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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2026

Shape the future
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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF WARBA INSURANCE AND REINSURANCE COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Warba Insurance and Reinsurance Company K.S.C.P. (the "Parent Company") and its subsidiary (collectively, "the Group") as at 30 June 2026, and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, and the interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended. 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, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 7 of 2010 concerning the establishment of the Capital Markets Authority ("CMA") and the organisation of securities activities, and its executive regulations, as amended, during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its financial position.

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

4 August 2026
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 June 2026

		Three months ended 30 June		*Six months ended 30 June*	
		2026	*2025*	***2026***	*2025*
	Notes	***KD***	*KD*	***KD***	*KD*
Revenue:					
Insurance revenue	3	**11,272,490**	10,482,780	**23,599,218**	22,234,917
Insurance service expenses	3	**(5,776,986)**	(6,013,323)	**(11,259,185)**	(13,218,312)
Insurance service result before reinsurance contracts held		**5,495,504**	4,469,457	**12,340,033**	9,016,605
Amounts recoverable from reinsurers for incurred claims	3	**489,968**	1,006,827	**728,709**	2,625,517
Allocation of reinsurance premiums	3	**(5,155,219)**	(4,694,895)	**(10,958,400)**	(9,758,185)
Net expense from reinsurance contracts held		**(4,665,251)**	(3,688,068)	**(10,229,691)**	(7,132,668)
Insurance service result		**830,253**	781,389	**2,110,342**	1,883,937
Finance expenses from insurance contracts issued	3	**(84,123)**	(169,400)	**(275,168)**	(463,641)
Finance income from reinsurance contracts held	3	**39,906**	52,975	**145,710**	194,007
Net insurance finance result		**786,036**	664,964	**1,980,884**	1,614,303
Net investment income	4	**800,457**	533,542	**1,566,627**	2,119,435
Unallocated general and administrative expenses		**(571,621)**	(578,409)	**(1,112,986)**	(1,084,825)
Other income		**312,656**	78,120	**391,046**	234,437
PROFIT BEFORE TAX		**1,327,528**	698,217	**2,825,571**	2,883,350
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		**(4,371)**	(6,399)	**(26,831)**	(27,302)
National Labour Support Tax (“NLST”)		**(13,438)**	(17,256)	**(73,331)**	(76,216)
Zakat		**(3,940)**	(5,972)	**(27,897)**	(28,017)
PROFIT FOR THE PERIOD		**1,305,779**	668,590	**2,697,512**	2,751,815
Attributable to:					
Equity holders of the Parent Company		**1,305,424**	664,045	**2,696,441**	2,735,782
Non-controlling interests		**355**	4,545	**1,071**	16,033
NET PROFIT FOR THE PERIOD		**1,305,779**	668,590	**2,697,512**	2,751,815
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	5	**5.36 Fils**	2.73 Fils	**11.08 Fils**	11.24 Fils

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the period ended 30 June 2026

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
PROFIT FOR THE PERIOD	**1,305,779**	668,590	**2,697,512**	2,751,815
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Share of other comprehensive income of an associate	**17,965**	4,240	**2,648**	3,386
Net other comprehensive gain that may be reclassified to profit or loss in subsequent periods,	**17,965**	4,240	**2,648**	3,386
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:				
Net (loss) gain on equity instruments designated at FVOCI	**(665,976)**	4,477,341	**105,325**	7,429,839
Net other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent periods, net of tax	**(665,976)**	4,477,341	**105,325**	7,429,839
Total other comprehensive (loss) income for the period	**(648,011)**	4,481,581	**107,973**	7,433,225
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**657,768**	5,150,171	**2,805,485**	10,185,040
Attributable to:				
Equity holders of the Parent Company	**657,413**	5,145,626	**2,804,414**	10,169,007
Non-controlling interests	**355**	4,545	**1,071**	16,033
	657,768	5,150,171	**2,805,485**	10,185,040

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2026

	Notes	***30 June 2026 KD***	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
ASSETS				
Cash and cash equivalents	7	**5,857,075**	8,323,621	7,935,291
Term deposits	6	**22,320,000**	23,510,000	8,332,533
Other assets		**1,820,234**	1,594,022	1,606,409
Reinsurance contract assets	3	**20,674,958**	19,698,115	20,790,686
Financial assets at fair value through profit or loss	8	**29,228,307**	24,582,428	29,335,746
Financial assets at fair value through other comprehensive income	8	**26,335,210**	26,229,885	37,345,574
Investment in associate		**3,974,684**	3,957,012	3,791,055
Property and equipment		**6,550,802**	6,635,953	6,648,186
TOTAL ASSETS		**116,761,270**	114,531,036	115,785,480
LIABILITIES AND EQUITY				
LIABILITIES				
Bank overdraft		**-**	-	504,885
Insurance contract liabilities	3	**41,191,140**	38,187,320	38,924,400
Term loans	9	**2,000,000**	2,000,000	4,000,000
Other liabilities		**20,085,763**	20,013,388	21,798,639
Total liabilities		**63,276,903**	60,200,708	65,227,924
Equity				
Share capital		**25,000,000**	25,000,000	25,000,000
Statutory reserve		**5,620,965**	5,620,965	5,145,049
General reserve		**132,367**	132,367	132,367
Treasury shares	10	**(686,385)**	(686,385)	(686,385)
Treasury shares reserve		**218,607**	218,607	218,607
Fair value reserve		**13,902,077**	13,794,104	14,504,381
Other reserve		**(52,662)**	-	-
Retained earnings		**9,279,706**	10,234,711	6,223,488
Equity attributable to the equity holders of the Parent Company		**53,414,675**	54,314,369	50,537,507
Non-controlling interests		**69,692**	15,959	20,049
Total equity		**53,484,367**	54,330,328	50,557,556
TOTAL LIABILITIES AND EQUITY		**116,761,270**	114,531,036	115,785,480

Anwar Jawad Bu-Khamseen
Chairman

Sheikh / Mohammed Jarrah Sabah Al-Sabah
Vice Chairman

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2026

	Share capital KD	*Statutory reserve KD*	*General reserve KD*	*Treasury shares KD*	*Treasury shares reserve KD*	*Fair value reserve KD*	*Other reserve KD*	*Retained earnings KD*	*Sub total KD*	*Non-controlling interests KD*	*Total equity KD*
As at 1 January 2026	**25,000,000**	**5,620,965**	**132,367**	**(686,385)**	**218,607**	**13,794,104**	-	**10,234,711**	**54,314,369**	**15,959**	**54,330,328**
Profit for the period	-	-	-	-	-	-	-	2,696,441	2,696,441	1,071	2,697,512
Other comprehensive income	-	-	-	-	-	107,973	-	-	107,973	-	107,973
Total comprehensive income for the period	-	-	-	-	-	107,973	-	2,696,441	2,804,414	1,071	2,805,485
Cash dividends (Note 11)	-	-	-	-	-	-	-	(3,651,446)	(3,651,446)	-	(3,651,446)
Changes in ownership interests in a subsidiary without change in control	-	-	-	-	-	-	(52,662)	-	(52,662)	52,662	-
As at 30 June 2026	**25,000,000**	**5,620,965**	**132,367**	**(686,385)**	**218,607**	**13,902,077**	**(52,662)**	**9,279,706**	**53,414,675**	**69,692**	**53,484,367**
As at 1 January 2025	25,000,000	5,145,049	132,367	(686,385)	218,607	7,071,156	-	6,407,116	43,287,910	4,016	43,291,926
Profit for the period	-	-	-	-	-	-	-	2,735,782	2,735,782	16,033	2,751,815
Other comprehensive income	-	-	-	-	-	7,433,225	-	-	7,433,225	-	7,433,225
Total comprehensive income for the period	-	-	-	-	-	7,433,225	-	2,735,782	10,169,007	16,033	10,185,040
Cash dividends (Note 11)	-	-	-	-	-	-	-	(2,919,410)	(2,919,410)	-	(2,919,410)
As at 30 June 2025	25,000,000	5,145,049	132,367	(686,385)	218,607	14,504,381	-	6,223,488	50,537,507	20,049	50,557,556

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2026

		Six months ended 30 June	
		2026	*2025*
	Notes	***KD***	*KD*
OPERATING ACTIVITIES			
Profit before tax		**2,825,571**	2,883,350
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property and equipment		**118,799**	121,566
Investment income	4	**(1,882,748)**	(2,575,950)
Provision of employees' end of service benefits		**121,661**	93,584
		1,183,283	522,550
Working capital changes:			
Other assets		**585,561**	(230,472)
Reinsurance contract assets		**(976,842)**	(2,251,394)
Insurance contract liabilities		**3,003,820**	2,248,702
Other liabilities		**(25,591)**	1,548,087
Cash flows from operations		**3,770,231**	1,837,473
Employees' end of service benefits paid		**(40,236)**	(7,828)
Taxes paid		**(219,107)**	(198,880)
Net cash flows from operating activities		**3,510,888**	1,630,765
INVESTING ACTIVITIES			
Net movement in time deposits		**1,190,000**	2,259,704
Purchase of financial assets at fair value through profit or loss		**(7,058,095)**	(2,532,410)
Purchase of property and equipment		**(37,184)**	(18,203)
Proceeds from sale of financial assets at fair value through profit or loss		**2,142,416**	964,031
Proceed from sale of property and equipment		**3,536**	-
Investment income received		**1,325,750**	1,991,382
Net cash flows used in investing activities		**(2,433,577)**	2,664,504
FINANCING ACTIVITIES			
Cash dividends paid		**(3,543,857)**	(2,823,050)
Net cash flows used in financing activities		**(3,543,857)**	(2,823,050)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(2,466,546)**	1,472,219
Cash and cash equivalents at 1 January		**8,323,621**	5,958,187
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	7	**5,857,075**	7,430,406

The attached notes 1 to 16 form part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

The interim condensed consolidated financial information of Warba Insurance and Reinsurance Company K.S.C.P. (the "Parent Company") and its subsidiary (collectively, the "Group") for the six months ended 30 June 2026 was authorised for issue in accordance with a resolution of the board of directors of the Parent Company on 4 August 2026.

The shareholders of the Parent Company at the annual general assembly meeting ("AGM") held on 25 March 2026 approved the consolidated financial statements for the year ended 31 December 2025. Dividends proposed and paid by the Group for the year then ended are provided in Note 11.

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

The primary objectives of the Parent Company are to underwrite life and non- life insurance risks such as fire, general accidents, marine and aviation and others; lend funds which resulted from issuance of insurance policies and to invest in permitted securities.

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

The interim condensed consolidated financial information for the six months ended 30 June 2026 have been prepared in accordance with International Accounting standard 34 "*Interim Financial Reporting*".

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

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new amendments to IFRS Accounting Standards effective as of 1 January 2026.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date.
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed.
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments.
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

Other amendments and improvements to IFRS Accounting Standards which are effective for annual accounting period starting from 1 January 2026 did not have any material impact on the accounting policies, financial position or performance of the Group.

3 INSURANCE AND REINSURANCE CONTRACTS

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

		30 June 2026			*30 June 2025*		
	Valuation Approach	***Assets KD***	***Liabilities KD***	***Net KD***	*Assets KD*	*Liabilities KD*	*Net KD*
Insurance contract assets & liabilities							
Medical	**PAA**	-	**(10,505,148)**	**(10,505,148)**	-	(11,802,080)	(11,802,080)
Group life	**PAA**	-	**(4,266,852)**	**(4,266,852)**	-	(4,647,218)	(4,647,218)
Motor	**PAA**	-	**(11,821,032)**	**(11,821,032)**	-	(9,981,547)	(9,981,547)
Marine & aviation	**PAA**	-	**(1,014,401)**	**(1,014,401)**	-	(985,243)	(985,243)
Fire	**PAA**	-	**(3,219,452)**	**(3,219,452)**	-	(3,573,060)	(3,573,060)
General accident	**PAA**	-	**(8,912,261)**	**(8,912,261)**	-	(6,445,810)	(6,445,810)
Total – PAA (Note 3.1)		-	**(39,739,146)**	**(39,739,146)**	-	(37,434,958)	(37,434,958)
Individual life	**GMM**	-	**(1,451,994)**	**(1,451,994)**	-	(1,489,442)	(1,489,442)
Total – GMM (Note 3.2)		-	**(1,451,994)**	**(1,451,994)**	-	(1,489,442)	(1,489,442)
Total insurance contract assets & liabilities		-	**(41,191,140)**	**(41,191,140)**	-	(38,924,400)	(38,924,400)
Reinsurance contract assets & liabilities							
Medical	**PAA**	**3,756,050**	-	**3,756,050**	5,472,879	-	5,472,879
Group life	**PAA**	**2,490,895**	-	**2,490,895**	4,600,083	-	4,600,083
Motor	**PAA**	**1,311,178**	-	**1,311,178**	1,474,434	-	1,474,434
Marine & aviation	**PAA**	**913,550**	-	**913,550**	896,555	-	896,555
Fire	**PAA**	**5,499,431**	-	**5,499,431**	3,323,439	-	3,323,439
General accident	**PAA**	**6,685,419**	-	**6,685,419**	5,006,465	-	5,006,465
Total – PAA (Note 3.3)		**20,656,523**	-	**20,656,523**	20,773,855	-	20,773,855
Individual life	**GMM**	**18,435**	-	**18,435**	16,831	-	16,831
Total – GMM		**18,435**	-	**18,435**	16,831	-	16,831
Total reinsurance contract assets & liabilities		**20,674,958**	-	**20,674,958**	20,790,686	-	20,790,686

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2026				
	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	**(9,153,930)**	-	**(27,057,486)**	**(464,816)**	**(36,676,232)**
Opening assets	-	-	-	-	-
Net opening balance	**(9,153,930)**	-	**(27,057,486)**	**(464,816)**	**(36,676,232)**
Insurance revenue (Note 3.4)	**23,497,725**	-	-	-	**23,497,725**
Insurance service expenses					
Incurred benefits and expenses	-	-	**(10,828,218)**	**(108,931)**	**(10,937,149)**
Changes that relate to past service - adjustments to LIC	-	-	**699,732**	**119,441**	**819,173**
Amortisation of insurance acquisition cash flows	**(1,051,029)**	-	-	-	**(1,051,029)**
Insurance service expenses (Note 3.4)	**(1,051,029)**	-	**(10,128,486)**	**10,510**	**(11,169,005)**
Insurance service result (Note 3.4)	**22,446,696**	-	**(10,128,486)**	**10,510**	**12,328,720**
Net finance expense from insurance contracts	-	-	**(251,626)**	-	**(251,626)**
Total changes in profit or loss	**22,446,696**	-	**(10,380,112)**	**10,510**	**12,077,094**
Cash flows					
Premiums received	**(26,631,883)**	-	-	-	**(26,631,883)**
Claims paid	-	-	**8,779,614**	-	**8,779,614**
Directly attributable non- acquisition expenses paid	-	-	**2,041,426**	-	**2,041,426**
Insurance acquisition cash flows	**670,835**	-	-	-	**670,835**
Total net cash flows	**(25,961,048)**	-	**10,821,040**	-	**(15,140,008)**
Net closing balance	**(12,668,282)**	-	**(26,616,558)**	**(454,306)**	**(39,739,146)**
Closing liabilities	**(12,668,282)**	-	**(26,616,558)**	**(454,306)**	**(39,739,146)**
Closing assets	-	-	-	-	-
Net closing balance	**(12,668,282)**	-	**(26,616,558)**	**(454,306)**	**(39,739,146)**

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

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

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2026				
	LRC		*LIC*		
	Excluding loss component KD	*Loss component KD*	*Estimates of the present value of future cash flows KD*	*Risk adjustment KD*	*Total KD*
Opening liabilities	**(1,446,858)**	**(645)**	**(60,357)**	**(3,228)**	**(1,511,088)**
Opening assets	-	-	-	-	-
Net opening balance	**(1,446,858)**	**(645)**	**(60,357)**	**(3,228)**	**(1,511,088)**
Insurance revenue (Note 3.4)	**101,493**	-	-	-	**101,493**
Insurance service expenses					
Incurred benefits and expenses	-	-	**(78,714)**	**(2,687)**	**(81,401)**
Changes that relate to past service - adjustments to LIC	-	-	**(13,534)**	**4,814**	**(8,720)**
Losses on onerous contracts and reversal of those losses	-	**(59)**	-	-	**(59)**
Insurance service expenses (Note 3.4)	-	**(59)**	**(92,248)**	**2,127**	**(90,180)**
Insurance service result (Note 3.4)	**101,493**	**(59)**	**(92,248)**	**2,127**	**11,313**
Finance expenses from insurance contracts issued	**(22,282)**	-	**(1,260)**	-	**(23,542)**
Total changes in profit or loss	**79,211**	**(59)**	**(93,508)**	**2,127**	**(12,229)**
Cash flows:					
Premiums received	**(58,098)**	-	-	-	**(58,098)**
Claims paid	-	-	**118,307**	-	**118,307**
Directly attributable non-acquisition expenses paid	-	-	**11,114**	-	**11,114**
Total net cash flows	**(58,098)**	-	**129,421**	-	**71,323**
Net closing balance	**(1,425,745)**	**(704)**	**(24,444)**	**(1,101)**	**(1,451,994)**
Closing liabilities	**(1,425,745)**	**(704)**	**(24,444)**	**(1,101)**	**(1,451,994)**
Closing assets	-	-	-	-	-
Net closing balance	**(1,425,745)**	**(704)**	**(24,444)**	**(1,101)**	**(1,451,994)**

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

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

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

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

	30 June 2026			
	Estimates of the present value of futurecash flows KD	*Risk Adjustment for non-financial risk KD*	*Contractual Service Margin (CSM) KD*	*Total KD*
Opening liabilities	**(887,657)**	**(37,540)**	**(585,891)**	**(1,511,088)**
Opening assets	-	-	-	-
Net opening balance	**(887,657)**	**(37,540)**	**(585,891)**	**(1,511,088)**
Changes that relate to current services:				
CSM recognized in the statement of profit or loss provided	-	-	**27,973**	**27,973**
Changes in risk adjustment for risks expired	-	**2,437**	-	**2,437**
Experience adjustment-arising from premium received in the period that related to past service	**(3,816)**	**(2,687)**	-	**(6,503)**
Changes that relate to future services:				
- Changes in estimates that adjust CSM	**(33,500)**	**(1,357)**	**34,857**	-
- Changes in estimates that result in onerous contracts or reversal of losses	**(3,170)**	**(704)**	-	**(3,874)**
Changes that relate to past services:				
Changes relating to liabilities for incurred claims	**(13,534)**	**4,814**	-	**(8,720)**
Insurance service result	**(54,020)**	**2,503**	**62,830**	**11,313**
Net finance expense from insurance contracts	**(12,253)**	-	**(11,289)**	**(23,542)**
Total changes in profit or loss	**(66,273)**	**2,503**	**51,541**	**(12,229)**
Cash flows:				
Premiums received	**(58,098)**	-	-	**(58,098)**
Claims paid	**118,307**	-	-	**118,307**
Directly attributable non- acquisition expenses paid	**11,114**	-	-	**11,114**
Total net cash flows	**71,323**	-	-	**71,323**
Net closing balance	**(882,607)**	**(35,037)**	**(534,350)**	**(1,451,994)**
Closing liabilities	**(882,607)**	**(35,037)**	**(534,350)**	**(1,451,994)**
Closing assets	-	-	-	-
Net closing balance	**(882,607)**	**(35,037)**	**(534,350)**	**(1,451,994)**

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

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

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

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2026				
	Assets for remaining coverage (ARC)		*Assets for amounts recoverable on incurred claims (AIC)*		
	Excluding loss component KD	*Loss component KD*	*Estimates of the present value of future cash flows KD*	*Risk adjustment KD*	*Total KD*
Opening liabilities	-	-	-	-	-
Opening assets	1,962,867	-	17,461,067	237,038	19,660,972
Net opening balance	1,962,867	-	17,461,067	237,038	19,660,972
Allocation of reinsurance premiums (Note 3.4)	(10,937,970)	-	-	-	(10,937,970)
Amounts recoverable from reinsurers					
- Amounts recoverable for claims and other expenses	-	-	3,402,605	55,461	3,458,066
- Changes that relate to past service – adjustments to AIC	-	-	(2,558,904)	(70,187)	(2,629,091)
- Expenses directly attributable to reinsurance	-	-	(100,266)	-	(100,266)
Total reinsurance recoverable for incurred claims (Note 3.4)	-	-	743,435	(14,726)	728,709
Net income or expense from reinsurance contract held	(10,937,970)	-	743,435	(14,726)	(10,209,261)
Reinsurance finance income through profit or loss	-	-	145,710	-	145,710
Total changes in the statement of profit or loss	(10,937,970)	-	889,145	(14,726)	(10,063,551)
Cash flows					
Premiums paid	13,362,237	-	-	-	13,362,237
Directly attributable expenses paid	-	-	100,266	-	100,266
Recoveries from reinsurance	-	-	(2,403,401)	-	(2,403,401)
Total net cash flows	13,362,237	-	(2,303,135)	-	11,059,102
Net closing balance	4,387,134	-	16,047,077	222,312	20,656,523
Closing liabilities	-	-	-	-	-
Closing assets	4,387,134	-	16,047,077	222,312	20,656,523
Net closing balance	4,387,134	-	16,047,077	222,312	20,656,523

3 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

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

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***	
	2026 ***KD***	*2025* *KD*	***2026*** ***KD***	*2025* *KD*	***2026*** ***KD***	*2025* *KD*
Insurance Service Revenue	**23,497,725**	22,047,413	**101,493**	187,504	**23,599,218**	22,234,917
Insurance service expenses	**(11,169,005)**	(13,029,981)	**(90,180)**	(188,331)	**(11,259,185)**	(13,218,312)
Insurance service results before reinsurance contracts held	**12,328,720**	9,017,432	**11,313**	(827)	**12,340,033**	9,016,605
Amounts recoverable from reinsurers for incurred claims	**728,709**	2,625,612	**-**	(95)	**728,709**	2,625,517
Allocation of reinsurance premiums	**(10,937,970)**	(9,739,747)	**(20,430)**	(18,438)	**(10,958,400)**	(9,758,185)
Net expense from reinsurance contracts held	**(10,209,261)**	(7,114,135)	**(20,430)**	(18,533)	**(10,229,691)**	(7,132,668)
Insurance service result	**2,119,459**	1,903,297	**(9,117)**	(19,360)	**2,110,342**	1,883,937

4 NET INVESTMENT INCOME

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD	*2025 KD*	***2026 KD***	*2025 KD*
Dividend income	-	867,610	**1,034,813**	1,675,110
Interest income	**517,785**	(9,448)	**974,211**	456,824
Net unrealised gain (loss) on financial assets at FVPL	**279,521**	(129,085)	**(357,967)**	313,980
Net realised gain (loss) on disposal of financial assets at FVOCI	**88,167**	(10,155)	**88,167**	(10,155)
Share of results of an associate	**75,765**	45,947	**143,524**	140,191
	961,238	764,869	**1,882,748**	2,575,950
Investment expense	**(160,781)**	(231,327)	**(316,121)**	(456,515)
	800,457	533,542	**1,566,627**	2,119,435

5 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
Profit for the period attributable to the equity holders of the Parent Company (KD)	**1,305,424**	664,045	**2,696,441**	2,735,782
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	**243,429,756**	243,429,756	**243,429,756**	243,429,756
Basic and diluted EPS	**5.36 Fils**	2.73 fils	**11.08 Fils**	11.24 fils

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

6 TERM DEPOSITS

Term deposits represent deposits with banks whose original maturity period exceeds three months from date of deposit.

Term deposits include KD 1,800,000 held in the State of Kuwait under lien in favour of the Insurance Regulatory Unit ("IRU") in accordance with the insurance regulations of the State of Kuwait (31 December 2025: KD 1,800,000 and 30 June 2025: KD 1,800,000). The effective interest rate on term deposits ranged from 3.6% to 3.9% per annum (31 December 2025: 3.625% to 4.63% and 30 June 2025: 3.50% to 5.10%).

7 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed statement of cash flows, cash and cash equivalents are comprised of the following:

	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Cash on hand	**4,459**	4,841	4,794
Cash held in investment portfolios	**532,056**	2,248,491	2,597,764
Short-term deposits with original maturities of three months or less	**-**	-	350,000
Bank balances	**5,320,560**	6,070,289	4,982,733
	5,857,075	8,323,621	7,935,291

8 FINANCIAL INSTRUMENTS

	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Financial assets at fair value through profit or loss			
Quoted financial assets	**24,265,445**	20,009,550	22,343,410
Unquoted financial assets	**4,962,862**	4,572,878	6,992,336
	29,228,307	24,582,428	29,335,746
Financial assets at fair value through other comprehensive income			
Quoted financial assets	**24,896,338**	24,808,981	25,473,900
Unquoted financial assets	**1,438,872**	1,420,904	11,871,674
	26,335,210	26,229,885	37,345,574
	55,563,517	50,812,313	66,681,320

The hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques is presented in Note 15.

9 TERM LOAN

The term loan carries a floating interest rate of 1% per annum above CBK discount rate (31 December 2025: 1% per annum above CBK discount rate and 30 June 2025: 1% per annum above CBK discount rate). The Parent Company has met all the borrowings covenants as of the reporting date and repayable in 2027.

10 TREASURY SHARES

	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
Number of shares	**6,570,244**	6,570,244	6,570,244
Percentage to issued shares (%)	**2.63%**	2.63%	2.63%
Market value (KD)	**1,163,933**	1,149,793	992,107

An amount of KD 686,385 (31 December 2025: KD 686,385 and 30 June 2025: KD 686,385) equivalent to the cost of purchase of the treasury shares have been earmarked as non-distributable from reserves and retained earnings throughout the holding period of treasury shares.

The weighted average market price of the Parent Company's shares for the period ended 30 June 2026 was 177 Fils per share (31 December 2025: 175 Fils per share and 30 June 2025: 151 Fils per share).

11 ANNUAL GENERAL ASSEMBLY

The shareholders' annual general assembly held on 25 March 2026 approved the audited consolidated financial statements of the Group for the year ended 31 December 2025 and the proposal made by Parent Company's Board of Directors on distributing Parent Company shares, at a rate of 15% (31 December 2024: 12%) of the outstanding shares by using treasury shares, to the shareholders and the distribution date was on 29 April 2026.

12 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 profit or loss.

The following are the details of these segments:

30 June 2026	***Total general risk insurance KD***	***Life and medical insurance KD***	***Investment KD***	***Unallocated KD***	***Total KD***
Insurance service results before reinsurance contracts held	**10,938,116**	**1,401,917**	-	-	**12,340,033**
Reinsurance contracts held	**(9,419,745)**	**(809,946)**	-	-	**(10,229,691)**
Finance expenses from insurance contracts issued	**(148,331)**	**(126,837)**	-	-	**(275,168)**
Finance income from reinsurance contracts held	**96,718**	**48,992**	-	-	**145,710**
Net investment income	-	-	**1,566,627**	-	**1,566,627**
Non-attributable general and administrative expenses	-	-	-	**(1,112,986)**	**(1,112,986)**
Other income	-	-	-	**391,046**	**391,046**
KFAS, ZAKAT, NLST	-	-	-	**(128,059)**	**(128,059)**
Profit for the period	**1,466,758**	**514,126**	**1,566,627**	**(849,999)**	**2,697,512**
Assets	**14,465,226**	**6,209,732**	**88,564,153**	**7,522,159**	**116,761,270**
Liabilities	**21,643,405**	**19,547,734**	**14,497,811**	**7,587,953**	**63,276,903**

12 SEGMENT INFORMATION (continued)

31 December 2025 (Audited)	*Total general risk insurance KD*	*Life and medical insurance KD*	*Investment KD*	*Unallocated KD*	*Total KD*
Assets	10,602,187	9,095,928	87,389,876	7,443,045	114,531,036
Liabilities	21,973,436	15,961,813	13,985,023	8,280,436	60,200,708

30 June 2025	*Total general risk insurance KD*	*Life and medical insurance KD*	*Investment KD*	*Unallocated KD*	*Total KD*
Insurance service results before reinsurance contracts held	7,607,854	1,408,751	-	-	9,016,605
Reinsurance contracts held	(6,598,051)	(534,617)	-	-	(7,132,668)
Finance expenses from insurance contracts issued	(229,388)	(234,253)	-	-	(463,641)
Finance income from reinsurance contracts held	130,657	63,350	-	-	194,007
Net investment income	-	-	2,119,435	-	2,119,435
Non-attributable general and administrative expenses	-	-	-	(1,084,825)	(1,084,825)
Other income	-	-	-	234,437	234,437
KFAS, ZAKAT, NLST	-	-	-	(131,535)	(131,535)
Net profit for the period	911,072	703,231	2,119,435	(981,923)	2,751,815
Assets	14,824,689	5,965,997	87,434,193	7,560,601	115,785,480
Liabilities	27,229,774	14,546,887	17,616,084	5,835,179	65,227,924

13 RELATED PARTY DISCLOSURES

The Group has entered into various transactions with related parties, i.e. shareholders, Board of directors, key management personnel, associate 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:

	Parent company's shareholders KD	***Entities under common control KD***	***30 June 2026 KD***	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Insurance activities					
Premiums receivable	**43,604**	**5,202,552**	**5,246,157**	4,601,074	4,824,044
Claims payable	-	**1,222,379**	**1,222,379**	1,177,236	635,376
Dividend income	-	**989,778**	**989,778**	1,152,286	743,066
Share of results of associates	-	**143,524**	**143,524**	277,447	140,191
Investment activities					
Financial assets at fair value through profit or loss	-	**24,304,896**	**24,304,896**	17,677,153	17,941,292
Financial assets at fair value through other comprehensive income	-	**26,182,210**	**26,182,210**	26,076,885	31,581,316
Investment in associate	-	**3,974,684**	**3,974,684**	3,957,012	3,791,055
Term deposits	-	**22,320,000**	**22,320,000**	22,010,000	6,800,000
Cash and cash equivalents	-	**3,650,233**	**3,650,233**	6,794,610	6,485,381
Other liabilities*	-	**15,178,414**	**15,178,414**	14,158,808	15,848,970

* Other liabilities represent borrowings from third party through related party by KD 12,497,811 (31 December 2025: KD 11,579,811 and 30 June 2025: KD 13,111,199) with an average interest rate of 4.17% (31 December 2025: 4.24%, and 30 June 2025: 4.6%) per annum.

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

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD	*2025 KD*	***2026 KD***	*2025 KD*
Premiums written	**279,221**	250,903	**1,400,448**	1,200,207
Claims paid - entities under common control	**300,012**	409,404	**539,583**	710,111
Dividend income	-	46,524	**989,778**	743,066
Share of results of associate	**75,765**	45,947	**143,524**	140,191
Interest income	**466,118**	90,364	**858,152**	239,225
Finance cost	**121,494**	96,164	**240,949**	185,699

Compensation to key management personnel:

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD	*2025 KD*	***2026 KD***	*2025 KD*
Short term employees' benefits	**201,995**	183,815	**630,825**	608,375
Employees' end of service benefit	**14,687**	7,944	**24,014**	15,800
	216,682	191,759	**654,839**	624,175

14 CAPITAL COMMITMENTS AND CONTINGENCIES

	30 June 2026 KD	*(Audited) 31 December 2025 KD*	*30 June 2025 KD*
Letters of guarantee	**196,500**	1,526,214	393,941

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

On 24 July 2023, a preliminary verdict was issued in favor of the company. The Group appealed the verdict, and a hearing was scheduled on 13 November 2023 which was then transferred to the Department of Experts in the Ministry of Justice on 13 May 2025, then scheduled for a hearing on 16 September 2025 then it was rescheduled to 26 October 2025 to hear the expert committee conclusion. On 26 October the expert committee concluded that the total amount due from Parent Company is KD 106,214. After settling the accounts, the committee confirmed that the Parent Company remains liable for the same amount: KD 106,214, on 23 June 2026 the final verdict was issued against the company, and an amount of KD 106,214 was paid subsequently to the ministry of justice on 02 July 2026, the Group sufficiently record a provision against the outstanding balance.

The Group quoted shares with a carrying value of KD 5,594,185 (31 December 2025: KD 5,918,173 and 30 June 2025: KD 5,982,970) are subject to a lien in favour of the Insurance Regulatory Unit ("IRU").

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

15 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.

15 FAIR VALUE MEASUREMENT (continued)

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

	Fair value measurement using			
30 June 2026	***Level 1 KD***	***Level 2 KD***	***Level 3 KD***	***Total KD***
Financial assets at FVPL	**24,265,445**	**2,263,633**	**2,699,229**	**29,228,307**
Financial assets at FVOCI	**24,896,338**	**-**	**1,438,872**	**26,335,210**
Financial assets measured at fair value	**49,161,783**	**2,263,633**	**4,138,101**	**55,563,517**

	Fair value measurement using			
31 December 2025 (audited)	*Level 1 KD*	*Level 2 KD*	*Level 3 KD*	*Total KD*
Financial assets at FVPL	20,009,550	1,873,374	2,699,504	24,582,428
Financial assets at FVOCI	24,808,981	-	1,420,904	26,229,885
Financial assets measured at fair value	44,818,531	1,873,374	4,120,408	50,812,313

	Fair value measurement using			
30 June 2025	*Level 1 KD*	*Level 2 KD*	*Level 3 KD*	*Total KD*
Financial assets at FVPL	22,343,410	1,692,832	5,299,504	29,335,746
Financial assets at FVOCI	25,473,900	-	11,871,674	37,345,574
Financial assets measured at fair value	47,817,310	1,692,832	17,171,178	66,681,320

During the period ended 30 June 2026, 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:

30 June 2026	***As at 1 January 2026 KD***	***Remeasurement recognised in OCI KD***	***Remeasurement recognised in profit or loss KD***	***Net purchases and disposals KD***	***As at 30 June 2026 KD***
Financial assets FVOCI:					
Unquoted equity securities	**1,420,904**	**17,968**	-	-	**1,438,872**
Financial assets at FVPL:					
Unquoted bonds	**2,699,504**	-	**(275)**	-	**2,699,229**
	4,120,408	**17,968**	**(275)**	-	**4,138,101**

15 FAIR VALUE MEASUREMENT (continued)

31 December 2025 (audited)	*As at 1 January 2025 KD*	*Remeasurement recognised in OCI KD*	*Remeasurement recognised in profit or loss KD*	*Net purchases and disposals KD*	*As at 31 December 2025 KD*
Financial assets FVOCI:					
Unquoted equity securities	11,946,615	411,788	-	(10,937,499)	1,420,904
Financial assets at FVPL:					
Unquoted bonds	5,299,504	-	-	(2,600,000)	2,699,504
	17,246,119	411,788	-	(13,537,499)	4,120,408

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

Reconciliation of recurring fair value measurement categorized within level three of the fair value hierarchy:
Set out below are the significant unobservable inputs to valuation as at 30 June 2026:

	Valuation technique	***Significant unobservable inputs***	***Range***	***Sensitivity of the input to fair value***
Unquoted equity securities	Price to book value	Discount for lack of marketability (DLOM)	10%	An increase or (decrease) by 10% in the discount for lack of marketability & lack of control would result in (decrease) or increase in fair value by KD 129 thousand.
Unquoted equity securities	Price to book value	Price to book multiple "Represents amounts used when the Group has determined that market participants would use such multiples when pricing the investments"	10%	An increase or (decrease) by 10% in the price to book multiple would result in increase or (decrease) in fair value by KD 180 thousand.

16 IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY

The Group operates in a global and regional economic environment that continues to be affected by heightened geopolitical tensions in the Middle East. Recent developments in the region have increased uncertainty in financial markets, energy supply and costs, regional security conditions, and global trade routes. The wider regional impact of these events may affect economic conditions relevant to various sectors. Management has assessed the potential impacts of the geopolitical situation on the Group's operations and financial position, taking into consideration:

- Macroeconomic conditions, including inflationary pressures, interest rate volatility, and economic growth trends that may influence cost of claims and reserving.
- Market liquidity risk, including the ability to realise investments at quoted or observable market prices in periods of heightened volatility.
- Counterparty and credit risk, particularly for investments in debt instruments, funds, or structured products and retrocessionaires whose underlying counterparties may be affected by adverse economic conditions.
- Foreign exchange risk, arising from increased currency volatility in markets linked to the region.

As at the reporting date, the Group has not experienced any material disruption. All the issued policies come with a standard war exclusion clause in addition all war policies are fully reinsured therefore not exposed to any liability arising from the war directly or indirectly. Accordingly, management has not identified any material adverse impacts on the core business or valuation of the property or investment portfolios that require specific adjustment beyond those reflected in observable market prices and valuation inputs.

In assessing the carrying values of investment properties and other non-financial assets, management has not identified any indicators of impairment requiring recognition at the reporting date. However, future adverse developments in the geopolitical environment may result in changes to key valuation assumptions.

The Group maintains liquidity buffers and capital resources that management considers sufficient to meet its commitments and operating expenses as they fall due. The Group has assessed the potential impact of adverse market movements on its ability to realise investments or access funding, including under stressed market scenarios. No breaches of liquidity thresholds, investment restrictions, or capital management policies were identified as at the reporting date.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and concluded that the going concern basis remains appropriate. The geopolitical situation remains dynamic, and the extent and duration of potential impacts on global financial markets are uncertain. Management continues to monitor developments closely and will reflect any material impacts in future valuations, risk disclosures, and financial reporting as appropriate.