

**AL-AHLEIA INSURANCE COMPANY S.A.K.P.
AND ITS SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION AND INDEPENDENT AUDITOR'S REVIEW
REPORT
(UNAUDITED)**

30 JUNE 2024



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL-AHLEIA INSURANCE COMPANY S.A.K.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Ahleia Insurance Company S.A.K.P. (the “Parent Company”) and its subsidiaries (collectively “the Group”) as at 30 June 2024, and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, nor of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended 30 June 2024 that might have had a material effect on the business of the Parent Company or on its financial position.



REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL-AHLEIA INSURANCE COMPANY S.A.K.P.

Report on Other Legal and Regulatory Requirements (continued)

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 2024 that might have had a material effect on the business of the Company or on its financial position.

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a smaller loop and a short horizontal stroke.

ABDULKARIM AL-SAMDAN
LICENCE NO. 208 A
EY
(AL AIBAN AL OSAIMI & PARTNERS)

8 August 2024
Kuwait

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
(UNAUDITED)

For the period ended 30 June 2024

	Notes	Three months ended		Six months ended	
		30 June		30 June	
		2024	2023	2024	2023
		KD	KD	KD	KD
Revenue:					
Insurance revenue	4	30,823,800	26,138,078	62,959,998	55,365,192
Insurance service expenses	4	(26,145,050)	(27,527,569)	(46,698,136)	(50,311,318)
Insurance service result before reinsurance contracts held					
		4,678,750	(1,389,491)	16,261,862	5,053,874
Amounts recoverable from reinsurers for incurred claims	5	3,826,170	7,041,164	3,517,423	12,942,114
Net expense from reinsurance contracts held	5	(5,215,102)	(3,606,066)	(10,593,783)	(9,079,639)
Net (expense) income from reinsurance contracts held					
		(1,388,932)	3,435,098	(7,076,360)	3,862,475
Insurance service result					
		3,289,818	2,045,607	9,185,502	8,916,349
Finance (expenses) income from insurance contracts issued	4	(715,634)	464,895	(2,032,564)	(1,212,096)
Finance income (expense) from reinsurance contracts held	5	381,684	(29,191)	910,545	488,981
Net insurance financial result					
		2,955,868	2,481,311	8,063,483	8,193,234
Net investment income	6	2,043,114	2,637,187	7,397,979	6,002,166
Rental income from investment properties		165,115	153,591	333,787	310,803
Investment property operating expenses		(14,842)	(17,209)	(30,925)	(34,248)
Unallocated general and administrative expenses		(1,548,501)	(742,409)	(2,572,897)	(1,571,486)
Net other (expenses) income		(171,853)	(1,708,319)	79,245	(1,912,486)
Foreign exchange differences		(201,510)	(614,758)	(512,055)	(614,758)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO ZAKAT, KFAS AND NLST					
		3,227,391	2,189,394	12,758,617	10,373,225
Contribution to KFAS		(32,697)	(60,038)	(128,291)	(118,850)
NLST		(18,334)	(134,268)	(248,690)	(297,905)
Zakat		(8,030)	(53,706)	(100,172)	(119,162)
NET PROFIT FOR THE PERIOD					
		3,168,330	1,941,382	12,281,464	9,837,308
Attributable to:					
Equity holders of the Parent Company		2,696,532	1,836,368	11,487,228	9,434,890
Non-controlling interests		471,798	105,014	794,236	402,418
PROFIT FOR THE PERIOD					
		3,168,330	1,941,382	12,281,464	9,837,308
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY					
	7	12.44 fils	8.47 fils	53.01 fils	43.54 fils

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

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2024

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	3,168,330	1,941,382	12,281,464	9,837,308
Other comprehensive income:				
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
Share of other comprehensive income from associates	(232,979)	341,113	88,491	273,346
Exchange difference on translation on foreign operation	(70,488)	142,199	(38,153)	179,370
	(303,467)	483,312	50,338	452,716
<i>Items that will not be subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Change in fair value of financial assets at FVOCI	604,875	1,577,249	584,972	(6,555,938)
Other comprehensive income (loss) for the period	301,408	2,060,561	635,310	(6,103,222)
Total comprehensive income for the period	3,469,738	4,001,943	12,916,774	3,734,086
Attributable to:				
Equity holders of the Parent Company	3,009,355	3,778,754	12,134,175	3,271,647
Non-controlling interests	460,383	223,189	782,599	462,439
	3,469,738	4,001,943	12,916,774	3,734,086

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

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2024

		30 June 2024 KD	(Audited) 31 December 2023 KD	30 June 2023 KD
ASSETS				
Cash and cash equivalent	8	8,355,984	8,181,168	9,727,728
Term deposits	8	187,632,506	169,337,160	152,005,874
Other assets		8,451,815	7,786,345	7,877,433
Insurance contract assets	4	100,545	5,363	76,848
Reinsurance contract assets	5	51,721,299	57,037,094	58,491,726
Debt instrument at amortised cost		45,628,944	44,097,711	37,494,434
Financial assets at fair value through other comprehensive income		20,080,700	18,478,724	19,416,917
Financial assets at fair value through profit or loss		32,907,481	29,339,851	27,722,866
Investment properties		11,834,578	11,834,859	11,816,773
Investments in associates		21,746,135	25,247,377	23,728,407
Property and equipment		3,358,278	3,315,316	3,265,754
TOTAL ASSETS		391,818,265	374,660,968	351,624,760
LIABILITIES AND EQUITY				
LIABILITIES				
Insurance contract liabilities	4	213,891,115	200,565,084	193,137,935
Reinsurance contract liabilities	5	7,249,702	5,948,840	2,230,803
Other liabilities		18,332,850	19,453,067	17,832,904
Total liabilities		239,473,667	225,966,991	213,201,642
Equity				
Share capital	9	22,050,000	22,050,000	22,050,000
Statutory reserve		20,000,000	20,000,000	20,000,000
Voluntary reserve		20,000,000	20,000,000	20,000,000
Special voluntary reserve	10	19,000,000	19,000,000	18,000,000
Treasury shares	11	(1,277,216)	(1,278,932)	(1,278,932)
Treasury shares reserve		1,477,111	1,474,675	1,474,675
Cumulative changes in fair value reserve		(9,520,124)	(10,200,564)	(9,509,447)
Foreign currency translation reserve		501,672	535,400	450,228
Retained earnings		66,902,668	66,791,778	57,417,403
Other reserves		3,314,120	1,399,845	1,399,845
Equity attributable to the equity holders of the Parent Company		142,448,231	139,772,202	130,003,772
Non-controlling interests		9,896,367	8,921,775	8,419,346
Total Equity		152,344,598	148,693,977	138,423,118
TOTAL LIABILITIES AND EQUITY		391,818,265	374,660,968	351,624,760

Ayman Abdullatif Al-Shayea
Chairman

Yousef Saad Al Saad
Chief Executive Officer

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

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2024

Equity attributable to equity holders of the Parent Company

	<i>Share capital KD</i>	<i>Statutory Reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Special voluntary reserve KD</i>	<i>Treasury Shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Cumulative change in Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Other reserves KD</i>	<i>Subtotal KD</i>	<i>Non-controlling interests KD</i>	<i>Total equity KD</i>
Balance as at 1 January 2024	22,050,000	20,000,000	20,000,000	19,000,000	(1,278,932)	1,474,675	(10,200,564)	535,400	66,791,778	1,399,845	139,772,202	8,921,775	148,693,977
Profit for the period									11,487,228		11,487,228	794,236	12,281,464
Other comprehensive income (loss)	-	-	-	-	-	-	680,675	(33,728)	-	-	646,947	(11,637)	635,310
Total comprehensive income for the period	-	-	-	-	-	-	680,675	(33,728)	11,487,228	-	12,134,175	782,599	12,916,774
Cash dividends (Note 12)	-	-	-	-	-	-	-	-	(6,500,899)	-	(6,500,899)	(136,520)	(6,637,419)
Sale of treasury shares	-	-	-	-	1,716	2,436	-	-	-	-	4,152	-	4,152
Change of ownership percentage of a subsidiary	-	-	-	-	-	-	-	-	-	1,678	1,678	(2,634,564)	(2,632,886)
In-kind dividends (Note 12)	-	-	-	-	-	-	-	-	(4,875,674)	1,912,597	(2,963,077)	2,963,077	-
Gain on disposal of investments at fair value through OCI	-	-	-	-	-	-	(235)	-	235	-	-	-	-
As at 30 June 2024	22,050,000	20,000,000	20,000,000	19,000,000	(1,277,216)	1,477,111	(9,520,124)	501,672	66,902,668	3,314,120	142,448,231	9,896,367	152,344,598

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

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

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

For the period ended 30 June 2024

<i>Equity attributable to equity holders of the Parent Company</i>													
	<i>Share Capital KD</i>	<i>Statutory reserve KD</i>	<i>Voluntary reserve KD</i>	<i>Special voluntary reserve KD</i>	<i>Treasury Shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Cumulative change in Fair value reserve KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Other reserves KD</i>	<i>Subtotal KD</i>	<i>Non- controlling Interests KD</i>	<i>Total equity KD</i>
Balance as at 1 January 2023 after application of IFRS 17 (restated)	22,050,000	20,000,000	20,000,000	18,000,000	(1,278,932)	1,474,675	9,265,630	270,858	46,038,280	1,454,565	137,275,076	8,045,708	145,320,784
Impact of initial application of IFRS 9	-	-	-	-	-	-	(12,432,464)	-	10,612,099	-	(1,820,365)	(32,915)	(1,853,280)
Balance as at 1 January 2023 (restated)	22,050,000	20,000,000	20,000,000	18,000,000	(1,278,932)	1,474,675	(3,166,834)	270,858	56,650,379	1,454,565	135,454,711	8,012,793	143,467,504
Profit for the period	-	-	-	-	-	-	-	-	9,434,890	-	9,434,890	402,418	9,837,308
Other comprehensive (loss) income	-	-	-	-	-	-	(6,342,613)	179,370	-	-	(6,163,243)	60,021	(6,103,222)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(6,342,613)	179,370	9,434,890	-	3,271,647	462,439	3,734,086
Cash dividends (Note 12)	-	-	-	-	-	-	-	-	(8,667,866)	-	(8,667,866)	(107,342)	(8,775,208)
Change of ownership percentage of a subsidiary	-	-	-	-	-	-	-	-	-	(54,720)	(54,720)	51,456	(3,264)
As at 30 June 2023	22,050,000	20,000,000	20,000,000	18,000,000	(1,278,932)	1,474,675	(9,509,447)	450,228	57,417,403	1,399,845	130,003,772	8,419,346	138,423,118

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

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 KD	2023 KD
OPERATING ACTIVITIES			
Profit for the period before contribution to Zakat, KFAS and NLST		12,758,617	10,373,225
<i>Adjustments for:</i>			
Depreciation of property and equipment		70,937	57,696
Investment income	6	(7,397,979)	(6,002,166)
Rental income from investment properties		(333,787)	(310,803)
Provision of employees' end of service benefits		229,579	243,577
		<u>5,327,367</u>	<u>4,361,529</u>
<i>Changes in operating assets and liabilities:</i>			
Other assets		770,350	(524,313)
Insurance contract assets		(95,182)	16,065,607
Reinsurance contract assets		5,315,795	(1,847,602)
Insurance contract liabilities		13,239,779	13,915,941
Reinsurance contract liabilities		1,300,862	(19,378,562)
Other liabilities		(1,775,190)	2,613,792
		<u>24,083,781</u>	<u>15,206,392</u>
Cash flows from operations		24,083,781	15,206,392
Employees' end of service benefits paid		(87,152)	(52,914)
		<u>23,996,629</u>	<u>15,153,478</u>
INVESTING ACTIVITIES			
Movement in time deposits		(18,295,346)	(5,424,903)
Acquisition of non-controlling interest		(1,034)	(3,264)
Purchase of financial assets at fair value through profit or loss		(4,062,225)	(2,565,548)
Purchase of financial assets at fair value through OCI		(1,017,886)	-
Proceed from sale of financial assets at fair value through profit or loss		1,203,197	322,955
Proceed from sale of financial assets at fair value through OCI		882	-
Purchase of property and equipment		(114,527)	(51,523)
Investment income received		5,568,155	3,395,588
Purchase of debt instruments at amortised cost		(1,546,014)	(12,201)
Proceeds of debt instruments at amortised cost		10,579	11,087
Rental income received		337,409	322,820
Dividend income from investment in associates		635,605	-
		<u>(17,281,205)</u>	<u>(4,004,989)</u>
FINANCING ACTIVITY			
Cash dividends paid		(6,602,026)	(8,806,535)
Proceed from sale of treasury shares		4,152	-
		<u>(6,597,874)</u>	<u>(8,806,535)</u>
Foreign currency exchange differences			
		57,266	(19,836)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		8,181,168	7,405,610
		<u>8,355,984</u>	<u>9,727,728</u>
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	8	<u>8,355,984</u>	<u>9,727,728</u>

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

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the period ended 30 June 2024

1 ACTIVITIES

The Parent Company is a Kuwaiti Shareholding Company registered in 1962 under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments. The Parent Company is principally engaged in various insurance and reinsurance activities, as set forth in the Parent Company's Articles of Association. The Parent Company's head office is located at Ahmad Al-Jaber Street and its registered postal address is P. O. Box 1602, Safat 13017, Kuwait.

The interim condensed consolidated financial information of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiaries – Kuwait Reinsurance Company K.S.C.P., and Trade Union Holding CO. B.S.C. (Closed), Bahrain, (collectively, the "Group") for the six-months period ended 30 June 2024 was authorized for issuance by the Board of Directors on 8 August 2024.

The consolidated financial statements of the Group for the year ended 31 December 2023 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting held on 28 April 2024.

2 BASIS OF PREPARATION

Statement of compliance

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard (IAS 34), *Interim Financial Reporting (IAS 34)*. The interim condensed consolidated financial information is presented in Kuwaiti Dinars, which is the functional currency of the Parent Company.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. Operating results for the six months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 New standards, interpretations and amendments adopted by the Group

The material accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and amendments effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

Other amendments to IFRS which are effective for annual accounting period starting from 1 January 2024 did not have any material impact on the accounting policies, financial position or performance of the Group.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

4 INSURANCE CONTRACT ASSETS/ LIABILITIES

	30 June 2024					30 June 2023				
	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 future cash flows KD	Risk adjustment KD	Total KD
Opening liabilities	(17,015,049)	-	166,465,352	51,114,781	200,565,084	(5,973,924)	-	154,983,574	28,925,862	177,935,512
Opening assets	(5,141)	-	(166)	(56)	(5,363)	(16,893,189)	-	578,081	172,653	(16,142,455)
Net opening balance	(17,020,190)	-	166,465,186	51,114,725	200,559,721	(22,867,113)	-	155,561,655	29,098,515	161,793,057
ECL from IFRS 9 adoption	-	-	-	-	-	(1,400,000)	-	-	-	(1,400,000)
Net opening balance	(17,020,190)	-	166,465,186	51,114,725	200,559,721	(24,267,113)	-	155,561,655	29,098,515	160,393,057
Insurance revenue	(62,959,998)	-	-	-	(62,959,998)	(55,365,192)	-	-	-	(55,365,192)
<i>Insurance service expenses</i>										
Incurring claims and other directly attributable expenses	-	-	80,128,272	41,512,149	121,640,421	-	-	71,341,619	-	71,341,619
Changes relating to liabilities for incurred claims	-	-	(49,005,641)	(32,049,313)	(81,054,954)	-	-	(37,776,229)	13,103,837	(24,672,392)
Insurance acquisition costs incurred	6,112,669	-	-	-	6,112,669	3,642,091	-	-	-	3,642,091
Insurance service expenses	6,112,669	-	31,122,631	9,462,836	46,698,136	3,642,091	-	33,565,390	13,103,837	50,311,318
Insurance service result	(56,847,329)	-	31,122,631	9,462,836	(16,261,862)	(51,723,101)	-	33,565,390	13,103,837	(5,053,874)
Net finance expense from insurance contracts	-	-	2,032,564	-	2,032,564	-	-	1,212,096	-	1,212,096
Effect of movements in exchange rates	6,081	-	(32,186)	(25,429)	(51,534)	(10,457)	-	59,989	19,651	69,183
Total changes in the interim condensed consolidated statement of income	(56,841,248)	-	33,123,009	9,437,407	(14,280,832)	(51,733,558)	-	34,837,475	13,123,488	(3,772,595)
<i>Cash flows</i>										
Premiums received	63,324,514	-	-	-	63,324,514	69,225,371	-	-	-	69,225,371
Claims and other directly attributable expenses paid	-	-	(30,232,213)	-	(30,232,213)	-	-	(29,661,516)	-	(29,661,516)
Insurance acquisition cash flows	(5,580,620)	-	-	-	(5,580,620)	(3,123,230)	-	-	-	(3,123,230)
Total cash flows	57,743,894	-	(30,232,213)	-	27,511,681	66,102,141	-	(29,661,516)	-	36,440,625
Net closing balance	(16,117,544)	-	169,355,982	60,552,132	213,790,570	(9,898,530)	-	160,737,614	42,222,003	193,061,087
Closing liabilities	(15,639,250)	-	169,210,067	60,320,298	213,891,115	(9,444,537)	-	160,493,578	42,088,894	193,137,935
Closing assets	(478,294)	-	145,915	231,834	(100,545)	(453,993)	-	244,036	133,109	(76,848)
Net closing balance	(16,117,544)	-	169,355,982	60,552,132	213,790,570	(9,898,530)	-	160,737,614	42,222,003	193,061,087

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

5 REINSURANCE CONTRACTS ASSETS (LIABILITIES)

	30 June 2024					30 June 2023				
	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	10,142,497	-	(3,874,528)	(319,129)	5,948,840	21,681,804	-	(90,000)	(8,663)	21,583,141
Opening assets	(985,829)	-	(52,545,171)	(3,506,094)	(57,037,094)	(5,040,606)	-	(49,365,017)	(2,212,277)	(56,617,900)
Net opening balance	9,156,668	-	(56,419,699)	(3,825,223)	(51,088,254)	16,641,198	-	(49,455,017)	(2,220,940)	(35,034,759)
Changes in the interim condensed consolidated statement of income										
Allocation of reinsurance premiums	10,593,783	-	-	-	10,593,783	9,079,639	-	-	-	9,079,639
Amounts recoverable from reinsurers	-	-	(32,913,790)	(755,462)	(33,669,252)	-	-	(1,644,915)	-	(1,644,915)
Incurred claims & other expenses	-	-	27,367,570	2,784,259	30,151,829	-	-	(10,320,379)	(976,820)	(11,297,199)
Changes in amounts recoverable on incurred claims	-	-	-	-	-	-	-	-	-	-
Total amounts recoverable from reinsurers	-	-	(5,546,220)	2,028,797	(3,517,423)	-	-	(11,965,294)	(976,820)	(12,942,114)
Net expense from reinsurance contracts held	10,593,783	-	(5,546,220)	2,028,797	7,076,360	9,079,639	-	(11,965,294)	(976,820)	(3,862,475)
Net finance income from reinsurance contracts	-	-	(910,545)	-	(910,545)	-	-	(488,981)	-	(488,981)
Effect of movements in exchange rates	(1,451)	-	1,709	136	394	1,424	-	(2,237)	(844)	(1,657)
Total changes in the interim condensed consolidated statement of income	10,592,332	-	(6,455,056)	2,028,933	6,166,209	9,081,063	-	(12,456,512)	(977,664)	(4,353,113)
Cash flows										
Premiums paid net of commission received	(8,888,798)	-	-	-	(8,888,798)	(18,333,280)	-	-	-	(18,333,280)
Claims and other recoveries	-	-	9,405,860	-	9,405,860	-	-	1,777,761	-	1,777,761
Directly attributable expenses paid	-	-	(66,614)	-	(66,614)	-	-	(317,532)	-	(317,532)
Total cash flows	(8,888,798)	-	9,339,246	-	450,448	(18,333,280)	-	1,460,229	-	(16,873,051)
Net closing balance	10,860,202	-	(53,535,509)	(1,796,290)	(44,471,597)	7,388,981	-	(60,451,300)	(3,198,604)	(56,260,923)
Closing liabilities	9,886,950	-	(2,491,116)	(146,132)	7,249,702	2,362,764	-	(120,241)	(11,720)	2,230,803
Closing assets	973,252	-	(51,044,393)	(1,650,158)	(51,721,299)	5,026,217	-	(60,331,059)	(3,186,884)	(58,491,726)
Net closing balance	10,860,202	-	(53,535,509)	(1,796,290)	(44,471,597)	7,388,981	-	(60,451,300)	(3,198,604)	(56,260,923)

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

6 NET INVESTMENT INCOME

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Dividend income	628,235	423,842	1,101,546	884,419
Interest income	2,805,069	2,404,738	5,610,620	4,506,175
Income from funds	117,367	46,925	295,431	136,680
Net realized gain (loss) from financial assets at fair value through profit or loss	407,235	(411)	443,873	49,893
Unrealised (loss) gain on financial assets at fair value through profit or loss	(1,024,569)	(39,840)	272,738	(33,474)
Share of results of associates	(890,223)	(198,067)	(326,229)	458,473
	2,043,114	2,637,187	7,397,979	6,002,166

7 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Three months ended</i>		<i>Six months ended</i>	
	<i>30 June</i>		<i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2023</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period attributable to the equity holders of the Parent Company (KD)	2,696,532	1,836,368	11,487,228	9,434,890
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares) (shares)	216,697,817	216,696,640	216,697,228	216,696,640
Basic and diluted earnings per share	12.44 fils	8.47 fils	53.01 fils	43.54 fils

8 CASH AND CASH EQUIVALENTS

	<i>30 June</i>		<i>(Audited)</i>	<i>30 June</i>
	<i>2024</i>		<i>31 December</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Term deposits	187,632,506	170,873,410		154,543,162
Bank balances and cash	8,355,984	6,644,918		7,190,440
	195,988,490	177,518,328		161,733,602
Cash and short-term deposits				
Term deposits with original maturities of more than three months	(187,632,506)	(169,337,160)		(152,005,874)
Cash and cash equivalents	8,355,984	8,181,168		9,727,728

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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8 CASH AND CASH EQUIVALENTS (continued)

Term deposits amounting to KD 110,000 (31 December 2023: KD 110,000 and 30 June 2023: KD 110,000) are pledged as security to fulfill collateral requirements.

Term deposits include an amount of KD 4,880,000 related to the Parent Company held in State of Kuwait under lien to the Insurance Regulatory Unit (IRU) in accordance with insurance regulations of State of Kuwait (31 December 2023: KD 4,880,000 and 30 June 2023: KD 4,515,000).

9 SHARE CAPITAL

Issued and fully paid-up share capital consists of 220,500,000 shares of 100 fils each (31 December 2023: 220,500,000 shares of 100 fils and 30 June 2023: 220,500,000 shares of 100 fils each).

10 SPECIAL VOLUNTARY RESERVE

On 28 April 2024, the Ordinary Annual General Assembly of the shareholders of the Parent Company approved the transfer of an amount of KD 1,000,000 from the profit for the year ended 31 December 2023 to the special voluntary reserve.

11 TREASURY SHARES

	30 June 2024	<i>(Audited)</i> 31 December 2023	30 June 2023
Number of treasury shares	3,798,256	3,803,360	3,803,360
Percentage of issued shares (%)	1.72	1.72	1.72
Cost (KD)	1,277,216	1,278,932	1,278,932
Market value (KD)	2,970,236	2,320,050	1,939,714

Reserves amounting to KD 1,277,216 (31 December 2023: KD 1,278,932 and 30 June 2023: KD 1,278,932) equivalent to the cost of the treasury shares held, are not available for distribution during the holding period of such shares as per CMA guidelines.

The weighted average market price of the Parent Company's shares for the period ended 30 June 2024 is 728 fils per share (31 December 2023: 579 fils per share and 30 June 2023: 526 fils per share).

12 ANNUAL GENERAL ASSEMBLY

The Annual General Assembly meeting of the shareholders of the Parent Company held on 28 April 2024 approved the consolidated financial statements for the year ended 31 December 2023 and approved the cash dividends of 30%, with a total amount of KD 6,500,899 and in-kind distributions of 5% of the Parent Company's share in Kuwait Reinsurance Company, the subsidiary, to the shareholders of the Parent Company at a rate of one share for every 20 shares. This has been approved by Boursa Kuwait Securities Company and the regulatory authorities.

For the year ended 31 December 2022 approved the cash dividends of 40% totaling to KD 8,667,866, Accordingly, cash dividends were recorded as dividends payable in the Parent Company's recorded as of the date of the Ordinary Annual General Assembly and was paid to the shareholders starting from the payment date of 18 April 2023 which was defined in accordance with Capital Market Authority regulations.

The Annual General Assembly of the shareholders of the Parent Company approved the transfer of an amount of KD 1,000,000 from the profit for the year ended 31 December 2023 to the special voluntary reserve.

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

13 SEGMENT INFORMATION

The Group operates in following segments: general risk insurance, life and medical insurance, reinsurance and investment. Within general risk insurance are Marine and Aviation, General Accidents and Fire and Motor.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with interim condensed consolidated statement of income.

The following are the details of these segments:

	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Reinsurance KD</i>	<i>Investment and unallocated KD</i>	<i>Total KD</i>
30 June 2024					
Revenue	14,457,324	10,589,722	37,912,952	7,731,766	70,691,764
Segment results	<u>2,881,107</u>	<u>534,985</u>	<u>7,194,027</u>	<u>2,148,498</u>	<u>12,758,617</u>
	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Reinsurance KD</i>	<i>Investment and unallocated KD</i>	<i>Total KD</i>
Total Assets	32,924,629	13,971,397	209,117,629	135,804,610	391,818,265
Total Liabilities	49,882,729	64,900,781	124,480,743	209,414	239,473,667

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

13 SEGMENT INFORMATION (continued)

	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Reinsurance KD</i>	<i>Investments and Unallocated KD</i>	<i>Total KD</i>
31 December 2023 (<i>Audited</i>)					
Total Assets	31,525,430	13,251,500	198,821,186	131,062,852	374,660,968
Total Liabilities	45,139,697	61,691,852	119,134,465	977	225,966,991
	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Reinsurance KD</i>	<i>Investment and unallocated KD</i>	<i>Total KD</i>
30 June 2023					
Revenue	10,304,167	11,694,292	33,366,733	6,312,969	61,678,161
Segment results	(47,998)	5,403,289	5,100,051	(82,117)	10,373,225
	<i>Total general risk insurance KD</i>	<i>Life and medical insurance KD</i>	<i>Reinsurance KD</i>	<i>Investment and unallocated KD</i>	<i>Total KD</i>
Total Assets	64,082,329	22,542,196	180,299,384	84,700,851	351,624,760
Total Liabilities	40,532,031	65,921,582	106,746,397	1,632	213,201,642

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

14 RELATED PARTY DISCLOSURES

The Group has entered into various transactions with related parties, i.e. shareholders, Board of directors, key management personnel, associates and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Balances included in the interim condensed consolidated statement of financial position:

	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>30 June 2024 KD</i>	<i>(Audited) 31December 2023 KD</i>	<i>30 June 2023 KD</i>
Insurance activities							
Insurance services receivable	80,420	62,995	1,630,927	4,017	1,778,359	2,032,698	1,400,558
Insurance service payable	-	-	7,497	1,478	8,975	15,400	13,854

Transactions included in the interim condensed consolidated statement of income:

Six months period ended 30 June 2024

	<i>Key Management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Gross premiums	20,679	38,421	981,264	3,672	1,044,036
Claims incurred	-	4,912	68,716	-	73,628

Six months period ended 30 June 2023

	<i>Key Management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Gross premiums	50,474	31,912	1,043,047	9,224	1,134,657
Claims incurred	-	63,520	99,370	47,397	210,287

Compensation to key management personnel:

Key management personnel comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

	<i>Six months ended 30 June</i>	
	<i>2024 KD</i>	<i>2023 KD</i>
Short term employees' benefits	1,091,557	961,143
Employees' end of service benefit	90,086	47,184
	1,181,643	1,008,327

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2024

15 CAPITAL COMMITMENTS AND CONTINGENCIES

	30 June 2024 KD	<i>(Audited)</i> 31 December 2023 KD	30 June 2023 KD
Letters of guarantee	1,479,392	1,634,284	2,803,795
Capital commitments	2,683,677	3,485,701	3,950,128

Contingencies

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

16 FAIR VALUE MEASUREMENT

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
30 June 2024			
<i>Investments carried at fair value through other comprehensive income:</i>			
Quoted equity securities	10,636,379	-	10,636,379
Unquoted equity securities	-	7,010,062	7,010,062
Unquoted managed funds	-	2,434,259	2,434,259
Total	10,636,379	9,444,321	20,080,700
<i>Investments carried at fair value through profit or loss:</i>			
Quoted equity securities	18,623,612	-	18,623,612
Unquoted equity securities	-	1,212,605	1,212,605
Unquoted managed funds	-	13,071,264	13,071,264
Total	18,623,612	14,283,869	32,907,481

Al-Ahleia Insurance Company S.A.K.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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16 FAIR VALUE MEASUREMENT (continued)

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2023 (Audited)</i>			
<i>Investments carried at fair value through other comprehensive income:</i>			
Quoted equity securities	8,755,005	-	8,755,005
Unquoted equity securities	-	7,227,313	7,227,313
Unquoted managed funds	-	2,496,406	2,496,406
Total	8,755,005	9,723,719	18,478,724
<i>Investments carried at fair value through profit or loss:</i>			
Quoted equity securities	15,232,993	-	15,232,993
Unquoted equity securities	-	1,112,621	1,112,621
Unquoted managed funds	-	12,994,237	12,994,237
Total	15,232,993	14,106,858	29,339,851
<i>30 June 2023</i>			
<i>Investments carried at fair value through other comprehensive income:</i>			
Quoted equity securities	9,559,799	-	9,559,799
Unquoted equity securities	-	7,385,168	7,385,168
Unquoted managed funds	-	2,471,950	2,471,950
Total	9,559,799	9,857,118	19,416,917
<i>Investments carried at fair value through profit or loss:</i>			
Quoted equity securities	13,430,435	-	13,430,435
Unquoted equity securities	-	1,121,348	1,121,348
Unquoted managed funds	-	13,171,083	13,171,083
Total	13,430,435	14,292,431	27,722,866

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16 FAIR VALUE MEASUREMENT (continued)

30 June 2024	As at 1 January 2024 KD	change recorded in the interim consolidated statement of comprehensive income KD	Net result recorded in the interim consolidated statement of income KD	Net purchases and disposals KD	As at 30 June 2024 KD
<i>Investments carried at fair value through other comprehensive income:</i>					
Unquoted equity securities	7,227,313	(216,369)	-	(882)	7,010,062
Unquoted managed funds	2,496,406	(62,147)	-	-	2,434,259
	<u>9,723,719</u>	<u>(278,516)</u>	<u>-</u>	<u>(882)</u>	<u>9,444,321</u>

Investments carried at fair value through profit or loss:

Unquoted equity securities	1,112,621	-	107,992	(8,008)	1,212,605
Unquoted managed funds	12,994,237	-	(754,804)	831,831	13,071,264
	<u>14,106,858</u>	<u>-</u>	<u>(646,812)</u>	<u>823,823</u>	<u>14,283,869</u>

31 December 2023 (Audited)	As at 1 January 2023 KD	Transferred on transition of IFRS 9 KD	Change recorded in the consolidated statement of comprehensive income KD	Net result recorded in the consolidated statement of income KD	Net purchases and disposals KD	As at 31 December 2023 KD
<i>Investments carried at fair value through other comprehensive income:</i>						
Unquoted equity securities	-	14,195,445	(6,962,563)	-	(5,569)	7,227,313
Unquoted managed funds	-	2,481,037	45,056	-	(29,687)	2,496,406
	<u>-</u>	<u>16,676,482</u>	<u>(6,917,507)</u>	<u>-</u>	<u>(35,256)</u>	<u>9,723,719</u>

Investments carried at fair value through profit or loss:

Unquoted equity securities	1,118,612	-	-	-	(5,991)	1,112,621
Unquoted managed funds	-	11,999,628	-	178,696	815,913	12,994,237
	<u>1,118,612</u>	<u>11,999,628</u>	<u>-</u>	<u>178,696</u>	<u>809,922</u>	<u>14,106,858</u>

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16 FAIR VALUE MEASUREMENT (continued)

30 June 2023	As at 1 January 2023 KD	Transferred on transition of IFRS 9 KD	change recorded in the interim condensed statement of comprehensive income KD	Net result recorded in the interim condensed statement of income KD	Net purchases and disposals KD	As at 30 June 2023 KD
<i>Investments carried at fair value through other comprehensive income:</i>						
Unquoted equity securities	-	14,195,445	(6,810,277)	-	-	7,385,168
Unquoted managed funds	-	2,481,037	(10,531)	-	1,444	2,471,950
	<u>-</u>	<u>16,676,482</u>	<u>(6,820,808)</u>	<u>-</u>	<u>1,444</u>	<u>9,857,118</u>
<i>Investments carried at fair value through profit or loss:</i>						
Unquoted equity securities	1,118,612	-	-	-	2,736	1,121,348
Unquoted managed funds	-	11,999,628	-	419,597	751,858	13,171,083
	<u>1,118,612</u>	<u>11,999,628</u>	<u>-</u>	<u>419,597</u>	<u>754,594</u>	<u>14,292,431</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 30 June 2024.

Reconciliation of recurring fair value measurement categorized within level three of the fair value hierarchy:

Set out below are the significant unobservable inputs to valuation as at 30 June 2024:

	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Unquoted equity securities	Price to book value	Discount for lack of marketability (DLOM)	10%	An increase or (decrease) by 10% in the discount for lack of marketability & lack of control would result in (decrease) or increase in fair value by KD 701 thousand.
Unquoted equity securities	Price to book value	Price to book multiple "Represents amounts used when the Group has determined that market participants would use such multiples when pricing the investments"	10%	An increase or (decrease) by 10% in the price to book multiple would result in increase or (decrease) in fair value by KD 701 thousand.
Unquoted managed funds	Adjusted net assets value	Discount for lack of marketability	10%	An increase or (decrease) by 10% in the discount for lack of marketability would result in (decrease) increase in fair value by KD 243 thousand.