

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

| (In thousands of Bahraini Dinars)                                | 30 June 2013<br>(reviewed) | 31 December 2012<br>(audited) |
|--|----------------------------|-------------------------------|
| <b>ASSETS</b>  |                            |                               |
| Cash and cash equivalents  | 13,175                     | 11,787                        |
| Receivables  | 6,842                      | 6,400                         |
| Investment securities  | 28,915                     | 28,454                        |
| Investment in associates and joint-venture                       | 11,874                     | 11,610                        |
| Investment properties  | 3,515                      | 3,602                         |
| Reinsurers' share of insurance technical reserves                | 12,814                     | 11,534                        |
| Property and equipment   | 3,018                      | 3,226                         |
| Statutory deposits   | 125                        | 125                           |
| <b>TOTAL ASSETS</b>  | <b>80,278</b>              | <b>76,738</b>                 |
| <b>LIABILITIES</b>   |                            |                               |
| Insurance payables   | 4,316                      | 3,299                         |
| Other liabilities  | 3,866                      | 3,722                         |
| Insurance technical reserves                                     | 27,729                     | 25,694                        |
| Bank loan  | 1,250                      | 1,160                         |
| <b>TOTAL LIABILITIES</b>   | <b>37,161</b>              | <b>33,875</b>                 |
| <b>TOTAL NET ASSETS</b>  | <b>43,117</b>              | <b>42,863</b>                 |
| <b>EQUITY</b>  |                            |                               |
| Share capital  | 11,350                     | 11,350                        |
| Treasury shares  | (1,868)                    | (1,868)                       |
| Statutory reserve  | 5,675                      | 5,675                         |
| Share premium  | 3,990                      | 3,990                         |
| General reserve  | 13,585                     | 13,585                        |
| Investment fair value reserve                                    | 2,799                      | 2,673                         |
| Retained earnings  | 5,575                      | 5,365                         |
| <b>Equity attributable to shareholders of the parent company</b> | <b>41,106</b>              | <b>40,770</b>                 |
| Non-controlling interest   | 2,011                      | 2,093                         |
| <b>TOTAL EQUITY</b>  | <b>43,117</b>              | <b>42,863</b>                 |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2013

| (In thousands of Bahraini Dinars)                        | Attributable to the shareholders of the parent company |                 |                   |               |                 |                               |                   |               | Non-controlling Interest | Total Equity  |
|--|--|-----------------|-------------------|---------------|-----------------|-------------------------------|-------------------|---------------|--------------------------|---------------|
| 2013   | Share capital  | Treasury shares | Statutory reserve | Share premium | General reserve | Investment fair value reserve | Retained earnings | Total         |                          |               |
| Balance at 1 January 2013                                | 11,350   | (1,868)         | 5,675             | 3,990         | 13,585          | 2,673                         | 5,365             | 40,770        | 2,093                    | 42,863        |
| <b>Net profit for the period</b>                         | -  | -               | -                 | -             | -               | -                             | <b>1,869</b>      | <b>1,869</b>  | <b>31</b>                | <b>1,900</b>  |
| <b>Other comprehensive income:</b>                       |  |                 |                   |               |                 |                               |                   |               |                          |               |
| Available for sale securities:                           |  |                 |                   |               |                 |                               |                   |               |                          |               |
| - Change in fair value                                   | -  | -               | -                 | -             | -               | 549                           | -                 | 549           | 27                       | 576           |
| - Impairment transferred to income statement             | -  | -               | -                 | -             | -               | 45                            | -                 | 45            | 1                        | 46            |
| - Transfer to income statement on disposal of Securities | -  | -               | -                 | -             | -               | (561)                         | -                 | (561)         | (35)                     | (596)         |
| Share of other comprehensive income of associate         | -  | -               | -                 | -             | -               | 93                            | -                 | 93            | -                        | 93            |
| <b>Other comprehensive income</b>                        | -  | -               | -                 | -             | -               | <b>126</b>                    | -                 | <b>126</b>    | <b>(7)</b>               | <b>119</b>    |
| <b>Total comprehensive income for the period</b>         | -  | -               | -                 | -             | -               | <b>126</b>                    | <b>1,869</b>      | <b>1,995</b>  | <b>24</b>                | <b>2,019</b>  |
| Dividends declared for 2012 for shareholders             | -  | -               | -                 | -             | -               | -                             | (1,609)           | (1,609)       | -                        | (1,609)       |
| Donations for 2012                                       | -  | -               | -                 | -             | -               | -                             | (50)              | (50)          | -                        | (50)          |
| Dividends declared to non-controlling interest           | -  | -               | -                 | -             | -               | -                             | -                 | -             | (106)                    | (106)         |
| <b>Balance at 30 June 2013</b>                           | <b>11,350</b>  | <b>(1,868)</b>  | <b>5,675</b>      | <b>3,990</b>  | <b>13,585</b>   | <b>2,799</b>                  | <b>5,575</b>      | <b>41,106</b> | <b>2,011</b>             | <b>43,117</b> |

Reviewed by KPMG Fakhro

Farouk Yousif Almoayyed - *Chairman*

Abdul-Hussain Khalil Dawani - *Vice Chairman*

Mahmood Al Soufi - *Chief Executive*


## CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

| (In thousands of Bahraini Dinars)                 | 30 June 2013<br>(reviewed) | 31 December 2012<br>(audited) |
|---|----------------------------|-------------------------------|
| <b>ASSETS</b>                                     |                            |                               |
| Cash and cash equivalents                         | 9,196                      | 9,232                         |
| Receivables                                       | 6,152                      | 4,593                         |
| Investment securities                             | 21,307                     | 21,497                        |
| Reinsurers' share of insurance technical reserves | 12,223                     | 10,918                        |
| Property and equipment                            | 368                        | 407                           |
| Statutory deposits                                | 75                         | 75                            |
| <b>Total assets</b>                               | <b>49,321</b>              | <b>46,722</b>                 |
| <b>LIABILITIES</b>                                |                            |                               |
| Insurance payables                                | 3,706                      | 2,767                         |
| Other liabilities                                 | 2,309                      | 2,162                         |
| Insurance technical reserves                      | 22,581                     | 20,706                        |
| <b>Total liabilities</b>                          | <b>28,596</b>              | <b>25,635</b>                 |
| <b>Total net assets</b>                           | <b>20,725</b>              | <b>21,087</b>                 |
| <b>EQUITY</b>                                     |                            |                               |
| Share capital                                     | 6,500                      | 6,500                         |
| Statutory reserve                                 | 3,250                      | 3,250                         |
| General reserve                                   | 4,155                      | 4,155                         |
| Investment fair value reserve                     | 3,965                      | 3,919                         |
| Retained earnings                                 | 2,855                      | 3,263                         |
| <b>Total equity</b>                               | <b>20,725</b>              | <b>21,087</b>                 |

## CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2013

| (In thousands of Bahraini Dinars)                       | 30 June 2013<br>(reviewed) | 31 December 2012<br>(audited) |
|---|----------------------------|-------------------------------|
| <b>OPERATING ACTIVITIES</b>                             |                            |                               |
| Premiums & commissions received                         | 10,259                     | 9,017                         |
| net of acquisition costs                                | (4,313)                    | (3,883)                       |
| Payments to insurance and reinsurance companies         | (6,272)                    | (6,104)                       |
| Claims paid to policyholders                            | 3,514                      | 3,706                         |
| Claims recovered from reinsurers and salvage recoveries | (2,309)                    | (1,951)                       |
| Other operating expenses paid                           | 879                        | 785                           |
| <b>Cash flows from operating activities</b>             | <b>879</b>                 | <b>785</b>                    |
| <b>INVESTMENT ACTIVITIES</b>                            |                            |                               |
| Dividends and interest received                         | 252                        | 677                           |
| Proceeds from sale and redemptions                      | 3,974                      | 2,368                         |
| Payments for purchases of investment securities         | (2,826)                    | (2,662)                       |
| Purchase of property, plant and equipment               | (60)                       | (40)                          |
| <b>Cash flows from investment activities</b>            | <b>1,340</b>               | <b>343</b>                    |
| <b>FINANCING ACTIVITIES</b>                             |                            |                               |
| Payments to group companies                             | -                          | (21)                          |
| Dividend paid to shareholder                            | (2,255)                    | (2,695)                       |
| <b>Cash flows used in financing activities</b>          | <b>(2,255)</b>             | <b>(2,716)</b>                |
| <b>Net decrease in cash and cash equivalents</b>        | <b>(36)</b>                | <b>(1,588)</b>                |
| Cash and cash equivalents at 1 January                  | 9,232                      | 5,461                         |
| <b>Cash and cash equivalents at 30 June</b>             | <b>9,196</b>               | <b>3,873</b>                  |

Reviewed by: KPMG Fakhro

Abdul-Hussain Khalil Dawani  
*Chairman*

Ghassan Qassim Fakhroo  
*Vice Chairman*

Abdulla Khamis Al Suwaidi  
*General Manager*

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2013

| (In thousands of Bahraini Dinars)                             | 30 June 2013<br>(reviewed) | 30 June 2012<br>(reviewed) |
|---|----------------------------|----------------------------|
| <b>OPERATING ACTIVITIES</b>                                   |                            |                            |
| <b>Insurance operations (including life assurance)</b>        |                            |                            |
| Premiums & commissions received net of acquisition costs      | 14,168                     | 11,913                     |
| Payments to insurance and reinsurance companies               | (5,209)                    | (5,018)                    |
| Claims paid to policyholders                                  | (8,646)                    | (8,310)                    |
| Claims recovered from reinsurers and salvage recoveries       | 4,232                      | 4,357                      |
| <b>Cash flows from insurance operations</b>                   | <b>4,545</b>               | <b>2,942</b>               |
| <b>Investment operations</b>                                  |                            |                            |
| Dividends and interests received                              | 552                        | 825                        |
| Proceeds from sale and redemptions                            | 5,523                      | 4,703                      |
| Payments for purchases of investment securities               | (5,016)                    | (5,283)                    |
| Investment in associates and joint-venture                    | (80)                       | (163)                      |
| Dividends received from an associates                         | 263                        | 300                        |
| Payments for development of investment property               | (106)                      | (21)                       |
| Rents received  | 137                        | 129                        |
| <b>Cash flows from investment operations</b>                  | <b>1,379</b>               | <b>490</b>                 |
| Other operating expenses paid                                 | (2,920)                    | (3,173)                    |
| <b>Cash flows from operating activities</b>                   | <b>3,004</b>               | <b>259</b>                 |
| <b>INVESTMENT ACTIVITIES</b>                                  |                            |                            |
| Purchase of property, plant and equipment                     | (76)                       | (67)                       |
| <b>Cash flows used in investment activities</b>               | <b>(76)</b>                | <b>(67)</b>                |
| <b>FINANCING ACTIVITIES</b>                                   |                            |                            |
| Proceeds from bank loan                                       | 340                        | -                          |
| Repayment of bank loan  | (250)                      | -                          |
| Finance costs paid  | (28)                       | -                          |
| Dividends paid to non-controlling interest                    | (106)                      | (21)                       |
| Dividends paid to shareholders                                | (1,477)                    | (1,814)                    |
| Donations paid  | (19)                       | (13)                       |
| <b>Cash flows used in financing activities</b>                | <b>(1,540)</b>             | <b>(1,827)</b>             |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>1,388</b>               | <b>(1,635)</b>             |
| Cash and cash equivalents at 1 January                        | 11,787                     | 8,044                      |
| <b>Cash and cash equivalents at 30 June</b>                   | <b>13,175</b>              | <b>6,409</b>               |

## CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2013

| (In thousands of Bahraini Dinars)               | Six months ended<br>30 June 2013<br>(reviewed) | Six months ended<br>30 June 2012<br>(reviewed) | Three months ended<br>30 June 2013<br>(reviewed) | Three months ended<br>30 June 2012<br>(reviewed) |
|---|--|--|--|--|
| <b>Gross Premiums</b>                           | <b>13,720</b>                                  | <b>12,031</b>                                  | <b>7,283</b>                                     | <b>6,061</b>                                     |
| Reinsurance ceded                               | (6,244)  | (4,806)  | (3,370)  | (2,231)  |
| Retained premiums                               | 7,476  | 7,225  | 3,913  | 3,830  |
| Net unearned premiums adjustment                | (296)  | (275)  | (246)  | (278)  |
| <b>Net premium earned</b>                       | <b>7,180</b>                                   | <b>6,950</b>                                   | <b>3,667</b>                                     | <b>3,552</b>                                     |
| Gross claims paid                               | (8,868)  | (8,511)  | (4,611)  | (4,233)  |
| Reinsurance recoveries                          | 4,232  | 4,387  | 2,368  | 2,159  |
| Net outstanding claims adjustment               | (151)  | (554)  | (447)  | (505)  |
| <b>Net claims incurred</b>                      | <b>(4,787)</b>                                 | <b>(4,678)</b>                                 | <b>(2,690)</b>                                   | <b>(2,579)</b>                                   |
| Other operating expenses                        | (2,235)  | (2,229)  | (1,159)  | (1,110)  |
| Net commission income                           | 328  | 295  | 149  | 122  |
| Release from life assurance actuarial reserve   | 47   | -  | 47   | -  |
| <b>Underwriting profit for the period</b>       | <b>533</b>                                     | <b>338</b>                                     | <b>14</b>  | <b>(15)</b>                                      |
| Net investment income                           | 1,494  | 764  | 665  | 131  |
| Policyholder's share of investment income       | (128)  | (77)   | (37)   | 43   |
| Share of profit of associates and joint venture | 353  | 433  | 206  | 209  |
| Net income from investment properties           | 3  | 85   | (8)  | 33   |
| Corporate and financial expenses                | (355)  | (642)  | (186)  | (319)  |
| <b>Profit for the period</b>                    | <b>1,900</b>                                   | <b>901</b>                                     | <b>654</b>                                       | <b>82</b>  |
| Profit attributable to:                         |  |  |  |  |
| Parent company                                  | 1,869  | 890  | 645  | 98   |
| Non-controlling interest                        | 31   | 11   | 9  | (16)   |
| <b>Profit for the period</b>                    | <b>1,900</b>                                   | <b>901</b>                                     | <b>654</b>                                       | <b>82</b>  |
| Basic Earnings per share (100 fils) each        | <b>17.71 fils</b>                              | <b>8.41 fils</b>                               | <b>6.10 fils</b>                                 | <b>0.77 fils</b>                                 |

| 2012   | Attributable to the shareholders of the parent company |                 |                   |               |                 |                               |                   |               | Non-controlling Interest | Total Equity  |
|--|--|-----------------|-------------------|---------------|-----------------|-------------------------------|-------------------|---------------|--------------------------|---------------|
| Balance at 1 January 2012                                | Share capital  | Treasury shares | Statutory reserve | Share premium | General reserve | Investment fair value reserve | Retained earnings | Total         |                          |               |
| Balance at 1 January 2012                                | 11,350   | (1,868)         | 5,675             | 3,990         | 13,585          | 2,170                         | 5,402             | 40,304        | 1,917                    | 42,221        |
| <b>Net profit for the period</b>                         | -  | -               | -                 | -             | -               | -                             | -                 | -             | -                        | -             |
| Other comprehensive income:                              |  |                 |                   |               |                 |                               |                   |               |                          |               |
| Available for sale securities:                           |  |                 |                   |               |                 |                               |                   |               |                          |               |
| - Change in fair value                                   | -  | -               | -                 | -             | -               | 227                           | -                 | 227           | 2                        | 229           |
| - Transfer to income statement on disposal of Securities | -  | -               | -                 | -             | -               | (54)                          | -                 | (54)          | (14)                     | (68)          |
| Share of other comprehensive income of associate         | -  | -               | -                 | -             | -               | (1)                           | -                 | (1)           | -                        | (1)           |
| <b>Other comprehensive income</b>                        | -  | -               | -                 | -             | -               | <b>172</b>                    | -                 | <b>172</b>    | <b>(12)</b>              | <b>160</b>    |
| <b>Total comprehensive income for the period</b>         | -  | -               | -                 | -             | -               | <b>172</b>                    | <b>890</b>        | <b>1,062</b>  | <b>(1)</b>               | <b>1,061</b>  |
| Dividends declared for 2011 for shareholders             | -  | -               | -                 | -             | -               | -                             | (2,145)           | (2,145)       | -                        | (2,145)       |
| Donations for 2011                                       | -  | -               | -                 | -             | -               | -                             | (50)              | (50)          | -                        | (50)          |
| <b>Balance at 30 June 2012</b>                           | <b>11,350</b>  | <b>(1,868)</b>  | <b>5,675</b>      | <b>3,990</b>  | <b>13,585</b>   | <b>2,342</b>                  | <b>4,097</b>      | <b>39,171</b> | <b>1,916</b>             | <b>41,087</b> |



## CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

| (In thousands of Bahraini Dinars)                 | 30 June 2013<br>(reviewed) | 31 December 2012<br>(audited) |
|---|----------------------------|-------------------------------|
| <b>ASSETS</b>                                     |                            |                               |
| Cash and cash equivalents                         | 2,600                      | 2,081                         |
| Receivables                                       | 562                        | 1,742                         |
| Investment securities                             | 10,080                     | 9,427                         |
| Reinsurers' share of insurance technical reserves | 592                        | 616                           |
| Property and equipment                            | 251                        | 284                           |
| Statutory deposits                                | 50                         | 50                            |
| <b>Total assets</b>                               | <b>14,135</b>              | <b>14,200</b>                 |
| <b>LIABILITIES</b>                                |                            |                               |
| Insurance payables                                | 610                        | 532                           |
| Other liabilities                                 | 331                        | 307                           |
| Insurance technical reserves                      | 5,148                      | 4,988                         |
| <b>Total liabilities</b>                          | <b>6,089</b>               | <b>5,827</b>                  |
| <b>Total net assets</b>                           | <b>8,046</b>               | <b>8,373</b>                  |
| <b>EQUITY</b>                                     |                            |                               |
| Share capital                                     | 5,000                      | 5,000                         |
| Statutory reserve                                 | 388                        | 388                           |
| General reserve                                   | 11                         | 11                            |
| Investment fair value reserve                     | 151                        | 180                           |
| Retained earnings                                 | 2,496                      | 2,794                         |
| <b>Total equity</b>                               | <b>8,046</b>               | <b>8,373</b>                  |

## CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2013

| (In thousands of Bahraini Dinars)                             | 30 June 2013<br>(reviewed) | 30 June 2012<br>(reviewed) |
|---|----------------------------|----------------------------|
| <b>OPERATING ACTIVITIES</b>                                   |                            |                            |
| Premiums & commissions received net of acquisition costs      | 4,270                      | 2,933                      |
| Payments to insurance and reinsurance companies               | (887)                      | (1,135)                    |
| Claims paid to policyholders                                  | (2,374)                    | (2,205)                    |
| Claims recovered from reinsurers and salvage recoveries       | 710                        | 651                        |
| Other operating expenses paid                                 | (488)                      | (477)                      |
| <b>Cash flows from / (used in) operating activities</b>       | <b>1,231</b>               | <b>(233)</b>               |
| <b>INVESTMENT ACTIVITIES</b>                                  |                            |                            |
| Dividends and interest received                               | 360                        | 281                        |
| Proceeds from sale and redemptions                            | 1,548                      | 2,019                      |
| Payments for purchases of investment securities               | (2,190)                    | (2,616)                    |
| Purchase of property, plant and equipment                     | (7)                        | (29)                       |
| <b>Cash flows used in investment activities</b>               | <b>(289)</b>               | <b>(345)</b>               |
| <b>FINANCING ACTIVITIES</b>                                   |                            |                            |
| Dividends paid to shareholders                                | (423)                      | -                          |
| Proceeds from group companies                                 | -                          | 237                        |
| <b>Cash flows from / (used in) financing activities</b>       | <b>(423)</b>               | <b>237</b>                 |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | <b>519</b>                 | <b>(341)</b>               |
| Cash and cash equivalents at 1 January                        | 2,081                      | 2,270                      |
| <b>Cash and cash equivalents at 30 June</b>                   | <b>2,600</b>               | <b>1,929</b>               |

Reviewed by: KPMG Fakhro

Abdulrahman Mohamed Juma  
*Chairman*

Sh. Abdulla bin Ahmed Al-Thani  
*Vice Chairman*

Robert James Grey  
*General Manager*

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2013

| (In thousands of Bahraini Dinars)   | Six months ended<br>30 June 2013<br>(reviewed) | Six months ended<br>30 June 2012<br>(reviewed) | Three months ended<br>30 June 2013<br>(reviewed) | Three months ended<br>30 June 2012<br>(reviewed) |
|---|--|--|--|--|
| Profit for the period   | 1,900  | 901  | 654  | 82   |
| Other comprehensive income: Items that are or may be reclassified subsequently to profit or loss: |  |  |  |  |
| Available - for - sale securities:  |  |  |  |  |
| - Change in fair value  | 576  | 229  | 37   | (346)  |
| - Impairment transferred to income statement  | 46   | -  | 35   | -  |
| - Transfer to income statement on disposal of securities  | (596)  | (68)   | (384)  | 7  |
| Share of other comprehensive income of associate  | 93   | (1)  | 18   | (16)   |
| Total items that are or may be reclassified subsequently to profit or loss                        | 119  | 160  | (294)  | (355)  |
| Other comprehensive income for the period   | 119  | 160  | (294)  | (355)  |
| Total comprehensive income for the period   | 2,019  | 1,061  | 360  | (273)  |
| Total comprehensive income attributable to:   |  |  |  |  |
| Parent company  | 1,995  | 1,062  | 369  | (237)  |
| Non-controlling interest  | 24   | (1)  | (9)  | (36)   |
| Total comprehensive income for the period   | 2,019  | 1,061  | 360  | (273)  |