

**Wethaq Takaful Insurance Company K.S.C.P. and
subsidiaries
State of Kuwait**

**Condensed consolidated interim financial information and
review report for the three month period ended
31 March 2014**

Wethaq Takaful Insurance Company K.S.C.P. 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.P.
State of Kuwait

Introduction

We have reviewed the accompanying 31 March 2014 condensed consolidated interim financial information of Wethaq Takaful Insurance Company K.S.C.P. ("the Company") and its subsidiaries (together "the Group") which comprises the interim consolidated statement of financial position as at 31 March 2014, the interim consolidated statements of profit or loss, other 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 2014 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 2014, 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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Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Interim consolidated statement of financial position (unaudited)
as at 31 March 2014

		31 March 2014 KD (unaudited)	31 December 2013 KD (audited)	31 March 2013 KD (unaudited)
	Note			
Assets				
Bank balances and cash		1,548,367	1,616,067	1,621,892
Investments at fair value through profit or loss		797,940	861,784	996,954
Other assets		250,456	247,161	276,509
Available for sale investments	4	4,202,806	4,212,935	4,467,196
Qard Hassan to policyholders	5	1,625,611	1,625,611	1,668,168
Amounts due from policyholders	5	812,960	452,657	-
Investment deposits		1,405,491	1,284,732	1,103,423
Investment properties		2,662,541	2,676,666	2,645,797
Total assets		13,306,172	12,977,613	12,779,939
Liabilities				
Other liabilities		312,430	245,486	468,375
Amounts due to policyholders	5	-	-	430,517
Total liabilities		312,430	245,486	898,892
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
Fair value reserve		473,588	492,773	(36,677)
Translation reserve		(574,474)	(585,852)	(528,945)
Employee share purchase plan reserve		65,964	65,964	65,964
Accumulated losses		(7,241,570)	(7,538,787)	(7,827,382)
Total equity attributable to shareholders of the Company		11,818,742	11,529,332	10,768,194
Non controlling interest		1,175,000	1,202,795	1,112,853
Total equity		12,993,742	12,732,127	11,881,047
Total liabilities and equity		13,306,172	12,977,613	12,779,939

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.P. and subsidiaries
State of Kuwait

Interim consolidated statement of profit or loss (unaudited)
three month period ended 31 March 2014

	Note	Three month period ended 31 March	
		2014 KD	2013 KD
Net investment income / (loss)	7	10,917	(198,418)
Shareholders' share of takaful surplus	6	61,048	41,269
Management fees from policyholders	6	326,962	310,556
Other (expenses) / income		(45)	20,953
General and administrative expenses		(35,330)	(18,807)
Profit before National Labour Support Tax			
("NLST"), Taxation, Directors' remuneration and			
Zakat		363,552	155,553
NLST		(8,726)	(4,707)
Taxation		(26,968)	(20,212)
Directors' remuneration		(1,250)	(1,250)
Zakat		(3,490)	(1,681)
Net profit for the period		<u>323,118</u>	<u>127,703</u>
Attributable to:			
Shareholders of the Company		297,217	116,695
Non controlling interest		25,901	11,008
		<u>323,118</u>	<u>127,703</u>
Basic and diluted earnings per share attributable to			
shareholders of the Company (fils)	9	<u>2.71</u>	<u>1.06</u>

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

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Interim consolidated statement of other comprehensive income (unaudited)
three month period ended 31 March 2014

	Three month period ended	
	31 March	
	2014	2013
	KD	KD
Net profit for the period	<u>323,118</u>	<u>127,703</u>
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to the interim consolidated statement of profit or loss</i>		
Changes in fair value reserve of available for sale investments	(19,185)	(7,643)
Changes in translation reserve	<u>(42,318)</u>	<u>(192,603)</u>
<i>Total items that are or may be reclassified subsequently to the interim consolidated statement of profit or loss</i>	<u>(61,503)</u>	<u>(200,246)</u>
Total other comprehensive loss	<u>(61,503)</u>	<u>(200,246)</u>
Total comprehensive income / (loss) for the period	<u>261,615</u>	<u>(72,543)</u>
Attributable to:		
Shareholders of the Company	289,410	(32,919)
Non-controlling interest	<u>(27,795)</u>	<u>(39,624)</u>
	<u>261,615</u>	<u>(72,543)</u>

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

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Interim consolidated statement of changes in equity (unaudited)
three month period ended 31 March 2014

	<i>Attributable to shareholders of the Company</i>										Non controlling interest KD	Total equity KD
	Share capital KD	Share premium KD	Treasury shares KD	Treasury shares reserve KD	Statutory reserve KD	Voluntary reserve KD	Fair value reserve KD	Translation Reserve KD	Employee share purchase plan reserve KD	Accumulated losses KD	Total KD	
Balance at												
1 January 2014	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	492,773	(585,852)	65,964	(7,538,787)	11,529,332	12,732,127
Net profit for the												
period	-	-	-	-	-	-	-	-	-	297,217	297,217	323,118
Other												
comprehensive												
(loss) / income	-	-	-	-	-	-	(19,185)	11,378	-	-	(7,807)	(61,503)
Total												
comprehensive												
income for the												
period	-	-	-	-	-	-	(19,185)	11,378	-	297,217	289,410	261,615
Balance at 31												
March 2014	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	473,588	(574,474)	65,964	(7,241,570)	11,818,742	12,993,742
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	11,953,590
Net profit for the												
period	-	-	-	-	-	-	-	-	-	116,695	116,695	127,703
Other												
comprehensive												
loss for the period	-	-	-	-	-	-	(7,643)	(141,971)	-	-	(149,614)	(200,246)
Total												
comprehensive												
loss for the period	-	-	-	-	-	-	(7,643)	(141,971)	-	116,695	(32,919)	(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	11,881,047

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

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Interim consolidated statement of cash flows (unaudited)
for the period from 1 January 2014 to 31 March 2014

	Note	Three month period ended 31 March	
		2014 KD	2013 KD
Operating activities			
Net profit for the period		323,118	127,703
Adjustments for:			
Net investment (income) / loss	7	(10,917)	198,418
Shareholders' share of takaful surplus	6	(61,048)	(41,269)
Management fees from policyholders	6	(326,962)	(310,556)
		<u>(75,809)</u>	<u>(25,704)</u>
Other assets		(3,295)	22,555
Other liabilities		66,944	38,224
Net cash (used in) / generated from operating activities		<u>(12,160)</u>	<u>35,075</u>
Investing activities			
Net movement in investment deposits		(120,759)	(123,024)
Acquisition of Investments at fair value through profit or loss		-	(62,175)
Proceeds from sale of investments at fair value through profit or loss		-	271,623
Profit from investment deposit received		-	35,083
Net cash (used in) / generated from investing activities		<u>(120,759)</u>	<u>121,507</u>
Financing activities			
Net movement in amounts due from / to policyholders		(33,341)	(156,731)
Net cash used in financing activities		<u>(33,341)</u>	<u>(156,731)</u>
Foreign currency translation differences		98,560	(234,993)
Net decrease in bank balances and cash		<u>(67,700)</u>	<u>(235,142)</u>
Bank balances and cash at 1 January		1,616,067	1,857,034
Bank balances and cash at 31 March		<u>1,548,367</u>	<u>1,621,892</u>

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

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 31 March 2014

1. Reporting entity

Wethaq Takaful Insurance Company K.S.C.P. ("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.

The objectives for which the Company is incorporated are as follows:

First: Carry on all Takaful, mutual and retakaful insurance business of all forms in accordance with the provisions of Islamic Sharia and governing laws.

Second: To achieve its above mentioned objective and as per its Articles of Association, the Company shall have authority to conduct the following business and acts as Board of Directors deems appropriate:

- a) Acquire and gain the right to dispose of all or any part of movable or immovable property, as it deems necessary, or any privileges that the Company believes to be necessary or appropriate for the nature of its business and required for growing its funds;
- b) Carry out all transactions and enter into all contracts with all legal dispositions as it deems necessary and suitable to achieve and facilitate its objectives on the conditions it elects;
- c) Purchase, sell, mortgage, lease, replace, possess or endorse in any manner whatsoever any lands, real estate properties, securities, Sukuk, stocks or any other movable or real estate property; or sell, lease, mortgage or dispose of all or part of the Company's movable or real estate property and funds;
- d) Provide advisories and conduct technical studies in insurance or reinsurance industry for companies and other entities directly interested in engaging in Takaful insurance or reinsurance business;
- e) Act as valuer or appraiser in insurance industry and agent for insurers or reinsurers to perform all activities that are consistent with the Islamic Sharia after obtaining the necessary licenses;
- f) Invest all or part of the Company's movable property or real estate properties in different sectors as it deems appropriate in accordance with governing laws and resolutions;
- g) Merge with, incorporate or participate in incorporating and subscribing for shares in companies; buy and sell companies' shares and support them in any form in line with the Company's objectives as per applicable laws; and
- h) Utilize the financial surpluses available with the Company through investing the same in financial portfolios managed by specialized companies and entities.

The Company may carry out the above mentioned business in the State of Kuwait and abroad as a principal capacity or through agency. 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.P. and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 31 March 2014

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. The Executive Regulations have been issued by the Ministry of Commerce and Industry on 29 September 2013 and was published in the Kuwait's Official Gazette on 6 October 2013. According to Article 3 of the resolution, the companies have one year from date of publishing the Executive Regulations to comply with the new amended Law. The Company's management is of the view that application of the provisions of the Law has no 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 2014 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 2014	31 December 2013	31 March 2013	
Wethaq Takaful Insurance Company	Egypt	60.00%	60.00%	60.00%	Takaful and retakaful activities in Egypt
Warid Lease and Finance Company K.S.C. (Closed) *	Kuwait	93.32%	93.32%	93.32%	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 2014 to 31 March 2014

At the Annual General Assembly of the shareholders held on 11 May 2014, the shareholders approved the audited consolidated financial statements of the Group as at and for the year ended 31 December 2013. No dividends have been declared by the Company.

The interim condensed consolidated financial information of the Group for the period ended 31 March 2014 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 15 May 2014.

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 2013. 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 2013. Additionally, the Company has adopted the following revised IFRS effective for annual periods beginning on or after 1 January 2014.

IFRS 10, IFRS 12 and IAS 27

Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements to:

- provide 'investment entities' (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement;
- require additional disclosure about why the entity is considered an investment entity, details of the entity's unconsolidated subsidiaries, and the nature of relationship and certain transactions between the investment entity and its subsidiaries; and
- require an investment entity to account for its investment in a relevant subsidiary in the same way in its consolidated and separate financial statements (or to only provide separate financial statements if all subsidiaries are unconsolidated).

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 31 March 2014

IAS 32 Offsetting Financial Assets and Financial Liabilities

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms.

IAS 36 Impairment of assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosures of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively and accordingly will be considered while making disclosures for impairment of non-financial assets in the consolidated financial statements for the year ending 31 December 2014 and would continue to be considered for future disclosures.

The management anticipates that the above amendments have no significant financial impact on the condensed consolidated interim financial information of the Group.

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 2013.

4. Available for sale investments

	31 March 2014 KD (unaudited)	31 December 2013 KD (audited)	31 March 2013 KD (unaudited)
<i>Quoted securities</i>			
Equities	393,810	393,868	301,414
<i>Unquoted securities</i>			
Equities	530,103	530,103	561,600
Managed equity funds	1,511,355	1,511,355	1,451,423
Managed portfolios	1,767,538	1,777,609	2,152,759
	<u>3,808,996</u>	<u>3,819,067</u>	<u>4,165,782</u>
	<u>4,202,806</u>	<u>4,212,935</u>	<u>4,467,196</u>

Unquoted securities amounting to KD 430,353 (31 December 2013 and 31 March 2013: KD 432,540 and KD 561,603, respectively) are carried at cost, less impairment if any, due to the unpredictable nature of their future cash flows and the lack of other suitable methods for arriving at a reliable fair value for these investments. There is no active market for these investments and there have not been any recent transactions that provide evidence of current fair value. The Group intends to hold them for the long term.

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 31 March 2014

5. Policyholders' assets and liabilities

	31 March 2014 KD (unaudited)	31 December 2013 KD (audited)	31 March 2013 KD (unaudited)
Assets			
Bank balances and cash	555,080	602,238	636,332
Investment deposits	8,107,862	8,094,860	8,163,063
Investments at fair value through profit or loss	589,853	594,859	616,111
Accounts receivable and prepayments	988,005	946,806	937,884
Contributions receivable	1,487,516	1,745,999	1,782,121
Available for sale investments	970,157	970,157	970,157
Goodwill	409,766	409,766	409,766
Retakaful share of outstanding claims	4,086,958	4,288,209	5,942,106
Retakaful receivables	820,513	740,705	337,166
Amounts due from shareholders	-	-	430,517
Leasehold land	277,750	277,750	277,750
Furniture and equipment	923,570	902,120	975,521
	<u>19,217,030</u>	<u>19,573,469</u>	<u>21,478,494</u>
Reserves and Liabilities			
Takaful reserves:			
Outstanding claims	9,552,900	11,054,412	12,923,054
Unearned contributions	5,137,121	3,553,990	3,585,410
Incurred but not reported reserve	95,461	95,461	157,163
	<u>14,785,482</u>	<u>14,703,863</u>	<u>16,665,627</u>
Liabilities			
Other reserves	1,004,909	409,169	773,854
Reserve retained on retakaful business	572,707	743,337	390,943
Accounts payable and accruals	1,736,429	2,013,705	1,878,425
Bank overdraft	664,786	1,476,883	1,504,124
Amounts due to shareholders	812,960	452,657	-
Qard Hassan from shareholders	1,625,611	1,625,611	1,668,168
Net deficit from policyholders' operations	(1,985,854)	(1,851,756)	(1,402,647)
Total reserves and liabilities	<u>19,217,030</u>	<u>19,573,469</u>	<u>21,478,494</u>

Movement in policyholders' fund:

	31 March 2014 KD (unaudited)	31 December 2013 KD (audited)	31 March 2013 KD (unaudited)
At 1 January	(1,851,756)	(1,133,368)	(1,133,368)
Net deficit from operations for the period	(212,693)	(614,892)	(225,969)
Foreign currency translation difference	78,595	(103,496)	(43,310)
Closing balance	<u>(1,985,854)</u>	<u>(1,851,756)</u>	<u>(1,402,647)</u>

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 31 March 2014

6. Policyholders' results of operations

Three month period ended 31 March 2014 (unaudited)

	Marine and Aviation KD	General accident KD	Fire KD	Life KD	Total KD
Total revenues	52,412	1,495,832	38,263	37,070	1,623,577
Net surplus / (deficit) from takaful operations	59,511	294,626	32,109	(3,590)	382,656
Net investment income	2,733	149,584	15,669	3,905	171,891
Net surplus / (deficit) by line of business	47,569	224,966	(72,763)	(17,056)	182,716
Income from leasing activities					51,555
Expenses in connection with leasing activities					(58,954)
Shareholders' share of takaful surplus from a subsidiary					(61,048)
Management fees to shareholders of the Company					(326,962)
Deficit transferred to policyholders' fund					(212,693)

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
Net 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 a subsidiary					(41,269)
Management fees to shareholders of the Company					(310,556)
Deficit transferred to policyholders' fund					(225,969)

The policyholders of the subsidiary transferred a surplus of KD 61,048 (31 March 2013: KD 41,269) to shareholders of subsidiary from total takaful surplus of KD 182,716 (31 March 2013: KD 105,778).

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.P. and subsidiaries
State of Kuwait

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 31 March 2014

7. Net investment income / (loss)

	Three month period ended 31 March	
	2014	2013
	KD	KD
Realized gain on investments at fair value through profit or loss	-	23,958
Unrealized loss on investment at fair value through profit or loss	(63,844)	(107,460)
Other income / (expenses)	74,761	(114,916)
	<u>10,917</u>	<u>(198,418)</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 condensed consolidated interim financial information are as follows:

	As at		
	31 March 2014 KD (unaudited)	31 December 2013 KD (audited)	31 March 2013 KD (unaudited)
Shareholders			
<i>Interim condensed consolidated statement of financial position</i>			
<i>Ultimate parent Company</i>			
Investments at fair value through profit or loss	130,506	130,506	130,506
<i>Other related parties</i>			
Available for sale investments	2,826,350	2,835,298	1,703,374
Policyholders			
<i>Policyholders' assets, liabilities and fund</i>			
<i>Ultimate parent Company</i>			
Available for sale investments	787,500	787,500	787,500
<i>Other related parties</i>			
Investments at fair value through profit or loss	172,611	198,415	212,462

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	Three months period ended	
	31 March	
	2014	2013
	KD	KD
Shareholders		
<i>Interim condensed consolidated statement of profit or loss</i>		
<i>Other related parties</i>		
Allowances and other benefits	2,000	9,500
Policyholders		
<i>Policy holder's results of operation</i>		
<i>Other related parties</i>		
Unrealized loss on investments at fair value through profit or loss	23,619	(12,850)
<i>Key management compensation</i>		
Short-term benefits	15,173	14,989
Termination benefits	8,661	7,369

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	
	2014	2013
Net profit for the period attributable to shareholders of the Company (KD)	297,217	116,695
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	2.71	1.06

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.

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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:

	Level 1 KD	Level 2 KD	Total KD
31 March 2014 – unaudited			
<i>Shareholders</i>			
Investments at fair value through profit or loss	823,074	-	823,074
Available for sale investments	393,810	3,378,643	3,772,453
	<u>1,216,884</u>	<u>3,378,643</u>	<u>4,595,527</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	101,160	488,796	589,956
	<u>101,160</u>	<u>488,796</u>	<u>589,956</u>
31 December 2013 – audited			
<i>Shareholders</i>			
Investments at fair value through profit or loss	861,784	-	861,784
Available for sale investments	393,868	3,386,527	3,780,395
	<u>1,255,652</u>	<u>3,386,527</u>	<u>4,642,179</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	104,659	490,200	594,859
	<u>104,659</u>	<u>490,200</u>	<u>594,859</u>
31 March 2013 – unaudited			
<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>

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

During the periods ended 31 March 2014 and 31 March 2013, 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 month period ended 31 March 2014			Three month period ended 31 March 2013		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Net investment (loss) / income	(30,504)	41,421	10,917	(233,501)	35,083	(198,418)
Taxation	-	(26,968)	(26,968)	-	(20,212)	(20,212)
Total expenses	(22,627)	(12,703)	(35,330)	(2,253)	(16,554)	(18,807)
Net profit	258,365	64,753	323,118	100,183	27,520	127,703
<i>As at 31 March 2014 - unaudited</i>						
Total assets				10,310,973	2,995,199	13,306,172
Total liabilities				104,928	207,502	312,430
<i>As at 31 December 2013 - audited</i>						
Total assets				10,041,022	2,936,591	12,977,613
Total liabilities				63,099	182,387	245,486
<i>As at 31 March 2013 - unaudited</i>						
Total assets				10,017,642	2,762,297	12,779,939
Total liabilities				773,035	125,857	898,892

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Policyholders	Three month period ended 31 March 2014			Three month period ended 31 March 2013		
	Kuwait	Egypt	Total	Kuwait	Egypt	Total
Gross contributions earned	1,634,814	1,107,815	2,742,629	1,552,783	973,963	2,526,746
Total revenues	944,526	679,051	1,623,577	726,716	531,927	1,258,643
Net surplus from takaful operations	302,421	80,235	382,656	253,112	(1,482)	251,630
<i>As at 31 March 2014 - unaudited</i>						
Total assets				11,142,796	8,074,234	19,217,030
Total liabilities				11,142,796	8,074,234	19,217,030
<i>As at 31 December 2013 - audited</i>						
Total assets				11,222,764	8,350,705	19,573,469
Total liabilities				11,222,764	8,350,705	19,573,469
<i>As at 31 March 2013 - unaudited</i>						
Total assets				12,660,364	8,818,130	21,478,494
Total liabilities				12,660,364	8,818,130	21,478,494