

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

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

30 SEPTEMBER 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 September 2024, and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and nine months periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine 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.

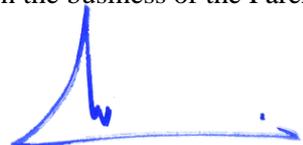
Conclusion

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 nine months period ended 30 September 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, 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 organization of security activity and its executive regulations, as amended, during the nine months period ended 30 September 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

10 November 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 September 2024

	Notes	Three months ended		Nine months ended	
		30 September		30 September	
		2024	2023	2024	2023
		KD	KD	KD	KD
Revenue:					
Insurance revenue	3	10,974,793	9,346,254	31,937,245	29,780,003
Insurance service expenses	3	(5,155,556)	(6,637,099)	(14,114,605)	(16,436,020)
Insurance service result before reinsurance contracts held		5,819,237	2,709,155	17,822,640	13,343,983
Amounts recoverable from reinsurers for incurred claims	3	264,860	2,222,520	14,114	2,306,482
Allocation of reinsurance premiums	3	(4,737,250)	(3,998,440)	(13,588,825)	(11,952,246)
Net expense from reinsurance contracts held		(4,472,390)	(1,775,920)	(13,574,711)	(9,645,764)
Insurance service result		1,346,847	933,235	4,247,929	3,698,219
Finance expenses from insurance contracts issued	3	(299,745)	(91,633)	(685,703)	(709,746)
Finance income (expense) from reinsurance contracts held	3	51,989	(14,513)	260,267	462,363
Net insurance financial result		1,099,091	827,089	3,822,493	3,450,836
Net investment income	4	643,323	278,431	2,385,832	1,397,143
Unallocated general and administrative expenses		(495,230)	(439,673)	(1,589,890)	(2,075,737)
Other income		146,647	54,984	335,725	168,900
PROFIT FOR THE PERIOD BEFORE TAXATION		1,393,831	720,831	4,954,160	2,941,142
Contribution to KFAS		(12,942)	(5,901)	(46,944)	(27,129)
NLST		(34,532)	(23,791)	(138,929)	(66,640)
Zakat		(11,269)	(9,156)	(51,635)	(25,354)
NET PROFIT FOR THE PERIOD		1,335,088	681,983	4,716,652	2,822,019
Attributable to:					
Equity holders of the Parent Company		1,321,211	674,827	4,681,957	2,806,478
Non-controlling interests		13,877	7,156	34,695	15,541
PROFIT FOR THE PERIOD		1,335,088	681,983	4,716,652	2,822,019
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	5.43 fils	2.79 fils	19.45 fils	11.62 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 September 2024

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	1,335,088	681,983	4,716,652	2,822,019
Other comprehensive income (loss):				
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
Share of other comprehensive gain (loss) from associates	2,145	9,404	(24,447)	4,749
	2,145	9,404	(24,447)	4,749
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Change in fair value of financial assets at FVOCI	(332,336)	(1,659,889)	1,924,759	(750,204)
	(332,336)	(1,659,889)	1,924,759	(750,204)
Other comprehensive (loss) income for the period	(330,191)	(1,650,485)	1,900,312	(745,455)
Total comprehensive income (loss) for the period	1,004,897	(968,502)	6,616,964	2,076,564
Attributable to:				
Equity holders of the Parent Company	991,020	(975,658)	6,582,269	2,061,023
Non-controlling interests	13,877	7,156	34,695	15,541
	1,004,897	(968,502)	6,616,964	2,076,564

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 September 2024

		(Audited)	
	Notes	30 September 2024 KD	31 December 2023 KD
ASSETS			
Cash and cash equivalent	8	8,297,899	5,374,525
Term deposits	7	7,589,051	6,975,000
Other assets		1,300,146	996,660
Reinsurance contract assets	3	20,848,318	21,590,441
Financial assets at fair value through profit or loss		25,279,253	20,238,608
Financial assets at fair value through other comprehensive income		28,197,494	26,072,733
Investments in associates		3,709,343	3,687,314
Property and equipment	6	6,797,500	7,170,580
TOTAL ASSETS		102,019,004	92,105,861
LIABILITIES AND EQUITY			
LIABILITIES			
Insurance contract liabilities	3	39,213,829	39,347,212
Term loans		4,000,000	4,000,000
Other liabilities		18,214,399	12,470,653
Total liabilities		61,428,228	55,817,865
Equity			
Share capital		25,000,000	25,000,000
Statutory reserve		4,552,539	4,552,539
General reserve		132,367	132,367
Treasury shares	9	(686,385)	(1,210,017)
Treasury shares reserve		218,607	212,222
Cumulative changes in fair value reserve		5,320,270	3,419,958
Retained earnings		6,061,086	674,827
Equity attributable to the equity holders of the Parent Company		40,598,484	36,330,399
Non-controlling interests		(7,708)	(42,403)
Total equity		40,590,776	36,287,996
TOTAL LIABILITIES AND EQUITY		102,019,004	92,105,861

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 September 2024

	<i>Share capital</i> KD	<i>Statutory reserve</i> KD	<i>General reserve</i> KD	<i>Voluntary reserve</i> KD	<i>Treasury shares</i> KD	<i>Treasury shares reserve</i> KD	<i>Cumulative changes in fair values reserve</i> KD	<i>Retained earnings/ Accumulated deficit</i> KD	<i>Sub total</i> KD	<i>Non-controlling interests</i> KD	<i>Total equity</i> 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	-	-	-	-	-	-	-	4,681,957	4,681,957	34,695	4,716,652
Other comprehensive income	-	-	-	-	-	-	1,900,312	-	1,900,312	-	1,900,312
Total comprehensive income for the period	-	-	-	-	-	-	1,900,312	4,681,957	6,582,269	34,695	6,616,964
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 September 2024	25,000,000	4,552,539	132,367	-	(686,385)	218,607	5,320,270	6,061,086	40,598,484	(7,708)	40,590,776
As at 1 January 2023 (audited) as previously reported	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,563,238	3,825,624	38,746,041	(67,244)	38,678,797
Impact of initial application of IFRS 17	-	-	-	-	-	-	-	(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	-	-	-	-	-	-	-	2,806,478	2,806,478	15,541	2,822,019
Other comprehensive income	-	-	-	-	-	-	(745,455)	-	(745,455)	-	(745,455)
Total comprehensive income for the period	-	-	-	-	-	-	(745,455)	2,806,478	2,061,023	15,541	2,076,564
Issuance of bonus shares	7,289,154	-	(3,867,633)	(764,895)	-	-	-	(2,656,626)	-	-	-
Extinguish of accumulated deficit	-	(4,960,636)	-	-	-	-	-	4,960,636	-	-	-
Cash dividends (Note 10)	-	-	-	-	-	-	-	(1,363,556)	(1,363,556)	-	(1,363,556)
Movement in treasury shares	-	-	-	-	80,600	(10,844)	-	-	69,756	-	69,756
As at 30 September 2023	25,000,000	3,820,473	132,367	-	(1,042,137)	212,222	3,303,816	674,827	32,101,568	(51,703)	32,049,865

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 September 2024

	Notes	Nine months ended 30 September	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit for the period before contribution to Zakat, KFAS and NLST		4,954,160	2,941,142
<i>Adjustments to Profit for the period before contribution to Zakat, KFAS and NLST:</i>			
Depreciation of property and equipment		183,564	173,099
Investment income	4	(2,806,911)	(1,807,451)
Provision of employees' end if service benefits		150,543	178,043
		2,481,356	1,484,833
<i>Working Capital changes:</i>			
Other assets		(111,010)	8,357
Reinsurance contract assets		742,123	1,083,211
Insurance contract liabilities		(133,383)	(753,732)
Other liabilities		5,421,673	779,722
Cash flows from operating activities		8,400,759	2,602,391
Employees' end if service benefits paid		(71,634)	(160,751)
Net cash flows from operating activities		8,329,125	2,441,640
INVESTING ACTIVITIES			
Movement in time deposits		(614,051)	(1,801,325)
Net movement of treasury shares		65,934	69,756
Purchase of financial assets at fair value through profit or loss		(7,290,781)	(61,448)
Purchase of financial assets at fair value through other comprehensive income		(200,000)	(3,859,562)
Proceed from sale of financial assets at fair value through profit or loss		2,746,043	1,573,626
Proceed from disposal of property and equipment		200,609	-
Purchase of property and equipment		(11,093)	(91,427)
Investment income received		1,997,840	1,532,308
Net cash flows used in investing activities		(3,105,499)	(2,638,072)
FINANCING ACTIVITIES			
Cash dividends paid		(2,300,252)	(1,319,244)
Net cash flows used in financing activities		(2,300,252)	(1,319,244)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		2,923,374	(1,515,676)
Cash and cash equivalents at 1 January		5,374,525	6,853,248
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	8	8,297,899	5,337,572

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 September 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 nine months’ period ended 30 September 2024 were authorized for issuance by the Board of Directors (“BOD”) on 10 November 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 nine months period ended 30 September 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 September 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:

	Valuation Approach	30 September 2024			30 September 2023		
		Assets KD	Liabilities KD	Net KD	Assets KD	Liabilities KD	Net KD
Insurance contract assets & liabilities							
Medical	PAA	-	(11,716,872)	(11,716,872)	-	(10,343,207)	(10,343,207)
Group life	PAA	-	(5,466,557)	(5,466,557)	-	(6,021,320)	(6,021,320)
Motor	PAA	-	(9,324,385)	(9,324,385)	-	(8,114,940)	(8,114,940)
Marine & aviation	PAA	-	(1,013,046)	(1,013,046)	-	(2,517,879)	(2,517,879)
Fire	PAA	-	(3,895,536)	(3,895,536)	-	(4,030,898)	(4,030,898)
General accident	PAA	-	(6,171,923)	(6,171,923)	-	(8,170,690)	(8,170,690)
Total – PAA (Note 3.1)		-	(37,588,319)	(37,588,319)	-	(39,198,934)	(39,198,934)
Individual life	GMM	-	(1,625,510)	(1,625,510)	-	(1,643,456)	(1,643,456)
Total – GMM (Note 3.2)		-	(1,625,510)	(1,625,510)	-	(1,643,456)	(1,643,456)
Total insurance contract assets & liabilities		-	(39,213,829)	(39,213,829)	-	(40,842,390)	(40,842,390)
Reinsurance contract assets & liabilities							
Medical	PAA	4,569,165	-	4,569,165	2,273,874	-	2,273,874
Group life	PAA	4,415,020	-	4,415,020	4,484,638	-	4,484,638
Motor	PAA	1,101,915	-	1,101,915	855,215	-	855,215
Marine & aviation	PAA	1,024,226	-	1,024,226	2,336,228	-	2,336,228
Fire	PAA	3,721,922	-	3,721,922	4,132,769	-	4,132,769
General accident	PAA	6,012,579	-	6,012,579	8,930,447	-	8,930,447
Total – PAA (Note 3.3)		20,844,827	-	20,844,827	23,013,171	-	23,013,171
Individual life	GMM	3,491	-	3,491	-	-	-
Total – GMM		3,491	-	3,491	-	-	-
Total reinsurance contract assets & liabilities		20,848,318	-	20,848,318	23,013,171	-	23,013,171

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 September 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 September 2024				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (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	(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 (Note 3.4)	31,825,173	-	-	-	31,825,173
<i>Insurance service expenses</i>					
Incurring benefits and expenses	-	-	(10,561,650)	(75,267)	(10,636,917)
Changes that relate to past service - adjustments to LIC	-	-	(2,115,845)	143,588	(1,972,257)
Amortisation of insurance acquisition cash flows	(1,391,993)	-	-	-	(1,391,993)
Insurance service expenses (Note 3.4)	(1,391,993)	-	(12,677,495)	68,321	(14,001,167)
Insurance service result	30,433,180	-	(12,677,495)	68,321	17,824,006
Net finance expense from insurance contracts	-	-	(634,997)	-	(634,997)
Total changes in the interim condensed consolidated statement of income	30,433,180	-	(13,312,492)	68,321	17,189,009
<i>Cash flows</i>					
Premiums received	(32,699,393)	-	-	-	(32,699,393)
Claims paid	-	-	11,198,162	-	11,198,162
Directly attributable non- acquisition expenses paid	-	-	2,772,482	-	2,772,482
Insurance acquisition cash flows	1,637,772	-	-	-	1,637,772
Total cash flows	(31,061,621)	-	13,970,644	-	(17,090,977)
Net closing balance	(10,323,146)	-	(26,797,442)	(467,731)	(37,588,319)
Closing liabilities	(10,323,146)	-	(26,797,442)	(467,731)	(37,588,319)
Closing assets	-	-	-	-	-
Net closing balance	(10,323,146)	-	(26,797,442)	(467,731)	(37,588,319)

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 September 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 September 2023				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (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	(4,083,280)	-	(29,594,460)	(522,334)	
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 (Note 3.4)	29,594,739	-	-	-	29,594,739
<i>Insurance service expenses</i>					
Incurring benefits and expenses	-	-	(6,608,785)	(64,140)	(6,672,925)
Changes that relate to past service - adjustments to LIC	-	-	(8,074,360)	(55,010)	(8,129,370)
Amortisation of insurance acquisition cash flows	(1,366,517)	-	-	-	(1,366,517)
Insurance service expenses (Note 3.4)	(1,366,517)	-	(14,683,145)	(119,150)	(16,168,812)
Insurance service result	28,228,222	-	(14,683,145)	(119,150)	13,425,927
Net finance expense from insurance contracts	-	-	(674,692)	-	(674,692)
Total changes in the interim condensed consolidated statement of income	28,228,222	-	(15,357,837)	(119,150)	12,751,235
<i>Cash flows</i>					
Premiums received	(29,445,517)	-	-	-	(29,445,517)
Claims paid	-	-	13,319,700	-	13,319,700
Directly attributable non- acquisition expenses paid	-	-	2,729,603	-	2,729,603
Insurance acquisition cash flows	1,484,846	-	-	-	1,484,846
Total cash flows	(27,960,671)	-	16,049,303	-	(11,911,368)
Net closing balance	(9,654,456)	-	(28,902,994)	(641,484)	(39,198,934)
Closing liabilities	(9,654,456)	-	(28,902,994)	(641,484)	(39,198,934)
Closing assets	-	-	-	-	-
Net closing balance	(9,654,456)	-	(28,902,994)	(641,484)	(39,198,934)

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 September 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 September 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 (Note 3.4)	112,072	-	-	-	112,072
<i>Insurance service expenses</i>					
Incurred benefits and expenses	-	-	(195,952)	(9,275)	(205,227)
Changes that relate to past service - adjustments to LIC	-	-	(686)	8,675	7,989
Losses on onerous contracts and reversal of those losses	-	83,800	-	-	83,800
Insurance service expenses (Note 3.4)	-	83,800	(196,638)	(600)	(113,438)
Insurance service result	112,072	83,800	(196,638)	(600)	(1,366)
Finance expenses from insurance contracts issued	(45,824)	(3,957)	(925)	-	(50,706)
Total changes in the interim condensed consolidated statement of income	66,248	79,843	(197,563)	(600)	(52,072)
<i>Cash flows:</i>					
Premiums received	(98,559)	-	-	-	(98,559)
Claims paid	-	-	173,506	-	173,506
Directly attributable non-acquisition expenses paid	-	-	12,476	-	12,476
Net Cash flows	(98,559)	-	185,982	-	87,423
Net closing balance	(1,574,278)	(553)	(48,365)	(2,314)	(1,625,510)
Closing liabilities	(1,574,278)	(553)	(48,365)	(2,314)	(1,625,510)
Closing assets	-	-	-	-	-
Net closing balance	(1,574,278)	(553)	(48,365)	(2,314)	(1,625,510)

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 September 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 September 2023				
	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	(1,492,415)	(22,782)	(40,108)	(2,016)	
Opening assets	-	-	-	-	-
Net opening balance	(1,492,415)	(22,782)	(40,108)	(2,016)	(1,557,321)
Insurance revenue (Note 3.4)	185,264	-	-	-	185,264
Insurance service expenses					
Incurring benefits and expenses	-	-	(140,807)	(6,556)	(147,363)
Changes that relate to past service - adjustments to LIC	-	-	-	6,847	6,847
Losses on onerous contracts and reversal of those losses	-	(126,692)	-	-	(126,692)
Insurance service expenses (Note 3.4)	-	(126,692)	(140,807)	291	(267,208)
Insurance service result	185,264	(126,692)	(140,807)	291	(81,944)
Finance expenses from insurance contracts issued	(63,439)	28,600	(215)	-	(35,054)
Total changes in the interim condensed consolidated statement of income	121,825	(98,092)	(141,022)	291	(116,998)
Cash flows:					
Premiums received	(112,048)	-	-	-	(112,048)
Claims paid	-	-	133,232	-	133,232
Directly attributable non-acquisition expenses paid	-	-	9,679	-	9,679
Net Cash flows	(112,048)	-	142,911	-	30,863
Net closing balance	(1,482,638)	(120,874)	(38,219)	(1,725)	(1,643,456)
Closing liabilities	(1,482,638)	(120,874)	(38,219)	(1,725)	(1,643,456)
Closing assets	-	-	-	-	-
Net closing balance	(1,482,638)	(120,874)	(38,219)	(1,725)	(1,643,456)

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 September 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 September 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 the interim condensed 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	(78,601)	(9,275)	-	(87,876)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	25,812	(5,474)	(20,338)	-
- Changes in estimates that result in onerous contracts or reversal of losses	73,056	5,465	-	78,521
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	(686)	8,675	-	7,989
Insurance service result	19,581	(609)	(20,338)	(1,366)
Net finance expense from insurance contracts	(32,406)	-	(18,300)	(50,706)
Total changes in the interim condensed consolidated statement of income	(12,825)	(609)	(38,638)	(52,072)
<i>Cash flows:</i>				
Premiums received	(98,559)	-	-	(98,547)
Claims paid	173,506	-	-	173,494
Directly attributable non- acquisition expenses paid	12,476	-	-	12,476
Total cash flows	87,423	-	-	87,423
Net closing balance	(921,425)	(36,529)	(667,556)	(1,625,510)
Closing liabilities	(921,425)	(36,529)	(667,556)	(1,625,510)
Closing assets	-	-	-	-
Net closing balance	(921,425)	(36,529)	(667,556)	(1,625,510)

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 September 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 September 2023			
	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	(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 the interim condensed consolidated statement of income for services provided	-	-	58,572	58,572
Changes in risk adjustment for risks expired	-	4,949	-	4,949
Experience adjustment-arising from premium received in the period that related to past service	(17,884)	(6,556)	-	(24,440)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	169,344	14,337	(183,681)	-
- Changes in estimates that result in onerous contracts or reversal of losses	(124,979)	(2,893)	-	(127,872)
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	177	6,670	-	6,847
Insurance service result	26,658	16,507	(125,109)	(81,944)
Net finance expense from insurance contracts	(23,646)	-	(11,408)	(35,054)
Total changes in the interim condensed consolidated statement of income	3,012	16,507	(136,517)	(116,998)
<i>Cash flows:</i>				
Premiums received	(112,048)	-	-	(112,048)
Claims paid	133,232	-	-	133,232
Directly attributable non- acquisition expenses paid	9,679	-	-	9,679
Total cash flows	30,863	-	-	30,863
Net closing balance	(1,075,838)	(36,480)	(531,138)	(1,643,456)
Closing liabilities	(1,075,838)	(36,480)	(531,138)	(1,643,456)
Closing assets	-	-	-	-
Net closing balance	(1,075,838)	(36,480)	(531,138)	(1,643,456)

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 September 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 September 2024				
	Assets for remaining coverage (ARC)		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 (Note 3.4)	(13,574,954)	-	-	-	(13,574,954)
<i>Amounts recoverable from reinsurers</i>					
- Amounts recoverable for claims and other expenses	-	-	1,121,209	21,988	1,143,197
- Changes that relate to past service – adjustments to AIC	-	-	(993,629)	830	(992,799)
- Expenses directly attributable to reinsurance	-	-	(136,284)	-	(136,284)
Total reinsurance recoverable for incurred claims (Note 3.4)	-	-	(8,704)	22,818	14,114
Net income or expense from reinsurance contract held	(13,574,954)	-	(8,704)	22,818	(13,560,840)
Reinsurance finance income through profit and loss	-	-	260,267	-	260,267
Total changes in the interim condensed consolidated statement of income	(13,574,954)	-	251,563	22,818	(13,300,573)
<i>Cash flows</i>					
Premiums paid	14,260,716	-	-	-	14,260,716
Directly attributable expenses paid	-	-	136,284	-	136,284
Recoveries from reinsurance	-	-	(1,828,561)	-	(1,828,561)
Total cash flows	14,260,716	-	(1,692,277)	-	12,568,439
Net closing balance	2,667,156	-	17,856,708	320,963	20,844,827
Closing liabilities	-	-	-	-	-
Closing assets	2,667,156	-	17,856,708	320,963	20,844,827
Net closing balance	2,667,156	-	17,856,708	320,963	20,844,827

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 September 2024

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 September 2023				
	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	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 (Note 3.4)	(11,952,246)	-	-	-	(11,952,246)
<i>Amounts recoverable from reinsurers</i>					
- Amounts recoverable for claims and other expenses	-	-	174,241	2,297	176,538
- Changes that relate to past service – adjustments to AIC	-	-	2,167,725	96,255	2,263,980
- Expenses directly attributable to reinsurance	-	-	(134,036)	-	(134,036)
Total reinsurance recoverable for incurred claims (Note 3.4)	-	-	2,207,930	98,552	2,306,482
Net income or expense from reinsurance contract held	(11,952,246)	-	2,207,930	98,552	(9,645,764)
Reinsurance finance income through profit and loss	-	-	462,363	-	462,363
Total changes in the interim condensed consolidated statement of income	(11,952,246)	-	2,670,293	98,552	(9,183,401)
<i>Cash flows</i>					
Premiums paid	12,040,857	-	-	-	12,040,857
Directly attributable expenses paid	-	-	134,036	-	134,036
Recoveries from reinsurance	-	-	(4,074,703)	-	(4,074,703)
Total cash flows	12,040,857	-	(3,940,667)	-	8,100,190
Net closing balance	2,073,455	-	20,596,825	342,891	23,013,171
Closing liabilities	-	-	-	-	-
Closing assets	2,073,455	-	20,596,825	342,891	23,013,171
Net closing balance	2,073,455	-	20,596,825	342,891	23,013,171

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 September 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	31,825,173	29,594,739	112,072	185,264	31,937,245	29,780,003
Insurance service expenses	(14,001,167)	(16,168,812)	(113,438)	(267,208)	(14,114,605)	(16,436,020)
Insurance service result before reinsurance contracts held	17,824,006	13,425,927	(1,366)	(81,944)	17,822,640	13,343,983
Amounts recoverable from reinsurers for incurred claims	14,114	2,306,482	-	-	14,114	2,306,482
Allocation of reinsurance premiums	(13,574,954)	(11,952,246)	(13,871)	-	(13,588,825)	(11,952,246)
Net expense from reinsurance contracts held	(13,560,840)	(9,645,764)	(13,871)	-	(13,574,711)	(9,645,764)
Insurance service result	4,263,166	3,780,163	(15,237)	(81,944)	4,247,929	3,698,219

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 September 2024

4 NET INVESTMENT INCOME

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	95,327	129,548	1,464,590	959,414
Interest income	241,268	224,217	618,515	703,456
Unrealized gain (loss) of financial assets at fair value through profit or loss	327,190	(2,213)	471,098	(198,643)
Realized gain from sale of financial assets at fair value through profit or loss	6,480	26,816	26,332	35,968
Share of results of associates	87,073	94,171	226,376	307,256
	757,338	472,539	2,806,911	1,807,451
Investment expense	(114,015)	(194,108)	(421,079)	(410,308)
	643,323	278,431	2,385,832	1,397,143

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</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>Restated</i>	<i>KD</i>	<i>Restated</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)	1,321,211	674,827	4,681,957	2,806,478
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	243,192,725	241,818,759	240,677,927	241,480,066
Earnings per share	5.43 fils	2.79 fils	19.45 fils	11.62 fils

Earnings per share calculation for the period ended 30 September 2024 and 30 September 2023 have been adjusted to take account of the bonus shares 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 September 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 September 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 September 2024

7 TERM DEPOSITS (continued)

The effective interest rate on term deposits was 4.60 % to 5.10 % per annum (31 December 2023: 4.60% to 5.80% and 30 September 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:

	<i>30 September</i> <i>2024</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD</i>	<i>30 September</i> <i>2023</i> <i>KD</i>
Cash on hand	5,228	17,631	8,965
Cash in portfolio	1,910,207	285,662	1,953,070
Short term deposits (Maturity within 3 months ending period)	-	489,665	-
Bank balances	6,382,464	4,581,567	3,375,537
	8,297,899	5,374,525	5,337,572

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

9 TREASURY SHARES

	<i>30 September</i> <i>2024</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i>	<i>30 September</i> <i>2023</i>
Number of shares	6,570,244	11,789,448	10,109,129
Percentage to issued shares (%)	2.63%	4.72%	4.04%
Market value (KD)	913,264	1,187,197	1,020,011

An amount of KD 686,385 (31 December 2023: KD 1,210,017 and 30 September 2023: KD 1,042,137) 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 September 2024 was 139 Fils per share (31 December 2023: 107 Fils per share and 30 September 2023: 109 Fils per share).

During the current period ended 30 September 2024, to the Group purchased treasury shares of 83,765 shares (30 September 2023: 6,300,421 shares) for total consideration amounting to KD 9,058 (30 September 2023: KD 766,120 shares) and sold treasury shares of 540,000 (30 September 2023: 6,315,027) with total consideration amounting to KD 56,393 (30 September 2023: KD 846,720).

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 September 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 September 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	13,766,622	4,056,018	-	-	17,822,640
Reinsurance contracts held	(11,773,288)	(1,801,423)	-	-	(13,574,711)
Finance expenses from insurance contracts issued	(387,912)	(297,791)	-	-	(685,703)
Finance income from reinsurance contracts held	188,440	71,827	-	-	260,267
Net investment income	-	-	2,385,832	-	2,385,832
Non-attributable general and administrative expenses	-	-	-	(1,589,890)	(1,589,890)
Other income	-	-	-	335,725	335,725
KFAS, ZAKAT, NLST	-	-	-	(237,508)	(237,508)
Net profit for the period	1,793,862	2,028,631	2,385,832	(1,491,673)	4,716,652
Assets	10,836,790	10,011,528	81,170,686	-	102,019,004
Liabilities	24,164,859	17,286,969	14,606,764	5,369,636	61,428,228

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 September 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 September 2023					
Insurance service result before reinsurance contracts held	10,361,304	2,982,679	-	-	13,343,983
Reinsurance contracts held	(8,492,098)	(1,153,666)	-	-	(9,645,764)
Finance expenses from insurance contracts issued	(456,809)	(252,937)	-	-	(709,746)
Finance income from reinsurance contracts held	376,685	85,678	-	-	462,363
Net investment income	-	-	1,397,143	-	1,397,143
Non-attributable general and administrative expenses	-	-	-	(2,075,737)	(2,075,737)
Other income	-	-	-	168,900	168,900
KFAS, ZAKAT, NLST	-	-	-	(119,123)	(119,123)
Net profit for the period	1,789,082	1,661,754	1,397,143	(2,025,960)	2,822,019
Assets	16,736,022	6,277,149	65,700,772	-	88,713,943
Liabilities	26,527,397	17,776,883	8,851,588	3,508,210	56,664,078

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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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 September 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 September 2023 KD</i>
Insurance activities					
Premiums receivable	87,441	4,422,690	4,510,131	3,684,294	6,209,791
Claims payable	-	537,899	537,899	465,488	412,213
Investment activities					
Financial assets at fair value through profit or loss	-	13,866,885	13,866,885	7,968,832	6,300,989
Financial assets at fair value through other comprehensive income	-	12,903,634	12,903,634	20,278,438	10,780,566
Investment in associates	-	3,709,343	3,709,343	3,687,314	8,341,400
Term deposits	-	7,100,000	7,100,000	5,175,000	-
Cash and cash equivalents	-	4,733,435	4,733,435	3,915,983	2,373,565
Other liabilities	-	10,564,169	10,564,169	4,753,080	4,851,588

Transactions included in the interim condensed consolidated statement of income:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024 KD</i>	<i>2023 KD</i>	<i>2024 KD</i>	<i>2023 KD</i>
Premiums written	324,604	347,487	1,444,027	1,522,437
Dividend income	268,954	82,783	1,166,377	479,773
Share of results of associates	87,073	94,171	226,376	307,256

Compensation to key management personnel:

	<i>Three months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<i>2024 KD</i>	<i>2023 KD</i>	<i>2024 KD</i>	<i>2023 KD</i>
Short term employees' benefits	177,341	164,584	754,589	682,713
Employees' end of service benefit	7,344	5,556	20,103	15,276
	<u>184,685</u>	<u>170,140</u>	<u>774,692</u>	<u>697,989</u>

13 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>30 September 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>30 September 2023 KD</i>
Letters of guarantee	435,041	364,164	407,664
Capital commitments	6,480	6,480	6,480

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

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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 11 November 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.

30 September 2024	Fair value measurement using			Total KD
	Level 1 KD	Level 2 KD	Level 3 KD	
<i>Financial assets at fair value through profit or loss</i>	18,711,869	1,267,881	5,299,503	25,279,253
<i>Financial assets at fair value through other comprehensive income</i>	17,686,697	-	10,510,797	28,197,494
Total	36,398,566	1,267,881	15,810,300	53,476,747

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

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14 FAIR VALUE MEASUREMENT (continued)

	<i>Fair value measurement using</i>			<i>Total</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>31 December 2023</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Financial assets at fair value through profit or loss</i>	13,343,642	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>Total</i>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
<i>30 September 2023</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Financial assets at fair value through profit or loss</i>	11,902,180	1,188,058	5,300,000	18,390,238
<i>Financial assets at fair value through other comprehensive income</i>	15,158,913	455,878	853,570	16,468,361
Total	27,061,093	1,643,936	6,153,570	34,858,599

During the period ended 30 September 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</i>	<i>Change recorded</i>	<i>Change recorded</i>	<i>Net</i>	<i>As at</i>
<i>30 September 2024</i>	<i>1 January</i>	<i>in the interim</i>	<i>in the interim</i>	<i>purchases</i>	<i>30 September</i>
	<i>2024</i>	<i>condensed</i>	<i>condensed</i>	<i>and</i>	<i>2024</i>
	<i>KD</i>	<i>statement of</i>	<i>statement of income</i>	<i>disposals</i>	<i>KD</i>
		<i>comprehensive</i>	<i>statement of income</i>	<i>KD</i>	
		<i>income</i>	<i>KD</i>		
		<i>KD</i>			
<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	-	(497)	-	5,299,503
	15,623,037	(12,240)	(497)	200,000	15,810,300

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 September 2024

14 FAIR VALUE MEASUREMENT (continued)

	<i>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 KD</i>	<i>Change recorded in the consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 31 December 2023 KD</i>
<i>31 December 2023</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>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 September 2023 KD</i>
<i>30 September 2023</i>					
<i>Investments at FVOCI:</i>					
Unquoted equity securities	603,569	-	99,521	150,480	853,570
<i>Investments at FVTPL:</i>					
Unquoted bonds	-	5,300,000	-	-	5,300,000
	<u>603,569</u>	<u>5,300,000</u>	<u>99,521</u>	<u>150,480</u>	<u>6,153,570</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 September 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.

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