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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 six-month period  
ended 30 June 2013**

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

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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 30 June 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 30 June 2013, the condensed consolidated statements of profit or loss and comprehensive income for the three and six month periods then ended, the condensed consolidated statements of changes in equity and cash flows for the six 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 30 June 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 six month period ended 30 June 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: 18 August 2012**



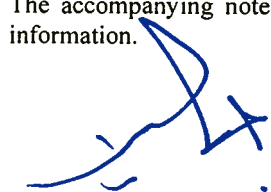
**بويان لتدقيق الحسابات**  
**BOUBYAN Auditing Office**

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

**Condensed consolidated statement of financial position (unaudited)**  
*as at 30 June 2013*

	Note	30 June 2013 KD (unaudited)	31 December 2012 KD (audited)	30 June 2012 KD (unaudited)
<b>Assets</b>				
Bank balances and cash		1,622,152	1,857,034	2,095,349
Investments at fair value through profit or loss		1,095,164	1,296,267	1,150,650
Other assets		625,822	299,064	1,516,705
Available for sale investments	4	4,430,234	4,576,085	5,451,157
Qard Hassan to policyholders	5	1,668,168	1,668,168	1,751,761
Investment deposits		1,078,987	980,399	731,017
Investment properties		2,645,797	2,645,797	2,634,761
<b>Total assets</b>		<b>13,166,324</b>	<b>13,322,814</b>	<b>15,331,400</b>
<b>Liabilities</b>				
Other liabilities		340,623	430,151	1,924,542
Amounts due to policyholders	5	305,488	939,073	1,026,863
<b>Total liabilities</b>		<b>646,111</b>	<b>1,369,224</b>	<b>2,951,405</b>
<b>Equity</b>				
<b>Equity attributable to shareholders of the Company</b>				
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		428,238	(29,034)	68,586
Translation reserve		(455,993)	(386,974)	(121,177)
Employee share purchase plan reserve		65,964	65,964	65,964
Accumulated losses		(7,763,635)	(7,944,077)	(7,812,895)
<b>Total equity attributable to shareholders of the Company</b>		<b>11,369,808</b>	<b>10,801,113</b>	<b>11,295,712</b>
Non controlling interest		1,150,405	1,152,477	1,084,283
<b>Total equity</b>		<b>12,520,213</b>	<b>11,953,590</b>	<b>12,379,995</b>
<b>Total liabilities and equity</b>		<b>13,166,324</b>	<b>13,322,814</b>	<b>15,331,400</b>

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 30 June 2013*

	Note	<b>Three month period ended</b>		<b>Six month period ended</b>	
		<b>30 June 2013 KD</b>	<b>30 June 2012 KD</b>	<b>30 June 2013 KD</b>	<b>30 June 2012 KD</b>
Net investment (loss) / gain	7	(77,945)	9,989	(276,363)	156,081
Shareholders' share of takaful surplus	6	91,208	205,943	132,477	285,764
Management fees from policyholders	6	181,940	12,054	492,496	75,268
Other (expense) / income		(20,953)	-	-	-
General and administrative expenses		<u>(62,475)</u>	<u>(148,493)</u>	<u>(81,282)</u>	<u>(190,980)</u>
<b>Profit before Directors' remuneration and taxes</b>		111,775	79,493	267,328	326,133
National Labour Support Tax ("NLST")		(3,480)	(4,232)	(8,187)	(10,398)
Taxation		(27,663)	(31,690)	(47,875)	(75,751)
Directors' remuneration		(1,250)	(1,750)	(2,500)	(3,500)
Zakat		<u>(1,594)</u>	<u>(1,797)</u>	<u>(3,275)</u>	<u>(4,263)</u>
<b>Net profit for the period</b>		<u>77,788</u>	<u>40,024</u>	<u>205,491</u>	<u>232,221</u>
<b>Attributable to:</b>					
Shareholders of the Company		63,747	44,704	180,442	185,457
Non controlling interest		<u>14,041</u>	<u>(4,680)</u>	<u>25,049</u>	<u>46,764</u>
		<u>77,788</u>	<u>40,024</u>	<u>205,491</u>	<u>232,221</u>
<b>Basic and diluted earnings per share attributable to shareholders of the Company (fils)</b>	9	<u>0.58</u>	<u>0.41</u>	<u>1.64</u>	<u>1.69</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**

**Condensed consolidated statement of comprehensive (unaudited)**  
*for the period from 1 January 2013 to 30 June 2013*

	<b>Three month period ended</b>		<b>Six month period Ended</b>	
	<b>30 June 2013 KD</b>	<b>30 June 2012 KD</b>	<b>30 June 2013 KD</b>	<b>30 June 2012 KD</b>
Profit for the period	<u>77,788</u>	<u>40,024</u>	<u>205,491</u>	<u>232,221</u>
<b>Other comprehensive (loss) / income</b>				
<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	464,915	(114,094)	457,272	10,314
Changes in translation reserve	<u>96,463</u>	<u>(87,046)</u>	<u>(96,140)</u>	<u>(112,374)</u>
<i>Total items that are or may be reclassified subsequently to the consolidated statement of income</i>	<u>561,378</u>	<u>(201,140)</u>	<u>361,132</u>	<u>(102,060)</u>
<b>Total other comprehensive income / (loss)</b>	<u>561,378</u>	<u>(201,140)</u>	<u>361,132</u>	<u>(102,060)</u>
<b>Total comprehensive income / (loss) for the period</b>	<u>639,166</u>	<u>(161,116)</u>	<u>566,623</u>	<u>130,161</u>
Attributable to:				
Shareholders of the Company	601,614	(141,480)	568,695	160,289
Non-controlling interest	<u>37,552</u>	<u>(19,636)</u>	<u>(2,072)</u>	<u>(30,128)</u>
	<u>639,166</u>	<u>(161,116)</u>	<u>566,623</u>	<u>130,161</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**

**Condensed consolidated statement of changes in equity (unaudited)  
for the period from 1 January 2013 to 30 June 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	(50,489)	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	-	-	-	-	-	-	-	-	-	180,442	180,442	25,049	205,491
Other comprehensive loss	-	-	-	-	-	-	457,272	(69,019)	-	-	388,253	(27,121)	361,132
Total comprehensive loss for the period	-	-	-	-	-	-	457,272	(69,019)	-	180,442	568,695	(2,072)	566,623
Balance at 30 June 2013	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	428,238	(455,993)	65,964	(7,763,635)	11,369,808	1,150,405	12,520,213
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	-	-	-	-	-	-	-	-	-	185,457	185,457	46,764	232,221
Other comprehensive income/loss for the period	-	-	-	-	-	-	10,314	(35,482)	-	-	(25,168)	(76,892)	(102,060)
Total comprehensive income for the period	-	-	-	-	-	-	10,314	(35,482)	-	185,457	160,289	(30,128)	130,161
Dividends paid by subsidiary	-	-	-	-	-	-	-	-	-	-	-	(83,021)	(83,021)
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	183,620	183,620
Balance at 30 June 2012	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	68,586	(121,177)	65,964	(7,812,895)	11,295,712	1,084,283	12,379,995

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 30 June 2013*

	<b>Six months ended</b>	
	<b>30 June 2013 KD</b>	<b>30 June 2012 KD</b>
<b>Operating activities</b>		
Profit for the period	205,491	232,222
Adjustments for:		
Net investment loss / (gain)	276,363	(156,081)
Shareholders' share of takaful surplus	(132,477)	(285,764)
Management fees from policyholders	(492,496)	(75,268)
	<u>(143,119)</u>	<u>(284,891)</u>
Other assets	(326,758)	(1,295,621)
Other liabilities	<u>(89,528)</u>	<u>1,429,136</u>
Net cash used in operating activities	<u>(559,405)</u>	<u>(151,376)</u>
<b>Investing activities</b>		
Net movement in investment deposits	(98,588)	(229,581)
Acquisition of Investments at fair value through profit or loss	(223,243)	(465)
Acquisition of available for sale investments	-	163,722
Proceeds from sale of investments at fair value through profit or loss	271,623	252,055
Proceeds from sale of available for sale investments	374,480	-
Net movement in non-controlling interest	(2,072)	-
Profit from investment deposit received	78,181	-
Net cash generated from investing activities	<u>400,381</u>	<u>185,731</u>
<b>Financing activities</b>		
Dividends of a subsidiary	-	183,620
Net movement in amounts due to policyholders	(8,612)	(122,430)
Net (used in) / generated from financing activities	<u>(8,612)</u>	<u>61,190</u>
Foreign currency translation differences	<u>(67,246)</u>	<u>-</u>
<b>Net (decrease) / increase in bank balances and cash</b>	<u>(234,882)</u>	<u>95,545</u>
Bank balances and cash at 1 January	1,857,034	1,999,804
<b>Bank balances and cash at 30 June</b>	<u>1,622,152</u>	<u>2,095,349</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 30 June 2013*

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**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").

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

**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 30 June 2013*

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 30 June 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
		30 June 2013	31 December 2012	30 June 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 30 June 2013*

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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 30 June 2013 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 18 August 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.

**Notes to the condensed consolidated interim financial information**  
*for the period from 1 January 2013 to 30 June 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**

	<b>30 June 2013 KD (unaudited)</b>	<b>31 December 2012 KD (audited)</b>	<b>30 June 2012 KD (unaudited)</b>
<i>Quoted securities</i>			
Equities	477,680	266,786	266,664
<i>Unquoted securities</i>			
Equities	509,074	553,728	566,853
Managed equity funds	1,495,253	1,441,603	1,424,464
Managed portfolios	1,948,227	2,313,968	3,193,176
	<u>3,952,554</u>	<u>4,309,299</u>	<u>5,184,493</u>
	<u>4,430,234</u>	<u>4,576,085</u>	<u>5,451,157</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 30 June 2013*

**5. Policyholders' assets and liabilities**

	<b>30 June 2013 KD (unaudited)</b>	<b>31 December 2012 KD (audited)</b>	<b>30 June 2012 KD (unaudited)</b>
<b>Assets</b>			
Bank balances and cash	370,465	222,922	147,896
Investment deposits	8,059,833	8,505,984	8,408,844
Investments at fair value through profit or loss	711,258	804,528	643,648
Islamic financing receivables	-	-	338,534
Accounts receivable and prepayments	795,278	1,063,897	976,073
Contributions receivable	1,735,322	1,755,010	1,679,433
Available for sale investments	970,157	970,157	970,157
Goodwill	409,766	409,766	-
Retakaful share of outstanding claims	4,457,143	4,543,540	4,437,956
Retakaful receivables	473,772	337,024	253,985
Amounts due from shareholders	305,488	939,073	1,026,863
Leasehold land	277,750	277,750	277,750
Furniture and equipment	971,376	1,013,125	790,288
	<u>19,537,608</u>	<u>20,842,776</u>	<u>19,951,427</u>
<b>Liabilities</b>			
<b>Takaful reserves:</b>			
Outstanding claims	11,457,961	11,430,877	11,659,089
Unearned contributions	3,563,231	3,568,498	3,595,236
Incurred but not reported reserve	199,567	286,703	301,617
	<u>15,220,759</u>	<u>15,286,078</u>	<u>15,555,942</u>
Other reserves	739,323	821,953	660,490
Reserve retained on retakaful business	330,049	216,948	168,767
Accounts payable and accruals	1,393,974	2,318,246	1,700,522
Bank overdraft	1,531,158	1,664,751	1,716,092
Qard Hassan from shareholders	1,668,168	1,668,168	1,751,761
Net deficit from policyholders' operations	(1,345,823)	(1,133,368)	(1,602,147)
<b>Total reserves and liabilities</b>	<u>19,537,608</u>	<u>20,842,776</u>	<u>19,951,427</u>

**Movement in policyholders' fund:**

	<b>30 June 2013 KD (unaudited)</b>	<b>31 December 2012 KD (audited)</b>	<b>30 June 2012 KD (unaudited)</b>
At 1 January	(1,133,368)	(1,410,347)	(1,410,347)
Net (deficit) / surplus from operations for the period	(327,840)	168,925	(41,718)
Foreign currency translation difference	115,385	108,054	(150,082)
Closing balance	<u>(1,345,823)</u>	<u>(1,133,368)</u>	<u>(1,602,147)</u>

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**6. Policyholders' results of operations**

**Six month period ended 30 June 2013 (unaudited)**

	Marine and Aviation KD	General accident KD	Fire KD	Life KD	Total KD
Total revenues	98,319	1,487,314	1,050,842	224,134	2,860,609
Net surplus from takaful operations	46,983	399,061	68,897	96,672	611,613
Investment income	7,702	30,759	322,969	8,869	370,299
Net surplus by line of business	10,413	274,272	(69,302)	63,707	279,090
Income from leasing activities					164,550
Expenses in connection with leasing activities					(146,507)
Shareholders' share of takaful surplus from subsidiary					(132,477)
Management fees to shareholders of the Company					(492,496)
Deficit transferred to policyholders' fund					<u>(327,840)</u>

**Six month period ended 30 June 2012 (unaudited)**

Total revenues	99,005	2,346,922	91,545	70,683	2,608,155
Net surplus from takaful operations	48,598	592,454	67,406	34,090	742,548
Net investment loss	(36,597)	(267,906)	(78,477)	(40,254)	(423,234)
Net surplus / (deficit) by line of business	12,001	324,548	(11,071)	(6,164)	319,314
Shareholders' share of takaful surplus from subsidiary					(285,764)
Management fees to shareholders of the Company					(75,268)
Deficit transferred to policyholders' fund					<u>(41,718)</u>

The policyholders of the subsidiary transferred a surplus of KD 132,477 (30 June 2012: KD 285,764) to shareholders of subsidiary from total takaful surplus of KD 279,090 (30 June 2012: 319,314 KD).

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.

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**7. Net investment (loss) / gain**

	Three month period ended		Six month period ended	
	30 June 2013 KD	30 June 2012 KD	30 June 2013 KD	30 June 2012 KD
Realized gains on investments at fair value through profit or loss	47,370	15,239	71,328	161,331
Realized loss on available for sale investments	(228,643)	-	(228,643)	-
Unrealized loss on investments at fair value through profit or loss	(116,591)	-	(224,051)	-
Others	219,919	(5,250)	105,003	(5,250)
	<u>(77,945)</u>	<u>9,989</u>	<u>(276,363)</u>	<u>156,081</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:

	30 June 2013 KD	30 June 2012 KD
<b>Shareholders</b>		
<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	1,948,200	3,193,176
Accounts payable	-	338,534
<b>Policyholders</b>		
<i>Policyholders' assets, liabilities and fund</i>		
Financial assets at fair value through profit or loss	393,706	369,885
Financial assets available for sale	787,500	787,500

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	<b>Six months period ended</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2013</b>	<b>2012</b>
	<b>KD</b>	<b>KD</b>
<b>Shareholders</b>		
<i>Interim condensed consolidated income statement</i>		
Allowances and other benefits	19,000	22,000
Impairment loss on available for sale investments	-	5,250
<b>Policyholders</b>		
<i>Policy holder's results</i>		
Premiums written	-	73,077
Unrealized (loss) / gain on financial assets at fair value through profit or loss	(152,680)	(50,339)
<i>Key management compensation</i>		
Short-term benefits	29,978	28,184
Termination benefits	11,054	8,377

**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:

	<b>Three month period ended 30 June</b>		<b>Six month period ended 30 June</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net profit for the period attributable to shareholders of the Company (KD)	63,747	44,704	180,442	185,457
Weighted average number of ordinary shares (net of treasury shares) outstanding for the period	109,804,500	109,804,500	109,804,500	109,804,500
<b>Earnings per share (fils) – basic and diluted</b>	<b>0.58</b>	<b>0.41</b>	<b>1.64</b>	<b>1.69</b>

**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.

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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:

**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:

	<b>Level 1 KD</b>	<b>Level 2 KD</b>	<b>Total KD</b>
<b>30 June 2013</b>			
<i>Shareholders</i>			
Investments at fair value through profit or loss	1,095,164	-	1,095,164
Available for sale investments	477,680	3,443,480	3,921,160
	<u>1,572,844</u>	<u>3,443,480</u>	<u>5,016,324</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	329,421	381,837	711,258
	<u>329,421</u>	<u>381,837</u>	<u>711,258</u>
<b>31 December 2012</b>			
<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>
<b>30 June 2012</b>			
<i>Shareholders</i>			
Investments at fair value through profit or loss	1,150,650	-	1,150,650
Available for sale investments	266,664	4,617,640	4,884,304
	<u>1,417,314</u>	<u>4,617,640</u>	<u>6,034,954</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	332,939	310,709	643,648
	<u>332,939</u>	<u>310,709</u>	<u>643,648</u>

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

During the periods ended 30 June 2013 and 30 June 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 30 June 2013			Three months ended 30 June 2012		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Net investment (loss) / income	(38,482)	(39,463)	(77,945)	(24,264)	34,253	9,989
Taxation	-	(27,663)	(27,663)	-	(31,690)	(31,690)
Total expenses	(64,429)	1,954	(62,475)	(125,904)	(22,589)	(148,493)
Net profit	42,686	35,102	77,788	31,114	8,910	40,024
	<b>Six months ended 30 June 2013</b>			<b>Six months ended 30 June 2012</b>		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Net investment (loss) / income	(271,983)	(4,380)	(276,363)	81,211	74,870	156,081
Taxation	-	(47,875)	(47,875)	-	(75,751)	(75,751)
Total expenses	(66,682)	(14,600)	(81,282)	(157,407)	(33,573)	(190,980)
Net profit	142,869	62,622	205,491	94,705	137,516	232,221
<b>As at 30 June 2013</b>						
Total assets				10,416,959	2,749,365	13,166,324
Total liabilities				493,223	152,888	646,111
<b>As at 31 December 2012</b>						
Total assets				10,410,285	2,912,529	13,322,814
Total liabilities				1,265,704	103,520	1,369,224
<b>As at 30 June 2012</b>						
Total assets				12,488,875	2,842,525	15,331,400
Total liabilities				2,804,992	146,413	2,951,405

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Policyholders	Three months ended 30 June 2013			Three months ended 30 June 2012		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Gross contributions earned	905,540	873,829	1,779,369	912,448	855,897	1,768,345
Total revenue	1,039,147	562,819	1,601,966	815,004	653,177	1,468,181
Net surplus / (deficit) from takaful operations	191,594	168,389	359,983	209,153	168,973	378,126
	Six months ended 30 June 2013			Six months ended 30 June 2012		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Gross contributions earned	2,458,323	1,847,792	4,306,115	1,849,659	1,711,655	3,561,314
Total revenue	1,765,863	1,094,746	2,860,609	1,406,618	1,201,537	2,608,155
Net surplus from takaful operations	444,706	166,907	611,613	486,011	256,537	742,548
<b>As at 30 June 2013</b>						
Total assets				11,352,005	8,185,603	19,537,608
Total liabilities				11,352,005	8,185,603	19,537,608
<b>As at 31 December 2012</b>						
Total assets				11,227,710	9,615,066	20,842,776
Total liabilities				11,227,710	9,615,066	20,842,776
<b>As at 30 June 2012</b>						
Total assets				10,490,995	9,460,432	19,951,427
Total liabilities				10,490,995	9,460,432	19,951,427