

**Gulf Insurance Group K.S.C.P. and its
Subsidiaries**

**REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)**

FOR THE PERIOD ENDED 30 JUNE 2025

Gulf Insurance Group K.S.C.P. and its Subsidiaries
Interim condensed consolidated financial information (unaudited)
for the six-month period ended 30 June 2025
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

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Report on review of interim condensed consolidated financial information to the Board of Directors of Gulf Insurance Group K.S.C.P

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Gulf Insurance Group K.S.C.P. (the "Parent Company") and its subsidiaries (together referred to as the "Group") as at 30 June 2025, and the related condensed consolidated interim statements of income, statement of comprehensive income for the three month and six month period then ended and statement of changes in equity and statement of cash flows for the six-month period then ended and explanatory notes. 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" ("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 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 consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on review of 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 nothing has come to our attention indicating any violations of the Companies Law No. 1 of 2016, and its Executive Regulations nor of the Parent Company's Memorandum of Incorporation and Articles of Association, have occurred during the six-month period ended 30 June 2025, that might have had a material effect on the business of the Parent Company or its financial position.

We further report that, during the course of our review, we have not become aware of any material violations during the six-month period ended 30 June 2025 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, that might have had a material effect on the business of the Parent Company or on its financial position.



Khalid Ebrahim Al-Shatti
License No.175
PricewaterhouseCoopers (Al-Shatti & Co.)

14 August 2025
Kuwait

Gulf Insurance Group K.S.C.P. and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2024

	Notes	Three months ended June		Six months ended June	
		2025 KD 000's	2024 KD 000's	2025 KD 000's	2024 KD 000's
Revenue:					
Insurance revenue	5	181,714	236,426	359,554	449,152
Insurance service expenses	5	(139,337)	(216,004)	(262,858)	(391,645)
Insurance service result before reinsurance contracts held		42,377	20,422	96,696	57,507
Net expense from reinsurance contracts held	5	(31,185)	(7,461)	(72,534)	(34,552)
Insurance service result		11,192	12,961	24,162	22,955
Finance expense from insurance contracts issued	5	(6,630)	(4,084)	(14,920)	(11,276)
Finance income from reinsurance contracts held	5	2,412	1,541	6,404	4,967
Net insurance financial result		6,974	10,418	15,646	16,646
Net investment income	3	5,200	1,069	6,888	9,403
Interest income		10,071	11,068	19,641	19,357
Share of results from associates		844	(161)	1,721	2,808
Non-attributable general and administrative expenses		(9,177)	(7,395)	(17,449)	(18,210)
Other (expenses) income net		(2,244)	51	(1,215)	(999)
Monetary loss from hyperinflation		(761)	(1,315)	(2,461)	(1,666)
Finance costs		(1,174)	(1,712)	(2,322)	(3,427)
PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KFAS AND TAXATION		9,733	12,023	20,449	23,912
Contribution to KFAS		(75)	(87)	(160)	(216)
PROFIT FOR THE PERIOD BEFORE TAXATION		9,658	11,936	20,289	23,696
Taxation	11	(1,783)	(3,222)	(4,302)	(4,807)
PROFIT FOR THE PERIOD		7,875	8,714	15,987	18,889
Attributable to:					
Equity holders of the Parent Company		5,976	5,825	12,556	16,772
Non-controlling interests		1,899	2,889	3,431	2,117
		7,875	8,714	15,987	18,889
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	18.27 fils	17.74 fils	38.68 fils	53.56 fils

The attached notes 1 to 12 form part of this interim condensed consolidated financial information

Gulf Insurance Group K.S.C.P. and its Subsidiaries

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)**

For the period ended 30 June 2025

	<i>Three months ended June</i>		<i>Six months ended June</i>	
	2025	2024	2025	2024
	KD 000's	KD 000's	KD 000's	KD 000's
Profit for the period	7,875	8,714	15,987	18,889
Other comprehensive (loss) income:				
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Exchange differences on translation of foreign operations	(3,942)	(2,125)	(5,274)	(14,030)
- Change in fair value of financial assets at FVOCI (debt instruments)	3,436	(356)	6,470	(200)
- Share of other comprehensive loss of associates	(22)	(14)	(15)	(638)
- Finance income (expense) from insurance contracts issued	(20)	(443)	(298)	52
- Finance income from reinsurance contracts held	15	236	164	(24)
- Hyperinflation impact	401	6,465	1,462	2,931
	(132)	3,763	2,509	(11,909)
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Change in fair value of investments at FVOCI	(605)	(995)	(1,439)	2,998
- Share of other comprehensive income (loss) of associates	12	(58)	13	(61)
- Revaluation of property and equipment	-	265	-	265
- Revaluation of pension plans	6	(17)	6	(7)
	(587)	(805)	(1,420)	3,195
Other comprehensive (loss) income for the period	(719)	2,958	1,089	(8,714)
Total comprehensive income for the period	7,156	11,672	17,076	10,175
Attributable to:				
Equity holders of the Parent Company	5,377	9,036	12,345	9,820
Non-controlling interests	1,779	2,636	4,731	355
	7,156	11,672	17,076	10,175

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Insurance Group K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

As at 30 June 2025

	Notes	30 June 2025 KD 000's	31 December 2024 KD 000's	30 June 2024 KD 000's
ASSETS				
Cash and cash equivalents		187,928	160,847	181,279
Time deposits		44,725	36,989	47,212
Insurance contract assets	5	31,130	29,021	12,256
Reinsurance contract assets	5	223,086	264,195	279,914
Investments carried at FVTPL		140,595	121,238	107,278
Investments carried at FVTOCI		375,701	374,097	354,044
Other assets		34,207	28,078	30,011
Deferred tax assets from foreign subsidiaries		2,591	2,566	3,451
Right of use assets		6,179	5,897	5,872
Investments in associates		23,315	24,126	23,854
Investment properties		6,624	6,656	7,580
Debt instruments at amortised cost		77,118	72,995	71,151
Property and equipment		35,976	35,921	36,165
Intangible assets		38,577	41,518	43,489
Goodwill		33,211	33,395	33,283
Loans secured by life insurance policies		89	138	169
		<u>1,261,052</u>	<u>1,237,677</u>	<u>1,237,008</u>
Disposal group held for sale		-	-	10,533
TOTAL ASSETS		<u>1,261,052</u>	<u>1,237,677</u>	<u>1,247,541</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Insurance contract liabilities	5	661,735	634,503	658,995
Reinsurance contract liabilities	5	26,390	22,461	40,616
Term loans	6	50,866	50,866	50,866
Income tax payable		12,985	11,986	12,288
Deferred tax payable from foreign subsidiaries		1,738	2,408	2,853
Other liabilities		99,328	112,859	88,832
Provision for end of service benefits		17,989	17,313	18,827
Lease liabilities		5,639	5,225	5,353
Total liabilities		<u>876,670</u>	<u>857,621</u>	<u>878,630</u>
Equity				
Share capital	7	28,457	28,457	28,457
Share premium		50,947	50,947	50,947
Treasury shares reserve		4,268	4,268	4,268
Statutory reserve		28,457	28,457	28,457
Voluntary reserve		40,671	40,671	40,671
Effect of changes in ownership interest of subsidiaries		(3,537)	(2,671)	(2,682)
Other reserves		(1,496)	(1,502)	(1,825)
Insurance and reinsurance finance reserve		880	1,014	867
Cumulative changes in fair value reserve		7,660	4,183	2,965
Foreign currency translation adjustments		(53,755)	(50,195)	(50,286)
Revaluation reserve		14,607	14,607	16,276
Retained earnings		128,786	124,323	117,460
Equity attributable to the equity holders of the Parent Company		<u>245,945</u>	<u>242,559</u>	<u>235,575</u>
Subordinated perpetual Tier 2 bonds		60,000	60,000	60,000
Non-controlling interests		78,437	77,497	73,336
Total equity		<u>384,382</u>	<u>380,056</u>	<u>368,911</u>
TOTAL LIABILITIES AND EQUITY		<u>1,261,052</u>	<u>1,237,677</u>	<u>1,247,541</u>



Bijan Khosrowshahi
Chairman

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Insurance Group K.S.C.P. and its Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the period ended 30 June 2025

	Attributable to equity holders of the Parent Company															
	Share capital KD 000's	Share premium KD 000's	Treasury shares reserve KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Effect of changes in Interest of Subsidiaries KD 000's	Other reserves KD 000's	Insurance and reinsurance finance reserve KD 000's	Cumulative changes in fair values KD 000's	Foreign currency translation adjustments KD 000's	Revaluation reserve KD 000's	Retained earnings KD 000's	Sub-total KD 000's	Subordinated perpetual tier 2 bonds KD 000's	Non-controlling interests KD 000's	Total equity KD 000's
As at 31 December 2024	28,457	50,947	4,268	28,457	40,671	(2,671)	(1,502)	1,014	4,183	(50,195)	14,607	124,323	242,559	60,000	77,497	380,056
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	12,556	12,556	-	3,431	15,987
Other comprehensive income (loss) for the period	-	-	-	-	-	-	6	(134)	3,477	(3,560)	-	-	(211)	-	1,300	1,089
Total comprehensive income (loss) for the period	-	-	-	-	-	-	6	(134)	3,477	(3,560)	-	12,556	12,345	-	4,731	17,076
Interest on subordinated perpetual tier 2 bonds	-	-	-	-	-	-	-	-	-	-	-	(1,484)	(1,484)	-	-	(1,484)
Amortization of subordinated Tier 2 Bonds transactions costs	-	-	-	-	-	-	-	-	-	-	-	(64)	(64)	-	-	(64)
Acquisition of non-controlling interests	-	-	-	-	-	(866)	-	-	-	-	-	-	(866)	-	530	(336)
Other movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	-	-	-	(6,545)	(6,545)	-	-	(6,545)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,306)	(4,306)
As at 30 June 2025	28,457	50,947	4,268	28,457	40,671	(3,537)	(1,496)	880	7,660	(53,755)	14,607	128,786	245,945	60,000	78,437	384,382

Gulf Insurance Group K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2025

	Attributable to equity holders of the Parent Company																
	Share capital KD 000's	Share premium KD 000's	Treasury shares KD 000's	Treasury shares reserve KD 000's	Statutory reserve KD 000's	Voluntary reserve KD 000's	Effect of changes in Interest of Subsidiaries KD 000's	Other reserves KD 000's	Insurance and reinsurance finance reserve KD 000's	Cumulative changes in fair values KD 000's	Foreign currency translation adjustments KD 000's	Revaluation reserve KD 000's	Retained earnings KD 000's	Sub-total KD 000's	Subordinated perpetual tier 2 bonds KD 000's	Non-controlling interests KD 000's	Total equity KD 000's
As at 31 December 2023	28,457	50,947	(429)	3,099	28,457	40,671	(2,837)	(1,643)	839	(771)	(39,315)	16,014	112,770	236,259	60,000	77,884	374,143
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	16,772	16,772	-	2,117	18,889
Other comprehensive (loss) income for the period	-	-	-	-	-	-	-	(7)	28	3,736	(10,971)	262	-	(6,952)	-	(1,762)	(8,714)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(7)	28	3,736	(10,971)	262	16,772	9,820	-	355	10,175
Sale of treasury shares	-	-	429	1,169	-	-	-	-	-	-	-	-	-	1,598	-	-	1,598
Interest on subordinated perpetual tier 2 bonds	-	-	-	-	-	-	-	-	-	-	-	-	(1,490)	(1,490)	-	-	(1,490)
Amortization of subordinated Tier 2 Bonds transactions costs	-	-	-	-	-	-	-	-	-	-	-	-	(63)	(63)	-	-	(63)
Acquisition of non-controlling interest	-	-	-	-	-	-	155	(175)	-	-	-	-	-	(20)	-	(361)	(381)
Dividends Paid (note 7)	-	-	-	-	-	-	-	-	-	-	-	-	(10,529)	(10,529)	-	-	(10,529)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,542)	(4,542)
As at 30 June 2024	28,457	50,947	-	4,268	28,457	40,671	(2,682)	(1,825)	867	2,965	(50,286)	16,276	117,460	235,575	60,000	73,336	368,911

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Insurance Group K.S.C.P. and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(UNAUDITED)

For the period ended 30 June 2025

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>
OPERATING ACTIVITIES		
Profit for the period before contribution to KFAS and taxation	20,449	23,912
<i>Adjustments for:</i>		
Net investment income	(6,888)	(10,005)
Interest income	(19,641)	(19,357)
Share of results of associates	(1,721)	(2,808)
Depreciation of property and equipment	1,200	1,213
Amortisation of intangible assets and right of use assets	4,667	4,246
Impairment of intangible assets	87	-
Gain on sale of property and equipment	(11)	-
Finance costs	2,322	3,482
Monetary loss from hyperinflation	2,461	1,666
Provision charged for end of service benefits	1,433	2,305
	<u>4,358</u>	<u>4,654</u>
<i>Changes in operating assets and liabilities:</i>		
Insurance contract assets	(2,407)	(5,234)
Reinsurance contract assets	41,273	(37,669)
Other assets	(6,193)	(1,506)
Insurance contract liabilities	27,232	81,149
Reinsurance contract liabilities	3,929	4,563
Other liabilities	(12,938)	(4,389)
	<u>55,254</u>	<u>41,568</u>
Provision for end of service benefits paid	(686)	(565)
Payment of taxes	(4,639)	(5,716)
Net cash flows generated from operating activities	<u>49,929</u>	<u>35,287</u>
INVESTING ACTIVITIES		
Movement in time deposits	(6,708)	15,462
Net movement of investments at fair value through profit or loss and at fair value through other comprehensive income	(13,460)	(21,660)
Net movement of debt instruments at amortized cost	(4,222)	5,744
Net movement in loans secured by life insurance policies	49	450
Purchase of property and equipment	(1,321)	(1,019)
Proceeds from sale of property and equipment	160	28
Rental income received	213	-
Additions of investment properties	-	(98)
Proceeds from sale of investment properties	-	110
Additions of intangible assets	-	(936)
Proceeds from sale of intangible assets	(1,279)	254
Interest income received	19,641	19,357
Dividend income received	3,300	3,472
Dividend received from associates	2,600	2,602
Participation in issuance of share capital of an associate	(74)	-
Proceeds from sale of treasury shares	-	1,598
Acquisition of non-controlling interest	(336)	(206)
Net cash flows (used in)/generated from investing activities	<u>(1,437)</u>	<u>25,158</u>
FINANCING ACTIVITIES		
Payment of lease liabilities	(889)	(325)
Term loans paid	-	(2,250)
Finance costs paid	(2,177)	(3,427)
Interest on subordinated perpetual Tier 2 bonds	(1,484)	(1,490)
Dividends paid	(6,545)	(10,529)
Dividends paid to non-controlling interests	(4,306)	(4,542)
Net cash flows used in financing activities	<u>(15,401)</u>	<u>(22,563)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>33,091</u>	<u>37,882</u>
Net foreign exchange difference	(6,010)	(9,926)
Cash and cash equivalents at 1 January	160,847	153,323
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>187,928</u>	<u>181,279</u>

The attached notes 1 to 12 form part of this interim condensed consolidated financial information.

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025

1 ACTIVITIES

The interim condensed consolidated financial information of Gulf Insurance Group K.S.C.P. (the “Parent Company”) and its subsidiaries (the “Group”) were authorised for issue by the Board of Directors on **14 August 2025**.

The Ordinary Annual General Assembly meeting of the Parent Company’s shareholders held on 8 May 2025, approved the consolidated financial statements for the year ended 31 December 2024 and approved the Board of Director’s proposal for distributing cash dividends to the shareholders of 23 fils per share.

The Parent Company is a Kuwaiti Shareholding Company incorporated in the State of Kuwait in accordance with the Amiri Decree No. 25 of 9 April 1962 and is listed on Boursa Kuwait. The address of the Parent Company’s registered office is Khaled Ibn Al-Waleed Street, KIPCO Tower, Floor No 40, Office No 49 & 50, Sharq, Kuwait City P.O. Box 1040 Safat, 13011 State of Kuwait. The Parent Company’s objectives include all types of insurance, indemnities, compensations and investing its capital and assets in various financial and real estate investments, both locally and abroad.

The Parent Company is 97.06% (31 December 2024: 97.06% and 30 June 2024: 97.06%) owned by Fairfax financial holding limited.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

The interim condensed consolidated financial information of the Group is prepared in accordance with International Accounting Standard (IAS 34), Interim Financial Reporting.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars to the nearest thousand, 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 IFRS Accounting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. Operating results for the six months period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group’s financial statements.

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

3 NET INVESTMENT INCOME

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2025	2024	2025	2024
	KD 000's	KD 000's	KD 000's	KD 000's
Net gain (loss) on investments at fair value through profit or loss	2,676	(488)	2,523	4,040
Dividend income	1,854	2,354	3,300	3,472
Foreign exchange gain (loss)	958	(202)	1,744	2,365
Rental income from investment properties	101	120	192	224
Other investment expense	(389)	(715)	(871)	(698)
	5,200	1,069	6,888	9,403

4 BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY

Basic and diluted earnings per share are calculated by dividing profit (loss) for the period attributable to equity holders of the Parent Company (adjusted for interest on subordinated perpetual tier 2 bond) by the weighted average number of ordinary shares, less treasury shares, outstanding during the period.

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2025	2024	2025	2024
	KD 000's	KD 000's	KD 000's	KD 000's
		<i>(Restated)</i>		<i>(Restated)</i>
Profit attributable to equity holders of the Parent Company	5,976	5,825	12,556	16,772
Less: Interest and amortization on subordinated perpetual tier 2 bonds (KD 000's)	(778)	(778)	(1,548)	(1,553)
	5,198	5,047	11,008	15,219
	Shares	Shares	Shares	Shares
Weighted average number of shares, less treasury shares outstanding during the period	284,526,825	284,526,825	284,526,825	284,136,800
Basic and diluted earnings per share	18.27 fils	17.74 fils	38.68 fils	53.56 fils

*the prior period has been restated to reflect adjusting of the interest of subordinated perpetual tier 2 bond from the profit attributable to equity holders of the Parent company As per International Accounting Standard 33 ("IAS 33") the earning per share is calculated by dividing the profit attributable to equity holders of the parent company after adjusting the interest and dividends for the preference shares, resulting in a decrease of 5.47 fils and 2.73 fils per share for the six and three months period ended 30 June 2024 respectively, from what was previously reported.

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

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

5 INSURANCE CONTRACT ASSETS/LIABILITIES

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

	30 June 2025					30 June 2024				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component KD 000'	Loss component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'	Excluding loss component KD 000'	Loss component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'
Opening liabilities	128,253	8,481	382,517	35,104	554,355	79,190	8,240	365,289	37,631	490,350
Opening assets	(98,548)	35	67,893	1,363	(29,257)	(53,184)	-	45,780	1,007	(6,397)
Net opening balance	29,705	8,516	450,410	36,467	525,098	26,006	8,240	411,069	38,638	483,953
Insurance revenue	(351,707)	-	-	-	(351,707)	(442,295)	-	-	-	(442,295)
<i>Insurance service expenses:</i>										
Incurring claims	-	(1,164)	207,786	8,014	214,636	-	636	410,952	20,594	432,182
Other directly attributable expenses	-	-	25,264	-	25,264	-	-	22,325	-	22,325
Changes that relate to past service-Changes in FCF relating to LIC	-	-	(17,232)	(11,700)	(28,932)	-	-	(87,605)	(19,707)	(107,312)
Loss (reversals) on onerous contracts	-	2,054	-	-	2,054	-	(159)	-	-	(159)
Insurance acquisition cash flows amortization	45,450	-	-	-	45,450	42,666	-	-	-	42,666
Insurance service expenses	45,450	890	215,818	(3,686)	258,472	42,666	477	345,672	887	389,702
Insurance service result	(306,257)	890	215,818	(3,686)	(93,235)	(399,629)	477	345,672	887	(52,593)
Net finance expense from insurance contracts	-	-	10,535	1,029	11,564	-	-	7,415	1,575	8,990
Foreign currencies adjustment to comprehensive income	(1,919)	(70)	(3,508)	(240)	(5,737)	(4,955)	(17)	(4,919)	(389)	(10,280)
Total changes in the statement of income and OCI	(308,176)	820	222,845	(2,897)	(87,408)	(404,584)	460	348,168	2,073	(53,883)
Investment components	-	-	-	-	-	-	-	-	-	-
<i>Cash flows</i>										
Premiums received	391,727	-	-	-	391,727	521,917	-	-	-	521,917
Claims and other directly attributable expenses paid	-	-	(244,372)	-	(244,372)	-	-	(336,447)	-	(336,447)
Insurance acquisition cash flows	(48,276)	-	-	-	(48,276)	(50,767)	-	-	-	(50,767)
Total cash flows	343,451	-	(244,372)	-	99,079	471,150	-	(336,447)	-	134,703
Net closing balance	64,980	9,336	428,883	33,570	536,769	92,572	8,700	422,790	40,711	564,773
Closing liabilities	159,563	9,293	366,898	32,319	568,073	106,754	8,647	421,040	40,359	576,800
Closing assets	(94,583)	43	61,985	1,251	(31,304)	(14,182)	53	1,750	352	(12,027)
Net closing balance	64,980	9,336	428,883	33,570	536,769	92,572	8,700	422,790	40,711	564,773

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

5 INSURANCE CONTRACT ASSETS/LIABILITIES (continued)

5.2 Analysis of insurance contract assets and liabilities for contracts measured under GMM/VFA

	30 June 2025					30 June 2024				
	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)			Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component KD 000'	Loss component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'	Excluding loss component KD 000'	Loss component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'
Opening liabilities	72,435	916	6,042	755	80,148	78,386	3,935	4,663	512	87,496
Opening assets	(133)	369	-	-	236	(621)	2	41	5	(573)
Net opening balance	72,302	1,285	6,042	755	80,384	77,765	3,937	4,704	517	86,923
Insurance revenue	(7,847)	-	-	-	(7,847)	(6,857)	-	-	-	(6,857)
<i>Insurance service expenses:</i>										
Incurred claims	-	(139)	3,668	203	3,732	-	(2,393)	2,238	135	(20)
Other directly attributable expenses	-	-	788	-	788	-	-	492	-	492
Changes that relate to past service-Changes in FCF relating to LIC	-	-	59	(107)	(48)	-	-	399	(82)	317
Loss (reversals) on onerous contracts	-	94	-	-	94	-	694	-	-	694
Insurance acquisition cash flows amortization	(180)	-	-	-	(180)	460	-	-	-	460
Net (expense) income from reinsurance contracts held	(180)	(45)	4,515	96	4,386	460	(1,699)	3,129	53	1,943
Insurance service result	(8,027)	(45)	4,515	96	(3,461)	(6,397)	(1,699)	3,129	53	(4,914)
Net finance expense from insurance contracts	3,307	31	287	29	3,654	2,226	14	(16)	10	2,234
Foreign currencies adjustment to comprehensive income	(277)	(4)	(64)	(7)	(352)	(5,194)	(651)	(17)	(1)	(5,863)
Total changes in the statement of income and OCI	(4,997)	(18)	4,738	118	(159)	(9,365)	(2,336)	3,096	62	(8,543)
Investment components	(1,489)	-	1,489	-	-	(1,878)	-	1,878	-	-
<i>Cash flows</i>										
Premiums received	19,534	-	-	-	19,534	11,499	-	-	-	11,499
Claims and other directly attributable expenses paid	-	-	(4,161)	-	(4,161)	-	-	(4,343)	-	(4,343)
Insurance acquisition cash flows	(1,762)	-	-	-	(1,762)	(3,570)	-	-	-	(3,570)
Total cash flows	17,772	-	(4,161)	-	13,611	7,929	-	(4,343)	-	3,586
Net closing balance	83,588	1,267	8,108	873	93,836	74,451	1,601	5,335	579	81,966
Closing liabilities	83,502	1,179	8,108	873	93,662	75,151	1,134	5,331	579	82,195
Closing assets	86	88	-	-	174	(700)	467	4	-	(229)
Net closing balance	83,588	1,267	8,108	873	93,836	74,451	1,601	5,335	579	81,966

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

5 INSURANCE CONTRACT ASSETS/LIABILITIES (continued)

5.2.1 Reconciliation of insurance contract assets and liabilities by components for contracts measured under GMM/VFA

	30 June 2025				30 June 2024			
	Estimates of the present value of future cash flows KD 000'	Risk Adjustment for non-financial risk KD 000'	Contractual Service Margin (CSM) KD 000'	Total KD 000'	Estimates of the present value of future cash flows KD 000'	Risk Adjustment for non-financial risk KD 000'	Contractual Service Margin (CSM) KD 000'	Total KD 000'
Opening liabilities	49,958	3,691	26,499	80,148	52,356	3,760	31,380	87,496
Opening assets	167	2	67	236	(1,452)	165	714	(573)
Net opening balance	50,125	3,693	26,566	80,384	50,904	3,925	32,094	86,923
<i>Changes that relate to current services:</i>								
CSM recognized in statement of income for services provided	-	-	(3,600)	(3,600)	-	-	(570)	(570)
Changes in risk adjustment for risks expired	-	(280)	-	(280)	-	14	-	14
Experience Adjustments-Premium and Associated Cashflows	(290)	-	-	(290)	(959)	-	-	(959)
Experience adjustments-relating to insurance service expenses	882	-	-	882	(4,510)	-	-	(4,510)
	592	(280)	(3,600)	(3,288)	(5,469)	14	(570)	(6,025)
<i>Changes that relate to future services:</i>								
Changes in estimates that adjust the CSM	(1,285)	1,043	275	33	7,777	(590)	(7,164)	23
Changes in estimate that results in onerous contract losses or (reversal) of such losses	1,150	(1,086)	-	64	746	(14)	-	732
Contracts initially recognized during the year	(5,230)	410	4,869	49	(3,290)	419	2,848	(23)
Experience adjustments-arising from premiums received in the period that relate to future service	318	-	(629)	(311)	360	-	(405)	(45)
	(5,047)	367	4,515	(165)	5,593	(185)	(4,721)	687
<i>Changes that relate to past services:</i>								
Changes that relate to past service- changes in the FCF relating to the LIC	1,060	86	-	1,146	504	(81)	1	424
Experience adjustment-arising from premium received in the period that related to past service	(962)	(192)	-	(1,154)	-	-	-	-
	98	(106)	-	(8)	504	(81)	1	424
Insurance service result	(4,357)	(19)	915	(3,461)	628	(252)	(5,290)	(4,914)
Net finance expense from insurance contracts	(2,498)	1,041	5,111	3,654	2,923	118	(807)	2,234
Foreign currencies adjustment to comprehensive income	(332)	(10)	(10)	(352)	(1,627)	(309)	(3,927)	(5,863)
Total changes in the statement of income and OCI	(7,187)	1,012	6,016	(159)	1,924	(443)	(10,024)	(8,543)
Investment component variance	-	-	-	-	-	-	-	-
<i>Cash flows:</i>								
Premiums received	19,534	-	-	19,534	11,499	-	-	11,499
Claims and other directly attributable expenses paid	(4,161)	-	-	(4,161)	(4,343)	-	-	(4,343)
Insurance acquisition cash flows	(1,762)	-	-	(1,762)	(3,570)	-	-	(3,570)
Total cash flows	13,611	-	-	13,611	3,586	-	-	3,586
Net closing balance	56,549	4,705	32,582	93,836	56,414	3,482	22,070	81,966
Closing liabilities	56,855	4,633	32,174	93,662	57,520	3,338	21,337	82,195
Closing assets	(306)	72	408	174	(1,106)	144	733	(229)
Net closing balance	56,549	4,705	32,582	93,836	56,414	3,482	22,070	81,966

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

5 INSURANCE CONTRACT ASSETS/LIABILITIES (continued)

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

	30 June 2025					30 June 2024				
	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 000'	Loss component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'	Excluding loss component KD 000'	Loss component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'
Opening liabilities	(40,611)	-	16,814	1,430	(22,367)	(43,466)	-	7,070	505	(35,891)
Opening assets	(15,115)	-	237,370	16,111	238,366	(73,279)	-	272,504	17,670	216,895
Net opening balance	(55,726)	-	254,184	17,541	215,999	(116,745)	-	279,574	18,175	181,004
Reinsurance expenses	(109,805)	-	-	-	(109,805)	(185,022)	-	-	-	(185,022)
<i>Amounts recoverable from reinsurers:</i>										
Incurred claims recovery	-	-	54,944	1,828	56,772	-	-	300,076	11,759	311,835
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(13,728)	(4,661)	(18,389)	-	-	(148,528)	(10,560)	(159,088)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	-	-	-	-	-	-	(117)	(117)
Change in provision for risk of non-performance	-	-	698	-	698	-	-	(915)	-	(915)
Net expense from reinsurance contracts held	(109,805)	-	41,914	(2,833)	(70,724)	(185,022)	-	150,633	1,082	(33,307)
Net finance income from reinsurance contracts	-	-	5,066	409	5,475	-	-	4,037	770	4,807
Foreign currencies adjustment to comprehensive income	38	-	(2,245)	(114)	(2,321)	1,962	-	(5,491)	(315)	(3,844)
Total amounts recognised in statement of income and OCI	(109,767)	-	44,735	(2,538)	(67,570)	(183,060)	-	149,179	1,537	(32,344)
Cash flows:										
Premiums paid net of ceding commissions and other directly attributable expenses	99,572	-	-	-	99,572	172,825	-	(413)	-	172,412
Claims and other recoveries	-	-	(77,452)	-	(77,452)	-	-	(107,832)	-	(107,832)
Total cash flows	99,572	-	(77,452)	-	22,120	172,825	-	(108,245)	-	64,580
Net closing balance	(65,921)	-	221,467	15,003	170,549	(126,980)	-	320,508	19,712	213,240
Closing liabilities	(43,999)	-	16,167	1,136	(26,696)	(42,885)	-	1,800	712	(40,373)
Closing assets	(21,922)	-	205,300	13,867	197,245	(84,095)	-	318,708	19,000	253,613
Net closing balance	(65,921)	-	221,467	15,003	170,549	(126,980)	-	320,508	19,712	213,240

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.4 Analysis of reinsurance contract assets and liabilities for contracts measured under GMM/VFA

	30 June 2025					30 June 2024				
	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 recovery component KD 000'	Loss recovery component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'	Excluding loss recovery component KD 000'	Loss recovery component KD 000'	Estimates of the present value of future cash flows KD 000'	Risk adjustment KD 000'	Total KD 000'
Opening liabilities	(264)	120	49	1	(94)	(358)	127	69	-	(162)
Opening assets	20,354	184	4,856	435	25,829	22,257	25	2,780	312	25,374
Net opening balance	20,090	304	4,905	436	25,735	21,899	152	2,849	312	25,212
Changes in the statement of income:										
<i>Allocation of reinsurance premiums:</i>										
Reinsurance expenses	(3,543)	-	-	-	(3,543)	(2,839)	-	-	-	(2,839)
<i>Amounts recoverable from reinsurers:</i>										
Incurred claims recovery	-	-	1,501	105	1,606	-	-	1,237	76	1,313
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	103	(55)	48	-	-	274	(47)	227
Income on initial recognition of onerous underlying contracts	-	(2)	-	-	(2)	-	-	-	-	-
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	(17)	-	-	(17)	-	(4)	-	-	(4)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	71	27	-	-	98	-	58	-	-	58
Net (expense) income from reinsurance contracts held	(3,472)	8	1,604	50	(1,810)	(2,839)	54	1,511	29	(1,245)
Net finance income (expense) from reinsurance contracts	913	8	156	16	1,093	136	1	(6)	5	136
Foreign currencies adjustment to comprehensive income	(163)	(3)	(39)	(4)	(209)	19	-	(5)	(1)	13
Total amounts recognised in statement of income and OCI	(2,722)	13	1,721	62	(926)	(2,684)	55	1,500	33	(1,096)
Cash flows:										
Premiums paid net of ceding commissions and other directly attributable expenses	3,415	-	(1,911)	-	1,504	3,083	-	-	-	3,083
Recoveries from reinsurance	-	-	(166)	-	(166)	-	-	(1,141)	-	(1,141)
Total cash flows	3,415	-	(2,077)	-	1,338	3,083	-	(1,141)	-	1,942
Net closing balance	20,783	317	4,549	498	26,147	22,298	207	3,208	345	26,058
Closing liabilities	156	45	105	-	306	(497)	129	125	-	(243)
Closing assets	20,627	272	4,444	498	25,841	22,795	78	3,083	345	26,301
Net closing balance	20,783	317	4,549	498	26,147	22,298	207	3,208	345	26,058

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

5. INSURANCE AND REINSURANCE CONTRACTS (continued)

5.4.1 Reconciliation of reinsurance contract assets and liabilities by components for contracts measured under GMM / VFA

	30 June 2025				30 June 2024			
	Estimates of the present value of future cash flows KD 000'	Risk Adjustment for non-financial risk KD 000'	Contractual Service Margin (CSM) KD 000'	Total KD 000'	Estimates of the present value of future cash flows KD 000'	Risk Adjustment for non-financial risk KD 000'	Contractual Service Margin (CSM) KD 000'	Total KD 000'
Opening liabilities	(785)	108	583	(94)	563	325	(1,050)	(162)
Opening assets	15,124	1,612	9,093	25,829	15,621	1,373	8,380	25,374
Net opening balance	14,339	1,720	9,676	25,735	16,184	1,698	7,330	25,212
Changes in the statement of income:								
<i>Changes that relate to current services:</i>								
CSM recognized in statement of income for services transferred	-	-	(1,350)	(1,350)	-	-	(841)	(841)
Changes in risk adjustment for non-financial risks	-	(90)	-	(90)	-	(118)	-	(118)
Experience adjustments	(453)	-	(9)	(462)	(611)	-	-	(611)
	(453)	(90)	(1,359)	(1,902)	(611)	(118)	(841)	(1,570)
<i>Changes that relate to future services:</i>								
Changes in estimates that adjust the CSM	24	9	(46)	(13)	(67)	10	55	(2)
Contracts initially recognized during the year	(1,767)	125	1,616	(26)	(1,224)	166	1,058	-
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	93	7	(6)	94	53	3	-	56
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	(126)	-	134	8	(47)	-	47	-
	(1,776)	141	1,698	63	(1,285)	179	1,160	54
<i>Changes that relate to past services:</i>								
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	563	56	-	619	318	(47)	-	271
Experience adjustments – arising from ceded premiums paid in the period that relate to past service	(479)	(111)	-	(590)	-	-	-	-
	84	(55)	-	29	318	(47)	-	271
Net expenses from reinsurance contracts held								
Net finance income (expense) from reinsurance contracts	724	77	292	1,093	(43)	(29)	208	136
Foreign currencies adjustment to comprehensive income	(111)	(13)	(85)	(209)	(261)	(80)	354	13
Total changes in the statement of income & comprehensive income	(1,532)	60	546	(926)	(1,882)	(95)	881	(1,096)
<i>Cash flows:</i>								
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,504	-	-	1,504	3,083	-	-	3,083
Incurred claims recovered and other insurance service expenses recovered	(166)	-	-	(166)	(1,141)	-	-	(1,141)
Total cash flows	1,338	-	-	1,338	1,942	-	-	1,942
Net closing balance	14,145	1,780	10,222	26,147	16,244	1,603	8,211	26,058
Closing liabilities	174	87	45	306	-	183	(426)	(243)
Closing assets	13,971	1,693	10,177	25,841	16,244	1,420	8,637	26,301
Net closing balance	14,145	1,780	10,222	26,147	16,244	1,603	8,211	26,058

6 TERM LOANS

The Parent Company has obtained two bank loans (unsecured) from local banks to be payable as follows:

- a) First loan is payable on annual installment basis beginning on 26 December 2023 with last installment to be due on 26 December 2027 and carries interest rate of 1.25% per annum over Central Bank of Kuwait discount rate. The balance of the term loan as at 30 June is KD 28,116 thousand (31 December 2024: KD 28,116 thousand and 30 June 2024 KD 28,116 thousand). The Parent Company has agreed with the bank to postpone the installment with the total amount of KD 4,961 thousand that was due on 26 December 2024, to be settled on 26 December 2027.
- b) Second loan is payable on quarterly installment basis for a period of five years beginning on 30 June 2024 and carries an interest rate of 1.25% per annum over Central Bank of Kuwait discount rate and the last installment is due on 30 September 2027. The balance of the term loan as at 30 June 2025 is KD 22,750 thousand (31 December 2024: KD 22,750 thousand and 30 June 2024: KD 22,750 thousand). The Parent Company has agreed with the bank to postpone four quarterly installments with the total amount of KD 7,000 thousand, to be settled on 30 September 2025.

7 SHARE CAPITAL AND TREASURY SHARES

a) Share capital

The authorised share capital of the Parent Company comprises of 350,000,000 shares (31 December 2024: 350,000,000 shares and 30 June 2024: 350,000,000 shares) of 100 fils each. The issued and fully paid-up share capital consists of 284,572,463 shares (31 December 2024: 284,572,463 shares and 30 June 2024: 284,572,463 shares) of 100 fils each.

b) Dividends

The Ordinary Annual General Assembly meeting of the Parent Company's shareholders held on 8 May 2025, approved the Board of Director's proposal for distributing cash dividends to the shareholders of 23 fils per share for the year ended 31 December 2024.

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

8 SEGMENT INFORMATION

For the management purpose, the Group operates in two segments, insurance (subdivided into general risk insurance and life and medical) and investments; there are no inter-segment transactions. The following are the details of these two segments:

a) Segmental interim condensed consolidated statement of income:

Six months ended 30 June 2025	<i>General risk insurance</i>						<i>Life and Medical</i>		<i>Investments</i>		<i>Total</i> <i>KD 000's</i>
	<i>Marine and aviation</i> <i>KD 000's</i>	<i>Motor vehicles</i> <i>KD 000's</i>	<i>Property</i> <i>KD 000's</i>	<i>Engineering</i> <i>KD 000's</i>	<i>General Insurance</i> <i>KD 000's</i>	<i>Liability</i> <i>KD 000's</i>	<i>Life</i> <i>KD 000's</i>	<i>Medical</i> <i>KD 000's</i>	<i>Investments</i> <i>KD 000's</i>	<i>Unallocated</i> <i>KD 000's</i>	
Insurance service result before reinsurance contracts held	8,321	6,176	42,484	12,256	9,727	7,186	4,518	6,028	-	-	96,696
Net expense from reinsurance contracts held	(3,806)	(1,671)	(41,632)	(8,883)	(6,805)	(3,224)	(2,240)	(4,273)	-	-	(72,534)
Net insurance and reinsurance finance expense	(521)	(2,438)	(319)	(351)	125	(772)	(2,700)	(1,540)	-	-	(8,516)
Net insurance financial result	3,994	2,067	533	3,022	3,047	3,190	(422)	215	-	-	15,646
Net investment income	-	-	-	-	-	-	-	-	6,888	-	6,888
Interest income	-	-	-	-	-	-	-	-	19,641	-	19,641
Share of results from associates	-	-	-	-	-	-	-	-	1,721	-	1,721
Non-attributable general and administrative expenses	-	-	-	-	-	-	-	-	-	(17,449)	(17,449)
Other expense, net	-	-	-	-	-	-	-	-	-	(1,215)	(1,215)
Monetary loss from hyperinflation	-	-	-	-	-	-	-	-	-	(2,461)	(2,461)
Finance costs	-	-	-	-	-	-	-	-	-	(2,322)	(2,322)
Profit (loss) before taxation	3,994	2,067	533	3,022	3,047	3,190	(422)	215	28,250	(23,447)	20,449

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

8 SEGMENT INFORMATION (continued)

a) Segmental interim condensed consolidated statement of income: (continued)

Six months ended 30 June 2024	<i>General risk insurance</i>						<i>Life and Medical</i>		<i>Investments</i>		<i>Unallocated</i> <i>KD 000's</i>	<i>Total</i> <i>KD 000's</i>
	<i>Marine and aviation KD 000's</i>	<i>Motor vehicles KD 000's</i>	<i>Property KD 000's</i>	<i>Engineering KD 000's</i>	<i>General Insurance KD 000's</i>	<i>Liability KD 000's</i>	<i>Life KD 000's</i>	<i>Medical KD 000's</i>	<i>Investments KD 000's</i>			
Insurance service result before reinsurance contracts held	7,295	1,227	13,335	15,597	7,667	6,045	5,363	978	-	-	-	57,507
Net (expense) income from reinsurance contracts held	(2,475)	4,772	(15,440)	(11,528)	(4,201)	(5,094)	(2,070)	1,484	-	-	-	(34,552)
Net insurance and reinsurance finance (expense) income	(427)	(2,405)	(342)	(59)	139	(505)	(2,136)	(574)	-	-	-	(6,309)
Net insurance financial result	4,393	3,594	(2,447)	4,010	3,605	446	1,157	1,888	-	-	-	16,646
Net investment income	-	-	-	-	-	-	-	-	9,403	-	-	9,403
Interest income	-	-	-	-	-	-	-	-	19,357	-	-	19,357
Share of results from associates	-	-	-	-	-	-	-	-	2,808	-	-	2,808
Non-attributable general and administrative expenses	-	-	-	-	-	-	-	-	-	(18,210)	-	(18,210)
Other expense, net	-	-	-	-	-	-	-	-	-	(999)	-	(999)
Monetary loss from hyperinflation	-	-	-	-	-	-	-	-	-	(1,666)	-	(1,666)
Finance costs	-	-	-	-	-	-	-	-	-	(3,427)	-	(3,427)
Profit (loss) before taxation	4,393	3,594	(2,447)	4,010	3,605	446	1,157	1,888	31,568	(24,302)	-	23,912

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

8 SEGMENT INFORMATION (continued)

b) Segmental interim condensed consolidated statement of financial position:

	<i>General risk insurance</i>						<i>Life and Medical</i>		<i>Investments</i>	<i>Unallocated</i>	<i>Total</i>
	<i>Marine and aviation KD 000's</i>	<i>Motor vehicles KD 000's</i>	<i>Property KD 000's</i>	<i>Engineering KD 000's</i>	<i>General Insurance KD 000's</i>	<i>Liability KD 000's</i>	<i>Life KD 000's</i>	<i>Medical KD 000's</i>	<i>Investments KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
30 June 2025											
Segment assets	13,065	5,658	91,247	37,895	11,758	15,724	46,220	32,650	623,353	383,482	1,261,052
Segment liabilities	25,883	149,208	135,544	50,574	42,840	29,586	127,166	127,325	-	188,544	876,670
	<i>General risk insurance</i>						<i>Life and Medical</i>		<i>Investments</i>	<i>Unallocated</i>	<i>Total</i>
	<i>Marine and aviation KD 000's</i>	<i>Motor vehicles KD 000's</i>	<i>Property KD 000's</i>	<i>Engineering KD 000's</i>	<i>General Insurance KD 000's</i>	<i>Liability KD 000's</i>	<i>Life KD 000's</i>	<i>Medical KD 000's</i>	<i>Investments KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
31 December 2024											
Segment assets	13,553	8,698	105,154	34,995	11,951	19,275	36,060	63,527	599,112	345,352	1,237,677
Segment liabilities	31,053	142,191	147,587	57,555	41,261	32,131	104,364	100,823	-	200,656	857,621
	<i>General risk insurance</i>						<i>Life and Medical</i>		<i>Investments</i>	<i>Unallocated</i>	<i>Total</i>
	<i>Marine and aviation KD 000's</i>	<i>Motor vehicles KD 000's</i>	<i>Property KD 000's</i>	<i>Engineering KD 000's</i>	<i>General Insurance KD 000's</i>	<i>Liability KD 000's</i>	<i>Life KD 000's</i>	<i>Medical KD 000's</i>	<i>Investments KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
30 June 2024											
Segment assets	18,585	12,668	80,931	46,948	9,231	18,082	36,276	69,449	563,907	391,464	1,247,541
Segment liabilities	29,975	144,608	123,430	58,771	41,570	29,288	109,252	162,717	-	179,019	878,630

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

9 RELATED PARTY DISCLOSURES

Related parties represent associated companies, 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 Parent Company's management.

Transactions with related parties included in the interim condensed consolidated statement of income are as follows:

	<i>Six months ended 30 June 2025</i>		<i>Six months ended 30 June 2024</i>	
	<i>Revenue*</i>	<i>Expenses**</i>	<i>Revenue*</i>	<i>Expenses**</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Shareholders			-	-
Associate	90	1	74	(24)
Entities under common control	100	1,452	9,758	(9,228)
Directors and key management personnel	-	-	86	(60)
Other related parties	-	-	1,535	(190)
	190	1,453	11,453	(9,502)

* Revenue represents the insurance revenue as disclosed in the interim condensed consolidated statement of income for the period ended 30 June 2025.

** Expenses represent the insurance service expenses, non-attributable general and administrative expenses and other income (expenses) as disclosed in the interim condensed consolidated statement of income for the period ended 30 June 2025.

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>30 June 2025</i>			<i>31 December 2024</i>			<i>30 June 2024</i>		
	<i>Amounts owed by related parties</i>	<i>Amounts owed to related Parties</i>	<i>Financial assets at FVTPL</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>	<i>Financial assets at FVTPL</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>	<i>Financial assets at FVTPL</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Shareholders	-	-	3,189	1,260	-	1,710	-	-	-
Directors and key management personnel	30	-	-	26	-	-	313	36	-
Entities under common control	94	220	-	1,440	218	-	468	778	-
Associate	381	-	-	336	-	-	530	-	-
Other related parties	-	-	-	1,909	1,014	-	244	907	-
	505	220	3,189	4,971	1,232	1,710	1,555	1,721	-

	<i>30 June 2025</i>	<i>31 December 2024</i>	<i>30 June 2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
Bank overdraft	-	-	-
Letter of guarantee	-	-	47,907
	-	-	47,907

Compensation of key management personnel is as follows:

	<i>Six months ended 30 June</i>	
	<i>2025</i>	<i>2024</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other short-term benefits	488	457
Employees' end of service benefits	317	378
	805	835

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

10 CONTINGENT LIABILITIES

As at 30 June 2025, the Group was contingently liable in respect of letters of guarantees amounting to KD 105,436 thousand (31 December 2024: KD 105,641 thousand and 30 June 2024: KD 105,675 thousand).

11 TAXATION

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2025	2024	2025	2024
	KD 000's	KD 000's	KD 000's	KD 000's
NLST	-	(166)	-	(474)
Zakat	-	(48)	-	(75)
Taxation from subsidiaries	(1,783)	(3,008)	(4,302)	(4,258)
	(1,783)	(3,222)	(4,302)	(4,807)

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Kuwait, the jurisdiction in which the Company is incorporated, and has come into effect from 1 January 2025. On 29 June 2025, Kuwait's Ministry of Finance (MOF) issued the Executive Regulations for Law No. 157 of 2024 (the Regulation), which governs the taxation of multinational enterprise (MNEs) groups operating in the State of Kuwait. The Regulations aim to interpret and clarify the provisions of the law, define procedures and implementation mechanisms, and provide a clear understanding for all relevant parties.

Law No. 157 of 2024 applies to MNEs operating in Kuwait with annual consolidated revenues of EUR 750 million or more in at least two of the four preceding fiscal years (revenue threshold) based on the consolidated financial statements of the ultimate parent entity (UPE). The law, which aims to ensure that MNEs pay tax at an effective tax rate of 15% on their Kuwait profits, introduced a domestic minimum top-up tax (DMTT) that is aligned with the Pillar Two Model Rules. To provide certainty to taxpayers and enhance consistency with the Model Rules, Article 116 of the Regulations require the Regulations to be applied and interpreted in line with the Model Rules and consolidated commentary. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

12 FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of, Cash and cash equivalents, time deposits, insurance and reinsurance contract assets, investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income, debt instruments at amortized cost and loans secured by life insurance policies and certain items from other assets. Financial liabilities consist of bank overdrafts, insurance and reinsurance contract liabilities and certain items from other liabilities.

The fair values of financial instruments are not materially different from their carrying values. The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The valuation techniques used are consistent with the audited financial statements for the year ended 31 December 2024.

12 FAIR VALUE MEASUREMENT (continued)

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

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

30 June 2025

	Fair value measurement using			Total KD 000's
	Level 1 KD 000's	Level 2 KD 000's	Level 3 KD 000's	
Investments at FVTPL				
Quoted equity securities	58,496	-	-	58,496
Unquoted equity securities	-	-	10,681	10,681
Quoted managed funds	21,308	-	-	21,308
Unquoted managed funds	-	-	13,975	13,975
Quoted bonds	27,294	-	-	27,294
Unquoted bonds	-	-	8,841	8,841
	107,098	-	33,497	140,595
Investments at FVOCI				
Quoted equity securities	17,471	-	-	17,471
Unquoted equity securities	-	-	10,666	10,666
Unquoted managed funds	-	164	-	164
Quoted bonds	342,950	-	-	342,950
Unquoted bonds	-	-	4,450	4,450
	360,421	164	15,116	375,701
Property and equipment				
Land	-	11,411	-	11,411
Buildings	-	19,390	-	19,390
Investment properties	-	6,624	-	6,624
Total	467,519	37,589	48,613	553,721

31 December 2024

	Fair value measurement using			Total KD 000's
	Level 1 KD 000's	Level 2 KD 000's	Level 3 KD 000's	
Investments at FVTPL				
Quoted equity securities	42,171	-	-	42,171
Unquoted equity securities	-	76	10,594	10,670
Managed funds of quoted Securities	39,267	-	-	39,267
Quoted managed funds	-	15	7,843	7,858
Unquoted managed funds	16,972	-	-	16,972
Quoted bonds	-	-	4,300	4,300
	98,410	91	22,737	121,238
Investments at FVOCI				
Quoted equity securities	19,673	-	-	19,673
Unquoted equity securities	-	-	10,513	10,513
Quoted bonds	343,724	-	-	343,724
Unquoted managed funds	-	142	45	187
	363,397	142	10,558	374,097
Property and equipment				
Land	-	11,380	-	11,380
Buildings	-	19,654	-	19,654
Investment properties	-	6,656	-	6,656
Total	461,807	37,832	10,558	533,025

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

12 FAIR VALUE MEASUREMENT (continued)

30 June 2024

	<i>Fair value measurement using</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
<i>Investments at FVTPL</i>				
Quoted equity securities	30,297	-	-	30,297
Unquoted equity securities	-	-	9,828	9,828
Quoted managed funds	42,532	-	-	42,532
Unquoted managed funds	-	16	7,113	7,129
Quoted bonds	12,228	-	-	12,228
Unquoted bonds	-	-	5,264	5,264
	<u>85,057</u>	<u>16</u>	<u>22,205</u>	<u>107,278</u>
<i>Investments at FVOCI</i>				
Quoted equity securities	20,892	-	-	20,892
Unquoted equity securities	-	739	8,218	8,957
Quoted managed funds	-	138	30	168
Unquoted managed funds	321,740	-	-	321,740
Quoted bonds	-	2,287	-	2,287
	<u>342,632</u>	<u>3,164</u>	<u>8,248</u>	<u>354,044</u>
<i>Property and equipment</i>				
Land	-	11,639	-	11,639
Buildings	-	20,171	-	20,171
<i>Investment properties</i>	-	7,580	-	7,580
Total	<u>427,689</u>	<u>42,570</u>	<u>30,453</u>	<u>500,712</u>

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value.

	<i>As at</i>	<i>Change in fair</i>	<i>Change in fair value</i>	<i>Net</i>	<i>As at</i>
<i>Six months ended 30 June 2025</i>	<i>1 January 2025</i>	<i>value recorded in the</i>	<i>recorded in the</i>	<i>additions</i>	<i>30 June 2025</i>
	<i>KD 000's</i>	<i>interim consolidated</i>	<i>interim consolidated</i>	<i>and</i>	<i>KD 000's</i>
		<i>statement of</i>	<i>statement of</i>	<i>disposals</i>	
		<i>income</i>	<i>comprehensive</i>	<i>KD 000's</i>	<i>KD 000's</i>
		<i>KD 000's</i>	<i>income</i>		
<i>Investments at FVTPL</i>					
Unquoted equity securities	10,594	79		8	10,681
Unquoted managed funds	7,843	643		5,489	13,975
Unquoted bonds	4,300	361		4,180	8,841
	<u>22,737</u>	<u>1,083</u>		<u>9,677</u>	<u>33,497</u>
<i>Investments at FVOCI</i>					
Unquoted equity securities	10,513	-	183	(30)	10,666
Unquoted managed funds	45	-	-	(45)	-
	<u>10,558</u>	<u>-</u>	<u>183</u>	<u>(75)</u>	<u>10,666</u>

Gulf Insurance Group K.S.C.P. and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)

As at and for the period ended 30 June 2025 (continued)

12 FAIR VALUE MEASUREMENT (continued)

	<i>As at 1 January 2024 KD 000's</i>	<i>Change in fair value recorded in the consolidated statement of income KD 000's</i>	<i>Change in fair value recorded in the consolidated statement of comprehensive income</i>	<i>Net additions and disposals KD 000's</i>	<i>At 31 December 2024 KD 000's</i>
<i>Investments at FVTPL</i>					
Unquoted equity securities	9,120	(37)	-	1,511	10,594
Unquoted managed funds	7,190	(104)	-	757	7,843
Unquoted bonds	4,300	-	-	-	4,300
	<u>20,610</u>	<u>(141)</u>	<u>-</u>	<u>2,268</u>	<u>22,737</u>
<i>Investments at FVOCI</i>					
Unquoted equity securities	8,556	-	2,248	(291)	10,513
Unquoted managed funds	30	-	15	-	45
	<u>8,586</u>	<u>-</u>	<u>2,263</u>	<u>(291)</u>	<u>10,558</u>
	<i>As at 1 January 2024 KD 000's</i>	<i>Change in fair value recorded in the interim consolidated statement of income KD 000's</i>	<i>Change in fair value recorded in the interim consolidated statement of comprehensive income</i>	<i>Net additions and disposals KD 000's</i>	<i>As at 30 June 2024 KD 000's</i>
<i>Investments at FVTPL</i>					
Unquoted equity securities	9,120	(23)	731	-	9,828
Unquoted managed funds	7,190	140	(217)	-	7,113
Unquoted bonds	4,300	964	-	-	5,264
	<u>20,610</u>	<u>1,081</u>	<u>514</u>	<u>-</u>	<u>22,205</u>
<i>Investments at FVOCI</i>					
Unquoted equity securities	8,556	(338)	-	-	8,218
Unquoted managed funds	30	-	-	-	30
	<u>8,586</u>	<u>(338)</u>	<u>-</u>	<u>-</u>	<u>8,248</u>