

**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 2015**

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 2015 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 2015, 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 2015 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 2015 of the Companies Law No. 25 of 2012, as amended, and its Executive Regulations or of the Company's Memorandum and Articles of Association, that might have had material effect on the Company's activities or on its financial position.



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Kuwait: 17 May 2015



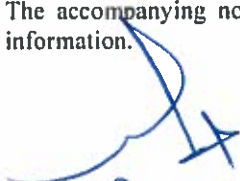
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Wethaq Takaful Insurance Company K.S.C.P. and subsidiaries
State of Kuwait

Interim consolidated statement of financial position (unaudited)
As at 31 March 2015

	Note	31 March 2015 KD (unaudited)	31 December 2014 KD (audited)	31 March 2014 KD (unaudited)
Assets				
Bank balances and cash		267,780	240,860	1,548,367
Investments at fair value through profit or loss		392,224	427,511	797,940
Other assets		264,561	259,511	250,456
Available for sale investments	4	3,636,088	3,833,263	4,202,806
Qard Hassan to policyholders	5	1,625,611	1,625,611	1,625,611
Amounts due from policyholders	5	1,624,865	1,299,350	812,960
Investment deposits		3,091,629	3,028,364	1,405,491
Investment properties		2,719,195	2,719,195	2,662,541
Total assets		13,621,953	13,433,665	13,306,172
Liabilities				
Other liabilities		494,285	449,814	312,430
Total liabilities		494,285	449,814	312,430
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
Cumulative changes in fair value		161,079	355,074	473,588
Translation reserve		(564,129)	(571,042)	(574,474)
Employee share purchase plan reserve		65,964	65,964	65,964
Accumulated losses		(6,862,349)	(7,226,148)	(7,241,570)
Total equity attributable to shareholders of the Company		11,895,799	11,719,082	11,818,742
Non controlling interest		1,231,869	1,264,769	1,175,000
Total equity		13,127,668	12,983,851	12,993,742
Total liabilities and equity		13,621,953	13,433,665	13,306,172

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 2015

	Note	2015 KD	2014 KD
Net investment income	7	57,413	10,917
Shareholders' share of takaful surplus	6	130,415	61,048
Management fees from policyholders	6	351,417	326,962
Other expenses		(2,657)	(45)
General and administrative expenses		(22,069)	(35,330)
Profit before National Labour Support Tax			
("NLST"), Taxation, Directors' remuneration and			
Zakat		514,519	363,552
NLST		(12,050)	(8,726)
Taxation		(75,685)	(26,968)
Directors' remuneration		(3,750)	(1,250)
Zakat		(4,820)	(3,490)
Net profit for the period		418,214	323,118
Attributable to:			
Shareholders of the Company		363,799	297,217
Non controlling interest		54,415	25,901
		418,214	323,118
Basic and diluted earnings per share attributable			
to shareholders of the Company (fils)	9	3.31	2.71

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 2015

	2015 KD	2014 KD
Net profit for the period	418,214	323,118
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	(193,995)	(19,185)
Changes in translation reserve	(67,033)	(42,318)
<i>Total items that are or may be reclassified subsequently to the interim consolidated statement of profit or loss</i>	(261,028)	(61,503)
Total other comprehensive loss	(261,028)	(61,503)
Total comprehensive income for the period	157,186	261,615
Attributable to:		
Shareholders of the Company	176,717	289,410
Non controlling interest	(19,531)	(27,795)
	157,186	261,615

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 2015**

	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	Cumulative changes in fair value 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 2015	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	355,074	(571,042)	65,964	(7,226,148)	11,719,082	1,264,769	12,983,851
Net profit for the period	-	-	-	-	-	-	-	-	-	363,799	363,799	54,415	418,214
Other comprehensive (loss) / income	-	-	-	-	-	-	(193,995)	6,913	-	-	(187,082)	(73,946)	(261,028)
Total comprehensive income for the period	-	-	-	-	-	-	(193,995)	6,913	-	363,799	176,717	(19,531)	157,186
Dividend paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(13,369)	(13,369)
Balance at 31 March 2015	11,025,000	7,340,937	(50,489)	3,508	388,139	388,139	161,079	(564,129)	65,964	(6,862,349)	11,895,799	1,231,869	13,127,668
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	-	-	-	-	-	-	-	-	-	297,217	297,217	25,901	323,118
Other comprehensive (loss) / income for the period	-	-	-	-	-	-	(19,185)	11,378	-	-	(7,807)	(53,696)	(61,503)
Total comprehensive income for the period	-	-	-	-	-	-	(19,185)	11,378	-	297,217	289,410	(27,795)	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	1,175,000	12,993,742

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)
Three month period ended 31 March 2015

	Note	2015 KD	2014 KD
Operating activities			
Net profit for the period		418,214	323,118
Adjustments for:			
Net investment income	7	(57,413)	(10,917)
Shareholders' share of takaful surplus	6	(130,415)	(61,048)
Management fees from policyholders	6	(351,417)	(326,962)
		<u>(121,031)</u>	<u>(75,809)</u>
Other assets		(5,050)	(3,295)
Other liabilities		<u>(12,854)</u>	<u>66,944</u>
Net cash used in operating activities		<u>(138,935)</u>	<u>(12,160)</u>
Investing activities			
Net movement in investment deposits		<u>(63,265)</u>	<u>(120,759)</u>
Net cash used in investing activities		<u>(63,265)</u>	<u>(120,759)</u>
Financing activities			
Net movement in amounts due from / to policyholders		<u>61,189</u>	<u>(33,341)</u>
Net cash generated from / (used in) financing activities		<u>61,189</u>	<u>(33,341)</u>
Foreign currency translation differences		<u>167,931</u>	<u>98,560</u>
Net change in bank balances and cash		<u>26,920</u>	<u>(67,700)</u>
Bank balances and cash at 1 January		<u>240,860</u>	<u>1,616,067</u>
Bank balances and cash at 31 March		<u>267,780</u>	<u>1,548,367</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 2015 to 31 March 2015

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
State of Kuwait

Notes to the condensed consolidated interim financial information
For the period from 1 January 2015 to 31 March 2015

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 31 March 2015 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 2015	31 December 2014	31 March 2014	
Wethaq Takaful Insurance Company	Egypt	60.00%	60.00%	60.00%	Takaful and retakaful activities in Egypt
Wared Rent a Car 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.

On 9 April 2015, the Annual General Assembly of the shareholders was held and the shareholders approved the audited consolidated financial statements of the Group as at and for the year ended 31 December 2014. No dividends have been declared by the Company.

The interim condensed consolidated financial information of the Group for the period ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 14 May 2015.

Notes to the condensed consolidated interim financial information
For the period from 1 January 2015 to 31 March 2015

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 2014. 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 month period ended 31 March 2015 are not necessarily indicative of the results that may be expected for the year ending 31 December 2015.

3. Significant accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of the amendments and annual improvements to IFRSs, relevant to the Group which are effective for annual reporting period starting from 1 July 2014 and did not result in any material impact on the accounting policies, financial position or performance 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 2014.

4. Available for sale investments

	31 March 2015 KD (unaudited)	31 December 2014 KD (audited)	31 March 2014 KD (unaudited)
<i>Quoted securities</i>			
Equities	244,979	269,430	393,810
<i>Unquoted securities</i>			
Equities	531,003	556,228	530,103
Managed equity funds	1,495,855	1,490,145	1,511,355
Managed portfolios	1,364,251	1,517,460	1,767,538
	<u>3,391,109</u>	<u>3,563,833</u>	<u>3,808,996</u>
	<u>3,636,088</u>	<u>3,833,263</u>	<u>4,202,806</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 2015 to 31 March 2015

Unquoted securities amounting to KD 346,853 (31 December 2014 and 31 March 2014: KD 346,853 and KD 430,353, respectively) are carried at cost, less impairment, 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.

5. Policyholders' assets and liabilities

	31 March 2015 KD (unaudited)	31 December 2014 KD (audited)	31 March 2014 KD (unaudited)
Assets			
Bank balances and cash	515,951	424,469	555,080
Investment deposits	8,272,395	8,361,860	8,107,862
Investments at fair value through profit or loss	519,454	500,257	589,853
Accounts receivable and prepayments	1,211,230	1,278,330	988,005
Contributions receivable	2,374,974	1,503,180	1,487,516
Available for sale investments	733,906	733,906	970,157
Goodwill	409,766	409,766	409,766
Retakaful share of outstanding claims	3,529,134	4,126,672	4,086,958
Retakaful contributions receivables	99,165	905,210	820,513
Leasehold land	277,750	277,750	277,750
Furniture and equipment	877,021	919,262	923,570
	<u>18,820,746</u>	<u>19,440,662</u>	<u>19,217,030</u>
Takaful reserves and liabilities			
Takaful reserves:			
Outstanding claims	9,491,963	9,938,997	9,552,900
Unearned contributions	4,670,147	4,726,985	5,137,121
Incurred but not reported reserve	150,010	209,586	95,461
	<u>14,312,120</u>	<u>14,875,568</u>	<u>14,785,482</u>
Liabilities			
Other reserves	1,355,452	1,308,728	1,004,909
Reserve retained on retakaful business	646,587	831,490	572,707
Accounts payable and accruals	2,028,045	2,062,001	1,736,429
Bank overdraft	154,563	132,609	664,786
Amounts due to shareholders	1,624,865	1,299,350	812,960
Qard Hassan from shareholders	1,625,611	1,625,611	1,625,611
Net deficit from policyholders' operations	(2,926,497)	(2,694,695)	(1,985,854)
Total reserves and liabilities	<u>18,820,746</u>	<u>19,440,662</u>	<u>19,217,030</u>

Movement in policyholders' fund:

At 1 January	(2,694,695)	(1,851,756)	(1,851,756)
Net deficit from operations for the period	(228,618)	(888,334)	(212,693)
Foreign currency translation difference	(3,184)	45,395	78,595
Closing balance	<u>(2,926,497)</u>	<u>(2,694,695)</u>	<u>(1,985,854)</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 2015 to 31 March 2015

6. Policyholders' results of operations

Three month period ended 31 March 2015 (unaudited)

	Marine and Aviation KD	General accident KD	Fire KD	Life KD	Total KD
Total revenues	698	1,372,500	57,003	108,290	1,538,491
Net (deficit) / surplus from takaful operations	(33,858)	263,203	20,509	201,687	451,541
Net investment income	1,884	194,829	12,036	7,704	216,453
Net (deficit) / surplus by line of business	(55,798)	228,696	(72,928)	173,098	273,068
Income from leasing activities					37,706
Expenses in connection with leasing activities					(57,560)
Shareholders' share of takaful surplus from a subsidiary					(130,415)
Management fees to shareholders of the Company					(351,417)
Deficit transferred to policyholders' fund					(228,618)

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)

The policyholders of the subsidiary transferred a surplus of KD 130,415 (31 March 2014: KD 61,048) to shareholders of the subsidiary from total takaful surplus of KD 273,068 (31 March 2014: KD 182,716).

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 2015 to 31 March 2015

7. Net investment income

	Three month period ended	
	31 March	
	2015	2014
	KD	KD
Unrealized loss on investment at fair value through profit or loss	(22,942)	(63,844)
Others	80,355	74,761
	<u>57,413</u>	<u>10,917</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	31 December	31 March
	2015	2014	2014
	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	38,710	38,799	130,506
<i>Entities related to the Parent Company</i>			
Available for sale investments	3,105,085	3,255,955	2,826,350
Policyholders			
<i>Policyholders' assets, liabilities</i>			
<i>Ultimate Parent Company</i>			
Available for sale investments	551,250	551,250	787,500
<i>Other related parties</i>			
Investments at fair value through profit or loss	130,287	130,389	172,611

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 2015 to 31 March 2015

	Three months period ended 31 March	
	2015	2014
	KD	KD
Shareholders		
<i>Interim condensed consolidated statement of profit or loss</i>		
<i>Parties related to the Parent Company</i>		
Allowances and other benefits	2,000	2,000
Policyholders		
<i>Policy holder's results of operations</i>		
<i>Parties related to the Parent Company</i>		
Unrealized gain on investments at fair value through profit or loss	19,197	23,619
<i>Key management compensation</i>		
Short-term benefits	15,173	15,173
Termination benefits	8,661	8,661

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	
	2015	2014
Net profit for the period attributable to shareholders of the Company (KD)	363,799	297,217
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	3.31	2.71

10. Fair values of financial assets

Financial instruments comprise of financial assets and financial liabilities.

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

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

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

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

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

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

	Level 1 KD	Level 2 KD	Total KD
31 March 2015 – unaudited			
<i>Shareholders</i>			
Investments at fair value through profit or loss	392,224	-	392,224
Available for sale investments	244,979	3,044,256	3,289,235
	<u>637,203</u>	<u>3,044,256</u>	<u>3,681,459</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	53,847	465,607	519,454
	<u>53,847</u>	<u>465,607</u>	<u>519,454</u>
31 December 2014 – audited			
<i>Shareholders</i>			
Investments at fair value through profit or loss	427,511	-	427,511
Available for sale investments	269,430	3,216,980	3,486,410
	<u>696,941</u>	<u>3,216,980</u>	<u>3,913,921</u>
<i>Policyholders</i>			
Investments at fair value through profit or loss	56,245	444,282	500,257
	<u>56,245</u>	<u>444,282</u>	<u>500,257</u>
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>

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

During the periods ended 31 March 2015 and 31 March 2014, 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.

	Three month period ended 31 March 2015			Three month period ended 31 March 2014		
	Kuwait KD	Egypt KD	Total KD	Kuwait KD	Egypt KD	Total KD
Shareholders						
Net investment (loss) / income	(35,287)	92,700	57,413	(30,504)	41,421	10,917
Taxation	-	(75,685)	(75,685)	-	(26,968)	(26,968)
Total expenses	(11,334)	(10,735)	(22,069)	(22,627)	(12,703)	(35,330)
Net profit	282,176	136,038	418,214	258,365	64,753	323,118
<i>As at 31 March 2015 – unaudited</i>						
Total assets				10,206,666	3,415,287	13,621,953
Total liabilities				119,630	374,655	494,285
<i>As at 31 December 2014 - audited</i>						
Total assets				10,100,815	3,332,850	13,433,665
Total liabilities				125,654	324,160	449,814
<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

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Policyholders	Three month period ended 31 March 2015			Three month period ended 31 March 2014		
	Kuwait KD	Egypt KD	Total KD	Kuwait KD	Egypt KD	Total KD
Gross contributions earned	1,757,084	1,150,109	2,907,193	1,634,814	1,107,815	2,742,629
Total revenues	693,365	845,126	1,538,491	944,526	679,051	1,623,577
Net surplus from takaful operations	302,771	148,770	451,541	302,421	80,235	382,656
<i>As at 31 March 2015 - unaudited</i>						
Total assets				10,246,017	8,574,729	18,820,746
Total liabilities				10,246,017	8,574,729	18,820,746
<i>As at 31 December 2014 - audited</i>						
Total assets				10,456,696	8,983,966	19,440,662
Total liabilities				10,456,696	8,983,966	19,440,662
<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