

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 30 June 2017

(In thousands of Bahraini Dinars)

	30 June 2017 (reviewed)	31 December 2016 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	3,449	5,048
Placements with banks	10,506	8,996
Insurance and other receivables	10,634	9,185
Reinsurers' share of insurance technical reserves	12,770	10,523
Deferred acquisition cost	581	628
Financial investments	28,126	26,379
Equity accounted investees	15,745	15,670
Investment properties	3,023	3,099
Intangible assets	243	282
Property and equipment	3,289	3,429
Statutory deposits	125	125
<b>Total assets</b>	<b>88,491</b>	<b>83,364</b>
<b>LIABILITIES</b>		
Insurance technical reserves	27,413	24,522
Insurance payables	4,817	3,492
Other liabilities	5,781	6,272
<b>Total liabilities</b>	<b>38,011</b>	<b>34,286</b>
<b>Total net assets</b>	<b>50,480</b>	<b>49,078</b>
<b>EQUITY</b>		
Share capital	11,350	11,350
Treasury shares	(1,868)	(1,868)
Share premium	3,990	3,990
Statutory reserve	5,675	5,675
General reserve	13,585	13,585
Investment fair value reserve	2,900	2,900
Retained earnings	12,481	11,854
<b>Equity attributable to owners of the company</b>	<b>48,113</b>	<b>46,849</b>
Non-controlling interest	2,367	2,229
<b>Total equity</b>	<b>50,480</b>	<b>49,078</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the six months ended 30 June 2017

(In thousands of Bahraini Dinars)

	30 June 2017 (reviewed)	30 June 2016 (reviewed)
<b>OPERATING ACTIVITIES</b>		
<b>Insurance operations</b>		
Premiums and commissions received, net of acquisition costs	13,653	14,168
Payments to insurance and reinsurance companies	(5,411)	(5,598)
Claims paid to policyholders	(10,699)	(11,045)
Claims recovered from reinsurers and salvage recoveries	5,378	5,737
<b>Cash flows from insurance operations</b>	<b>2,921</b>	<b>3,262</b>
<b>Investment operations</b>		
Dividends and interests received	574	653
Proceeds from sale and redemptions of financial investments	3,707	8,008
Payments for purchases of financial investments	(4,040)	(6,063)
Placements with banks	(9,835)	(7,196)
Proceeds from redemptions of placements with banks	8,325	6,747
Proceeds from partial sale of an equity accounted investee	343	-
Investment in equity accounted investees	-	(160)
Dividends received from equity accounted investees	1,353	469
Investments in investment property	-	(3)
Rents received	186	138
<b>Cash flows from investment operations</b>	<b>610</b>	<b>2,596</b>
Expenses paid	(3,100)	(3,370)
<b>Cash flows from operating activities</b>	<b>431</b>	<b>2,488</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property and equipment and intangible assets	(78)	(170)
<b>Cash flows used in investment activities</b>	<b>(78)</b>	<b>(170)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of bank loan	(2)	(150)
Finance costs paid	-	(10)
Dividends paid to non-controlling interest	-	(97)
Dividends paid to shareholders	(1,929)	(1,778)
Donations paid	(21)	(21)
<b>Cash flows used in financing activities</b>	<b>(1,952)</b>	<b>(2,056)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,599)</b>	<b>262</b>
Cash and cash equivalents at 1 January	5,048	3,965
<b>Cash and cash equivalents at 30 June</b>	<b>3,449</b>	<b>4,227</b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
for the six months ended 30 June 2017

(In thousands of Bahraini Dinars)

	Six months ended 30 June 2017 (reviewed)	Six months ended 30 June 2016 (reviewed)	Three months ended 30 June 2017 (reviewed)	Three months ended 30 June 2016 (reviewed)
Gross insurance premiums	15,368	14,987	7,537	7,861
Reinsurers' share of gross insurance premiums	(6,785)	(6,658)	(3,067)	(3,389)
Retained premiums	8,583	8,329	4,470	4,472
Net change in reserve for unearned premiums	(490)	(745)	(370)	(649)
<b>Net premium earned</b>	<b>8,093</b>	<b>7,584</b>	<b>4,100</b>	<b>3,823</b>
Gross claims paid	(10,515)	(10,906)	(4,687)	(5,103)
Reinsurance recoveries	5,217	5,806	2,349	2,532
Outstanding claims adjustment - Gross	(1,632)	1,321	(1,040)	270
Outstanding claims adjustment - Reinsurance	1,873	(1,062)	686	(334)
<b>Net claims incurred</b>	<b>(5,057)</b>	<b>(4,841)</b>	<b>(2,692)</b>	<b>(2,635)</b>
<b>Gross underwriting profit for the period</b>	<b>3,036</b>	<b>2,743</b>	<b>1,408</b>	<b>1,188</b>
Net commission income	28	228	(11)	172
General and administration expenses	(2,150)	(2,060)	(1,058)	(1,045)
<b>Net underwriting profit for the period</b>	<b>914</b>	<b>911</b>	<b>339</b>	<b>315</b>
Net investment income	1,464	1,043	546	462
Impairment on investments	(207)	(100)	(95)	(97)
Share of profit of equity accounted investees	1,595	1,095	536	426
Corporate expenses	(859)	(859)	(462)	(441)
<b>Profit for the period</b>	<b>2,907</b>	<b>2,090</b>	<b>864</b>	<b>671</b>
Profit attributable to :				
Owners of the company	2,822	2,074	816	644
Non-controlling interest	85	16	48	27
<b>Profit for the period</b>	<b>2,907</b>	<b>2,090</b>	<b>864</b>	<b>671</b>
<b>Basic earnings per share (100 fils) each</b>	<b>26.3 fils</b>	<b>19.3 fils</b>	<b>7.6 fils</b>	<b>6.0 fils</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

for the six months ended 30 June 2017

(In thousands of Bahraini Dinars)

	Attributable to the owners of the parent company							Non-controlling Interest	Total Equity
2017 (reviewed)	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings	Total	
<b>Balance at 1 January 2017</b>	<b>11,350</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>2,263</b>	<b>11,854</b>	<b>46,849</b>	<b>2,229 49,078</b>
Profit for the period	-	-	-	-	-	-	2,822	2,822	85 2,907
Other comprehensive income for the period	-	-	-	-	-	637	-	637	53 690
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>637</b>	<b>2,822</b>	<b>3,459</b>	<b>138 3,597</b>
Dividends declared for 2016	-	-	-	-	-	-	(2,145)	(2,145)	- (2,145)
Donations for 2016	-	-	-	-	-	-	(50)	(50)	- (50)
<b>Appropriations approved by shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,195)</b>	<b>(2,195)</b>	<b>- (2,195)</b>
<b>Balance at 30 June 2017</b>	<b>11,350</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>2,900</b>	<b>12,481</b>	<b>48,113</b>	<b>2,367 50,480</b>

	Attributable to the owners of the parent company							Non-controlling Interest	Total Equity
2016 (reviewed)	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings	Total	
<b>Balance at 1 January 2016</b>	<b>11,350</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>2,543</b>	<b>10,169</b>	<b>45,444</b>	<b>2,276 47,720</b>
Profit for the period	-	-	-	-	-	-	2,074	2,074	16 2,090
Other comprehensive income for the period	-	-	-	-	-	(648)	-	(648)	(34) (682)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(648)</b>	<b>2,074</b>	<b>1,426</b>	<b>(18) 1,408</b>
Dividends declared for 2015	-	-	-	-	-	-	(2,145)	(2,145)	(97) (2,242)
Donations for 2015	-	-	-	-	-	-	(50)	(50)	- (50)
<b>Appropriations approved by shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,195)</b>	<b>(2,195)</b>	<b>(97) (2,292)</b>
<b>Balance at 30 June 2016</b>	<b>11,350</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>1,895</b>	<b>10,048</b>	<b>44,675</b>	<b>2,161 46,836</b>

Reviewed by KPMG Fakhro

Abdul Hussain Khalil Dawani - Vice Chairman

Ghassan Qasim Fakhroo - Director

Sameer Al Wazzan - Chief Executive

**CONDENSED STATEMENT OF PROFIT OR LOSS**

for the six months ended 30 June 2017

(In thousands of Bahraini Dinars)

	30 June 2017 (reviewed)	30 June 2016 (reviewed)
Gross insurance premiums	12,390	12,503
Reinsurers' share of gross insurance premiums	(5,034)	(5,325)
<b>Retained premiums</b>	<b>7,356</b>	<b>7,178</b>
Net change in reserve for unearned premiums	(509)	(742)
<b>Net premium earned</b>	<b>6,847</b>	<b>6,436</b>
Gross claims paid	(8,322)	(8,970)
Claims recoveries	3,486	4,267
Outstanding claims adjustment - Gross	(1,362)	1,545
Outstanding claims adjustment - Reinsurance	1,650	(1,217)
<b>Net claims incurred</b>	<b>(4,548)</b>	<b>(4,375)</b>
<b>Gross underwriting profit for the period</b>	<b>2,299</b>	<b>2,061</b>
Net commission income	174	378
General and administration expenses	(2,009)	(1,912)
<b>Net underwriting profit for the period</b>	<b>464</b>	<b>527</b>
Net investment income	1,429	1,001
Impairment on investments	(162)	(58)
<b>Profit for the period</b>	<b>1,731</b>	<b>1,470</b>
<b>Basic earnings per share (100 fils) each</b>	<b>26.6 fils</b>	<b>22.6 fils</b>

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

for the six months ended 30 June 2017

(In thousands of Bahraini dinars)

	30 June 2017 (reviewed)	30 June 2016 (reviewed)
<b>Profit for the period</b>	<b>1,731</b>	<b>1,470</b>
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
<b>Available-for-sale securities:</b>		
- Net Change in fair value	516	(242)
- Impairment transferred to statement of profit or loss	162	58
- Transfer to statement of profit or loss on disposal of securities	(390)	(364)
<b>Other comprehensive income for the period</b>	<b>288</b>	<b>(548)</b>
<b>Total comprehensive income for the period</b>	<b>2,019</b>	<b>922</b>

**STATEMENT OF CHANGES IN EQUITY**

for the six months ended 30 June 2017

(In thousands of Bahraini dinars)

	Share capital	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings	Total
<b>2017</b>						
Balance at 1 January 2017	6,500	3,250	4,155	3,362	4,191	<b>21,458</b>
Profit for the period	-	-	-	-	1,731	<b>1,731</b>
Other comprehensive income	-	-	-	288	-	<b>288</b>
Dividends declared for 2016	-	-	-	-	(2,470)	<b>(2,470)</b>
Donations declared for 2016	-	-	-	-	(20)	<b>(20)</b>
<b>Balance at 30 June 2017</b>	<b>6,500</b>	<b>3,250</b>	<b>4,155</b>	<b>3,650</b>	<b>3,432</b>	<b>20,987</b>
<b>2016</b>						
Balance at 1 January 2016	6,500	3,250	4,155	3,653	4,584	22,142
Profit for the period	-	-	-	-	1,470	1,470
Other comprehensive income	-	-	-	(548)	-	(548)
Dividends declared for 2015	-	-	-	-	(3,080)	(3,080)
Donations declared for 2015	-	-	-	-	(20)	(20)
<b>Balance at 30 June 2016</b>	<b>6,500</b>	<b>3,250</b>	<b>4,155</b>	<b>3,105</b>	<b>2,954</b>	<b>19,964</b>

Reviewed by:  
KPMG FakhroAbdullahsain Khalil Dewani  
ChairmanSami Mohamed Zainal  
Vice ChairmanMasood Bader  
General ManagerReviewed by:  
KPMG FakhroAbdulrahman Mohamed Juma  
ChairmanRedha Abdulla Ali Faraj  
DirectorMasood Bader  
Acting General Manager**CONDENSED STATEMENT OF PROFIT OR LOSS**

for the six months ended 30 June 2017

(In thousands of Bahraini Dinars)

	30 June 2017 (reviewed)	30 June 2016 (reviewed)
Gross insurance premiums	2,691	2,212
Reinsurers' share of gross insurance premiums	(1,750)	(1,333)
<b>Retained premiums</b>	<b>941</b>	<b>879</b>
Net change in reserve for unearned premiums	18	(4)
<b>Net premium earned</b>	<b>959</b>	<b>875</b>
Gross claims paid	(2,182)	(1,965)
Reinsurance recoveries	1,730	1,539
Outstanding claims adjustment - Gross	(273)	(222)
Outstanding claims adjustment - Reinsurance	223	156
<b>Net claims</b>	<b>(502)</b>	<b>(492)</b>
<b>Gross underwriting profit for the period</b>	<b>457</b>	<b>383</b>
General and administration expenses	(281)	(307)
Net commission expense	(146)	(150)
<b>Net underwriting loss for the period</b>	<b>30</b>	<b>(74)</b>
Net investment income	354	181
Impairment on investments	(44)	(41)
<b>Profit for the period</b>	<b>340</b>	<b>66</b>
<b>Basic earnings per share (100 fils) each</b>	<b>6.8 fils</b>	<b>1.3 fils</b>

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

for the six months ended 30 June 2017

(In thousands of Bahraini dinars)

	30 June 2017 (reviewed)	30 June 2016 (reviewed)
<b>Profit for the period</b>	<b>340</b>	<b>66</b>
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
<b>Available-for-sale securities:</b>		
- Change in fair value	261	(77)
- Transfer to statement of profit or loss on impairment of securities	44	41
- Transfer to statement of profit or loss on disposal of securities	(94)	(98)
<b>Other comprehensive income/( loss) for the period</b>	<b>211</b>	<b>(134)</b>
<b>Total comprehensive income/( loss) for the period</b>	<b>551</b>	<b>(68)</b>

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

for the six months ended 30 June 2017

(In thousands of Bahraini Dinars)

	Share capital	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings	Total
<b>2017 (reviewed)</b>						
Balance at 1 January 2017	5,000	564	11	251	3,070	<b>8,896</b>
Profit for the period	-	-	-	-	340	<b>340</b>
Other comprehensive loss	-	-	-	(134)	-	<b>(134)</b>
Dividends declared for 2015	-	-	-	-	(390)	<b>(390)</b>
Donations for 2015	-	-	-	-	(10)	<b>(10)</b>
<b>Balance at 30 June 2017</b>	<b>5,000</b>	<b>564</b>	<b>11</b>	<b>462</b>	<b>3,400</b>	<b>9,437</b>
<b>2015 (reviewed)</b>						
Balance at 1 January 2016	5,000	553	11	168	3,363	9,095
Profit for the period	-	-	-	-	66	66
Other comprehensive loss	-	-	-	(134)	-	(134)
Dividends declared for 2015	-	-	-	-	(390)	(390)
Donations for 2015	-	-	-	-	(10)	(10)
<b>Balance at 30 June 2016</b>	<b>5,000</b>	<b>553</b>	<b>11</b>	<b>34</b>	<b>3,029</b>	<b>8,627</b>