

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL INFORMATION  
(UNAUDITED)**

**31 MARCH 2024**



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

### Report on condensed consolidated interim financial information

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#### The Board of Directors

##### Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Gulf Insurance Group K.S.C.P. (the "Parent Company") and its subsidiaries (the "Group") as at 31 March 2024, and the related condensed consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim 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 three-month period ended 31 March 2024, 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 three-month period ended 31 March 2024 of the provisions of Law No. 7 of 2010 concerning the Capital Markets Authority and its related regulations, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its financial position.

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Khalid Zbrahim Al-Shatti

License No.175

PricewaterhouseCoopers (Al-Shatti & Co.)

15 May 2024

Kuwait

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

## INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 March 2024

	Notes	Three months ended 31 March	
		2024 KD 000's	2023 KD 000's (Restated)*
<b>Revenue:</b>			
Insurance revenue	5	212,726	189,201
Insurance service expenses	5	(175,641)	(157,211)
<b>Insurance service result before reinsurance contracts held</b>		<b>37,085</b>	<b>31,990</b>
Net expense from reinsurance contracts held	6	(27,091)	(14,211)
<b>Insurance service result</b>		<b>9,994</b>	<b>17,779</b>
Finance expense from insurance contracts issued	5	(7,192)	(8,727)
Finance income from reinsurance contracts held	6	3,426	3,977
<b>Net insurance financial result</b>		<b>6,228</b>	<b>13,029</b>
Net investment income	3	8,334	5,599
Interest income		8,289	5,780
Share of results from associates		2,969	646
Non-attributable general and administrative expenses		(11,153)	(6,513)
Other (expense) income, net		(712)	872
Monetary loss from hyperinflation		(351)	(1,126)
Finance costs		(1,715)	(1,888)
<b>PROFIT FOR THE PERIOD BEFORE TAXATION</b>		<b>11,889</b>	<b>16,399</b>
Contribution to KFAS		(129)	(93)
NLST		(308)	(203)
Zakat		(27)	(38)
Taxation from subsidiaries		(1,250)	(1,346)
<b>PROFIT FOR THE PERIOD</b>		<b>10,175</b>	<b>14,719</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		10,947	11,456
Non-controlling interests		(772)	3,263
		<b>10,175</b>	<b>14,719</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	4	<b>38.58 fils</b>	<b>40.37 fils</b>

\*The comparative information has been restated to reflect the adjustments in Note 13.

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

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

INTERIM CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 31 March 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>
		<i>(Restated)*</i>
Profit for the period	<u>10,175</u>	<u>14,719</u>
<b>Other comprehensive loss:</b>		
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>		
- Exchange differences on translation of foreign operations	(12,529)	(13,088)
- Insurance finance income for insurance contracts issued	495	-
- Finance expenses from reinsurance contracts held	(260)	-
- Hyperinflation impact	(3,534)	2,656
	<u>(15,828)</u>	<u>(10,432)</u>
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>		
- Change in fair value of financial assets at FVOCI	4,146	8,177
- Revaluation of pension plans	10	-
	<u>4,156</u>	<u>8,177</u>
Other comprehensive loss for the period	<u>(11,672)</u>	<u>(2,255)</u>
Total comprehensive (loss) income for the period	<u>(1,497)</u>	<u>12,464</u>
<b>Attributable to:</b>		
Equity holders of the Parent Company	784	9,190
Non-controlling interests	(2,281)	3,274
	<u>(1,497)</u>	<u>12,464</u>

*\*The comparative information has been restated to reflect the adjustments in Note 13.*

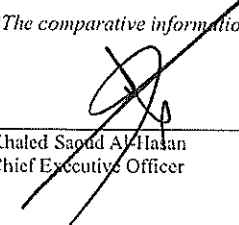
## Gulf Insurance Group K.S.C.P. and its Subsidiaries

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

	Notes	31 March 2024 KD 000's	31 December 2023 KD 000's (Restated)*	31 March 2023 KD 000's (Restated)*
<b>ASSETS</b>				
Cash and cash equivalents (excluding bank overdrafts)		184,402	156,405	279,004
Time deposits		59,731	62,674	61,985
Insurance contract assets	5	11,185	6,970	13,114
Reinsurance contract assets	6	227,371	242,269	224,505
Investments carried at fair value through profit or loss		92,509	97,569	81,664
Investments at fair value through other comprehensive income		347,731	332,809	255,127
Other assets		36,961	32,019	51,999
Property and equipment		36,135	38,993	47,297
Right of use assets		5,957	5,348	4,294
Investments in associates		26,498	24,297	41,373
Investment properties		7,623	8,354	9,970
Debt instruments at amortised cost		72,926	76,895	56,695
Intangible assets		44,893	46,343	42,433
Goodwill		33,352	33,319	33,291
Loans secured by life insurance policies		186	619	442
		1,187,460	1,164,883	1,203,193
Disposal group held for sale		10,533	10,533	-
<b>TOTAL ASSETS</b>		<b>1,197,993</b>	<b>1,175,416</b>	<b>1,203,193</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Insurance contract liabilities	5	623,487	577,846	595,714
Reinsurance contract liabilities	6	24,074	36,053	21,912
Bank Overdraft		244	3,082	-
Term loans	7	52,616	53,116	58,077
Income tax payable		12,288	11,501	8,368
Other liabilities		109,783	114,641	136,910
Lease liabilities		5,517	5,034	4,088
<b>Total liabilities</b>		<b>828,009</b>	<b>801,273</b>	<b>825,069</b>
<b>Equity</b>				
Share capital	10	28,457	28,457	28,457
Share premium		50,947	50,947	50,947
Treasury shares	10	(429)	(429)	(429)
Treasury shares reserve		3,099	3,099	3,099
Statutory reserve		28,457	28,457	27,835
Voluntary reserve		40,671	40,671	38,416
Effect of changes in ownership interest of subsidiaries		(2,682)	(2,837)	(2,837)
Other reserve		(1,851)	(1,643)	(730)
Insurance and reinsurance finance reserve		1,074	839	-
Cumulative changes in fair value reserve		3,889	(771)	7,990
Foreign currency translation adjustments		(54,383)	(39,315)	(50,854)
Revaluation reserve		16,014	16,014	17,738
Retained earnings		122,942	112,770	119,656
<b>Equity attributable to the equity holders of the Parent Company</b>		<b>236,205</b>	<b>236,259</b>	<b>239,288</b>
Subordinated perpetual Tier 2 bonds		60,000	60,000	60,000
Non-controlling interests		73,779	77,884	78,836
<b>Total equity</b>		<b>369,984</b>	<b>374,143</b>	<b>378,124</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,197,993</b>	<b>1,175,416</b>	<b>1,203,193</b>

\*The comparative information has been restated to reflect the adjustments in Note 13.

  
 Khaled Sapud A. Hasan  
 Chief Executive Officer

The attached notes 1 to 13 form part of this interim condensed consolidated financial information.

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

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2024

	Attributable to equity holders of the Parent Company											Total equity KD 000's					
	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 reserve 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
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 (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	10,947	10,947	-	(772)	10,175
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	10	235	4,660	(15,068)	-	-	(10,163)	-	(1,509)	(11,672)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	10	235	4,660	(15,068)	-	10,947	784	-	(2,281)	(1,497)
Interest on subordinated perpetual tier 2 bonds	-	-	-	-	-	-	-	-	-	-	-	-	(744)	(744)	-	-	(744)
Amortization of subordinated Tier 2 Bonds transactions costs	-	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)	-	-	(31)
Movement in other reserve	-	-	-	-	-	-	-	(218)	-	-	-	-	(218)	(218)	-	(172)	(390)
Acquisition of non-controlling interest	-	-	-	-	-	-	155	-	-	-	-	-	-	155	-	(189)	(34)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,463)	(1,463)
<b>As at 31 March 2024</b>	<b>28,457</b>	<b>50,947</b>	<b>(429)</b>	<b>3,099</b>	<b>28,457</b>	<b>40,671</b>	<b>(2,682)</b>	<b>(1,851)</b>	<b>1,074</b>	<b>3,889</b>	<b>(54,383)</b>	<b>16,014</b>	<b>122,942</b>	<b>236,205</b>	<b>60,000</b>	<b>73,779</b>	<b>369,984</b>

**Gulf Insurance Group K.S.C.P. and its Subsidiaries**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
For the period ended 31 March 2024

	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 reserve KD 000's	Insurance and reinsurance 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 2022 (as previously reported)*	28,457	50,947	(429)	3,099	27,835	38,416	(2,837)	(629)	-	(2,668)	(44,171)	17,738	119,044	234,802	60,000	30,769	325,571
Restating the impact of unconsolidated subsidiary	-	-	-	-	-	-	-	-	-	3,477	2,764	-	(9,764)	(3,523)	-	46,193	42,670
As at 31 December 2022 (Restated)	28,457	50,947	(429)	3,099	27,835	38,416	(2,837)	(629)	-	809	(41,407)	17,738	109,280	231,279	60,000	76,962	368,241
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	11,456	11,456	-	3,263	14,719
Other comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	7,181	(9,447)	-	-	(2,266)	-	11	(2,255)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	-	7,181	(9,447)	-	11,456	9,190	-	3,274	12,464
Interest on subordinated perpetual tier 2 bonds	-	-	-	-	-	-	-	-	-	-	-	-	(1,049)	(1,049)	-	-	(1,049)
Amortization of subordinated Tier 2 Bonds transactions costs	-	-	-	-	-	-	-	-	-	-	-	-	(31)	(31)	-	-	(31)
Movement in other reserve	-	-	-	-	-	-	-	(101)	-	-	-	-	-	(101)	-	(39)	(140)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,361)	(1,361)
As at 31 March 2023 (restated)	28,457	50,947	(429)	3,099	27,835	38,416	(2,837)	(730)	-	7,990	(50,854)	17,738	119,656	239,288	60,000	78,836	378,124

\*The equity balances for the year ended 31 December 2022 has been restated to reflect the impact of initial adoption of IFRS 17 and IFRS 9. For more details, please refer to the prior year issued financial statements for the year ended 31 December 2023.

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

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>
		<i>(Restated)*</i>
<b>OPERATING ACTIVITIES</b>		
Profit for the period before taxation	11,889	16,399
<i>Adjustments for:</i>		
Depreciation of property and equipment	640	1,112
Amortisation of intangible assets	1,726	1,527
Net investment income	(8,334)	(7,988)
Interest income	(8,288)	(4,037)
Share of results of associates	(2,969)	653
Finance costs	1,715	1,888
Monetary loss from hyperinflation	(351)	1,126
	<u>(3,972)</u>	<u>10,680</u>
<i>Changes in operating assets and liabilities:</i>		
Insurance contract assets	(4,215)	6,017
Reinsurance contract assets	14,898	(12,148)
Other assets and right of use assets	2,558	1,453
Insurance contract liabilities	45,641	51,800
Reinsurance contract liabilities	(11,979)	(2,029)
Other liabilities, income tax payables and lease liabilities	(10,128)	(2,607)
Remuneration paid to directors	-	(185)
Acquisition of non-controlling interest	(34)	-
	<u>32,769</u>	<u>52,981</u>
Net cash flows generated from operating activities		
<b>INVESTING ACTIVITIES</b>		
Movement in time deposits	2,943	(878)
Net movement of investments	(6,123)	(3,093)
Net movement of debt instruments at amortized cost	3,969	6,440
Loans secured by life insurance policies	433	39
Purchase of property and equipment	(543)	(1,999)
Additions on intangible assets	(464)	-
Proceeds from sale of intangible assets	255	-
Proceeds from sale of property and equipment	27	14
Interest income received	8,288	11,372
Dividend income received	1,118	-
Dividend received from associates	139	-
	<u>10,042</u>	<u>11,895</u>
Net cash flows from investing activities		
<b>FINANCING ACTIVITIES</b>		
Term loans paid	(500)	-
Finance costs paid	(1,715)	(1,888)
Interest on subordinated perpetual Tier 2 bonds	(744)	-
Dividends paid to non-controlling interests	(1,463)	(1,361)
	<u>(4,422)</u>	<u>(3,249)</u>
Net cash flows used in financing activities		
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>38,389</b>	<b>61,627</b>
Net foreign exchange difference	(7,554)	(10,371)
Cash and cash equivalents at 1 January	153,323	227,748
	<u>184,158</u>	<u>279,004</u>
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>		

\*The comparative information has been restated to reflect the adjustments in Note 13.

The attached notes 1 to 13 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 31 March 2024

### 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 15 May 2024.

The Ordinary Annual General Assembly meeting of the Parent Company’s shareholders held on 29 April 2024, approved the consolidated financial statements for the year ended 31 December 2023 and approved the Board of Director’s proposal for distributing cash dividends to the shareholders of 37 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 90.01% (31 December 2023: 90.01% and 31 March 2023: 46.32%) owned by Fairfax Middle East Limited Company and nil% (31 December 2023: nil% and 31 March 2023: 46.32%) by Kuwait Projects Company Holding K.S.C. (KPCO).

### 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 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 three months period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

#### **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 2023, except for the adoption of new standards 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.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

#### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group’s interim condensed consolidated financial information.

## Gulf Insurance Company K.S.C. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

#### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES *(continued)*

##### Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial information.

##### 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.

#### 3 NET INVESTMENT INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD</i>	<i>KD</i>
Unrealized gain on investments at fair value through profit or loss	<b>4,467</b>	3,451
Realized gain on sale of investments	<b>61</b>	410
Dividend income	<b>1,118</b>	489
Foreign exchange gain	<b>2,567</b>	210
Rental income from investment properties	<b>104</b>	10
Other investment income, net	<b>17</b>	1,029
	<b>8,334</b>	<b>5,599</b>

## Gulf Insurance Company K.S.C. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

#### 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 (loss) profit for the period attributable to equity holders of the Parent Company by the weighted average number of ordinary shares, less treasury shares, outstanding during the period.

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Profit attributable to equity holders of the Parent Company	<u>10,947</u>	<u>11,456</u> (Restated)
	<b>Shares</b>	<b>Shares</b>
Weighted average number of shares, less treasury shares outstanding during the period	<u>283,751,062</u>	<u>283,751,062</u>
Basic and diluted earnings per share	<u>38.58 fils</u>	<u>40.37 fils</u>

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

# Gulf Insurance Company K.S.C. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

### 5 INSURANCE CONTRACT ASSETS/LIABILITIES

	<i>Liability for Remaining Coverage Excluding loss component KD 000'</i>	<i>Loss component KD 000'</i>	<i>Liability for Incurred claims PV of FCF including Risk Adjustments KD 000'</i>	<i>Total KD 000'</i>
Insurance contracts liabilities as at the beginning of the period	157,576	12,175	408,095	577,846
Insurance contracts assets as at the beginning of the period	(53,805)	2	46,833	(6,970)
<b>Insurance contracts liability at beginning of period</b>	<b>103,771</b>	<b>12,177</b>	<b>454,928</b>	<b>570,876</b>
Insurance revenue	(212,726)	-	-	(212,726)
Incurred claims and other directly attributable expenses	-	(2,001)	234,632	232,631
Changes that relate to past service-Changes in FCF relating to LIC	-	-	(79,293)	(79,293)
Losses on onerous contracts	-	(164)	-	(164)
Insurance acquisition cash flows amortisations	22,467	-	-	22,467
<b>Insurance service expenses</b>	<b>22,467</b>	<b>(2,165)</b>	<b>155,339</b>	<b>175,641</b>
<b>Insurance service result</b>	<b>(190,259)</b>	<b>(2,165)</b>	<b>155,339</b>	<b>(37,085)</b>
Finance expenses from insurance contracts issued	286	3	6,408	6,697
Foreign currency adjustments	(8,086)	(632)	(5,245)	(13,963)
Total amounts recognised in the statement of income and OCI	<b>(198,059)</b>	<b>(2,794)</b>	<b>156,502</b>	<b>(44,351)</b>
Investment component	(999)	-	987	(12)
<b>Cash Flows:</b>				
Premium received	295,656	-	-	295,656
Claims and other directly attributable expenses paid	-	-	(181,061)	(181,061)
Insurance acquisition cash flows	(28,806)	-	-	(28,806)
Total cash flows	<b>266,850</b>	<b>-</b>	<b>(181,061)</b>	<b>85,789</b>
Insurance contracts liability as at the end of the period	<b>171,563</b>	<b>9,383</b>	<b>431,356</b>	<b>612,302</b>
Insurance contracts liabilities as at the end of the period	<b>191,402</b>	<b>8,534</b>	<b>423,551</b>	<b>623,487</b>
Insurance contracts assets as at the end of the period	<b>(19,839)</b>	<b>849</b>	<b>7,805</b>	<b>(11,185)</b>
<b>Insurance contracts liability as at the end of the period</b>	<b>171,563</b>	<b>9,383</b>	<b>431,356</b>	<b>612,302</b>

# Gulf Insurance Company K.S.C. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

As at and for the period ended 31 March 2024

### 5 INSURANCE CONTRACT ASSETS/LIABILITIES (continued)

31 March 2023 (restated)	<i>Liability for Remaining Coverage</i>		<i>Liability for Incurred claims PV of FCF including Risk Adjustments</i>	<i>Total KD 000'</i>
	<i>Excluding loss component KD 000'</i>	<i>Loss component KD 000'</i>	<i>KD 000'</i>	
Insurance contracts liabilities as at the beginning of the period	84,922	7,788	406,804	499,514
Insurance contracts assets as at the beginning of the period	(9,374)	134	3,080	(6,160)
Insurance contracts liability at beginning of period	<u>75,548</u>	<u>7,922</u>	<u>409,884</u>	<u>493,354</u>
Insurance revenue	(189,201)	-	-	(189,201)
Incurred claims and other directly attributable expenses	1,011	(2,231)	183,705	182,485
Changes that relate to past service-Changes in FCF relating to LIC	-	-	(45,497)	(45,497)
Losses on onerous contracts	(459)	2,041	-	1,582
Insurance acquisition cash flows amortisations	18,641	-	-	18,641
Insurance service expenses	<u>19,193</u>	<u>(190)</u>	<u>138,208</u>	<u>157,211</u>
Insurance service result	<u>(170,008)</u>	<u>(190)</u>	<u>138,208</u>	<u>(31,990)</u>
Finance expenses from insurance contracts issued	521	1	8,205	8,727
Foreign currency adjustments	(3,296)	24	(1,770)	(5,042)
Total amounts recognised in the statement of income and OCI	<u>(172,783)</u>	<u>(165)</u>	<u>144,643</u>	<u>(28,305)</u>
Cash Flows:				
Premium received	279,144	-	-	279,144
Claims and other directly attributable expenses paid	-	-	(135,137)	(135,137)
Insurance acquisition cash flows	(26,456)	-	-	(26,456)
Total cash flows	<u>252,688</u>	<u>-</u>	<u>(135,137)</u>	<u>117,551</u>
Insurance contracts liability as at the end of the period	<u>155,453</u>	<u>7,757</u>	<u>419,390</u>	<u>582,600</u>
Insurance contracts liabilities as at the end of the period	173,238	7,351	415,125	595,714
Insurance contracts assets as at the end of the period	(17,785)	406	4,265	(13,114)
Insurance contracts liability as at the end of the period	<u>155,453</u>	<u>7,757</u>	<u>419,390</u>	<u>582,600</u>

# Gulf Insurance Company K.S.C. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

### 6 REINSURANCE CONTRACT ASSETS /LIABILITIES

	Reinsurance Remaining Coverage		Reinsurance Incurred claims PV of FCF including Risk Adjustments KD 000'	Total KD 000'
	Excluding loss component KD 000'	Loss component KD 000'		
Reinsurance contracts liabilities as at the beginning of the period	(43,823)	126	7,644	(36,053)
Reinsurance contracts assets as at the beginning of the period	(51,022)	25	293,266	242,269
Reinsurance contracts (liability) asset at beginning of period	<b>(94,845)</b>	<b>151</b>	<b>300,910</b>	<b>206,216</b>
Reinsurance expenses	(85,866)	-	-	(85,866)
Incurred claims recovery	-	-	198,197	198,197
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(138,961)	(138,961)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(1)	-	(1)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	18	-	18
Effect of changes in risk of non-performance by issuer of reinsurance contracts held	-	-	(478)	(478)
Net (expense) income from reinsurance contracts held	<b>(85,866)</b>	<b>17</b>	<b>58,758</b>	<b>(27,091)</b>
Finance income from reinsurance contracts held	2	1	3,163	3,166
Foreign currency adjustments	2,352	-	(5,200)	(2,848)
Total amounts recognised in the statement of income and OCI	<b>(83,512)</b>	<b>18</b>	<b>56,721</b>	<b>(26,773)</b>
<b>Cash Flows:</b>				
Premiums paid net of ceding commissions and other directly attributable expenses	88,918	-	(155)	88,763
Recoveries from reinsurance	-	-	(64,909)	(64,909)
Total cash flows	88,918	-	(65,064)	23,854
Reinsurance contracts (liability) asset as at the end of the period	<b>(89,439)</b>	<b>169</b>	<b>292,567</b>	<b>203,297</b>
Reinsurance contracts liabilities as at the end of the period	(36,910)	130	12,706	(24,074)
Reinsurance contracts assets as at the end of the period	<b>(52,529)</b>	<b>39</b>	<b>279,861</b>	<b>227,371</b>
Reinsurance contracts (liability) asset as at the end of the period	<b>(89,439)</b>	<b>169</b>	<b>292,567</b>	<b>203,297</b>

# Gulf Insurance Company K.S.C. and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

(UNAUDITED)

As at and for the period ended 31 March 2024

### 6 REINSURANCE CONTRACT ASSETS AND/ LIABILITIES (continued)

31 March 2023 (restated)	Reinsurance Remaining Coverage		Reinsurance Incurred claims	Total KD 000'
	Excluding loss component KD 000'	Loss component KD 000'	PV of FCF including Risk Adjustments KD 000'	
Reinsurance contracts liabilities as at the beginning of the period	(28,899)	-	12,106	(16,793)
Reinsurance contracts assets as at the beginning of the period	(79,885)	29	285,747	205,891
Reinsurance contracts (liability) asset at beginning of period	(108,784)	29	297,853	189,098
Reinsurance expenses	(71,397)	-	-	(71,397)
Incurred claims recovery	-	-	183,727	183,727
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(126,846)	(126,846)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	9	1	10
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	1	1
Effect of changes in risk of non-performance by issuer of reinsurance contracts held	-	-	294	294
Net (expense) income from reinsurance contracts held	(71,397)	9	57,177	(14,211)
Finance income from reinsurance contracts held	169	-	3,808	3,977
Foreign currency adjustments	1,826	1	(1,982)	(155)
Total amounts recognised in the statement of income and OCI	(69,402)	10	59,003	(10,389)
Cash Flows:				
Premiums paid net of ceding commissions and other directly attributable expenses	90,003	-	(261)	89,742
Recoveries from reinsurance	-	-	(65,858)	(65,858)
Total cash flows	90,003	-	(66,119)	23,884
Reinsurance contracts (liability) asset as at the end of the period	(88,183)	39	290,737	202,593
Reinsurance contracts liabilities as at the end of the period	(43,442)	-	21,530	(21,912)
Reinsurance contracts assets as at the end of the period	(44,741)	39	269,207	224,505
Reinsurance contracts (liability) asset as at the end of the period	(88,183)	39	290,737	202,593

## Gulf Insurance Company K.S.C. and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

#### 7 LONG 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 31 March 2024 is KD 28,116 (31 December 2023: KD 28,116 and 31 March 2023: KD 33,077).
- b) Second loan is payable on quarterly installment basis for a period of five years beginning on 31 March 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 31 March 2024 is KD 24,500 (31 December 2023: KD 25,000 and 31 March 2023: KD 25,000).

#### 8 SHARE CAPITAL AND TREASURY SHARES

##### a) Share capital

The authorised share capital of the Parent Company comprises of 350,000,000 shares (31 December 2023: 350,000,000 shares and 31 March 2023: 350,000,000 shares) of 100 fils each. The issued and fully paid-up share capital consists of 284,572,463 shares (31 December 2023: 284,572,463 shares and 31 March 2023: 284,572,458 shares) of 100 fils each.

##### b) Treasury shares

	<i>31 March</i> <i>2024</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i>	<i>31 March</i> <i>2023</i>
Number of treasury shares	<b>821,396</b>	821,396	821,396
Percentage of issued shares	<b>0.29%</b>	0.29%	0.29%
Cost (KD 000's)	<b>429</b>	429	429
Market value (KD 000's)	<b>1,642</b>	1,544	1,165

Reserves equivalent to the cost of the treasury shares held are not available for distribution.

##### c) Dividends

The Ordinary Annual General Assembly meeting of the Parent Company's shareholders held on 29 April 2024, approved the Board of Director's proposal for distributing cash dividends to the shareholders of 37 fils for the year ended 31 December 2023.



## 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 31 March 2024

#### 9 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:

	General risk insurance				Life and Medical		Investments KD 000's	Unallocated KD 000's	Total KD 000's	
	Marine and aviation KD 000's	Motor vehicles KD 000's	Property KD 000's	Engineering KD 000's	General Insurance KD 000's	Liability KD 000's				Life KD 000's
31 March 2024:	1,111	1,079	(2,796)	2,085	2,522	120	583	1,524	-	6,228
Insurance service result before reinsurance contracts held	3,895	2,574	10,601	8,323	3,705	2,279	2,237	3,471	-	37,085
Net expense from reinsurance contracts held	(2,391)	345	(13,176)	(6,069)	(1,197)	(2,100)	(1,106)	(1,397)	-	(27,091)
Net insurance and reinsurance (expense) finance income	(393)	(1,840)	(221)	(169)	14	(59)	(548)	(550)	-	(3,766)
Net insurance financial result	1,111	1,079	(2,796)	2,085	2,522	120	583	1,524	-	6,228
Net investment income									8,334	8,334
Interest income									8,289	8,289
Share of results from associates									2,969	2,969
Non-attributable general and administrative expenses									-	(11,153)
Other expenses, net									(712)	(712)
Monetary loss from hyperinflation									(351)	(351)
Finance costs									(1,715)	(1,715)
Profit before taxation	1,111	1,079	(2,796)	2,085	2,522	120	583	1,524	(13,931)	11,889
31 March 2023:	2,837	572	(902)	788	(4,586)	8,111	(262)	6,471	-	13,029
Insurance service result before reinsurance contracts held	2,894	4,025	222	4,811	3,616	3,797	2,695	9,930	-	31,990
Net expense from reinsurance contracts held	259	(931)	(888)	(4,071)	(8,415)	4,833	(2,327)	(2,671)	-	(14,211)
Net insurance and reinsurance (expense) finance income	(316)	(2,522)	(236)	48	213	(519)	(630)	(788)	-	(4,750)
Net insurance financial result	2,837	572	(902)	788	(4,586)	8,111	(262)	6,471	-	13,029
Net investment income									5,599	5,599
Interest income									5,780	5,780
Share of results from associates									646	646
Non-attributable general and administrative expenses									-	(6,513)
Other income, net									872	872
Monetary loss from hyperinflation									(1,126)	(1,126)
Finance costs									(1,888)	(1,888)
Profit before taxation	1,111	1,079	(2,796)	2,085	2,522	120	583	1,524	(13,931)	11,889

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 31 March 2024

9 SEGMENT INFORMATION (continued)

b) Segmental interim condensed consolidated statement of financial position:

	General risk insurance					Life and Medical		Investments		Total KD 000's
	Marine and aviation KD 000's	Motor vehicles KD 000's	Property KD 000's	Engineering KD 000's	General Insurance KD 000's	Life KD 000's	Medical KD 000's	Investments KD 000's	Unallocated KD 000's	
31 March 2024:										
Segment assets	13,286	6,939	45,140	52,307	8,071	34,230	63,168	547,287	412,150	1,197,993
Segment liabilities	27,695	145,619	98,349	57,415	38,228	104,605	150,013	-	180,448	828,009
31 December 2023:										
Segment assets	12,279	5,301	51,263	54,401	9,880	33,496	68,048	539,924	386,253	1,175,416
Segment liabilities	30,190	141,834	92,469	67,417	34,936	110,505	110,837	187,374	187,374	801,273
31 March 2023:										
Segment assets	12,224	4,578	54,959	55,062	8,950	35,591	50,470	444,829	520,745	1,203,193
Segment liabilities	22,832	146,408	85,675	64,293	27,526	96,980	145,196	-	207,443	825,069

## 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 31 March 2024

#### 10 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 consolidated statement of income are as follows:

	<i>Three months ended 31 March 2024</i>		<i>Three months ended 31 March 2023</i>	
	<i>Revenue KD 000's</i>	<i>Expenses KD 000's</i>	<i>Revenue KD 000's</i>	<i>Expenses KD 000's</i>
Directors and key management personnel	54	11	142	7
Other related parties	3,538	481	3,327	91
	<u>3,592</u>	<u>492</u>	<u>3,469</u>	<u>98</u>

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

	<i>31 March 2024</i>		<i>(Audited) 31 December 2023</i>		<i>31 March 2023 (restated)</i>	
	<i>Amounts owed by related parties KD 000's</i>	<i>Amounts owed to related Parties KD 000's</i>	<i>Amounts owed by related parties KD 000's</i>	<i>Amounts owed to related parties KD 000's</i>	<i>Amounts owed by related parties KD 000's</i>	<i>Amounts owed to related parties KD 000's</i>
Directors and key management personnel	217	7	199	-	512	7
Other related parties	2,180	1,420	-	-	2,874	1,278
	<u>2,397</u>	<u>1,427</u>	<u>199</u>	<u>-</u>	<u>3,386</u>	<u>1,285</u>

The Group holds certain deposits and call accounts with a related party financial institution amounting to KD 36,205 thousands (31 December 2023: KD 13,803 thousand and 31 March 2023: KD 47,137 thousand). The Group also holds bonds issued by Kuwait Projects Company Holding Company K.S.C and other related entity amounting to KD 6,539 thousands (31 December 2023: KD 6,536 thousand and 31 March 2023: KD 6,534 thousand). The Group has signed a credit facilities contract with a related local bank (Burgan Bank) for a total amount of KD 71,000 thousand consisting of cash and non-cash facilities. The following facilities have been utilized with Burgan bank:

	<i>31 March 2024 KD 000's</i>	<i>31 December 2023 KD 000's</i>	<i>31 March 2023 KD 000's</i>
Bank overdraft	244	-	-
Letter of guarantee	47,884	52,139	51,979
	<u>48,128</u>	<u>52,139</u>	<u>51,979</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 31 March 2024

#### 10 RELATED PARTY DISCLOSURES (continued)

Compensation of key management personnel is as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>
Salaries and other short-term benefits	222	244
Employees' end of service benefits	119	150
	<u>341</u>	<u>394</u>

#### 11 CONTINGENT LIABILITIES

As at 31 March 2024, the Group was contingently liable in respect of letters of guarantees amounting to KD 96,587 (31 December 2023: KD 106,115 thousand and 31 March 2023: KD 106,954 thousand).

#### 12 FAIR VALUE MEASUREMENT

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of investments held to maturity, debt securities (loans), investments available for sale, investments carried at fair value through profit or loss, loans secured by life insurance policies, premiums and insurance balances receivable, reinsurance on outstanding claims, time deposits, bank balances and short-term deposits. Financial liabilities consist of bank overdrafts, insurance payable and certain other liabilities.

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.

# 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 31 March 2024

### 12 FAIR VALUE MEASUREMENT (continued)

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

	<i>Fair value measurement using</i>			<b>Total</b> KD 000's
	<b>Level 1</b> KD 000's	<b>Level 2</b> KD 000's	<b>Level 3</b> KD 000's	
<b>31 March 2024</b>				
<i>Investments carried at fair value through profit or loss:</i>				
Quoted equity securities	26,643	-	-	26,643
Unquoted equity securities	-	-	9,115	9,115
Quoted managed funds	39,130	-	-	39,130
Unquoted managed funds	-	17	6,584	6,601
Quoted bonds	6,204	-	-	6,204
Unquoted bonds	-	-	4,816	4,816
	<u>71,977</u>	<u>17</u>	<u>20,515</u>	<u>92,509</u>
<i>Investments at FVOCI:</i>				
Quoted equity securities	17,414	-	-	17,414
Unquoted equity securities	-	-	9,299	9,299
Quoted managed funds	132	-	-	132
Unquoted managed funds	-	-	30	30
Quoted bonds	320,856	-	-	320,856
	<u>338,402</u>	<u>-</u>	<u>9,329</u>	<u>347,731</u>
<b>Property and equipment</b>				
Land	-	11,614	-	11,614
Buildings	-	20,256	-	20,256
<b>Investment properties</b>	-	7,623	-	7,623
<b>Total</b>	<u>410,379</u>	<u>39,510</u>	<u>29,844</u>	<u>479,733</u>

	<i>Fair value measurement using</i>			<b>Total</b> KD 000's
	<b>Level 1</b> KD 000's	<b>Level 2</b> KD 000's	<b>Level 3</b> KD 000's	
<b>31 December 2023</b>				
<i>Investments carried at fair value through profit or loss:</i>				
Quoted equity securities	28,819	-	-	28,819
Unquoted equity securities	-	-	9120	9120
Quoted managed funds	39,740	-	-	39,740
Unquoted managed funds	-	921	7,190	8,111
Quoted bonds	7,479	-	-	7,479
Unquoted bonds	-	-	4,300	4,300
	<u>76,038</u>	<u>921</u>	<u>20,610</u>	<u>97,569</u>
<i>Investments at fair value through OCI</i>				
Quoted equity securities	15,528	-	-	15,528
Unquoted equity securities	-	-	8,556	8,556
Quoted managed funds	187	-	-	187
Unquoted managed funds	-	-	30	30
Quoted bonds	308,508	-	-	308,508
	<u>324,223</u>	<u>-</u>	<u>8,586</u>	<u>332,809</u>
<b>Property and equipment</b>				
Land	-	12,466	-	12,466
Buildings	-	22,236	-	22,236
<b>Investment properties</b>	-	8,354	-	8,354
<b>Total</b>	<u>400,261</u>	<u>43,977</u>	<u>21,056</u>	<u>465,294</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 31 March 2024

### 12 FAIR VALUE MEASUREMENT (continued)

31 March 2023 (restated)	Fair value measurement using			Total KD 000's
	Level 1 KD 000's	Level 2 KD 000's	Level 3 KD 000's	
<i>Investments carried at fair value through profit or loss:</i>				
Quoted equity securities	19,540	-	-	19,540
Unquoted equity securities	-	763	354	1,117
Quoted managed funds	32,780	-	-	32,780
Unquoted managed funds	-	1,782	5,258	7,040
Quoted bonds	9,253	-	-	9,253
Unquoted bonds	-	-	11,934	11,934
	<u>61,573</u>	<u>2,545</u>	<u>17,546</u>	<u>81,664</u>
<i>Investments at fair value through OCI</i>				
Quoted securities	14,914	-	-	14,914
Unquoted equity securities	-	3,453	5,921	9,374
Quoted managed funds	-	1,994	-	1,994
Unquoted managed funds	-	-	-	-
Quoted bonds	228,845	-	-	228,845
	<u>243,759</u>	<u>5,447</u>	<u>5,921</u>	<u>255,127</u>
<i>Property and equipment</i>				
Land	-	16,058	-	16,058
Buildings	-	21,934	-	21,934
<i>Investment properties</i>				
	-	9,970	-	9,970
<b>Total</b>	<u><u>209,599</u></u>	<u><u>64,642</u></u>	<u><u>11,533</u></u>	<u><u>285,774</u></u>

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

	As at 1 January 2024 KD 000's	change in fair value KD 000's	Net purchases and disposals KD 000's	As at 31 March 2024 KD 000's
<i>Investments carried at fair value through profit or loss:</i>				
Unquoted equity securities	9,120	(5)	-	9,115
Unquoted managed funds	7,190	110	(716)	6,584
Unquoted bonds	4,300	516	-	4,816
	<u>20,610</u>	<u>621</u>	<u>(716)</u>	<u>20,515</u>
<i>Investments at fair value through OCI</i>				
Unquoted equity securities	8,556	743	-	9,299
Unquoted bonds	30	-	-	30
	<u>8,586</u>	<u>743</u>	<u>-</u>	<u>9,329</u>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 12 FAIR VALUE MEASUREMENT (continued)

31 December 2023	At 1 January 2023 KD 000's	change in fair value KD 000's	Net additions and disposals KD 000's	At 31 December 2023 KD 000's
<b>Investments carried at fair value through profit or loss:</b>				
Unquoted equity securities	9,240	(56)	(64)	9,120
Unquoted managed funds	6,823	487	(120)	7,190
Unquoted bonds	4,300	-	-	4,300
	<u>20,363</u>	<u>431</u>	<u>(184)</u>	<u>20,610</u>
<b>Investments at fair value through OCI:</b>				
Unquoted equity securities	9,109	(552)	(1)	8,556
Unquoted managed funds	34	(4)	-	30
	<u>9,143</u>	<u>(556)</u>	<u>(1)</u>	<u>8,586</u>

	As at 1 January 2023 KD 000's	Transferred on transition of IFRS 9 KD 000's	change recorded in the interim condensed consolidated statement of comprehensive income KD 000's	Net purchases and disposals KD 000's	As at 31 March 2023 KD 000's
<b>Investments carried at fair value through profit or loss:</b>					
Unquoted equity securities	354	-	-	-	354
Unquoted managed funds	-	-	528	5,000	5,258
Unquoted bonds	-	11,934	-	-	11,934
	<u>354</u>	<u>11,934</u>	<u>528</u>	<u>5,000</u>	<u>17,546</u>
<b>Investments at FVOCI:</b>					
Unquoted equity securities	5,921	-	-	-	5,921
	<u>5,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,921</u>

### 13 COMPARATIVE RESTATEMENT

During the period, the Group reconsidered the measurement and presentation of certain transactions and balances in the interim consolidated financial statements to ensure compliance with IFRS Accounting Standards. This resulted in a restatement of certain line items in the interim consolidated financial statements. Accordingly, the comparative figures have been restated as presented below in accordance with International Accounting Standard 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8").

#### A) Restatement related to the consolidation of the major subsidiary, Gulf Insurance Group in Kingdom of Saudi Arabia:

During the interim period ended 31 March 2023, the Parent Company did not consolidate the financial information of a major subsidiary (Gulf Insurance Group, A Saudi Joint Stock Company) (the subsidiary) due to unavailability of the financial information for the period then ended. IFRS 10 - Consolidated Financial Statements ("IFRS 10") does not allow an entity not to consolidate a subsidiary on the basis that information is not available. In order to correct the error of non compliance with IFRS 10, the Parent Company was able to obtain the interim condensed financial information of the subsidiary for the period ended 31 March 2024. Accordingly, the Parent Company restated the financial information of the corresponding figures presented to the interim condensed consolidated financial information for the period ended 31 March 2024.

13 COMPARATIVE RESTATEMENT (continued)

**B) Other restatements:**

During the period, the Group performed an exercise to determine if the presentation of the consolidated financial statements is in accordance with IFRS accounting standards. This exercise resulted in reclassification of certain line items in the consolidated financial statements. Accordingly, the comparative figures have been reclassified as presented in the table below in the reclassification column and these reclassifications did not have any impact on the equity and profit.

- 1- In the previous period, interest income from debt instruments amounting to KWD 5,780 thousand was presented within “net investment income” on the face of the consolidated statement of income. International Accounting Standard 1 - Presentation of Financial Statements (“IAS 1”) requires interest calculated using the effective interest method to be presented separately. During the period, management considered this requirement and reclassified interest income from “net Investment income” to “interest income” on the face of the consolidated statement of income.
- 2- In addition, in the previous period, the share of results from investment in associates amounting to KWD 646 thousand was presented within “net investment income” on the face of the consolidated statement of income. IAS 1 requires share of the profit or loss of associates and joint ventures accounted for using the equity method to be presented separately. During the period, management considered the above requirement and reclassified the share of results from investment in associates from “net Investment income” to “share of results from investment in associates” on the face of the consolidated statement of income.
- 3- In the previous period, hyperinflation impact amounting to KD 2,656 thousand was recognised in retained earnings directly. International Accounting Standard 21 - The effects of changes in foreign exchange rates (“IAS 21”) requires an entity to present the cumulative amount of exchange differences recognised in OCI in a separate component of equity ‘until disposal of the foreign operation’. Management has considered this requirement and as a result reclassified hyperinflation impact from retained earnings to foreign currency translation reserve.
- 4- During the period, the Group identified that certain time deposits with original maturity of more than three months amounting to KD 9,429 thousand and KD 3,986 thousand as at 31 December 2023 and 31 March 2023 respectively were classified within cash and cash equivalents on the face of consolidated statement of financial position and in the statement of cash flows. Management considered the requirements of IAS 1 and International Accounting Standard 7 (“IAS 7”) and noted that IAS 1 requires cash and cash equivalents to be presented in the consolidated statement of financial position and to be the same as that presented in the consolidated statement of cash flows. Time deposits with maturity of more than 3 months do not meet the definition of cash equivalents and should not be presented as part of cash and cash equivalents in the consolidated statement of cash flows nor on the consolidated statement of financial position. The time deposits with maturity of 3 months or more are now presented as a separate line item (labelled “time deposits”) in the consolidated statement of financial position and within the movement in time deposits under operating cash flows in the statement of cash flows.
- 5- In the previous period, income tax payable amounting to KD 11,501 thousand and KD 2,236 thousand as at 31 December 2023 and 31 March 2023 respectively were presented within “other liabilities” on the face of the consolidated statement of financial position. IAS 1 requires current tax to be presented separately. Management considered this requirement and reclassified income tax payable from “other liabilities” to be presented as a separate financial statement line item.
- 6- During the period, the Group identified a balance of KD 8,140 thousand as at 31 December 2023 classified within other assets representing an equity financial instrument. IAS 1 requires financial assets that are dissimilar in nature from ‘other assets’ must be presented separately when material on the face of the consolidated statement of financial position. Management considered this requirement and reclassified the balance from “other assets” to “financial assets at fair value through profit and loss”.



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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### 13 COMPARATIVE RESTATEMENT (continued)

- 7- In the previous year, right of use assets amounting to KD 5,348 thousand and KD 2,680 thousand as at 31 December 2023 and 31 March 2023 respectively were classified within "other assets". Moreover, lease liabilities amounting to KD 5,034 thousand and KD 2,516 thousand as at 31 December 2023 and 31 March 2023 respectively were classified within "other liabilities". IFRS 16 requires right of use assets and lease liabilities to be presented separately from other assets and other liabilities respectively. Management considered this requirement and reclassified the right of use assets and lease liabilities to the face of the statement of financial position.

Accordingly, the interim condensed consolidated statement of cash flows for the corresponding period for the three months period ended 31 March 2023 has been restated to reflect the above restatements.

The order of presentation of the Group's assets and liabilities on the face of the interim condensed consolidated statement of financial position as at 31 December 2023 was amended to reflect the appropriate order of liquidity of such assets and liabilities, respectively, in accordance with the requirements of IAS 1. The following table summarizes the reclassification and restatement impact on the interim condensed financial information as follows:

<i>Interim condensed consolidated statement of income 31 March 2023</i>	<i>As previously reported KD 000's</i>	<i>Restatement (A) KD 000's</i>	<i>Restatement (B) KD 000's</i>	<i>Restated KD 000's</i>
Insurance revenue	157,326	31,875	-	189,201
Insurance service expenses	(132,203)	(25,008)	-	(157,211)
Insurance service result before reinsurance contracts held	25,123	6,867	-	31,990
Net expense from reinsurance contracts held	(13,973)	(238)	-	(14,211)
Finance expense from insurance contracts issued	(4,700)	(4,027)	-	(8,727)
Finance income from reinsurance contracts held	3,173	804	-	3,977
Net investment income (1 & 2)	10,192	1,833	(6,426)	5,599
Interest income (1)	-	-	5,780	5,780
Share of results from associates (2)	-	-	646	646
Non-attributable general and administrative expenses	(5,266)	(1,247)	-	(6,513)
Other (expense) income, net	(219)	1,091	-	872
Taxation from subsidiaries	(347)	(999)	-	(1,346)
Basic and diluted earnings per share	33.18 fils	7.19 fils	-	40.37 fils
<i>Interim condensed consolidated statement of comprehensive income 31 March 2023</i>	<i>As previously reported KD 000's</i>	<i>Restatement (A) KD 000's</i>	<i>Restatement (B) KD 000's</i>	<i>Restated KD 000's</i>
Exchange differences on translation of foreign operations	(11,828)	(1,260)	-	(13,088)
Change in fair value of financial assets at FVOCI	4,959	3,218	-	8,177
Hyperinflation adjustment (3)	-	-	2,656	2,656
Items that will not subsequently reclassified to consolidated statement of income:				
Hyperinflation impact (3)	-	-	(2,656)	(2,656)
<i>Interim condensed consolidated statement of financial position 31 March 2023</i>	<i>As previously reported KD 000's</i>	<i>Restatement (A) KD 000's</i>	<i>Restatement (B) KD 000's</i>	<i>Restated KD 000's</i>
Cash and cash equivalents (4)	216,961	66,029	(3,986)	279,004
Time deposits (4)	49,417	8,582	3,986	61,985
Other assets (7)	97,017	(42,338)	(2,680)	51,999
Reinsurance contract assets	208,007	16,498	-	224,505
Debt instruments at amortised cost	45,357	11,338	-	56,695
Investments carried at fair value through profit or loss	76,159	5,505	-	81,664
Investments at fair value through other comprehensive income	161,653	93,474	-	255,127
Property and equipment	46,202	1,095	-	47,297
Right of use assets (7)	-	1,614	2,680	4,294
Intangible assets	25,611	16,822	-	42,433
Insurance contract liabilities	483,975	111,739	-	595,714
Reinsurance contract liabilities	20,751	1,161	-	21,912
Other liabilities (5) (7)	131,721	9,968	(4,779)	136,910
Lease liabilities (7)	-	1,572	2,516	4,088
Income tax payables (5)	-	6,105	2,263	8,368
Cumulative changes in fair value reserve	3,596	4,394	-	7,990
Foreign currency translation adjustments (3)	(55,369)	1,879	2,636	(50,854)
Retained earnings (3)	129,303	(7,011)	(2,636)	119,656
Non-controlling interests	30,124	48,712	-	78,836

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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### Interim condensed consolidated statement of cash flows

31 March 2023	As previously reported KD 000's	Restatement (A) KD 000's	Restatement (B) KD 000's	Restated KD 000's
Profit for the period before taxation	11,316	5,083		16,399
Depreciation of property and equipment	827	285		1,112
Amortisation of intangible assets	536	991		1,527
Net investment income	(10,192)	2,204		(7,988)
Interest income	-	(4,037)		(4,037)
Share of results of associates	-	653		653
Insurance contract assets	11,689	(5,672)		6,017
Reinsurance contract assets	(13,544)	1,396		(12,148)
Other assets and right of use assets	(5,484)	6,937		1,453
Insurance contract liabilities	56,406	(4,606)		51,800
Reinsurance contract liabilities	(3,808)	1,779		(2,029)
Other liabilities, income tax payables and lease liabilities	3,929	(6,536)		(2,607)
Movement in time deposits (4)	5,174	(2,066)	(3,986)	(878)
Net movement of investments	544	(3,637)		(3,093)
Net movement of debt instruments at amortized cost	6,137	303		6,440
Interest income received	9,546	1,826		11,372
Net foreign exchange difference	(11,073)	702		(10,371)
Cash and cash equivalents at 1 January 2023	157,324	70,424	-	227,748
Cash and cash equivalents at 31 March 2023	216,961	66,029	(3,986)	279,004

### Interim condensed consolidated statement of financial position

31 December 2023	As previously reported KD 000's	Restatement (A) KD 000's	Restatement (B) KD 000's	Restated KD 000's
Cash and bank balances (4)	165,834	-	(9,429)	156,405
Time deposits (4)	53,245	-	9,429	62,674
Other assets (6) (7)	45,507	-	(13,488)	32,019
Investments carried at fair value through profit or loss (6)	89,429	-	8,140	97,569
Right of use assets (7)	-	-	5,348	5,348
Other liabilities (5) (7)	131,176	-	(16,535)	114,641
Income tax payables (5)	-	-	11,501	11,501
Lease liabilities (7)	-	-	5,034	5,034

### Interim condensed consolidated statement of financial position

31 December 2022	As previously reported KD 000's	Restatement (A) KD 000's	Restatement (B) KD 000's	Restated KD 000's
Other assets (6) (7)	57,776	-	(12,052)	45,724
Investments carried at fair value through profit or loss (6)	-	-	7,531	7,531
Right of use assets (7)	-	-	4,521	4,521
Other liabilities (5) (7)	153,448	-	(13,455)	139,993
Income tax payables (5)	-	-	9,028	9,028
Lease liabilities (7)	-	-	4,427	4,427