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

**INTERIM CONSOLIDATED FINANCIAL INFORMATION  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012  
(UNAUDITED)**

**WITH  
REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL INFORMATION**

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

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## Report on Review of Interim consolidated financial information

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

### 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 (the Group) as of September 30, 2012 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim 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 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 consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34.

### Report on other Legal and Regulatory Requirements

Based on our review, the interim 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 Commercial Companies Law No. 15 of 1960 as amended or of the Articles of Association of the Parent Company have occurred during the nine months period ended September 30, 2012 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.  
State of Kuwait

November 8, 2012

  
Dr. Shuaib A. Shuaib

Licence No. 33-A

RSM Albazie & Co.

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS OF SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

		September 30,	December 31,	September 30,
	Note	2012	2011 (Audited) (Restated)	2011 (Restated)
<b>ASSETS</b>				
Cash and cash equivalents	3	1,679,589	2,774,937	2,940,923
Fixed deposits	4	3,879,000	3,244,000	3,044,000
Investments at fair value through income statement	5	3,260,766	3,343,929	3,247,790
Insurance and reinsurance receivables		17,814,114	18,991,454	17,932,585
Other receivables		4,911,945	5,033,477	4,620,565
Investments available for sale	6	18,237,182	18,685,378	19,129,811
Investments in associates		3,597,103	3,578,462	3,579,598
Investment properties		2,251,107	2,251,107	2,251,107
Reinsurance share in reserve for outstanding claims		36,102,928	18,641,313	18,784,773
Goodwill		62,240	62,240	62,240
Property and equipment	7	8,616,819	8,617,488	8,696,701
<b>Total assets</b>		<b>100,412,793</b>	<b>85,223,785</b>	<b>84,290,093</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities:</b>				
Insurance contract liabilities	8	41,162,035	23,634,737	23,849,306
Accounts payable		3,055,056	3,503,225	4,388,613
Insurance and reinsurance payables		8,319,157	10,615,583	8,284,763
Other payables		3,336,030	3,283,896	3,095,428
<b>Total liabilities</b>		<b>55,872,278</b>	<b>41,037,441</b>	<b>39,618,110</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		8,823,550	8,823,550	8,713,489
General reserve		4,000,000	4,000,000	4,000,000
Cumulative changes in fair value		4,475,336	4,531,697	4,931,090
Share of other comprehensive loss of associate		(190,611)	(195,171)	(184,982)
Retained earnings		1,071,008	668,639	858,181
Equity attributable to shareholders' of the Parent Company		<b>44,363,440</b>	<b>44,012,872</b>	<b>44,501,935</b>
Non-controlling interest		177,075	173,472	170,048
<b>Total equity</b>		<b>44,540,515</b>	<b>44,186,344</b>	<b>44,671,983</b>
<b>Total liabilities and equity</b>		<b>100,412,793</b>	<b>85,223,785</b>	<b>84,290,093</b>

The accompanying notes from (1) to (17) form an integral part of these interim consolidated financial information

Anwar Jawad Bu-Khamseen  
Chairman

Sheikh Mohammed Jarah Sabah Al-Sabah  
Vice Chairman

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2012	2011 (Restated)	2012	2011 (Restated)
<b>Revenue:</b>					
Premiums written		7,171,574	4,677,702	19,881,956	19,290,319
Reinsurance share		(4,925,950)	(3,097,900)	(12,013,262)	(12,962,981)
Net premiums written		2,245,624	1,579,802	7,868,694	6,327,338
Reserve for unexpired risks (unearned premium)		120,426	(117,816)	(109,694)	(383,618)
Net premiums earned		2,366,050	1,461,986	7,759,000	5,943,720
Reserve for life insurance fund		(155,451)	(54,614)	(16,408)	74,046
Net investment (loss) income	11	(239,848)	(230,604)	217,397	(415,455)
Group's share of results from associates		25,067	18,388	81,281	55,618
Net commission		91,384	(64,140)	134,355	406,364
Issue fees		35,978	41,299	122,761	118,985
Other income		138,904	181,960	505,490	458,636
		2,262,084	1,354,275	8,803,876	6,641,914
<b>Expenses:</b>					
Net incurred claims		(1,011,772)	(670,135)	(3,419,293)	(2,338,044)
General and administrative expenses		(1,284,803)	(1,240,506)	(4,066,720)	(3,564,204)
		(2,296,575)	(1,910,641)	(7,486,013)	(5,902,248)
(Loss) profit for the period before					
Contribution to Kuwait Foundation for the Advancement of Science (KFAS), National Labor Support Tax and Zakat		(34,491)	(556,366)	1,317,863	739,666
Contribution to KFAS		452	5,952	(12,330)	(7,822)
National Labor Support Tax		(684)	13,677	(26,791)	(15,077)
Zakat		(24)	5,655	(9,904)	(5,363)
Net (loss) profit for the period		(34,747)	(531,082)	1,268,838	711,404
<b>Attributable to:</b>					
Shareholders of the parent company		(20,390)	(555,886)	1,265,235	702,959
Non-controlling interest		(14,357)	24,804	3,603	8,445
		(34,747)	(531,082)	1,268,838	711,404
(Loss) earnings per share (fils)	13	(0.12)	(3.22)	7.33	4.07

The accompanying notes from (1) to (17) form an integral part of these interim consolidated financial information

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2012	2011 (Restated)	2012	2011 (Restated)
Net (loss) profit for the period		<u>(34,747)</u>	<u>(531,082)</u>	<u>1,268,838</u>	<u>711,404</u>
<b>Other comprehensive income:</b>					
Change in fair value of investment available for sale	6	239,547	(1,204,971)	(56,361)	(2,267,559)
Share of other comprehensive income (loss) of associate		<u>21,017</u>	<u>(34,607)</u>	<u>4,560</u>	<u>(66,938)</u>
<b>Other comprehensive income (loss) for the period</b>		<u>260,564</u>	<u>(1,239,578)</u>	<u>(51,801)</u>	<u>(2,334,497)</u>
<b>Total comprehensive income (loss) for the period</b>		<u><b>225,817</b></u>	<u><b>(1,770,660)</b></u>	<u><b>1,217,037</b></u>	<u><b>(1,623,093)</b></u>
Attributable to:					
Shareholders of the Parent Company		240,174	(1,795,464)	1,213,434	(1,631,538)
Non-controlling interests		<u>(14,357)</u>	<u>24,804</u>	<u>3,603</u>	<u>8,445</u>
<b>Total comprehensive income (loss) for the period</b>		<u><b>225,817</b></u>	<u><b>(1,770,660)</b></u>	<u><b>1,217,037</b></u>	<u><b>(1,623,093)</b></u>

The accompanying notes from (1) to (17) form an integral part of these interim consolidated financial information

(All amounts are in Kuwaiti Dinars)

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**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

	Nine months ended September 30,	
	2012	2011 (Restated)
<b>Cash flows from operating activities</b>		
Profit for the period before Contribution to KFAS, National Labor Support		
Tax and Zakat	1,317,863	739,666
Adjustments:		
Interest income	(61,343)	(55,262)
Net investment (income) loss	(217,397)	415,455
Group's share of results from associates	(81,281)	(55,618)
Depreciation	282,748	254,175
	<u>1,240,590</u>	<u>1,298,416</u>
Changes in operating assets and liabilities:		
Insurance and reinsurance receivable and other receivables	1,276,693	1,776,034
Net movement of insurance and reinsurance companies	(19,758,041)	(7,676,981)
Insurance contract liabilities	17,527,298	4,900,178
Accounts payable and other payables	(468,994)	1,091,385
Net cash (used in) generated from operating activities	<u>(182,454)</u>	<u>1,389,032</u>
<b>Cash flows from investing activities</b>		
Net movement of fixed deposits	(635,000)	300,000
Cash dividend received	427,251	355,321
Purchase of investments at fair value through income statement	-	(2,431,945)
Proceed from sale investments at fair value through income statement	30,210	2,733,842
Purchase of investments available for sale	(309,566)	(70,810)
Proceed from sale investment available for sale	544,500	64,575
Cash dividends received from an associate	67,200	-
Interest income received	83,522	56,656
Purchase of property and equipment	(282,079)	(408,784)
Net cash (used in) generated from investing activities	<u>(73,962)</u>	<u>598,855</u>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(838,932)	(1,665,662)
Net cash used in financing activities	<u>(838,932)</u>	<u>(1,665,662)</u>
Net (decrease) increase in cash and cash equivalents	<u>(1,095,348)</u>	<u>322,225</u>
Cash and cash equivalents at the beginning of the period	<u>2,774,937</u>	<u>2,618,698</u>
Cash and cash equivalents at the end of the period (Note 3)	<u>1,679,589</u>	<u>2,940,923</u>

The accompanying notes from (1) to (17) form an integral part of these interim consolidated financial information

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

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1. Incorporation and objectives of the Parent Company

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

The condensed consolidated interim financial information incorporate the condensed consolidated interim financial information of Warba Insurance Company – K.S.C and its subsidiary WAPMED TPA Services Company – K.S.C (Closed) – State of Kuwait with an equity interest of 54.57% (December 31, 2011 – 54.57%, September 30, 2011 – 54.57%).

The objects of the Parent Company and its subsidiary (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 registered office is P.O. Box 24282 Safat, 13103 - State of Kuwait.

The interim consolidated financial information have been approved for issue by the Board of Directors on November 8, 2012.

2. Basis of presentation:

The interim consolidated financial information has been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Reporting." The accounting policies used in the preparation of the interim consolidated financial information for the period are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2011.

Standards and interpretations issued but not effective

The following IASB Standards and Interpretations have been issued but are not yet effective, and have not been adopted by the Group:

- IFRS 9 Financial Instruments.
- IFRS 10 Consolidated Financial Statements (issued in May 2011).
- IFRS 13 Fair Value Measurement (issued in May 2011).

These amendments are not expected to have any impact on the consolidated interim financial information to the Group.

The interim consolidated financial information do 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 September 30, 2012 are not necessarily indicative of the results that may be expected for the year ending December 31, 2012. For further information, refer to the financial statements and notes thereto for the year ended December 31, 2011.

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

3. Cash and cash equivalents

	<b>September 30, 2012</b>	<b>December 31, 2011 (Audited)</b>	<b>September 30, 2011</b>
Cash on hand and at banks	<b>1,628,624</b>	2,742,304	2,908,687
Cash in portfolio	<b>50,965</b>	32,633	32,236
	<b>1,679,589</b>	2,774,937	2,940,923

4. Fixed deposits

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

Fixed deposits include an amount of 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 (December 31, 2011 – KD 2,919,000, September 30, 2011 - KD 2,919,000).

The average interest rate on fixed deposits was 2.3% per annum (December 31, 2011 – 2.3%, September 30, 2011 – 2.5%).

5. Investments at fair value through income statement

The movement during the period / year is as follows:

	<b>September 30, 2012</b>	<b>December 31, 2011 (Audited)</b>	<b>September 30, 2011</b>
Balance at the beginning of the period / year	<b>3,343,929</b>	4,202,655	4,202,655
Additions	-	2,431,948	2,431,945
Disposals	<b>(34,100)</b>	(2,746,850)	(2,746,848)
Changes in fair value (Note 11)	<b>(49,063)</b>	(543,824)	(639,962)
Balance at the end of the period / year	<b>3,260,766</b>	3,343,929	3,247,790

Quoted shares with a carrying value of KD 1,988,728 (December 31, 2011 - KD 2,209,698, September 30, 2011 - KD 2,129,345) are under lien to the Ministry of Commerce and Industry, Kuwait.

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

6. Investments available for sale

The movement during the period / year is as follows:

	<b>September 30, 2012</b>	<b>December 31, 2011 (Audited)</b>	<b>September 30, 2011 (Restated)</b>
Balance at the beginning of the period / year	<b>18,685,378</b>	21,508,943	21,508,943
Additions	<b>309,566</b>	346,811	70,810
Disposals	<b>(544,500)</b>	(64,575)	(64,575)
Impairment loss (Note 11)	<b>(156,901)</b>	(438,849)	(117,808)
Changes in fair value	<b>(56,361)</b>	(2,666,952)	(2,267,559)
Balance at the end of the period / year	<b>18,237,182</b>	18,685,378	19,129,811

It was not possible to reliably measure the fair value of unquoted securities amounting to KD 4,370,448 (December 31, 2011 – KD 4,842,157, September 30, 2011 – KD 4,619,181) 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.

7. Property and equipment

Land and buildings with a carrying value of KD 2,955,780 (December 31, 2011 – KD 2,955,780, September 30, 2011 – KD 2,955,780) are under lien to the Ministry of Commerce and Industry in accordance with insurance regulations in Kuwait.

8. Insurance contract liabilities

	<b>September 30, 2012</b>	<b>December 31, 2011 (Audited)</b>	<b>September 30, 2011</b>
Reserve for outstanding claims	<b>37,454,166</b>	20,052,970	20,624,359
Reserve for unexpired risks (unearned premiums)	<b>2,967,845</b>	2,858,151	2,638,527
Reserve for life insurance fund	<b>740,024</b>	723,616	586,420
	<b>41,162,035</b>	23,634,737	23,849,306

9. Share capital

The authorized, issued and paid-up capital is 172,788,740 shares (December 31, 2011 – 172,788,740 shares, September 30, 2011 – 172,788,740 shares) of 100 fils each and all shares are in cash.

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

10. Treasury shares

	September 30, 2012	December 31, 2011 (Audited)	September 30, 2011
Number of treasury shares	215,470	215,470	215,470
Percentage to issued shares (%)	0.12%	0.12%	0.12%
Market value (KD)	25,425	24,995	29,735
Cost	40,586	40,586	40,586

11. Net investment (loss) income

	Three months ended September 30, 2012		Nine months ended September 30, 2011	
	2012	2011 (Restated)	2012	2011 (Restated)
Changes in fair value of investments at fair value through income statement (Note 5)	(89,848)	(214,235)	(49,063)	(639,962)
(Loss) on sale of investments at fair value through income statement	-	(13,955)	(3,890)	(13,006)
Impairment of investment available for sale (Note 6)	(150,000)	(4,339)	(156,901)	(117,808)
Dividend income	-	1,925	427,251	355,321
	<u>(239,848)</u>	<u>(230,604)</u>	<u>217,397</u>	<u>(415,455)</u>

12. Segment results

A. Nine months ended September 30, 2012:

	Marine & aviation	Fire	General accidents	Life	Total
Revenue	593,124	238,554	6,521,956	1,277,729	8,631,363
Net results	(71,811)	(73,247)	778,428	574,915	1,208,285
Unallocated item					109,578
Profit from operations					<u>1,317,863</u>

B. Nine months ended September 30, 2011 (Restated):

	Marine & aviation	Fire	General accidents	Life	Total
Revenue	522,776	238,798	4,864,297	936,288	6,562,159
Net results	202,675	19,746	697,840	321,923	1,242,184
Unallocated item					(502,518)
Profit from operations					<u>739,666</u>

**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2012**  
(All amounts are in Kuwaiti Dinars)

**13. Earnings (loss) per share**

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

	<u>Three months ended September 30,</u>		<u>Nine months ended September 30,</u>	
	<u>2012</u>	<u>2011</u> <u>(Restated)</u>	<u>2012</u>	<u>2011</u> <u>(Restated)</u>
Net (loss) profit for the period attributable to the Parent Company's shareholders	<b>(20,390)</b>	<b>(555,886)</b>	<b>1,265,235</b>	<b>702,959</b>
Weighted average number of outstanding shares	<b>172,573,270</b>	<b>172,573,270</b>	<b>172,573,270</b>	<b>172,573,270</b>
(Loss) earnings per share (Fils)	<b>(0.12)</b>	<b>(3.22)</b>	<b>7.33</b>	<b>4.07</b>

**14. Dividends**

The General Assembly meeting held on March 26, 2012, approved cash dividend of 5 fils per share for the year ended December 31, 2011 (2010 - 10 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:

Interim condensed consolidated statement of financial position

	<u>September 30,</u> <u>2012</u>	<u>December 31,</u> <u>2011</u> <u>(Audited)</u>	<u>September 30,</u> <u>2011</u>
<u>Insurance activities</u>			
Insurance services receivable	<b>731,285</b>	<b>609,752</b>	<b>513,595</b>
Insurance services payable	<b>70,584</b>	<b>66,963</b>	<b>61,042</b>
<u>Other activities</u>			
Current account	<b>3,861,534</b>	<b>4,151,534</b>	<b>3,991,534</b>
<u>Investment activities</u>			
Deposits and bank balances	<b>4,624,395</b>	<b>3,985,174</b>	<b>4,016,067</b>
Investments at fair value through income statement	<b>177,500</b>	<b>229,850</b>	<b>240,150</b>
Investments available for sale	<b>9,291,115</b>	<b>9,010,607</b>	<b>9,559,338</b>



**WARBA INSURANCE COMPANY - K.S.C. AND ITS SUBSIDIARY**  
**NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**  
**SEPTEMBER 30, 2012**

(All amounts are in Kuwaiti Dinars)

Interim condensed consolidated statement income

A. Transactions:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Premiums written	<u>57,699</u>	<u>26,837</u>	<u>330,890</u>	<u>158,666</u>

B. Compensation to key management personnel

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Short term benefits	<u>36,172</u>	<u>33,865</u>	<u>101,717</u>	<u>101,439</u>

16. Capital commitments and contingent liabilities

	September 30, 2012	December 31, 2011 (Audited)	September 30, 2011
Letter of guarantee for others	<u>495</u>	<u>4,378</u>	<u>10,572</u>
Uncalled capital for investment available for sale	-	237,503	237,503
Capital commitments	<u>98,632</u>	<u>298,942</u>	<u>298,942</u>
	<u>99,127</u>	<u>540,823</u>	<u>547,017</u>

17. Prior year adjustments

During the previous years and up to December 31, 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 comprehensive income" rather than in the consolidated statement of income. During the period the Group has restated comparative information as follows:

- Decreased retained earnings balance as of December 31, 2010 by KD 12,846,157.
- Increased cumulative change in fair value balance as of December 31, 2010 by KD 12,846,157.
- Decreased the net profit for the year ended December 31, 2011 by KD 438,849.
- Increased the cumulative change in fair value balance for the year ended December 31, 2011 by KD 438,849.

Accordingly, the retained earnings balance as of December 31, 2011 has been decreased by KD 13,285,006 with corresponding change in the cumulative change in fair value balance as of December 31, 2011.

This restatement had the following effect on the comparative information in the interim condensed consolidated statement of income as follows:

- Decreased investment income and net profit for the nine month period ended September 30, 2011 by KD 117,808.
- Decreased investment income and net profit for the three month period ended September 30, 2011 by KD 4,339.