

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
 As at 30 June 2014

(In thousands of Bahraini Dinars)	30 June 2014 (reviewed)	31 December 2013 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	6,833	10,422
Receivables	8,712	6,914
Advance for purchase of investment securities	866	20
Investment securities	34,806	32,779
Equity accounted investee	12,850	12,001
Reinsurers' share of insurance technical reserves	15,291	14,296
Net deferred acquisition cost	33	145
Investment properties	3,416	3,505
Property and equipment	2,863	2,982
Statutory deposits	125	125
<b>Total assets</b>	<b>85,795</b>	<b>83,189</b>
<b>LIABILITIES</b>		
Insurance technical reserves	30,495	28,893
Insurance payables	4,570	4,503
Bank loan	750	1,000
Other liabilities	3,401	3,537
<b>Total liabilities</b>	<b>39,216</b>	<b>37,933</b>
<b>Total net assets</b>	<b>46,579</b>	<b>45,256</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
Fair value reserve	4,692	3,747
Retained earnings	6,931	6,689
<b>Equity attributable to shareholders of the parent company</b>	<b>44,355</b>	<b>43,168</b>
Non-controlling interest	2,224	2,088
<b>Total equity</b>	<b>46,579</b>	<b>45,256</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
 for the six months ended 30 June 2014

(In thousands of Bahraini Dinars)	30 June 2014 (reviewed)	30 June 2013 (reviewed)
<b>OPERATING ACTIVITIES</b>		
<b>Insurance operations (including life assurance)</b>		
Premiums & commissions received net of acquisition costs	15,615	14,168
Payments to insurance and reinsurance companies	(10,197)	(5,209)
Claims paid to policyholders	(10,935)	(8,646)
Claims recovered from reinsurers and salvage recoveries	7,160	4,232
<b>Cash flows from insurance operations</b>	<b>1,643</b>	<b>4,545</b>
<b>Investment operations</b>		
Dividends and interests received	878	552
Proceeds from sale and redemptions	7,559	5,523
Advance for purchases of investment securities	(866)	(20)
Payment for purchases of investment securities	(7,800)	(4,996)
Investment in equity accounted investees	(406)	(80)
Dividends received from an equity accounted investee	290	263
Rents received	181	137
<b>Cash flows (used in)/ from investment operations</b>	<b>(164)</b>	<b>1,379</b>
Other operating expenses paid	(2,972)	(2,920)
<b>Cash flows (used in)/ from operating activities</b>	<b>(1,493)</b>	<b>3,004</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property, plant and equipment	(159)	(76)
<b>Cash flows (used in) investment activities</b>	<b>(159)</b>	<b>(76)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank loan	-	340
Repayment of bank loan	(250)	(250)
Finance costs paid	(18)	(28)
Dividends paid to non-controlling interest	-	(106)
Dividends paid to shareholders	(1,660)	(1,477)
Donations paid	(9)	(19)
<b>Cash flows (used in) financing activities</b>	<b>(1,937)</b>	<b>(1,540)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,589)</b>	<b>1,388</b>
Cash and cash equivalents at 1 January	10,422	11,787
<b>Cash and cash equivalents at 30 June</b>	<b>6,833</b>	<b>13,175</b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
 for the six months ended 30 June 2014

(In thousands of Bahraini Dinars)	Six months ended 30 June 2014 (reviewed)	Six months ended 30 June 2013 (reviewed)	Three months ended 30 June 2014 (reviewed)	Three months ended 30 June 2013 (reviewed)
<b>Gross Premiums</b>	14,155	13,720	6,747	7,283
Reinsurance ceded	(7,261)	(6,244)	(3,369)	(3,370)
Retained premiums	6,894	7,476	3,378	3,913
Net unearned premiums adjustment	25	(296)	(1)	(246)
<b>Net premium earned</b>	<b>6,919</b>	<b>7,180</b>	<b>3,377</b>	<b>3,667</b>
Gross claims paid	(11,265)	(8,868)	(5,647)	(4,611)
Reinsurance recoveries	7,103	4,232	3,530	2,368
Net outstanding claims adjustment	(385)	(151)	(223)	(447)
<b>Net claims incurred</b>	<b>(4,547)</b>	<b>(4,787)</b>	<b>(2,340)</b>	<b>(2,690)</b>
<b>Gross underwriting profit for the period</b>	<b>2,372</b>	<b>2,393</b>	<b>1,037</b>	<b>977</b>
Other operating expenses	(1,952)	(2,235)	(1,060)	(1,159)
Net commission income	338	328	218	149
Release from life assurance actuarial reserve	-	47	-	47
<b>Net Underwriting profit for the period</b>	<b>758</b>	<b>533</b>	<b>195</b>	<b>14</b>
Net investment income	1,871	1,494	632	665
Policyholder's share of investment income	(197)	(128)	(55)	(37)
Share of profit of equity accounted investees	502	353	259	206
Net income from investment properties	32	3	18	(8)
Corporate and financial expenses	(625)	(355)	(338)	(186)
<b>Profit for the period</b>	<b>2,341</b>	<b>1,900</b>	<b>711</b>	<b>654</b>
Profit attributable to:				
Shareholders of the parent company	2,223	1,869	681	645
Non-controlling interest	118	31	30	9
<b>Profit for the period</b>	<b>2,341</b>	<b>1,900</b>	<b>711</b>	<b>654</b>
Basic Earnings per share (100 fils) each	<b>20.7 fils</b>	<b>17.4 fils</b>	<b>6.3 fils</b>	<b>6.0 fils</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
 for the six months ended 30 June 2014

(In thousands of Bahraini Dinars)	Six months ended 30 June 2014 (reviewed)	Six months ended 30 June 2013 (reviewed)	Three months ended 30 June 2014 (reviewed)	Three months ended 30 June 2013 (reviewed)
<b>Profit for the period</b>	<b>2,341</b>	<b>1,900</b>	<b>711</b>	<b>654</b>
<b>Other comprehensive income</b>				
Items that are or may be reclassified subsequently to profit or loss:				
Available-for-sale securities:				
- Net change in fair value	1,245	576	512	37
- Impairment transferred to profit or loss	44	46	44	35
- Transfer to statement of profit or loss on disposal of securities	(557)	(596)	(236)	(384)
Share of other comprehensive income of equity accounted investee	231	93	106	18
<b>Other comprehensive income for the period</b>	<b>963</b>	<b>119</b>	<b>426</b>	<b>(294)</b>
<b>Total comprehensive income for the period</b>	<b>3,304</b>	<b>2,019</b>	<b>1,137</b>	<b>360</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of the parent company	3,168	1,995	1,090	369
Non-controlling interest	136	24	47	(9)
<b>Total comprehensive income for the period</b>	<b>3,304</b>	<b>2,019</b>	<b>1,137</b>	<b>360</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 for the six months ended 30 June 2014

(In thousands of Bahraini Dinars)	Attributable to the shareholders of the parent company							Non-controlling interest	Total Equity	
	Share capital	Treasury shares	Statutory reserve	Share premium	General reserve	Investment fair value reserve	Retained earnings			
<b>2014</b>										
Balance at 1 January 2014	11,350	(1,868)	5,675	3,990	13,585	3,747	6,689	43,168	2,088	45,256
<b>Net profit for the period</b>	-	-	-	-	-	-	<b>2,223</b>	<b>2,223</b>	<b>118</b>	<b>2,341</b>
<b>Other comprehensive income:</b>										
Available for sale securities:										
- Change in fair value	-	-	-	-	-	1,192	-	1,192	53	1,245
- Impairment transferred to statement of profit or loss	-	-	-	-	-	44	-	44	-	44
- Transfer to statement of profit or loss on disposal of securities	-	-	-	-	-	-	(522)	(522)	(35)	(557)
Share of other comprehensive income of equity accounted investees	-	-	-	-	-	231	-	231	-	231
<b>Total other comprehensive income</b>	-	-	-	-	-	<b>945</b>	<b>- 945</b>	<b>18</b>	<b>963</b>	<b>963</b>
<b>Total comprehensive income for the period</b>	-	-	-	-	-	<b>945</b>	<b>2,223</b>	<b>3,168</b>	<b>136</b>	<b>3,304</b>
Dividends declared for 2013 for shareholders	-	-	-	-	-	(1,931)	(1,931)	-	-	(1,931)
Donations for 2013	-	-	-	-	-	(50)	(50)	-	-	(50)
<b>Appropriations approved by shareholders</b>	-	-	-	-	-	<b>(1,981)</b>	<b>(1,981)</b>	-	-	<b>(1,981)</b>
<b>Balance at 31 December 2013</b>	<b>11,350</b>	<b>(1,868)</b>	<b>5,675</b>	<b>3,990</b>	<b>13,585</b>	<b>4,692</b>	<b>6,931</b>	<b>44,355</b>	<b>2,224</b>	<b>46,579</b>

Reviewed by KPMG Fakhro

Abdul-Hussain Khalil Dawani - Vice Chairman

Jehad Yousif Amin - Director

Sameer Al Wazzan - Chief Executive


**CONDENSED STATEMENT OF FINANCIAL POSITION**  
 As at 30 June 2014

(In thousands of Bahraini Dinars)	30 June 2014 (reviewed)	31 December 2013 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	4,792	9,147
Receivables	7,674	5,617
Advance for purchase of investment securities	577	10
Investment securities	25,931	23,422
Reinsurers' share of insurance technical reserves	13,595	12,755
Net deferred acquisition cost	26	156
Property and equipment	523	498
Statutory deposits	75	75
<b>Total assets</b>	<b>53,193</b>	<b>51,680</b>
<b>LIABILITIES</b>		
Insurance technical reserves	24,529	22,942
Insurance payables	4,019	3,497
Other liabilities	2,224	2,183
<b>Total liabilities</b>	<b>30,772</b>	<b>28,622</b>
<b>Total net assets</b>	<b>22,421</b>	<b>23,058</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	5,333	4,674
Retained earnings	3,183	4,479
<b>Total equity</b>	<b>22,421</b>	<b>23,058</b>

**CONDENSED STATEMENT OF CASH FLOWS**  
 for the six months ended 30 June 2014

(In thousands of Bahraini Dinars)	30 June 2014 (reviewed)	30 June 2013 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Premiums & commissions received net of acquisition costs	13,722	10,259
Payments to insurance and reinsurance companies	(8,962)	(4,313)
Claims paid to policyholders	(8,476)	(6,272)
Claims recovered from reinsurers and salvage recoveries	5,580	3,514
Other operating expenses paid	(1,696)	(2,309)
<b>Cash flows from operating activities</b>	<b>168</b>	<b>879</b>
<b>INVESTMENT ACTIVITIES</b>		
Dividends and interest received	669	252
Proceeds from sale and redemptions	3,793	3,974
Advance for purchases of investment securities	(577)	(10)
Payments for purchases of investment securities	(4,958)	(2,816)
Purchase of property, plant and equipment	(117)	(60)
<b>Cash flows (used in)/ from investment activities</b>	<b>(1,190)</b>	<b>1,340</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid to shareholder	(3,333)	(2,255)
<b>Cash flows used in financing activities</b>	<b>(3,333)</b>	<b>(2,255)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,355)</b>	<b>(36)</b>
Cash and cash equivalents at 1 January	9,147	9,232
<b>Cash and cash equivalents at 30 June</b>	<b>4,792</b>	<b>9,196</b>

Reviewed by KPMG Fakhro

Abdul-Hussain Khalil Dawani - Chairman

Ghassan Qassim Fakhro - Vice Chairman

Abdulla Khamis Al Suwaidi - General Manager


**CONDENSED STATEMENT OF FINANCIAL POSITION**  
 As at 30 June 2014

(In thousands of Bahraini Dinars)	30 June 2014 (reviewed)	31 December 2013 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	1,162	788
Receivables	864	1,117
Advances for purchase of investment securities	288	10
Investment securities	11,349	11,829
Reinsurers' share of insurance technical reserves	1,696	1,541
Property and equipment	180	218
Statutory deposits	50	50
<b>Total assets</b>	<b>15,589</b>	<b>15,553</b>
<b>LIABILITIES</b>		
Insurance technical reserves	5,960	5,962
Insurance payables	551	1,006
Other liabilities	182	234
<b>Total liabilities</b>	<b>6,693</b>	<b>7,202</b>
<b>Total net assets</b>	<b>8,896</b>	<b>8,351</b>
<b>EQUITY</b>		
Share capital	5,000	5,000
Statutory reserve	404	404
General reserve	11	11
Investment fair value reserve	496	425
Retained earnings	2,985	2,511
<b>Total equity</b>	<b>8,896</b>	<b>8,351</b>

**CONDENSED STATEMENT OF CASH FLOWS**  
 for the six months ended 30 June 2014

(In thousands of Bahraini Dinars)	30 June 2014 (reviewed)	30 June 2013 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Premiums & commissions received net of acquisition costs	1,949	4,270
Payments to insurance and reinsurance companies	(1,227)	(887)
Claims paid to policyholders	(2,461)	(2,374)
Claims recovered from reinsurers and salvage recoveries	1,571	710
Other operating expenses paid	(370)	(488)
<b>Cash flows (used in) / from operating activities</b>	<b>(538)</b>	<b>1,231</b>
<b>INVESTMENT ACTIVITIES</b>		
Dividends and interest received	279	360
Proceeds from sale and redemptions	3,766	1,548
Advances for purchases of investment securities	(288)	(10)
Payments for purchases of investment securities	(2,842)	(2,180)
Purchase of property, plant and equipment	(3)	(7)
<b>Cash flows from / (used in) investment activities</b>	<b>912</b>	<b>(289)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	-	(423)
<b>Cash flows used in financing activities</b>	<b>-</b>	<b>(423)</b>
<b>Net increase in cash and cash equivalents</b>	<b>374</b>	<b>519</b>
Cash and cash equivalents at 1 January	788	2,081
<b>Cash and cash equivalents at 30 June</b>	<b>1,162</b>	<b>2,600</b>

Reviewed by KPMG Fakhro

Abdulrahman Mohamed Juma - Chairman

Redha Abdulla Faraj - Director

Robert James Grey - General Manager

**CONDENSED STATEMENT OF PROFIT OR LOSS**  
 for the six months ended 30 June 2014

(In thousands of Bahraini
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