

**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.

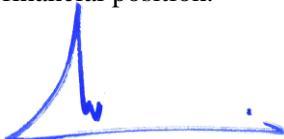
Conclusion

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.



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

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

	Notes	<i>Three months ended 31 March</i>	
		2024 <i>KD</i>	2023 <i>KD</i>
Revenue:			
Insurance revenue	3	10,849,949	9,889,098
Insurance service expenses	3	(4,546,260)	(5,450,521)
Insurance service result before reinsurance contracts held		6,303,689	4,438,577
Amounts recoverable from reinsurers for incurred claims	3	(399,378)	175,259
Net expense from reinsurance contracts held	3	(4,378,719)	(3,705,612)
Net expense from reinsurance contracts held		(4,778,097)	(3,530,353)
Insurance service result		1,525,592	908,224
Finance expenses from insurance contracts issued	3	(249,537)	(455,532)
Finance income from reinsurance contracts held	3	150,879	296,001
Net insurance financial result		1,426,934	748,693
Net investment income	4	1,657,210	650,696
Unallocated general and administrative expenses		(398,637)	(432,248)
Other losses		(51,593)	(148,507)
PROFIT FOR THE PERIOD BEFORE TAXATION		2,633,914	818,634
Contribution to KFAS		(25,384)	(8,279)
NLST		(72,528)	(19,558)
Zakat		(28,154)	(7,387)
NET PROFIT FOR THE PERIOD		2,507,848	783,410
Attributable to:			
Equity holders of the Parent Company		2,497,981	776,759
Non-controlling interests		9,867	6,651
PROFIT FOR THE PERIOD		2,507,848	783,410
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	10.50 fils	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 KD</i>	<i>2023 KD</i>
Profit for the period	2,507,848	783,410
Other comprehensive income:		
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>		
Share of other comprehensive loss from associates	(27,785)	(4,953)
	(27,785)	(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	1,144,133	(10,816)
	1,144,133	(10,816)
Other comprehensive income (loss) for the period	1,116,348	(15,769)
Total comprehensive income for the period	3,624,196	767,641
Attributable to:		
Equity holders of the Parent Company	3,614,329	760,990
Non-controlling interests	9,867	6,651
	3,624,196	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

	Notes	(Audited)		
		31 March 2024 KD	31 December 2023 KD	31 March 2023 KD
ASSETS				
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
TOTAL ASSETS		97,866,045	92,105,861	92,426,232
LIABILITIES AND EQUITY				
LIABILITIES				
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
Total liabilities		57,960,034	55,817,865	61,533,877
Equity				
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)
Equity attributable to the equity holders of the Parent Company		39,938,547	36,330,399	30,952,948
Non-controlling interests		(32,536)	(42,403)	(60,593)
Total equity		39,906,011	36,287,996	30,892,355
TOTAL LIABILITIES AND EQUITY		97,866,045	92,105,861	92,426,232

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)
As at 31 March 2024	25,000,000	4,552,539	132,367	-	(1,216,198)	212,222	4,536,306	6,721,311	39,938,547	(32,536)	39,906,011
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
As at 31 March 2023	17,710,846	8,781,109	4,000,000	764,895	(885,492)	206,990	4,033,502	(3,658,902)	30,952,948	(60,593)	30,892,355

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

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 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:

	Valuation Approach	31 March 2024			31 March 2023		
		Assets KD	Liabilities KD	Net KD	Assets KD	Liabilities KD	Net KD
Insurance contract assets & liabilities							
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)
Total – PAA (Note 3.1)		-	(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)
Total – GMM (Note 3.2)		-	(1,605,301)	(1,605,301)	-	(1,640,358)	(1,640,358)
Total insurance contract assets & liabilities		-	(41,827,147)	(41,827,147)	-	(45,297,323)	(45,297,323)
Reinsurance contract assets & liabilities							
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
Total – PAA (Note 3.3)		24,502,454	-	24,502,454	26,685,317	-	26,685,317
Individual life	GMM	10,110	-	10,110	-	-	-
Total – GMM		10,110	-	10,110	-	-	-
Total reinsurance contract assets & liabilities		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 <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		(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)
ECL impact	-	-	-	-	-	-
Net opening balance - after IFRS 9 adoption		(9,694,705)		(27,455,594)	(536,052)	(37,686,351)
Insurance revenue		10,814,090				10,814,090
<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)	
Insurance service expenses		(453,114)		(4,115,067)	15,431	(4,552,750)
Insurance service result		10,360,976		(4,115,067)	15,431	6,261,340
Net finance expense from insurance contracts	-	-	(237,534)	-	(237,534)	
Total changes in the interim condensed consolidated statement of income		10,360,976		(4,352,601)	15,431	6,023,806
<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	
Total cash flows		(13,381,296)		4,821,995		(8,559,301)
Net closing balance		(12,715,025)		(26,986,200)	(520,621)	(40,221,846)
Closing liabilities		(12,715,025)	-	(26,986,200)	(520,621)	(40,221,846)
Closing assets	-	-	-	-	-	-
Net closing balance		(12,715,025)		(26,986,200)	(520,621)	(40,221,846)

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 <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	(4,083,280)	-	(29,594,460)	(522,334)	(34,200,074)
Opening assets	-	-	-	-	-
Net opening balance	(4,083,280)	-	(29,594,460)	(522,334)	(34,200,074)
ECL impact	(5,838,727)	-	-	-	(5,838,727)
Net opening balance - after IFRS 9 adoption	(9,922,007)	-	(29,594,460)	(522,334)	(40,038,801)
Insurance revenue	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)
Insurance service expenses	(570,388)	-	(4,776,883)	(158,105)	(5,505,376)
Insurance service result	9,345,503	-	(4,776,883)	(158,105)	4,410,515
Net finance expense from insurance contracts	-	-	(382,691)	-	(382,691)
Total changes in the interim condensed consolidated statement of income	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
Total cash flows	(13,940,276)	-	6,294,288	-	(7,645,988)
Net closing balance	(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	-	-	-	-	-
Net closing balance	(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					
Opening assets					
Net opening balance	(1,541,967)	(80,396)	(36,784)	(1,714)	(1,660,861)
<i>Insurance revenue:</i>					
Insurance revenue	35,859	-	-	-	35,859
<i>Insurance service expenses</i>					
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
Insurance service expenses	-	81,044	(73,972)	(582)	6,490
Insurance service result	35,859	81,044	(73,972)	(582)	42,349
Finance expenses from insurance contracts issued	(10,210)	(1,335)	(458)	-	(12,003)
Total changes in the interim condensed consolidated statement of income	25,649	79,709	(74,430)	(582)	30,346
<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
Net Cash flows	(38,003)	-	63,217	-	25,214
Net closing balance	(1,554,321)	(687)	(47,997)	(2,296)	(1,605,301)
Closing liabilities	(1,554,321)	(687)	(47,997)	(2,296)	(1,605,301)
Closing assets					
Net closing balance	(1,554,321)	(687)	(47,997)	(2,296)	(1,605,301)

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)

	31 March 2023		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)	(1,557,321)
Opening assets	-	-	-	-	-
Net opening balance	(1,492,415)	(22,782)	(40,108)	(2,016)	(1,557,321)
<i>Insurance revenue:</i>					
Insurance revenue	(26,793)	-	-	-	(26,793)
<i>Insurance service expenses</i>					
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
Insurance service expenses	-	1,171	54,547	(863)	54,855
Insurance service result	(26,793)	1,171	54,547	(863)	28,062
Finance expenses from insurance contracts issued	(182,613)	110,007	(235)	-	(72,841)
Total changes in the interim condensed consolidated statement of income	(209,406)	111,178	54,312	(863)	(44,779)
<i>Cash flows:</i>					
Premiums received	(38,258)	-	-	-	(38,258)
Claims paid	-	-	-	-	-
Directly attributable non-acquisition expenses paid	-	-	-	-	-
Net Cash flows	(38,258)	-	-	-	(38,258)
Net closing balance	(1,740,079)	88,396	14,204	(2,879)	(1,640,358)
Closing liabilities	(1,740,079)	88,396	14,204	(2,879)	(1,640,358)
Closing assets	-	-	-	-	-
Net closing balance	(1,740,079)	88,396	14,204	(2,879)	(1,640,358)

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 KD	Risk Adjustment for non-financial risk KD	Contractual Service Margin (CSM) KD	Total KD
Opening liabilities		(996,023)	(35,920)	(628,918)
Opening assets		-	-	-
Net opening balance	(996,023)	(35,920)	(628,918)	(1,660,861)
<i>Changes that relate to current services:</i>				
CSM recognized in consolidated statement of income for services provided		-	-	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
Insurance service result	(35,259)	577	77,031	42,349
Net finance expense from insurance contracts	(5,950)	-	(6,053)	(12,003)
Total changes in the consolidated statement of income	(41,209)	577	70,978	30,346
<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
Total cash flows	25,214	-	-	25,214
Net closing balance	(1,012,018)	(35,343)	(557,940)	(1,605,301)
Closing liabilities	(1,012,018)	(35,343)	(557,940)	(1,605,301)
Closing assets	-	-	-	-
Net closing balance	(1,012,018)	(35,343)	(557,940)	(1,605,301)

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	-	-	-	-
Net opening balance	(1,109,713)	(52,987)	(394,621)	(1,557,321)
<i>Changes that relate to current services:</i>				
CSM recognized in consolidated statement of income for services provided	-	-	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
Insurance service result	90,225	12,805	(74,968)	28,062
Net finance expense from insurance contracts	(69,144)	-	(3,697)	(72,841)
Total changes in the consolidated statement of income	21,081	12,805	(78,665)	(44,779)
<i>Cash flows:</i>				
Premiums received	(38,258)	-	-	(38,258)
Claims paid	-	-	-	-
Directly attributable non- acquisition expenses paid	-	-	-	-
Total cash flows	(38,258)	-	-	(38,258)
Net closing balance	(1,126,890)	(40,182)	(473,286)	(1,640,358)
Closing liabilities	(1,126,890)	(40,182)	(473,286)	(1,640,358)
Closing assets	-	-	-	-
Net closing balance	(1,126,890)	(40,182)	(473,286)	(1,640,358)

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
	Excluding loss component <i>KD</i>	Loss component <i>KD</i>	Assets for amounts recoverable on incurred claims (AIC)	Estimates of the present value of future cash flows <i>KD</i>	Risk adjustment <i>KD</i>
					Total <i>KD</i>
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	(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)
Total reinsurance recoverable for incurred claims	-	-	(372,907)	(26,471)	(399,378)
Net income or expense from reinsurance contract held	(4,373,934)	-	(372,907)	(26,471)	(4,773,312)
Reinsurance finance income through profit and loss	-	-	150,879	-	150,879
Total changes in the consolidated statement of income	(4,373,934)	-	(222,028)	(26,471)	(4,622,433)
<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)
Total cash flows	7,751,123	-	(203,197)	-	7,547,926
Net closing balance	5,358,583	-	18,872,197	271,674	24,502,454
Closing liabilities					
Closing assets	5,358,583	-	18,872,197	271,674	24,502,454
Net closing balance	5,358,583	-	18,872,197	271,674	24,502,454

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)		
	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						
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	(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)
Total reinsurance recoverable for incurred claims	-	-		101,811	73,448	175,259
Net income or expense from reinsurance contract held	(3,705,612)	-		101,811	73,448	(3,530,353)
Reinsurance finance income through profit and loss	-	-		296,001	-	296,001
Total changes in the consolidated statement of income	(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)
Total cash flows	7,238,267	-		(1,414,980)	-	5,823,287
Net closing balance	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
Net closing balance	5,517,499	-		20,850,031	317,787	26,685,317

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 <i>KD</i>	2023 <i>KD</i>	2024 <i>KD</i>	2023 <i>KD</i>	2024 <i>KD</i>	2023 <i>KD</i>
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)
	6,261,340	4,410,515	42,349	28,062	6,303,689	4,438,577
Insurance service result before reinsurance contracts held						
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)
Net expense from reinsurance contracts held	(4,773,312)	(3,530,353)	(4,785)	-	(4,778,097)	(3,530,353)
Insurance service result	1,488,028	880,162	37,564	28,062	1,525,592	908,224

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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4 NET INVESTMENT INCOME / EXPENSE

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

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

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:

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

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

	(Audited)		
	31 March 2024	31 December 2023	31 March 2023
Number of shares	11,846,103	11,789,448	6,181,602
Percentage to issued shares (%)	4.74%	4.72%	3.49%
Market value (KD)	1,220,149	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:

31 March 2024	Total	Life and	Investment	Unallocated	Total						
	general risk	medical	KD	insurance	KD	insurance	KD	Unallocated	KD	Total	KD
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)

	Total general risk insurance KD	Life and medical insurance KD	Investment KD	Unallocated KD	Total KD
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
 31 March 2023	 Total general risk insurance KD	 Life and medical insurance KD	 Investment KD	 Unallocated KD	 Total KD
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)

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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</i> <i>KD</i>	<i>Entities under common control</i> <i>KD</i>	<i>31 March 2024</i> <i>KD</i>	<i>(Audited) 31 December 2023</i> <i>KD</i>	<i>31 March 2023</i> <i>KD</i>
Insurance activities					
Insurance contract assets	28,108	4,719,575	4,747,683	3,684,294	2,501,457
Insurance contract liabilities	-	482,145	482,145	465,488	398,942
Investment activities					
Investment assets	-	21,593,367	21,593,367	20,278,438	16,417,916
Investment in associates	-	3,745,303	3,745,303	3,687,314	8,251,428
Term deposits	-	6,800,000	6,800,000	5,175,000	-
Cash and cash equivalents	-	3,458,049	3,458,049	3,915,983	3,140,257
Other liabilities	-	4,658,355	4,658,355	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</i> <i>KD</i>	<i>2023</i> <i>KD</i>
Premiums written	832,410	957,869
Dividend income	820,507	466,997
Share of results of associates	85,773	105,486
Compensation to key management personnel:		
	<i>Three months ended 31 March</i>	
	<i>2024</i> <i>KD</i>	<i>2023</i> <i>KD</i>
Short term employees' benefits	405,136	345,601
Employees' end of service benefit	5,496	4,603
	410,632	350,204

13 CAPITAL COMMITMENTS AND CONTINGENCIES

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

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

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.

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

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

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

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>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 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>change recorded in the interim condensed consolidated statement of comprehensive income KD</i>			
	<i>As at 1 January 2023 KD</i>	<i>Transferred on transition of IFRS 9 KD</i>			<i>Net purchases and disposals KD</i>		<i>As at 31 March 2023 KD</i>
<i>31 March 2023</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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