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**Warba Insurance Company K.S.C.  
Kuwait**

**Interim Condensed Consolidated Financial Information (Unaudited)  
31 March 2013**

**Warba Insurance Company K.S.C.  
Kuwait**

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## INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS

### Report on Review of Interim Condensed Consolidated Financial Information

#### Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Warba Insurance Company K.S.C. (the Parent Company) and its subsidiary (together called "the Group") as at 31 March 2013 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.

#### 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.

#### Report on Other Legal and Regulatory Requirements

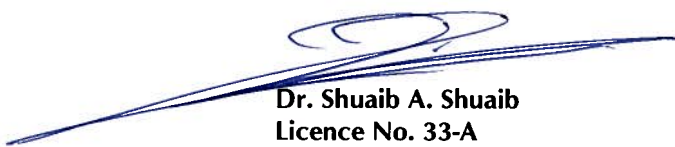
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies' Law No. 25 of 2012 as amended, or of the Memorandum and Articles of Association of the Parent Company during the three month period ended 31 March 2013 that might have had a material effect on the business of the Group or on its financial position.

We further report that, during the course of our review, we have not become aware of any material violation of the provisions of Law No. 24 of 1961, as amended, concerning Insurance Companies and Insurance Agents and its related regulations.



**Bader A. Al-Wazzan**  
Licence No. 62A  
Deloitte & Touche  
Al-Fahad Al-Wazzan & Co.

Kuwait  
12 May 2013



**Dr. Shuaib A. Shuaib**  
Licence No. 33-A  
RSM Albazie & Co.

Interim Condensed Consolidated Statement of Financial Position (Unaudited) as at 31 March 2013

	Note	Kuwaiti Dinars		
		31 March 2013	31 December 2012 (Audited)	31 March 2012 (Restated)
<b>ASSETS</b>				
Cash and cash equivalents	3	2,238,175	2,346,420	2,728,699
Investments:				
Fixed deposits	4	4,379,000	4,379,000	3,044,000
Investments at fair value through profit or loss	5	2,189,429	2,219,054	3,490,882
Investments available for sale	6	18,755,332	19,567,759	19,006,402
Investment in associate		3,751,806	3,733,550	3,610,404
Investment properties		4,340,000	4,340,000	4,200,000
Loan secured by life insurance policies		17,564	13,681	6,681
Insurance and reinsurance receivables		17,791,914	19,287,805	20,031,806
Other receivables		5,909,089	5,013,699	5,544,811
Reinsurance share in reserve for outstanding claims		28,144,654	27,695,428	17,778,505
Goodwill		62,240	62,240	62,240
Property and equipment	7	8,572,223	8,664,155	8,699,997
<b>Total Assets</b>		<b>96,151,426</b>	<b>97,322,791</b>	<b>88,204,427</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Insurance contract liabilities	8	33,896,609	32,683,307	23,115,735
Accounts payable		3,943,104	3,711,256	6,779,696
Insurance and reinsurance payables		6,329,810	9,763,091	7,192,140
Other payables		3,470,234	3,561,910	4,093,407
<b>Total liabilities</b>		<b>47,639,757</b>	<b>49,719,564</b>	<b>41,180,978</b>
<b>Equity</b>				
Share capital	9	17,278,874	17,278,874	17,278,874
Treasury shares	10	(40,586)	(40,586)	(40,586)
Treasury shares reserve		164,760	164,760	164,760
Statutory reserve		8,781,109	8,781,109	8,781,109
Voluntary reserve		8,930,389	8,930,389	8,823,550
General reserve		4,000,000	4,000,000	4,000,000
Cumulative changes in fair value		5,332,992	5,812,843	4,713,075
Share of other comprehensive income of associate		15,239	27,740	6,701
Retained earnings		3,854,884	2,471,948	3,118,278
Equity attributable to the Parent Company's shareholders		48,317,661	47,427,077	46,845,761
Non-controlling interests		194,008	176,150	177,688
<b>Total equity</b>		<b>48,511,669</b>	<b>47,603,227</b>	<b>47,023,449</b>
<b>Total Liabilities and Equity</b>		<b>96,151,426</b>	<b>97,322,791</b>	<b>88,204,427</b>

The accompanying notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

Anwar Jawad Bu-Khamseen  
Chairman

Sheikh Mohammed Jarah Sabah Al-Sabah  
Vice Chairman

**Interim Condensed Consolidated Statement of Profit or Loss (Unaudited)**  
**For the three months ended 31 March 2013**

	Note	Kuwaiti Dinars	
		Three months ended	
		2013	2012
<b>Revenue:</b>			
Premiums written		8,758,204	7,793,588
Reinsurance share		(4,560,291)	(4,493,010)
Net premiums written		4,197,913	3,300,578
Reserve for unexpired risks		(248,919)	(93,981)
Net premiums earned		3,948,994	3,206,597
Reserve for life insurance fund		260,324	276,552
Net investment income	11	491,645	643,260
Net commission		(213,106)	(37,313)
Issue fees		42,592	43,810
Insurance services income		176,730	138,974
Other income		73,333	21,650
		<u>4,780,512</u>	<u>4,293,530</u>
<b>Expenses:</b>			
Net incurred claims		(2,077,734)	(1,485,110)
General and administrative expenses		(1,115,986)	(1,055,565)
Insurance services expenses		(137,317)	(129,985)
		<u>(3,331,037)</u>	<u>(2,670,660)</u>
Profit for the period before Contribution to Kuwait Foundation for the Advancement of Science (KFAS), National Labor Support Tax and Zakat		1,449,475	1,622,870
Contribution to KFAS		(14,009)	(15,921)
National Labor Support Tax		(24,986)	(30,679)
Zakat		(9,686)	(12,006)
Profit for the period		<u>1,400,794</u>	<u>1,564,264</u>
Attributable to:			
Shareholders of the Parent Company		1,382,936	1,560,048
Non-controlling interests		17,858	4,216
		<u>1,400,794</u>	<u>1,564,264</u>
Earnings per share (fils)	13	<u>8.01</u>	<u>9.04</u>

The accompanying notes from 1 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 (Unaudited)  
For the three months ended 31 March 2013

	Note	Kuwaiti Dinars	
		Three months ended 31 March	
		2013	2012
<b>Profit for the period</b>		1,400,794	1,564,264
<b>Other comprehensive income:</b>			
Changes in fair value of investments available for sale	6	(479,851)	181,378
Share of other comprehensive income of associate		(12,501)	5,436
Other comprehensive income for the period		(492,352)	186,814
Total comprehensive income for the period		908,442	1,751,078
Attributable to:			
Shareholders of the Parent Company		890,584	1,746,862
Non-controlling interests		17,858	4,216
Total comprehensive income for the period		908,442	1,751,078

The accompanying notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

Warba Insurance Company K.S.C.  
Kuwait

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)  
For the three months ended 31 March 2013

	Attributable to the shareholders of the Parent Company											
	Share capital	Treasury shares	Treasury shares reserve	Statutory reserve	Voluntary reserve	General reserve	Cumulative changes in fair value	Share of other comprehensive income of associate	Retained earnings	Total	Non-controlling interest	Total
Balance at 31 December 2012	17,278,874	(40,586)	164,760	8,781,109	8,930,389	4,000,000	5,812,843	27,740	2,471,948	47,427,077	176,150	47,603,227
Total comprehensive income for the period	-	-	-	-	-	-	(479,851)	(12,501)	1,382,936	890,584	17,858	908,442
Balance at 31 March 2013	17,278,874	(40,586)	164,760	8,781,109	8,930,389	4,000,000	5,332,992	15,239	3,854,884	48,317,661	194,008	48,511,669
Balance at 31 December 2011	17,278,874	(40,586)	164,760	8,781,109	8,823,550	4,000,000	(8,753,309)	(195,171)	13,953,645	44,012,872	173,472	44,186,344
Prior years adjustments (Note 18)	-	-	-	-	-	-	13,285,006	196,436	(11,532,549)	1,948,893	-	1,948,893
Balance at 31 December 2011 (Restated)	17,278,874	(40,586)	164,760	8,781,109	8,823,550	4,000,000	4,531,697	1,265	2,421,096	45,961,765	173,472	46,135,237
Total comprehensive income for the period	-	-	-	-	-	-	181,378	5,436	1,560,048	1,746,862	4,216	1,751,078
Cash dividends (Note 14)	-	-	-	-	-	-	-	-	(862,866)	(862,866)	-	(862,866)
Balance at 31 March 2012	17,278,874	(40,586)	164,760	8,781,109	8,823,550	4,000,000	4,713,075	6,701	3,118,278	46,845,761	177,688	47,023,449

The accompanying notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.



**Interim Condensed Consolidated Statement of Cash Flows (Unaudited)**  
**For the three months ended 31 March 2013**

	Kuwaiti Dinars	
	Three months ended 31 March	
	2013	2012
<b>Cash flows from operating activities</b>		
Profit for the period before Contribution to KFAS, National Labor Support Tax and Zakat	1,449,475	1,622,870
Adjustments:		
Net investment income	(491,645)	(643,260)
Depreciation	102,103	370,703
	<u>1,059,933</u>	<u>1,350,313</u>
Changes in operating assets and liabilities:		
Insurance and reinsurance receivables and other debit balances	620,295	(1,591,916)
Net movement of insurance and reinsurance companies	(3,882,507)	(2,560,635)
Insurance contract liabilities	1,213,302	(519,002)
Accounts payable and other payables	113,415	3,165,880
Net cash used in activities	<u>(875,562)</u>	<u>(155,360)</u>
<b>Cash flows from investing activities</b>		
Net movement of fixed deposits	-	200,000
Interest income received	26,279	53,895
Proceeds from sale of investments at fair value through profit or loss	-	30,210
Purchase of investments available for sale	-	(145,420)
Proceeds from sale of investments available for sale	284,976	-
Cash dividend received	485,962	420,201
Rental Income received	2,195	4,818
Purchase of property and equipment	(10,171)	(453,212)
Net cash from investing activities	<u>789,241</u>	<u>110,492</u>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(21,924)	(1,370)
Net cash used in financing activities	<u>(21,924)</u>	<u>(1,370)</u>
Net decrease in cash and cash equivalents	(108,245)	(46,238)
Cash and cash equivalents at beginning of the period	<u>2,346,420</u>	<u>2,774,937</u>
Cash and cash equivalents at end of the period (Note 3)	<u><u>2,238,175</u></u>	<u><u>2,728,699</u></u>

The accompanying notes from 1 to 18 form an integral part of this interim condensed consolidated financial information.

**1. Incorporation and objectives**

Warba Insurance Company was incorporated as a Public Kuwaiti Shareholding Company in State of Kuwait in accordance with the Amiri Decree of 24 October 1976.

This interim condensed consolidated financial information incorporate the interim condensed financial information of Warba Insurance Company K.S.C "Parent Company" and its subsidiary WAPMED TPA Services Company K.S.C (Closed) State of Kuwait with an equity interest of 54.57% (31 December 2012 – 54.57%, 31 March 2012 – 54.57%).

The objects of the Parent Company and its subsidiaries (together, "the Group") are to underwrite life and non- life insurance risks such as fire, general accidents, marine and aviation and others; lend funds against life insurance policies and to invest in permitted securities.

The address of the Parent Company's registered office is P.O. Box 24282 Safat, 13103 – State of Kuwait.

The annual consolidated financial statements for the year ended 31 December 2012 were approved by the Board of Directors of the Parent Company on 13 February 2013 and subsequently by the Parent Company's shareholders at the Annual General Meeting of the Parent Company's shareholders on 8 April 2013.

The Companies Law issued on 26 November 2012 by Decree Law no 25 of 2012 (the "Companies Law"), which was published in the Official Gazette on 29 November 2012, cancelled the Commercial Companies Law No 15 of 1960. The Companies Law was subsequently amended on 27 March 2013 by Decree Law no 97 of 2013 (the Decree).

According to article 2 and 3 of the Decree, Executive Regulations which shall be issued by the Minister of Industry and Commerce by 26 September 2013 will determine the basis and rules which the Group shall adopt to regularize its affairs with the Companies Law, as amended.

This interim condensed consolidated financial information have been approved for issue by the Parent Company's Board of Directors on 12 May 2013.

**2. Basis of preparation**

This interim condensed consolidated financial information is prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting." The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the consolidated annual financial statements for the year ended 31 December 2012 except for the adoption of new and amended standards as noted below which are applicable for the Group from 1 January 2013:

*IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7*

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. The adoption of this standard has not resulted in any material impact on the interim condensed consolidated financial information of the Group and the relevant disclosures will be made in the annual consolidated financial statements of the Group.

**Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013**

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*IFRS 10 – Consolidated Financial Statements, IAS 27 Separate Financial Statements*

IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements' and SIC-12 Consolidation - Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure or rights, to variable returns from its involvement with the investee and 3) the ability to use its power over the investee to affect the amount of the returns. The adoption of this standard has not resulted in any significant impact on the financial position or performance of the Group.

*IFRS 12 – Disclosure of Involvement with Other Entities*

IFRS 12 requires enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to disclose information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of the consolidated entities. The Group will provide the additional disclosures in the annual consolidated financial statements.

*IFRS 13 – Fair Value measurement*

IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements. The adoption of this standard has resulted in additional disclosure in the interim condensed consolidated financial statements.

*IAS 1 Financial Statement Presentation*

The amendments to IAS 1 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The adoption of this standard has not resulted in presentation changes in statement of profit or loss and other comprehensive income. The amendments also preserve the amendments made to IAS 1 in 2007 to require profit or loss and OCI to be presented together, i.e. either as a single 'statement of profit or loss and comprehensive income', or a separate 'statement of profit or loss' and a 'statement of comprehensive income'.

Other amendments to International Financial Reporting Standards that are applicable to annual periods beginning on or after 1 January 2013 had no material effect on the accounting policies, financial position or performance of the Group.

This interim condensed consolidated financial information does not contain all of the information and notes required for complete financial statements prepared in accordance with 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 period ended 31 March 2013 are not necessarily indicative of the results that may be expected for the year ending 31 December 2013. For further information, refer to the consolidated annual financial statements and notes thereto included in the Group's annual report for the year ended 31 December 2012.

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013

3. Cash and cash equivalents

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
Cash on hand and at banks	2,111,015	2,295,178	2,670,301
Cash in portfolio	127,160	51,242	58,398
	<u>2,238,175</u>	<u>2,346,420</u>	<u>2,728,699</u>

4. Fixed deposits

Fixed deposits represent deposits with banks whose maturity period exceeds three months but not more than one year from the date of placement.

Fixed deposits include KD 2,919,000 (31 December 2012 – KD 2,919,000, 31 March 2012 – KD 2,919,000) held in Kuwait under lien to the Ministry of Commerce and Industry in accordance with insurance regulations of Kuwait.

The effective interest rate on fixed deposits was 1.7% (31 December 2012 – 1.7%, 31 March 2012 – 2.3%) per annum.

5. Investments at fair value through profit or loss

The movement during the period/ year is as follows:

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
Balance at the beginning of the period/ year	2,219,054	3,343,929	3,343,929
Disposals	-	(393,100)	(34,100)
Unrealized (loss)/ gain on change in fair value (Note 11)	(29,625)	(731,775)	181,053
Balance at the end of the period/ year	<u>2,189,429</u>	<u>2,219,054</u>	<u>3,490,882</u>

Quoted shares with a carrying value of KD Nil (31 December 2012 - KD Nil, 31 March 2012 - KD 2,129,345) are under lien to the Ministry of Commerce and Industry, Kuwait.

6. Investments available for sale

The movement during the period/ year is as follows:

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
Balance at the beginning of the period/ year	19,567,759	18,685,378	18,685,378
Additions	-	309,565	145,420
Disposals	(284,976)	(544,500)	-
Impairment loss (Note 11)	(47,600)	(163,830)	(5,774)
Changes in fair value	(479,851)	1,281,146	181,378
Balance at the end of the period/ year	<u>18,755,332</u>	<u>19,567,759</u>	<u>19,006,402</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013

Quoted shares with a fair value of KD 2,475,000 (31 December 2012 – KD 2,635,000, 31 March 2012 – KD Nil) are under lien to the Ministry of Commerce and Industry.

It was not possible to reliably measure the fair value of unquoted securities amounting to KD 4,226,848 (31 December 2012 – KD 4,608,655, 31 March 2012 – KD 4,833,338) due to non – availability of a reliable method that could be used to determine the fair value of such investments. Accordingly, they are stated at their cost less impairment losses.

7. **Property and equipment**

The Head office building and related land are under lien to the Ministry of Commerce and Industry for an amount of KD 2,955,780 (31 December 2012 - KD 2,955,780, 31 March 2012 – KD 2,955,780), in accordance with insurance regulations in Kuwait.

8. **Insurance contract liabilities**

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
Reserve for outstanding claims	30,111,519	28,886,812	19,716,539
Reserve for unexpired risks (unearned premiums)	3,219,798	2,970,879	2,952,132
Reserve for life insurance fund	565,292	825,616	447,064
	<u>33,896,609</u>	<u>32,683,307</u>	<u>23,115,735</u>

9. **Share capital**

The authorized, issued and paid-up capital comprises of 172,788,740 shares (31 December 2012 – 172,788,740 shares, 31 March 2012 – 172,788,740 shares) of 100 fils each and all shares are in cash.

10. **Treasury shares**

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
Number of treasury shares	215,470	215,470	215,470
Percentage to issued shares (%)	0.12%	0.12%	0.12%
Market value (KD)	24,995	23,702	31,890
Cost	40,586	40,586	40,586

11. **Net investment income**

	Kuwaiti Dinars	
	Three months ended 31 March	
	2013	2012
Interest income	18,706	21,972
Changes in fair value of investments at fair value through profit or loss (Note 5)	(29,625)	181,053
Loss on sale of investments at fair value through profit or loss	-	(3,890)
Impairment loss of investments available for sale (Note 6)	(47,600)	(5,774)
Dividend income	485,962	420,201
Share of results of associate	30,757	26,506
Rental income	2,100	4,818
Foreign currency exchange	31,345	(1,626)
	<u>491,645</u>	<u>643,260</u>

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013

12. Segment results

A. Three months ended 31 March 2013

	Kuwaiti Dinars				Total
	Marine & aviation	Fire	General accident	Life & medical	
Revenue	221,701	134,593	2,023,661	1,663,645	4,043,600
Net results	74,693	(92,912)	54,311	893,997	930,089
Unallocated items					519,386
Profit from operations					1,449,475

B. Three months ended 31 March 2012

	Kuwaiti Dinars				Total
	Marine & aviation	Fire	General accident	Life & medical	
Revenue	134,706	127,284	2,189,768	1,046,320	3,498,078
Net results	(237,020)	(29,833)	675,026	617,477	1,025,650
Unallocated items					597,220
Profit from operations					1,622,870

13. Earnings per share

Earnings per share is computed based on profit for the period attributable to the Parent Company's shareholders and the weighted average number of outstanding shares during the period as follows:

	Kuwaiti Dinars	
	Three months ended 31 March	
	2013	2012
Profit for the period attributable to the Parent Company's shareholders	1,382,936	1,560,048
Weighted average number of outstanding shares	172,573,270	172,573,270
Earnings per share (fils)	8.01	9.04

14. Dividends

The Parent Company's shareholders at their general assembly meeting held on 8 April 2013, approved cash dividend of 5 fils per share, for the year ended 31 December 2012 (2011 – 5 fils per share), to all the registered shareholders as of the date of the meeting.

15. Related party disclosures

The Group has entered into various transactions with related parties, i.e. shareholders, key management personnel, associates and other related parties in the normal course of its business concerning financing and other related services. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013

A. Balances included in the condensed consolidated statement of financial position

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
<b>Insurance activities</b>			
Insurance services receivable	917,566	841,007	832,169
Insurance services payable	79,371	131,337	69,643
<b>Investment activities</b>			
Investments at fair value through profit or loss	185,451	186,450	195,375
Investments available for sale	9,761,050	10,315,211	9,217,975
Deposits and bank balances	4,774,065	4,615,336	4,845,750
<b>Other activities</b>			
Other receivables	3,961,534	3,861,534	4,151,534

B. Transactions included in condensed consolidated statement of profit or loss

	Kuwaiti Dinars	
	Three months ended 31 March 2013	2012
Premiums written	255,141	258,426

C. Compensation to key management personnel

	Kuwaiti Dinars	
	Three months ended 31 March 2013	2012
Short term employee benefits	53,328	33,745
Post-employment benefits	6,499	-

16. Capital commitments and contingent liabilities

	Kuwaiti Dinars		
	31 March 2013	31 December 2012 (Audited)	31 March 2012
Letter of guarantee	5,495	5,495	4,378
Uncalled capital for investments available for sale	-	-	237,503
Capital commitments	98,632	98,632	217,950

17. Financial Risk Management

Fair value estimation

The Group had measured fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013

The following table presents the Group's assets and liabilities that are measured at fair value:

31 March 2013	Kuwaiti Dinars		
	Level 1	Level 2	Total
Investment at fair value though profit or loss	2,189,429	-	2,189,429
Investment available for sale:			
Quoted shares	14,434,566	-	14,434,566
Investment in fund	-	93,918	93,918
Total investment available for sale	14,434,566	93,918	14,528,484
	16,623,995	93,918	16,717,913

31 December 2012 (Audited)	Kuwaiti Dinars		
	Level 1	Level 2	Total
Investment at fair value though profit or loss	2,219,054	-	2,219,054
Investment available for sale:			
Quoted shares	14,574,080	-	14,574,080
Investment in funds	-	385,024	385,024
Total investment available for sale	14,574,080	385,024	14,959,104
	16,793,134	385,024	17,178,158

31 March 2012	Kuwaiti Dinars		
	Level 1	Level 2	Total
Investment at fair value though profit or loss	3,490,882	-	3,490,882
Investment available for sale:			
Quoted shares	13,679,376	-	13,679,376
Investment in funds	-	493,688	493,688
Total investment available for sale	13,679,376	493,688	14,173,064
	17,170,258	493,688	17,663,946

18. Prior year adjustments

During the previous years and up to 31 December 2011, the Group recognized impairment losses of investments available for sale below its initial cost amounted to KD 13,285,006 in cumulative change in fair value under "consolidated statement of profit or loss and other comprehensive income" rather than in the consolidated statement of profit or loss. During the period ended 31 March 2012 the Group has restated comparative figures as follows:

- Decreased retained earnings balance as of 31 December 2011 by KD 13,285,006.
- Increased the cumulative change in fair value balance as of 31 December 2011 by KD 13,285,006.

During the previous years and up to 31 December 2011, Ritaj Takaful Insurance Company K.S.C.C (associate) recognized impairment losses of investments available for sale below its initial cost amounted to KD 584,631 in cumulative change in fair value under "statement of profit or loss and other comprehensive income" rather than in the statement of profit or loss. During the year ended 31 December 2012 the associate has restated comparative figures, accordingly, the Group has restated comparative figures related to its share of result and its share of other comprehensive income of associate as follows:

- Decreased retained earnings balance as of 31 December 2011 by KD 196,436.
- Increased share of profit or loss and other comprehensive income from associate balance as of 31 December 2011 by KD 196,436.



**Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 31 March 2013**

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During the year ended 31 December 2012 the Group has changed the accounting policy for investment property from cost to fair value method. Accordingly, the Group has restated comparative figures as follows:

- Increased retained earnings balance as of 31 December 2011 by KD 1,948,893.
- Increased investment properties balance as of 31 December 2011 by KD 1,948,893.

Accordingly, the cumulative effect in the consolidated statement of financial position as of 31 December 2011 was as follows:

- Retained earnings decreased by KD 11,532,549.
- Cumulative change in fair value increased by 13,285,006.
- Share of profit or loss and other comprehensive income of associate increased by KD 196,436.
- Investment property increased by KD 1,948,893.