

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

**Condensed consolidated interim financial information and
review report for the nine month period ended
30 September 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 30 September 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 30 September 2014, the interim consolidated statements of profit or loss and other comprehensive income for the three and nine month periods ended 30 September 2014, changes in equity and cash flows for the nine 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 September 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 nine month period ended 30 September 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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Kuwait: 16 November 2014

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

Interim consolidated statement of financial position (unaudited)
as at 30 September 2014

	30 September	31 December	30 September
	2014	2013	2013
Note	KD	KD	KD
	(unaudited)	(audited)	(unaudited)
Assets			
Bank balances and cash	168,781	1,616,067	1,746,705
Investments at fair value through profit or loss	577,037	861,784	979,634
Other assets	281,915	247,161	274,194
Available for sale investments	4 4,151,999	4,212,935	4,513,911
Qard Hassan to policyholders	5 1,625,611	1,625,611	1,668,168
Amounts due from policyholders	5 1,018,228	452,657	236,538
Investment deposits	2,881,912	1,284,732	1,108,560
Investment properties	2,662,541	2,676,666	2,645,797
Total assets	13,368,024	12,977,613	13,173,507
Liabilities			
Other liabilities	268,566	245,486	422,322
Total liabilities	268,566	245,486	422,322
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	424,783	492,773	522,915
Translation reserve	(569,141)	(585,852)	(433,356)
Employee share purchase plan reserve	65,964	65,964	65,964
Accumulated losses	(7,145,473)	(7,538,787)	(7,680,869)
Total equity attributable to shareholders of the Company	11,871,367	11,529,332	11,569,888
Non controlling interest	1,228,091	1,202,795	1,181,297
Total equity	13,099,458	12,732,127	12,751,185
Total liabilities and equity	13,368,024	12,977,613	13,173,507

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 and nine month periods ended 30 September 2014

	Note	Three month period ended 30 September		Nine month period ended 30 September	
		2014 KD	2013 KD	2014 KD	2013 KD
Net investment income / (loss)	7	98,605	(28,446)	(68,978)	(304,809)
Shareholders' share of takaful surplus	6	89,740	50,709	265,771	183,186
Management fees from policyholders	6	51,690	123,104	584,564	615,600
Other income		850	-	10,765	-
General and administrative expenses		(29,665)	(16,819)	(131,272)	(98,101)
Profit before National Labour Support Tax ("NLST"), Taxation, Directors' remuneration and Zakat		211,220	128,548	660,850	395,876
NLST		(406)	-	(14,402)	(8,187)
Taxation		(54,362)	(20,444)	(166,965)	(68,319)
Directors' remuneration		(1,250)	(3,500)	(3,750)	(6,000)
Zakat		(162)	-	(5,761)	(3,275)
Net profit for the period		155,040	104,604	469,972	310,095
Attributable to:					
Shareholders of the Company		115,468	82,766	393,314	263,208
Non controlling interest		39,572	21,838	76,658	46,887
		155,040	104,604	469,972	310,095
Basic and diluted earnings per share attributable to shareholders of the Company (fils)	9	1.05	0.75	3.58	2.40

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 and nine month periods ended 30 September 2014

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
	KD	KD	KD	KD
Net profit for the period	<u>155,040</u>	<u>104,604</u>	<u>469,972</u>	<u>310,095</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	(46,862)	94,677	(67,990)	551,949
Changes in translation reserve	<u>61,940</u>	<u>31,691</u>	<u>(34,651)</u>	<u>(64,449)</u>
Total other comprehensive income / (loss)	<u>15,078</u>	<u>126,368</u>	<u>(102,641)</u>	<u>487,500</u>
Total comprehensive income for the period	<u>170,118</u>	<u>230,972</u>	<u>367,331</u>	<u>797,595</u>
Attributable to:				
Shareholders of the Company	69,390	200,080	342,035	768,775
Non controlling interest	<u>100,728</u>	<u>30,892</u>	<u>25,296</u>	<u>28,820</u>
	<u>170,118</u>	<u>230,972</u>	<u>367,331</u>	<u>797,595</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)
Nine month period ended 30 September 2014

	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	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 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	1,202,795	12,732,127
Net profit for the period	-	-	-	-	-	-	-	-	-	393,314	393,314	76,658	469,972
Other comprehensive loss	-	-	-	-	-	-	(67,990)	16,711	-	-	(51,279)	(51,362)	(102,641)
Total comprehensive income for the period	-	-	-	-	-	-	(67,990)	16,711	-	393,314	342,035	25,296	367,331
Balance at 30 September 2014	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	424,783	(569,141)	65,964	(7,145,473)	11,871,367	1,228,091	13,099,458
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
Net profit for the period	-	-	-	-	-	-	-	-	-	263,208	263,208	46,887	310,095
Other comprehensive income / (loss) for the period	-	-	-	-	-	-	551,949	(46,382)	-	-	505,567	(18,067)	487,500
Total comprehensive income for the period	-	-	-	-	-	-	551,949	(46,382)	-	263,208	768,775	28,820	797,595
Balance at 30 September 2013	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	522,915	(433,356)	65,964	(7,680,869)	11,569,888	1,181,297	12,751,185

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)
Nine month period ended 30 September 2014

	Note	2014 KD	2013 KD
Operating activities			
Net profit for the period		469,972	310,095
Adjustments for:			
Net investment loss	7	68,978	304,809
Shareholders' share of takaful surplus	6	(265,771)	(183,186)
Management fees from policyholders	6	(584,564)	(615,600)
		<u>(311,385)</u>	<u>(183,882)</u>
Other assets		(34,754)	24,870
Other liabilities		<u>23,080</u>	<u>(7,829)</u>
Net cash used in operating activities		<u>(323,059)</u>	<u>(166,841)</u>
Investing activities			
Net movement in investment deposits		(1,597,180)	(128,161)
Acquisition of investments at fair value through profit or loss		-	(223,243)
Proceeds from sale of investments at fair value through profit or loss		-	474,710
Proceeds from sale of available for sale investments		-	374,480
Net movement in non-controlling interest		-	-
Profit from investment deposit received		-	-
Net cash (used in) / generated from investing activities		<u>(1,597,180)</u>	<u>497,786</u>
Financing activities			
Net movement in amounts due from / to policyholders		<u>284,764</u>	<u>(376,825)</u>
Net cash generated from / (used in) financing activities		<u>284,764</u>	<u>(376,825)</u>
Foreign currency translation differences		<u>188,189</u>	<u>(64,449)</u>
Net decrease in bank balances and cash		<u>(1,447,286)</u>	<u>(110,329)</u>
Bank balances and cash at 1 January		<u>1,616,067</u>	<u>1,857,034</u>
Bank balances and cash at 30 September		<u>168,781</u>	<u>1,746,705</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

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 30 September 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").

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
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Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 30 September 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, 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 Company's registered head office is at City Tower, Khaled Bin Waleed Street, Sharq, State of Kuwait.

The consolidated financial statements as at and for the period ended 30 September 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
		30 September 2014	31 December 2013	30 September 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

Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 30 September 2014

joint operations. All takaful and investment activities are conducted in accordance with Islamic Shari'a, as approved by Fatwa and Shari'a Supervisory Board.

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 30 September 2014 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 13 November 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).

Operating results for the three and nine month periods ended 30 September 2014 are not necessarily indicative of the results that may be expected for the year ending 31 December 2014.

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 30 September 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

	30 September 2014 KD (unaudited)	31 December 2013 KD (audited)	30 September 2013 KD (unaudited)
<i>Quoted securities</i>			
Equities	427,669	393,868	432,914
<i>Unquoted securities</i>			
Equities	530,103	530,103	430,352
Managed equity funds	1,540,823	1,511,355	1,508,135
Managed portfolios	1,653,404	1,777,609	2,142,510
	<u>3,724,330</u>	<u>3,819,067</u>	<u>4,080,997</u>
	<u>4,151,999</u>	<u>4,212,935</u>	<u>4,513,911</u>

Unquoted securities amounting to KD 524,850 (31 December 2013 and 30 September 2013: KD 432,540 and KD 509,100, 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 these investments 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 30 September 2014

5. Policyholders' assets and liabilities

	30 September 2014 KD (unaudited)	31 December 2013 KD (audited)	30 September 2013 KD (unaudited)
Assets			
Bank balances and cash	394,877	602,238	801,639
Investment deposits	8,112,425	8,094,860	8,227,793
Investments at fair value through profit or loss	619,624	594,859	666,765
Accounts receivable and prepayments	1,236,872	946,806	579,986
Contributions receivable	2,122,993	1,745,999	1,775,284
Available for sale investments	970,157	970,157	970,157
Goodwill	409,766	409,766	409,766
Retakaful share of outstanding claims	6,014,063	4,288,209	4,506,705
Retakaful receivables	226,948	740,705	506,117
Leasehold land	277,750	277,750	277,750
Furniture and equipment	906,711	902,120	987,281
	<u>21,292,186</u>	<u>19,573,469</u>	<u>19,709,243</u>
Takaful reserves and liabilities			
Takaful reserves:			
Outstanding claims	10,114,242	11,054,412	11,243,270
Unearned contributions	6,535,885	3,553,990	3,466,162
Incurred but not reported reserve	121,961	95,461	272,046
	<u>16,772,088</u>	<u>14,703,863</u>	<u>14,981,478</u>
Liabilities			
Other reserves	1,169,257	409,169	844,716
Reserve retained on retakaful business	722,902	743,337	486,014
Accounts payable and accruals	2,210,467	2,013,705	1,334,689
Bank overdraft	26,448	1,476,883	1,548,146
Amounts due to shareholders	1,018,228	452,657	236,538
Qard Hassan from shareholders	1,625,611	1,625,611	1,668,168
Net deficit from policyholders' operations	(2,252,815)	(1,851,756)	(1,390,506)
Total reserves and liabilities	<u>21,292,186</u>	<u>19,573,469</u>	<u>19,709,243</u>

Movement in policyholders' fund:

	30 September 2014 KD (unaudited)	31 December 2013 KD (audited)	30 September 2013 KD (unaudited)
At 1 January	(1,851,756)	(1,133,368)	(1,133,368)
Net deficit from operations for the period	(428,680)	(614,892)	(375,929)
Foreign currency translation difference	27,621	(103,496)	118,791
Closing balance	<u>(2,252,815)</u>	<u>(1,851,756)</u>	<u>(1,390,506)</u>

Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
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Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 30 September 2014

6. Policyholders' results of operations

Three month period ended 30 September 2014 (unaudited)

Total revenues	27,517	1,335,690	(43,404)	63,549	1,383,352
Net surplus from takaful operations	68,755	(98,260)	(11,213)	240,712	199,994
Net investment income / (loss)	11,568	169,440	40,074	12,890	233,972
Net (deficit) / surplus by line of business	182,187	(908,852)	390,920	377,599	41,854
Loss from leasing activities					71,656
Expenses in connection with leasing activities					(54,550)
Shareholders' share of takaful surplus from a subsidiary					(89,740)
Management fees to shareholders of the Company					(51,690)
Deficit transferred to policyholders' fund					(82,470)

Three month period ended 30 September 2013 (unaudited)

Total revenues	24,651	1,821,797	(835,702)	2,104	1,012,850
Net surplus from takaful operations	33,898	201,733	8,901	34,027	278,559
Net investment income / (loss)	(65,656)	(228,819)	(509,512)	(53,468)	(857,455)
Net (deficit) / surplus by line of business	12,514	128,460	(39,442)	22,394	123,926
Income from leasing activities					(76,910)
Expenses in connection with leasing activities					78,708
Shareholders' share of takaful surplus from a subsidiary					(50,709)
Management fees to shareholders of the Company					(123,104)
Deficit transferred to policyholders' fund					(48,089)

**Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
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**Notes to the condensed consolidated interim financial information
for the period from 1 January 2014 to 30 September 2014**

	Marine and Aviation KD	General accident KD	Fire KD	Life KD	Total KD
Nine month period ended 30 September 2014 (unaudited)					
Total revenues	154,216	3,923,501	81,761	293,829	4,453,307
Net surplus from takaful operations	144,731	395,663	68,750	373,704	982,848
Net investment income / (loss)	14,937	504,121	39,049	15,571	573,678
Net surplus / (deficit) by line of business	208,667	(524,314)	296,890	453,282	434,525
Income from leasing activities					160,495
Expenses in connection with leasing activities					(173,365)
Shareholders' share of takaful surplus from a subsidiary					(265,771)
Management fees to shareholders of the Company					(584,564)
Deficit transferred to policyholders' fund					(428,680)

Nine month period ended 30 September 2013 (unaudited)

Total revenues	122,970	3,309,111	215,140	226,238	3,873,459
Net surplus from takaful operations	80,881	600,794	77,798	130,699	890,172
Net investment income	(57,954)	(198,060)	(186,543)	(44,599)	(487,156)
Net surplus / (deficit) by line of business	22,927	402,732	(108,744)	86,101	403,016
Income from leasing activities					87,640
Expenses in connection with leasing activities					(67,799)
Shareholders' share of takaful surplus from a subsidiary					(183,186)
Management fees to shareholders of the Company					(615,600)
Deficit transferred to policyholders' fund					(375,929)

The policyholders of the subsidiary transferred a surplus of KD 265,771 (30 September 2013: KD 183,186) to shareholders of subsidiary from total takaful surplus of KD 434,525 (30 September 2013: KD 403,016).

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

	Three month period ended 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
	KD	KD	KD	KD
Realized gain / (loss) on investments at fair value through profit or loss	-	85,166	-	(67,557)
Realized loss on available for sale investments	-	-	-	(228,643)
Unrealized loss on investment at fair value through profit or loss	8,889	-	(244,353)	-
Others	89,716	(113,612)	175,375	(8,609)
	<u>98,605</u>	<u>(28,446)</u>	<u>(68,978)</u>	<u>(304,809)</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		
	30 September 2014	31 December 2013	30 September 2013
	KD	KD	KD
	(unaudited)	(audited)	(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	2,829,435	2,835,298	1,948,200
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	202,611	198,415	31,649

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	Three months period ended 30 September		Nine months period ended 30 September	
	2014	2013	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	-	6,000	19,000
Policyholders				
<i>Policy holder's results of operation</i>				
<i>Other related parties</i>				
Unrealized (loss) / gain on investments at fair value through profit or loss	(13,973)	49,768	39,646	(102,912)
<i>Key management compensation</i>				
Short-term benefits	15,173	14,989	45,519	44,967
Termination benefits	8,661	3,675	25,983	14,729

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 30 September		Nine month period ended 30 September	
	2014	2013	2014	2013
Net profit for the period attributable to shareholders of the Company (KD)	115,468	82,766	393,314	263,208
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
Earnings per share (fils) – basic and diluted	1.05	0.75	3.58	2.40

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
30 September 2014 – unaudited			
<i>Shareholders</i>			
Investments at fair value through profit or loss	577,037	-	577,037
Available for sale investments	427,669	3,291,790	3,719,459
	<u>1,004,706</u>	<u>3,291,790</u>	<u>4,296,496</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	129,424	490,200	619,624
	<u>129,424</u>	<u>490,200</u>	<u>619,624</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>
30 September 2013 – unaudited			
<i>Shareholders</i>			
Investments at fair value through profit or loss	979,634	-	979,634
Available for sale investments	432,914	3,755,130	4,188,044
	<u>1,412,548</u>	<u>3,755,130</u>	<u>5,167,678</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	31,649	635,116	666,765
	<u>31,649</u>	<u>635,116</u>	<u>666,765</u>

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

During the periods ended 30 September 2014 and 30 September 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 30 September 2014			Three month period ended 30 September 2013		
	Kuwait KD	Egypt KD	Total KD	Kuwait KD	Egypt KD	Total KD
Net investment income / (loss)	24,639	73,966	98,605	(110,115)	81,669	(28,446)
Taxation	-	(54,362)	(54,362)	-	(20,444)	(20,444)
Total expenses	(18,401)	(11,264)	(29,665)	(3,640)	(13,179)	(16,819)
Net (loss) / profit	56,110	98,930	155,040	51,509	53,095	104,604

**Three month period ended
30 September 2014**

**Three month period ended
30 September 2013**

	Three month period ended 30 September 2014			Three month period ended 30 September 2013		
	Kuwait KD	Egypt KD	Total KD	Kuwait KD	Egypt KD	Total KD
Net investment (loss) / income	(328,603)	159,625	(168,978)	(382,098)	77,289	(304,809)
Taxation	-	(166,965)	(166,965)	-	(68,319)	(68,319)
Total expenses	(53,721)	(77,551)	(131,272)	(70,322)	(27,779)	(98,101)
Net profit	278,327	191,645	469,972	194,378	115,717	310,095

As at 30 September 2014 - unaudited

Total assets	10,249,036	3,118,988	13,368,024
Total liabilities	71,836	196,730	268,566

As at 31 December 2013 - audited

Total assets	10,041,022	2,936,591	12,977,613
Total liabilities	63,099	182,387	245,486

As at 30 September 2013 - unaudited

Total assets	10,252,156	2,921,351	13,173,507
Total liabilities	175,150	247,172	422,322

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Policyholders	Three month period ended 30 September 2014			Three month period ended 30 September 2013		
	Kuwait KD	Egypt KD	Total KD	Kuwait KD	Egypt KD	Total KD
Gross contributions earned	758,451	1,016,638	1,775,089	598,464	887,897	1,486,361
Total revenues	589,597	793,755	1,383,352	474,753	538,097	1,012,850
Net surplus from takaful operations	82,171	117,823	199,994	255,415	23,144	278,559
	Nine month period ended 30 September 2014			Nine month period ended 30 September 2013		
	Kuwait KD	Egypt KD	Total KD	Kuwait KD	Egypt KD	Total KD
Gross contributions earned	3,422,821	3,286,364	6,709,185	3,056,787	2,735,689	5,792,476
Total revenues	2,213,306	2,240,001	4,453,307	2,240,616	1,632,843	3,873,459
Net surplus from takaful operations	659,885	322,963	982,848	700,121	190,051	890,172
<i>As at 30 September 2014 - unaudited</i>						
Total assets				12,560,079	8,732,107	21,292,186
Total liabilities				12,560,079	8,732,107	21,292,186
<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 30 September 2013 - unaudited</i>						
Total assets				11,162,110	8,547,133	19,709,243
Total liabilities				11,162,110	8,547,133	19,709,243