

**WARBA INSURANCE COMPANY - K.S.C.P.
AND ITS SUBSIDIARY
STATE OF KUWAIT
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

WARBA INSURANCE COMPANY - K.S.C.P.
AND ITS SUBSIDIARY
STATE OF KUWAIT

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(UNAUDITED)
WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

CONTENTS

Report on review of interim condensed consolidated financial information	
	<u>Pages</u>
Interim condensed consolidated statement of financial position (Unaudited)	2
Interim condensed consolidated statement of profit or loss (Unaudited)	3
Interim condensed consolidated statement of profit or loss and other comprehensive income (Unaudited)	4
Interim condensed consolidated statement of changes in equity (Unaudited)	5
Interim condensed consolidated statement of cash flows (Unaudited)	6
Notes to the interim condensed consolidated financial information (Unaudited)	7 - 12



Deloitte & Touche
Al-Wazzan & Co.

Ahmed Al-Jaber Street, Sharq
Dar Al-Awad Complex, Floors 7 & 9
P.O. Box 20174 Safat 13062 or
P.O. Box 23049 Safat 13091
Kuwait
Tel : +965 22408644, 22438080
Fax : +965 22408855, 22452080
www.deloitte.com



RSM Albazie & Co.

Public Accountants
Kuwait Airways Building, 7th floor, Shuhada Street,
P.O. Box 2115, Safat - 13022, State of Kuwait
T +965 22961000 F +965 22412761
E mail@albazie.com W www.albazie.com

Report on Review of Interim condensed consolidated financial information

The Board of Directors
Warba Insurance Company – K.S.C.P.
State of Kuwait

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Warba Insurance Company – K.S.C.P. (the Parent Company) and its subsidiary (together, the Group) as of June 30, 2015 and the related interim condensed consolidated statements of profit or loss, profit or loss and comprehensive income for the three and six months period then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six months period then ended. The Parent Company's 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

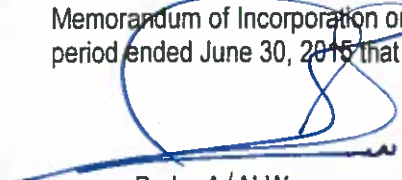
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim financial information Performed by the Independent Auditor of the Entity." A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons 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 accompanying Interim condensed consolidated financial information is in agreement with the books of accounts of the Parent Company. We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 25 of 2012 as amended and its executive regulation or of the Memorandum of Incorporation or the Articles of Association of the Parent Company have occurred during the six months period ended June 30, 2015 that might have had a material effect on the business of the Group or on its financial position.


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


Nayef M. Al-Bazie
Licence No. 91-A
RSM Albazie & Co.

State of Kuwait
August 6, 2015

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS OF JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

	Note	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
ASSETS				
Cash and cash equivalents		4,003,776	4,197,274	3,816,385
Fixed deposits	3	9,248,500	10,083,500	5,337,000
Investments at fair value through profit or loss	4	4,196,214	2,253,984	2,427,712
Insurance and reinsurance receivable		15,992,420	18,490,466	16,834,816
Other receivables		2,263,515	2,466,217	5,066,078
Loan secured by life insurance policies		25,879	20,149	27,145
Reinsurance share in reserve for outstanding claims		17,673,088	15,282,073	14,432,651
Investments available for sale	5	18,119,155	18,488,514	18,750,810
Investments in associates		5,497,485	5,471,570	2,928,041
Investment properties		-	-	4,200,000
Goodwill		62,240	62,240	62,240
Property and equipment	6	8,269,964	8,368,538	8,508,306
Total assets		85,352,236	85,184,525	82,391,184
LIABILITIES AND EQUITY				
Liabilities:				
Bank overdraft		809,842	790,533	-
Insurance contract liabilities	7	26,098,861	23,860,643	23,110,510
Accounts payable		3,516,191	3,601,956	3,211,783
Insurance and reinsurance payables		4,781,013	6,844,053	5,322,495
Other payables		3,412,121	3,483,355	3,514,852
Total liabilities		38,618,028	38,580,540	35,159,640
Equity:				
Share capital	8	17,278,874	17,278,874	17,278,874
Treasury shares	9	(1,255,986)	(1,255,986)	(1,255,986)
Treasury shares reserve		164,760	164,760	164,760
Statutory reserve		8,781,109	8,781,109	8,781,109
Voluntary reserve		9,206,054	9,206,054	9,049,254
General reserve		4,000,000	4,000,000	4,000,000
Cumulative changes in fair value		4,927,104	5,296,463	5,558,759
Share of other comprehensive income of associate		40,661	46,025	25,774
Retained earnings		3,301,510	2,833,436	3,385,015
Equity attributable to shareholders of the Parent Company		46,444,086	46,350,735	46,987,559
Non-controlling interest		290,122	253,250	243,985
Total equity		46,734,208	46,603,985	47,231,544
		85,352,236	85,184,525	82,391,184

The accompanying notes from (1) to (17) form an integral part of this
 Interim condensed consolidated financial information

Anwar Jawad Bu-Khamseen
 Chairman


 Sheikh Mohammed Jarah Sabah Al-Sabah
 Vice Chairman

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended June 30,		Six months ended June 30,	
		2015	2014	2015	2014
Revenue:					
Premiums written		8,589,927	6,648,428	19,932,504	16,646,154
Reinsurance share		(4,279,876)	(2,617,624)	(9,633,877)	(7,384,840)
Net premiums written		4,310,051	4,030,804	10,298,627	9,261,314
Movement in reserve for unexpired risks		(717,050)	(343,866)	(385,956)	(599,434)
Movement in reserve for life insurance fund		(28,395)	(168,090)	16,098	90,345
Net premiums earned		3,564,606	3,518,848	9,928,769	8,752,225
Commission received on ceded reinsurance		384,800	339,635	823,542	801,240
Issuance fees		51,663	40,574	98,454	93,879
Net investment income from life insurance	10	16,033	2,021	42,762	6,844
		<u>4,017,102</u>	<u>3,901,078</u>	<u>10,893,527</u>	<u>9,654,188</u>
Expenses:					
Net incurred claims		(2,667,051)	(2,537,267)	(5,318,959)	(4,926,733)
Commission and discounts		(695,791)	(848,403)	(1,688,228)	(1,667,818)
General and administrative expenses	11	(1,324,706)	(870,025)	(2,554,595)	(1,897,200)
		<u>(4,687,548)</u>	<u>(4,255,695)</u>	<u>(9,561,782)</u>	<u>(8,491,751)</u>
Net underwriting (loss) income	12	(670,446)	(354,617)	1,331,745	1,162,437
Net investment income (loss) from non-life insurance	10	238,427	(12,498)	767,412	826,827
Group's share of result from associate		16,474	12,864	31,279	67,074
Insurance services income		238,253	233,817	466,944	439,108
Other income		3,559	7,768	6,794	14,870
Foreign currency exchange gain (loss)		82,807	(5,911)	141,055	(16,038)
		<u>(90,926)</u>	<u>(118,577)</u>	<u>2,745,229</u>	<u>2,494,278</u>
Other expenses:					
Insurance services expense		(211,724)	(204,465)	(386,416)	(365,270)
Unallocated general and administrative expenses		(80,426)	(65,461)	(155,343)	(134,878)
		<u>(292,150)</u>	<u>(269,926)</u>	<u>(541,759)</u>	<u>(500,148)</u>
(Loss) profit for the period before Contribution to Kuwait Foundation for the Advancement of Science (KFAS), National Labor Support Tax and Zakat		(383,076)	(388,503)	2,203,470	1,994,130
Contribution to KFAS		4,117	3,752	(21,353)	(19,331)
National Labor Support Tax		9,296	13,175	(39,108)	(33,136)
Zakat		3,884	5,002	(15,330)	(12,980)
Net (loss) profit for the period		<u>(365,779)</u>	<u>(366,574)</u>	<u>2,127,679</u>	<u>1,928,683</u>
Attributable to:					
Shareholders of the parent company		(377,930)	(379,961)	2,090,807	1,895,141
Non-controlling interest		12,151	13,387	36,872	33,542
		<u>(365,779)</u>	<u>(366,574)</u>	<u>2,127,679</u>	<u>1,928,683</u>
(Loss) earnings per share (fils)	13	<u>(2.33)</u>	<u>(2.34)</u>	<u>12.88</u>	<u>11.68</u>

The accompanying notes from (1) to (17) form an integral part of this
Interim condensed consolidated financial information

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
 INCOME (UNAUDITED)
 FOR THE SIX MONTHS ENDED JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Six months ended	
		June 30,	June 30,	June 30,	June 30,
		2015	2014	2015	2014
Net (loss) profit for the period		<u>(365,779)</u>	<u>(366,574)</u>	<u>2,127,679</u>	<u>1,928,683</u>
Other comprehensive income:					
<u>Items that may be reclassified subsequently to statement of profit or loss</u>					
Changes in fair value of investment available for sale	5	(467,449)	(253,224)	(369,359)	(137,669)
Group's share of associate's cumulative changes in fair value		<u>(8,568)</u>	<u>(14,296)</u>	<u>(5,364)</u>	<u>4,673</u>
Other comprehensive loss for the period		<u>(476,017)</u>	<u>(267,520)</u>	<u>(374,723)</u>	<u>(132,996)</u>
Total comprehensive (loss) income for the period		<u>(841,796)</u>	<u>(634,094)</u>	<u>1,752,956</u>	<u>1,795,687</u>
Attributable to:					
Shareholders of the Parent Company		(853,947)	(647,481)	1,716,084	1,762,145
Non-controlling interests		<u>12,151</u>	<u>13,387</u>	<u>36,872</u>	<u>33,542</u>
		<u>(841,796)</u>	<u>(634,094)</u>	<u>1,752,956</u>	<u>1,795,687</u>

The accompanying notes from (1) to (17) form an integral part of this Interim condensed consolidated financial information

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2015
(All amounts are in Kuwaiti Dinars)

	Six months ended June 30,	
	2015	2014
Cash flows from operating activities		
Profit for the period before Contribution to KFAS, National Labor Support		
Tax and Zakat	2,203,470	1,994,130
Adjustments:		
Net investment income	(810,174)	(833,671)
Group share of result from associate	(31,279)	(67,074)
Depreciation	159,644	206,511
	<u>1,521,661</u>	<u>1,299,896</u>
Changes in operating assets and liabilities:		
Insurance and reinsurance receivable and other receivables	2,743,235	(847,430)
Net movement of insurance and reinsurance companies	(4,454,055)	(187,660)
Insurance contract liabilities	2,238,218	(415,027)
Accounts payable and Other payables	(342,521)	(918,196)
Net cash generated from (used in) operating activities	<u>1,706,538</u>	<u>(1,068,417)</u>
Cash flows from investing activities		
Net movement of fixed deposits	835,000	1,335,000
Paid for purchase of investments at fair value through profit or loss	(4,505,764)	(32,538)
Proceeds from sale of investments at fair value through profit or loss	2,560,048	4,454
Interest income received	121,181	95,187
Cash dividends received	640,062	582,811
Rental income received	4,200	4,200
Paid for purchase of property and equipment	(61,070)	(82,657)
Net cash (used in) generated from investing activities	<u>(406,343)</u>	<u>1,906,457</u>
Cash flows from financing activities		
Net movement on bank overdraft	19,309	-
Dividends paid to shareholders	(1,513,002)	(1,056,116)
Net cash used in financing activities	<u>(1,493,693)</u>	<u>(1,056,116)</u>
Net decrease in cash and cash equivalents	(193,498)	(218,076)
Cash and cash equivalents at the beginning of the period	4,197,274	4,034,461
Cash and cash equivalents at the end of the period	<u>4,003,776</u>	<u>3,816,385</u>

The accompanying notes from (1) to (17) form an integral part of this
Interim condensed consolidated financial information

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
JUNE 30, 2015
(All amounts are in Kuwaiti Dinars)

1. Incorporation and objectives of the Parent Company

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

The Interim condensed consolidated financial information incorporate the interim financial information of Warba Insurance Company – K.S.C.P and its subsidiary WAPMED TPA Services Company – K.S.C (Closed) – State of Kuwait with and equity interest of 54.57% (December 31, 2014 – 54.57%, June 30, 2014 – 54.57%).

The Parent Company is listed on the Kuwait stock exchange.

The objectives of the Parent Company and its subsidiary (together, the Group) are to underwrite life and non- life insurance risks such as fire, general accidents, road, river, marine and aviation transportation and others; lend funds which resulted from issuance of insurance policies and to invest in permitted securities

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

The interim condensed consolidated financial information has been approved for issue by the Parent Company's Board of Directors on August 6, 2015.

2. Basis of preparation

The 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 the Interim condensed consolidated financial information for the period are consistent with those used in the preparation of the consolidated annual financial statements for the year ended December 31, 2014.

The Interim condensed consolidated financial information are presented in Kuwaiti Dinars which is the functional and reporting currency of the Group.

The Interim condensed consolidated financial information does not include all of the information and footnotes 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 June 30, 2015 are not necessarily indicative of the results that may be expected for the year ending December 31, 2015. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2014.

Amendments to IFRSs which are effective for annual accounting period starting from or after January 1, 2015 did not have any material impact on the interim condensed consolidated financial information of the Group and the standards and amendments issued but not effective is not expected to have any material impact on the accounting policies, financial position or performance of the Group.

3. Fixed deposits

Fixed deposits represent deposits with banks whose maturity period exceeds three months from date of deposit.

Fixed deposits include an amount of KD 4,169,000 (December 31, 2014 – KD 3,919,000, June 30, 2014 - KD 2,919,000) held in State of Kuwait under lien to the Ministry of Commerce and Industry in accordance with insurance regulations of State of Kuwait.

The average interest rate on fixed deposits was 0.871% to 2% per annum (December 31, 2014 – 0.871% to 2%, June 30, 2014 – 1.5%).

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

4. Investments at fair value through profit or loss

The movement during the period / year is as follows:

	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
Balance at the beginning of the period / year	2,253,984	2,157,600	2,157,600
Additions	4,505,764	51,912	32,538
Disposals	(2,564,851)	(14,015)	(4,454)
Change in fair value (Note 10)	1,317	58,487	242,028
Balance at the end of the period / year	<u>4,196,214</u>	<u>2,253,984</u>	<u>2,427,712</u>

5. Investments available for sale

The movement during the period / year is as follows:

	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
Balance at the beginning of the period / year	18,488,514	18,888,479	18,888,479
Change in fair value	(369,359)	(399,965)	(137,669)
Balance at the end of the period / year	<u>18,119,155</u>	<u>18,488,514</u>	<u>18,750,810</u>

This item include quoted securities amounting to KD 2,160,000 (December 31, 2014 – KD 2,214,000, June 30, 2014 KD 2,610,000) are under lien to the Ministry of Commerce and Industry in accordance with insurance regulations at State of Kuwait.

It was not possible to reliably measure the fair value of unquoted securities amounting to KD 964,805 (December 31, 2014 – KD 964,805, June 30, 2014 – KD 964,805) due to non-availability of a reliable method that could be used to determine the fair value of such investments. Accordingly, they were stated at their cost less impairment losses.

6. Property and equipment

The head office building and related land with a carrying value of KD 2,955,780 (December 31, 2014 – KD 2,955,780, June 30, 2014 – KD 2,955,780) are under lien to the Ministry of Commerce and Industry in accordance with insurance regulations at State of Kuwait.

7. Insurance contract liabilities

	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
Reserve for outstanding claims	20,745,443	18,877,082	18,200,967
Reserve for unexpired risks	4,170,803	3,784,847	3,912,225
Reserve for life insurance fund	1,182,615	1,198,714	997,318
	<u>26,098,861</u>	<u>23,860,643</u>	<u>23,110,510</u>

8. Share capital

The authorized, issued and paid-up capital is 172,788,740 shares (December 31, 2014 – 172,788,740 shares, June 30, 2014 – 172,788,740 shares) of 100 fils each and all shares are in cash.

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

9. Treasury shares

	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
Number of treasury shares	10,515,470	10,515,470	10,515,470
Percentage to issued shares (%)	6.08%	6.08%	6.08%
Market value (KD)	1,156,702	1,093,609	1,388,042
Cost (KD)	1,255,986	1,255,986	1,255,986

Based on Capital Markets Authority resolution dated December 30, 2013, the Parent Company's management has allotted an amount equal to treasury shares balance from the available retained earnings as of the interim condensed consolidated financial information date. Such amount will not be available for distribution during treasury shares holding period.

10. Net investment income (loss)

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Interest income	42,330	(34,525)	93,174	4,632
Change in fair value of investments at fair value through profit or loss (Note 4)	150,571	(58,120)	1,317	242,028
Loss on sale of investments at fair value through profit or loss	(4,803)	-	(4,803)	-
Dividend income	64,262	80,068	716,286	582,811
Rental income	2,100	2,100	4,200	4,200
	<u>254,460</u>	<u>(10,477)</u>	<u>810,174</u>	<u>833,671</u>

The classification of net investment income (loss) is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net investment income from life insurance	16,033	2,021	42,762	6,844
Net investment income (loss) from non - life insurance	238,427	(12,498)	767,412	826,827
	<u>254,460</u>	<u>(10,477)</u>	<u>810,174</u>	<u>833,671</u>

11. General and administrative expenses

General and administrative expenses for the six months ended June 30, 2015 includes provision for doubtful debts of KD 225,000 (June 30, 2014 - NIL).

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

12. Segment results

	Six months ended June 30, 2015					
	Marine & aviation	Fire	General accidents	Total general risk insurance	Life & Medical insurance	Total
Revenue	494,941	500,552	4,482,822	5,478,315	5,415,212	10,893,527
Net underwriting income (loss)	124,892	(158,211)	222,469	189,150	1,142,595	1,331,745
Assets				71,038,397	14,313,839	85,352,236
Liabilities				25,734,407	12,883,621	38,618,028

	Six months ended June 30, 2014					
	Marine & aviation	Fire	General accidents	Total general risk insurance	Life & Medical insurance	Total
Revenue	514,320	444,942	4,227,906	5,187,168	4,467,020	9,654,188
Net underwriting income (loss)	209,175	146,507	(31,682)	324,000	838,437	1,162,437
Assets				69,160,009	13,231,175	82,391,184
Liabilities				22,592,585	12,567,055	35,159,640

13. (Loss) earnings per share

(Loss) 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:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Net (loss) profit for the period attributable to the Parent Company's shareholders	(377,930)	(379,961)	2,090,807	1,895,141
<u>Number of outstanding shares</u>				
Number of outstanding shares at beginning of the period	172,788,740	172,788,740	172,788,740	172,788,740
Less: Weighted average number of outstanding treasury shares	(10,515,470)	(10,515,470)	(10,515,470)	(10,515,470)
Weighted average number of outstanding shares	162,273,270	162,273,270	162,273,270	162,273,270
(Loss) earnings per share (fils)	(2.33)	(2.34)	12.88	11.68

14. Dividends

The General Assembly meeting of the shareholders held on May 19, 2015 approved cash dividend of 10 fils per share for the year ended December 31, 2014 (2013 – 7 fils per share) to all the shareholders registered as of the date of The General Assembly meeting.

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

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. Prices and terms of payment are approved by the Group's management. Significant related party transactions and balances are as follows:

Interim condensed consolidated statement of financial position

	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
<u>Insurance activities</u>			
Insurance services receivable	1,281,514	1,471,589	929,077
Insurance services payable	101,967	90,976	96,053
<u>Investment activities</u>			
Deposits and bank balances	5,711,233	7,929,417	6,433,289
Investments at fair value through profit or loss	16,800	177,242	199,150
Investments available for sale	11,625,395	8,894,557	10,335,623
<u>Other activities</u>			
Current account	-	-	400,000

Interim condensed consolidated statement of profit or loss

A. Transactions:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Premiums written	38,427	48,713	150,272	161,669

B. Compensation to key management personnel

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Short term benefits	77,768	108,027	150,390	136,054
Post-employment benefits	2,373	1,726	4,698	3,432
	80,141	109,753	155,088	139,486

16. Capital commitments and contingent liabilities

As of the interim condensed consolidated financial information date, the Group has contingent liabilities and capital commitments as follows:

	June 30, 2015	December 31, 2014 (Audited)	June 30, 2014
Letter of guarantee	1,326	1,188	61,512
Capital commitments	-	340,000	510,630
	1,326	341,188	572,142

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
 JUNE 30, 2015
 (All amounts are in Kuwaiti Dinars)

17. Fair value measurement

The Group measures financial assets such as investments available for sale and investments at fair value through profit or loss at fair value at each reporting date.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the condensed consolidated financial information are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

<u>June 30, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit or loss	4,196,214	-	-	4,196,214
Investments available for sale	13,553,544	33,866	3,566,940	17,154,350
	<u>17,749,758</u>	<u>33,866</u>	<u>3,566,940</u>	<u>21,350,564</u>
<u>December 31, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit or loss	2,253,984	-	-	2,253,984
Investments available for sale	13,914,501	42,268	3,566,940	17,523,709
	<u>16,168,485</u>	<u>42,268</u>	<u>3,566,940</u>	<u>19,777,693</u>
<u>June 30, 2014</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments at fair value through profit or loss	2,427,712	-	-	2,427,712
Investments available for sale	14,969,896	127,359	2,688,750	17,786,005
	<u>17,397,608</u>	<u>127,359</u>	<u>2,688,750</u>	<u>20,213,717</u>

During the period ended June 30, 2015, there were no transfers between different levels of the fair value measurement.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.