Claims paid	176,741	-	-	176,741
Directly attributable non- acquisition expenses paid	8,272	-	-	8,272
Total net cash flows	111,267	-	-	111,267
Net closing balance	(928,202)	(37,420)	(523,820)	(1,489,442)
Closing liabilities	(928,202)	(37,420)	(523,820)	(1,489,442)
Closing assets	-	-	-	-
Net closing balance	(928,202)	(37,420)	(523,820)	(1,489,442)

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 2025

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 2024			
	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	(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 net 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)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2025				
	Assets for remaining coverage (ARC)		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	2,120,586	-	16,177,413	208,587	18,506,586
Net opening balance	2,120,586	-	16,177,413	208,587	18,506,586
Allocation of reinsurance premiums (Note 3.4)	(9,739,747)	-	-	-	(9,739,747)
<i>Amounts recoverable from reinsurers</i>					
- Amounts recoverable for claims and other expenses	-	-	4,279,946	79,089	4,359,035
- Changes that relate to past service – adjustments to AIC	-	-	(1,618,889)	(20,248)	(1,639,137)
- Expenses directly attributable to reinsurance	-	-	(94,286)	-	(94,286)
Total reinsurance recoverable for incurred claims (Note 3.4)	-	-	2,566,771	58,841	2,625,612
Net income or expense from reinsurance contract held	(9,739,747)	-	2,566,771	58,841	(7,114,135)
Reinsurance finance income through profit and loss	-	-	193,671	-	193,671
Total changes in profit or loss	(9,739,747)	-	2,760,442	58,841	(6,920,464)
<i>Cash flows</i>					
Premiums paid	11,262,603	-	-	-	11,262,603
Directly attributable expenses paid	-	-	94,286	-	94,286
Recoveries from reinsurance	-	-	(2,169,156)	-	(2,169,156)
Total net cash flows	11,262,603	-	(2,074,870)	-	9,187,733
Net closing balance	3,643,442	-	16,862,985	267,428	20,773,855
Closing liabilities	-	-	-	-	-
Closing assets	3,643,442	-	16,862,985	267,428	20,773,855
Net closing balance	3,643,442	-	16,862,985	267,428	20,773,855

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

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 2024 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	1,981,394	-	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)
<i>Amounts recoverable from reinsurers</i>					
- 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)
<i>Cash flows</i>					
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 net 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

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	
	2025 KD	2024 KD	2025 KD	2024 KD	2025 KD	2024 KD
Insurance Service Revenue	22,047,413	20,894,176	187,504	68,276	22,234,917	20,962,452
Insurance service expenses	(13,029,981)	(8,857,773)	(188,331)	(101,276)	(13,218,312)	(8,959,049)
Insurance service result before reinsurance contracts held	9,017,432	12,036,403	(827)	(33,000)	9,016,605	12,003,403
Amounts recoverable from reinsurers for incurred claims	2,625,612	(250,746)	(95)	-	2,625,517	(250,746)
Allocation of reinsurance premiums	(9,739,747)	(8,842,128)	(18,438)	(9,447)	(9,758,185)	(8,851,575)
Net expense from reinsurance contracts held	(7,114,135)	(9,092,874)	(18,533)	(9,447)	(7,132,668)	(9,102,321)
Insurance service result	1,903,297	2,943,529	(19,360)	(42,447)	1,883,937	2,901,082

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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4 NET INVESTMENT INCOME

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	867,610	141,256	1,675,110	1,369,263
Interest income	(9,448)	157,249	456,824	377,247
Unrealized (loss) gain of financial assets at fair value through profit or loss	(129,085)	(65,477)	313,980	143,908
Realized (loss) gain from sale of financial assets at fair value through profit or loss	(10,155)	1,627	(10,155)	19,852
Share of results of associates	45,947	53,530	140,191	139,303
	764,869	288,185	2,575,950	2,049,573
Investment expense	(231,327)	(202,886)	(456,515)	(307,064)
	533,542	85,299	2,119,435	1,742,509

5 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares). Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earning per shares are identical.

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	664,045	862,765	2,735,782	3,360,746
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	243,429,756	239,466,095	243,429,756	239,406,711
Earnings per share	2.73 Fils	3.6 Fils	11.24 Fils	14.04 Fils

There have been no other significant transactions involving ordinary shares or potential ordinary shares between the reporting date and the authorisation date of this interim condensed consolidated financial information.

6 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 2024: KD 1,800,000 and 30 June 2024: KD 1,800,000).

The effective interest rate on term deposits was 3.50% to 5.10% per annum (31 December 2024: 3.875% to 5.10% and 30 June 2024: 4.60% to 5.1%).

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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7 CASH AND CASH EQUIVALENTS

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

	30 June 2025 KD	<i>(Audited)</i> 31 December 2024 KD	30 June 2024 KD
Cash on hand	4,794	4,901	14,293
Cash in portfolio	2,597,764	1,588,914	453,459
Short term deposit (Maturity within 3 months ending period)	350,000	-	-
Bank balances	4,982,733	4,364,372	4,580,155
	7,935,291	5,958,187	5,047,907
Bank overdraft	(504,885)	-	-
	7,430,406	5,958,187	5,047,907

8 TREASURY SHARES

	30 June 2025	<i>(Audited)</i> 31 December 2024	30 June 2024
Number of shares	6,570,244	6,570,244	6,570,244
Percentage to issued shares (%)	2.63%	2.63%	2.63%
Market value (KD)	992,107	1,077,520	919,835

An amount of KD 686,385 (31 December 2024: KD 686,385 and 30 June 2024: KD 686,385) 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 2025 was 151 Fils per share (31 December 2024: 164 Fils per share and 30 June 2024: 140 Fils per share).

During the current period ended 30 June 2025, to the Group purchased treasury shares of Nil (30 June 2024: 83,765 shares) for total consideration amounting to Nil (30 June 2024: KD 9,058) and sold treasury shares of Nil (30 June 2024: 540,000 share) with total consideration amounting to Nil (30 June 2024: KD 56,393).

9 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly of the shareholders of the Parent Company was held on 16 April 2025 approved the consolidated financial statements for the year ended 31 December 2024 and the distribution of cash dividends of 12% for the year ended 31 December 2024 (2023: 10%) and the distribution date was on 21 May 2025.

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 2025

10 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 2025</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	7,607,854	1,408,751	-	-	9,016,605
Reinsurance contracts held	(6,598,051)	(534,617)	-	-	(7,132,668)
Finance expenses from insurance contracts issued	(229,388)	(234,253)	-	-	(463,641)
Finance income from reinsurance contracts held	130,657	63,350	-	-	194,007
Net investment income	-	-	2,119,435	-	2,119,435
Non-attributable general and administrative expenses	-	-	-	(1,084,825)	(1,084,825)
Other income	-	-	-	234,437	234,437
KFAS, ZAKAT, NLST	-	-	-	(131,535)	(131,535)
Net profit for the period	911,072	703,231	2,119,435	(981,923)	2,751,815
Assets	17,024,689	3,765,997	94,994,794	-	115,785,480
Liabilities	27,229,774	14,546,887	17,616,084	5,835,179	65,227,924

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

10 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>
<i>31 December 2024 (Audited)</i>					
Assets	14,070,038	4,469,254	85,564,113	-	104,103,405
Liabilities	22,876,397	15,839,915	15,936,498	6,158,669	60,811,479
	<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>
<i>30 June 2024</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)

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11 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 2025 KD</i>	<i>(Audited) 31 December 2024 KD</i>	<i>30 June 2024 KD</i>
Insurance activities					
Premiums receivable	55,201	4,768,843	4,824,044	1,655,652	4,367,861
Claims payable	-	635,376	635,376	1,369,786	536,521
Dividend income	-	743,066	743,066	687,161	897,423
Share of results of associates	-	140,191	140,191	311,765	139,303
Investment activities					
Financial assets at fair value through profit or loss	-	17,941,292	17,941,292	16,837,243	8,069,915
Financial assets at fair value through other comprehensive income	-	31,581,316	31,581,316	22,899,656	22,568,470
Investment in associates	-	3,791,055	3,791,055	3,827,379	3,620,125
Term deposits	-	6,800,000	6,800,000	10,100,000	6,975,000
Cash and cash equivalents	-	6,485,381	6,485,381	3,789,502	2,644,367
Other liabilities*	-	13,111,199	13,111,199	11,936,498	4,747,684

* Other liabilities represent borrowings from third party through related party with an average interest rate of 4.6% (31 December 2024: 4.85%, and 30 June 2024: 6.05%) per annum.

Transactions included in the interim condensed consolidated statement of profit or loss:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>
Premiums written	250,903	287,013	1,200,207	1,119,423
Claims paid	409,404	519,803	710,111	820,510
Compensation to key management personnel:				
	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2025 KD</i>	<i>2024 KD</i>	<i>2025 KD</i>	<i>2024 KD</i>
Short term employees' benefits	183,815	172,112	608,375	577,248
Employees' end of service benefit	7,944	7,263	15,800	12,759
	191,759	179,375	624,175	590,007

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

12 CAPITAL COMMITMENTS AND CONTINGENCIES

	30 June 2025 KD	<i>(Audited)</i> 31 December 2024 KD	30 June 2024 KD
Letters of guarantee	393,941	473,150	330,815
Capital commitments	-	-	6,480

Legal 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 verdict issued on 13 January 2021 was in favour of the Group as well. The customer filed an appeal before the Court of Cassation who then transferred the case to the Court of First Instance.

On 24 July 2024, a preliminary verdict was issued in favour of the customer. The Group appealed the verdict and a hearing was scheduled on 13 November 2024 which was then transferred to the Department of Experts in the Ministry of Justice on 13 May 2025 scheduled for a hearing on 16 September 2025.

During prior years, 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 legal cases will have a material impact on the Group's interim condensed consolidated financial information.

13 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>			
30 June 2025	<i>Level 1 KD</i>	<i>Level 2 KD</i>	<i>Level 3 KD</i>	<i>Total KD</i>
<i>Financial assets at fair value through profit or loss</i>	22,343,410	1,692,832	5,299,504	29,335,746
<i>Financial assets at fair value through other comprehensive income</i>	25,473,900	-	11,871,674	37,345,574
Total	47,817,310	1,692,832	17,171,178	66,681,320

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 2025

13 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 2024</i>				
<i>Financial assets at fair value through profit or loss</i>	20,816,063	1,347,975	5,299,504	27,463,542
<i>Financial assets at fair value through other comprehensive income</i>	17,969,120	-	11,946,615	29,915,735
Total	38,785,183	1,347,975	17,246,119	57,379,277
	<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 2024</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

During the period ended 30 June 2025, 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.

	As at 1 January 2025 KD	Remeasurement recognised in OCI KD	Remeasurement recognised in profit or loss KD	Net purchases and disposals KD	As at 30 June 2025 KD
<i>30 June 2025</i>					
Investments at FVOCI:					
Unquoted equity securities	11,946,615	(74,941)	-	-	11,871,674
Investments at FVPL:					
Unquoted bonds	5,299,504	-	-	-	5,299,504
	17,246,119	(74,941)	-	-	17,171,178

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 2025

13 FAIR VALUE MEASUREMENT (continued)

	<i>As at 1 January 2024 KD</i>	<i>Remeasurement recognised in OCI KD</i>	<i>Remeasurement recognised in profit or loss KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 31 December 2024 KD</i>
<i>31 December 2024</i>					
<i>Investments at FVOCI:</i>					
Unquoted equity securities	10,323,037	1,423,578	-	200,000	11,946,615
<i>Investments at FVPL:</i>					
Unquoted bonds	5,300,000	-	(496)	-	5,299,504
	<u>15,623,037</u>	<u>1,423,578</u>	<u>(496)</u>	<u>200,000</u>	<u>17,246,119</u>
	<i>As at 1 January 2024 KD</i>	<i>Remeasurement recognised in OCI KD</i>	<i>Remeasurement recognised in profit or loss KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 30 June 2024 KD</i>
<i>30 June 2024</i>					
<i>Investments at FVOCI:</i>					
Unquoted equity securities	10,323,037	(12,240)	-	200,000	10,510,797
<i>Investments at FVPL:</i>					
Unquoted bonds	5,300,000	-	-	-	5,300,000
	<u>15,623,037</u>	<u>(12,240)</u>	<u>-</u>	<u>200,000</u>	<u>15,810,797</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 2025:

	<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 1,725 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 1,725 thousand.