Interim Condensed Consolidated Financial Information and Review Report

Wethaq Takaful Insurance Company – KPSC and Subsidiary

Kuwait

31 March 2016 (Unaudited)

Contents

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Report on review of interim condensed consolidated financial information

To the board of directors of
Wethaq Takaful Insurance Company – KPSC
Kuwait

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Wethaq Takaful Insurance Company (Kuwaiti Public Shareholding Company) (the "Parent Company") and its subsidiary (collectively the "Group") as of 31 March 2016 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review
We conducted our review in accordance with 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, "Interim Financial Reporting".

Other matter
The interim condensed consolidated financial information of the Group for the three-month period ended 31 March 2015 and the consolidated financial statements for the year ended 31 December 2015 have been reviewed and audited, respectively, by other auditors who issued an unqualified review report on 17 May 2015 and an unqualified audit report on 28 February 2016.

Report on review of other legal and regulatory requirements

Based on our review, the interim condensed consolidated financial information is in agreement with the books of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of 2016 and the Executive Regulations of Law No. 25 of 2012, as amended, or of the Memorandum of Incorporation and Articles of Association of the Parent Company, as amended, have occurred during the three-month period ended 31 March 2016 that might have had a material effect on the business or financial position of the Parent Company.

Abdullatif M. Al-Aiban (CPA)
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Member of MAZARS

Kuwait
25 April 2016

Interim condensed consolidated statement of profit or loss

	Notes	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
Revenue			
Net investment income	6	**8,455**	57,413
Net policyholders' insurance surplus transferred to shareholders from a subsidiary	9	**-**	130,415
Management fees from policyholders	9	**347,101**	351,417
		355,556	539,245
Expenses and other charges			
General and administrative expenses		**11,307**	24,726
		11,307	24,726
Profit before provisions for National Labour Support Tax (NLST), Zakat, directors' remuneration and taxation of foreign companies		**344,249**	514,519
Provision for NLST		**(9,182)**	(12,050)
Provision for Zakat		**(3,673)**	(4,820)
Provision for Directors' remuneration		**-**	(3,750)
Provision for taxation of foreign companies		**-**	(75,685)
Profit for the period		**331,394**	418,214
Attributable to :			
Shareholders of the parent company		**331,394**	363,799
Non-controlling interests		**-**	54,415
Profit for the period		**331,394**	418,214
Basic and diluted earnings per share attributable to the shareholders of the parent company	7	**3.02 Fils**	3.31 Fils

The notes set out on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of profit or loss and other comprehensive income

	Three months ended 31 March 2016 (Unaudited)	Three months ended 31 March 2015 (Unaudited)
	KD	KD
Profit for the period	**331,394**	418,214
Other comprehensive loss :		
Items that will be reclassified subsequently to the consolidated statement of profit or loss:		
Available for sale investments:		
- Net change in fair value arising during the period	**(62,658)**	(193,995)
Exchange differences arising on translation of foreign operations	**-**	(67,033)
Total other comprehensive loss	**(62,658)**	(261,028)
Total comprehensive income for the period	**268,736**	157,186
Total comprehensive income/(loss) attributable to:		
Shareholders of the parent company	**268,736**	176,717
Non-controlling interests	**-**	(19,531)
Total comprehensive income for the period	**268,736**	157,186

The notes set out on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of financial position

	Notes	**31 March 2016 (Unaudited) KD**	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Assets				
Cash and bank balances		**1,308,990**	1,308,990	267,780
Investment deposits		**-**	-	3,091,629
Investments at fair value through profit or loss		**279,921**	275,874	392,224
Available for sale investments	8	**3,815,908**	3,878,566	3,636,088
Amount due from policyholders	9	**2,343,612**	2,267,261	1,624,865
Qard Hassan to policyholders' Fund	9	**1,625,611**	1,625,611	1,625,611
Investment properties		**3,184,416**	2,945,358	2,719,195
Other assets		**151,595**	157,243	264,561
Total assets		**12,710,053**	12,458,903	13,621,953
Equity and liabilities				
Equity				
Share capital		**11,025,000**	11,025,000	11,025,000
Share premium		**7,340,938**	7,340,938	7,340,937
Treasury shares		**(50,489)**	(50,489)	(50,489)
Treasury shares reserve		**3,508**	3,508	3,508
Legal reserve		**388,139**	388,139	388,139
Voluntary reserve		**388,139**	388,139	388,139
Fair value reserve		**406,184**	468,842	161,079
Foreign currency translation reserve		**-**	-	(564,129)
Employee share purchase plan reserve		**65,964**	65,964	65,964
Accumulated losses		**(6,897,942)**	(7,229,336)	(6,862,349)
Total Equity attributable to shareholders of the parent company		**12,669,441**	12,400,705	11,895,799
Non-Controlling interest		**-**	-	1,231,869
Total Equity		**12,669,441**	12,400,705	13,127,668
Liabilities				
Other liabilities		**40,612**	58,198	494,285
Total equity and liabilities		**12,710,053**	12,458,903	13,621,953

Abdullah Yousef Al-Saif
Chairman

Abdullah Mishari Al-Humaidi
Vice chairman

The notes set out on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of changes in equity (Unaudited)

	Equity attributable to shareholders of the Parent 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	Sub - total KD	Non-controlling interests KD	Total KD
Balance at 1 January 2016	**11,025,000**	**7,340,938**	**(50,489)**	**3,508**	**388,139**	**388,139**	**468,842**	**-**	**65,964**	**(7,229,336)**	**12,400,705**	**-**	**12,400,705**
Profit for the period	-	-	-	-	-	-	-	-	-	**331,394**	**331,394**	**-**	**331,394**
Other comprehensive loss							**(62,658)**	-	-	-	**(62,658)**	-	**(62,658)**
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	**(62,658)**	-	-	**331,394**	**268,736**	-	**268,736**
Balance at 31 March 2016	**11,025,000**	**7,340,938**	**(50,489)**	**3,508**	**388,139**	**388,139**	**406,184**	**-**	**65,964**	**(6,897,942)**	**12,669,441**	**-**	**12,669,441**
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
Profit for the period	-	-	-	-	-	-	-	-	-	363,799	363,799	54,415	418,214
Other comprehensive (loss)/ profit for the period	-	-	-	-	-	-	(193,995)	6,913	-	-	(187,082)	(73,946)	(261,028)
Total comprehensive (loss)/ income for the period	-	-	-	-	-	-	(193,995)	6,913	-	363,799	176,717	(19,531)	157,186
Dividends 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

The notes set out on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Interim condensed consolidated statement of cash flows

	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
OPERATING ACTIVITIES		
Profit for the period	**331,394**	418,214
Adjustments for:		
Net investment income	**(8,455)**	(57,413)
Net policyholders' insurance surplus transferred to shareholders from a subsidiary	**-**	(130,415)
	322,939	230,386
Changes in operating assets and liabilities:		
Other assets	**10,056**	(5,050)
Other liabilities	**(17,586)**	91,812
Amount due from policyholders	**(76,351)**	(325,515)
Net cash from/(used in) operating activities	**239,058**	(8,367)
INVESTING ACTIVITIES		
Net movement in investment deposits	**-**	35,287
Additions to investment properties	**(239,058)**	-
Net cash (used in)/from investing activities	**(239,058)**	35,287
Increase in cash and bank balances	**-**	26,920
Cash and bank balances at the beginning of the period	**1,308,990**	240,860
Cash and bank balances at the end of the period	**1,308,990**	267,780

The notes set out on pages 7 to 18 form an integral part of this interim condensed consolidated financial information.

Notes to the interim condensed consolidated financial information

1 Incorporation and activities of the parent company

Wethaq Takaful Insurance Company – (The Parent Company) is a Kuwaiti Public Shareholding Company that was incorporated on 30 October 2004 and is registered under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments. The shares of the parent company are listed on the Kuwait Stock Exchange.

The group comprises the parent company and its subsidiary (collectively the "Group"). The details of the subsidiaries are described in note 5.

The parent company is a subsidiary of the Investment Dar Company KPSC (Closed) (The Ultimate Parent Company).

The objectives for which the parent company is incorporated are as follows:

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

Second: To achieve it's above mentioned objective and as per its Articles of Association, the company shall have authority to conduct the following businesses and acts as Board of Directors deems appropriate:

a) Acquire and gain the right to dispose of all or any part of moveable or immovable property, as it deems necessary, or any privileges that the company believes to be necessary or appropriate for the mature of its business and required for growing its funds.

b) Carry out transactions and enter into all contracts with all legal dispositions as it deems necessary and suitable to achieve and facilitate its objective on the conditions its 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 moveable or real estate property, or sell, lease, mortgage or dispose of all part of the company's moveable 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 reinsurance 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 moveable property or real estate properties in different sectors as its deems appropriate in accordance with governing laws and resolutions.

g) Merge with, incorporate or participate in incorporating and subscribing for share in companies, buy and sell companies, shares and support them in any form in line with the company's objective as per applicable laws and

h) Utilize the financial surpluses available with the company through investing the same in financial portfolios managed by specialised companies and entities.

The company may carry out the above mentioned businesses the State of Kuwait or board as principal capacity or through agency. The company 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 aboard and it may establish, participate, purchase, and merge with such entities.

Notes to the interim condensed consolidated financial information (continued)

1 Incorporation and activities of the parent company (continued)

Takaful insurance is an Islamic alternative to a conventional insurance and investment program, based on the mutual funds concept, where each policyholder will receive his share in the surplus arising from the insurance activities, in accordance with the parent company's articles of association and the approval of Fatwa and Sharee'a Supervisory Board.

The parent company conducts business on behalf of the policyholders and advances funds to the policyholders' operations as and when required. The shareholders are responsible for liabilities incurred by policyholders in the event the policyholders' fund is in deficit and the operations are liquidated. The parent company 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 are disclosed in the notes.

The parent company 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 insurance and investment activities are conducted in accordance with Islamic Sharee'a, as approved by Fatwa and Sharee'a Supervisory Board.

The new Companies Law No. 1 of 2016 was issued on 24 January 2016 and published in the Official Gazette on 1 February 2016 in which they have cancelled Law No. 25 of 2012 and its amendments thereto, as stipulated in article (5) thereto. The new Law will be effective retrospectively from 26 November 2012 and the executive regulations of Law No. 25 of 2012 will remain effective pending the issuance of the new executive regulations.

The address of the parent company's registered office is City Tower, Khaled Bin Waleed Street, Sharq, State of Kuwait.

This interim condensed consolidated financial information for the three-month period ended 31 March 2016 was authorised for issue by the parent company's board of directors on 25April 2016.

2 Basis of presentation

This interim condensed consolidated financial information of the group for the three-month period ended 31 March 2016 has been prepared in accordance with IAS 34, Interim Financial Reporting. This interim condensed consolidated financial information does not contain all information and disclosures required for complete consolidated financial statements prepared in accordance with the International Financial Reporting Standards. In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included.

Operating results for the three months ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016. For more details refer to the annual audited consolidated financial statements and its related disclosures for the year ended 31 December 2015.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the parent company.

Notes to the interim condensed consolidated financial information (continued)

3 Significant accounting policies

The interim condensed consolidated financial information have been prepared in accordance with the accounting policies adopted in the group's most recent annual consolidated financial statements for the year ended 31 December 2015. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Although there are certain new standards and amendments which apply for the first time in 2016, they do not have a material impact on the annual consolidated financial statements of the group or the interim condensed consolidated financial information of the group.

4 Judgement 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 estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements as at and for the year ended 31 December 2015.

5 Subsidiary companies

The details of the subsidiary companies are as follows:

Subsidiary company	Country of incorporation	Voting Rights and Ownership Percentage			Activities
		31 March 2016 (Unaudited) %	31 Dec. 2015 (Audited) %	31 March 2015 (Unaudited) %	
Wared rent a Car Company – KSC (Closed)	Kuwait	**93.32**	93.32	93.32	Car leasing, trading cars and spare parts in the State of Kuwait
Wethaq Takaful Insurance Company	Egypt	-	-	60.00	Takaful and retakaful activities

The remaining percentage of the ownership of the subsidiary "Wared Rent a Car Company – KSC (Closed)" is owned by other parties with letters of assignment in favour of the parent Company.

6 Net investments income

	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
Change in fair value on investments at fair value through profit or loss	**4,047**	(22,942)
Others	**4,408**	80,355
	8,455	57,413

Notes to the interim condensed consolidated financial information (continued)

7 Basic and diluted earnings per share attributable to the shareholders of the parent company

Basic and diluted earnings per share attributable to the shareholders of the Parent Company is computed by dividing the profit for the period attributable to the shareholders of the parent company by the weighted average number of shares outstanding during the period (excluding treasury shares) as follows:

	Three months ended 31 March 2016 (Unaudited)	Three months ended 31 March 2015 (Unaudited)
Profit for the period attributable to the shareholders of the parent company (KD)	**331,394**	363,799
Weighted average number of shares outstanding during the period (excluding treasury share) (share)	**109,804,500**	109,804,500
Basic and diluted earnings per share attributable to the shareholders of the parent company (Fils)	**3.02**	3.31

8 Available for sale investments

Available for sale investments consist of the following:

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Quoted securities	**248,001**	258,954	244,979
Unquoted securities	**521,703**	521,703	531,003
Managed funds	**1,517,141**	1,517,141	1,495,855
Managed portfolios	**1,529,063**	1,580,768	1,364,251
	3,815,908	3,878,566	3,636,088

Investments in unquoted securities amounting to KD346,853 (KD346,853 as at 31 December 2015 and as at 31 March 2015) were carried at cost less impairment due to non-availability of financial information enabling us to reliably measure their fair value. The Group's management believes that the information available for these investments does not indicate any impairment in value.

Managed funds are valued in accordance with the net asset value per unit obtained from the managers of those funds as at the reporting date.

Notes to the interim condensed consolidated financial information (continued)

9 Consolidated policyholders' result by line of business and fund

The Consolidated policyholders' result by line of business was as follows:

	Marine and aviation KD	General accident KD	Fire KD	Life KD	Total KD
Three months ended 31 March 2016 (Unaudited):					
Premiums written	**74,927**	**811,806**	**729,110**	**119,663**	**1,735,506**
Gross (losses)/revenues	**(32,765)**	**62,215**	**531,151**	**53,503**	**614,104**
Net surplus/(deficit) from takaful insurance operations	**47,688**	**(26,147)**	**(26,644)**	**32,726**	**27,623**
Investments and other losses	**(574)**	**(6,217)**	**(5,583)**	**(916)**	**(13,290)**
Net surplus/(deficit) by line of business	**47,114**	**(32,364)**	**(32,227)**	**31,810**	**14,333**
Income from leasing activities					**33,801**
Expenses relating to leasing activities					**(44,320)**
Management fees to the shareholders					**(347,101)**
Net deficit transferred to policyholders' fund					**(343,287)**

	Marine and aviation KD	General accident KD	Fire KD	Life KD	Total KD
Three months ended 31 March 2015 (Unaudited):					
Premiums written	147,353	684,478	709,345	215,908	1,757,084
Gross revenues	698	1,372,500	57,003	108,290	1,538,491
Net (deficit)/surplus from takaful insurance operations	(57,682)	33,867	(84,964)	165,394	56,615
Investments and other 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 relating to leasing activities					(57,560)
Net insurance surplus transferred to the shareholders from a subsidiary					(130,415)
Management fees to the shareholders					(351,417)
Net deficit transferred to policyholders' fund					(228,618)

Notes to the interim condensed consolidated financial information (continued)

9 Consolidated policyholders' result by line of business and fund (continued)

Consolidated policyholders' assets, liabilities and fund are as follows:

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Assets			
Cash and bank balances	**111,411**	316,923	515,951
Investment deposits	**1,608,250**	1,892,887	8,272,395
Investments at fair value through profit or loss	**456,980**	479,380	519,454
Accounts receivable and prepayments	**1,294,020**	813,302	1,211,230
Premiums receivable	**2,098,488**	1,195,522	2,374,974
Available for sale investments	**182,656**	182,656	733,906
Goodwill	**409,766**	409,766	409,766
Retakaful share of outstanding claims	**4,121,145**	3,963,899	3,529,134
Retakaful premiums receivable	**1,956,574**	1,014,601	99,165
Leasehold land	**277,750**	277,750	277,750
Equipment	**269,080**	287,066	877,021
Total assets	**12,786,120**	10,833,752	18,820,746
Liabilities			
Outstanding claims reserve (gross)	**9,878,836**	7,756,219	9,491,963
Unearned premiums	**1,324,285**	1,225,260	4,670,147
Incurred but not reported reserve	**76,913**	326,878	150,010
Additional reserve	**-**	-	2,002,039
Accounts payable and accrued expenses	**2,639,182**	2,391,555	2,028,045
Due to bank	**-**	-	154,563
Amount due to the shareholders	**2,343,612**	2,267,261	1,624,865
Qard Hassan from the shareholders	**1,625,611**	1,625,611	1,625,611
Total liabilities	**17,888,439**	15,592,784	21,747,243
Policyholders' fund			
Policyholders' fund at the beginning of the period/year	**(4,759,032)**	(2,694,695)	(2,694,695)
Net deficit transferred to policyholders' fund for the period/year	**(343,287)**	(2,160,046)	(228,618)
Foreign currency translation reserve	**-**	95,709	(3,184)
Total policyholders' fund at the end of the period/year	**(5,102,319)**	(4,759,032)	(2,926,497)
Total liabilities and policyholders' fund	**12,786,120**	10,833,752	18,820,746

10 Related party transactions

Related parties represent ultimate parent company, 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 group's management. Transactions between the parent company and its subsidiary which is a related party to the parent company have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the group and the related parties are disclosed below.

Notes to the interim condensed consolidated financial information (continued)

10 Related party transactions (continued)

Shareholders:	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
Interim condensed consolidated statement of profit or loss:		
General and administrative expense	**2,000**	2,000
Provision for directors' remunerations	**-**	3,750

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Interim condensed consolidated statement of financial position:			
Investments at fair value through profit or loss (ultimate parent company)	**19,400**	19,400	38,710
Available for sale investments (entities related to the parent company)	**3,269,120**	3,385,855	3,105,085

Policyholders:	Three months ended 31 March 2016 (Unaudited) KD	Three months ended 31 March 2015 (Unaudited) KD
Policyholders:		
Interim condensed consolidated statement of profit or loss:		
Net investments (loss)/income	**(22,398)**	19,197
Key management compensation:		
Salaries and short term benefits	**16,995**	15,173
Terminal benefits	**11,033**	8,661
	28,028	23,834

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Interim condensed consolidated statement of financial position:			
Available for sale investments (Ultimate parent company)	**-**	-	551,250
Investments at fair value through profit or loss (other related parties)	**156,879**	156,879	130,287

Notes to the interim condensed consolidated financial information (continued)

11 Segmental analysis

During the year ended 31 December 2015, the Group has sold its entire share in its subsidiary "Wethaq Takaful Insurance Company – Egypt" and, accordingly, it has prepared the segmental analysis based on allocation of the operational segments instead of allocation of the geographical segments (previously applicable) so that presentation of the interim condensed consolidated financial information will match the basis of internal reports of the Group's components which are regularly reviewed by the chief decision maker in order to assess their performance.

The Group operates in the sectors of investment, takaful insurance and cars rental. The segmental analysis of total revenue, net profits and total assets and liabilities of the sectors is as follows:

	Investment KD	Takaful insurance KD	Unallocated KD	Total KD
Shareholders				
For the three months ended 31 March 2016				
Total income	**8,455**	**347,101**	**-**	**355,556**
Profit/(loss) for the period	**8,455**	**347,101**	**(24,162)**	**331,394**
As of 31 March 2016				
Total assets	**7,280,245**	**3,969,223**	**1,460,585**	**12,710,053**
Total liabilities	**-**	**-**	**(40,612)**	**(40,612)**
Net assets	**7,280,245**	**3,969,223**	**1,419,973**	**12,669,441**
For the year ended 31 December 2015				
Total income	134,154	45,179	9,426	188,759
Profit/(loss) for the year	134,154	45,179	(102,922)	76,411
As of 31 December 2015				
Total assets	7,099,798	3,892,872	1,466,233	12,458,903
Total liabilities	-	-	(58,198)	(58,198)
Net assets	7,099,798	3,892,872	1,408,035	12,400,705
For the three months ended 31 March 2015				
Total income	57,413	481,832	-	539,245
Profit/(loss) for the period	57,413	481,832	(121,031)	418,214
As of 31 March 2015				
Total assets	9,839,136	3,250,476	532,341	13,621,953
Total liabilities	-	-	(494,285)	(494,285)
Net assets	9,839,136	3,250,476	38,056	13,127,668

Notes to the interim condensed consolidated financial information (continued)

11 Segmental analysis (continued)

	Investment KD	Takaful insurance KD	Cars rental KD	Unallocated KD	Total KD
Policyholders					
For the three months ended 31 March 2016					
Total income	**(13,290)**	**614,104**	**33,801**	**-**	**634,615**
Loss for the period	**(13,290)**	**(319,478)**	**(10,519)**	**-**	**(343,287)**
As of 31 March 2016					
Total assets	**2,525,636**	**8,176,207**	**438,455**	**1,645,822**	**12,786,120**
Total liabilities	**-**	**(15,249,257)**	**(75,387)**	**(2,563,795)**	**(17,888,439)**
Net assets	**2,525,636**	**(7,073,050)**	**363,068**	**(917,973)**	**(5,102,319)**
For the year ended 31 December 2015					
Total income	(85,620)	3,238,024	204,931	-	3,357,335
(Loss)/profit for the year	(85,620)	(841,796)	4,764	(1,237,394)	(2,160,046)
As of 31 December 2015					
Total assets	2,832,673	6,174,022	442,768	1,384,289	10,833,752
Total liabilities	-	(13,201,229)	(71,385)	(2,320,170)	(15,592,784)
Net assets	2,832,673	(7,027,207)	371,383	(935,881)	(4,759,032)
For the three months ended 31 March 2015					
Total income	216,453	1,538,491	37,706	-	1,792,650
Profit/(loss) for the period	216,453	(425,217)	(19,854)	-	(228,618)
As of 31 March 2015					
Total assets	9,803,505	6,003,273	406,203	2,607,765	18,820,746
Total liabilities	-	(19,564,635)	(151,075)	(2,031,533)	(21,747,243)
Net assets	9,803,505	(13,561,362)	255,128	576,232	(2,926,497)

12 General Assembly of shareholders

On 31 March 2016, the general assembly approved the audited consolidated financial statements of the group for the year ended 31 December 2015 and the proposal of the board of directors not to distribute cash dividends for the year then ended.

13 Contingent liabilities

The group is a defendant in a number of legal cases filed by Takaful contact holders in respect to claims that the group disputes. While it is not possible to predict the eventual outcome of such legal actions, management has made provisions which, in their opinion, are adequate to cover any resultant liabilities.

Notes to the interim condensed consolidated financial information (continued)

14 Fair value measurement

14.1 Fair value hierarchy

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of the group's financial assets and liabilities as stated in the interim condensed consolidated statement of financial position are as follows:

	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Shareholders' assets and liabilities			
Financial assets:			
Loans and receivables at amortised cost:			
Cash and bank balances	**1,308,990**	1,308,990	267,780
Investment deposits	**-**	-	3,091,629
Amount due form policyholders	**2,343,612**	2,267,261	1,624,865
Qard Hassan to policyholders' fund	**1,625,611**	1,625,611	1,625,611
Other assets	**151,595**	157,243	264,561
Available for sale investments:			
At fair value	**3,469,055**	3,531,713	3,289,235
At cost	**346,853**	346,853	346,853
Investments at fair value through profit or loss			
At fair value	**279,921**	275,874	392,224
	9,525,637	9,513,545	10,902,758
Financial liabilities:			
Financial liabilities at amortised cost:			
Other liabilities	**40,612**	58,198	494,285
	40,612	58,198	494,285

Notes to the interim condensed consolidated financial information (continued)

14 Fair value measurement (continued)

14.1 Fair value hierarchy (continued)

Policyholders' assets and liabilities	31 March 2016 (Unaudited) KD	31 Dec. 2015 (Audited) KD	31 March 2015 (Unaudited) KD
Financial assets:			
Loans and receivables at amortised cost:			
Cash and bank balances	**111,411**	316,923	515,951
Investment deposits	**1,608,250**	1,892,887	8,272,395
Accounts receivable and prepayments	**1,294,020**	813,302	1,211,230
Premiums receivable	**2,098,488**	1,195,522	2,374,974
Retakaful share of outstanding claims	**4,121,145**	3,963,899	3,529,134
Retakaful premiums receivable	**1,956,574**	1,014,601	99,165
Available for sale investments:			
At cost	**182,656**	182,656	733,906
Investments at fair value through profit or loss			
At fair value	**456,980**	479,380	519,454
	11,829,524	9,859,170	17,256,209
Financial liabilities:			
Financial liabilities at amortised cost:			
Unearned premiums	**1,324,285**	1,225,260	4,670,147
Accounts payable and accrued expenses	**2,639,182**	2,391,555	2,028,045
Due to bank	**-**	-	154,563
Amount due to shareholders	**2,343,612**	2,267,261	1,624,865
Qard Hassan from shareholders	**1,625,611**	1,625,611	1,625,611
	7,932,690	7,509,687	10,103,231

Management considers that the carrying amounts of loans and receivable and all financial liabilities, which are stated at amortised cost, approximate their fair values.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value on a recurring basis in the interim condensed consolidated financial position are grouped into the fair value hierarchy as follows:

31 March 2016 (Unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
SHAREHOLDERS				
Investments at fair value through profit or loss	279,921	-	-	279,921
Available for sale investments	248,001	3,221,054	-	3,469,055
	527,922	3,221,054	-	3,748,976
POLICYHOLDERS				
Investments at fair value through profit or loss	34,169	422,811	-	456,980
	34,169	422,811	-	456,980

Notes to the interim condensed consolidated financial information (continued)

14 Fair value measurement (continued)

14.1 Fair value hierarchy (continued)

31 December 2015 (Audited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
SHAREHOLDERS				
Investments at fair value through profit or loss	275,874	-	-	275,874
Available for sale investments	258,954	3,272,759	-	3,531,713
	534,828	3,272,759	-	3,807,587
POLICYHOLDERS				
Investments at fair value through profit or loss	34,040	445,340	-	479,380
	34,040	445,340	-	479,380

31 March 2015 (Unaudited)

	Level 1 KD	Level 2 KD	Level 3 KD	Total KD
SHAREHOLDERS				
Investments at fair value through profit or loss	392,224	-	-	392,224
Available for sale investments	244,979	3,044,256	-	3,289,235
	637,203	3,044,256	-	3,681,459
POLICYHOLDERS				
Investments at fair value through profit or loss	53,847	465,607	-	519,454
	53,847	465,607	-	519,454

There have been no significant transfers between levels 1 and 2 during the reporting period.

Measurement at fair value
The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

15 Financial risk management

All aspects of the financial risk management objectives and policies of the Group are consistent with those disclosed in the audited annual consolidated financial statements for the year ended 31 December 2015.

16 Comparative figures

Certain comparative figures have been reclassified to conform to the presentation of the interim condensed consolidated financial information for the current period. This reclassification did not affect the results and equity for the previous periods.