

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

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

**31 MARCH 2022**

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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiaries (collectively "the Group") as at 31 March 2022, and the related interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

### *Scope of Review*

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

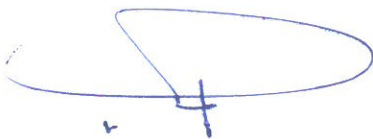
### *Conclusion*

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

### *Report on Other Legal and Regulatory Requirements*

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the three-months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010 concerning the Capital Markets Authority and its related regulations during the three-months period ended 31 March 2022 that might have had a material effect on the business of the Parent Company or on its financial position.



WALEED A. AL OSAIMI  
LICENCE NO. 68 A  
EY  
(AL AIBAN AL OSAIMI & PARTNERS)

12 May 2022  
Kuwait

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

(UNAUDITED)

For the period ended 31 March 2022

	Notes	Three months ended 31 March	
		2022 KD	2021 KD
<b>Revenue:</b>			
Gross premiums written		40,667,427	40,048,249
Premiums ceded to reinsurers		(7,367,318)	(6,625,062)
Net premiums written		33,300,109	33,423,187
Movement in unearned premiums		(13,047,228)	(15,671,329)
Net premiums earned		20,252,881	17,751,858
Commission income on ceded reinsurance		1,831,652	1,791,979
Investment income	5	2,028,508	2,475,480
Rental income from investment properties		192,950	185,197
Other income		81,383	138,313
<b>Total revenue</b>		<b>24,387,374</b>	<b>22,342,827</b>
<b>Expenses:</b>			
Net claims incurred		(13,607,546)	(14,398,188)
Commissions and premiums' acquisition costs		(4,413,560)	(3,485,195)
Movement in life mathematical reserve		744,434	3,382,000
Maturity and cancellation of life insurance policies		(278,497)	(162,952)
Investment property operating expenses		(19,686)	(13,441)
Administrative expenses		(2,056,805)	(2,604,004)
Impairment loss on available for sale financial assets	6	-	(270,000)
<b>Total expenses</b>		<b>(19,631,660)</b>	<b>(17,551,780)</b>
<b>Profit before share of associates income</b>		<b>4,755,714</b>	<b>4,791,047</b>
Gain (loss) from disposal of investment in associate		247,469	(87,198)
Share of results of associates		(149,251)	(1,016,364)
<b>PROFIT FOR THE PERIOD BEFORE CONTRIBUTION TO KFAS, NLST AND ZAKAT</b>		<b>4,853,932</b>	<b>3,687,485</b>
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(44,832)	(36,100)
National Labour Support Tax (NLST)		(126,881)	(95,040)
Zakat		(50,740)	(38,016)
<b>PROFIT FOR THE PERIOD</b>		<b>4,631,479</b>	<b>3,518,329</b>
<b>Attributable to:</b>			
Equity holders of the Parent Company		4,406,271	3,663,836
Non-controlling interests		225,208	(145,507)
		<b>4,631,479</b>	<b>3,518,329</b>
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	3	<b>20.33 fils</b>	<b>16.91 fils</b>

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)

For the period ended 31 March 2022

		<i>Three months ended</i>	
		<i>31 March</i>	
		<i>2022</i>	<i>2021</i>
<i>Notes</i>		<i>KD</i>	<i>KD</i>
	<b>PROFIT FOR THE PERIOD</b>	<b>4,631,479</b>	3,518,329
	<b>Other comprehensive income</b>		
	<i>Items that are or may be reclassified to the interim condensed consolidated statement of income in subsequent periods:</i>		
	<b><u>Available-for-sale financial assets:</u></b>		
	Unrealized gain during the period	1,466,478	834,886
6	Recycling to the interim condensed consolidated statement of income for impairment	-	270,000
5	Reclassification to the interim condensed consolidated statement of income on disposal	(369,873)	(864,530)
	Net gain on available-for-sale financial assets	<u>1,096,605</u>	<u>240,356</u>
	<b><u>Foreign currency translation:</u></b>		
	Share of foreign exchange differences in associates	66,239	(205,281)
	Net foreign currency translation adjustments	<u>66,239</u>	<u>(205,281)</u>
	<b><u>Investment in associates:</u></b>		
	Share of fair value from investment in associates	(79,718)	128,793
	<b>Other comprehensive income for the period</b>	<u>1,083,126</u>	<u>163,868</u>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u><u>5,714,605</u></u>	<u><u>3,682,197</u></u>
	<b>Attributable to:</b>		
	Equity holders of the Parent Company	5,322,857	3,859,940
	Non-controlling interests	391,748	(177,743)
		<u><u>5,714,605</u></u>	<u><u>3,682,197</u></u>


The attached notes 1 to 14 form part of this interim condensed consolidated financial information.


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

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

As at 31 March 2022

		(Audited)	
	31 March	31 December	31 March
	2022	2021	2021
	KD	KD	KD
Notes			
<b>ASSETS</b>			
Property and equipment	3,319,347	3,328,430	3,489,041
Investment properties	11,815,217	11,814,673	11,816,900
Investment in associates	22,109,542	22,327,643	20,878,457
Financial assets held to maturity	34,580,927	34,737,151	25,610,435
Loans secured by life insurance policyholders	60,207	60,207	62,208
Available-for-sale financial assets	6	57,015,831	56,925,792
Financial assets at fair value through profit or loss	1,109,871	753,534	753,291
Receivables arising from reinsurance contracts and premium accruals	45,637,350	35,911,173	43,641,223
Reinsurance recoverable on outstanding claims	42,033,305	38,506,828	37,964,028
Premiums and insurance balances receivable	14,634,092	24,609,780	13,880,503
Accounts receivable and other debit balances	14,292,283	9,656,266	13,309,699
Term deposits	4	127,445,910	125,483,302
Bank balances and cash	4	5,912,696	7,650,924
<b>TOTAL ASSETS</b>	<b>379,966,578</b>	<b>371,765,703</b>	<b>341,095,019</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	7	22,050,000	22,050,000
Statutory reserve	20,000,000	20,000,000	20,000,000
Voluntary reserve	20,000,000	20,000,000	20,000,000
Special voluntary reserve	8	17,000,000	17,000,000
Treasury shares	9	(1,278,932)	(1,278,932)
Treasury shares reserve	1,474,675	1,474,675	1,474,675
Fair value reserve	14,805,999	13,955,652	6,791,608
Foreign currency translation reserve	(21,890)	(88,129)	(148,990)
Retained earnings	41,978,149	37,571,878	28,269,402
Other reserve	395,062	242,563	137,818
<b>Equity attributable to equity holders of the Parent Company</b>	<b>136,403,063</b>	<b>130,927,707</b>	<b>113,295,581</b>
Non-controlling interests	8,720,618	9,904,128	10,684,547
<b>Total equity</b>	<b>145,123,681</b>	<b>140,831,835</b>	<b>123,980,128</b>
<b>Liabilities</b>			
<b>Technical reserves arising from insurance and reinsurance contracts:</b>			
Outstanding claims reserve	132,150,396	128,130,051	120,092,519
Unearned premiums reserve	43,922,318	30,875,090	42,476,564
Life mathematical reserve	12,141,859	12,886,293	8,732,000
Incurred but not reported reserve	25,953,976	25,654,046	19,264,316
<b>Total technical reserves arising from insurance and reinsurance contracts</b>	<b>214,168,549</b>	<b>197,545,480</b>	<b>190,565,399</b>
Insurance and reinsurance payables	9,264,651	20,404,532	8,932,566
Accounts payable and other credit balances	11,409,697	12,857,705	17,616,926
Premiums received in advance	-	126,151	-
<b>Total liabilities</b>	<b>234,842,897</b>	<b>230,933,868</b>	<b>217,114,891</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>379,966,578</b>	<b>371,765,703</b>	<b>341,095,019</b>

  
Ayman Abdullatif Al-Shayea  
Chairman

  
Yousef Saad Al Saad  
Chief Executive Officer

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

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

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

For the period ended 31 March 2022

	Equity attributable to equity holders of the Parent Company												
	Share Capital KD	Statutory reserve KD	Voluntary reserve KD	Special voluntary reserve KD	Treasury Shares KD	Treasury shares reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Other Reserve KD	Subtotal KD	Non- controlling Interests KD	Total equity KD
As at 1 January 2022 <i>(Audited)</i>	22,050,000	20,000,000	20,000,000	17,000,000	(1,278,932)	1,474,675	13,955,652	(88,129)	37,571,878	242,563	130,927,707	9,904,128	140,831,835
Profit for the period	-	-	-	-	-	-	-	-	4,406,271	-	4,406,271	225,208	4,631,479
Other comprehensive income for the period	-	-	-	-	-	-	850,347	66,239	-	-	916,586	166,540	1,083,126
Total comprehensive income for the period	-	-	-	-	-	-	850,347	66,239	4,406,271	-	5,322,857	391,748	5,714,605
Change of ownership percentage of a subsidiary	-	-	-	-	-	-	-	-	-	152,499	152,499	(1,575,258)	(1,422,759)
<b>As at 31 March 2022</b>	<b>22,050,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>17,000,000</b>	<b>(1,278,932)</b>	<b>1,474,675</b>	<b>14,805,999</b>	<b>(21,890)</b>	<b>41,978,149</b>	<b>395,062</b>	<b>136,403,063</b>	<b>8,720,618</b>	<b>145,123,681</b>
	Equity attributable to equity holders of the Parent Company												
	Share Capital KD	Statutory reserve KD	Voluntary reserve KD	Special voluntary reserve KD	Treasury shares KD	Treasury shares reserve KD	Fair value reserve KD	Foreign currency translation reserve KD	Retained earnings KD	Other Reserve KD	Subtotal KD	Non- controlling Interests KD	Total Equity KD
As at 1 January 2021 <i>(Audited)</i>	21,000,000	20,000,000	20,000,000	16,000,000	(1,278,932)	1,474,675	6,390,223	56,291	30,815,016	137,818	114,595,091	10,938,335	125,533,426
Profit for the period	-	-	-	-	-	-	-	-	3,663,836	-	3,663,836	(145,507)	3,518,329
Other comprehensive income (loss)	-	-	-	-	-	-	401,385	(205,281)	-	-	196,104	(32,236)	163,868
Total comprehensive Income (loss) for the period	-	-	-	-	-	-	401,385	(205,281)	3,663,836	-	3,859,940	(177,743)	3,682,197
Cash dividends (Note 14)	-	-	-	-	-	-	-	-	(5,159,450)	-	(5,159,450)	(76,045)	(5,235,495)
Bonus share issue (Note 14)	1,050,000	-	-	-	-	-	-	-	(1,050,000)	-	-	-	-
<b>As at 31 March 2021</b>	<b>22,050,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>16,000,000</b>	<b>(1,278,932)</b>	<b>1,474,675</b>	<b>6,791,608</b>	<b>(148,990)</b>	<b>28,269,402</b>	<b>137,818</b>	<b>113,295,581</b>	<b>10,684,547</b>	<b>123,980,128</b>

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

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

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2022

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	<i>2022</i>	<i>2021</i>
		<i>KD</i>	<i>KD</i>
<b>OPERATING ACTIVITIES</b>			
Profit before contribution to KFAS, NLST and Zakat		4,853,932	3,687,485
Adjustments to reconcile profit for the period to net cash flows:			
Depreciation of property and equipment		32,091	63,179
Share of results of associates		149,251	1,016,364
(Gain) loss on disposal of investment in associate		(247,469)	87,198
Gain on sale of available-for-sale financial assets	5	(369,873)	(864,530)
Unrealized gain on investment carried at fair value through profit or loss	5	(352,849)	-
Interest income on bonds and term deposits	5	(1,134,700)	(915,814)
Dividend income	5	(132,463)	(653,818)
Income from funds	5	(38,623)	(41,318)
Impairment loss on available-for-sale financial assets	6	-	270,000
Provision for employees' end of service benefits		165,862	249,389
Gain on sale of property and equipment		(2,500)	-
		<u>2,922,659</u>	<u>2,898,135</u>
Changes in operating assets and liabilities:			
Receivables arising from reinsurance contracts and premium accruals		(9,696,071)	(10,995,977)
Reinsurance recoverable on outstanding claims		(3,527,923)	3,410,774
Premiums and insurance balances receivable		9,975,688	12,389,883
Accounts receivable and other debit balances		(4,070,981)	(4,552,057)
Net change in insurance and reinsurance contract liabilities		16,721,498	12,378,790
Insurance and reinsurance payables		(11,139,881)	(10,740,844)
Accounts payable and other credit balances		(1,724,872)	(1,271,934)
Premiums received in advance		(126,151)	(124,616)
<b>Cash flows (used in) from operations</b>		<u>(666,034)</u>	<u>3,392,154</u>
Employees' end of service benefits paid		(107,441)	(15,507)
<b>Net cash flows (used in) from operating activities</b>		<u>(773,475)</u>	<u>3,376,647</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(21,936)	(19,725)
Purchase of available for sale financial assets		(415,792)	(2,430,512)
Proceeds from sale of available for sale financial assets		1,822,205	2,950,902
Proceeds from sale of property and equipment		2,500	-
Proceed from investment in associates		392,586	404,520
Proceed from investment at fair value through profit or loss		-	153,195
Proceeds from redemption of financial assets held to maturity		13,724	3,486,276
Purchase of financial assets held to maturity		(17,103)	-
Net movement in loans secured by life insurance policyholders		-	11,999
Term deposits		(734,888)	(12,147,879)
Dividends received		132,463	582,568
Dividend income from investment in associates		-	64,843
Dividends received from investment in subsidiary		-	935,764
Interest income on bonds & term deposit received		541,686	648,294
Income received from funds		38,623	41,318
Acquisition of non-controlling interest in a subsidiary		(1,422,759)	-
<b>Net cash flows from (used) in investing activities</b>		<u>331,309</u>	<u>(5,318,437)</u>
<b>FINANCING ACTIVITIES</b>			
Dividends paid		(4,010)	(23,584)
<b>Net cash flows used in financing activities</b>		<u>(4,010)</u>	<u>(23,584)</u>
Foreign currency translation adjustment		(64,332)	(3,755)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<u>(510,508)</u>	<u>(1,969,129)</u>
Cash and cash equivalents as at 1 January	4	<u>7,650,924</u>	<u>9,802,900</u>
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH</b>	4	<u>7,140,416</u>	<u>7,833,771</u>

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

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

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

As at and for the period ended 31 March 2022

### 1 CORPORATE INFORMATION

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

The interim condensed consolidated financial information of Al-Ahleia Insurance Company S.A.K.P. (the "Parent Company") and its subsidiaries – Kuwait Reinsurance Company K.S.C.P., and Trade Union Holding CO. B.S.C. (Closed), Bahrain, (collectively, the "Group") for the three-month period ended 31 March 2022 was authorized for issuance by the Board of Directors on 12 May 2022.

The consolidated financial statements of the Group for the year ended 31 December 2021 were approved by the shareholders of the Parent Company at the Annual General Assembly Meeting held on 5 April 2022.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The interim condensed consolidated financial information for the Three-month period ended 31 March 2022 has been prepared in accordance with International Accounting Standard (IAS 34), *Interim Financial Reporting*.

The interim condensed consolidated financial information is presented in Kuwaiti Dinars (KD) which is the functional currency of the Parent Company.

The interim condensed consolidated financial information does not contain all information and disclosures required for full consolidated financial statements prepared in accordance with IFRS and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2021. 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 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

#### 2.1 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 2021, except for the adoption of new standards effective as of 1 January 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

#### 2.2 Standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's interim condensed consolidated financial information are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

##### *IFRS 17 Insurance Contracts*

In May 2017, the IASB issued IFRS 17 *Insurance Contracts* (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 *Insurance Contracts* (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.



NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)**

**2.2 Standards issued but not yet effective (continued)**

The core of IFRS 17 is the general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach).
- ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

The Group plans to adopt the new standard on the required effective date together with IFRS 9. The Group started a project to implement IFRS 17 and has been performing a high-level impact assessment of IFRS 17. The Group expects that the new standard will result in an important change to the accounting policies for insurance contract liabilities of the Group and is likely to have a significant impact on profit and total equity together with presentation and disclosure.

**3 BASIC AND DILUTED EARNINGS PER SHARE**

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

	<i>Three months ended 31 March</i>	
	<u>2022</u>	<u>2021</u>
Profit for the period attributable to equity holders of the Parent Company (KD)	<u>4,406,271</u>	<u>3,663,836</u>
	<i>Shares</i>	<i>Shares</i>
Weighted average number of ordinary shares outstanding during the period*	<u>216,696,640</u>	<u>216,696,640</u>
<b>Basic and diluted earnings per share (fils)</b>	<u><u>20.33 fils</u></u>	<u><u>16.91 fils</u></u>

\* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**4 CASH AND CASH EQUIVALENTS**

	<i>31 March</i> <i>2022</i> <i>KD</i>	<i>(Audited)</i> <i>31 December</i> <i>2021</i> <i>KD</i>	<i>31 March</i> <i>2021</i> <i>KD</i>
Term deposits	<b>127,445,910</b>	125,483,302	109,261,121
Bank balances and cash	<b>5,912,696</b>	7,650,924	7,833,771
	<b>133,358,606</b>	133,134,226	117,094,892
<b>Cash and short-term deposits</b>			
Term deposits with original maturities of more than three Months	<b>(126,218,190)</b>	(125,483,302)	(109,261,121)
<b>Cash and cash equivalents</b>	<b>7,140,416</b>	7,650,924	7,833,771

Term deposits amounting to KD 110,000 (31 December 2021: KD 110,000 and 31 March 2021: KD 110,000) are pledged as security to fulfill collateral requirements.

Term deposits include an amount of KD 4,020,000 related to the Parent Company held in State of Kuwait under lien to the Insurance Regulatory Unit (IRU) in accordance with insurance regulations of State of Kuwait (31 December 2021: KD 7,255,000 and 31 March 2021: KD 7,255,000).

The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

**5 INVESTMENT INCOME**

	<i>Three months ended</i> <i>31 March</i>	
	<i>2022</i> <i>KD</i>	<i>2021</i> <i>KD</i>
Gain on sale of available-for-sale financial assets	<b>369,873</b>	864,530
Unrealized gain on investment carried at fair value through profit or loss	<b>352,849</b>	-
Interest income on bonds and term deposits	<b>1,134,700</b>	915,814
Dividend income	<b>132,463</b>	653,818
Income from funds	<b>38,623</b>	41,318
	<b>2,028,508</b>	2,475,480

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

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

As at and for the period ended 31 March 2022

### 6 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>31 March 2022 KD</b>	<i>(Audited)</i> <b>31 December 2021 KD</b>	<b>31 March 2021 KD</b>
<i>Local equity securities:</i>			
Quoted	<b>26,985,330</b>	26,298,190	22,126,923
Unquoted	<b>3,031,178</b>	3,027,839	3,127,839
	<b>30,016,508</b>	29,326,029	25,254,762
<i>Foreign equity securities:</i>			
Quoted	<b>1,799</b>	1,790	1,789
Unquoted	<b>11,162,943</b>	11,130,152	11,251,897
	<b>11,164,742</b>	11,131,942	11,253,686
<i>Managed funds</i>			
Unquoted	<b>15,585,833</b>	16,194,457	15,792,179
Bonds	<b>248,748</b>	273,364	293,715
	<b>15,834,581</b>	16,467,821	16,085,894
	<b>57,015,831</b>	56,925,792	52,594,342

As at 31 March 2022, the management has performed a review of its available-for-sale financial assets to assess whether any impairment has occurred in their value. Accordingly, an impairment loss of KD Nil (31 December 2021: KD 270,000 and 31 March 2021: KD 270,000) has been recorded in the interim condensed consolidated statement of income for the period then ended.

### 7 SHARE CAPITAL

Authorized, issued and fully paid-up share capital consists of 220,500,000 shares of 100 fils each (31 December 2021: 220,500,000 shares of 100 fils and 31 March 2021: 220,500,000 shares of 100 fils each).

### 8 SPECIAL VOLUNTARY RESERVE

On 05 April 2022, subsequent to the reporting date, the Ordinary Annual General Assembly of the shareholders of the Parent Company approved the transfer of an amount of KD 1,000,000 from the profit for the year ended 31 December 2021 to the special voluntary reserve, which will be reflected in the subsequent period.

### 9 TREASURY SHARES

	<b>31 March 2022</b>	<i>(Audited)</i> <b>31 December 2021</b>	<b>31 March 2021</b>
Number of treasury shares	<b>3,803,360</b>	3,803,360	3,803,360
Percentage of issued shares (%)	<b>1.72</b>	1.72	1.72
Market value (KD)	<b>1,970,140</b>	1,909,287	1,951,124

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

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

As at and for the period ended 31 March 2022

### 9 TREASURY SHARES (continued)

Reserves amounting to KD 1,278,932 (31 December 2021: KD 1,278,932 and 31 March 2021: KD 1,278,932) equivalent to the cost of the treasury shares held, are not available for distribution during the holding period of such shares as per CMA guidelines.

The weighted average market price of the Parent Company's shares for the period ended 31 March 2022 is 528 fils per share (31 December 2021: 494 fils per share and 31 March 2021: 454 fils per share).

### 10 CAPITAL COMMITMENTS AND CONTINGENCIES

#### 10.1 Commitments

As at 31 March 2022, the Group has commitments in respect of certain available-for-sale investment amounting to KD 3,818,602 (31 December 2021: KD 4,117,240 and 31 March 2021: KD 3,930,179).

#### 10.2 Contingent liabilities

As at 31 March 2022, the Group's bankers have provided bank guarantees amounting to KD 1,500,396 (31 December 2021: KD 1,413,329 and 31 March 2021: KD 1,498,436) from which it is anticipated that no material liabilities will arise.

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

### 11 RELATED PARTY DISCLOSURES

Related parties represent i.e. 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 and the board of directors.

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

*Three months period ended  
31 March 2022*

	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Gross premiums	7,505	(1,891)	644,018	4,427	654,059
Claims incurred	-	33,882	29,009	-	62,891

*Three months period ended  
31 March 2021*

	<i>Key management and board members KD</i>	<i>Associates KD</i>	<i>Parent Company's shareholders KD</i>	<i>Others KD</i>	<i>Total KD</i>
Gross premiums	6,405	28,887	327,533	3,175	366,000
Claims incurred	-	76,956	275,678	-	352,634

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

11 RELATED PARTY DISCLOSURES (continued)

31 March 2022	<i>Key management and board members</i> KD	<i>Associates</i> KD	<i>Parent Company's shareholders</i> KD	<i>Others</i> KD	<i>Total</i> KD
Premiums and insurance balances receivable	45,578	308,458	1,562,713	9,650	1,926,399
Other credit balances	-	-	4,652	-	4,652

31 December 2021	<i>Key management and board members</i> KD	<i>Associates</i> KD	<i>Parent Company's shareholders</i> KD	<i>Others</i> KD	<i>Total</i> KD
Premiums and insurance balances receivable	33,405	524,624	2,007,015	9,260	2,574,304
Other credit balances	464	-	4,283	250	4,997

31 March 2021	<i>Key management and board members</i> KD	<i>Associates</i> KD	<i>Parent Company's shareholders</i> KD	<i>Others</i> KD	<i>Total</i> KD
Premiums and insurance balances receivable	24,390	306,987	2,075,684	6,337	2,413,398
Other credit balances	-	-	4,649	-	4,649

**Key management personnel compensation:**

**Key management personnel**

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

	<i>Three months ended 31 March</i>	
	<i>2022</i> KD	<i>2021</i> KD
Salaries and other short-term benefits	162,784	331,830
Employees' end of service benefits	71,178	101,510
	<u>233,962</u>	<u>433,340</u>

On 23 February 2022, the Parent Company proposed board of directors' fees of KD 298,039 (2020: KD 285,350). This proposal was approved by the Annual Ordinary General Assembly Meeting of the Parent Company's shareholders on 5 April 2022.

The subsidiary's board of directors has proposed directors' fees of KD 206,500 (2020: KD 185,495) and was approved of the subsidiary's Annual Ordinary General Assembly Meeting on 17 April 2022.

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

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

As at and for the period ended 31 March 2022

### 12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of available-for-sale financial assets, financial assets at fair value through profit or loss, financial assets held for maturity, loans secured by life insurance policyholders, premiums and insurance balances receivable, reinsurance recoverable on outstanding claims, accounts receivable and other debit balances, term deposits and bank balances and cash. Financial liabilities consist of insurance and reinsurance payables and accounts payable and other credit balances.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

▶ The fair values of financial instruments (financial assets and financial liabilities), with the exception of certain available-for-sale financial assets carried at cost amounting to KD 6,159,860 (31 December 2021: KD 6,188,181 and 31 March 2021: KD 7,388,855 are not materially different from their carrying values.

The following table provides the fair value measurement hierarchy of the Group's financial assets measured at fair value on a recurring basis:

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant unobservable inputs (Level 3)</i>	<i>Total</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
<b>31 March 2022</b>			
<i>Available-for-sale financial assets:</i>			
Quoted equity securities	26,987,129	-	26,987,129
Unquoted equity securities	-	8,492,325	8,492,325
Unquoted managed funds	-	15,376,517	15,376,517
<b>Total</b>	<b>26,987,129</b>	<b>23,868,842</b>	<b>50,855,971</b>
<i>Financial assets at fair value through profit or loss:</i>			
Unquoted equity securities	-	1,109,871	1,109,871
<i>Investment Properties</i>	-	11,815,217	11,815,217

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2021	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total fair value KD</i>
<i>Available-for-sale financial assets:</i>			
Quoted equity securities	26,299,980	-	26,299,980
Unquoted equity securities	-	8,459,533	8,459,533
Unquoted managed funds	-	15,978,098	15,978,098
Total	<u>26,299,980</u>	<u>24,437,631</u>	<u>50,737,611</u>
<i>Financial assets at fair value through profit or loss:</i>			
Unquoted equity securities	-	753,534	753,534
<i>Investment Properties</i>	-	11,814,673	11,814,673

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	<i>Fair value measurement using</i>		
	<i>Quoted prices in active markets (Level 1) KD</i>	<i>Significant unobservable inputs (Level 3) KD</i>	<i>Total KD</i>
31 March 2021			
<i>Available-for-sale financial assets:</i>			
Quoted equity securities	22,128,712	-	22,128,712
Unquoted equity securities	-	7,769,279	7,769,279
Unquoted managed funds	-	15,307,496	15,307,496
Total	<u>22,128,712</u>	<u>23,076,775</u>	<u>45,205,487</u>
<i>Financial assets at fair value through profit or loss:</i>			
Unquoted equity securities	-	753,291	753,291
<i>Investment Properties</i>	-	11,816,900	11,816,900



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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	<i>As at 1 January 2021 KD</i>	<i>Net result recorded in the interim condensed consolidated statement of comprehensive income KD</i>	<i>Remeasurement recognized in the interim condensed consolidated statement of income KD</i>	<i>Purchases(sales), net KD</i>	<i>As at 31 March 2022 KD</i>
<b>31 March 2022</b>					
<i>Available-for-sale financial assets:</i>					
Unquoted equity securities	8,459,533	32,792	-	-	8,492,325
Unquoted managed funds	15,978,098	291,975	-	(893,556)	15,376,517
	<u>24,437,631</u>	<u>324,767</u>	<u>-</u>	<u>(893,556)</u>	<u>23,868,842</u>
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity securities	753,534	-	352,849	3,488	1,109,871
Investment properties	<u>11,814,673</u>	<u>-</u>	<u>544</u>	<u>-</u>	<u>11,815,217</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

**Reconciliation of recurring fair value measurement categorized within level three of the fair value hierarchy (continued):**

	<i>As at 1 January 2020</i>	<i>Net result recorded in the consolidated statement of comprehensive income</i>	<i>Remeasurement recognized in the consolidated statement of income</i>	<i>Purchases (sales), net</i>	<i>As at 31 December 2020</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
<i>31 December 2021 (Audited)</i>					
<i>Available-for-sale financial assets:</i>					
Unquoted equity securities	6,625,324	914,262	(185,100)	1,105,047	8,459,533
Unquoted managed funds	16,486,014	624,818	(236,963)	(895,771)	15,978,098
	<u>23,111,338</u>	<u>1,539,080</u>	<u>(422,063)</u>	<u>209,276</u>	<u>24,437,631</u>
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity securities	906,486	-	-	(152,952)	753,534
<i>Investment properties</i>	<u>11,818,076</u>	<u>-</u>	<u>(3,403)</u>	<u>-</u>	<u>11,814,673</u>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

12 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	As at 1 January 2021 KD	Net result recorded in the interim condensed consolidated statement of comprehensive income KD	Remeasurement recognized in the interim condensed consolidated statement of income KD	Purchases(sales), net KD	As at 31 March 2021 KD
31 March 2021					
<i>Available-for-sale financial assets:</i>					
Unquoted equity securities	6,625,324	38,908	-	1,105,047	7,769,279
Unquoted managed funds	16,486,014	98,813	-	(1,277,331)	15,307,496
	<u>23,111,338</u>	<u>137,721</u>	<u>-</u>	<u>(172,284)</u>	<u>23,076,775</u>
<i>Financial assets at fair value through profit or loss:</i>					
Unquoted equity securities	906,486	-	-	(153,195)	753,291
<i>Investment properties</i>	<u>11,818,076</u>	<u>-</u>	<u>(1,176)</u>	<u>-</u>	<u>11,816,900</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the three months ended 31 March 2022.

Set out below are the significant unobservable inputs to valuation as at 31 March 2022:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
Adjusted net assets value	Discount for lack of marketability	10%	An increase or (decrease) by 10% in the discount for lack of marketability would result in (decrease) increase in fair value by KD 1,474 thousand.

Unquoted managed funds

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

13 SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has four reportable segments: General risk insurance, life and medical insurance, reinsurance and investment. The following table presents revenue, results, assets, and liabilities information of the Group's reportable segments:

31 March 2022	General risk insurance				Life and medical insurance KD	Reinsurance KD	Investment KD	Unallocated KD	Total KD
	Marine and aviation KD	Accidents KD	Fire KD	Life and medical insurance KD					
Segment revenue	1,285,821	2,292,822	387,354	2,326,074	15,792,462	2,221,458	81,383	24,387,374	
Segment results	620,091	684,685	46,833	221,694	2,149,354	1,197,208	(65,933)	4,853,932	
Assets				Life and medical insurance KD	Reinsurance KD	Investment KD	General risk insurance KD	Total KD	
Liabilities				15,505,451	205,411,659	121,407,199	37,642,269	379,966,578	
				47,362,113	140,754,598	1,696	46,724,490	234,842,897	

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**13 SEGMENT INFORMATION (continued)**

31 December 2021 (Audited)	General risk insurance						Total KD	
	Marine and aviation KD	Accidents KD	Fire KD	Life and medical insurance KD	Reinsurance KD	Investment KD		Unallocated KD
Segment revenue	3,602,369	8,143,807	1,672,463	15,272,374	62,886,577	10,302,836	419,502	102,299,928
Segment results	1,584,838	1,839,711	512,254	218,629	6,881,353	4,919,242	(216,944)	15,739,083
Assets				Life and medical insurance KD	Reinsurance KD	Investment KD	General risk insurance KD	Total KD
				16,115,161	190,229,279	121,747,833	43,673,430	371,765,703
Liabilities				48,462,550	128,291,712	-	54,179,606	230,933,868

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

13 SEGMENT INFORMATION (continued)

31 March 2021	General risk insurance						Total KD	
	Marine and aviation KD	Accidents KD	Fire KD	Life and medical insurance KD	Reinsurance KD	Investment KD		Unallocated KD
Segment revenue	1,173,561	2,191,354	353,491	801,265	15,024,166	2,660,677	138,313	22,342,827
Segment results	673,448	634,887	170,411	13,428	1,907,316	340,745	(52,750)	3,687,485
Assets				Life and medical insurance KD	Reinsurance KD	Investment KD	General risk insurance KD	Total KD
Liabilities				15,273,727	177,415,075	109,337,897	39,068,320	341,095,019
				44,663,874	121,931,553	1,724	50,517,740	217,114,891

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2022

**14 ANNUAL GENERAL ASSEMBLY (AGM)**

The General Assembly meeting of the shareholders of the Parent Company held subsequently on 5 April 2022 approved the consolidated financial statements for the year ended 31 December 2021 and approved the cash dividends of 35% for the year ended 31 December 2021 (31 December 2020: 25%).

The Ordinary Annual General Assembly of the shareholders of the Parent Company approved the transfer of an amount of KD 1,000,000 from the profit for the year ended 31 December 2021 to the special voluntary reserve.

As of 5 April, the Parent Company held extraordinary general assembly meeting of the shareholders and approved to increase the authorized capital to be 30,000,000 KD.