

Al-Ahleia Insurance Company S.A.K.

INTERIM CONDENSED INCOME STATEMENT (Unaudited)

Period ended 30 June 2009

	Notes	Three months ended 30 June		Six months ended 30 June	
		2009 KD	2008 KD	2009 KD	2008 KD
Revenue:					
Premiums written		6,584,385	7,211,572	13,987,962	14,422,518
Reinsurance premiums ceded		(3,760,760)	(4,076,558)	(8,421,424)	(8,451,480)
Net premiums written		2,823,625	3,135,014	5,566,538	5,971,038
Movement in unearned premiums		55,315	(74,158)	11,512	(186,227)
Net premiums earned		2,878,940	3,060,856	5,578,050	5,784,811
Commission received on ceded reinsurance		978,156	847,562	1,987,717	1,787,141
Policy issuance and transfer fees		135,647	146,348	275,366	291,832
Net investment income from life insurance	4	122,493	216,702	262,143	371,027
Impairment of available for sale investments from life insurance		-	-	(156,472)	-
Other income		25,475	17,552	57,812	48,112
		4,140,711	4,289,020	8,004,616	8,282,923
Expenses:					
Claims incurred		1,474,180	1,511,441	2,703,032	3,017,073
Commissions and discounts		415,076	360,930	793,027	755,394
Increase in additional reserve		10,871	-	10,871	29,966
Increase in life mathematical reserve		155,000	347,000	59,000	350,000
Maturity and cancellations of life insurance policies		27,758	11,910	109,138	40,669
General and administrative expenses		681,074	705,715	1,450,347	1,480,711
		2,763,959	2,936,996	5,125,415	5,673,813
Net underwriting income	3	1,376,752	1,352,024	2,879,201	2,609,110
Net investment income	4	2,274,875	4,784,794	5,817,591	11,145,375
Impairment of available for sale investments		-	-	(2,171,925)	-
Sundry income		(12,104)	6,157	107,241	8,147
Unallocated general and administrative expenses		(119,042)	(179,187)	(294,611)	(525,440)
PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT		3,520,481	5,963,788	6,337,497	13,237,192
Contribution to KFAS		(35,205)	(59,638)	(63,375)	(132,372)
National Labour Support Tax (NLST)		(76,464)	(98,024)	(122,937)	(246,006)
Zakat		(30,586)	(39,209)	(49,175)	(98,402)
PROFIT FOR THE PERIOD		3,378,226	5,766,917	6,102,010	12,760,412
BASIC AND DILUTED EARNINGS PER SHARE	5	22.30 fils	37.92 fils	40.25 fils	83.78 fils

The attached notes 1 to 11 form part of this interim condensed financial information.

Al-Ahleia Insurance Company S.A.K.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

Period ended 30 June 2009

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	3,378,226	5,766,917	6,102,010	12,760,412
Other comprehensive income				
Exchange differences on translation of foreign operations	(23,079)	(7,335)	155,871	(90,611)
Transfer to income statement on sale of available for sale investments during the period	6,356,560	(1,661,287)	6,356,560	(983,917)
Net movement in fair value of available for sale investments	1,868,590	(1,561,542)	(52,548)	(1,751,592)
Impairment of available for sale investments	2,328,397	-	2,328,397	-
Total comprehensive income for the period	13,908,694	2,536,753	14,890,290	9,934,292

The attached notes 1 to 11 form part of this interim condensed financial information.

Al-Ahleia Insurance Company S.A.K.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (Unaudited)

At 30 June 2009

		(Audited)		
		30 June	31 December	30 June
		2009	2008	2008
	Notes	KD	KD	KD
ASSETS				
Property and equipment		3,361,683	3,382,012	3,373,092
Investment in associates	6	12,744,580	4,737,162	3,077,026
Investment in equities and bonds	7	86,388,126	89,947,191	122,323,212
Loans to life policy holders		73,320	67,071	101,399
Premiums and insurance balances receivable		11,238,507	9,589,763	11,948,307
Reinsurance recoverable on outstanding claims		18,322,316	17,438,068	16,794,856
Other debit balances		2,058,619	1,945,964	2,846,199
Fixed and short notice bank deposits		10,706,905	10,627,187	13,921,438
Bank balances and cash	8	381,925	73,281	1,207,874
TOTAL ASSETS		145,275,981	137,807,699	175,593,403
EQUITY AND LIABILITIES				
Equity				
Share capital		15,628,323	15,628,323	15,628,323
Statutory reserve		13,712,799	13,712,799	13,712,799
General reserve		13,473,274	13,473,274	13,473,274
Special voluntary reserve		9,000,000	9,000,000	9,000,000
Treasury shares	9	(2,305,308)	(2,217,777)	(2,226,586)
Treasury shares reserve		1,327,180	1,335,437	1,226,319
Cumulative changes in fair values		11,275,654	2,643,245	15,745,334
Foreign currency translation reserve		84,740	(71,131)	(313,869)
Retained earnings		12,060,992	5,958,982	22,535,862
Total equity		74,257,654	59,463,152	88,781,456
Liabilities				
Liabilities arising from insurance contracts:				
Outstanding claims reserve		26,684,178	26,215,289	25,048,263
Unearned premiums reserve		2,757,671	2,769,183	2,965,491
Life mathematical reserve		3,465,000	3,406,000	3,444,000
Additional reserve		6,700,000	6,700,000	6,700,000
Total liabilities arising from insurance contracts		39,606,849	39,090,472	38,157,754
Insurance payable		5,190,634	4,843,317	6,139,915
Other credit balances		9,920,584	8,790,892	10,699,848
Term loans	10	13,000,000	22,500,000	27,330,402
Bank overdraft	8	3,300,260	3,119,866	4,484,028
Total liabilities		71,018,327	78,344,547	86,811,947
TOTAL EQUITY AND LIABILITIES		145,275,981	137,807,699	175,593,403

Sulaiman Hamad Al-Dalali
Chairman and Managing Director

Ayman Abdullatif Al-Shayea
Vice Chairman

The attached notes 1 to 11 form part of this interim condensed financial information.

Al-Ahleia Insurance Company S.A.K.

INTERIM CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

Period ended 30 June 2009

	Note	Six months ended 30 June	
		2009 KD	2008 KD
OPERATING ACTIVITIES			
Profit before contribution to KFAS, NLST and Zakat		6,337,496	13,237,192
Adjustments for:			
Provision for employees' end of service benefits		42,375	40,687
Gain on sale of investment properties		-	(3,719,208)
Share of results of associates		66,129	12,901
Excess of fair value of investment in an associate over acquisition price		(2,640,015)	-
Gain on sale of available for sale investments		(1,517,098)	(3,935,339)
Impairment of available for sale investments		2,328,397	-
Dividend income		(2,121,037)	(4,406,384)
Interest income		(310,012)	(600,348)
Interest expense		637,446	1,057,331
Depreciation of property and equipment		82,166	76,804
Depreciation of investment properties		-	9,974
		<u>2,905,847</u>	<u>1,773,610</u>
Changes in operating assets and liabilities:			
Premiums and insurance balances receivable		(1,648,744)	(3,607,274)
Other debit balances		162,551	(155,904)
Reinsurance recoverable on outstanding claims		(884,248)	474,839
Liabilities arising from insurance contracts		516,377	143,444
Insurance payable		347,317	338,905
Other credit balances		299,342	(853,265)
		<u>1,698,442</u>	<u>(1,885,645)</u>
Cash from operations			
Employees' end of service benefits paid		(35,777)	(7,139)
National Labour Support Tax paid		-	(373,635)
Zakat paid		-	(9,049)
Paid to directors		-	(135,000)
		<u>1,662,665</u>	<u>(2,410,468)</u>
INVESTING ACTIVITIES			
Purchase of property and equipment		(61,837)	(53,405)
Proceeds from sale of investment properties		-	5,000,000
Purchase of investment in associates		(107,780)	-
Redemption of bonds		-	500,000
Purchase of available for sale investments		(5,578,187)	(25,254,126)
Proceeds from sale of available for sale investments		11,236,188	23,783,725
Movement in loans to life policy holders		(6,249)	(4,386)
Movement in fixed and short notice bank deposits		(79,718)	(2,099,874)
Dividends received from investments in associates		552,293	172,001
Dividend income received		2,118,229	4,401,103
Interest income received		37,614	121,610
		<u>8,110,553</u>	<u>6,566,648</u>
FINANCING ACTIVITIES			
Dividends paid		(49,181)	(8,273,393)
Purchase of treasury shares		(134,733)	(618,807)
Sale of treasury shares		38,946	335,723
Term loan obtained		(9,500,000)	-
		<u>(9,644,968)</u>	<u>(8,556,477)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		<u>128,250</u>	<u>(4,400,297)</u>
Cash and cash equivalents at the beginning of the period		(3,046,585)	1,124,143
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	8	<u>(2,918,335)</u>	<u>(3,276,154)</u>

The attached notes 1 to 11 form part of this interim condensed financial information.

Al-Ahleia Insurance Company S.A.K.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (Unaudited)

Period ended 30 June 2009

	<i>Share capital KD</i>	<i>Statutory reserve KD</i>	<i>General reserve KD</i>	<i>Special voluntary reserve KD</i>	<i>Treasury shares KD</i>	<i>Treasury shares reserve KD</i>	<i>Cumulative changes in fair values KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
Balance at 1 January 2009	15,628,323	13,712,799	13,473,274	9,000,000	(2,217,777)	1,335,437	2,643,245	(71,131)	5,958,982	59,463,152
Total comprehensive income for the period	-	-	-	-	-	-	8,632,409	155,871	6,102,010	14,890,290
Purchase of treasury shares	-	-	-	-	(134,733)	-	-	-	-	(134,733)
Sale of treasury shares	-	-	-	-	47,202	(8,257)	-	-	-	38,945
Balance at 30 June 2009	15,628,323	13,712,799	13,473,274	9,000,000	(2,305,308)	1,327,180	11,275,654	84,740	12,060,992	74,257,654
Balance at 1 January 2008	14,207,566	13,712,799	13,473,274	9,000,000	(1,823,665)	1,106,482	18,480,843	(223,258)	20,183,499	88,117,540
Total comprehensive income for the period	-	-	-	-	-	-	(2,735,509)	(90,611)	12,760,412	9,934,292
Issue of bonus shares	1,420,757	-	-	-	-	-	-	-	(1,420,757)	-
Cash dividends	-	-	-	-	-	-	-	-	(8,987,292)	(8,987,292)
Purchase of treasury shares	-	-	-	-	(618,807)	-	-	-	-	(618,807)
Sale of treasury shares	-	-	-	-	215,886	119,837	-	-	-	335,723
Balance at 30 June 2008	15,628,323	13,712,799	13,473,274	9,000,000	(2,226,586)	1,226,319	15,745,334	(313,869)	22,535,862	88,781,456

The attached notes 1 to 11 form part of this interim condensed financial information.

1 ACTIVITIES

The interim condensed financial information of Al-Ahleia Insurance Company S.A.K. for the period ended 30 June 2009 were authorised for issue by the Board of Directors on 28 July 2009.

Al-Ahleia Insurance Company S.A.K is a Kuwaiti Shareholding Company registered under the Insurance Companies and Agents Law No. 24 of 1961 and its subsequent amendments. It is engaged in various insurance activities, including reinsurance. Its registered head office is at P.O. Box 1602, Safat 13017, Kuwait.

2 BASIS OF PREPARATION

The interim condensed financial information of the company has been prepared in accordance with International Accounting Standard No. 34, "Interim Financial Reporting" and the guidelines issued by the Kuwait Stock Exchange.

The interim condensed financial information does not include all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the company's annual financial statements as at 31 December 2008.

In the opinion of management, all adjustments consisting of normal recurring accruals considered necessary for a fair presentation have been included. In addition, results for the Six month period ended 30 June 2009 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2009.

The accounting policies used in preparation of this interim condensed financial information are consistent with those used in preparation of the annual financial statements for the year ended 31 December 2008, except as noted below:

During the period, the company has adopted the following standards effective for the annual periods beginning on or after 1 January 2009.

IAS 1 'Presentation of Financial Statements' (Revised):

The revised standard separates owner and non owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The company has elected to present two statements.

IFRS 8 'Operating segments':

The new standard which replaced IAS 14: Segment reporting requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in the segments being reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker.

The application of other IASB standards issued and adopted by the company did not have material impact on the interim condensed financial information of the company.

The company has not adopted any new or revised Standards and Interpretations before their effective dates.

Al-Ahleia Insurance Company S.A.K.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)

At 30 June 2009

3 DEPARTMENT RESULTS

A) Six months ended 30 June 2009:

	<i>Marine and aviation KD</i>	<i>Accident KD</i>	<i>Fire KD</i>	<i>Life KD</i>	<i>Total KD</i>
Revenue:					
Premiums written	3,953,064	3,386,575	1,211,718	5,436,605	13,987,962
Reinsurance premiums ceded	(3,156,981)	(956,269)	(835,721)	(3,472,453)	(8,421,424)
Net premiums written	796,083	2,430,306	375,997	1,964,152	5,566,538
Movement in unearned premiums	(51,293)	76,412	(13,607)		11,512
Net premiums earned	744,790	2,506,718	362,390	1,964,152	5,578,050
Commission received on ceded reinsurance	874,421	259,231	273,108	580,957	1,987,717
Policy issuance and transfer fees	-	275,366	-	-	275,366
Net investment income from life insurance	-	-	-	262,143	262,143
Net impairment of available for sale investments	-	-	-	(156,472)	(156,472)
Other income	5,037	12,226	2,648	37,901	57,812
Total revenue	1,624,248	3,053,541	638,146	2,688,681	8,004,616
Expenses:					
Claims incurred	123,135	1,096,732	322,671	1,160,494	2,703,032
Commissions and discounts	148,830	418,376	87,724	138,097	793,027
Increase in additional reserve	-	10,871	-	-	10,871
Increase in life mathematical reserve	-	-	-	59,000	59,000
Maturity and cancellations of life insurance Policies	-	-	-	109,138	109,138
General and administrative expenses	414,038	521,499	105,935	408,875	1,450,347
Total expenses	686,003	2,047,478	516,330	1,875,604	5,125,415
NET UNDERWRITING INCOME	938,245	1,006,063	121,816	813,077	2,879,201

Al-Ahleia Insurance Company S.A.K.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)

At 30 June 2009

3 DEPARTMENT RESULTS (continued)

B) Six months ended 30 June 2008:

	<i>Marine and Aviation KD</i>	<i>Accident KD</i>	<i>Fire KD</i>	<i>Life KD</i>	<i>Total KD</i>
Revenue:					
Premiums written	4,235,924	3,781,438	1,232,574	5,172,582	14,422,518
Reinsurance premiums ceded	(3,330,256)	(1,029,860)	(892,621)	(3,198,743)	(8,451,480)
Net premiums written	905,668	2,751,578	339,953	1,973,839	5,971,038
Movement in unearned premiums	(102,791)	(70,744)	(12,692)	-	(186,227)
Net premiums earned	802,877	2,680,834	327,261	1,973,839	5,784,811
Commission received on ceded reinsurance	920,275	206,331	196,906	463,629	1,787,141
Policy issuance and transfer fees	-	291,832	-	-	291,832
Net investment income from life insurance	-	-	-	371,027	371,027
Other income	7,000	21,581	2,478	17,053	48,112
Total revenue	1,730,152	3,200,578	526,645	2,825,548	8,282,923
Expenses:					
Claims incurred	196,897	1,354,259	198,627	1,267,290	3,017,073
Commissions and discounts	155,708	425,225	86,313	88,148	755,394
Increase in additional reserve	-	29,966	-	-	29,966
Increase in life mathematical reserve	-	-	-	350,000	350,000
Maturity and cancellations of life insurance policies	-	-	-	40,669	40,669
General and administrative expenses	431,727	522,643	116,836	409,505	1,480,711
Total expenses	784,332	2,332,093	401,776	2,155,612	5,673,813
NET UNDERWRITING INCOME	945,820	868,485	124,869	669,936	2,609,110

Al-Ahleia Insurance Company S.A.K.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)

At 30 June 2009

4 NET INVESTMENT INCOME

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Gain on sale of investment properties	-	-	-	3,719,208
Share of results of associates	217,887	(12,901)	(66,129)	(12,901)
Excess of fair value of investment in an associate over acquisition price	-	-	2,640,015	-
Gain on sale of available for sale investments	1,380,667	2,734,154	1,517,098	3,935,339
Interest on bonds	7,286	7,638	14,375	22,224
Interest on fixed and short notice bank deposits	148,052	295,366	295,637	582,888
Dividend income	875,076	2,575,387	2,121,037	4,406,384
Rental Income	-	467	-	27,720
Other investment income	63,072	16,278	244,319	43,851
	2,692,040	5,616,389	6,766,352	12,724,713
General and administrative expenses	(22,608)	(82,024)	(49,172)	(112,983)
Depreciation of investment properties	-	-	-	(9,974)
Interest expense and financial charges	(569,022)	(1,057,331)	(637,446)	(1,057,331)
Other expenses	296,958	524,462	-	(28,023)
	(294,672)	(614,893)	(686,618)	(1,208,311)
	2,397,368	5,001,496	6,079,734	11,516,402

Net investment income reported in the income statement as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Net investment income	2,274,875	4,784,794	5,817,591	11,145,375
Net investment income from life insurance	122,493	216,702	262,143	371,027
	2,397,368	5,001,496	6,079,734	11,516,402

5 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period (excluding treasury shares) as follows:

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2009</i>	<i>2008</i>	<i>2009</i>	<i>2008</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>	<i>KD</i>
Profit for the period	3,378,226	5,766,917	6,102,010	12,760,412
	Shares	Shares	Shares	Shares
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	151,502,823	152,090,866	151,619,592	152,309,588
Basic and diluted earnings per share	22.30 fils	37.92 fils	40.25 fils	83.78 fils

Al-Ahleia Insurance Company S.A.K.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)

At 30 June 2009

6 INVESTMENT IN ASSOCIATES

Name of the company	Ownership percentage	Country of incorporation	30 June 2009 KD	(Audited)	30 June 2008 KD
				31 December 2008 KD	
Arab Life Insurance Company S.A.L.	49.37%	Lebanon	374,614	363,777	354,866
Trade Union Insurance Company E.C.	20.95%	Bahrain	1,971,387	2,304,629	1,676,845
Arab Life and Accident Insurance Co. P.S.C.	27.20%	Jordan	1,065,928	999,689	1,045,315
Kuwait Reinsurance Company K.S.C. (Closed)	26.30%	Kuwait	9,332,651	-	-
Industrial Electrical Projects Co. K.S.C. (Closed)	20.00%	Kuwait	-	1,069,067	-
			12,744,580	4,737,162	3,077,026

* At 31 December 2008, the company had 25.88% equity investment in of Kuwait Reinsurance Company KSC (Closed) (a company listed on the Kuwait Stock Exchange), this investment was treated as available for sale investment as the company did not have significant influence over the investee company. During the period, the company was able to exercise significant influence by way representation on board of director, and accordingly, this investment has been accounted for as an associate in accordance with International Accounting Standard 28 ("Investment in Associates"). As a result of this classification an amount of KD.2,640,015 which represents the difference between the fair value and the cost of the investment at the date of the investee company became an associate was recognized in the interim condensed income statement.

** During the period, on the associates, namely Industrial Electrical Projects Company K.S.C. (Closed), increased its share capital in which the company did not participate. As a result the company's ownership percentage decreased to 13.33% and the company ceased to exercise significant influence over Industrial Electrical Projects Company K.S.C (Closed). Accordingly, the investment has been reclassified to available for sale investment.

7 INVESTMENT IN EQUITIES AND BONDS

Net impairment loss of KD 2,328,397 (31 December 2008: KD 21,901,756 and 30 June 2008: KD Nil) has been recognised against available for sale investments on which there has been a significant or prolonged decline in fair value below cost.

8 FIXED DEPOSITS

Those represent short notice bank deposits with local financial institutions. These are denominated in Kuwaiti Dinar and carry an average effective interest rate of 5.25% (31 December 2008: 6.6% and 30 June 2008: 6.99%) per annum.

9 CASH AND CASH EQUIVALENTS

	30 June 2009 KD	(Audited)	30 June 2008 KD
		31 December 2008 KD	
Cash in hand and at banks	381,925	73,281	1,207,874
Bank overdraft	(3,300,260)	(3,119,866)	(4,484,028)
	(2,918,335)	(3,046,585)	(3,276,154)

Al-Ahleia Insurance Company S.A.K.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (Unaudited)

At 30 June 2009

10 TREASURY SHARES

	30 June 2009	<i>(Audited)</i> 31 December 2008	30 June 2008
Number of treasury shares (shares)	4,865,571	4,545,571	4,720,571
Percentage of issued shares (%)	3.11	2.90	3.02
Market value (KD)	2,432,786	2,500,064	3,351,605

11 TERM LOAN

During the period, an amount of KD.9,500,000 was repaid against the outstanding loan obtained from a local bank of KD 25,000,000.

12 RELATED PARTY TRANSACTIONS

These represent unconsolidated subsidiaries, associated companies, major shareholders, directors and key management personnel of the company, and entities controlled, jointly controlled or significantly influenced by such party. Pricing policies and terms of these transactions are approved by the company's management.

Transactions with related parties included in the income statement are as follows:

	<i>Associates</i> KD	<i>Major shareholders</i> KD	30 June 2009 KD	30 June 2008 KD
Premium written	144,656	800,157	944,813	1,143,945
Claims incurred	532,735	184,236	716,971	655,555

Balances with related parties included in the balance sheet are as follows:

	<i>Associates</i> KD	<i>Major shareholders</i> KD	30 June 2009 KD	<i>(Audited)</i> 31 December 2008 KD	30 June 2008 KD
Investment in associates	5,733,432	-	5,733,432	4,737,162	3,077,026
Premiums and insurance balances	141,572	1,615,599	1,757,171	1,659,732	1,664,544
Other credit balances	264	22,248	22,512	162,808	222,039

Key management personnel compensation

	30 June 2009 KD	30 June 2008 KD
Salaries and other short term benefits	80,385	337,735
Employees' end of service benefits	81,065	71,065
	161,450	408,800

13 CAPITAL COMMITMENTS

At the balance sheet date, the company had future capital commitments with respect to purchase of available for sale investments amounting to KD. 8,045,538 (31 December 2008 : KD. 10,195,851 and 30 June 2008 : KD 8,597,153) and had contingent liabilities in respect of letter of credit granted by a bank amounting to KD 500,000 (31 December 2008 : KD 500,000 and 30 June 2008 : KD 500,000) from which it is anticipated that no material liabilities will arise.

AL-AHLEIA INSURANCE COMPANY S.A.K.

**INTERIM CONDENSED FINANCIAL
INFORMATION (UNAUDITED)**

30 JUNE 2009