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**Wethaq Takaful Insurance Company K.S.C. (Closed)
and subsidiaries
State of Kuwait**

**Condensed consolidated interim financial information and
review report for the three-month period
ended 31 March 2013**

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Independent auditors' report on review of condensed consolidated interim financial information**The Board of Directors**

Wethaq Takaful Insurance Company K.S.C. (Closed)
State of Kuwait

Introduction

We have reviewed the accompanying 31 March 2013 condensed consolidated interim financial information of Wethaq Takaful Insurance Company K.S.C. (Closed) ("the Company") and its subsidiaries (together "the Group") which comprises the condensed consolidated statement of financial position as at 31 March 2013, the condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended, and notes to the condensed consolidated interim financial information. The Company's management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion


Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 31 March 2013 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Report on review of other legal and regulatory requirements

Furthermore, based on our review, the condensed consolidated interim financial information is in agreement with the accounting records. We further report that nothing has come to our attention indicating any contravention during the three month period ended 31 March 2013, of the Companies Law No. 25 of 2012, as amended, or of the Company's Memorandum and Articles of Association, that might have had material effect on the Company's activities or on its consolidated financial position.



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Kuwait: 15 May 2013

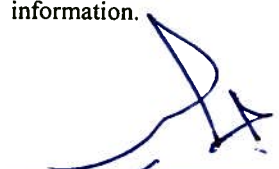


Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Condensed consolidated statement of financial position (unaudited)
as at 31 March 2013

	Note	31 March 2013 KD (unaudited)	31 December 2012 KD (audited)	31 March 2012 KD (unaudited)
Assets				
Bank balances and cash		1,621,892	1,857,034	2,199,930
Investments at fair value through profit or loss		996,954	1,296,267	1,151,151
Other assets		276,509	299,064	251,507
Available for sale investments	4	4,467,196	4,576,085	5,614,351
Qard Hassan to policyholders	5	1,668,168	1,668,168	1,751,761
Investment deposits		1,103,423	980,399	497,862
Investment properties		2,645,797	2,645,797	2,634,761
Total assets		12,779,939	13,322,814	14,101,323
Liabilities				
Other liabilities		468,375	430,151	671,041
Amounts due to policyholders	5	430,517	939,073	1,072,792
Total liabilities		898,892	1,369,224	1,743,833
Equity				
Equity attributable to shareholders of the Company				
Share capital		11,025,000	11,025,000	11,025,000
Share premium		7,340,937	7,340,937	7,340,937
Treasury shares		(50,489)	(50,489)	(50,489)
Treasury shares reserve		3,508	3,508	3,508
Statutory reserve		388,139	388,139	388,139
Voluntary reserve		388,139	388,139	388,139
Changes in fair value reserve		(36,677)	(29,034)	182,680
Translation reserve		(528,945)	(386,974)	(49,087)
Employee share purchase plan reserve		65,964	65,964	65,964
Accumulated losses		(7,827,382)	(7,944,077)	(7,857,599)
Total equity attributable to shareholders of the Company		10,768,194	10,801,113	11,437,192
Non controlling interest		1,112,853	1,152,477	920,298
Total equity		11,881,047	11,953,590	12,357,490
Total liabilities and equity		12,779,939	13,322,814	14,101,323

The accompanying notes form an integral part of this condensed consolidated interim financial information.


Abdullah Yousef Al-Saif
Chairman


Abdullah Mishari Al Humaidi
Vice Chairman

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Condensed consolidated statement of income (unaudited)
for the period from 1 January 2013 to 31 March 2013

	Note	Three month period ended	
		31 March 2013 KD	31 March 2012 KD
Net investment (loss) / gain	7	(198,418)	145,627
Shareholders' share of takaful surplus	6	41,269	79,821
Management fees from policyholders	6	310,556	63,214
Change in fair value of investment properties		-	465
Other income		20,953	-
General and administrative expenses		(18,807)	(42,487)
Profit before Directors' remuneration and taxes		155,553	246,640
National Labour Support Tax ("NLST")		(4,707)	(6,166)
Taxation		(20,212)	(44,061)
Directors' remuneration		(1,250)	(1,750)
Zakat		(1,681)	(2,466)
Net profit for the period		127,703	192,197
Attributable to:			
Shareholders of the Company		116,695	140,753
Non controlling interest		11,008	51,444
		127,703	192,197
Basic and diluted earnings per share			
attributable to shareholders of the Company			
(fils)	9	1.06	1.28

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Condensed consolidated statement of comprehensive (unaudited)
for the period from 1 January 2013 to 31 March 2013

	Three month period ended	
	31 March	31 March
	2013	2012
	KD	KD
Profit for the period	127,703	192,197
Other comprehensive (loss) / income		
<i>Items that are or may be reclassified subsequently to the consolidated statement of income</i>		
Changes in fair value reserve of available for sale investments	(7,643)	124,408
Changes in translation reserve	(192,603)	(25,328)
<i>Total items that are or may be reclassified subsequently to the consolidated statement of income</i>	(200,246)	99,080
Total other comprehensive (loss) / income	(200,246)	99,080
Total comprehensive (loss) / income for the period	(72,543)	291,277
Attributable to:		
Shareholders of the Company	(32,919)	301,769
Non-controlling interest	(39,624)	(10,492)
	(72,543)	291,277

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Condensed consolidated statement of changes in equity (unaudited)
for the period from 1 January 2013 to 31 March 2013

Attributable to shareholders of the Company													
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Changes in fair value reserve KD	Translation Reserve KD	Employee share purchase plan reserve KD	Accumulated losses KD	Total KD	Non controlling interest KD	Total equity KD
Balance at 1 January 2013	11,025,000	7,340,937		3,508	388,139	388,139	(29,034)	(386,974)	65,964	(7,944,077)	10,801,113	1,152,477	11,953,590
Profit for the period	-	-	-	-	-	-	-	-	-	116,695	116,695	11,008	127,703
Other comprehensive loss	-	-	-	-	-	-	(7,643)	(141,971)	-	-	(149,614)	(50,632)	(200,246)
Total comprehensive loss for the period	-	-	-	-	-	-	(7,643)	(141,971)	-	116,695	(32,919)	(39,624)	(72,543)
Balance at 31 March 2013	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	(36,677)	(528,945)	65,964	(7,827,382)	10,768,194	1,112,853	11,881,047
Balance at 1 January 2012	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	58,272	(85,695)	65,964	(7,998,352)	11,135,423	1,013,812	12,149,235
Profit for the period	-	-	-	-	-	-	-	-	-	140,753	140,753	51,444	192,197
Other comprehensive income	-	-	-	-	-	-	124,408	36,608	-	-	161,016	(61,936)	99,080
Total comprehensive income for the period	-	-	-	-	-	-	124,408	36,608	-	140,753	301,769	(10,492)	291,277
Dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	(83,022)	(83,022)
Balance at 31 March 2012	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	182,680	(49,087)	65,964	(7,857,599)	11,437,192	920,298	12,357,490

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Condensed consolidated statement of cash flows (unaudited)
for the period from 1 January 2013 to 31 March 2013

	Three months ended	
	31 March 2013 KD	31 March 2012 KD
Operating activities		
Profit for the period	127,703	192,197
Adjustments for:		
Net investment loss / (gain)	198,418	(145,627)
Change in fair value of investment properties	-	(465)
Shareholders' share of takaful surplus	(41,269)	(79,821)
Management fees from policyholders	(310,556)	(63,214)
	<u>(25,704)</u>	<u>(96,930)</u>
Other assets	22,555	(30,423)
Other liabilities	38,224	242,321
Net cash generated from operating activities	<u>35,075</u>	<u>114,968</u>
Investing activities		
Net movement in investment deposits	(123,024)	3,574
Acquisition of Investments at fair value through profit or loss	(62,175)	-
Acquisition of available for sale investments	-	(176,064)
Proceeds from sale of investments at fair value through profit or loss	271,623	-
Proceeds from sale of available for sale investments	-	130,000
Net movement in non-controlling interest	(39,624)	(35,779)
Profit from investment deposit received	35,083	-
Net cash generated from / (used in) investing activities	<u>81,883</u>	<u>(78,269)</u>
Financing activities		
Dividends of a subsidiary	-	(83,022)
Net movement in amounts due to policyholders	(156,731)	207,629
Net cash (used in) / generated from financing activities	<u>(156,731)</u>	<u>124,607</u>
Foreign currency translation differences	(195,369)	38,820
Net (decrease) / increase in bank balances and cash	<u>(235,142)</u>	<u>200,126</u>
Bank balances and cash at 1 January	1,857,034	1,999,804
Bank balances and cash at 31 March	<u>1,621,892</u>	<u>2,199,930</u>

The accompanying notes form an integral part of this condensed consolidated interim financial information.

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013

1. Reporting entity

Wethaq Takaful Insurance Company K.S.C. (Closed) ("the Company") is a Kuwaiti shareholding company incorporated in the State of Kuwait on 2 October 2000. The Company's shares are listed on the Kuwait Stock Exchange.

Purposes for which the Company was incorporated:

1. Carry out all takaful and cooperative insurance works and reinsurance in all its forms, in compliance with principles of Islamic Sharia and regulating laws.
2. In order to achieve the above mentioned objectives and as per its Articles of Association, the Company has the authority to undertake the following works and actions at the discretion of the Board of Directors:
 - a) Own and have the right to dispose of everything it deems necessary such as movable and immovable funds or any part thereof or any privileges the company believes to be necessary and appropriate to the nature of their work and necessary for the development of its own funds;
 - b) Conduct all transactions and conclude all contracts with all legal actions it deems necessary and appropriate to achieve and facilitate the objectives under the conditions it deems appropriate;
 - c) Purchase, sell, pledge, lease, exchange, acquire or offer by any way, any land, real estate, securities Sukouk, shares or any other movable funds or property and sell, lease, pledge or act in all kinds of actions in all or some of the company's funds or movable real estate or property;
 - d) Provide consulting and technical studies in the field of takaful or retakaful to companies or others that are directly concerned with the work in the field of Takaful insurance or retakaful;
 - e) Work as evaluator or valuer in takaful field and agent for the takaful or retakaful companies to perform all acts that do not conflict with Islamic Shariaa after obtaining the necessary licenses;
 - f) Invest some or all of the company's movable funds or property in different areas as it deems appropriate and does not contradict with the regulating laws and resolutions;
 - g) Merge, incorporate or participate in establishment of companies and subscribe to its shares and the purchase and sale of shares of companies and support in any way consistent with the objectives of the Company and in accordance with the laws; and
 - h) Use the surplus funds with the company by investing in portfolios managed by specialized companies and institutions.

The Company may carry out the above mentioned business in Kuwait and abroad as a principal or as an agent and the Company may have an interest or participate in any way with the entities that engage in similar work that help to achieve its objectives in Kuwait or abroad and it may establish, participate, purchase, merge with such entities.

The Company is a subsidiary of The Investment Dar Company K.S.C. which is a Kuwaiti shareholding company ("the Ultimate Parent Company").

**Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait**

**Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013**

The Company's registered head office is at City Tower, Khaled Bin Waleed Street, Sharq, State of Kuwait.

On 29 November 2012 through a decree, Companies Law No. 25 of 2012 ("the Law") was issued and later amended by Law No. 97 of 2013 dated 27 March 2013 ("the Decree"). The Law came into effect from the date it was published in Kuwait's Official Gazette. According to Articles 2 and 3 of the Decree, Executive Regulations which shall be issued by the Minister of Commerce and Industry within six months of the date of publication of decree in Kuwait's Official Gazette will determine the basis and rules which the Company shall adopt to regularise its affairs with the provisions of the amended Law. The Company's management is of the view that application of the provisions of the Law may not have material impact on the Company's activities or on its consolidated financial position.

The consolidated financial statements as at and for the period ended 31 March 2013 comprise the Company and its subsidiaries (together referred to as "the Group" and individually "the Group entities"). A list of significant directly owned subsidiaries is as follows:

Subsidiary	Country of incorporation	Percentage of ownership			Principal activities
		31 March 2013	31 December 2012	31 March 2012	
Wethaq Takaful Insurance Company	Egypt	60%	60%	60%	Takaful and retakaful activities in Egypt
Warid Lease and Finance Company K.S.C. (Closed) *	Kuwait	100 %	100 %	4.5%	Car leasing, trading cars and spare parts in Kuwait

*The underlying shares are owned by the shareholders on behalf of the policyholders.

Takaful is an Islamic alternative to a conventional takaful and investment program, based on the mutual funds concept, where each policyholder will receive his share in the surplus arising from the takaful activities, in accordance with the Company's Articles of Association and the approval of Fatwa and Shari'a Supervisory Board.

The Group conducts business on behalf of the policyholders and advances funds to the policyholders' operations as and when required. The Group is responsible for liabilities incurred by policyholders in the event the policyholders' fund is in deficit and the operations are liquidated. The Group holds the physical custody and title of all assets related to the policyholders and shareholders' operations, however, such assets and liabilities together with the results of policyholders' lines of business is disclosed in notes 5 and 6.

The Group maintains separate books of accounts for policyholders and shareholders. Income and expenses clearly attributable to either activity are recorded in the respective accounts. Management and the Board of Directors determine the basis of allocation of expenses from joint operations. All takaful and investment activities are conducted in accordance with Islamic Shari'a, as approved by Fatwa and Shari'a Supervisory Board.

Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013

At the Annual General Assembly meeting held on 2 May 2013, the shareholders approved the audited consolidated financial statements of the Group as at and for the year ended 31 December 2012. No dividends have been declared by the Group.

The interim condensed consolidated financial information of the Group for the period ended 31 March 2013 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 15 May 2013.

2. Basis of preparation

This interim condensed consolidated financial information has been prepared in accordance with International Accounting Standard No. 34, Interim Financial Reporting.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the interim condensed consolidated financial information of the Group, since the last annual consolidated financial statements as at and for the year ended 31 December 2012. This interim condensed consolidated financial information does not include all of the information required for full annual audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards (IFRS).

3. Significant accounting policies

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the most recent annual audited consolidated financial statements for the year ended 31 December 2012. Additionally, the Company has adopted the following revised IFRS effective for annual periods beginning on or after 1 January 2013.

IFRS 10 Consolidated Financial Statements

The new standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. It introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where control is based on whether an investor has power over the investee, exposure/rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the returns. The adoption of this standard has no financial impact on the interim condensed consolidated financial information.

IFRS 13 Fair Value Measurement

The new standard defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value. The change had no impact on the measurements of the Group's assets and liabilities. However, the Group has included new disclosures (note 11) in the interim condensed consolidated financial information which are required under IFRS 13.

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013

IAS 1 Presentation of Financial Statements - Amendments

The amendments to IAS-1 change the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the Company's financial position or performance. These amendments became effective for annual periods beginning on or after 1 July 2012. The adoption of this amendment has no financial impact on the interim condensed consolidated financial information.

Judgements and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimating uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2012.

4. Available for sale investments

	31 March 2013 KD (unaudited)	31 December 2012 KD (audited)	31 March 2012 KD (unaudited)
<i>Quoted securities</i>			
Equities	301,414	266,786	256,113
<i>Unquoted securities</i>			
Equities	561,600	553,728	564,403
Managed equity funds	1,451,423	1,441,603	1,458,106
Managed portfolios	2,152,759	2,313,968	3,335,729
	<u>4,165,782</u>	<u>4,309,299</u>	<u>5,358,238</u>
	<u>4,467,196</u>	<u>4,576,085</u>	<u>5,614,351</u>

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013

5. Policyholders' assets and liabilities

	31 March 2013 KD (unaudited)	31 December 2012 KD (audited)	31 March 2012 KD (unaudited)
Assets			
Bank balances and cash	636,332	222,922	393,249
Investment deposits	8,163,063	8,505,984	8,347,681
Investments at fair value through profit or loss	616,111	804,528	685,162
Islamic financing receivables	-	-	338,534
Accounts receivable and prepayments	937,884	1,063,897	908,927
Contributions receivable	1,782,121	1,755,010	1,807,196
Available for sale investments	970,157	970,157	970,157
Goodwill	409,766	409,766	-
Retakaful share of outstanding claims	5,942,106	4,543,540	3,380,499
Retakaful receivables	337,166	337,024	217,402
Amounts due from shareholders	430,517	939,073	1,072,792
Leasehold land	277,750	277,750	277,750
Furniture and equipment	975,521	1,013,125	777,700
	<u>21,478,494</u>	<u>20,842,776</u>	<u>19,177,049</u>
Liabilities			
Takaful reserves:			
Outstanding claims	12,923,054	11,430,877	10,943,180
Unearned contributions	3,585,410	3,568,498	3,673,580
Incurred but not reported reserve	157,163	286,703	238,630
	<u>16,665,627</u>	<u>15,286,078</u>	<u>14,855,390</u>
Other reserves	773,854	821,953	547,118
Reserve retained on retakaful business	390,943	216,948	173,186
Accounts payable and accruals	1,878,425	2,318,246	1,656,066
Bank overdraft	1,504,124	1,664,751	1,661,432
Qard Hassan from shareholders	1,668,168	1,668,168	1,751,761
Net deficit from policyholders' operations	(1,402,647)	(1,133,368)	(1,467,904)
Total reserves and liabilities	<u>21,478,494</u>	<u>20,842,776</u>	<u>19,177,049</u>

Movement in policyholders' fund:

	31 March 2013 KD (unaudited)	31 December 2012 KD (audited)	31 March 2012 KD (unaudited)
At 1 January	(1,133,368)	(1,410,347)	(1,410,347)
Net (deficit) / surplus from operations for the period	(225,969)	168,925	44,844
Foreign currency translation difference	(43,310)	108,054	(102,401)
Closing balance	<u>(1,402,647)</u>	<u>(1,133,368)</u>	<u>(1,467,904)</u>

Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013

6. Policyholders' results of operations

Three month period ended 31 March 2013 (unaudited)

	Marine and Aviation KD	General accident KD	Fire KD	Life KD	Total KD
Total revenues	40,144	1,100,222	59,280	58,997	1,258,643
Net surplus from takaful operations	40,078	179,917	306	31,329	251,630
Investment income	2,554	169,533	9,638	2,940	184,665
Net surplus / (deficit) by line of business	27,871	159,387	(99,883)	18,403	105,778
Income from leasing activities					52,062
Expenses in connection with leasing activities					(31,984)
Shareholders' share of takaful surplus from subsidiary					(41,269)
Management fees to shareholders of the Company					(310,556)
Deficit transferred to policyholders' fund					(225,969)

Three month period ended 31 March 2012 (unaudited)

	Marine and Aviation KD	General accident KD	Fire KD	Life KD	Total KD
Total revenues	46,604	1,035,782	41,245	16,344	1,139,975
Net (deficit) surplus from takaful operations	19,456	347,687	38,458	(41,179)	364,422
Investment income	6,030	166,875	14,852	4,557	192,314
Net surplus by line of business	(985)	250,225	(6,256)	(55,105)	187,879
Shareholders' share of takaful surplus from subsidiary					(79,821)
Management fees to shareholders of the Company					(63,214)
Surplus transferred to policyholders' fund					44,844

The policyholders of the subsidiary transferred a surplus of KD 41,269 (31 March 2012: KD 79,821) to shareholders of subsidiary from total takaful surplus of KD 105,778 (31 March 2012: KD 187,879).

As per the Company's Articles of Association, the shareholders of the Company are entitled to management fees from policyholders of the Company up to 20% of the gross premium written and investment income.

Wethaq Takaful Insurance Company K.S.C. (Closed) and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2013 to 31 March 2013

7. Net investment (loss) / gain

	31 March 2013 KD	31 March 2012 KD
Realized loss on investments at fair value through profit or loss	23,958	(64,534)
Unrealized loss on investments at fair value through profit or loss	(107,460)	(40,456)
Others	(114,916)	250,617
	<u>(198,418)</u>	<u>145,627</u>

8. Related party transactions

Related parties represent 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 Company's management.

Transactions with related parties included in the consolidated financial statements are as follows:

	31 March 2013 KD	31 March 2012 KD
Shareholders		
<i>Interim condensed consolidated statement of financial position</i>		
Financial assets at fair value through profit or loss	130,506	130,506
Financial assets available for sale	1,703,374	3,328,038
Accounts payable	-	338,534
Policyholders		
<i>Policyholders' assets, liabilities and fund</i>		
Financial assets at fair value through profit or loss	212,462	392,283
Financial assets available for sale	787,500	787,500

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	Three month period ended	
	31 March	31 March
	2013	2012
	KD	KD
Shareholders		
<i>Interim condensed consolidated income statement</i>		
Allowances and other benefits	9,500	11,000
Policyholders		
<i>Policy holder's results</i>		
Premiums written	-	73,077
Unrealized (loss) / gain on financial assets at fair value through profit or loss	(12,850)	17,252
<i>Key management compensation</i>		
Short-term benefits	14,989	14,491
Termination benefits	7,369	2,978

9. Basic and diluted earnings per share

Earnings per share attributable to shareholders of the Company is calculated by dividing the net profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

The information necessary to calculate the earnings per share is as follows:

	Three month period ended 31 March	
	2013	2012
Net profit for the period attributable to shareholders of the Company (KD)	116,695	140,753
Weighted average number of ordinary shares (net of treasury shares) outstanding for the period	109,804,500	109,804,500
Earnings per share (fils) – basic and diluted	1.06	1.28

10. Fair values of financial assets

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, receivables and investments. Financial liabilities consist of payables. The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments with the exception of certain available for sale investments carried at cost (note 4) are not significantly different from their carrying values at the reporting date.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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Level 1: Quoted (unadjusted) prices in active markets for identical assets or 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.

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

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1	Level 2	Total
	KD	KD	KD
31 March 2013			
<i>Shareholders</i>			
Investments at fair value through profit or loss	996,954	-	996,954
Available for sale investments	301,414	3,604,179	3,905,593
	<u>1,298,368</u>	<u>3,604,179</u>	<u>4,902,547</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	262,155	353,956	616,111
	<u>262,155</u>	<u>353,956</u>	<u>616,111</u>
31 December 2012			
<i>Shareholders</i>			
Investments at fair value through profit or loss	1,296,267	-	1,296,267
Available for sale investments	266,786	3,826,449	4,093,235
	<u>1,563,053</u>	<u>3,826,449</u>	<u>5,389,502</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	214,656	589,872	804,528
	<u>214,656</u>	<u>589,872</u>	<u>804,528</u>
31 March 2012			
<i>Shareholders</i>			
Investments at fair value through profit or loss	1,151,151	-	1,151,151
Available for sale investments	256,112	4,786,136	5,042,248
	<u>1,407,263</u>	<u>4,786,136</u>	<u>6,193,399</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	152,009	533,153	685,162
	<u>152,009</u>	<u>533,153</u>	<u>685,162</u>

The fair value of investments under level 2 is determined by a related party investment manager.

During the periods ended 31 March 2013 and 31 March 2012, there were no transfers between Level 1 and Level 2 fair value measurements.

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11. Segment information

The Group has 2 reportable segments, Kuwait and Egypt, based on geography which are the Group's operating entities. The 2 entities carry out takaful activities in their respective jurisdictions and are managed separately because they require different marketing strategies and operate in separate regulatory environments. For each of the entities, the Board of Directors review internal management reports on at least a quarterly basis.

Shareholders

	Three months ended 31 March 2013		Three months ended 31 March 2012	
	Kuwait	Egypt	Total	
Net investment (loss) / income	(233,501)	35,083	(198,418)	
Taxation	-	(20,212)	(20,212)	145,627
Total expenses	(2,253)	(16,554)	(18,807)	(44,061)
Net (loss) / profit	100,183	27,520	127,703	(10,984)
				63,591
				128,606
				192,197

Other information:

Total assets	10,017,642	2,762,297	12,779,939	11,391,835	2,709,488	14,101,323
Total liabilities	773,035	125,857	898,892	1,497,169	246,664	1,743,833

Policyholders

Policyholders	Three months ended 31 March 2013			Three months ended 31 March 2012		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Gross contributions earned	1,552,783	973,963	2,526,746	937,211	855,758	1,792,969
Total revenue	726,716	531,927	1,258,643	591,615	548,360	1,139,974
Net surplus / (deficit) from takaful operations	253,112	(1,482)	251,630	276,858	87,564	364,422

Other information:

	As at 31 March 2013		As at 31 December 2012		
Total assets	12,660,364	8,818,130	11,227,710	9,615,066	20,842,776
Total liabilities	12,660,364	8,818,130	11,227,710	9,615,066	20,842,776