

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 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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(UNAUDITED)
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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 September 30, 2016 and the related interim condensed consolidated statements of profit or loss and profit or loss and other comprehensive income for the three months and nine months periods then ended and the related interim condensed consolidated changes in equity and cash flows for the nine 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

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim condensed consolidated 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.

Basis for Qualified Conclusion

Adequate information is not currently available to assess the recoverability of claims of approximately KD 662,700 that the Group has recognized as receivables during the period and to determine the fair value of an investment available for sale carried at KD 2,227,500 net of a fair value decline of KD 907,500 recognized in cumulative changes in fair value. Had we been able to obtain such information, matters might have come to our attention indicating that adjustments might be necessary to the interim condensed consolidated financial information

Qualified Conclusion

Except for the adjustments to the interim condensed consolidated financial information, that we might have become aware of had it not been for the situation described in Basis for Qualified Conclusion above, 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 its executive regulations or of the Articles of Association or Memorandum of association of the Parent Company have occurred during the nine months period ended September 30, 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
November 15, 2016

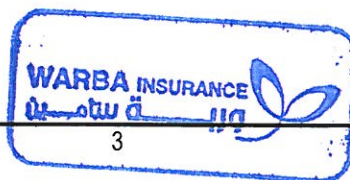
WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

	Note	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
ASSETS				
Cash and cash equivalents		1,960,580	4,505,901	6,518,663
Fixed deposits	3	6,860,250	6,007,000	5,005,500
Financial assets at fair value through profit or loss		6,622,968	5,072,144	5,612,523
Insurance and reinsurance receivable		17,012,227	16,861,959	14,884,116
Other receivables		2,209,413	2,189,389	2,153,390
Loan secured by life insurance policies		36,725	23,903	25,765
Reinsurance share in reserve for outstanding claims		16,896,320	18,146,184	18,194,822
Financial assets available for sale	4	17,751,775	18,330,927	16,510,332
Investment in associates		5,707,100	5,529,104	5,502,188
Goodwill		62,240	62,240	62,240
Property and equipment	5	7,967,802	8,129,091	8,197,085
Total assets		83,087,400	84,857,842	82,666,624
LIABILITIES AND EQUITY				
Liabilities:				
Bank overdraft		177,868	-	-
Accounts payable		6,538,499	4,022,763	3,893,458
Insurance contract liabilities	6	25,868,433	25,765,072	26,026,203
Insurance and reinsurance payables		3,597,094	6,097,647	4,002,020
Other payables		3,384,075	3,657,216	3,278,461
Total liabilities		39,565,969	39,542,698	37,200,142
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		2,919,163	3,972,815	4,152,223
Share of other comprehensive income of associate		24,527	30,098	26,140
Retained earnings		2,113,580	2,848,907	2,822,672
Equity attributable to shareholders of the Parent Company		43,212,097	45,012,047	45,175,846
Non-controlling interest		309,334	303,097	290,636
Total equity		43,521,431	45,315,144	45,466,482
Total equity and liabilities		83,087,400	84,857,842	82,666,624

The accompanying notes from (1) to (15) form an integral part of these 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 NINE MONTHS ENDED SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2016	2015	2016	2015
Revenue:					
Premiums written		7,888,687	6,384,481	28,184,043	26,316,985
Premium ceded to reinsurance		(2,992,120)	(3,395,335)	(12,801,299)	(13,029,212)
Net premiums written		4,896,567	2,989,146	15,382,744	13,287,773
Movement in reserve for unexpired risks		10,126	(33,120)	112,670	(419,076)
Movement in reserve for life insurance		(1,383,597)	(131,857)	(1,395,198)	(115,759)
Net premiums earned		3,523,096	2,824,169	14,100,216	12,752,938
Commissions received on ceded reinsurance		192,888	216,613	902,490	1,040,155
Issuance fees		56,563	62,162	174,918	160,616
Net investment income from life insurance	9	2,967	9,338	85,091	52,100
		<u>3,775,514</u>	<u>3,112,282</u>	<u>15,262,715</u>	<u>14,005,809</u>
Expenses:					
Net claims incurred		(3,528,630)	(2,170,873)	(8,717,387)	(7,489,832)
Commissions and discounts		(468,333)	(501,948)	(1,921,097)	(2,190,176)
General and administrative expenses		(1,117,877)	(1,067,527)	(3,986,545)	(3,622,122)
		<u>(5,114,840)</u>	<u>(3,740,348)</u>	<u>(14,625,029)</u>	<u>(13,302,130)</u>
Net underwriting income	10	(1,339,326)	(628,066)	637,686	703,679
Net investment income from non-life insurance	9	98,053	180,363	428,022	947,775
Group's share of results from associates		16,308	19,224	183,567	50,503
Insurance services income		134,465	200,031	646,597	666,975
Other income		8,466	16	9,110	6,810
Foreign exchange (loss) gain		(64,504)	(9,458)	(58,236)	131,597
		<u>(1,146,538)</u>	<u>(237,890)</u>	<u>1,846,746</u>	<u>2,507,339</u>
Other expenses:					
Insurance services expense		(214,475)	(196,523)	(632,823)	(582,939)
Unallocated general and administrative expenses		(83,363)	(67,577)	(302,043)	(222,920)
		<u>(297,838)</u>	<u>(264,100)</u>	<u>(934,866)</u>	<u>(805,859)</u>
(Loss) profit for the period before Contribution to Kuwait Foundation for the Advancement of Science (KFAS), National Labor Support Tax and Zakat		(1,444,376)	(501,990)	911,880	1,701,480
Contribution to KFAS		14,232	5,217	(8,453)	(16,136)
National Labor Support Tax		36,942	13,041	(8,724)	(26,067)
Zakat		14,921	5,408	(2,887)	(9,922)
Net (loss) profit for the period		<u>(1,378,281)</u>	<u>(478,324)</u>	<u>891,816</u>	<u>1,649,355</u>
Attributable to:					
Shareholders of the parent company		(1,342,635)	(478,838)	885,579	1,611,969
Non-controlling interest		(35,646)	514	6,237	37,386
		<u>(1,378,281)</u>	<u>(478,324)</u>	<u>891,816</u>	<u>1,649,355</u>
(Loss) earnings per share (fils)	11	<u>(8.28)</u>	<u>(2.95)</u>	<u>5.46</u>	<u>9.93</u>

The accompanying notes from (1) to (15) form an integral part of these 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 NINE MONTHS ENDED SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

	Note	Three months ended		Nine months ended	
		September 30,		September 30,	
		2016	2015	2016	2015
Net (loss) profit for the period		<u>(1,378,281)</u>	<u>(478,324)</u>	<u>891,816</u>	<u>1,649,355</u>
Other comprehensive income:					
<u>Items that may be reclassified subsequently to consolidated statement of profit or loss</u>					
Changes in fair value of financial assets available for sale	4	174,683	(483,807)	(1,053,652)	(853,166)
Transfer to statement of profit or loss on disposal of financial assets available for sale		-	(291,074)	-	(291,074)
Share of other comprehensive income (loss) of associate		2,340	(14,521)	(5,571)	(19,885)
Other comprehensive income (loss) for the period		<u>177,023</u>	<u>(789,402)</u>	<u>(1,059,223)</u>	<u>(1,164,125)</u>
Total comprehensive (loss) income for the period		<u>(1,201,258)</u>	<u>(1,267,726)</u>	<u>(167,407)</u>	<u>485,230</u>
Attributable to:					
Shareholders of the Parent Company		(1,165,612)	(1,268,240)	(173,644)	447,844
Non-controlling interests		(35,646)	514	6,237	37,386
Total comprehensive (loss) income for the period		<u>(1,201,258)</u>	<u>(1,267,726)</u>	<u>(167,407)</u>	<u>485,230</u>

The accompanying notes from (1) to (15) form an integral part of these 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 NINE MONTHS ENDED SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

	Equity attributable to 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 equity
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	-	-	-	-	-	-	(1,053,652)	(5,571)	885,579	(173,644)	6,237	(167,407)
Purchase of treasury shares	-	(5,400)	-	-	-	-	-	-	-	(5,400)	-	(5,400)
Cash dividend (Note 12)	-	-	-	-	-	-	-	-	(1,620,906)	(1,620,906)	-	(1,620,906)
Balance at September 30, 2016	17,278,874	(1,275,970)	164,760	8,781,109	9,206,054	4,000,000	2,919,163	24,527	2,113,580	43,212,097	309,334	43,521,431
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 (loss) income for the period	-	-	-	-	-	-	(1,144,240)	(19,885)	1,611,969	447,844	37,386	485,230
Cash dividend (Note 12)	-	-	-	-	-	-	-	-	(1,622,733)	(1,622,733)	-	(1,622,733)
Balance at September 30, 2015	17,278,874	(1,255,986)	164,760	8,781,109	9,206,054	4,000,000	4,152,223	26,140	2,822,672	45,175,846	290,636	45,466,482

The accompanying notes from (1) to (15) form an integral part of these 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 NINE MONTHS ENDED SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

	Nine months ended September 30,	
	2016	2015
Cash flows from operating activities		
Profit for the period before Contribution to KFAS, National Labor Support Tax and Zakat	911,880	1,701,480
Adjustments:		
Net investment income	(513,113)	(999,875)
Group's share of results from associates	(183,567)	(50,503)
Depreciation	235,020	240,202
	<u>450,220</u>	<u>891,304</u>
Changes in operating assets and liabilities:		
Insurance and reinsurance receivables	(150,268)	3,606,350
Other receivables	(55,823)	240,094
Reinsurance share in reserve for outstanding claims reserve	1,249,864	(2,912,749)
Insurance contract liabilities	103,361	2,165,560
Accounts payable	1,626,289	291,502
Insurance and reinsurance payables	(2,500,553)	(2,842,033)
Other payables	(314,202)	(328,589)
Net cash generated from operating activities	<u>408,888</u>	<u>1,111,439</u>
Cash flows from investing activities		
Net movement in fixed deposits	(853,250)	5,078,000
Paid for purchase of financial assets at fair value through profit or loss	(945,624)	(6,039,612)
Proceeds from sale of financial assets at fair value through profit or loss	-	2,560,047
Movement on loans secured by life insurance policies	(12,822)	(5,616)
Paid for purchase of financial assets available for sale	(500,000)	-
Proceeds from sale of financial assets available for sale	-	1,125,016
Paid for purchase of property and equipment	(73,731)	(68,749)
Cash dividends received	639,055	720,651
Rental income received	6,300	6,300
Interest income received	213,304	175,609
Net cash (used in) generated from investing activities	<u>(1,526,768)</u>	<u>3,551,646</u>
Cash flows from financing activities		
Bank overdraft	177,868	(790,533)
Dividends paid to shareholders	(1,599,909)	(1,551,163)
Purchase of treasury shares	(5,400)	-
Net cash used in financing activities	<u>(1,427,441)</u>	<u>(2,341,696)</u>
Net (decrease) increase in cash and cash equivalents	<u>(2,545,321)</u>	<u>2,321,389</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>1,960,580</u>	<u>6,518,663</u>

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

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 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 incorporates 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%, September 30, 2015 – 54.57%).

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 it 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 retrospectively from November 26, 2012. The new Executive Regulations of Law No. 1 of 2016 was issued on July 12, 2016 and was published in the Official Gazette on July 17, 2016 which cancelled the Executive Regulations of Law No. 25 of 2012. The adoption of the new Companies Law and its executive regulations 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 November 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 is 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.

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2016
 (All amounts are in Kuwaiti Dinars)

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, September 30, 2015 - KD 4,169,000).

The effective interest rate on fixed deposits was 0.875% to 2.9% per annum (December 31, 2015 – 0.875% to 1.813%, September 30, 2015 – 0.871% to 2%).

4. Financial assets available for sale

The movement during the period / year is as follows:

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Balance at the beginning of the period / year	18,330,927	18,488,514	18,488,514
Additions	500,000	2,000,000	-
Disposals	-	(1,125,016)	(1,125,016)
Impairment loss (Note 9)	(25,500)	-	-
Changes in fair value	(1,053,652)	(1,032,571)	(853,166)
Balance at the end of the period / year	17,751,775	18,330,927	16,510,332

Quoted securities amounting to KD 1,692,000 (December 31, 2015 – KD 2,016,000, September 30, 2015 KD 2,052,000) 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 844,105 (December 31, 2015 – KD 964,805, September 30, 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, September 30, 2015 – KD 2,955,780) in accordance with insurance regulations in Kuwait.

6. Insurance contract liabilities

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Reserve for outstanding claims	19,237,467	20,416,634	20,507,808
Reserve for unexpired risks	2,224,087	2,336,757	2,281,031
Reserve for life insurance fund	4,406,879	3,011,681	3,237,364
	25,868,433	25,765,072	26,026,203

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

7. Share capital

The authorized, issued and paid-up capital is 172,788,740 shares (December 31, 2015 – 172,788,740 shares, September 30, 2015 – 172,788,740 shares) of 100 fils each and all shares are in cash.

8. Treasury shares

	September 30, 2016	December 31, 2015 (Audited)	September 30, 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)	1,155,402	1,086,113	1,114,640
Cost (KD)	1,275,970	1,270,570	1,255,986

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 September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Interest income	66,063	9,702	177,505	102,876
Changes in fair value of financial assets at fair value through profit or loss	20,892	(117,540)	(284,247)	(116,223)
Loss on sale of financial assets at fair value through profit or loss	-	-	-	(4,803)
Gain on sale of financial assets available for sale	-	291,074	-	291,074
Impairment loss on financial assets available for sale (Note 4)	-	-	(25,500)	-
Dividend income	11,965	4,365	639,055	720,651
Rental income	2,100	2,100	6,300	6,300
	<u>101,020</u>	<u>189,701</u>	<u>513,113</u>	<u>999,875</u>

The classification of net investment income is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Net investment income from life insurance	2,967	9,338	85,091	52,100
Net investment income from non – life insurance	98,053	180,363	428,022	947,775
	<u>101,020</u>	<u>189,701</u>	<u>513,113</u>	<u>999,875</u>

WARBA INSURANCE COMPANY - K.S.C.P. AND ITS SUBSIDIARY
NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)
SEPTEMBER 30, 2016
(All amounts are in Kuwaiti Dinars)

10. Segment results

A. Nine months ended September 30, 2016:

	Marine & aviation	Fire	General accidents	Total general risk insurance	Life and medical	Total
Revenue	<u>540,088</u>	<u>651,874</u>	<u>5,613,095</u>	<u>6,805,057</u>	<u>8,457,658</u>	<u>15,262,715</u>
Net underwriting income (loss)	<u>89,062</u>	<u>239,721</u>	<u>(242,921)</u>	<u>85,862</u>	<u>551,824</u>	<u>637,686</u>
Assets				<u>66,060,026</u>	<u>17,027,374</u>	<u>83,087,400</u>
Liabilities				<u>24,792,922</u>	<u>14,773,047</u>	<u>39,565,969</u>

B. Nine months ended September 30, 2015:

	Marine & aviation	Fire	General accidents	Total general risk insurance	Life and medical	Total
Revenue	<u>726,068</u>	<u>569,487</u>	<u>5,903,184</u>	<u>7,198,739</u>	<u>6,807,070</u>	<u>14,005,809</u>
Net underwriting income (loss)	<u>152,057</u>	<u>(334,105)</u>	<u>398,539</u>	<u>216,491</u>	<u>487,188</u>	<u>703,679</u>
Assets				<u>68,640,347</u>	<u>14,026,277</u>	<u>82,666,624</u>
Liabilities				<u>24,578,150</u>	<u>12,621,992</u>	<u>37,200,142</u>

11. (Loss) earnings per share

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

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Net (loss) profit for the period attributable to the Parent Company's shareholders	<u>(1,342,635)</u>	<u>(478,838)</u>	<u>885,579</u>	<u>1,611,969</u>
<u>Number of shares outstanding :</u>				
Number of issued shares at beginning of the period	<u>172,788,740</u>	<u>172,788,740</u>	<u>172,788,740</u>	<u>172,788,740</u>
Less : Weighted average number of treasury shares	<u>(10,698,171)</u>	<u>(10,515,470)</u>	<u>(10,689,412)</u>	<u>(10,515,470)</u>
Weighted average number of outstanding shares	<u>162,090,569</u>	<u>162,273,270</u>	<u>162,099,328</u>	<u>162,273,270</u>
(Loss) earnings per share (Fils)	<u>(8.28)</u>	<u>(2.95)</u>	<u>5.46</u>	<u>9.93</u>

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.

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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

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
<u>Insurance activities</u>			
Insurance services receivable	1,440,096	1,965,054	1,345,856
Insurance services payable	993,428	104,723	104,160
<u>Investment activities</u>			
Financial assets at fair value through profit or loss	13,160	15,680	510,260
Financial assets available for sale	7,856,330	8,944,226	9,076,978
Fixed deposits and bank balances	5,660,619	6,685,415	5,842,037

B. Interim condensed consolidated statement of profit or loss

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Premiums written	53,670	122,087	227,993	272,359

C. Compensation to key management personnel

	Three months ended September 30,		Nine months ended September 30,	
	2016	2015	2016	2015
Short term benefits	49,306	76,571	196,905	226,961
Post-employment benefits	2,913	2,571	31,859	7,269
	52,219	79,142	228,764	234,230

14. Capital commitments and contingent liabilities

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Letter of guarantee for others	1,504,000	1,002,000	2,000

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

	September 30, 2016	December 31, 2015 (Audited)	September 30, 2015
Capital commitments	984,769	984,769	-

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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

	September 30, 2016			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss	6,622,968	-	-	6,622,968
Financial assets available for sale	10,639,801	2,522,429	3,745,440	16,907,670
	17,262,769	2,522,429	3,745,440	23,530,638
	December 31, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through 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
	16,838,329	2,032,997	3,566,940	22,438,266
	September 30, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	5,612,523	-	-	5,612,523
Financial assets available for sale	11,947,747	30,840	3,566,940	15,545,527
	17,560,270	30,840	3,566,940	21,158,050

During the period ended September 30, 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.