

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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2016
(UNAUDITED)

WITH
REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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

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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 (the Group) as of March 31, 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 months period then ended. Management of the Parent Company 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

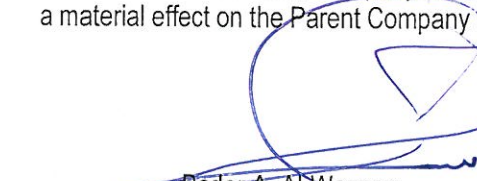
We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim consolidated financial information performed by the Independent Auditor of the Entity." A review of interim consolidated financial information consists of making inquiries, primarily of persons 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 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

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 executive regulations for Law No. 25 of 2012 or of the Articles of Association or Memorandum of association of the Parent Company have occurred during the financial period ended March 31, 2016 that might have had a material effect on the Parent Company 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
May 15, 2016

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 AS OF MARCH 31, 2016
 (All amounts are in Kuwaiti Dinars)

	Note	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
ASSETS				
Cash and cash equivalents		5,777,577	4,505,901	3,107,667
Fixed deposits	3	6,705,000	6,007,000	9,744,000
Financial assets at fair value through profit or loss		4,850,267	5,072,144	4,206,512
Insurance and reinsurance receivable		16,805,995	16,861,959	15,098,978
Other receivables		2,987,002	2,189,389	3,795,010
Loan secured by life insurance policies		22,117	23,903	27,017
Reinsurance share in reserve for outstanding claims		16,939,955	18,146,184	16,369,122
Financial assets available for sale	4	17,376,724	18,330,927	18,586,604
Investment in associates		5,555,202	5,529,104	5,489,579
Goodwill		62,240	62,240	62,240
Property and equipment	5	8,079,391	8,129,091	8,318,977
Total assets		85,161,470	84,857,842	84,805,706
LIABILITIES AND EQUITY				
Liabilities:				
Bank overdraft		-	-	468,671
Accounts payable		4,605,236	4,022,763	3,140,615
Insurance contract liabilities	6	24,567,445	25,765,072	24,375,379
Insurance and reinsurance payables		6,429,703	6,097,647	4,112,039
Other payables		5,299,621	3,657,216	3,510,265
Total liabilities		40,902,005	39,542,698	35,606,969
Equity:				
Share capital	7	17,278,874	17,278,874	17,278,874
Treasury shares	8	(1,275,970)	(1,270,570)	(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	9,206,054
General reserve		4,000,000	4,000,000	4,000,000
Cumulative changes in fair value		3,044,112	3,972,815	5,394,553
Share of other comprehensive income of associate		18,190	30,098	49,229
Retained earnings		2,710,106	2,848,907	5,302,173
Equity attributable to shareholders of the Parent				
Company		43,927,235	45,012,047	48,920,766
Non-controlling interest		332,230	303,097	277,971
Total equity		44,259,465	45,315,144	49,198,737
Total equity and liabilities		85,161,470	84,857,842	84,805,706

The accompanying notes from (1) to (15) form an integral part of the 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 THREE MONTHS ENDED MARCH 31, 2016
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31	
		2016	2015
Revenue:			
Premiums written		12,466,148	11,342,577
Premium ceded to reinsurance		(6,470,610)	(5,354,001)
Net premiums written		5,995,538	5,988,576
Movement in reserve for unexpired risks		(6,228)	331,094
Movement in reserve for life insurance		539,643	44,493
Net premiums earned		6,528,953	6,364,163
Commissions received on ceded reinsurance		472,597	438,742
Issuance fees		59,028	46,791
Net investment income from life insurance	9	14,160	26,729
		<u>7,074,738</u>	<u>6,876,425</u>
Expenses:			
Net claims incurred		(3,384,402)	(2,651,908)
Commissions and discounts		(955,553)	(992,437)
General and administrative expenses		(1,556,374)	(1,229,889)
		<u>(5,896,329)</u>	<u>(4,874,234)</u>
Net underwriting income	10	1,178,409	2,002,191
Net investment income from non-life insurance	9	389,731	528,985
Group's share of results from associates		38,006	14,805
Insurance services income		258,348	228,691
Other income		76	3,235
Foreign exchange gain		19,311	58,248
		<u>1,883,881</u>	<u>2,836,155</u>
Other expenses:			
Insurance services expense		(194,385)	(174,692)
Unallocated general and administrative expenses		(124,950)	(74,917)
		<u>(319,335)</u>	<u>(249,609)</u>
Profit for the period before Contribution to Kuwait Foundation for the Advancement of Science (KFAS), National Labor Support Tax and Zakat		1,564,546	2,586,546
Contribution to KFAS		(14,974)	(25,470)
National Labor Support Tax		(27,653)	(48,404)
Zakat		(10,681)	(19,214)
Net profit for the period		<u>1,511,238</u>	<u>2,493,458</u>
Attributable to:			
Shareholders of the parent company		1,482,105	2,468,737
Non-controlling interest		29,133	24,721
		<u>1,511,238</u>	<u>2,493,458</u>
Earnings per share (fils)	11	<u>9.14</u>	<u>15.21</u>

The accompanying notes from (1) to (15) form an integral part of the 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 THREE MONTHS ENDED MARCH 31, 2016
 (All amounts are in Kuwaiti Dinars)

	Note	Three months ended March 31	
		2016	2015
Net profit for the period		1,511,238	2,493,458
Other comprehensive income:			
<u>Items that may be reclassified subsequently to consolidated statement of profit or loss</u>			
Changes in fair value of investment available for sale	4	(928,703)	98,090
Share of other comprehensive (loss) income of associate		(11,908)	3,204
Other comprehensive (loss) income for the period		(940,611)	101,294
Total comprehensive income for the period		<u>570,627</u>	<u>2,594,752</u>
Attributable to:			
Shareholders of the Parent Company		541,494	2,570,031
Non-controlling interests		29,133	24,721
		<u>570,627</u>	<u>2,594,752</u>

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2016

(All amounts are in Kuwaiti Dinars)

	Equity attributable to shareholders of the Parent Company											
	Share capital	Treasury shares	Treasury shares reserve	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
Balance at December 31, 2015	17,278,874	(1,270,570)	164,760	8,781,109	9,206,054	4,000,000	3,972,815	30,098	2,848,907	45,012,047	303,097	45,315,144
Total comprehensive loss (income) for the period	-	-	-	-	-	-	(928,703)	(11,908)	1,482,105	541,494	29,133	570,627
Purchase of treasury shares	-	(5,400)	-	-	-	-	-	-	-	(5,400)	-	(5,400)
Cash dividends (Note 12)	-	-	-	-	-	-	-	-	(1,620,906)	(1,620,906)	-	(1,620,906)
Balance at March 31, 2016	17,278,874	(1,275,970)	164,760	8,781,109	9,206,054	4,000,000	3,044,112	18,190	2,710,106	43,927,235	332,230	44,259,465
Balance at December 31, 2014	17,278,874	(1,255,986)	164,760	8,781,109	9,206,054	4,000,000	5,296,463	46,025	2,833,436	46,350,735	253,250	46,603,985
Total comprehensive income for the period	-	-	-	-	-	-	98,090	3,204	2,468,737	2,570,031	24,721	2,594,752
Balance at March 31, 2015	17,278,874	(1,255,986)	164,760	8,781,109	9,206,054	4,000,000	5,394,553	49,229	5,302,173	48,920,766	277,971	49,198,737

The accompanying notes from (1) to (15) form an integral part of the 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 THREE MONTHS ENDED MARCH 31, 2016
 (All amounts are in Kuwaiti Dinars)

	Three months ended March 31,	
	2016	2015
Cash flows from operating activities		
Profit for the period before Contribution to KFAS, National Labor Support		
Tax and Zakat	1,564,546	2,586,546
Adjustments:		
Net investment income	(403,891)	(555,714)
Group's share of results from associates	(38,006)	(14,805)
Depreciation	79,004	78,866
	<u>1,201,653</u>	<u>2,094,893</u>
Changes in operating assets and liabilities:		
Insurance and reinsurance receivables	55,964	3,391,488
Other receivables	(548,223)	(1,292,124)
Reinsurance share in reserve for outstanding claims reserve	1,206,229	(1,087,049)
Insurance contract liabilities	(1,197,627)	514,736
Accounts payable	582,473	(461,341)
Insurance and reinsurance payables	332,056	(2,732,014)
Other payables	53,721	(60,955)
Net cash generated from operating activities	<u>1,686,246</u>	<u>367,634</u>
Cash flows from investing activities		
Net movement in fixed deposits	(698,000)	339,500
Paid for purchase of financial assets at fair value through profit or loss	-	(2,101,782)
Movement on loans secured by life insurance policies	1,786	(6,868)
Proceeds from sale of financial assets available for sale	(29,304)	(29,305)
Cash dividends received	324,148	652,024
Rental income received	2,100	2,100
Interest income received	75,630	14,175
Net cash used in investing activities	<u>(323,640)</u>	<u>(1,130,156)</u>
Cash flows from financing activities		
Bank overdraft	-	(321,862)
Dividends paid to shareholders	(85,530)	(5,223)
Purchase of treasury shares	(5,400)	-
Net cash used in financing activities	<u>(90,930)</u>	<u>(327,085)</u>
Net increase (decrease) in cash and cash equivalents	<u>1,271,676</u>	<u>(1,089,607)</u>
Cash and cash equivalents at beginning of the period	<u>4,505,901</u>	<u>4,197,274</u>
Cash and cash equivalents at end of the period	<u>5,777,577</u>	<u>3,107,667</u>

The accompanying notes from (1) to (15) form an integral part of the interim condensed consolidated financial information

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
MARCH 31, 2016
(All amounts are in Kuwaiti Dinars)

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 interim condensed consolidated financial information incorporate the 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 and equity interest of 54.57% (December 31, 2015 – 54.57%, March 31, 2015 – 54.57%).

The Parent Company is listed in 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, marine and aviation and others; lend funds which resulted from issuance of insurance policies and to invest in permitted securities.

The new Companies Law No. 1 of 2016 was issued on January 24, 2016 and was published in the Official Gazette on February 1, 2016, which replaced the Companies Law No 25 of 2012 and its amendments. According to Article No. 5, the new Law will be effective from November 26, 2012 and the executive regulations of Law No. 25 of 2012 will continue until a new set of executive regulations are issued. The adoption of the new Companies Law is not expected to have any effect on the reporting entity.

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 May 15, 2016.

2. Basis of presentation

The interim condensed 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 condensed consolidated financial information for the period are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2015.

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 March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016. For further information, refer to the consolidated financial statements and notes thereto for the year ended December 31, 2015.

The amendments to International Financial Reporting Standards that effective for the annual accounting period start on or after January 1, 2016 have not any impact on the Parent Company's accounting policies, financial position or financial performance.

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 4,669,000 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, 2015 – KD 4,169,000, March 31, 2015 - KD 4,169,000)

The average interest rate on fixed deposits was 0.875% to 2.9% per annum (December 31, 2015 – 0.875% to 1.813%, March 31, 2015 – 0.871% to 2%).

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2016

(All amounts are in Kuwaiti Dinars)

4. Investments available for sale

The movement during the period / year is as follows:

	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
Balance at the beginning of the period / year	18,330,927	18,488,514	18,488,514
Additions	-	2,000,000	-
Disposals	-	(1,125,016)	-
Impairment loss (Note 9)	(25,500)	-	-
Changes in fair value	(928,703)	(1,032,571)	98,090
Balance at the end of the period / year	<u>17,376,724</u>	<u>18,330,927</u>	<u>18,586,604</u>

Quoted securities amounting to KD 1,728,000 (December 31, 2015 – KD 2,016,000, March 31, 2015 KD 2,196,000) which 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 844,104 (December 31, 2015 – KD 964,805, March 31, 2015 – 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.

5. Property and equipment

The Group's headquarters building and related land are under lien to the Ministry of Commerce and Industry for an amount of KD 2,955,780 (December 31, 2015 – KD 2,955,780, March 31, 2015 – KD 2,955,780) in accordance with insurance regulations in Kuwait.

6. Insurance contract liabilities

	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
Reserve for outstanding claims	19,752,422	20,416,634	19,767,406
Reserve for unexpired risks	2,342,985	2,336,757	2,177,915
Reserve for life insurance fund	2,472,038	3,011,681	2,430,058
	<u>24,567,445</u>	<u>25,765,072</u>	<u>24,375,379</u>

7. Share capital

The authorized, issued and paid-up capital is 172,788,740 shares (December 31, 2015 – 172,788,740 shares, March 31, 2015 – 172,788,740 shares) of 100 fils each and all shares are in cash.

8. Treasury shares

	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
Number of treasury shares	10,698,171	10,648,171	10,515,470
Percentage to issued shares (%)	6.19%	6.16%	6.08%
Market value (KD)	1,069,817	1,086,113	1,240,825
Cost (KD)	1,275,970	1,270,570	1,255,986

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2016

(All amounts are in Kuwaiti Dinars)

Based on Capital Markets Authority resolution dated December 30, 2013, the 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.

9. Net investment income

	Three months ended March 31,	
	2016	2015
Interest income	50,643	50,844
Changes in fair value of financial assets at fair value through profit or loss	(221,877)	(149,254)
Impairment loss on financial assets available for sale (Note 4)	(25,500)	-
Cash dividends	598,525	652,024
Rental income	2,100	2,100
	<u>403,891</u>	<u>555,714</u>

The classification of net investment income is as follows:

	Three months ended March 31,	
	2016	2015
Net investment income for life insurance	14,160	26,729
Net investment income for Non-life insurance	389,731	528,985
	<u>403,891</u>	<u>555,714</u>

10. Segment results

A. Three months ended March 31, 2016:

	Marine & aviation	Fire	General accidents	Total general risk insurance	Life & Medical	Total
Revenue	<u>170,380</u>	<u>456,863</u>	<u>2,306,334</u>	<u>2,933,577</u>	<u>4,141,161</u>	<u>7,074,738</u>
Net underwriting (loss) income	<u>(34,747)</u>	<u>260,295</u>	<u>(524,312)</u>	<u>(298,764)</u>	<u>1,477,173</u>	<u>1,178,409</u>
Assets				<u>70,464,828</u>	<u>14,696,642</u>	<u>85,161,470</u>
Liabilities				<u>28,044,846</u>	<u>12,857,159</u>	<u>40,902,005</u>

B. Three months ended March 31, 2015 :

	Marine & aviation	Fire	General accidents	Total general risk insurance	Life & Medical	Total
Revenue	<u>189,417</u>	<u>397,149</u>	<u>2,458,480</u>	<u>3,045,046</u>	<u>3,831,379</u>	<u>6,876,425</u>
Net underwriting income (loss)	<u>73,728</u>	<u>(78,602)</u>	<u>400,763</u>	<u>395,889</u>	<u>1,606,302</u>	<u>2,002,191</u>
Assets				<u>70,195,273</u>	<u>14,610,433</u>	<u>84,805,706</u>
Liabilities				<u>23,861,747</u>	<u>11,745,222</u>	<u>35,606,969</u>

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2016

(All amounts are in Kuwaiti Dinars)

11. Earnings per share

The information necessary to calculate the earnings per share based on the weighted average number of shares outstanding during the period is as follows:

	Three months ended March 31,	
	2016	2015
Net profit for the period attributable to the Parent Company's shareholders	1,482,105	2,468,737
<u>Number of shares outstanding :</u>		
Number of issued shares at beginning of the period	172,788,740	172,788,740
Less : Weighted average number of treasury shares	(10,671,797)	(10,515,470)
Weighted average number of outstanding shares	162,116,943	162,273,270
Earnings per share (Fils)	9.14	15.21

12. Dividends

The General Assembly meeting of shareholders held on March 22, 2016, approved the consolidated financial statements for the year ended December 31, 2015 and cash dividend of 10 fils per share for the year ended December 31, 2015 to all the registered shareholders as of the date of the meeting.

The General Assembly meeting of shareholders held on May 19, 2015, approved the consolidated financial statements for the year ended December 31, 2014 and cash dividend of 10 fils per share for the year ended December 31, 2014 to all the registered shareholders as of the date of the meeting.

13. Related party disclosures

The Group has entered into various transactions with related parties, 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:

A. Interim condensed consolidated statement of financial position

	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
<u>Insurance activities</u>			
Insurance services receivable	2,066,006	1,965,054	1,534,131
Insurance services payable	115,041	104,723	99,026
<u>Investment activities</u>			
Financial assets at fair value through profit or loss	13,440	15,680	167,885
Financial assets available for sale	11,106,031	8,944,226	11,908,859
Fixed deposits and bank balances	7,654,540	6,685,415	5,320,909

B. Interim condensed consolidated statement of profit or loss

	Three months ended March 31,	
	2016	2015
Premiums written	116,550	111,845

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
 NOTES TO INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

MARCH 31, 2016

(All amounts are in Kuwaiti Dinars)

C. Compensation to key management personnel

	Three months ended March 31,	
	2016	2015
Short term employee benefits	79,009	72,622
Post employment benefits	27,494	2,325
	<u>106,503</u>	<u>74,947</u>

14. Capital commitments and contingent liabilities

	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
Letter of guarantee for others	<u>1,502,000</u>	<u>1,002,000</u>	<u>1,326</u>

Contingent liabilities arising from the Group's interest in associates are as follows:

	March 31, 2016	December 31, 2015 (Audited)	March 31, 2015
Capital commitments	<u>984,769</u>	<u>984,769</u>	<u>-</u>

15. Fair value measurement

The Group measures financial assets such as investments at fair value through profit or loss and investments available for sale investments and non – financial assets such as investment properties 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 consolidated financial statements 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 and liabilities that are measured at fair value

<u>March 31, 2016</u>	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,850,267	-	-	4,850,267
Financial assets available for sale	10,758,113	2,207,567	3,566,940	16,532,620
	<u>15,608,380</u>	<u>2,207,567</u>	<u>3,566,940</u>	<u>21,382,887</u>

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<u>December 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value though profit or loss	5,072,144	-	-	5,072,144
Financial assets available for sale	11,766,185	2,032,997	3,566,940	17,366,122
	<u>16,838,329</u>	<u>2,032,997</u>	<u>3,566,940</u>	<u>22,438,266</u>
<u>March 31, 2015</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value though profit or loss	4,206,512			4,206,512
Financial assets available for sale	14,011,634	43,225	3,566,940	17,621,799
	<u>18,218,146</u>	<u>43,225</u>	<u>3,566,940</u>	<u>21,828,311</u>

During the period ended March 31, 2016, there were no transfers between different levels of the fair value.

For assets and liabilities that are recognized in the consolidated 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.