

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

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

30 JUNE 2024

Gulf Insurance Group K.S.C.P. and its Subsidiaries
Interim condensed consolidated financial information (unaudited)
for the six month period ended 30 June 2024
(All amounts are expressed in Kuwaiti Dinars unless otherwise stated)

Contents	Page(s)
Independent auditor's report on review of interim condensed consolidated financial information	1
Interim condensed consolidated statement of income (Unaudited)	2
Interim condensed consolidated statement of comprehensive income (Unaudited)	3
Interim condensed consolidated statement of financial position (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5-6
Interim condensed consolidated statement of cash flows (Unaudited)	7
Notes to the interim condensed consolidated financial information (Unaudited)	8 – 26



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

Report on review of interim condensed consolidated financial information

The Board of Directors

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 2024, and the related interim condensed consolidated statements of income and comprehensive income for the three month and six month periods then ended, and the interim condensed consolidated statements of changes in equity and 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 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 six month period ended 30 June 2024 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.)

13 August 2024
Kuwait

PricewaterhouseCoopers Al-Shatti & Co.
Arraya Tower II, 23rd - 24th Floor, P.O. Box 1753, Safat 13018 Sharq, Kuwait
T: +965 2227 5777 F: +965 2227 5888, www.pwc.com

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

For the period ended 30 June 2024

	Notes	Three months ended June		Six months ended June	
		2024 KD 000's	2023 KD 000's (Restated)*	2024 KD 000's	2023 KD 000's (Restated)*
Revenue:					
Insurance revenue	5	236,426	201,493	449,152	390,694
Insurance service expenses	5	(216,004)	(202,049)	(391,645)	(359,260)
Insurance service result before reinsurance contracts held		20,422	(556)	57,507	31,434
Net (expense) income from reinsurance contracts held	6	(7,461)	10,212	(34,552)	(3,999)
Insurance service result		12,961	9,656	22,955	27,435
Finance expense from insurance contracts issued	5	(4,084)	(2,870)	(11,276)	(11,597)
Finance income from reinsurance contracts held	6	1,541	1,503	4,967	5,480
Net insurance financial result		10,418	8,289	16,646	21,318
Net investment income	3	1,069	5,931	9,403	11,530
Interest income		11,068	8,107	19,357	13,888
Share of results from associates		(161)	(157)	2,808	885
Non-attributable general and administrative expenses		(7,395)	(6,371)	(18,210)	(12,320)
Other income (expenses) net		51	1,491	(999)	1,670
Monetary (loss) gain from hyperinflation		(1,315)	795	(1,666)	(331)
Finance costs		(1,712)	(1,814)	(3,427)	(3,702)
Gain on bargain purchase from acquisition of a subsidiary	13	-	4,642	-	4,642
PROFIT FOR THE PERIOD BEFORE TAXATION		12,023	21,181	23,912	37,580
Contribution to KFAS		(87)	(117)	(216)	(210)
NLST		(166)	(332)	(474)	(535)
Zakat		(48)	(12)	(75)	(50)
Taxation from subsidiaries		(3,008)	(3,681)	(4,258)	(5,027)
PROFIT FOR THE PERIOD		8,714	17,039	18,889	31,758
Attributable to:					
Equity holders of the Parent Company		5,825	13,892	16,772	25,348
Non-controlling interests		2,889	3,147	2,117	6,410
		8,714	17,039	18,889	31,758
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	4	20.47 fils	48.96 fils	59.03 fils	89.33 fils

*The comparative information has been restated to reflect the adjustments in Note 14.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(UNAUDITED)

For the period ended 30 June 2024

	<i>Three months ended June</i>		<i>Six months ended June</i>	
	2024 <i>KD 000's</i>	<i>2023</i> <i>KD 000's</i> <i>(Restated)*</i>	2024 <i>KD 000's</i>	<i>2023</i> <i>KD 000's</i> <i>(Restated)*</i>
Profit for the period	8,714	17,039	18,889	31,758
Other comprehensive income (loss):				
<i>Items that are or may be subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Exchange differences on translation of foreign operations	(2,125)	5,695	(14,030)	(6,704)
- Share of other comprehensive income of associates	(14)	(69)	(638)	(617)
- Finance (expense) income from insurance contracts issued	(443)	219	52	(353)
- Finance income (expenses) from reinsurance contracts held	236	(47)	(24)	384
- Hyperinflation impact	6,465	(1,951)	2,931	705
	4,119	3,847	(11,709)	(6,585)
<i>Items that will not subsequently reclassified to interim condensed consolidated statement of income:</i>				
- Change in fair value of investments at FVOCI	(1,351)	(11,863)	2,798	(3,639)
- Share of other comprehensive income of associates	(58)	221	(61)	174
- Revaluation of property and equipment	265	-	265	-
- Revaluation of pension plans	(17)	-	(7)	-
	(1,161)	(11,642)	2,995	(3,465)
Other comprehensive income (loss) for the period	2,958	(7,795)	(8,714)	(10,050)
Total comprehensive income for the period	11,672	9,244	10,175	21,708
Attributable to:				
Equity holders of the Parent Company	9,036	6,534	9,820	15,724
Non-controlling interests	2,636	2,710	355	5,984
	11,672	9,244	10,175	21,708

*The comparative information has been restated to reflect the adjustments in Note 14.

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

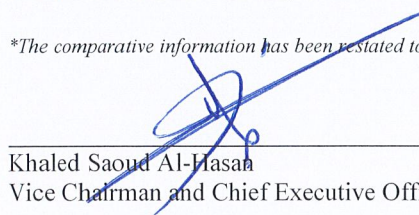
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(UNAUDITED)

As at 30 June 2024

	Notes	30 June 2024 KD 000's	31 December 2023 KD 000's (Restated)*	30 June 2023 KD 000's (Restated)*
ASSETS				
Cash and cash equivalents (excluding bank overdrafts)		181,279	156,405	241,422
Time deposits		47,212	62,674	63,763
Insurance contract assets	5	12,256	6,970	10,819
Reinsurance contract assets	6	279,914	242,269	270,462
Investments carried at fair value through profit or loss		107,278	97,569	92,149
Investments at fair value through other comprehensive income		354,044	332,809	265,047
Other assets		30,011	28,788	33,857
Deferred tax assets from foreign subsidiaries		3,451	3,231	3,176
Property and equipment		36,165	38,993	44,968
Right of use assets		5,872	5,348	3,971
Investments in associates		23,854	24,297	41,241
Investment properties		7,580	8,354	10,117
Debt instruments at amortised cost		71,151	76,895	86,392
Intangible assets		43,489	46,343	43,507
Goodwill		33,283	33,319	33,327
Loans secured by life insurance policies		169	619	424
		<u>1,237,008</u>	<u>1,164,883</u>	<u>1,244,642</u>
Disposal group held for sale		10,533	10,533	-
TOTAL ASSETS		<u>1,247,541</u>	<u>1,175,416</u>	<u>1,244,642</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Insurance contract liabilities	5	658,995	577,846	634,180
Reinsurance contract liabilities	6	40,616	36,053	36,151
Bank overdraft		-	3,082	-
Term loans	7	50,866	53,116	58,077
Income tax payable		12,288	11,501	15,369
Deferred tax payable from foreign subsidiaries		2,853	1,618	273
Other liabilities		88,832	95,936	110,071
Provision for end of service benefits		18,827	17,087	16,123
Lease liabilities		5,353	5,034	3,828
Total liabilities		<u>878,630</u>	<u>801,273</u>	<u>874,072</u>
Equity				
Share capital	8	28,457	28,457	28,457
Share premium		50,947	50,947	50,947
Treasury shares	8	-	(429)	(429)
Treasury shares reserve		4,268	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		(1,825)	(1,643)	(572)
Insurance and reinsurance finance reserve		867	839	1,295
Cumulative changes in fair value reserve		2,965	(771)	(1,938)
Foreign currency translation adjustments		(50,286)	(39,315)	(52,976)
Revaluation reserve		16,276	16,014	17,738
Retained earnings		117,460	112,770	120,915
Equity attributable to the equity holders of the Parent Company		<u>235,575</u>	<u>236,259</u>	<u>229,950</u>
Subordinated perpetual Tier 2 bonds		60,000	60,000	60,000
Non-controlling interests		73,336	77,884	80,620
Total equity		<u>368,911</u>	<u>374,143</u>	<u>370,570</u>
TOTAL LIABILITIES AND EQUITY		<u>1,247,541</u>	<u>1,175,416</u>	<u>1,244,642</u>

*The comparative information has been restated to reflect the adjustments in Note 14.


Khaled Saoud Al-Masari
Vice Chairman and Chief Executive Officer

The attached notes 1 to 15 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 2024

	<i>Attributable to equity holders of the Parent Company</i>																	
	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Treasury shares reserve</i>	<i>Statutory reserve</i>	<i>Voluntary reserve</i>	<i>Effect of changes in interest of Subsidiaries</i>	<i>Other reserves</i>	<i>reinsurance and finance reserve</i>	<i>Cumulative changes in fair values</i>	<i>Foreign currency translation adjustments</i>	<i>Revaluation reserve</i>	<i>Retained earnings</i>	<i>Sub-total</i>	<i>Subordinated perpetual tier 2 bonds</i>	<i>Non-controlling interests</i>	<i>Total equity</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>	<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>	
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of treasury shares (note 8)	-	-	429	1,169	-	-	-	(7)	28	3,736	(10,971)	262	16,772	9,820	-	355	10,175	
Dividends Paid (Note 8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,598	
Interest on subordinated perpetual tier 2 bonds	-	-	-	-	-	-	-	-	-	-	-	-	(10,529)	-	-	-	(10,529)	
Amortization of subordinated Tier 2 Bonds transactions costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends paid to non-controlling interests	-	-	-	-	-	-	155	(175)	-	-	-	-	-	-	-	-	-	
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	(4,542)	368,911

The attached notes 1 to 15 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 2024

	<i>Attributable to equity holders of the Parent Company</i>																
	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	Reinsurance and 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 2022*	28,457	50,947	(429)	3,099	27,835	38,416	(2,837)	(629)	1,264	1,527	(46,863)	17,738	112,755	231,280	60,000	76,956	368,236
Profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	25,348	25,348	-	6,410	31,758
Other comprehensive (loss) income for the period	-	-	-	-	-	-	-	(77)	31	(3,465)	(6,113)	-	-	(9,624)	-	(426)	(10,050)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	-	(77)	31	(3,465)	(6,113)	-	25,348	15,724	-	5,984	21,708
Dividends Paid (Note 9)	-	-	-	-	-	-	-	-	-	-	-	-	(15,323)	(15,323)	-	-	(15,323)
Interest on subordinated perpetual tier 2 bonds	-	-	-	-	-	-	-	-	-	-	-	-	(1,803)	(1,803)	-	-	(1,803)
Amortization of subordinated Tier 2 Bonds transactions costs	-	-	-	-	-	-	-	-	-	-	-	-	(62)	(62)	-	-	(62)
Movement in other reserve	-	-	-	-	-	-	-	134	-	-	-	-	-	134	-	(39)	95
Non-controlling Interests arising on Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	319	319
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,600)	(2,600)
As at 30 June 2023	28,457	50,947	(429)	3,099	27,835	38,416	(2,837)	(572)	1,295	(1,938)	(52,970)	17,738	120,915	229,950	60,000	80,620	370,570

*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

The attached notes 1 to 15 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 2024

	<i>Six months ended June</i>	
	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>
		<i>(Restated)*</i>
OPERATING ACTIVITIES		
Profit for the period before taxation	23,912	37,580
<i>Adjustments for:</i>		
Depreciation of property and equipment	1,213	1,670
Amortisation of intangible assets and right of use assets	4,246	2,375
Gain on bargain purchase from acquisition of a subsidiary	-	(4,642)
Net investment income	(10,005)	(11,530)
Interest income	(19,357)	(13,887)
Share of results of associates	(2,808)	(121)
Finance costs	3,427	3,702
Finance costs on lease liabilities	55	42
Monetary loss (gain) from hyperinflation	1,666	(331)
Provision charged for end of service benefits	2,305	1,748
	<u>4,654</u>	<u>16,606</u>
<i>Changes in operating assets and liabilities:</i>		
Insurance contract assets	(5,234)	8,312
Reinsurance contract assets	(37,669)	(58,105)
Loans secured by life insurance policies	450	57
Other assets	(1,506)	(1,656)
Insurance contract liabilities	81,149	90,906
Reinsurance contract liabilities	4,563	12,199
Other liabilities	(4,389)	7,893
Remuneration paid to directors	-	(185)
	<u>42,018</u>	<u>76,027</u>
Provision for end of service benefits paid	(565)	(785)
Payment of taxation	(5,716)	(7,940)
Net cash flows generated from operating activities	<u>35,737</u>	<u>67,302</u>
INVESTING ACTIVITIES		
Movement in time deposits	15,462	745
Net movement of investments at fair value through profit or loss and at fair value through other comprehensive income	(21,660)	(19,320)
Net movement of debt instruments at amortized cost	5,744	(17,927)
Additions of property and equipment	(1,019)	(3,800)
Proceeds from sale of property and equipment	28	241
Additions of investment properties	(98)	-
Proceeds from sale of investment properties	110	-
Additions of intangible assets	(936)	(1,452)
Proceeds from sale of intangible assets	254	-
Interest income received	19,357	14,871
Dividend income received	3,472	1,891
Dividend received from associates	2,602	511
Proceeds from sale of treasury shares	1,598	-
Acquisition of non-controlling interest	(206)	-
Acquisition of a subsidiary, net of cash acquired	-	(566)
Net cash flows generated from (used in) investing activities	<u>24,708</u>	<u>(24,806)</u>
FINANCING ACTIVITIES		
Payment of lease liabilities	(325)	(1,760)
Term loans paid	(2,250)	-
Finance costs paid	(3,427)	(3,702)
Interest on subordinated perpetual Tier 2 bonds	(1,490)	(1,803)
Dividends paid	(10,529)	(15,323)
Dividends paid to non-controlling interests	(4,542)	(2,600)
Net cash flows used in financing activities	<u>(22,563)</u>	<u>(25,188)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,882	17,308
Net foreign exchange difference	(9,926)	(3,634)
Cash and cash equivalents at 1 January	<u>153,323</u>	<u>227,748</u>
CASH AND CASH EQUIVALENTS AT 30 JUNE	<u>181,279</u>	<u>241,422</u>

*The comparative information has been restated to reflect the adjustments in Note 14.

The attached notes 1 to 15 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 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 13 August 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 97.06% (31 December 2023: 90.01% and 30 June 2023: 43.69%) owned by Fairfax financial holding limited and nil% (31 December 2023: nil% and 30 June 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 six months period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 30 June 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 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
		<i>(Restated)</i>		<i>(Restated)</i>
Net (loss) gain on investments at fair value through profit or loss	(488)	1,078	4,040	5,349
Dividend income	2,354	1,403	3,472	1,891
Foreign exchange (loss) gain	(202)	4,417	2,365	4,627
Rental income from investment properties	120	167	224	177
Other investment expense	(715)	(1,134)	(698)	(514)
	1,069	5,931	9,403	11,530

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 30 June 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 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 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>	<i>KD 000's</i>
		<i>(Restated)</i>		<i>(Restated)</i>
Profit attributable to equity holders of the Parent Company	5,825	13,892	16,772	25,348
	Shares	Shares	Shares	Shares
Weighted average number of shares, less treasury shares outstanding during the period	284,526,825	283,751,062	284,136,800	283,751,062
Basic and diluted earnings per share	20.47 fils	48.96 fils	59.03 fils	89.33 fils

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 30 June 2024

5 INSURANCE CONTRACT ASSETS/LIABILITIES

30 June 2024	Liability for Remaining Coverage		Liability for	Total KD 000'
	Excluding loss component KD 000'	Loss component KD 000'	Incurred claims PV of FCF including Risk Adjustments KD 000'	
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)
Insurance contracts liability at beginning of period	103,771	12,177	454,928	570,876
Insurance revenue	(449,152)	-	-	(449,152)
Incurred claims and other directly attributable expenses	-	(1,757)	456,736	454,979
Changes that relate to past service-Changes in FCF relating to LIC	-	-	(106,995)	(106,995)
Losses on onerous contracts	-	535	-	535
Insurance acquisition cash flows amortisations	43,126	-	-	43,126
Insurance service expenses	43,126	(1,222)	349,741	391,645
Insurance service result	(406,026)	(1,222)	349,741	(57,507)
Finance expenses from insurance contracts issued	2,226	14	8,984	11,224
Foreign currency adjustments	(10,149)	(668)	(5,326)	(16,143)
Total amounts recognised in the interim consolidated statement of income and other comprehensive income	(413,949)	(1,876)	353,399	(62,426)
Investment component	(1,878)	-	1,878	-
Cash Flows:				
Premium received	533,416	-	-	533,416
Claims and other directly attributable expenses paid	-	-	(340,790)	(340,790)
Insurance acquisition cash flows	(54,337)	-	-	(54,337)
Total cash flows	479,079	-	(340,790)	138,289
Insurance contracts liability as at the end of the period	167,023	10,301	469,415	646,739
Insurance contracts liabilities as at the end of the period	181,905	9,781	467,309	658,995
Insurance contracts assets as at the end of the period	(14,882)	520	2,106	(12,256)
Insurance contracts liability as at the end of the period	167,023	10,301	469,415	646,739

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 30 June 2024

5 INSURANCE CONTRACT ASSETS /LIABILITIES (continued)

30 June 2023	<i>Liability for Remaining Coverage</i>		<i>Liability for Incurred claims</i>	<i>Total</i>
	<i>Excluding loss component</i>	<i>Loss component</i>	<i>PV of FCF including Risk Adjustments</i>	
	<i>KD 000'</i>	<i>KD 000'</i>	<i>KD 000'</i>	<i>KD 000'</i>
Insurance contracts liabilities as at the beginning of the period	164,000	11,177	368,097	543,274
Insurance contracts assets as at the beginning of the period	(62,812)	660	43,021	(19,131)
Insurance contracts liability at beginning of period	101,188	11,837	411,118	524,143
Insurance revenue	(390,694)	-	-	(390,694)
Incurred claims and other directly attributable expenses	-	(1,686)	397,067	395,381
Changes that relate to past service-Changes in FCF relating to LIC	-	-	(72,360)	(72,360)
Reversal of losses on onerous contracts	-	(1,005)	-	(1,005)
Insurance acquisition cash flows amortisations	37,244	-	-	37,244
Insurance service expenses	37,244	(2,691)	324,707	359,260
Insurance service result	(353,450)	(2,691)	324,707	(31,434)
Finance expenses from insurance contracts issued	1,744	11	10,195	11,950
Foreign currency adjustments	(5,626)	(490)	(9,505)	(15,621)
Total amounts recognised in the interim condensed consolidated statement of income and other comprehensive income	(357,332)	(3,170)	325,397	(35,105)
Investment component	573	-	374	947
Insurance acquisition cash flows assets and other pre-recognition cash flows derecognised	-	2	-	2
Cash Flows:				
Premium received	456,743	-	-	456,743
Claims and other directly attributable expenses paid	-	-	(277,728)	(277,728)
Insurance acquisition cash flows	(45,641)	-	-	(45,641)
Total cash flows	411,102	-	(277,728)	133,374
Insurance contracts liability as at the end of the period	155,531	8,669	459,161	623,361
Insurance contracts liabilities as at the end of the period	166,601	7,916	459,663	634,180
Insurance contracts assets as at the end of the period	(11,070)	753	(502)	(10,819)
Insurance contracts liability as at the end of the period	155,531	8,669	459,161	623,361

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 30 June 2024

6 REINSURANCE CONTRACT ASSETS /LIABILITIES

30 June 2024	<i>Reinsurance Remaining Coverage</i>		<i>Reinsurance Incurred claims</i>	<i>Total KD 000'</i>
	<i>Excluding loss component KD 000'</i>	<i>Loss component KD 000'</i>	<i>PV of FCF including Risk Adjustments KD 000'</i>	
Reinsurance contracts liabilities as at the beginning of the period	(43,824)	127	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	(94,846)	152	300,910	206,216
Reinsurance expenses	(187,861)	-	-	(187,861)
Incurred claims recovery	-	-	313,148	313,148
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(158,861)	(158,861)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(4)	-	(4)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	58	(117)	(59)
Effect of changes in risk of non-performance by issuer of reinsurance contracts held	-	-	(915)	(915)
Net (expense) income from reinsurance contracts held	(187,861)	54	153,255	(34,552)
Finance income from reinsurance contracts held	136	1	4,806	4,943
Foreign currency adjustments	1,981	-	(5,812)	(3,831)
Total amounts recognised in the interim consolidated statement of income and other comprehensive income	(185,744)	55	152,249	(33,440)
Cash Flows:				
Premiums paid net of ceding commissions and other directly attributable expenses	175,908	-	(413)	175,495
Recoveries from reinsurance	-	-	(108,973)	(108,973)
Total cash flows	175,908	-	(109,386)	66,522
Reinsurance contracts (liability) asset as at the end of the period	(104,682)	207	343,773	239,298
Reinsurance contracts liabilities as at the end of the period	(43,382)	129	2,637	(40,616)
Reinsurance contracts assets as at the end of the period	(61,300)	78	341,136	279,914
Reinsurance contracts (liability) asset as at the end of the period	(104,682)	207	343,773	239,298

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 30 June 2024

6 REINSURANCE CONTRACT ASSETS AND/ LIABILITIES (continued)

30 June 2023	Reinsurance Remaining Coverage		Reinsurance Incurred claims PV of FCF including Risk Adjustments	Total
	Excluding loss component KD 000'	Loss component KD 000'	KD 000'	KD 000'
Reinsurance contracts liabilities as at the beginning of the period	(30,596)	-	6,644	(23,952)
Reinsurance contracts assets as at the beginning of the period	(76,519)	29	288,847	212,357
Reinsurance contracts (liability) asset at beginning of period	(107,115)	29	295,491	188,405
Reinsurance expenses	(151,327)	-	-	(151,327)
Other Incurred directly attributable expenses	(1,105)	-	548	(557)
Incurred claims recovery	-	-	278,488	278,488
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	(130,647)	(130,647)
Reversal of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	12	-	12
Effect of changes in risk of non-performance by issuer of reinsurance contracts held	-	-	32	32
Net (expense) income from reinsurance contracts held	(152,432)	12	148,421	(3,999)
Finance income from reinsurance contracts held	790	1	5,073	5,864
Foreign currency adjustments	1,156	-	(8,311)	(7,155)
Total amounts recognised in the interim condensed consolidated statement of income and other comprehensive income	(150,486)	13	145,183	(5,290)
Cash Flows:				
Premiums paid net of ceding commissions and other directly attributable expenses	163,689	-	(548)	163,141
Recoveries from reinsurance	-	-	(111,945)	(111,945)
Total cash flows	163,689	-	(112,493)	51,196
Reinsurance contracts (liability) asset as at the end of the period	(93,912)	42	328,181	234,311
Reinsurance contracts liabilities as at the end of the period	(35,836)	-	(315)	(36,151)
Reinsurance contracts assets as at the end of the period	(58,076)	42	328,496	270,462
Reinsurance contracts (liability) asset as at the end of the period	(93,912)	42	328,181	234,311

7 LONG TERM LOANS

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

- 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 2024 is KD 28,116 thousand (31 December 2023: KD 28,116 thousand and 30 June 2023: KD 33,077 thousand).
- 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 30 June 2024 is KD 22,750 thousand (31 December 2023: KD 25,000 thousand and 30 June 2023: KD 25,000 thousand).

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 30 June 2024

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 30 June 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 30 June: 284,572,458 shares) of 100 fils each.

b) Treasury shares

	<i>30 June</i> <i>2024</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i>	<i>30 June</i> <i>2023</i>
Number of treasury shares	-	821,396	821,396
Percentage of issued shares	-	0.29%	0.29%
Cost (KD 000's)	-	429	429
Market value (KD 000's)	-	1,544	1,414

During the current period, the Parent Company has disposed all its treasury shares with a total consideration of KD 1,598 thousand, that resulted in a gain on sale of KD 1,169 thousand which has been recognised to the interim condensed consolidated statement of changes in equity under treasury share reserve.

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 per share 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 30 June 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		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	Medical KD 000's	Investments KD 000's	Unallocated KD 000's	
Six months ended 30 June 2024											
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 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 expenses, 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
Six months 30 June 2023 (Restated)											
Insurance service result before reinsurance contracts held	(898)	11,695	(24,491)	11,179	5,191	4,261	6,095	18,402	-	-	31,434
Net expense from reinsurance contracts held	1,255	(1,135)	22,722	(11,877)	(6,282)	1,410	(3,223)	(6,869)	-	-	(3,999)
Net insurance and reinsurance (expense) finance income	(340)	(2,962)	(211)	139	374	(832)	(1,408)	(877)	-	-	(6,117)
Net insurance financial result	17	7,598	(1,980)	(559)	(717)	4,839	1,464	10,656	-	-	21,318
Net investment income	-	-	-	-	-	-	-	-	11,530	-	11,530
Interest income	-	-	-	-	-	-	-	-	13,888	-	13,888
Share of results from associates	-	-	-	-	-	-	-	-	885	-	885
Non-attributable general and administrative expenses	-	-	-	-	-	-	-	-	-	(12,320)	(12,320)
Other income, net	-	-	-	-	-	-	-	-	-	1,670	1,670
Monetary loss from hyperinflation	-	-	-	-	-	-	-	-	-	(331)	(331)
Finance costs	-	-	-	-	-	-	-	-	-	(3,702)	(3,702)
Gain on bargain purchase from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	4,642	4,642
Profit (loss) before taxation	17	7,598	(1,980)	(559)	(717)	4,839	1,464	10,656	26,303	(10,041)	37,580

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 2024

9 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>Total 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>Life KD 000's</i>	<i>Medical KD 000's</i>	<i>Investments KD 000's</i>	<i>Unallocated 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	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
31 December 2023 (Restated)										
Segment assets	12,279	5,301	51,263	54,401	9,880	14,571	33,496	68,048	386,253	1,175,416
Segment liabilities	30,190	141,834	92,469	67,417	34,936	25,711	110,505	110,837	187,374	801,273
30 June 2023 (Restated)										
Segment assets	11,985	4,531	83,012	57,877	13,749	11,455	32,497	66,175	468,415	1,244,642
Segment liabilities	29,165	139,306	125,224	68,106	33,119	27,145	102,026	146,240	203,741	874,072

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 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 condensed consolidated statement of income are as follows:

	<i>Six months ended 30 June 2024</i>		<i>Six months ended 30 June 2023</i>	
	<i>Insurance revenue KD 000's</i>	<i>Insurance service expenses KD 000's</i>	<i>Insurance revenue KD 000's</i>	<i>Insurance service expenses KD 000's</i>
Shareholders	-	-	123	(3)
Associate	74	(24)	58	(3)
Entities under common control	9,758	(9,228)	3,386	(453)
Directors and key management personnel	86	(60)	94	(11)
Other related parties	1,535	(190)	3,923	(4,120)
	11,453	(9,502)	7,584	(4,590)

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

	<i>30 June 2024</i>		<i>31 December 2023</i>		<i>30 June 2023</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>
Shareholders	-	-	254	-	337	-
Associate	530	-	491	-	480	-
Entities under common control	468	778	1,310	943	2,078	1,285
Directors and key management personnel	313	36	270	5	284	1
Other related parties	244	907	-	-	-	206
	1,555	1,721	2,325	948	3,179	1,492

The Group holds certain deposits and call accounts with a related party financial institution amounting to KD 60,461 thousand (31 December 2023: KD 13,803 thousand and 30 June 2023: KD 52,078 thousand). The Group also holds bonds issued by Kuwait Projects Company Holding Company K.S.C and other related entity amounting to KD 6,534 thousand (31 December 2023: KD 6,536 thousand and 30 June 2023: KD 6,537 thousand). The Group has a credit facilities contract with a related local bank for a total amount of KD 71,000 thousand consisting of cash and non-cash facilities. The following facilities have been utilized:

	<i>30 June 2024 KD 000's</i>	<i>31 December 2023 KD 000's</i>	<i>30 June 2023 KD 000's</i>
Letter of guarantee	47,907	52,139	51,935
	47,907	52,139	51,935

Compensation of key management personnel is as follows:

	<i>Six months ended 30 June</i>	
	<i>2024 KD 000's</i>	<i>2023 KD 000's</i>
Salaries and other short-term benefits	457	419
Employees' end of service benefits	378	291
	835	710

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 2024

11 CONTINGENT LIABILITIES

As at 30 June 2024, the Group was contingently liable in respect of letters of guarantees amounting to KD 105,675 thousand (31 December 2023: KD 106,115 thousand and 30 June 2023: KD 107,311 thousand).

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

30 June 2024

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

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 2024

12 FAIR VALUE MEASUREMENT (continued)

31 December 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 at FVTPL</i>				
Quoted equity securities	28,819	-	-	28,819
Unquoted equity securities	-	-	9,120	9,120
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 FVOCI</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>
<i>Property and equipment</i>				
Land	-	12,466	-	12,466
Buildings	-	22,236	-	22,236
Investment properties	-	8,354	-	8,354
Total	<u>400,261</u>	<u>43,977</u>	<u>29,196</u>	<u>473,434</u>

30 June 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 at FVTPL</i>				
Quoted equity securities	26,260	-	-	26,260
Unquoted equity securities	-	-	9,361	9,361
Quoted managed funds	39,346	-	-	39,346
Unquoted managed funds	-	8,775	214	8,989
Quoted bonds	6,169	-	-	6,169
Unquoted bonds	-	2,024	-	2,024
	<u>71,775</u>	<u>10,799</u>	<u>9,575</u>	<u>92,149</u>
<i>Investments at FVOCI</i>				
Quoted equity securities	16,846	-	-	16,846
Unquoted equity securities	-	2,019	5,631	7,650
Quoted managed funds	138	-	-	138
Quoted bonds	240,379	-	-	240,379
Unquoted bonds	-	-	34	34
	<u>257,363</u>	<u>2,019</u>	<u>5,665</u>	<u>265,047</u>
<i>Property and equipment</i>				
Land	-	13,378	-	13,378
Buildings	-	19,849	-	19,849
Investment properties	-	10,117	-	10,117
Total	<u>329,138</u>	<u>56,162</u>	<u>15,240</u>	<u>400,540</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 2024

12 FAIR VALUE MEASUREMENT (continued)

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 1 January 2024 KD 000's</i>	<i>Change recorded in the interim consolidated statement of income and other comprehensive income KD 000's</i>	<i>Net purchases and disposals KD 000's</i>	<i>As at 30 June 2024 KD 000's</i>	
Investments carried at fair value through profit or loss:					
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>22,205</u>	
Investments at fair value through OCI					
Unquoted equity securities	8,556	(338)	-	8,218	
Unquoted bonds	30	-	-	30	
	<u>8,586</u>	<u>(338)</u>	<u>-</u>	<u>8,248</u>	
	<i>As at 1 January 2023 KD 000's</i>	<i>Change recorded in the interim consolidated statement of income and other comprehensive income KD 000's</i>	<i>Net additions and disposals KD 000's</i>	<i>At 31 December 2023 KD 000's</i>	
Investments carried at fair value through profit or loss					
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>	
Investments at fair value through OCI					
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>	
	<i>As at 1 January 2023 KD 000's</i>	<i>Transferred on transition of IFRS 9 KD 000's</i>	<i>Change recorded in the interim consolidated statement of income and other comprehensive income KD 000's</i>	<i>Net additions and disposals KD 000's</i>	<i>As at 30 June 2023 KD 000's</i>
Investments at FVOCI					
Unquoted equity securities	-	5,954	(531)	208	5,631
Unquoted bonds	-	-	-	34	34
	<u>-</u>	<u>5,954</u>	<u>(531)</u>	<u>242</u>	<u>5,665</u>
Investments at FVTPL					
Unquoted equity securities	-	10,397	(1,036)	-	9,361
Unquoted managed funds	-	84	130	-	214
	<u>-</u>	<u>10,481</u>	<u>(906)</u>	<u>-</u>	<u>9,575</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 2024

13 BUSINESS COMBINATION

Acquisition of AIG Egypt Insurance Company S.A.E.

On 24 May 2023, the Parent Company has entered into a sale and purchase agreement to acquire 95.3% equity interest of AIG Egypt Insurance Company S.A.E. (AIG) for a total consideration of EGP 188,679 thousand (equivalent to KD 1,877 thousand).

The acquisition date has been determined to be 30 June 2023, when the Parent Company has evidenced its control over AIG.

At the time the 30 June 2023 interim condensed consolidated financial information were authorised for issue, the Group had not completed the accounting for the acquisition of AIG, and therefore the net assets recognised in the 30 June 2023 interim condensed consolidated financial information was determined provisionally. The Group completed the Purchase Price Allocation (“PPA”) exercise during the period ended 30 June 2024 and concluded that provisional amounts equal to the fair value of the net assets acquired and accordingly there is no change in the gain on bargain purchase with total amount of KD 4,642 thousand. The provisional amounts are disclosed in the interim condensed consolidated financial information for the period ended 30 June 2023.

14 COMPARATIVE RESTATEMENT

During the period, the Group reconsidered the measurement and presentation of certain transactions and balances in the interim condensed consolidated financial statements to ensure compliance with IFRS Accounting Standards. This resulted in a restatement of certain line items in the interim condensed 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. This restatement resulted in changing the financial information of three months period ended 30 June 2023 that has been presented as comparative information to the current interim condensed consolidated financial information for the period ended 30 June 2024.

B) Other restatement

- 1- In the previous period, interest income amounting to KD 13,888 thousand and KD 8,107 thousand for the six month and three-month period ended 30 June 2023 respectively, 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 revenue calculated using the effective interest method to be presented separately on the face of the statement of income. 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 the previous period, the share of results from investment in associates amounting to a profit of KD 885 thousand and a loss of KD 157 thousand for the six month and three-month period ended 30 June 2023 respectively, 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 on the face of the statement of income. 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.

15 COMPARATIVE RESTATEMENT (CONTINUED)

B) Other restatement (continued)

- 3- In the previous period, hyperinflation impact amounting to a gain of KD 705 thousand and a loss of KD 1,951 thousand for the six month and three-month period ended 30 June 2023 respectively was presented 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 presented 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 925 thousand as at 31 December 2023 and 30 June 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 15,369 thousand and KD 11,501 thousand 30 June 2023 and 31 December 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 8,261 thousand and KD 8,140 thousand as at 30 June 2023 and 31 December 2023 respectively 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".
- 7- In the previous year, right of use assets amounting to KD 3,971 thousand and KD 5,348 thousand as at 30 June 2023 and 31 December 2023 respectively were classified within "other assets". Moreover, lease liabilities amounting to KD 3,828 thousand and KD 5,034 thousand as at 30 June 2023 and 31 December 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.

As at and for the period ended 30 June 2024

14 COMPARATIVE RESTATEMENT (continued)

B) Other restatement (continued)

- 8- In the previous period, deferred tax assets and liabilities amounting to KD 3,231 thousand and KD 1,618 thousand, respectively as at 31 December 2023 and KD 3,176 thousand and KD 273 thousand, respectively as at 30 June 2023 respectively were presented within “other assets’ and ‘other liabilities” on the face of the consolidated statement of financial position. IAS 1 requires deferred tax assets and liabilities to be presented separately. Management considered this requirement and reclassified deferred tax assets and liabilities from “other assets’ and “other liabilities” to be presented as a separate financial statement line item.
- 9- In prior period, in the statement of comprehensive income, the share of other comprehensive income from investment in associates’ was presented within “change in fair value of investment at FVOCI” amounting to KD 221 thousand and to KD 174 thousand for the three months and six months ended 30 June 2023, respectively and share of other comprehensive income from investment in associates’ was presented within “Exchange differences on translation of foreign operations” amounting to KD 69 thousand and KD 617 thousand for the three months and six months ended 30 June 2023, respectively. IAS 1 requires share of the other comprehensive income of associates accounted for using the equity method to be presented separately. During the period, management considered the above requirement and reclassified the share of other comprehensive income from investment in associates to be presented on the face of the consolidated statement of comprehensive income.
- 10- In the previous period, included in other income an amount of KD 765 thousand, representing forex gain on financial assets at fair value through profit or loss. IAS 1 requires income and expenses not to be netted off unless offsetting requirements are met or transactions are in substance of similar nature. Management considered this requirement and reclassified forex gain from financial assets at fair value through profit or loss from other income to net investment income. Accordingly, other income decreased by an amount of KD 765 thousand and net investment income increased by an amount of KD 765 thousand.
- 11- During the period, the Group identified an intercompany income/expense elimination not reflected in the consolidated statement of income overstating other income and non-attributable general administrative expenses. The Group corrected the error and eliminated the transaction in accordance with IFRS 10 - *Consolidated financial statements* requirements. Accordingly, other income decreased by an amount of KD 1,463 thousand and Non-attributable general and administrative expenses decreased by an equivalent amount.
- 12- In the previous year/period, provision for end of service benefits amounting to KD 16,123 thousand and KD 17,087 thousand as at 30 June 2023 and 31 December 2023 respectively was classified within other liabilities. IAS 1 and 37 requires provision for end of service benefits to be presented separately from other liabilities. Management considered this requirement and reclassified the provision for end of service benefits as a separate line item on the face of the statement of financial position.

Accordingly, the interim condensed consolidated statement of cash flows for the corresponding period for the six months period ended 30 June 2024 has been restated to reflect the above restatements.

- 13- 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.

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 2024

14 COMPARATIVE RESTATEMENT (continued)

B) Other restatement (continued)

The following table summarizes the reclassification and restatement impact on the interim condensed financial information as follows:

<i>Interim consolidated statement of income for the three months ended 30 June 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	233,368	(31,875)	-	201,493
Insurance service expenses	(227,057)	25,008	-	(202,049)
Net income from reinsurance contracts held	9,974	238	-	10,212
Finance expense from insurance contracts issued	(6,897)	4,027	-	(2,870)
Finance income from reinsurance contracts held	2,307	(804)	-	1,503
Net investment income (1) (2)	15,346	(1,833)	(7,582)	5,931
Interest income (1)	-	-	8,107	8,107
Share of results from associates (2)	-	-	(157)	(157)
Non-attributable general and administrative expenses (11)	(8,517)	1,247	899	(6,371)
Other income (10) (11)	4,117	(1,091)	(1,267)	1,759
Taxation from subsidiaries	(4,680)	999	-	(3,681)
Profit for the period	21,123	(4,084)	-	17,039
Profit for the period attributable to the equity holders of the Parent Company	15,934	(2,042)	-	13,892
Profit for the period attributable to the non-controlling interests	5,189	(2,042)	-	3,147
Basic and diluted earnings per share	56.15 fils	(7.20 fils)	-	48.96 fils

<i>Interim consolidated statement of comprehensive income for the three months ended 30 June 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 (9)	4,366	1,260	69	5,695
Share of other comprehensive income of associates (9)	-	-	(69)	(69)
Hyperinflation adjustment (3)	-	-	(1,951)	(1,951)
Change in fair value of financial assets at FVOCI (9)	(8,424)	(3,218)	(221)	(11,863)
Share of other comprehensive income of associates (9)	-	-	221	221

<i>Interim consolidated statement of income for the six months ended 30 June 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>
Net investment income (1) (2)	25,538	-	(14,008)	11,530
Interest income (1)	-	-	13,888	13,888
Share of results from associates (2)	-	-	885	885
Non-attributable general and administrative expenses (11)	(13,783)	-	1,463	(12,320)
Other income (10) (11)	3,898	-	(2,228)	1,670

<i>Interim consolidated statement of comprehensive income for the six months ended 30 June 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 (9)	(7,321)	-	617	(6,704)
Share of other comprehensive income of associates (9)	-	-	(617)	(617)
Hyperinflation adjustment (3)	-	-	705	705
Change in fair value of financial assets at FVOCI (9)	(3,465)	-	(174)	(3,639)
Share of other comprehensive income of associates (9)	-	-	174	174

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 2024

14 COMPARATIVE RESTATEMENT (continued)

B) Other restatement (continued)

<i>Interim consolidated statement of financial position 30 June 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)	242,347	-	(925)	241,422
Time deposits (4)	62,838	-	925	63,763
Investments carried at fair value through profit or loss (6)	83,888	-	8,261	92,149
Other assets (6) (7) (8)	49,265	-	(15,408)	33,857
Deferred tax assets (8)	-	-	3,176	3,176
Right of use assets (7)	-	-	3,971	3,971
Income tax payables (5)	-	-	15,369	15,369
Deferred tax liabilities (8)	-	-	273	273
Other liabilities (5) (6) (7) (8) (12)	145,664	-	(35,593)	110,071
Provision for end of service benefits (12)	-	-	16,123	16,123
Lease liabilities (7)	-	-	3,828	3,828
Foreign currency translation adjustments (3)	(53,676)	-	700	(52,976)
Retained earnings (3)	121,615	-	(700)	120,915

<i>Interim condensed consolidated statement of cash flows 30 June 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>
Net investment income (1) (2)	(25,538)	-	14,008	(11,530)
Interest income (1)	-	-	(13,887)	(13,887)
Share of results of associates (2)	-	-	(121)	(121)
Finance costs on lease liabilities (7)	-	-	42	42
Provision charged for end of service benefits (12)	-	-	1,748	1,748
Other liabilities (5) (7) (12)	(802)	-	8,695	7,893
Provision for end of service benefits paid (12)	-	-	(785)	(785)
Payment of taxation (5)	-	-	(7,940)	(7,940)
Net cash flows generated from operating activities	65,485	-	1,817	67,302
Movement in time deposits (4)	1,670	-	(925)	745
Net cash flows generated from (used in) investing activities	(23,824)	-	(982)	(24,806)
Payment of lease liabilities (7)	-	-	(1,760)	(1,760)
Net cash flows used in financing activities	(23,428)	-	(1,760)	(25,188)
Cash and cash equivalents at 30 June 2023 (4)	242,347	-	(925)	241,422

<i>Interim consolidated statement of financial position 31 December 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)	165,834	-	(9,429)	156,405
Time deposits (4)	53,245	-	9,429	62,674
Investments carried at fair value through profit or loss (6)	89,429	-	8,140	97,569
Other assets (6) (7) (8)	45,507	-	(16,719)	28,788
Deferred tax assets (8)	-	-	3,231	3,231
Right of use assets (7)	-	-	5,348	5,348
Income tax payables (5)	-	-	11,501	11,501
Deferred tax liabilities (8)	-	-	1,618	1,618
Other liabilities (5) (6) (7) (8) (12)	131,176	-	(35,240)	95,936
Provision for end of service benefits (12)	-	-	17,087	17,087
Lease liabilities (7)	-	-	5,034	5,034

<i>Interim condensed consolidated statement of financial position 31 December 2022</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>
Investments carried at fair value through profit or loss (6)	53,548	-	7,531	61,079
Other assets (6) (7) (8)	57,776	-	(14,596)	43,180
Deferred tax assets (8)	-	-	2,544	2,544
Right of use assets (7)	-	-	4,521	4,521
Income tax payables (5)	-	-	9,028	9,028
Deferred tax liabilities (8)	-	-	573	573
Other liabilities (5) (6) (7) (8) (12)	153,448	-	(29,537)	123,911
Provision for end of service benefits (12)	-	-	15,509	15,509
Lease liabilities (7)	-	-	4,427	4,427

15 SUBSEQUENT EVENT

Subsequent to the period ended 30 June 2024, the Parent Company has disposed its share of its investment in Al Buruj Insurance Company which was classified as asset held for sale with total consideration of KD 10,027 thousand, the transaction resulted in gain on sale with an amount of KD 278 thousand that will be recorded to the interim condensed consolidated statement of income for period ending 30 September 2024.