

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

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

**31 MARCH 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 31 March 2024, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

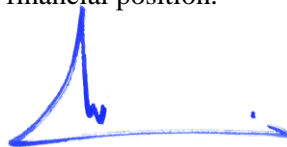
### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

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

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three months period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning establishment of Capital Markets Authority “CMA” and organization of security activity and its executive regulations, as amended, during the three months period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



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BADER A. AL-ABDULJADER  
LICENCE NO. 207 A  
EY  
AL AIBAN, AL OSAIMI & PARTNERS

13 May 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 31 March 2024

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<i>2024 KD</i>	<i>2023 KD</i>
<b>Revenue:</b>			
Insurance revenue	3	<b>10,849,949</b>	9,889,098
Insurance service expenses	3	<b>(4,546,260)</b>	(5,450,521)
<b>Insurance service result before reinsurance contracts held</b>		<b>6,303,689</b>	4,438,577
Amounts recoverable from reinsurers for incurred claims	3	<b>(399,378)</b>	175,259
Net expense from reinsurance contracts held	3	<b>(4,378,719)</b>	(3,705,612)
<b>Net expense from reinsurance contracts held</b>		<b>(4,778,097)</b>	(3,530,353)
<b>Insurance service result</b>		<b>1,525,592</b>	908,224
Finance expenses from insurance contracts issued	3	<b>(249,537)</b>	(455,532)
Finance income from reinsurance contracts held	3	<b>150,879</b>	296,001
<b>Net insurance financial result</b>		<b>1,426,934</b>	748,693
Net investment income	4	<b>1,657,210</b>	650,696
Unallocated general and administrative expenses		<b>(398,637)</b>	(432,248)
Other losses		<b>(51,593)</b>	(148,507)
<b>PROFIT FOR THE PERIOD BEFORE TAXATION</b>		<b>2,633,914</b>	818,634
Contribution to KFAS		<b>(25,384)</b>	(8,279)
NLST		<b>(72,528)</b>	(19,558)
Zakat		<b>(28,154)</b>	(7,387)
<b>NET PROFIT FOR THE PERIOD</b>		<b>2,507,848</b>	783,410
<b>Attributable to:</b>			
Equity holders of the Parent Company		<b>2,497,981</b>	776,759
Non-controlling interests		<b>9,867</b>	6,651
<b>PROFIT FOR THE PERIOD</b>		<b>2,507,848</b>	783,410
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	5	<b>10.50 fils</b>	3.26 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 31 March 2024

	<i>Three months ended 31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
Profit for the period	<b>2,507,848</b>	783,410
<b>Other comprehensive income:</b>		
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>		
Share of other comprehensive loss from associates	<b>(27,785)</b>	(4,953)
	<b>(27,785)</b>	(4,953)
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>		
- Change in fair value of financial assets at FVOCI	<b>1,144,133</b>	(10,816)
	<b>1,144,133</b>	(10,816)
Other comprehensive income (loss) for the period	<b>1,116,348</b>	(15,769)
Total comprehensive income for the period	<b>3,624,196</b>	767,641
<b>Attributable to:</b>		
Equity holders of the Parent Company	<b>3,614,329</b>	760,990
Non-controlling interests	<b>9,867</b>	6,651
	<b>3,624,196</b>	767,641

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 31 March 2024

			(Audited)	
	Notes	31 March 2024 KD	31 December 2023 KD	31 March 2023 KD
<b>ASSETS</b>				
Cash and cash equivalent	8	5,365,379	5,374,525	6,574,041
Term deposits	7	7,464,051	6,975,000	8,606,775
Other assets		2,289,291	996,660	1,990,704
Reinsurance contract assets	3	24,512,564	21,590,441	26,685,317
Financial assets at fair value through profit or loss		20,068,757	20,238,608	19,682,748
Financial assets at fair value through other comprehensive income		27,216,949	26,072,733	13,327,773
Investments in associates		3,745,302	3,687,314	8,251,428
Property and equipment	6	7,203,752	7,170,580	7,307,446
<b>TOTAL ASSETS</b>		<b>97,866,045</b>	<b>92,105,861</b>	<b>92,426,232</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Insurance contract liabilities	3	41,827,147	39,347,212	45,297,323
Term loans		4,000,000	4,000,000	4,000,000
Other liabilities		12,132,887	12,470,653	12,236,554
<b>Total liabilities</b>		<b>57,960,034</b>	<b>55,817,865</b>	<b>61,533,877</b>
<b>Equity</b>				
Share capital	9	25,000,000	25,000,000	17,710,846
Statutory reserve		4,552,539	4,552,539	8,781,109
General reserve		132,367	132,367	4,000,000
Voluntary reserve		-	-	764,895
Treasury shares	9	(1,216,198)	(1,210,017)	(885,492)
Treasury shares reserve		212,222	212,222	206,990
Cumulative changes in fair value reserve		4,536,306	3,419,958	4,033,502
Retained earnings (Accumulated deficit)		6,721,311	4,223,330	(3,658,902)
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>39,938,547</b>	<b>36,330,399</b>	<b>30,952,948</b>
Non-controlling interests		(32,536)	(42,403)	(60,593)
<b>Total equity</b>		<b>39,906,011</b>	<b>36,287,996</b>	<b>30,892,355</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>97,866,045</b>	<b>92,105,861</b>	<b>92,426,232</b>

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 31 March 2024

	Share capital KD	Statutory reserve KD	General reserve KD	Voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Cumulative changes in fair values reserve KD	Retained earnings/ Accumulated deficit KD	Sub total KD	Non- controlling interests KD	Total equity KD
As at 1 January 2024	25,000,000	4,552,539	132,367	-	(1,210,017)	212,222	3,419,958	4,223,330	36,330,399	(42,403)	36,287,996
Profit for the period	-	-	-	-	-	-	-	2,497,981	2,497,981	9,867	2,507,848
Other comprehensive income	-	-	-	-	-	-	1,116,348	-	1,116,348	-	1,116,348
Total comprehensive income for the period	-	-	-	-	-	-	1,116,348	2,497,981	3,614,329	9,867	3,624,196
Movement in treasury shares	-	-	-	-	(6,181)	-	-	-	(6,181)	-	(6,181)
<b>As at 31 March 2024</b>	<b>25,000,000</b>	<b>4,552,539</b>	<b>132,367</b>	<b>-</b>	<b>(1,216,198)</b>	<b>212,222</b>	<b>4,536,306</b>	<b>6,721,311</b>	<b>39,938,547</b>	<b>(32,536)</b>	<b>39,906,011</b>
As at 1 January 2024 (audited) as previously reported	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,563,238	3,825,624	38,746,041	(67,244)	38,678,797
Impact of initial application of IFRS 17	-	-	-	-	-	-	-	(1,572,969)	(1,572,969)	-	(1,572,969)
As at 1 January 2023 (audited) as previously reported	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,563,238	2,252,655	37,173,072	(67,244)	37,105,828
Impact of initial application of IFRS 17	-	-	-	-	-	-	(513,967)	(5,324,760)	(5,838,727)	-	(5,838,727)
As at 1 January 2023	17,710,846	8,781,109	4,000,000	764,895	(1,122,737)	223,066	4,049,271	(3,072,105)	31,334,345	(67,244)	31,267,101
Profit for the period	-	-	-	-	-	-	-	776,759	776,759	6,651	783,410
Other comprehensive income	-	-	-	-	-	-	(15,769)	-	(15,769)	-	(15,769)
Total comprehensive income for the period	-	-	-	-	-	-	(15,769)	776,759	760,990	6,651	767,641
Cash dividends (Note 10)	-	-	-	-	-	-	-	(1,363,556)	(1,363,556)	-	(1,363,556)
Movement in treasury shares	-	-	-	-	237,245	(16,076)	-	-	221,169	-	221,169
<b>As at 31 March 2023</b>	<b>17,710,846</b>	<b>8,781,109</b>	<b>4,000,000</b>	<b>764,895</b>	<b>(885,492)</b>	<b>206,990</b>	<b>4,033,502</b>	<b>(3,658,902)</b>	<b>30,952,948</b>	<b>(60,593)</b>	<b>30,892,355</b>

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 31 March 2024

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		<b>2024</b>	2023
		<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>			
Profit for the period before contribution to Zakat, KFAS and NLST		<b>2,633,914</b>	818,634
<i>Adjustments to Profit for the period before contribution to Zakat, KFAS and NLST:</i>			
Depreciation of property and equipment		<b>58,309</b>	56,012
Net investment income	4	<b>(1,761,388)</b>	(787,028)
Provision of employees' end if service benefits		<b>61,767</b>	63,343
		<b>992,602</b>	150,961
<i>Working Capital changes:</i>			
Other assets		<b>(601,415)</b>	(279,476)
Reinsurance contract assets		<b>(2,922,123)</b>	(2,828,898)
Insurance contract liabilities		<b>2,479,935</b>	3,941,164
Other liabilities		<b>(479,683)</b>	65,954
Cash flows (used in) from operating activities		<b>(530,684)</b>	1,049,705
Employees' end if service benefits paid		<b>(45,916)</b>	(148,465)
<b>Net cash flows (used in) from operating activities</b>		<b>(576,600)</b>	901,240
<b>INVESTING ACTIVITIES</b>			
Movement in time deposits		<b>(489,051)</b>	(1,800,000)
Net movement of treasury shares		<b>(6,181)</b>	221,169
Purchase of financial assets at fair value through profit or loss		-	(61,451)
Proceed from sale of financial assets at fair value through profit or loss		<b>396,777</b>	163,642
Purchase of property and equipment		<b>(91,481)</b>	(58,488)
Investment income received		<b>757,390</b>	358,978
<b>Net cash flows from (used in) investing activities</b>		<b>567,454</b>	(1,176,150)
<b>FINANCING ACTIVITIES</b>			
Cash dividends paid		-	(4,297)
<b>Net cash flows used in financing activities</b>		-	(4,297)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(9,146)</b>	(279,207)
Cash and cash equivalents at 1 January		<b>5,374,525</b>	6,853,248
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH</b>	8	<b>5,365,379</b>	6,574,041

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

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

As at and for the period ended 31 March 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 three months’ period ended 31 March 2024 were authorized for issuance by the Board of Directors (“BOD”) on 13 May 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).

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

### 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 three months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

#### 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 31 March 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:

		31 March 2024			31 March 2023		
	Valuation Approach	Assets KD	Liabilities KD	Net KD	Assets KD	Liabilities KD	Net KD
<b>Insurance contract assets &amp; liabilities</b>							
Medical	PAA	-	(10,842,509)	(10,842,509)	-	(10,095,505)	(10,095,505)
Group life	PAA	-	(6,024,809)	(6,024,809)	-	(5,861,148)	(5,861,148)
Motor	PAA	-	(9,315,191)	(9,315,191)	-	(8,465,299)	(8,465,299)
Marine & aviation	PAA	-	(1,083,988)	(1,083,988)	-	(1,286,824)	(1,286,824)
Fire	PAA	-	(5,781,918)	(5,781,918)	-	(7,384,519)	(7,384,519)
General accident	PAA	-	(7,173,431)	(7,173,431)	-	(10,563,670)	(10,563,670)
<b>Total – PAA (Note 3.1)</b>		-	(40,221,846)	(40,221,846)	-	(43,656,965)	(43,656,965)
Individual life	GMM	-	(1,605,301)	(1,605,301)	-	(1,640,358)	(1,640,358)
<b>Total – GMM (Note 3.2)</b>		-	(1,605,301)	(1,605,301)	-	(1,640,358)	(1,640,358)
<b>Total insurance contract assets &amp; liabilities</b>		-	(41,827,147)	(41,827,147)	-	(45,297,323)	(45,297,323)
<b>Reinsurance contract assets &amp; liabilities</b>							
Medical	PAA	4,258,791	-	4,258,791	5,487,776	-	5,487,776
Group life	PAA	4,786,126	-	4,786,126	4,389,529	-	4,389,529
Motor	PAA	1,120,177	-	1,120,177	2,227,163	-	2,227,163
Marine & aviation	PAA	1,183,167	-	1,183,167	1,675,131	-	1,675,131
Fire	PAA	6,110,355	-	6,110,355	6,323,996	-	6,323,996
General accident	PAA	7,043,838	-	7,043,838	6,581,722	-	6,581,722
<b>Total – PAA (Note 3.3)</b>		24,502,454	-	24,502,454	26,685,317	-	26,685,317
Individual life	GMM	10,110	-	10,110	-	-	-
<b>Total – GMM</b>		10,110	-	10,110	-	-	-
<b>Total reinsurance contract assets &amp; liabilities</b>		24,512,564	-	24,512,564	26,685,317	-	26,685,317

# 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 31 March 2024

### 3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	31 March 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	-	-	-	-	-
<b>Net opening balance</b>	<b>(9,694,705)</b>	<b>-</b>	<b>(27,455,594)</b>	<b>(536,052)</b>	<b>(37,686,351)</b>
ECL impact	-	-	-	-	-
<b>Net opening balance - after IFRS 9 adoption</b>	<b>(9,694,705)</b>	<b>-</b>	<b>(27,455,594)</b>	<b>(536,052)</b>	<b>(37,686,351)</b>
<b>Insurance revenue</b>	<b>10,814,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,814,090</b>
<i>Insurance service expenses</i>					
Incurred benefits and expenses	-	-	(5,356,474)	(53,064)	(5,409,538)
Changes that relate to past service - adjustments to LIC	-	-	1,241,407	68,495	1,309,902
Amortisation of insurance acquisition cash flows	(453,114)	-	-	-	(453,114)
<b>Insurance service expenses</b>	<b>(453,114)</b>	<b>-</b>	<b>(4,115,067)</b>	<b>15,431</b>	<b>(4,552,750)</b>
<b>Insurance service result</b>	<b>10,360,976</b>	<b>-</b>	<b>(4,115,067)</b>	<b>15,431</b>	<b>6,261,340</b>
Net finance expense from insurance contracts	-	-	(237,534)	-	(237,534)
<b>Total changes in the interim condensed consolidated statement of income</b>	<b>10,360,976</b>	<b>-</b>	<b>(4,352,601)</b>	<b>15,431</b>	<b>6,023,806</b>
<i>Cash flows</i>					
Premiums received	(13,543,861)	-	-	-	(13,543,861)
Claims paid	-	-	3,836,385	-	3,836,385
Directly attributable non- acquisition expenses paid	-	-	985,610	-	985,610
Insurance acquisition cash flows	162,565	-	-	-	162,565
<b>Total cash flows</b>	<b>(13,381,296)</b>	<b>-</b>	<b>4,821,995</b>	<b>-</b>	<b>(8,559,301)</b>
<b>Net closing balance</b>	<b>(12,715,025)</b>	<b>-</b>	<b>(26,986,200)</b>	<b>(520,621)</b>	<b>(40,221,846)</b>
Closing liabilities	(12,715,025)	-	(26,986,200)	(520,621)	(40,221,846)
Closing assets	-	-	-	-	-
<b>Net closing balance</b>	<b>(12,715,025)</b>	<b>-</b>	<b>(26,986,200)</b>	<b>(520,621)</b>	<b>(40,221,846)</b>

# 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 31 March 2024

### 3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	31 March 2023				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	(4,083,280)	-	(29,594,460)	(522,334)	(34,200,074)
Opening assets	-	-	-	-	-
<b>Net opening balance</b>	(4,083,280)	-	(29,594,460)	(522,334)	(34,200,074)
ECL impact	(5,838,727)	-	-	-	(5,838,727)
<b>Net opening balance - after IFRS 9 adoption</b>	(9,922,007)	-	(29,594,460)	(522,334)	(40,038,801)
<b>Insurance revenue</b>	9,915,891	-	-	-	9,915,891
<i>Insurance service expenses</i>					
Incurred benefits and expenses	-	-	(5,212,762)	(105,864)	(5,318,626)
Changes that relate to past service - adjustments to LIC	-	-	435,879	(52,241)	383,638
Amortisation of insurance acquisition cash flows	(570,388)	-	-	-	(570,388)
<b>Insurance service expenses</b>	(570,388)	-	(4,776,883)	(158,105)	(5,505,376)
<b>Insurance service result</b>	9,345,503	-	(4,776,883)	(158,105)	4,410,515
Net finance expense from insurance contracts	-	-	(382,691)	-	(382,691)
<b>Total changes in the interim condensed consolidated statement of income</b>	9,345,503	-	(5,159,574)	(158,105)	4,027,824
<i>Cash flows</i>					
Premiums received	(14,199,475)	-	-	-	(14,199,475)
Claims paid	-	-	5,440,400	-	5,440,400
Directly attributable non- acquisition expenses paid	-	-	853,888	-	853,888
Insurance acquisition cash flows	259,199	-	-	-	259,199
<b>Total cash flows</b>	(13,940,276)	-	6,294,288	-	(7,645,988)
<b>Net closing balance</b>	(14,516,780)	-	(28,459,746)	(680,439)	(43,656,965)
Closing liabilities	(14,516,780)	-	(28,459,746)	(680,439)	(43,656,965)
Closing assets	-	-	-	-	-
<b>Net closing balance</b>	(14,516,780)	-	(28,459,746)	(680,439)	(43,656,965)

# 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 31 March 2024

### 3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	31 March 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	-	-	-	-	-
<b>Net opening balance</b>	<b>(1,541,967)</b>	<b>(80,396)</b>	<b>(36,784)</b>	<b>(1,714)</b>	<b>(1,660,861)</b>
<b>Insurance revenue:</b>					
Insurance revenue	35,859	-	-	-	35,859
<b>Insurance service expenses</b>					
Incurred benefits and expenses	-	-	(73,266)	(3,487)	(76,753)
Changes that relate to past service - adjustments to LIC	-	-	(706)	2,905	2,199
Losses on onerous contracts and reversal of those losses	-	81,044	-	-	81,044
<b>Insurance service expenses</b>	<b>-</b>	<b>81,044</b>	<b>(73,972)</b>	<b>(582)</b>	<b>6,490</b>
<b>Insurance service result</b>	<b>35,859</b>	<b>81,044</b>	<b>(73,972)</b>	<b>(582)</b>	<b>42,349</b>
Finance expenses from insurance contracts issued	(10,210)	(1,335)	(458)	-	(12,003)
<b>Total changes in the interim condensed consolidated statement of income</b>	<b>25,649</b>	<b>79,709</b>	<b>(74,430)</b>	<b>(582)</b>	<b>30,346</b>
<b>Cash flows:</b>					
Premiums received	(38,003)	-	-	-	(38,003)
Claims paid	-	-	58,102	-	58,102
Directly attributable non-acquisition expenses paid	-	-	5,115	-	5,115
<b>Net Cash flows</b>	<b>(38,003)</b>	<b>-</b>	<b>63,217</b>	<b>-</b>	<b>25,214</b>
<b>Net closing balance</b>	<b>(1,554,321)</b>	<b>(687)</b>	<b>(47,997)</b>	<b>(2,296)</b>	<b>(1,605,301)</b>
Closing liabilities	(1,554,321)	(687)	(47,997)	(2,296)	(1,605,301)
Closing assets	-	-	-	-	-
<b>Net closing balance</b>	<b>(1,554,321)</b>	<b>(687)</b>	<b>(47,997)</b>	<b>(2,296)</b>	<b>(1,605,301)</b>

# 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 31 March 2024

### 3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	LRC		31 March 2023	LIC	
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	(1,492,415)	(22,782)	(40,108)	(2,016)	(1,557,321)
Opening assets	-	-	-	-	-
<b>Net opening balance</b>	<b>(1,492,415)</b>	<b>(22,782)</b>	<b>(40,108)</b>	<b>(2,016)</b>	<b>(1,557,321)</b>
<b>Insurance revenue:</b>					
Insurance revenue	(26,793)	-	-	-	(26,793)
<b>Insurance service expenses</b>					
Incurred benefits and expenses	-	-	(65,066)	(2,849)	(67,915)
Changes that relate to past service - adjustments to LIC	-	-	119,613	1,986	121,599
Losses on onerous contracts and reversal of those losses	-	1,171	-	-	1,171
<b>Insurance service expenses</b>	<b>-</b>	<b>1,171</b>	<b>54,547</b>	<b>(863)</b>	<b>54,855</b>
<b>Insurance service result</b>	<b>(26,793)</b>	<b>1,171</b>	<b>54,547</b>	<b>(863)</b>	<b>28,062</b>
Finance expenses from insurance contracts issued	(182,613)	110,007	(235)	-	(72,841)
<b>Total changes in the interim condensed consolidated statement of income</b>	<b>(209,406)</b>	<b>111,178</b>	<b>54,312</b>	<b>(863)</b>	<b>(44,779)</b>
<b>Cash flows:</b>					
Premiums received	(38,258)	-	-	-	(38,258)
Claims paid	-	-	-	-	-
Directly attributable non-acquisition expenses paid	-	-	-	-	-
<b>Net Cash flows</b>	<b>(38,258)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38,258)</b>
<b>Net closing balance</b>	<b>(1,740,079)</b>	<b>88,396</b>	<b>14,204</b>	<b>(2,879)</b>	<b>(1,640,358)</b>
Closing liabilities	(1,740,079)	88,396	14,204	(2,879)	(1,640,358)
Closing assets	-	-	-	-	-
<b>Net closing balance</b>	<b>(1,740,079)</b>	<b>88,396</b>	<b>14,204</b>	<b>(2,879)</b>	<b>(1,640,358)</b>

# 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 31 March 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

	31 March 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	-	-	-	-
<b>Net opening balance</b>	<b>(996,023)</b>	<b>(35,920)</b>	<b>(628,918)</b>	<b>(1,660,861)</b>
<i>Changes that relate to current services:</i>				
CSM recognized in consolidated statement of income for services provided	-	-	17,518	17,518
Changes in risk adjustment for risks expired	-	1,391	-	1,391
Experience adjustment-arising from premium received in the period that related to past service	(54,059)	(3,486)	-	(57,545)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	(55,955)	(3,558)	59,513	-
- Changes in estimates that result in onerous contracts or reversal of losses	75,462	3,325	-	78,787
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	(707)	2,905	-	2,198
<b>Insurance service result</b>	<b>(35,259)</b>	<b>577</b>	<b>77,031</b>	<b>42,349</b>
Net finance expense from insurance contracts	(5,950)	-	(6,053)	(12,003)
<b>Total changes in the consolidated statement of income</b>	<b>(41,209)</b>	<b>577</b>	<b>70,978</b>	<b>30,346</b>
<i>Cash flows:</i>				
Premiums received	(38,003)	-	-	(38,003)
Claims paid	58,102	-	-	58,102
Directly attributable non- acquisition expenses paid	5,115	-	-	5,115
<b>Total cash flows</b>	<b>25,214</b>	<b>-</b>	<b>-</b>	<b>25,214</b>
<b>Net closing balance</b>	<b>(1,012,018)</b>	<b>(35,343)</b>	<b>(557,940)</b>	<b>(1,605,301)</b>
Closing liabilities	(1,012,018)	(35,343)	(557,940)	(1,605,301)
Closing assets	-	-	-	-
<b>Net closing balance</b>	<b>(1,012,018)</b>	<b>(35,343)</b>	<b>(557,940)</b>	<b>(1,605,301)</b>

# 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 31 March 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)

	31 March 2023			
	Estimates of the present value of future cash flows KD	Risk Adjustment for non-financial risk KD	Contractual Service Margin (CSM) KD	Total KD
Opening liabilities	(1,109,713)	(52,987)	(394,621)	(1,557,321)
Opening assets	-	-	-	-
<b>Net opening balance</b>	<b>(1,109,713)</b>	<b>(52,987)</b>	<b>(394,621)</b>	<b>(1,557,321)</b>
<i>Changes that relate to current services:</i>				
CSM recognized in consolidated statement of income for services provided	-	-	28,680	28,680
Changes in risk adjustment for risks expired	-	1,157	-	1,157
Experience adjustment-arising from premium received in the period that related to past service	(49,281)	(2,849)	-	(52,130)
<i>Changes that relate to future services:</i>				
- Changes in estimates that adjust CSM	92,298	11,350	(103,648)	-
- Changes in estimates that result in onerous contracts or reversal of losses	(916)	1,161	-	245
<i>Changes that relate to past services:</i>				
Changes relating to liabilities for incurred claims	48,124	1,986	-	50,110
<b>Insurance service result</b>	<b>90,225</b>	<b>12,805</b>	<b>(74,968)</b>	<b>28,062</b>
Net finance expense from insurance contracts	(69,144)	-	(3,697)	(72,841)
<b>Total changes in the consolidated statement of income</b>	<b>21,081</b>	<b>12,805</b>	<b>(78,665)</b>	<b>(44,779)</b>
<i>Cash flows:</i>				
Premiums received	(38,258)	-	-	(38,258)
Claims paid	-	-	-	-
Directly attributable non- acquisition expenses paid	-	-	-	-
<b>Total cash flows</b>	<b>(38,258)</b>	<b>-</b>	<b>-</b>	<b>(38,258)</b>
<b>Net closing balance</b>	<b>(1,126,890)</b>	<b>(40,182)</b>	<b>(473,286)</b>	<b>(1,640,358)</b>
Closing liabilities	(1,126,890)	(40,182)	(473,286)	(1,640,358)
Closing assets	-	-	-	-
<b>Net closing balance</b>	<b>(1,126,890)</b>	<b>(40,182)</b>	<b>(473,286)</b>	<b>(1,640,358)</b>

# 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 31 March 2024

### 3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	Assets for remaining coverage (ARC)		31 March 2024 Assets for amounts recoverable on incurred claims (AIC)		
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	-	-	-	-	-
Opening assets	1,981,394	-	19,297,422	298,145	21,576,961
<b>Net opening balance</b>	<b>1,981,394</b>	<b>-</b>	<b>19,297,422</b>	<b>298,145</b>	<b>21,576,961</b>
Allocation of reinsurance premiums	(4,373,934)	-	-	-	(4,373,934)
<i>Amounts recoverable from reinsurers</i>					
- Amounts recoverable for claims and other expenses	-	-	254,715	(1,585)	253,130
- Changes that relate to past service - adjustments to AIC	-	-	(579,018)	(24,886)	(603,904)
- Expenses directly attributable to reinsurance	-	-	(48,604)	-	(48,604)
<b>Total reinsurance recoverable for incurred claims</b>	<b>-</b>	<b>-</b>	<b>(372,907)</b>	<b>(26,471)</b>	<b>(399,378)</b>
<b>Net income or expense from reinsurance contract held</b>	<b>(4,373,934)</b>	<b>-</b>	<b>(372,907)</b>	<b>(26,471)</b>	<b>(4,773,312)</b>
Reinsurance finance income through profit and loss	-	-	150,879	-	150,879
<b>Total changes in the consolidated statement of income</b>	<b>(4,373,934)</b>	<b>-</b>	<b>(222,028)</b>	<b>(26,471)</b>	<b>(4,622,433)</b>
<i>Cash flows</i>					
Premiums paid	7,751,123	-	-	-	7,751,123
Directly attributable expenses paid	-	-	48,604	-	48,604
Recoveries from reinsurance	-	-	(251,801)	-	(251,801)
<b>Total cash flows</b>	<b>7,751,123</b>	<b>-</b>	<b>(203,197)</b>	<b>-</b>	<b>7,547,926</b>
<b>Net closing balance</b>	<b>5,358,583</b>	<b>-</b>	<b>18,872,197</b>	<b>271,674</b>	<b>24,502,454</b>
Closing liabilities					
Closing assets	5,358,583	-	18,872,197	271,674	24,502,454
<b>Net closing balance</b>	<b>5,358,583</b>	<b>-</b>	<b>18,872,197</b>	<b>271,674</b>	<b>24,502,454</b>



# 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 31 March 2024

### 3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	Assets for remaining coverage (ARC)		31 March 2023 Assets for amounts recoverable on incurred claims (AIC)		Total KD
	Excluding loss component KD	Loss component KD	Estimates of the present value of future cash flows KD	Risk adjustment KD	
Opening liabilities	-	-	-	-	-
Opening assets	1,984,844	-	21,867,199	244,339	24,096,382
<b>Net opening balance</b>	1,984,844	-	21,867,199	244,339	24,096,382
Allocation of reinsurance premiums	(3,705,612)	-	-	-	(3,705,612)
<i>Amounts recoverable from reinsurers</i>					
- Amounts recoverable for claims and other expenses	-	-	662,321	9,929	672,250
- Changes that relate to past service - adjustments to AIC	-	-	(508,638)	63,519	(445,119)
- Expenses directly attributable to reinsurance	-	-	(51,872)	-	(51,872)
<b>Total reinsurance recoverable for incurred claims</b>	-	-	101,811	73,448	175,259
<b>Net income or expense from reinsurance contract held</b>	(3,705,612)	-	101,811	73,448	(3,530,353)
Reinsurance finance income through profit and loss	-	-	296,001	-	296,001
<b>Total changes in the consolidated statement of income</b>	(3,705,612)	-	397,812	73,448	(3,234,352)
<i>Cash flows</i>					
Premiums paid	7,238,267	-	-	-	7,238,267
Directly attributable expenses paid	-	-	52,714	-	52,714
Recoveries from reinsurance	-	-	(1,467,694)	-	(1,467,694)
<b>Total cash flows</b>	7,238,267	-	(1,414,980)	-	5,823,287
<b>Net closing balance</b>	5,517,499	-	20,850,031	317,787	26,685,317
Closing liabilities					
Closing assets	5,517,499	-	20,850,031	317,787	26,685,317
<b>Net closing balance</b>	5,517,499	-	20,850,031	317,787	26,685,317

# 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 31 March 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	10,814,090	9,915,891	35,859	(26,793)	10,849,949	9,889,098
Insurance service expenses	(4,552,750)	(5,505,376)	6,490	54,855	(4,546,260)	(5,450,521)
	<u>6,261,340</u>	<u>4,410,515</u>	<u>42,349</u>	<u>28,062</u>	<u>6,303,689</u>	<u>4,438,577</u>
<b>Insurance service result before reinsurance contracts held</b>						
Amounts recoverable from reinsurers for incurred claims	(399,378)	175,259	-	-	(399,378)	175,259
Allocation of reinsurance premiums	(4,373,934)	(3,705,612)	(4,785)	-	(4,378,719)	(3,705,612)
	<u>(4,773,312)</u>	<u>(3,530,353)</u>	<u>(4,785)</u>	<u>-</u>	<u>(4,778,097)</u>	<u>(3,530,353)</u>
<b>Net expense from reinsurance contracts held</b>						
<b>Insurance service result</b>	<u>1,488,028</u>	<u>880,162</u>	<u>37,564</u>	<u>28,062</u>	<u>1,525,592</u>	<u>908,224</u>

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

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

As at and for the period ended 31 March 2024

### 4 NET INVESTMENT INCOME / EXPENSE

	<i>Three months ended 31 March</i>	
	<i>2024 KD</i>	<i>2023 KD</i>
Dividend income	<b>1,228,007</b>	707,999
Interest income	<b>219,998</b>	219,469
Unrealized gain (loss) of financial assets at fair value through profit or loss	<b>209,385</b>	(258,508)
Realized gain from sale of financial assets at fair value through profit or loss	<b>18,225</b>	12,582
Share of results of associates	<b>85,773</b>	105,486
	<b>1,761,388</b>	787,028
Investment expense	<b>(104,178)</b>	(136,332)
	<b>1,657,210</b>	650,696

### 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 31 March</i>	
	<i>2024 KD</i>	<i>2023 Restated KD</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	<b>2,497,981</b>	776,759
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	<b>237,916,975</b>	238,117,073
Earnings per share	<b>10.50 Fils</b>	3.26 Fils

Earnings per share calculation for the period ended 31 March 2024 and 31 March 2023 have been adjusted to take account of the bonus shares proposed to be issued in 2024 (Note 10).

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

### 6 PROPERTY AND EQUIPMENT

The Group's land and building with a net carrying value of KD Nil (31 December 2023: KD Nil and 31 March 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 31 March 2023: KD 1,800,000).

The effective interest rate on term deposits was 4.60% to 5.10% per annum (31 December 2023: 4.60% to 5.80% and 31 March 2023: 5.7% to 5.8%).

# 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 31 March 2024

### 8 CASH AND CASH EQUIVALENTS

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

	<b>31 March 2024 KD</b>	<b>(Audited) 31 December 2023 KD</b>	<b>31 March 2023 KD</b>
Cash on hand	<b>9,998</b>	17,631	11,159
Cash in portfolio	<b>196,886</b>	285,662	524,946
Short term deposits (Maturity within 3 months ending period)	-	489,665	-
Bank balances	<b>5,158,495</b>	4,581,567	6,037,936
	<b><u>5,365,379</u></b>	<b><u>5,374,525</u></b>	<b><u>6,574,041</u></b>

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

### 9 TREASURY SHARES

	<b>31 March 2024</b>	<b>(Audited) 31 December 2023</b>	<b>31 March 2023</b>
Number of shares	<b>11,846,103</b>	11,789,448	6,181,602
Percentage to issued shares (%)	<b>4.74%</b>	4.72%	3.49%
Market value (KD)	<b>1,220,149</b>	1,187,197	964,330

An amount of KD 1,216,198 (31 December 2023: KD 1,210,017 and 31 March 2023: KD 885,492) 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 31 March 2024 was 103 Fils per share (31 December 2023: 115 Fils per share and 31 March 2023: 156 Fils per share).

During the current period ended 31 March 2024, to the Group purchased treasury shares of 62,114 shares (31 March 2023: 3,494,809) for total consideration amounting to KD 6,181 (31 March 2023: KD 466,196) and sold treasury shares of Nil (31 March 2023: 4,918,609) with total consideration amounting of KD Nil (31 March 2023: KD 687,365).

### 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 will be on 9 May 2024, in addition to issuance of bonus shares of 2% from the treasury shares for every (100) shares of the 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 31 March 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>31 March 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	5,236,428	1,332,922	-	(265,661)	6,303,689
Reinsurance contracts held	(4,081,198)	(696,899)	-	-	(4,778,097)
Finance expenses from insurance contracts issued	(124,403)	(125,134)	-	-	(249,537)
Finance income from reinsurance contracts held	101,605	49,274	-	-	150,879
Net investment income	-	-	1,657,210	-	1,657,210
Non-attributable general and administrative expenses	-	-	-	(398,637)	(398,637)
Other income	-	-	-	(51,593)	(51,593)
KFAS, ZAKAT, NLST	-	-	-	(126,066)	(126,066)
Net profit for the period	1,132,432	560,163	1,657,210	(841,957)	2,507,848
Assets	20,073,694	4,438,870	73,353,481	-	97,866,045
Liabilities	27,801,283	16,293,184	8,658,355	5,207,212	57,960,034

# 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 31 March 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>
31 March 2023					
Insurance service result before reinsurance contracts held	4,016,684	574,853	-	(152,960)	4,438,577
Reinsurance contracts held	(3,247,701)	(282,652)	-	-	(3,530,353)
Finance expenses from insurance contracts issued	(288,469)	(167,063)	-	-	(455,532)
Finance income from reinsurance contracts held	221,739	74,262	-	-	296,001
Net investment income	-	-	650,696	-	650,696
Non-attributable general and administrative expenses	-	-	-	(432,248)	(432,248)
Other income	-	-	-	(148,507)	(148,507)
KFAS, ZAKAT, NLST	-	-	-	(35,224)	(35,224)
Net profit (expense) for the period	702,253	199,400	650,696	(768,939)	783,410
Assets	16,628,271	10,057,046	65,740,915	-	92,426,232
Liabilities	26,475,150	20,728,250	8,840,317	5,490,160	61,533,877

# 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 31 March 2024

### 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>31 March 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>31 March 2023 KD</i>
<b>Insurance activities</b>					
Insurance contract assets	<b>28,108</b>	<b>4,719,575</b>	<b>4,747,683</b>	3,684,294	2,501,457
Insurance contract liabilities	-	<b>482,145</b>	<b>482,145</b>	465,488	398,942
<b>Investment activities</b>					
Investment assets	-	<b>21,593,367</b>	<b>21,593,367</b>	20,278,438	16,417,916
Investment in associates	-	<b>3,745,303</b>	<b>3,745,303</b>	3,687,314	8,251,428
Term deposits	-	<b>6,800,000</b>	<b>6,800,000</b>	5,175,000	-
Cash and cash equivalents	-	<b>3,458,049</b>	<b>3,458,049</b>	3,915,983	3,140,257
Other liabilities	-	<b>4,658,355</b>	<b>4,658,355</b>	4,753,080	4,840,317

Transactions included in the interim condensed consolidated statement of income:

	<i>Three months ended 31 March</i>	
	<i>2024 KD</i>	<i>2023 KD</i>
Premiums written	<b>832,410</b>	957,869
Dividend income	<b>820,507</b>	466,997
Share of results of associates	<b>85,773</b>	105,486
<b>Compensation to key management personnel:</b>		
	<i>Three months ended 31 March</i>	
	<i>2024 KD</i>	<i>2023 KD</i>
Short term employees' benefits	<b>405,136</b>	345,601
Employees' end of service benefit	<b>5,496</b>	4,603
	<b>410,632</b>	350,204

### 13 CAPITAL COMMITMENTS AND CONTINGENCIES

	<i>31 March 2024 KD</i>	<i>(Audited) 31 December 2023 KD</i>	<i>31 March 2023 KD</i>
Letters of guarantee	<b>317,350</b>	364,164	1,686,351
Capital commitments	<b>6,480</b>	6,480	6,480

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

**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 favour, 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 27 May 2024.

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

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

**14 FAIR VALUE MEASUREMENT**

Financial instruments comprise of financial assets and financial liabilities.

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

The fair values of financial instruments are not materially different from their carrying values. The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

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

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

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

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

	<i>Fair value measurement using</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<i>31 March 2024</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>Financial assets at fair value through profit or loss</i>	13,510,278	1,258,479	5,300,000	<b>20,068,757</b>
<i>Financial assets at fair value through other comprehensive income</i>	16,906,152	-	10,310,797	<b>27,216,949</b>
<b>Total</b>	<b>30,416,430</b>	<b>1,258,479</b>	<b>15,610,797</b>	<b>47,285,706</b>



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 31 March 2024

**14 FAIR VALUE MEASUREMENT (continued)**

	<i>Fair value measurement using</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2023</i>				
<i>Financial assets at fair value through profit or loss</i>	13,343,642	1,594,966	5,300,000	20,238,608
<i>Financial assets at fair value through other comprehensive income</i>	15,749,696	-	10,323,037	26,072,733
<b>Total</b>	<b>29,093,338</b>	<b>1,594,966</b>	<b>15,623,037</b>	<b>46,311,341</b>
	<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 March 2023</i>				
<i>Financial assets at fair value through profit or loss</i>	12,869,723	1,513,025	5,300,000	19,682,748
<i>Financial assets at fair value through other comprehensive income</i>	12,791,688	-	536,085	13,327,773
<b>Total</b>	<b>25,661,411</b>	<b>1,513,025</b>	<b>5,836,085</b>	<b>33,010,521</b>

During the period ended 31 March 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>Net</i>	<i>As at</i>
	<i>1 January</i>	<i>in the interim condensed</i>	<i>purchases</i>	<i>31 March</i>
	<i>2024</i>	<i>consolidated statement of</i>	<i>and</i>	<i>2024</i>
	<i>KD</i>	<i>comprehensive income</i>	<i>disposals</i>	<i>KD</i>
		<i>KD</i>	<i>KD</i>	
<b>31 March 2024</b>				
<b>Investments at FVOCI:</b>				
Unquoted equity securities	10,323,037	(12,240)	-	10,310,797
<b>Investments at FVTPL</b>				
Unquoted bonds	5,300,000	-	-	5,300,000
	<b>15,623,037</b>	<b>(12,240)</b>	<b>-</b>	<b>15,610,797</b>

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 31 March 2024

14 FAIR VALUE MEASUREMENT (continued)

			<i>Change recorded in the consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	
<i>31 December 2023</i>	<i>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 KD</i>			<i>As at 31 December 2023 KD</i>
<i>Investments at FVOCI:</i>					
Unquoted equity securities	603,569	-	40,367	9,679,101	10,323,037
<i>Investments at FVTPL</i>					
Unquoted bonds	-	5,300,000	-	-	5,300,000
	<u>603,569</u>	<u>5,300,000</u>	<u>40,367</u>	<u>9,679,101</u>	<u>15,623,037</u>
<i>31 March 2023</i>	<i>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 KD</i>	<i>change recorded in the interim condensed consolidated statement of comprehensive income KD</i>	<i>Net purchases and disposals KD</i>	<i>As at 31 March 2023 KD</i>
<i>Investments at FVOCI:</i>					
Unquoted equity securities	603,569	-	(67,484)	-	536,085
<i>Investments at FVTPL</i>					
Unquoted bonds	-	5,300,000	-	-	5,300,000
	<u>603,569</u>	<u>5,300,000</u>	<u>(67,484)</u>	<u>-</u>	<u>5,836,085</u>

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