KUWAIT REINSURANCE COMPANY K.S.C.P.

INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2026

Shape the future
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ERNST & YOUNG
AL AIBAN, AL OSAIMI & PARTNERS
P.O. Box 74
Burj Alshaya, 16th & 17th Floor
Al Soor Street, Mirqab
Safat 13001, State of Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
https://www.ey.com

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF KUWAIT REINSURANCE COMPANY K.S.C.P.

Introduction
We have reviewed the accompanying interim condensed statement of financial position of Kuwait Reinsurance Company K.S.C.P. (the "Company") as at 30 June 2026, and the related interim condensed statement of profit or loss, the interim condensed statement of comprehensive income for the three-month and six-month periods then ended, the related interim condensed statement of cash flows and interim condensed statement of changes in equity for the six-month period then ended. Management of the Company is responsible for the preparation and fair presentation of this interim condensed 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 financial information based on our review.

Scope of review
We conducted our review in accordance with the 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 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 financial information is in agreement with the books of account of the 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, or of the Company's Memorandum of Incorporation and Articles of Association, as amended, during the six-months period ended 30 June 2026 that might have had a material effect on the business of the 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 material violations of the provisions of Law No 7 of 2010 concerning establishment of Capital Market Authority "CMA" and organization of security activity and its executive regulations, as amended, during the six-months period ended 30 June 2026 that might have had a material effect on the business of the Company or on its financial position.

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

5 August 2026
Kuwait

INTERIM CONDENSED 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*
Insurance revenue	8	**24,879,878**	22,558,130	**47,006,159**	43,266,163
Insurance service expense	8	**(20,008,820)**	(22,234,885)	**(36,723,473)**	(44,618,874)
Insurance service result before reinsurance contracts held	8	**4,871,058**	323,245	**10,282,686**	(1,352,711)
Allocation of reinsurance premiums		**(2,935,885)**	(1,718,286)	**(5,148,338)**	(3,545,285)
Amounts recoverable from reinsurance		**1,213,730**	2,892,519	**1,214,270**	9,192,977
Net (expense) income from reinsurance contracts held	8	**(1,722,155)**	1,174,233	**(3,934,068)**	5,647,692
Insurance service result		**3,148,903**	1,497,478	**6,348,618**	4,294,981
Finance expense from insurance contracts issued	8	**(327,281)**	(763,162)	**(1,098,682)**	(1,264,905)
Finance income from reinsurance contracts held	8	**139,418**	195,698	**278,307**	413,387
Net Finance Expense		**(187,863)**	(567,464)	**(820,375)**	(851,518)
Net insurance financial result		**2,961,040**	930,014	**5,528,243**	3,443,463
Net investment income	4	**2,746,853**	3,287,965	**4,826,832**	6,303,294
Rental income from investment properties		**170,395**	140,398	**326,507**	284,821
Non-attributable general and administrative expenses		**(578,150)**	(561,288)	**(831,167)**	(803,576)
Investment property expenses		**(14,878)**	(20,619)	**(31,481)**	(37,702)
Depreciation expense		**(24,596)**	(19,152)	**(44,938)**	(37,615)
Net foreign exchange differences		**(421,043)**	677,664	**(298,646)**	807,949
PROFIT BEFORE TAX		**4,839,621**	4,434,982	**9,475,350**	9,960,634
Contribution to Kuwait Foundation for Advancement of Sciences (“KFAS”)		**(48,397)**	(44,349)	**(94,754)**	(99,606)
National Labour Support Tax (“NLST”)		**(118,971)**	(106,039)	**(235,955)**	(245,200)
Zakat		**(47,589)**	(42,402)	**(94,382)**	(98,066)
PROFIT FOR THE PERIOD		**4,624,664**	4,242,192	**9,050,259**	9,517,762
BASIC AND DILUTED EARNINGS PER SHARE (Fils)	5	**13.63**	12.50	**26.68**	28.05

The attached notes 1 to 14 form part of this interim condensed financial information

INTERIM CONDENSED 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	**4,624,664**	4,242,192	**9,050,259**	9,517,762
Other comprehensive income (loss)				
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of foreign operations	**272,548**	(160,375)	**(81,655)**	(233,788)
	272,548	(160,375)	**(81,655)**	(233,788)
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods:				
Net gain (loss) on equity instruments at fair value through other comprehensive income	**25,380**	66,370	**(15,042)**	90,168
Other comprehensive income (loss) for the period	**297,928**	(94,005)	**(96,697)**	(143,620)
Total comprehensive income for the period	**4,922,592**	4,148,187	**8,953,562**	9,374,142

The attached notes 1 to 14 form part of this interim condensed financial information

INTERIM CONDENSED 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	6	**3,635,685**	7,536,990	5,728,032
Term deposits	6	**184,890,058**	185,363,776	171,550,414
Financial assets at fair value through profit or loss	7	**14,637,305**	12,350,657	11,784,976
Financial assets at fair value through other comprehensive income	7	**2,067,203**	2,088,007	2,480,003
Debt instruments at amortised cost	7	**25,599,600**	25,599,600	21,999,600
Insurance contract assets	8	**77,976**	56,825	531
Reinsurance contract assets	8	**21,559,942**	22,047,700	23,796,375
Other receivables		**4,701,430**	3,830,125	4,134,459
Investment properties		**11,873,690**	11,873,462	11,849,489
Property and equipment		**1,418,561**	1,392,012	1,411,655
TOTAL ASSETS		**270,461,450**	272,139,154	254,735,534
LIABILITIES AND EQUITY				
LIABILITIES				
Insurance contract liabilities	8	**148,676,868**	153,655,735	147,223,402
Reinsurance contract liabilities	8	**5,214,743**	5,766,377	5,957,370
Other payables		**3,681,426**	3,961,403	3,333,159
TOTAL LIABILITIES		**157,573,037**	163,383,515	156,513,931
EQUITY				
Share capital	9	**34,207,646**	31,097,860	31,097,860
Share premium		**5,296,366**	5,296,366	5,296,366
Statutory reserve		**13,360,837**	13,360,837	11,240,740
Voluntary reserve		**13,360,837**	13,360,837	11,240,740
General reserve		**21,000,000**	21,000,000	18,000,000
Treasury shares	10	**(292,285)**	(248,840)	(242,289)
Treasury shares reserve		**14,652**	11,418	4,452
Fair value reserve		**(1,374,699)**	(1,411,542)	(1,553,114)
Foreign currency translation reserve		**473,476**	555,131	467,043
Retained earnings		**26,841,583**	25,733,572	22,669,805
TOTAL EQUITY		**112,888,413**	108,755,639	98,221,603
TOTAL LIABILITIES AND EQUITY		**270,461,450**	272,139,154	254,735,534

Sulaiman H. M. AlDalali
Chairman

Mohammad A. A. AlSaad
Vice Chairman

The attached notes 1 to 14 form part of this interim condensed financial information

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2026

	Notes	*Six months ended 30 June* **2026** **KD**	*2025* *KD*
OPERATING ACTIVITIES			
Profit before tax		**9,475,350**	9,960,634
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation expense		**44,938**	37,615
Net investment income	4	**(4,826,832)**	(6,303,294)
Rental income from investment properties		**(326,507)**	(284,821)
Provision for employees' end of service benefits		**209,271**	168,418
Investment property expenses		**31,481**	37,702
Finance costs		**2,380**	593
		4,610,081	3,616,847
Working capital changes:			
Insurance contract assets		**(21,151)**	55,029
Reinsurance contract assets		**487,477**	(6,756,475)
Other receivables		**(197,151)**	(187,061)
Insurance contract liabilities		**(4,918,727)**	17,559,356
Reinsurance contract liabilities		**(551,634)**	(901,721)
Other payables		**6,914**	(217,222)
Cash flows from operations		**(584,191)**	13,168,753
Taxes paid		**(921,253)**	(522,798)
Finance costs paid		**(2,380)**	(593)
Net cash flows (used in) from operating activities		**(1,507,824)**	12,645,362
INVESTING ACTIVITIES			
Purchase of property and equipment		**(71,050)**	(15,923)
Purchase of financial assets at fair value through profit or loss		**(2,679,531)**	(807,767)
Proceeds from sale of financial assets at fair value through profit or loss		**352,923**	484,860
Net proceeds from disposal of financial assets fair value through OCI		**5,762**	-
Net movement in term deposits		**473,718**	(13,150,457)
Interest income received		**3,897,700**	3,559,272
Dividends income received from funds		**246,707**	340,337
Investment property expenses		**(31,481)**	(37,702)
Income received from funds		**78,018**	89,234
Rental income received		**296,721**	321,730
Net cash flows from (used in) investing activities		**2,569,487**	(9,216,416)
FINANCING ACTIVITIES			
Dividends paid	9	**(4,780,577)**	(2,856,146)
Movement in treasury shares (net)		**(40,211)**	(1,599)
Net cash flows used in financing activities		**(4,820,788)**	(2,857,745)
Foreign currency translation adjustments		**(142,180)**	(94,049)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(3,901,305)**	477,152
Cash and cash equivalents at 1 January		**7,536,990**	5,250,880
CASH AND CASH EQUIVALENTS AT 30 JUNE	6	**3,635,685**	5,728,032

The attached notes 1 to 14 form part of this interim condensed financial information

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2026

	Share capital KD	***Share premium KD***	***Statutory reserve KD***	***Voluntary reserve KD***	***General reserve KD***	***Treasury shares KD***	***Treasury shares reserve KD***	***Fair value reserve KD***	***Foreign currency translation reserve KD***	***Retained earnings KD***	***Total equity KD***
As at 1 January 2026	**31,097,860**	**5,296,366**	**13,360,837**	**13,360,837**	**21,000,000**	**(248,840)**	**11,418**	**(1,411,542)**	**555,131**	**25,733,572**	**108,755,639**
Profit for the period	-	-	-	-	-	-	-	-	-	9,050,259	9,050,259
Other comprehensive loss for the period	-	-	-	-	-	-	-	(15,042)	(81,655)	-	(96,697)
Total comprehensive income for the period	-	-	-	-	-	-	-	(15,042)	(81,655)	9,050,259	8,953,562
Transfer of fair value reserve on derecognition of equity instruments designated at FVOCI	-	-	-	-	-	-	-	51,885	-	(51,885)	-
Purchase of treasury shares	-	-	-	-	-	(44,430)	-	-	-	-	(44,430)
Sale of treasury shares	-	-	-	-	-	985	3,234	-	-	-	4,219
Issue of bonus shares (Note 9)	3,109,786	-	-	-	-	-	-	-	-	(3,109,786)	-
Cash dividends (Note 9)	-	-	-	-	-	-	-	-	-	(4,780,577)	(4,780,577)
At 30 June 2026	**34,207,646**	**5,296,366**	**13,360,837**	**13,360,837**	**21,000,000**	**(292,285)**	**14,652**	**(1,374,699)**	**473,476**	**26,841,583**	**112,888,413**

The attached notes 1 to 14 form part of this interim condensed financial information

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)

For the period ended 30 June 2026

	Share capital KD	*Share premium KD*	*Statutory reserve KD*	*Voluntary reserve KD*	*General reserve KD*	*Treasury shares KD*	*Treasury shares reserve KD*	*Fair value reserve KD*	*Foreign currency translation reserve KD*	*Retained earnings KD*	*Total equity KD*
As at 1 January 2025	28,794,315	5,296,366	11,240,740	11,240,740	18,000,000	(239,302)	3,064	(1,643,282)	700,831	18,311,734	91,705,206
Profit for the period	-	-	-	-	-	-	-	-	-	9,517,762	9,517,762
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	90,168	(233,788)	-	(143,620)
Total comprehensive income for the period	-	-	-	-	-		-	90,168	(233,788)	9,517,762	9,374,142
Purchase of treasury shares	-	-	-	-	-	(4,836)	-	-	-	-	(4,836)
Sale of treasury shares	-	-	-	-		1,849	1,388	-	-	-	3,237
Issue of bonus shares (Note 9)	2,303,545	-	-	-	-	-	-	-	-	(2,303,545)	-
Cash dividends (Note 9)	-	-	-	-	-	-	-	-	-	(2,856,146)	(2,856,146)
As at 30 June 2025	31,097,860	5,296,366	11,240,740	11,240,740	18,000,000	(242,289)	4,452	(1,553,114)	467,043	22,669,805	98,221,603

The attached notes 1 to 14 form part of this interim condensed financial information

1 CORPORATE INFORMATION

The interim condensed financial information of Kuwait Reinsurance Company K.S.C.P. (the "Company") for the six months ended 30 June 2026 was authorised for issue in accordance with a resolution of the Board of Directors on 5 August 2026.

The financial statements of the Company for the year ended 31 December 2025 were approved by the shareholders of the Company at the Annual General Assembly meeting ("AGM") held on 18 March 2026. Dividends approved are disclosed in Note 9.

The Company is a public shareholding company incorporated in the State of Kuwait on 2 February 1972 and listed on Boursa Kuwait. Its registered office is located at KRE Tower, Al Shuhada Street, Sharq, State of Kuwait.

The Company's principal activity is the provision of reinsurance services across various classes of business. The Company also undertakes investment activities incidental to its principal business. The Company has an offshore branch in Labuan, Malaysia, established on 11 August 2006, and a branch in GIFT City, Gujarat, India, established on 8 January 2026.

The Company is a subsidiary of Al Ahleia Insurance Company S.A.K.P. (the "Parent Company"), a public shareholding company listed on Boursa Kuwait.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed financial information for the period ended 30 June 2026 of the Company has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The Company has prepared the interim condensed financial information on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial information are presented in Kuwaiti Dinars ("KD") which is also the functional currency of the Company.

The interim condensed financial information does not contain all information and disclosures required in the annual financial statements prepared in accordance with the IFRS Accounting Standards and should be read in conjunction with the Company's annual financial statements as at and for the year ended 31 December 2025.

2.2 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for adoption of amendments and improvements to IFRS Accounting Standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. One amendment apply for the first time in 2026, but didn't have an impact on the interim condensed financial information of the Company.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Company (continued)

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) - 1 January 2026

The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (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 any material impact on the Company's interim condensed financial information.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure* and its accompanying Guidance on implementing IFRS 7, IFRS 9 *Financial Instruments,* IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows.*

The amendments will be effective for reporting periods beginning on or after 1 January 2026.

The amendments are not expected to have a material impact on the Company's interim condensed financial information.

3 SEGMENT INFORMATION

For management purposes, the Company is organised into the following operating segments:

- **Non-life reinsurance** – comprises property, general accident, marine and energy reinsurance business.
- **Life reinsurance** – comprises group life and credit life reinsurance business. The Company's life reinsurance portfolio is limited to contracts with a coverage period of up to one year and does not include long-tail business.

Management monitors the operating results of each segment separately for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on segment results.

3 SEGMENT INFORMATION (continued)

The following table presents segment revenue, results before taxes, total assets and total liabilities information in respect of the Company's business segments:

	Six months ended 30 June 2026			
	Non-life KD	***Life KD***	***Unallocated KD***	***Total KD***
Segment revenue	**43,804,188**	**3,201,971**	**-**	**47,006,159**
Segment results	**5,248,016**	**280,227**	**-**	**5,528,243**
Net investment income	**4,388,657**	**231,429**	**206,746**	**4,826,832**
Rental income from investment properties			**326,507**	**326,507**
Non-attributable general and administrative expenses			**(831,167)**	**(831,167)**
Investment property expenses			**(31,481)**	**(31,481)**
Depreciation			**(44,938)**	**(44,938)**
Net foreign exchange differences			**(298,646)**	**(298,646)**
Profit before tax				**9,475,350**

	Six months ended 30 June 2025			
	Non-life KD	*Life KD*	*Unallocated KD*	*Total KD*
Segment revenue	40,758,589	2,507,574	-	43,266,163
Segment results	2,972,425	471,038	-	3,443,463
Net Investment Income	3,970,306	168,292	2,164,696	6,303,294
Rental income from investment properties			284,821	284,821
Non-attributable general and administrative expenses			(803,576)	(803,576)
Investment property expenses			(37,702)	(37,702)
Depreciation expense			(37,615)	(37,615)
Net foreign exchange differences			807,949	807,949
Profit before tax				9,960,634

3 SEGMENT INFORMATION (continued)

The following table presents segment assets and liabilities of the Company's operating segments At 30 June 2026, 31 December 2025 and 30 June 2025:

	As at 30 June 2026			
	Non-life	***Life***	***Unallocated***	***Total***
	KD	***KD***	***KD***	***KD***
Total assets	**224,167,744**	**11,595,517**	**34,698,189**	**270,461,450**
Total liabilities	**146,651,770**	**7,239,841**	**3,681,426**	**157,573,037**

	As at 31 December 2025 *(Audited)*			
	Non-life	*Life*	*Unallocated*	*Total*
	KD	*KD*	*KD*	*KD*
Total assets	229,985,326	10,619,565	31,534,263	272,139,154
Total liabilities	152,738,133	6,683,979	3,961,403	163,383,515

	As at 30 June 2025			
	Non-life	*Life*	*Unallocated*	*Total*
	KD	*KD*	*KD*	*KD*
Total assets	213,967,311	9,107,641	31,660,582	254,735,534
Total liabilities	147,248,439	5,932,333	3,333,159	156,513,931

4 NET INVESTMENT INCOME

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
Interest on deposits	**1,930,159**	1,768,255	**3,885,756**	3,496,170
Interest on bonds	**326,413**	275,692	**656,312**	553,194
Dividend income	**246,707**	340,337	**246,707**	340,337
Income from funds	**38,734**	43,946	**78,018**	89,234
Realised gain from financial assets at fair value through profit or loss	**39,590**	56,236	**39,590**	57,791
Unrealised gain (loss) on change in fair value of financial assets at fair value through profit or loss	**165,250**	803,499	**(79,551)**	1,766,568
	2,746,853	3,287,965	**4,826,832**	6,303,294

5 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding, excluding treasury shares during the period, as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD	*KD*	***KD***	*KD*
Profit for the period	**4,624,664**	4,242,192	**9,050,259**	9,517,762
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of shares outstanding during the period net of treasury shares	**339,245,371**	339,308,655	**339,274,675**	339,308,483
Basic and diluted earnings per share (fils)	**13.63**	12.50	**26.68**	28.05

Earnings per share for the three months and six months periods ended 30 June 2025 were 13.75 fils and 30.86 fils respectively, before retroactive adjustment to the number of shares following the bonus shares issuance (Note 9).

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

6 CASH AND CASH EQUIVALENTS

	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
	KD	*KD*	*KD*
Bank balances and cash	**3,635,685**	7,536,990	5,728,032
Term deposits	**184,890,058**	185,363,776	171,550,414
	188,525,743	192,900,766	177,278,446
Less: Term deposits with original maturities of more than 3 Months	**(184,890,058)**	(185,363,776)	(171,550,414)
Cash and cash equivalents for the purpose of interim condensed statement of cash flows	**3,635,685**	7,536,990	5,728,032

Term deposits include an amount of KD 1,000,000 held in State of Kuwait under lien to the Insurance Regulation Unit in accordance with insurance regulations of State of Kuwait (31 December 2025: KD 1,000,000, 30 June 2025: KD 1,000,000).

7 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 equity securities	**14,591,940**	12,305,292	11,784,976
Unquoted equity securities	**45,365**	45,365	-
	14,637,305	12,350,657	11,784,976
Financial assets at fair value through other comprehensive income			
Quoted managed funds	**2,033,067**	2,028,009	2,394,989
Unquoted managed funds	**34,136**	59,998	85,014
	2,067,203	2,088,007	2,480,003
Debt instruments at amortised cost			
Bonds	**25,599,600**	25,599,600	21,999,600
	42,304,108	40,038,264	36,264,579

The hierarchy for determining and disclosing the fair values of financial instruments by valuation techniques is presented in Note 13.

8 INSURANCE AND REINSURANCE CONTRACTS

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

	Valuation Approach	***30 June 2026***			*30 June 2025*		
		Assets KD	***Liabilities KD***	***Net KD***	*Assets KD*	*Liabilities KD*	*Net KD*
Insurance contract assets & liabilities							
Non-life	PAA	(77,976)	141,437,027	141,359,051	(509)	141,291,069	141,290,560
Life	PAA	-	7,239,841	7,239,841	(22)	5,932,333	5,932,311
Total insurance contract assets & liabilities		(77,976)	148,676,868	148,598,892	(531)	147,223,402	147,222,871
Reinsurance contract assets & liabilities							
Non-life	PAA	21,356,165	(5,214,743)	16,141,422	23,742,002	(5,957,370)	17,784,632
Life	PAA	203,777	-	203,777	54,373	-	54,373
Total reinsurance contract assets & liabilities		21,559,942	(5,214,743)	16,345,199	23,796,375	(5,957,370)	17,839,005

	Valuation Approach	***30 June 2026***			*30 June 2025*		
		Revenue KD	***Expense KD***	***Net KD***	*Revenue KD*	*Expense KD*	*Net KD*
Insurance service results							
Non-life	PAA	43,804,188	(33,755,045)	10,049,143	40,758,589	(42,663,681)	(1,905,092)
Life	PAA	3,201,971	(2,968,428)	233,543	2,507,574	(1,955,193)	552,381
Total		47,006,159	(36,723,473)	10,282,686	43,266,163	(44,618,874)	(1,352,711)
Reinsurance service results							
Non-life	PAA	1,051,983	(5,055,529)	(4,003,546)	9,129,903	(3,455,028)	5,674,875
Life	PAA	162,287	(92,809)	69,478	63,074	(90,257)	(27,183)
Total		1,214,270	(5,148,338)	(3,934,068)	9,192,977	(3,545,285)	5,647,692

8 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2026					*30 June 2025*				
	Liabilities for remaining coverage (LRC)		***Liabilities for incurred claims (LIC)***			*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***	*Excluding loss component KD*	*Loss component KD*	*Estimates of the present value of futurecash flows KD*	*Risk adjustment KD*	*Total KD*
Opening liabilities	(37,898,430)	-	121,548,376	70,005,789	153,655,735	(35,791,602)	-	106,066,067	59,250,748	129,525,213
Opening assets	(135,507)	-	38,552	40,130	(56,825)	(458,221)	-	188,187	214,474	(55,560)
Net opening balance	(38,033,937)	-	121,586,928	70,045,919	153,598,910	(36,249,823)	-	106,254,254	59,465,222	129,469,653
Insurance revenue	(47,006,159)	-	-	-	(47,006,159)	(43,266,163)	-	-	-	(43,266,163)
Insurance service expenses										
Incurred claims and other directly attributable expenses	-	-	39,029,132	12,036,742	51,065,874	-	-	98,630,686	48,284,713	146,915,399
Changes relating to liabilities for incurred claims	-	-	(1,381,988)	(16,948,248)	(18,330,236)	-	-	(59,484,178)	(46,603,403)	(106,087,581)
Insurance acquisition costs incurred	3,987,835	-	-	-	3,987,835	3,791,056	-	-	-	3,791,056
Insurance service expenses	3,987,835	-	37,647,144	(4,911,506)	36,723,473	3,791,056	-	39,146,508	1,681,310	44,618,874
Insurance service result	(43,018,324)	-	37,647,144	(4,911,506)	(10,282,686)	(39,475,107)	-	39,146,508	1,681,310	1,352,711
Net finance expense from insurance contracts	-	-	1,098,682	-	1,098,682	-	-	1,264,905	-	1,264,905
Effect of movements in exchange rates	(6,554)	-	33,125	17,819	44,390	13,014	-	(65,527)	(49,675)	(102,188)
Total changes in the interim condensed statement of profit or loss	(43,024,878)	-	38,778,951	(4,893,687)	(9,139,614)	(39,462,093)	-	40,345,886	1,631,635	2,515,428
Cash flows										
Premiums received	41,089,130	-	-	-	41,089,130	46,254,141	-	-	-	46,254,141
Claims and other directly attributable expenses paid	-	-	(32,126,646)	-	(32,126,646)	-	-	(26,370,407)	-	(26,370,407)
Insurance acquisition cash flows	(4,822,888)	-	-	-	(4,822,888)	(4,645,944)	-	-	-	(4,645,944)
Total cash flows	36,266,242	-	(32,126,646)	-	4,139,596	41,608,197	-	(26,370,407)	-	15,237,790
Net closing balance	(44,792,573)	-	128,239,233	65,152,232	148,598,892	(34,103,719)	-	120,229,733	61,096,857	147,222,871
Closing liabilities	(44,457,974)	-	128,080,462	65,054,380	148,676,868	(34,103,409)	-	120,229,898	61,096,913	147,223,402
Closing assets	(334,599)	-	158,771	97,852	(77,976)	(310)	-	(165)	(56)	(531)
Net closing balance	(44,792,573)	-	128,239,233	65,152,232	148,598,892	(34,103,719)	-	120,229,733	61,096,857	147,222,871

8 INSURANCE AND REINSURANCE CONTRACTS (continued)

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

	30 June 2026					*30 June 2025*				
	Assets for remaining coverage (ARC)		***Assets for amounts recoverable on incurred claims (AIC)***			*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***	*Excluding loss component KD*	*Loss component KD*	*Estimates of the present value of future cash flows KD*	*Risk adjustment KD*	*Total KD*
Opening liabilities	(8,405,798)	-	2,488,175	151,246	(5,766,377)	(9,679,648)	-	2,711,047	109,510	(6,859,091)
Opening assets	1,887,468	-	18,810,174	1,350,058	22,047,700	(723,777)	-	17,080,727	682,121	17,039,071
Net opening balance	(6,518,330)	-	21,298,349	1,501,304	16,281,323	(10,403,425)	-	19,791,774	791,631	10,179,980
Allocation of reinsurance premiums	(5,148,338)	-	-	-	(5,148,338)	(3,545,285)	-	-	-	(3,545,285)
Amounts recoverable from reinsurers										
Incurred claims & other expenses	-	-	2,239,079	186,718	2,425,797	-	-	24,876,150	1,575,243	26,451,393
Changes in amounts recoverable on incurred claims	-	-	(1,231,920)	20,393	(1,211,527)	-	-	(16,683,754)	(574,662)	(17,258,416)
Total amounts recoverable from reinsurers	-	-	1,007,159	207,111	1,214,270	-	-	8,192,396	1,000,581	9,192,977
Net (expense) income from reinsurance contracts held	(5,148,338)	-	1,007,159	207,111	(3,934,068)	(3,545,285)	-	8,192,396	1,000,581	5,647,692
Net finance income from reinsurance contracts	-	-	278,307	-	278,307	-	-	413,387	-	413,387
Effect of movements in exchange rates	(1,024)	-	1,839	158	973	3,108	-	(3,368)	(135)	(395)
Total changes in the interim condensed statement of profit or loss	(5,149,362)	-	1,287,305	207,269	(3,654,788)	(3,542,177)	-	8,602,415	1,000,446	6,060,684
Cash flows										
Premiums paid net of commission received	4,622,955	-	-	-	4,622,955	5,978,137	-	-	-	5,978,137
Claims and other recoveries	-	-	(904,291)	-	(904,291)	-	-	(4,379,796)	-	(4,379,796)
Total cash flows	4,622,955	-	(904,291)	-	3,718,664	5,978,137	-	(4,379,796)	-	1,598,341
Net closing balance	(7,044,737)	-	21,681,363	1,708,573	16,345,199	(7,967,465)	-	24,014,393	1,792,077	17,839,005
Closing liabilities	(7,885,640)	-	2,492,063	178,834	(5,214,743)	(8,922,238)	-	2,803,577	161,291	(5,957,370)
Closing assets	840,903	-	19,189,300	1,529,739	21,559,942	954,773	-	21,210,816	1,630,786	23,796,375
Net closing balance	(7,044,737)	-	21,681,363	1,708,573	16,345,199	(7,967,465)	-	24,014,393	1,792,077	17,839,005

9 SHARE CAPITAL, BONUS SHARES AND DIVIDEND

a) The Company's authorised share capital comprises of 500,000,000 shares (31 December 2025: 500,000,000 shares and 30 June 2025: 500,000,000 shares). Issued and paid-up share capital of the Company comprises of 342,076,463 shares (31 December 2025: 310,978,603 shares and 30 June 2025: 287,943,151 shares) of 100 fils each.

b) The Annual General Assembly ("AGM") of the Company's shareholders held on 18 March 2026 approved the following:
- Issue of 31,097,860 (2024: 23,035,452) bonus shares in the ratio of 10 shares for each 100 shares (2024: 8 shares for each 100 shares). Accordingly, the commercial register has been updated to reflect the change in the paid up capital on 31 March 2026 and distributed on 20 April 2026.
- Distribution of cash dividend of 10 fils per share (2024: 10 fils) for the year ended 31 December 2025 to the shareholders reported in the Company's record as of 14 April 2026 and paid KD 3,084,636 on 20 April 2026.
- Transfer of an amount of KD 2,120,097 (2024: KD 1,510,349) from the profit for the year ended 31 December 2025 to the voluntary reserve and statutory reserve respectively.
- Transfer an amount of KD 3,000,000 (2024: KD 2,000,000) from the profit for the year ended 31 December 2025 to the general reserve.

c) On 6 May 2026, the Board of Directors approved distribution of an interim cash dividend of 5 fils per share for the period ended 31 March 2026 (31 March 2025: Nil) to the shareholders reported in the Company's record as of 21 May 2026 and distributed KD 1,695,941 on 25 May 2026.

d) On 5 August 2026, the Board of Directors approved distribution of an interim cash dividend of 5 fils per share on the outstanding shares as of 30 June 2026 (30 June 2025: Nil). The interim cash dividend is payable to shareholders after obtaining necessary regulatory approvals.

10 TREASURY SHARES

	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
Number of treasury shares	**2,888,658**	2,524,953	2,523,184
Percentage of issued shares	**0.84%**	0.81%	0.81%
Cost (KD)	**292,285**	248,840	242,289
Market value (KD)	**1,039,917**	1,040,281	857,883
Weighted average market price per share (fils)	**370**	372	351

An amount of KD 292,285 (31 December 2025: KD 248,840 and 30 June 2025: KD 242,289) 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 as per CMA guidelines.

11 RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Company and entities controlled, jointly controlled or significantly influenced by such parties. In the normal course of business, the Company conducts mutual reinsurance services with related parties. Related party balances and transactions consist of the following:

	Parent Company KD	*Other related parties* KD	***30 June 2026 Total*** **KD**	*(Audited) 31 December 2025 Total* KD	*30 June 2025 Total* KD
Interim condensed statement of financial position:					
Reinsurance contract assets	**36,479**	**-**	**36,479**	18,891	36,475
Insurance contract liabilities	**5,909,140**	**35,834**	**5,944,974**	6,062,737	5,731,359

11 RELATED PARTY TRANSACTIONS (continued)

			Six months ended 30 June	
	Parent Company KD	*Other related Parties KD*	***2026 Total KD***	*2025 Total KD*
Interim condensed statement of income:				
Insurance revenue	**1,781,696**	**138,595**	**1,920,291**	2,007,216
Insurance service expense	**1,644,795**	**(35,625)**	**1,609,170**	2,164,927

Key management personnel compensation:

	Six months ended 30 June	
	2026 KD	*2025 KD*
Salaries and other short-term benefits	**629,838**	613,270
Employees end of service benefits	**73,320**	77,599
	703,158	690,869

12 CAPITAL COMMITMENTS AND CONTINGENCIES

As at the reporting date, the Company has future capital commitments with respect to purchase of financial assets at fair value through profit or loss amounting to KD 104,397 (31 December 2025: KD 104,228 and 30 June 2025: KD 103,855) from which it is anticipated that no material liabilities will arise.

13 FAIR VALUE MEASUREMENT

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)

Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The fair values of financial instruments (financial assets and financial liabilities) are not materially different from their carrying values.

For financial instruments that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company held the following classes of financial instruments measured at fair value:

	Total KD	***Level 1 KD***	***Level 2 KD***	***Level 3 KD***
30 June 2026				
Financial assets at fair value through profit or loss:				
Quoted equity securities	**14,591,940**	**14,591,940**	**-**	**-**
Unquoted equity securities	**45,365**	**-**	**45,365**	**-**
	14,637,305	**14,591,940**	**45,365**	**-**

13 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

	Total KD	***Level 1 KD***	***Level 2 KD***	***Level 3 KD***
Financial assets at fair value through other comprehensive income:				
Quoted managed funds	**2,033,067**	**2,033,067**	**-**	**-**
Unquoted managed funds	**34,136**	**-**	**-**	**34,136**
	2,067,203	**2,033,067**	**-**	**34,136**
Investment properties	**11,873,690**	**-**	**-**	**11,873,690**
	28,578,198	**16,625,007**	**45,365**	**11,907,826**

31 December 2025 (Audited)	*Total KD*	*Level 1 KD*	*Level 2 KD*	*Level 3 KD*
Financial assets at fair value through profit or loss:				
Quoted equity securities	12,305,292	12,305,292	-	-
Unquoted equity securities	45,365	-	45,365	-
	12,350,657	12,305,292	45,365	-
Financial assets at fair value through other comprehensive income:				
Quoted managed funds	2,028,009	2,028,009	-	-
Unquoted managed funds	59,998	-	-	59,998
	2,088,007	2,028,009	-	59,998
Investment properties	11,873,462	-	-	11,873,462
	26,312,126	14,333,301	45,365	11,933,460

30 June 2025	*Total KD*	*Level 1 KD*	*Level 2* KD	*Level 3 KD*
Financial assets at fair value through profit or loss:				
Quoted equity securities	11,784,976	11,784,976	-	-
Financial assets at fair value through other comprehensive income:				
Quoted managed funds	2,394,989	2,394,989	-	-
Unquoted managed funds	85,014	-	-	85,014
	2,480,003	2,394,989	-	85,014
Investment properties	11,849,489	-	-	11,849,489
	26,114,468	14,179,965	-	11,934,503

13 FAIR VALUE MEASUREMENT (continued)

Fair value hierarchy (continued)

The investment in unquoted managed funds are measured at fair value at the end of each reporting period. The managed funds are valued based on the net asset value or market value as disclosed in the portfolio statement submitted by the fund managers.

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	***At the beginning of the period KD***	***Net losses recorded in the interim condensed statement of comprehensive income KD***	***Net purchases, sales and settlements KD***	***Foreign exchange adjustment KD***	***At the end of the period KD***
FVTOCI					
Unquoted managed funds	**59,998**	**(20,100)**	**(5,762)**	**-**	**34,136**
Investment properties	**11,873,462**	**-**	**-**	**228**	**11,873,690**
	11,933,460	**(20,100)**	**(5,762)**	**228**	**11,907,826**

31 December 2025 (Audited)	*At the beginning of the year KD*	*Net gain recorded in the statement of profit or loss KD*	*Net losses recorded in the statement of comprehensive income KD*	*Net purchases, sales and settlements KD*	*Foreign exchange adjustment KD*	*At the end of the year KD*
FVTOCI						
Unquoted managed funds	78,055	-	(7,625)	(10,432)	-	59,998
Investment properties	11,850,037	12,870	-	-	10,555	11,873,462
	11,928,092	12,870	(7,625)	(10,432)	10,555	11,933,460

30 June 2025	*At the beginning of the period KD*	*Net losses recorded in the interim condensed statement of comprehensive income KD*	*Foreign exchange adjustment KD*	*At the end of the period KD*
FVTOCI				
Unquoted managed funds	78,055	6,959	-	85,014
Investment properties	11,850,037	-	(548)	11,849,489
	11,928,092	6,959	(548)	11,934,503

14 IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY

The Company 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 the various sectors. Management has assessed the potential impacts of the geopolitical situation on the Company'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 Company has not experienced any material disruption all the issued policies come with a standard war exclusion clauses 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 portfolio's 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 Company maintains liquidity buffers and capital resources that management considers sufficient to meet its commitments and operating expenses as they fall due. The Company 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 Company'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.