

Al-Ahleia Insurance Company S.A.K.  
**INCOME STATEMENT (UNAUDITED)**  
 Period ended 31 March 2008

	Notes	<i>Three months ended 31 March</i>	
		<i>2008</i>	<i>2007</i>
		<i>KD</i>	<i>KD</i>
<b>Revenue:</b>			
Premiums written		<b>7,210,946</b>	7,812,438
Reinsurance premiums ceded		<b>(4,374,922)</b>	(5,215,495)
Net premiums written		<b>2,836,024</b>	2,596,943
Movement in unearned premiums		<b>(112,069)</b>	(213,949)
Net premiums earned		<b>2,723,955</b>	2,382,994
Commission received on ceded reinsurance		<b>939,579</b>	1,016,536
Policy issuance and transfer fees		<b>145,484</b>	135,683
Net investment income from life insurance	4	<b>154,325</b>	174,586
Other income		<b>30,560</b>	26,638
		<b>3,993,903</b>	3,736,437
<b>Expenses:</b>			
Claims incurred		<b>1,505,632</b>	1,229,954
Commissions and discounts		<b>394,464</b>	511,394
Increase in additional reserve		<b>29,966</b>	57,529
Increase (decrease) in life mathematical reserve		<b>3,000</b>	(80,000)
Maturity and cancellations of life insurance policies		<b>28,759</b>	51,261
General and administrative expenses		<b>774,996</b>	701,973
		<b>2,736,817</b>	2,472,111
<b>NET UNDERWRITING INCOME</b>	3	<b>1,257,086</b>	1,264,326
Net investment income	4	<b>6,360,581</b>	1,966,670
Sundry income		<b>1,990</b>	4,163
Unallocated general and administrative expenses		<b>(346,253)</b>	(136,828)
<b>PROFIT BEFORE CONTRIBUTION TO KUWAIT FOUNDATION FOR THE ADVANCEMENT OF SCIENCES (KFAS), NATIONAL LABOUR SUPPORT TAX (NLST) AND ZAKAT</b>		<b>7,273,404</b>	3,098,331
Contribution to KFAS		<b>(72,734)</b>	(30,983)
National Labour Support Tax		<b>(147,982)</b>	(63,593)
Zakat		<b>(59,193)</b>	-
<b>PROFIT FOR THE PERIOD</b>		<b>6,993,495</b>	3,003,755
<b>BASIC AND DILUTED EARNINGS PER SHARE</b>	5	<b>45.96 fils</b>	19.70 fils

The attached notes 1 to 13 form part of this interim condensed financial information.

# Al-Ahleia Insurance Company S.A.K.

## BALANCE SHEET (UNAUDITED)

At 31 March 2008

ASSETS	Notes	<i>(Audited)</i>		
		<b>31 March 2008 KD</b>	<i>31 December 2007 KD</i>	<i>31 March 2007 KD</i>
Property and equipment		<b>3,400,187</b>	3,396,491	3,506,313
Investment properties		-	1,290,766	1,278,102
Investment in associates	6	<b>3,268,489</b>	3,352,539	3,039,033
Investment in unconsolidated subsidiaries		<b>100,001</b>	100,001	1
Investment in equities and bonds	7	<b>123,418,674</b>	120,152,981	80,361,599
Loans to life policy holders		<b>100,709</b>	97,013	101,891
Premiums and insurance balances receivable		<b>9,280,290</b>	8,341,033	10,701,402
Reinsurance recoverable on outstanding claims		<b>17,076,717</b>	17,269,695	14,219,263
Other debit balances		<b>2,033,696</b>	2,106,275	4,302,403
Fixed and short notice bank deposits		<b>14,921,438</b>	11,821,564	12,396,989
Bank balances and cash	8	<b>3,736,914</b>	2,063,393	919,755
<b>TOTAL ASSETS</b>		<b>177,337,115</b>	169,991,751	130,826,751
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	9	<b>14,207,566</b>	14,207,566	12,915,969
Statutory reserve		<b>13,712,799</b>	13,712,799	12,012,393
General reserve		<b>13,473,274</b>	13,473,274	11,772,868
Special voluntary reserve		<b>9,000,000</b>	9,000,000	7,750,000
Treasury shares	10	<b>(1,819,004)</b>	(1,823,665)	(1,669,425)
Treasury shares reserve		<b>1,166,183</b>	1,106,482	1,039,631
Cumulative changes in fair value		<b>18,968,163</b>	18,480,843	14,515,326
Foreign currency translation reserve		<b>(306,534)</b>	(223,258)	(42,114)
Retained earnings		<b>27,176,994</b>	20,183,499	20,352,228
<b>Total equity</b>		<b>95,579,441</b>	88,117,540	78,646,876
<b>Liabilities</b>				
<b>Liabilities arising from insurance contracts:</b>				
Outstanding claims reserve		<b>25,478,290</b>	25,441,046	22,335,871
Unearned premiums reserve		<b>2,891,332</b>	2,779,264	2,772,625
Life mathematical reserve		<b>3,097,000</b>	3,094,000	2,640,000
Additional reserve		<b>6,700,000</b>	6,700,000	6,200,000
Total liabilities arising from insurance contracts		<b>38,166,622</b>	38,014,310	33,948,496
Insurance payable		<b>5,500,122</b>	5,801,010	8,908,520
Other credit balances		<b>10,406,757</b>	9,789,239	9,273,929
Term loans	11	<b>27,330,402</b>	27,330,402	-
Bank overdraft	8	<b>353,771</b>	939,250	48,930
<b>Total liabilities</b>		<b>81,757,674</b>	81,874,211	52,179,875
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>177,337,115</b>	169,991,751	130,826,751

Sulaiman Hamad Al-Dalali  
Chairman and Managing Director

Ayman Abdullatif Al-Shayea  
Vice Chairman

The attached notes 1 to 13 form part of this interim condensed financial information.

# Al-Ahleia Insurance Company S.A.K.

## STATEMENT OF CASH FLOWS (UNAUDITED)

Period ended 31 March 2008

	<i>Three months ended 31 March</i>	
	<b>2008</b>	<b>2007</b>
<i>Note</i>	<b>KD</b>	<b>KD</b>
<b>OPERATING ACTIVITIES</b>		
Profit before contribution to KFAS, NLST and Zakat	<b>7,273,404</b>	3,098,331
Adjustments for:		
Provision for employees' end of service benefits	<b>23,829</b>	12,693
Depreciation of property and equipment	<b>37,609</b>	41,040
Depreciation of investment properties	<b>9,974</b>	24,532
Gain on sale of investment properties	<b>(3,719,208)</b>	-
Gain on sale of available for sale investments	<b>(1,201,185)</b>	(1,301,385)
Dividend income	<b>(1,830,997)</b>	(739,795)
Interest income	<b>(302,108)</b>	(226,048)
Interest expense	<b>552,485</b>	-
	<b>843,803</b>	909,368
Changes in operating assets and liabilities:		
Premiums and insurance balances receivable	<b>(939,257)</b>	(1,997,600)
Other debit balances	<b>505,708</b>	724,143
Reinsurance recoverable on outstanding claims	<b>192,978</b>	(754,038)
Liabilities arising from insurance contracts	<b>152,312</b>	766,208
Insurance payable	<b>(300,888)</b>	3,543,595
Other credit balances	<b>(234,096)</b>	(222,554)
Cash from operations	<b>220,560</b>	2,969,122
Employees' end of service benefits paid	<b>(4,609)</b>	(1,693)
Net cash from operating activities	<b>215,951</b>	2,967,429
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	<b>(41,305)</b>	(4,173)
Purchase of investment properties	-	(2,000)
Proceeds from sale of investment properties	<b>5,000,000</b>	-
Purchase of investment in associates	-	(365,953)
Redemption of bonds	-	41,667
Purchase of available for sale investments	<b>(10,495,749)</b>	(8,082,308)
Proceeds from sale of available for sale investments	<b>8,918,561</b>	7,311,415
Movement in loans to life policy holders	<b>(3,696)</b>	(8,338)
Movement in fixed and short notice bank deposits	<b>(3,099,874)</b>	(2,754,999)
Dividends received from investments in associates	<b>774</b>	-
Dividends received	<b>1,682,991</b>	537,073
Interest income received	<b>16,985</b>	15,253
Net cash from (used in) investing activities	<b>1,978,687</b>	(3,312,363)
<b>FINANCING ACTIVITIES</b>		
Purchase of treasury shares	<b>(97,828)</b>	(97,627)
Sale of treasury shares	<b>162,190</b>	115,498
Net cash from financing activities	<b>64,362</b>	17,871
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,259,000</b>	(327,063)
Cash and cash equivalents at the beginning of the period	<b>1,124,143</b>	1,197,888
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>8</b> <b>3,383,143</b>	<b>870,825</b>

The attached notes 1 to 13 form part of this interim condensed financial information.

Al-Ahleia Insurance Company S.A.K.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Period ended 31 March 2008

	<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 value KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
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
Transfer to income statement on sale of available for sale investments	-	-	-	-	-	-	(190,070)	-	-	(190,070)
Net movement in fair value of available for sale investments during the period	-	-	-	-	-	-	677,390	-	-	677,390
Foreign currency translation adjustment	-	-	-	-	-	-	-	(83,276)	-	(83,276)
Total income and expense for the period recognised directly in equity	-	-	-	-	-	-	487,320	(83,276)	-	404,044
Profit for the period	-	-	-	-	-	-	-	-	6,993,495	6,993,495
Total income and expense for the period	-	-	-	-	-	-	487,320	(83,276)	6,993,495	7,397,539
Purchase of treasury shares	-	-	-	-	(97,828)	-	-	-	-	(97,828)
Sale of treasury shares	-	-	-	-	102,489	59,701	-	-	-	162,190
<b>Balance at 31 March 2008</b>	<b>14,207,566</b>	<b>13,712,799</b>	<b>13,473,274</b>	<b>9,000,000</b>	<b>(1,819,004)</b>	<b>1,166,183</b>	<b>18,968,163</b>	<b>(306,534)</b>	<b>27,176,994</b>	<b>95,579,441</b>

The attached notes 1 to 13 form part of this interim condensed financial information.

Al-Ahleia Insurance Company S.A.K.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (Continued)

Period ended 31 March 2008

	<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 value KD</i>	<i>Foreign currency translation reserve KD</i>	<i>Retained earnings KD</i>	<i>Total equity KD</i>
Balance at 1 January 2007	12,915,969	12,012,393	11,772,868	7,750,000	(1,642,769)	995,104	14,468,320	(42,114)	17,348,473	75,578,244
Transfer to income statement on sale of available for sale investments	-	-	-	-	-	-	(901,736)	-	-	(901,736)
Net movement in fair value of available for sale investments during the period	-	-	-	-	-	-	948,742	-	-	948,742
Total income for the period recognised directly in equity	-	-	-	-	-	-	47,006	-	-	47,006
Profit for the period	-	-	-	-	-	-	-	-	3,003,755	3,003,755
Total income for the period	-	-	-	-	-	-	47,006	-	3,003,755	3,050,761
Purchase of treasury shares	-	-	-	-	(97,627)	-	-	-	-	(97,627)
Sale of treasury shares	-	-	-	-	70,971	44,527	-	-	-	115,498
Balance at 31 March 2007	12,915,969	12,012,393	11,772,868	7,750,000	(1,669,425)	1,039,631	14,515,326	(42,114)	20,352,228	78,646,876

The attached notes 1 to 13 form part of this interim condensed financial information.

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

**1 ACTIVITIES**

The interim condensed financial information of Al-Ahleia Insurance Company S.A.K. for the period ended 31 March 2008 were authorised for issue by the Board of Directors on 18 May 2008.

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 2007.

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 three month period ended 31 March 2008 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2008.

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 2007.

**3 DEPARTMENT RESULTS**

a) Three months ended 31 March 2008:

	<i>Marine and Aviation KD</i>	<i>Accident KD</i>	<i>Fire KD</i>	<i>Life KD</i>	<i>Total KD</i>
<b>Revenue:</b>					
Premiums written	2,571,839	1,876,702	676,136	2,086,269	<b>7,210,946</b>
Reinsurance premiums ceded	(2,100,431)	(483,802)	(481,668)	(1,309,021)	<b>(4,374,922)</b>
Net premiums written	471,408	1,392,900	194,468	777,248	<b>2,836,024</b>
Movement in unearned premiums	(68,732)	(21,065)	(22,272)	-	<b>(112,069)</b>
Net premiums earned	402,676	1,371,835	172,196	777,248	<b>2,723,955</b>
Commission received on ceded reinsurance	489,114	88,807	109,811	251,847	<b>939,579</b>
Policy issuance and transfer fees	-	145,484	-	-	<b>145,484</b>
Net investment income from life insurance	-	-	-	154,325	<b>154,325</b>
Other income	5,060	13,918	1,364	10,218	<b>30,560</b>
<b>Total revenue</b>	<b>896,850</b>	<b>1,620,044</b>	<b>283,371</b>	<b>1,193,638</b>	<b>3,993,903</b>
<b>Expenses:</b>					
Claims incurred	49,198	676,993	159,489	619,952	<b>1,505,632</b>
Commissions and discounts	58,332	224,383	64,111	47,638	<b>394,464</b>
Increase in additional reserve	-	29,966	-	-	<b>29,966</b>
Increase in life mathematical reserve	-	-	-	3,000	<b>3,000</b>
Maturity and cancellations of life insurance policies	-	-	-	28,759	<b>28,759</b>
General and administrative expenses	251,621	263,856	52,839	206,680	<b>774,996</b>

Al-Ahleia Insurance Company S.A.K.

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

Total expenses	<u>359,151</u>	<u>1,195,198</u>	<u>276,439</u>	<u>906,029</u>	<u>2,736,817</u>
NET UNDERWRITING INCOME	<u>537,699</u>	<u>424,846</u>	<u>6,932</u>	<u>287,609</u>	<u>1,257,086</u>

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

**3 DEPARTMENT RESULTS (continued)**

b) Three months ended 31 March 2007:

	<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	2,461,032	2,752,909	619,270	1,979,227	7,812,438
Reinsurance premiums ceded	(2,097,711)	(1,389,362)	(496,315)	(1,232,107)	(5,215,495)
Net premiums written	363,321	1,363,547	122,955	747,120	2,596,943
Movement in unearned premiums	(48,357)	(164,907)	(684)	-	(213,948)
Net premiums earned	314,964	1,198,640	122,271	747,120	2,382,995
Commission received on ceded reinsurance	403,888	314,907	115,254	182,487	1,016,536
Policy issuance and transfer fees	-	135,683	-	-	135,683
Net investment income from life insurance	-	-	-	174,586	174,586
Other income	2,407	19,776	1,365	3,090	26,638
Total revenue	<u>721,259</u>	<u>1,669,006</u>	<u>238,890</u>	<u>1,107,283</u>	<u>3,736,438</u>
Expenses:					
Claims incurred	11,525	594,621	49,097	574,711	1,229,954
Commissions and discounts	53,752	390,437	41,000	26,205	511,394
Increase in additional reserve	-	57,529	-	-	57,529
Decrease in life mathematical reserve	-	-	-	(80,000)	(80,000)
Maturity and cancellations of life insurance policies	-	-	-	51,261	51,261
General and administrative expenses	203,077	256,739	58,208	183,950	701,974
Total expenses	<u>268,354</u>	<u>1,299,326</u>	<u>148,305</u>	<u>756,127</u>	<u>2,472,112</u>
Net underwriting income	<u><b>452,905</b></u>	<u>369,680</u>	<u>90,585</u>	<u>351,156</u>	<u>1,264,326</u>



## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

**4 NET INVESTMENT INCOME**

	<i>Three months ended</i> <i>31 March</i>	
	<b>2008</b>	2007
	<b>KD</b>	KD
Interest on bonds	<b>14,586</b>	16,424
Dividend income	<b>1,830,997</b>	739,795
Interest on fixed and short notice bank deposits	<b>287,522</b>	209,624
Rental income	<b>27,253</b>	-
Gain on sale of available for sale investments	<b>1,201,185</b>	1,301,385
Gain on sale of investment properties	<b>3,719,208</b>	-
Other investment income	<b>27,573</b>	62,268
	<b>7,108,324</b>	2,329,496
General and administrative expenses	<b>(30,959)</b>	(70,226)
Depreciation of investment properties	<b>(9,974)</b>	(24,532)
Financial charges and other expenses	<b>(552,485)</b>	(93,482)
	<b>(593,418)</b>	(188,240)
	<b>6,514,906</b>	2,141,256

Included in general and administrative expenses is an amount of KD 9,974 (31 March 2007: KD 24,532) which represents depreciation of premises and equipment.

Net investment income reported in the income statement as follows:

	<i>Three months ended</i> <i>31 March</i>	
	<b>2008</b>	2007
	<b>KD</b>	KD
Net investment income	<b>6,360,581</b>	1,966,670
Net investment income from life insurance	<b>154,325</b>	174,586
	<b>6,514,906</b>	2,141,256

**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</i> <i>31 March</i>	
	<b>2008</b>	2007
	<b>KD</b>	KD
Profit for the period	<b>6,993,495</b>	3,003,755
	<b>Shares</b>	Shares
Weighted average number of ordinary shares outstanding during the period (excluding treasury shares)	<b>152,152,266</b>	152,495,892
Basic and diluted earnings per share	<b>45.96 fils</b>	19.70 fils

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

**5 BASIC AND DILUTED EARNINGS PER SHARE (continued)**

The earnings per share for the current and previous periods have been restated to reflect the bonus shares for 2007 that have been approved on 9 April 2008 (Note 10).

**6 INVESTMENT IN ASSOCIATES**

Name of the company	Ownership percentage	Country of incorporation	31 March 2008 KD	(Audited)	31 March 2007 KD
				31 December 2007 KD	
Arab Life Insurance Company S.A.L.	49.37%	Lebanon	336,166	344,475	368,866
Trade Union Insurance Company E.C.	20%	KSA	1,884,057	1,929,875	1,831,131
Arab Life and Accident Insurance Co. P.S.C.	27.20%	Jordan	1,048,266	1,078,189	839,036
			<u>3,268,489</u>	<u>3,352,539</u>	<u>3,039,033</u>

Goodwill included in the carrying value of the associates amounted to KD 273,824 (31 December 2007: KD 273,824 and 31 March 2007: KD 273,824).

**7 INVESTMENT IN EQUITIES AND BONDS**

	31 March 2008 KD	(Audited)	31 March 2007 KD
		31 December 2007 KD	
Available for sale investments:			
Quoted equity securities	82,407,531	80,930,612	51,959,296
Unquoted equity securities	40,011,142	38,222,368	27,318,969
	<u>122,418,673</u>	<u>119,152,980</u>	<u>79,278,265</u>
Loans:			
Bonds	1,000,000	1,000,000	1,083,333
Bonds of corporation for settlement of forward share transaction			
Nominal value	459,701	459,701	459,701
Provision for impairment	(459,700)	(459,700)	(459,700)
	<u>1</u>	<u>1</u>	<u>1</u>
	<u>123,418,674</u>	<u>120,152,981</u>	<u>80,361,599</u>

Included in available for sale investments are unquoted securities with a value of KD 33,135,440 (31 December 2007: KD 32,270,458 and 31 March 2007: KD 27,318,969) which are carried at cost due to the unpredictable nature of future cash flows and the lack of suitable other methods for arriving at a reliable measure of fair value.

Management is of the opinion that there has been no impairment in value of these investments and, given the difficulty in obtaining reliable valuations, believes it is more appropriate to carry them at cost.

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

**8 CASH AND CASH EQUIVALENTS**

	<i>31 March 2008</i>	<i>(Audited) 31 December 2007</i>	<i>31 March 2007</i>
	<i>KD</i>	<i>KD</i>	<i>KD</i>
Cash in hand and at banks	<b>175,052</b>	133,368	102,366
Fixed and short notice bank deposits	<b>3,561,862</b>	1,930,025	817,389
	<b>3,736,914</b>	2,063,393	919,755
Bank overdraft	<b>(353,771)</b>	(939,250)	(48,930)
	<b>3,383,143</b>	1,124,143	870,825

Bank overdrafts are denominated in Kuwaiti dinars and carry an average effective interest rate of approximately 2% per annum (31 December 2006 and 31 March 2006: 2% per annum) over the Central Bank of Kuwait discount rate.

**9 SHARE CAPITAL**

Authorized, issued and fully paid capital consists of 142,075,660 shares of 100 fils each (31 December 2007: 142,075,660 and 31 March 2007: 129,159,694 shares).

**10 TREASURY SHARES**

	<i>31 March 2008</i>	<i>(Audited) 31 December 2007</i>	<i>31 March 2007</i>
Number of treasury shares (shares)	<b>4,129,960</b>	3,914,610	3,457,176
Percentage of issued shares (%)	<b>2.91</b>	2.76	2.68
Market value (KD)	<b>3,303,968</b>	2,935,958	2,662,026

**11 TERM LOAN**

This represents a long term loan obtained from a local bank to finance the acquisition of an available for sale investment. The term loan is repayable in full on 19 September 2010 and carries interest at an effective rate of 0.75% per annum over the Central Bank of Kuwait discount rate (31 December 2007: 1% per annum and 31 March 2007: Nil).

## NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION

(UNAUDITED)

At 31 March 2008

**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> <i>KD</i>	<i>Major</i> <i>shareholders</i> <i>KD</i>	<b><i>31 March</i></b> <b><i>2008</i></b> <b><i>KD</i></b>	<b><i>31 March</i></b> <b><i>2007</i></b> <b><i>KD</i></b>
Premium written	-	245,544	<b>245,544</b>	<b>249,934</b>
Claims incurred	-	412,270	<b>412,270</b>	<b>210,030</b>

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

	<i>Unconsoli- dated</i> <i>subsidiaries</i> <i>KD</i>	<i>Associates</i> <i>KD</i>	<i>Major</i> <i>shareholders</i> <i>KD</i>	<b><i>31 March</i></b> <b><i>2008</i></b> <b><i>KD</i></b>	<i>(Audited)</i> <i>31 December</i> <i>2007</i> <i>KD</i>	<b><i>31 March</i></b> <b><i>2007</i></b> <b><i>KD</i></b>
Investment in unconsolidated subsidiaries	100,001	-	-	<b>100,001</b>	-	-
Investment in associates	3,268,489	3,268,489	-	<b>3,268,489</b>	3,352,539	3,039,033
Premiums and insurance balances	-	-	610,078	<b>610,078</b>	1,650,697	1,483,000
Other credit balances	-	-	335,015	<b>335,015</b>	80,574	68,610

**Key management personnel compensation**

	<b><i>31 March</i></b> <b><i>2008</i></b> <b><i>KD</i></b>	<b><i>31 March</i></b> <b><i>2007</i></b> <b><i>KD</i></b>
Salaries and other short term benefits	<b>30,000</b>	16,308
Employees' end of service benefits	<b>68,600</b>	46,858

**13 SUBSEQUENT EVENT**

The general assembly held on 9 April 2008 approved the distribution of 65 fils per share in addition to the bonus shares of 10% of paid up capital proposed by the board of directors for the year ended 31 December 2007.

**AL-AHLEIA INSURANCE COMPANY S.A.K.**

**INTERIM CONDENSED FINANCIAL  
INFORMATION (UNAUDITED)**

**31 MARCH 2008**