Grant Thornton
Al-Qatami, Al-Aiban & Partners

Interim Condensed Consolidated Financial Information and Review Report

First Takaful Insurance Company – KPSC and its Subsidiary

Kuwait

30 June 2026 (Unaudited)

Contents

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Report on Review of Interim Condensed Consolidated Financial Information

To the board of directors of
First Takaful Insurance Company – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of First Takaful Insurance Company - KPSC (the "Parent Company") and its subsidiary (together the "Group") as of 30 June 2026 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income for the three-month and six-month periods then ended and, interim condensed consolidated statement of changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". 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 International Accounting Standard 34, "Interim Financial Reporting".

Report on review of other legal and regulatory requirements
Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and its Executive Regulations, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the six-month period ended 30 June 2026 that might have had a material effect on the business or financial position of the Parent Company.

We further report, to the best of our knowledge and belief, no violations of provisions of the Law No. 7 of 2010 regarding Capital Markets Authority and its relevant regulations have occurred during the six-month period ended 30 June 2026 that might have had a material effect on the business or financial position of the Parent Company.

Hend Abdullah Al Surayea
(Licence No. 141-A)
of Grant Thornton – Al-Qatami, Al-Aiban & Partners

Kuwait
9 August 2026

Interim condensed consolidated statement of profit or loss

	Note	Three months ended 30 June 2026 (Unaudited) KD	Three months ended 30 June 2025 (Unaudited) KD	Six months ended 30 June 2026 (Unaudited) KD	Six months ended 30 June 2025 (Unaudited) KD
Revenue					
Other income		**107,022**	12,547	**126,357**	32,925
		107,022	12,547	**126,357**	32,925
Expenses and other charges					
General and administrative expenses		**(56,984)**	(44,932)	**(105,679)**	(59,026)
		(56,984)	(44,932)	**(105,679)**	(59,026)
Profit / (loss) for the period before provision for National Labour Support Tax (NLST) and Contribution for Zakat		**50,038**	(32,385)	**20,678**	(26,101)
(Provision) / reversal of provision for NLST		**(517)**	157	**(517)**	-
(Provision) / reversal of provision for Zakat		**(207)**	63	**(207)**	-
Profit / (loss) for the period		**49,314**	(32,165)	**19,954**	(26,101)
Basic and diluted earnings / (loss) per share attributable to the owners of the parent company (Fils)	5	**0.30 Fils**	(0.24) Fils	**0.14 Fils**	(0.20) Fils

The notes set out on pages 7 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Note	Three months ended **30 June 2026 (Unaudited) KD**	Three months ended 30 June 2025 (Unaudited) KD	Six months ended **30 June 2026 (Unaudited) KD**	Six months ended 30 June 2025 (Unaudited) KD
Profit / (loss) for the period		**49,314**	(32,165)	**19,954**	(26,101)
Other comprehensive (loss) / income:					
Items that will not be reclassified to statement of profit or loss in subsequent periods:					
Change in fair value of investments at fair value through other comprehensive income	7	**(207,678)**	1,683	**(377,119)**	1,636
Total other comprehensive (loss) / income		**(207,678)**	1,683	**(377,119)**	1,636
Total comprehensive loss for the period		**(158,364)**	(30,482)	**(357,165)**	(24,465)

The notes set out on pages 7 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Note	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Assets				
Bank balances	6	**136,254**	66,496	354,471
Cash balances with portfolio manager	6	**5,867**	-	-
Term deposits	6	**2,909,000**	2,219,000	1,239,000
Assets held for sale		**-**	-	175,686
Investment in associate		**661,690**	661,690	663,379
Investments at fair value through other comprehensive income	7	**8,739,247**	3,408,126	2,982,685
Qard Hassan to policyholders' fund	8	**3,339,464**	2,985,761	3,248,519
Due from related parties	12	**2,849,250**	2,779,134	4,209,980
Due from policyholders' fund		**-**	473,074	-
Other assets		**40,231**	41,115	37,306
Total assets		**18,681,003**	12,634,396	12,911,026
Equity and liabilities				
Equity				
Share capital	9	**16,660,000**	10,660,000	10,660,000
Statutory reserve		**336,226**	336,226	336,226
Voluntary reserve		**306,980**	306,980	306,980
Fair value reserve		**1,318,676**	1,642,248	1,619,575
Foreign currency translation reserve		**(282,917)**	(282,917)	(282,917)
Accumulated losses		**(3,098,728)**	(3,065,135)	(3,091,840)
Total equity		**15,240,237**	9,597,402	9,548,024
Liabilities				
Policyholders' deficit reserve	8	**3,339,464**	2,985,761	3,248,519
Amount due to policyholders		**71,617**	-	73,670
Other liabilities		**29,685**	51,233	40,813
Total liabilities		**3,440,766**	3,036,994	3,363,002
Total equity and liabilities		**18,681,003**	12,634,396	12,911,026

Abdullah A. Al-Asfour
Chairman

Hussain Ali Mohammed Al-Attal
Vice Chairman & CEO

The notes set out on pages 7 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity

	Share Capital KD	Statutory reserve KD	Voluntary reserve KD	Fair value Reserve KD	Foreign currency translation reserve KD	Accumulated losses KD	Total equity KD
Balance at 1 January 2026 (Audited)	**10,660,000**	**336,226**	**306,980**	**1,642,248**	**(282,917)**	**(3,065,135)**	**9,597,402**
Capital increase during the period (note 9)	**6,000,000**	-	-	-	-	-	**6,000,000**
Total transactions with owners	**6,000,000**	-	-	-	-	-	**6,000,000**
Profit for the period	-	-	-	-	-	**19,954**	**19,954**
Other comprehensive loss for the period	-	-	-	**(377,119)**	-	-	**(377,119)**
Total comprehensive (loss) / income for the period	-	-	-	**(377,119)**	-	**19,954**	**(357,165)**
Realised loss transferred on disposal of financial assets at FVTOCI	-	-	-	**53,547**	-	**(53,547)**	-
Balance at 30 June 2026 (Unaudited)	**16,660,000**	**336,226**	**306,980**	**1,318,676**	**(282,917)**	**(3,098,728)**	**15,240,237**
Balance at 1 January 2025 (Audited)	10,660,000	336,226	306,980	1,617,939	(282,917)	(3,065,739)	9,572,489
Loss for the period	-	-	-	-	-	(26,101)	(26,101)
Other comprehensive income for the period	-	-	-	1,636	-	-	1,636
Total comprehensive loss for the period	-	-	-	1,636	-	(26,101)	(24,465)
Balance at 30 June 2025 (Unaudited)	10,660,000	336,226	306,980	1,619,575	(282,917)	(3,091,840)	9,548,024

The notes set out on pages 7 to 23 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Note	Six months ended 30 June 2026 (Unaudited) KD	Six months ended 30 June 2025 (Unaudited) KD
OPERATING ACTIVITIES			
Profit / (loss) for the period before provision for NLST and provision for Zakat		**20,678**	(26,101)
Adjustments for:			-
Unwinding of discount for due from related parties – included in other income		**(70,116)**	-
		(49,438)	(26,101)
Changes in operating assets and liabilities:			
Other assets		**884**	(23,456)
Movement in amount due from /to policyholders		**544,691**	73,670
Due from related parties		**-**	250,000
Other liabilities		**(22,272)**	(46,586)
Net cash from operating activities		**473,865**	227,527
FINANCING ACTIVITIES			
Proceeds from capital increase		**6,000,000**	-
Net cash from financing activities		**6,000,000**	-
INVESTING ACTIVITIES			
Addition to investments at FVTOCI		**(6,884,649)**	(20,000)
Proceeds from disposal of investments at FVTOCI		**1,176,409**	-
Net cash used in investing activities		**(5,708,240)**	(20,000)
Net increase in bank balances		**765,625**	207,527
Cash and cash equivalents at the beginning of the period		**1,046,496**	146,944
Cash and cash equivalents at the end of the period	6	**1,812,121**	354,471
Non-cash transaction:			
Partial disposal of investment in an associate		-	60,000
Other liabilities		-	(60,000)

Notes to the interim condensed consolidated financial information

1 Incorporation and activities

First Takaful Insurance the ("Parent Company") is a Kuwaiti Public Shareholding Company that was incorporated on 25 July 2000 and is registered under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments.

The shares of the Parent Company are listed on Boursa Kuwait.

On 1 September 2019, the new Insurance Law No.125 of 2019 has been issued and is effective from 28 August 2019. This Law supersedes the Law No. 24 of 1961 and its subsequent amendments. On 16 September 2021, the Executive Regulations of Law No. 125 for the year 2019 were issued.

The Parent Company is a subsidiary of International Financial Advisors Holding - KPSC ("the Ultimate Parent Company").

The Parent Company and its subsidiary are together referred to as "the Group".

The Parent Company is engaged in:

- Takaful insurance for all types of insurance
- Owning properties and movables for the benefit of the Company
- Buying and selling shares and bonds for the Company
- Utilizing financial surplus in financial portfolios through investment in financial portfolios managed by specialized companies and authorities
- Providing administrative and technical services to insurance companies
- Health insurance management and regulation

Takaful insurance is an Islamic alternative to a conventional insurance and investment program, based on the mutual funds concept, where each policyholder will receive his share in the surplus arising from the insurance activities, in accordance with the Parent Company's articles of association and the approval of Fatwa and Sharee'a Supervisory Board.

The Parent Company conducts business on behalf of the policyholders and advances funds to the policyholders' operations as and when required. The shareholders are responsible for liabilities incurred by policyholders in the event the policyholders' fund is in deficit and the operations are liquidated. The Parent Company holds the physical custody and title of all assets related to the policyholders' and shareholders' operations, such assets and liabilities together with the results of policyholders' lines of business are disclosed in the notes.

The Group maintains separate books of accounts for policyholders and shareholders. Income and expenses clearly attributable to either activity is recorded in the respective accounts. Management and the board of directors determine the basis of allocation of expenses from joint operations.

All insurance and investment activities are conducted in accordance with Islamic Sharee'a, as approved by Fatwa and Sharee'a Supervisory Board.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities (continued)

The address of the Parent Company's registered office is PO Box 5713, Safat 13058, State of Kuwait.

This interim condensed consolidated financial information for the six-months period ended 30 June 2026 was authorised for issue by the Parent Company's board of directors on 9 August 2026.

The annual consolidated financial statements for the year ended 31 December 2025 were authorized for issuance by the Parent Company's Board of Directors on 9 March 2026 and were approved by the shareholders at the Annual General Meeting ("AGM") held on 26 April 2026.

2 Basis of preparation

The interim condensed consolidated financial information of the Group for the six-months period ended 30 June 2026 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The annual consolidated financial statements for the year ended 31 December 2025 were prepared in accordance with IFRS Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial information has been presented in Kuwaiti Dinars ("KD"), which is the functional and presentation currency of the Parent Company.

This interim condensed consolidated financial information does not include all information and disclosures required for complete financial statements prepared in accordance with the IFRS Accounting Standards. In the opinion of the Parent Company's management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the six-month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. For further details, refer to the financial statements and its disclosures for the year ended 31 December 2025.

3 Changes in accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the new and amended IFRS Accounting Standards effective as of 1 January 2026 as described in Note 3.1. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the interim condensed consolidated financial information (continued)

3 Changes in accounting policies (continued)

3.1 New and amended IFRS Accounting Standards adopted by the Group

The following amendments were effective for the current period:

IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments - Amendments

The amendments to IFRS 7 and IFRS 9 addresses six change and are required to apply the amendments retrospective without restating prior periods to reflect the application of the amendments, but may do so if, and only if, it is possible to do so without the use of hindsight.

a) Derecognition of a financial liability settled through electronic transfer whereby entities are permitted to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply this derecognition option would be required to apply it to all settlements made through the same electronic payment system.

b) Classification of financial assets based on a) contractual terms that are consistent with basic lending arrangements, b) assets with non-recourse description has been enhanced to include a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets, and c) contractually linked instruments have been clarified, and

c) Disclosures relating to a) financial assets at FVTOCI where entities are required to disclose fair value gain or loss separately for financial assets derecognised in the period and the fair value gain or loss that relates to investments held at the end of the period, and b) contractual terms that could change the timing or amount of contractual cash flows on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in a basic lending risks and costs.

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

Annual Improvements to IFRS Accounting Standards – volume 11

The annual improvement project updates a number of standards primarily providing clarifications and removing inconsistencies.

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

4 Judgment and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2025.

Notes to the interim condensed consolidated financial information (continued)

5 Basic and diluted earnings /(loss) per share

Basic and diluted earnings /(loss) per share is computed by dividing the profit / (loss) for the period by the weighted average number of shares outstanding during the period as follows:

	Three months ended		Six months ended	
	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	**30 June 2026 (Unaudited)**	30 June 2025 (Unaudited)
Profit / (loss) for the period attributable to the owners of the Parent Company (KD)	**49,314**	(32,165)	**19,954**	(26,101)
Weighted average number of ordinary shares outstanding during the period	**166,600,000**	133,495,180	**140,857,830**	133,495,180
Basic and diluted earnings /(loss) per share attributable to the owners of the Parent Company (Fils)	**0.30 Fils**	(0.24) Fils	**0.14 Fils**	(0.20) Fils

The basic and diluted loss per share reported for the three-months and six-months periods ended 30 June 2025 were (0.30) fils and (0.24) fils, respectively, before the retrospective adjustment relating to the rights issue (Note 9).

6 Cash and cash equivalents

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Bank balances	**136,254**	66,496	354,471
Cash balances with the portfolio manager	**5,867**	-	-
Term deposits	**2,909,000**	2,219,000	1,239,000
	3,051,121	2,285,496	1,593,471
Less: deposits maturing with original maturity of more than six months	**(1,239,000)**	(1,239,000)	(1,239,000)
Cash and cash equivalents as per interim condensed consolidated statement of cash flows	**1,812,121**	1,046,496	354,471

Term deposits represent deposits with a local bank and carry an effective profit rate ranging from 3.375% to 4% (31 December 2025: 3.625% to 4%) and (30 June 2025: 4% to 4.375%).

In accordance with executive regulations of Kuwaiti law No. (125) of 2019 regarding the Regulation of Insurance, an amount of KD839,000 (31 December 2025: KD 839,000) and (30 June 2025 KD 839,000) has been retained as investment deposits with a Kuwaiti financial institution. The effective profit rate on the deposits during the period ranging from 3.5% to 4% (31 December 2025: 4% and 30 June 2025 4%). (refer to note 10.2 for the balance deposits).

Notes to the interim condensed consolidated financial information (continued)

7 Investments at fair value through other comprehensive income

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Local quoted securities	**5,757,919**	426,798	21,636
Foreign unquoted securities	**2,981,328**	2,981,328	2,961,049
	8,739,247	3,408,126	2,982,685

These investments in foreign unquoted equity instruments are held for medium to long-term strategic purposes. Accordingly, the Group has elected to designate these investments in equity instruments as at FVTOCI as it believes that recognising short-term fluctuations in the fair value of these investments in shareholders' results would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

8 Qard Hassan to policyholders' fund and policyholders' deficit reserve

In accordance with the Group's articles of association, policyholders' net deficit from insurance operations has been covered by "Qard Hassan" from the shareholders. The Qard Hassan given by shareholders will be settled through surplus arising from the insurance operations in future years.

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Opening balance at the beginning of the period/year	**2,985,761**	3,053,603	3,053,603
Loss on derecognition of financial assets at FVTOCI	**745,151**	-	-
Net (surplus) /deficit for the period/year from insurance operations (note 10)	**(391,448)**	(67,842)	194,916
Closing balance at the end of the period/year	**3,339,464**	2,985,761	3,248,519

9 Share capital

	30 June 2026	31 Dec. 2025 KD	30 June 2025 KD
Authorised shares of 100 Fils each	**16,760,000**	16,760,000	10,760,000
Issued shares of 100 Fils each	**16,660,000**	10,660,000	10,660,000
Fully paid-up shares of 100 Fils each:			
- Shares paid in cash	**6,972,087**	972,087	972,087
- Shares paid in kind	**9,687,913**	9,687,913	9,687,913
	16,660,000	10,660,000	10,660,000

Notes to the interim condensed consolidated financial information (continued)

9 Share capital (continued)

The Extra-ordinary General Assembly of the shareholders held on 19 October 2025 approved the board of directors' proposals to increase the authorized share capital of the Parent Company from KD 10,760,000 to KD 16,760,000 and to authorize the board of directors to increase the issued and fully paid-up share capital of the Parent Company within the limits of the new authorized share capital. In addition, the shareholders of the Parent Company authorized the board of directors to determine the amount and way of issued and paid-up capital increase and to determine the share premium on issuance of the new shares. Following approval by the shareholders at the Extraordinary General Assembly, the amendment to the share capital was registered in the Commercial Register on 4 November 2025.

Accordingly, at their meeting held on 19 October 2025, the Board of Directors resolved to issue 60,000,000 shares for cash to the existing shareholders at a price of 100 fils per share. The subscription period was from 29 January 2026 ended on 12 February 2026.

The capital increase was fully subscribed by shareholders, resulting in an increase in the issued and fully paid-up share capital of the Parent Company from KD 10,660,000 to KD 16,660,000. On 18 February 2026, Kuwait Clearing Company approved the allotment of the new shares.

On 10 March 2026, Article (6) of the Memorandum of Association and Article (5) of the Articles of Association were amended to reflect the increase in the authorized share capital and the issued and fully paid-up share capital, in accordance with the resolutions of the Extraordinary General Assembly held on 19 October 2025, following completion of the subscription process and allotment of the new shares.

Notes to the interim condensed consolidated financial information (continued)

10 Policyholders' results

Interim condensed statement of profit or loss and other comprehensive income – Policyholders

	Notes	Three months ended 30 June 2026 (Unaudited) KD	Three months ended 30 June 2025 (Unaudited) KD	Six months ended 30 June 2026 (Unaudited) KD	Six months ended 30 June 2025 (Unaudited) KD
Revenue					
Takaful revenue	11.1	**1,291,489**	1,261,100	**2,613,466**	2,527,280
Takaful service expenses	11.1	**(1,072,074)**	(474,935)	**(1,475,238)**	(2,167,265)
Takaful service result before reinsurance contracts held		**219,415**	786,165	**1,138,228**	360,015
Re-insurance expenses from reinsurance contracts held	11.2	**(750,367)**	(531,717)	**(1,460,633)**	(1,099,772)
Re-insurance income from reinsurance contracts held	11.2	**1,064,680**	(32,955)	**1,124,127**	846,656
Reinsurance service result		**314,313**	(564,672)	**(336,506)**	(253,116)
Takaful finance expenses for takaful contracts issued	11.1	**(2,838)**	(62,532)	**(139,796)**	(103,081)
Reinsurance finance income for reinsurance contracts held	11.2	**2,552**	45,425	**97,195**	70,280
		(286)	(17,107)	**(42,601)**	(32,801)
Other income		**21,348**	74,997	**41,632**	94,888
Net Takaful financial result		**554,790**	279,383	**800,753**	168,986
Expenses and other charges					
Unallocated general and administrative expenses		**(192,808)**	(165,816)	**(409,305)**	(363,902)
		(192,808)	(165,816)	**(409,305)**	(363,902)
Net surplus / (deficit) from Takaful operations		**361,982**	113,567	**391,448**	(194,916)
Other comprehensive income		**(43,957)**	-	**(3,565)**	-
Net surplus / (deficit) from Takaful operations with other comprehensive income		**318,025**	113,567	**387,883**	(194,916)

10. 1 Takaful revenue and Takaful service expenses

	General KD	Medical & Life KD	Total KD
Takaful revenue			
30 June 2026 (unaudited)	**1,907,367**	**706,099**	**2,613,466**
30 June 2025 (Unaudited)	1,590,837	936,443	2,527,280
Takaful service expenses			
30 June 2026 (Unaudited)	**783,640**	**691,598**	**1,475,238**
30 June 2025 (Unaudited)	1,236,199	931,066	2,167,265

Notes to the interim condensed consolidated financial information (continued)

10 Policyholders' results(continued)

10. 1 Takaful revenue and Takaful service expenses (continued)

Interim condensed statement of financial position of Policyholders

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Assets			
Cash and bank balances	**55,579**	9,519	29,822
Investment deposits (refer note 11.2)	**822,000**	822,000	822,000
Financial assets at FVTOCI	**-**	389,976	306,847
Reinsurance contract assets (refer note 11.2)	**4,979,662**	4,864,799	4,124,993
Amount due from shareholders	**71,617**	-	73,670
Equipment	**8,402**	9,030	10,098
Other assets	**238,701**	240,866	256,037
Total assets	**6,175,961**	6,336,190	5,623,467
Liabilities			
Takaful contract liabilities (refer note 11.1)	**7,894,194**	8,052,779	7,835,656
Reinsurance contract liabilities (refer note 11.2)	**-**	1,363	4,465
Amount due to shareholders	**-**	473,074	-
Other liabilities	**1,621,231**	1,536,321	1,856,580
Total liabilities	**9,515,425**	10,063,537	9,696,701
Policyholders' fund			
Net deficit for policyholders at the beginning of the period/year – (refer note 8)	**(2,985,761)**	(3,053,603)	(3,053,603)
Loss on derecognition of financial assets at FVTOCI	**(745,151)**	-	-
Net (deficit) surplus from Takaful operations for the period/year	**391,448**	67,842	(194,916)
	(3,339,464)	(2,985,761)	(3,248,519)
Fair value reserve	**(741,586)**	(824,715)	(824,715)
Change in fair value during the period/year	**(3,565)**	83,129	-
Loss on derecognition of financial assets at FVTOCI	**745,151**	-	-
	-	(741,586)	(824,715)
Total policyholders' fund at the end of period/year	**(3,339,464)**	(3,727,347)	(4,073,234)
Total liabilities and policyholders' fund	**6,175,961**	6,336,190	5,623,467

10.2 In accordance with executive regulations of Kuwaiti law No. (125) of 2019 regarding the Regulation of Insurance, an amount of KD822,000 (31 December 2025 and 30 June 2025: KD822,000) has been retained as investment deposits with a Kuwaiti financial institution. The effective profit rate on the deposits during the period was 3.75% (31 December 2025: 4% and 30 June 2025: 4 %).

Notes to the interim condensed consolidated financial information (continued)

11 Takaful and reinsurance contracts

11.1 Analysis of takaful contract assets and liabilities for contracts measured under PAA

	Liability for remaining coverage		Liability for incurred claims		
30 June 2026 (unaudited)	Excluding loss component KD	Loss component KD	Present Value of Cash flows KD	Risk Adjustment KD	Total KD
Takaful contract liabilities as at 1 January 2026	(2,503,823)	-	(5,336,415)	(212,541)	(8,052,779)
Net Takaful contract liabilities as at 1 January 2026	(2,503,823)	-	(5,336,415)	(212,541)	(8,052,779)
Takaful revenue	2,613,466	-	-	-	2,613,466
Takaful service expenses					
Risk adjustment release gross	-	-	-	138,196	138,196
New claims incurred over the period	-	-	(611,332)	(19,836)	(631,168)
Incurred claims settled during the period	-	-	430,393	-	430,393
Increase in incurred claim liability	-	-	(3,406,870)	(158,642)	(3,565,512)
Claims and expenses paid	-	-	(1,039,801)	-	(1,039,801)
Release for incurred claims expected over the period	-	-	3,355,170	-	3,355,170
Amortisation of insurance acquisition cash flows	(162,516)	-	-	-	(162,516)
Total Takaful service expenses	(162,516)	-	(1,272,440)	(40,282)	(1,475,238)
Takaful service result before reinsurance contracts held	2,450,950	-	(1,272,440)	(40,282)	1,138,228
Insurance finance expenses	-	-	(139,796)		(139,796)
Total Takaful recognised in profit or loss	2,450,950		(1,412,236)	(40,282)	998,432
Cash flows					
Premiums received	(2,111,627)	-	-	-	(2,111,627)
Claims and other expenses paid including investment component	-	-	1,039,801	-	1,039,801
Total cash flows	(2,111,627)	-	1,039,801	-	(1,071,826)
Additional items					
Deferred acquisition costs of cash flow	231,979	-	-	-	231,979
Total additional items	231,979		-	-	231,979
Takaful contract liabilities as at 30 June 2026	(1,932,521)	-	(5,708,850)	(252,823)	(7,894,194)
Takaful contract liabilities as at 30 June 2026	(1,932,521)	-	(5,708,850)	(252,823)	(7,894,194)
Net Takaful contract liabilities as at 30 June 2026	(1,932,521)	-	(5,708,850)	(252,823)	(7,894,194)

Notes to the interim condensed consolidated financial information (continued)

11 Takaful and reinsurance contracts (continued)

11.1 Analysis of takaful contract assets and liabilities for contracts measured under PAA (continued)

	Liability for remaining coverage		Liability for incurred claims		
30 June 2025 (unaudited)	Excluding loss component KD	Loss component KD	Present Value of Cash flows KD	Risk Adjustment KD	Total KD
Takaful contract liabilities as at 1 January 2025	(2,783,568)	-	(4,117,920)	(172,750)	(7,074,238)
Net Takaful contract liabilities as at 1 January 2025	(2,783,568)	-	(4,117,920)	(172,750)	(7,074,238)
Takaful revenue	2,527,280	-	-	-	2,527,280
Takaful service expenses					
Risk adjustment release Gross	-	-	-	75,209	75,209
New claims incurred over the period	-	-	(1,853,547)	(43,652)	(1,897,199)
Incurred claims settled during the period	-	-	320,425	-	320,425
Increase in incurred claim liability	-	-	(1,280,700)	(52,328)	(1,333,028)
Claims and expenses paid	-	-	(1,088,791)	-	(1,088,791)
Release for incurred claims expected over the period	-	-	1,959,226	-	1,959,226
Amortisation of insurance acquisition cash flows	(203,107)	-	-	-	(203,107)
Total Takaful service expenses	(203,107)	-	(1,943,387)	(20,771)	(2,167,265)
Takaful service result before reinsurance contracts held	2,324,173	-	(1,943,387)	(20,771)	360,015
Insurance finance expenses	-	-	(103,081)	-	(103,081)
Total Takaful recognised in profit or loss	2,324,173	-	(2,046,468)	(20,771)	256,934
Cash flows					
Premiums received	(2,351,771)	-	-	-	(2,351,771)
Claims and other expenses paid including investment component	-	-	1,088,791	-	1,088,791
Total cash flows	(2,351,771)	-	1,088,791	-	(1,262,980)
Additional items					
Deferred acquisition costs of cash flow	244,628	-	-	-	244,628
Total additional items	244,628	-	-	-	244,628
Takaful contract liabilities as at 30 June 2025	(2,566,538)	-	(5,075,597)	(193,521)	(7,835,656)
Takaful contract assets as at 30 June 2025	-	-	-	-	-
Takaful contract liabilities as at 30 June 2025	(2,566,538)	-	(5,075,597)	(193,521)	(7,835,656)
Net Takaful contract liabilities as at 30 June 2025	(2,566,538)	-	(5,075,597)	(193,521)	(7,835,656)

Notes to the interim condensed consolidated financial information (continued)

11 Takaful and reinsurance contracts (continued)

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

	Remaining Coverage Component		Incurred claims for contracts under the PAA		
30 June 2026 (unaudited)	Excluding loss component KD	Loss component KD	Present Value of Cash flows KD	Risk Adjustment KD	Total KD
Reinsurance contract assets as at 1 January 2026	1,071,313	-	3,626,386	167,100	4,864,799
Reinsurance contract liabilities as at 1 January 2026	(1,363)	-	-	-	(1,363)
Net reinsurance contract assets as at 1 January 2026	1,069,950	-	3,626,386	167,100	4,863,436
Reinsurance expenses	(1,460,633)	-	-	-	(1,460,633)
Expenses from reinsurance contracts held:					
Risk adjustment release gross	-	-	-	(104,232)	(104,232)
New claims incurred over the period	-	-	177,706	9,197	186,903
Incurred claims settled during the period	-	-	(308,185)	-	(308,185)
Increase in incurred claim liability	-	-	2,912,070	147,881	3,059,951
Claims and expenses paid	-	-	248,576	-	248,576
Release for Incurred claims expected over the period	-	-	(2,058,563)	-	(2,058,563)
Amortisation of insurance acquisition cash flows	99,677	-	-	-	99,677
Net expenses from reinsurance contracts held	99,677	-	971,604	52,846	1,124,127
Reinsurance service result	(1,360,956)	-	971,604	52,846	(336,506)
Reinsurance finance income	-	-	97,195	-	97,195
Total amounts recognised in profit or loss	(1,360,956)	-	1,068,799	52,846	(239,311)
Cash flows					
Premiums paid	719,389	-	-	-	719,389
Claims and other expenses paid, including investment component	-	-	(248,576)	-	(248,576)
Total cash flows	719,389	-	(248,576)	-	470,813
Additional items					
Deferred acquisition costs of cash flow	(115,276)	-	-	-	(115,276)
Total additional items	(115,276)	-	-	-	(115,276)
Reinsurance contract assets as at 30 June 2026	313,107	-	4,446,609	219,946	4,979,662
Reinsurance contract assets as at 30 June 2026	313,107		4,446,609	219,946	4,979,662
Net reinsurance contract assets as at 30 June 2026	313,107	-	4,446,609	219,946	4,979,662

Notes to the interim condensed financial information (continued)

11 Takaful and reinsurance contracts (continued)

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

	Remaining Coverage Component		Incurred claims for contracts under the PAA		Total
	Excluding loss component	Loss component	Present Value of Cash flows	Risk Adjustment	
30 June 2025 (unaudited)	KD	KD	KD	KD	KD
Reinsurance contract assets as at 1 January 2025	947,536	-	2,699,630	128,607	3,775,773
Reinsurance contract liabilities as at 1 January 2025	(2,494)	-	-	-	(2,494)
Net reinsurance contract assets as at 1 January 2025	945,042	-	2,699,630	128,607	3,773,279
Reinsurance expenses	(1,099,772)	-	-	-	(1,099,772)
Risk adjustment release gross	-	-	-	(50,042)	(50,042)
New claims incurred over the period	-	-	865,031	29,794	894,825
Incurred claims settled during the period	-	-	(424,175)	-	(424,175)
Increase in incurred claim liability	-	-	963,824	39,244	1,003,068
Claims and expenses paid	-	-	165,418	-	165,418
Release for Incurred claims expected over the period	-	-	(858,649)	-	(858,649)
Amortisation of insurance acquisition cash flows	116,211	-	-	-	116,211
Net expenses from reinsurance contracts held	(983,561)	-	711,449	18,996	(253,116)
Reinsurance finance income	-	-	70,280	-	70,280
Total amounts recognised in profit or loss	(983,561)	-	781,729	18,996	(182,836)
Cash flows					
Premiums paid	827,224	-	-	-	827,224
Claims & other expenses paid, including investment component	-	-	(165,419)	-	(165,419)
Total cash flows	827,224	-	(165,419)	-	661,805
Additional items					
Deferred acquisition costs of cash flow	(131,720)	-	-	-	(131,720)
Total additional items	(131,720)	-	-	-	(131,720)
Reinsurance contract assets as at 30 June 2025	656,985	-	3,315,940	147,603	4,120,528
Reinsurance contract assets as at 30 June 2025	661,462	-	3,315,928	147,603	4,124,993
Reinsurance contract liabilities as at 30 June 2025	(4,477)	-	12		(4,465)
Net reinsurance contract assets as at 30 June 2025	656,985	-	3,315,940	147,603	4,120,528

Notes to the interim condensed consolidated financial information (continued)

12 Related party transactions and balances

Related parties represent Parent Company, associates, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management. Details of transactions and balances between the Group and its related parties are disclosed below.

	Three months ended		Six months ended	
	30 June 2026 (unaudited) KD	30 June 2025 (unaudited) KD	**30 June 2026 (unaudited) KD**	30 June 2025 (unaudited) KD
Shareholders:				
Interim condensed consolidated statement of profit or loss and other comprehensive income:				
Consultancy fees	**6,500**	6,500	**13,000**	13,000
Investment fees	**12,313**	668	**12,927**	668
Interim condensed consolidated statement of financial position				
Partial disposal of investment in associate - at proportionate carrying value*	**-**	-	**-**	60,000
Policyholders:				
Interim condensed statement of profit or loss and other comprehensive income:				
Takaful revenue	**280,401**	252,509	**711,678**	589,716
Rental expenses	**45,428**	18,617	**45,428**	37,234
Key management compensation:				
Salaries and other short-term benefits	**46,711**	44,001	**109,069**	119,126
End of service benefits	**2,287**	3,189	**6,261**	6,377
	48,998	47,190	**115,330**	125,503

*During the comparative period, the Parent Company partially disposed one of its investments in an associate to a related party at a proportionate carrying value of KD 60,000, resulting in no gain or loss.

	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Policyholders:			
Interim condensed statement of financial position			
Takaful contract liabilities	**289,046**	86,941	166,449
Due to related parties- included in other liabilities	**322,572**	292,071	253,461
Amount due to shareholders	**-**	473,074	-
Amount due from shareholders	**71,617**	-	73,670
Shareholders:			
Interim condensed consolidated statement of financial position:			
Cash balances with portfolio manager	**5,867**	-	-
Investments at FVTOCI - Managed portfolio	**5,700,440**	-	-
Due from related parties			
-On sale of investment properties classified as held for sale	**1,251,983**	1,251,983	1,923,710
-On sale of investment at FVTOCI	**1,533,650**	1,463,534	2,234,911
-Others	**63,617**	63,617	51,359
Amount due from policyholders	**-**	473,074	-
Amount due to policyholders	**71,617**	-	73,670

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis

Operating segments are identified based on internal management reporting information that is regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance, and is reconciled to Group's profit or loss.

The Group operates in the sectors of investment and takaful insurance as follows:

	Investment KD	Takaful insurance KD	Unallocated KD	Total KD
Shareholders				
For the six months ended 30 June 2026 (Unaudited)				
Segment income	**126,357**	**-**	**-**	**126,357**
Segment expense	**(14,248)**		**(92,155)**	**(106,403)**
Profit / (loss) for the period	**112,109**		**(92,155)**	**19,954**
As at 30 June 2026 (Unaudited)				
Total assets	**12,309,937**	**3,339,464**	**3,031,602**	**18,681,003**
Total liabilities	**-**	**(3,339,464)**	**(101,302)**	**(3,440,766)**
Net assets	**12,309,937**	**-**	**2,930,300**	**15,240,237**
Shareholders				
For the six months ended 30 June 2025				
Segment income	32,350	-	575	32,925
Segment expenses	(668)	-	(58,358)	(59,026)
Profit / (loss) for the period	31,682	-	(57,783)	(26,101)
As at 30 June 2025				
Total assets	5,060,750	3,248,129	4,602,147	12,911,026
Total liabilities	-	(3,321,799)	(41,203)	(3,363,002)
Net assets/ (liabilities)	5,060,750	(73,670)	4,560,944	9,548,024
Policyholders				
For the six months ended 30 June 2026 (Unaudited)				
Takaful revenue	**-**	**2,613,466**	**-**	**2,613,466**
Reinsurance service results	**-**	**(1,475,238)**	**-**	**(1,475,238)**
Net surplus/(deficit) for the period	**15,286**	**773,821**	**(397,659)**	**391,448**
As at 30 June 2026				
Total assets	**822,000**	**4,979,662**	**374,299**	**6,175,961**
Total liabilities	**-**	**(7,894,194)**	**(1,621,231)**	**(9,515,425)**
Net assets/ (liabilities)	**822,000**	**(2,914,532)**	**(1,246,932)**	**(3,339,464)**

Notes to the interim condensed consolidated financial information (continued)

13 Segmental analysis (continued)

	Investment KD	Takaful insurance KD	Unallocated KD	Total KD
Policyholders (restated)				
For the six months ended 30 June 2025				
Takaful revenue	-	2,527,280	-	2,527,280
Reinsurance service results	-	(2,167,265)	-	(2,167,265)
Net surplus / (deficit) for the period	16,309	92,334	(303,559)	(194,916)
As at 30 June 2025				
Total assets	1,128,847	4,124,993	369,627	5,623,467
Total liabilities	-	(8,070,622)	(1,626,079)	(9,696,701)
Net assets / (liabilities)	1,128,847	(3,945,629)	(1,256,452)	(4,073,234)

14 Annual General Assembly of & Extra-ordinary general assembly Shareholders

The general assembly of the shareholders held on 26 April 2026 approved the financial statements for the year ended 31 December 2025 and the proposal of the board of directors not to distribute any dividends for the year then ended. Further, the shareholders approved to distribute board of directors' remuneration amounting KD 21,000 for the year ended 31 December 2025. which has been recorded in the current reporting period in the interim condensed consolidated statement of profit or loss under general and administrative expenses.

15 Contingent liabilities

Policyholders

The Group is a defendant in a number of legal cases filed by Takaful contract holders in respect of claims subject to dispute with the Group for which Group has made provisions which, in its opinion, are adequate to cover any resultant liabilities.

16 Fair value measurement

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

The financial assets and liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
30 June 2026 (Unaudited)				
SHAREHOLDERS				
Investments at fair value through other comprehensive income				
Local quoted securities	**5,757,919**	**-**	**-**	**5,757,919**
Foreign unquoted securities	**-**	**-**	**2,981,328**	**2,981,328**
	5,757,919	**-**	**2,981,328**	**8,739,247**
31 December 2025 (Audited)				
SHAREHOLDERS				
Investments at fair value through other comprehensive income				
Local quoted securities	426,798	-	-	426,798
Foreign unquoted securities	-	-	2,981,328	2,981,328
	426,798	-	2,981,328	3,408,126
POLICYHOLDERS				
Investments at fair value through other comprehensive income				
Local unquoted securities	-	-	389,976	389,976
	-	-	389,976	389,976
30 June 2025 (Unaudited)				
SHAREHOLDERS				
Investments at fair value through other comprehensive income				
Local quoted securities	21,636	-	-	21,636
Foreign unquoted securities	-	-	2,961,049	2,961,049
	21,636	-	2,961,049	2,982,685
POLICYHOLDERS				
Investments at fair value through other comprehensive income				
Local unquoted securities	-	-	306,847	306,847
	-	-	306,847	306,847

There has been no transfer between levels 1 and 2 during the reporting period. The Group does not have any financial liabilities at fair value.

Notes to the interim condensed consolidated financial information (continued)

16 Fair value measurement (continued)

Measurement at fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

	Unquoted securities		
	30 June 2026 (Unaudited) KD	31 Dec. 2025 (Audited) KD	30 June 2025 (Unaudited) KD
Shareholders			
Opening balance	**2,981,328**	2,961,049	2,961,049
Change in fair value during the period/year	**-**	20,279	-
Closing balance	**2,981,328**	2,981,328	2,961,049
Policyholders			
Opening balance	**389,976**	306,847	306,847
Change in fair value during the period/year	**-**	83,129	-
Derecognition of financial assets at FVTOCI during the period	**(389,976)**	-	-
Closing balance	**-**	389,976	306,847

17 Geopolitical developments

During the period ended 30 June 2026, ongoing geopolitical developments in the Middle East have contributed to heightened uncertainty and volatility in global and regional financial markets.

Management has considered the potential implications of these developments in preparing this interim condensed consolidated financial information in accordance with IAS 34. These included assessments for any increase in credit and liquidity risks as well as fair values of financial and non-financial assets. Management has not identified any increase in credit risk while it closely evaluates the liquidity position through monitoring of cash flows.

Further, management has assessed whether the fair value of financial assets and liabilities reflects the price that would be received in transactions between market participants under current conditions. Management concluded that there are no fair value impairment losses requiring adjustments to this interim condensed consolidated financial information.

Management has also assessed the impact of the current situation on the Group's ability to continue as a going concern and concluded that it remains appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

Given the evolving nature of the situation, the management continues to monitor developments and will assess the potential impact on the Group's financial position, financial performance and cash flows.

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