

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013
<b>ASSETS</b>		
Cash and balances with banks	9,216	10,422
Receivables	6,995	6,934
Investment securities	33,672	32,779
Equity accounted investees	13,415	12,001
Reinsurers' share of insurance technical reserves	17,379	14,296
Deferred acquisition cost	853	510
Investment properties	2,969	3,505
Intangible assets	330	425
Property and equipment	2,721	2,557
Statutory deposits	125	125
<b>Total assets</b>	<b>87,675</b>	<b>83,554</b>
<b>LIABILITIES</b>		
Insurance technical reserves	31,835	29,258
Insurance payables	3,785	4,503
Borrowings	500	1,000
Other liabilities	3,712	3,537
<b>Total liabilities</b>	<b>39,832</b>	<b>38,298</b>
<b>Total net assets</b>	<b>47,843</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
Investment fair value reserve	4,512	3,747
Retained earnings	8,315	6,689
<b>Equity attributable to shareholders of the parent company</b>	<b>45,559</b>	<b>43,168</b>
Non-controlling interest	2,284	2,088
<b>Total equity</b>	<b>47,843</b>	<b>45,256</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013 (Restated)
<b>OPERATING ACTIVITIES</b>		
<b>Insurance operations (including life assurance)</b>		
Premiums received net of acquisition costs	27,450	26,760
Payments to insurance and reinsurance companies	(14,930)	(10,271)
Claims paid to policyholders	(20,163)	(17,139)
Claims recovered from reinsurers and salvage recoveries	11,387	7,384
<b>Cash flows from insurance operations</b>	<b>3,744</b>	<b>6,734</b>
<b>Investment operations</b>		
Dividends and interest received	1,332	1,512
Proceeds from sale and redemptions of investment securities	17,109	9,544
Payments for purchases of investment securities	(16,054)	(11,884)
Bank deposits with maturities of more than three months	(3,845)	(6,786)
Proceeds from redemption of bank deposits with maturities of more than three months	6,786	6,135
Investment in associates and joint-venture	(406)	(144)
Proceeds from voluntary liquidation of associate	-	142
Dividends received from associates	290	413
Payments for development of investment property	(83)	(83)
Rents received	368	395
<b>Cash flows from / (used in) investment operations</b>	<b>5,580</b>	<b>(756)</b>
<b>Other operating expenses paid</b>	<b>(4,892)</b>	<b>(5,660)</b>
<b>Cash flows from operating activities</b>	<b>4,432</b>	<b>318</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property & equipment and intangible assets	(254)	(310)
<b>Cash flows used in investment activities</b>	<b>(254)</b>	<b>(310)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank loan	-	340
Repayment of bank loan	(500)	(500)
Finance costs paid	(32)	(52)
Dividends paid to non-controlling interest	-	(106)
Dividends paid to shareholders	(1,895)	(1,659)
Donations paid	(17)	(47)
<b>Cash flows used in financing activities</b>	<b>(2,444)</b>	<b>(2,024)</b>
<b>Total net cash flows during the year</b>	<b>1,734</b>	<b>(2,016)</b>
Cash and cash equivalents at 1 January	3,636	5,652
<b>Cash and cash equivalents at 31 December</b>	<b>5,370</b>	<b>3,636</b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
for the year ended 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013
<b>Gross Premiums</b>	<b>25,730</b>	<b>24,920</b>
Reinsurance ceded	(12,357)	(10,642)
Retained premiums	13,373	14,278
Net unearned premiums adjustment	319	55
<b>Net premium earned</b>	<b>13,692</b>	<b>14,333</b>
Gross claims paid	(20,705)	(17,273)
Claims recoveries	11,862	8,090
Net outstanding claims adjustment	382	176
<b>Net claims incurred</b>	<b>(8,461)</b>	<b>(9,007)</b>
<b>Gross underwriting profit</b>	<b>5,231</b>	<b>5,326</b>
Other operating expenses	(3,369)	(3,318)
Net commission income	362	494
Release / (charges) from life assurance actuarial reserve	178	(178)
<b>Net underwriting profit</b>	<b>2,402</b>	<b>2,324</b>
Net investment income from portfolio	2,703	2,494
Policyholders' share of investment income	(196)	(279)
Share of profit of equity accounted investees	1,012	677
Net (loss) / income from investment properties	(75)	53
Corporate and financial expenses	(2,022)	(2,247)
<b>Net Profit</b>	<b>3,824</b>	<b>3,022</b>
<b>Profit attributable to:</b>		
Parent company	3,606	2,983
Non-controlling interest	218	39
<b>Net Profit</b>	<b>3,824</b>	<b>3,022</b>
<b>Basic earnings per share (100 Fils each)</b>	<b>33.6 Fils</b>	<b>27.8 Fils</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the six months ended 30 June 2014  
(In thousands of Bahraini Dinars)

	2014	2013
<b>NET PROFIT</b>	<b>3,824</b>	<b>3,022</b>
<b>Other comprehensive income</b>		
<b>Items that are or may be reclassified subsequently to profit or loss:</b>		
Available-for-sale securities:		
- Change in fair value	1,608	1,591
- Impairment transferred to statement of profit or loss	187	154
- Transfer to statement of profit or loss on disposal of securities	(1,338)	(734)
Share of other comprehensive income of associates	286	125
<b>Other comprehensive income</b>	<b>743</b>	<b>1,136</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,567</b>	<b>4,158</b>
Total comprehensive income attributable to:		
Parent company	4,371	4,057
Non-controlling interest	196	101
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,567</b>	<b>4,158</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2014  
(In thousands of Bahraini Dinars)

2014	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	Total		
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 year</b>	-	-	-	-	-	-	3,606	3,606	218	3,824
<b>Other comprehensive income:</b>										
Available for sale securities:										
- Change in fair value						1,569	-	1,569	39	1,608
- Impairment transferred to statement of profit or loss						181	-	181	6	187
- Transfer to statement of profit or loss on disposal of securities						(1,271)	-	(1,271)	(67)	(1,338)
Share of other comprehensive income of associate						286	-	286	-	286
<b>Total other comprehensive income</b>	-	-	-	-	-	765	-	765	(22)	743
<b>Total comprehensive income</b>	-	-	-	-	-	765	3,606	4,371	196	4,567
Dividends declared for 2013 for shareholders						(1,930)	(1,930)	-	-	(1,930)
Donations for 2013						(50)	(50)	-	-	(50)
<b>Appropriations approved by shareholders</b>	-	-	-	-	-	(1,980)	(1,980)	-	-	(1,980)
<b>Balance at 31 December 2014</b>	<b>11,350</b>	<b>(1,868)</b>	<b>5,675</b>	<b>3,990</b>	<b>13,585</b>	<b>4,512</b>	<b>8,315</b>	<b>45,559</b>	<b>2,284</b>	<b>47,843</b>

Audited by KPMG Fakhro

Farouk Yousuf Almoayyed - Chairman

Abdul-Hussain Khalil Dawani - Vice Chairman

Sameer Al Wazzan - Chief Executive



**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013
<b>ASSETS</b>		
Cash and balances with banks	6,327	9,147
Receivables	6,080	5,627
Reinsurers' share of insurance technical reserves	15,697	12,755
Deferred acquisition cost	788	494
Investment securities	25,556	23,422
Intangible assets	170	176
Property and equipment	310	322
Statutory deposits	75	75
<b>Total assets</b>	<b>55,003</b>	<b>52,018</b>
<b>LIABILITIES</b>		
Insurance technical reserves	26,325	23,280
Insurance payables	2,814	3,497
Other liabilities	2,270	2,183
<b>Total liabilities</b>	<b>31,409</b>	<b>28,960</b>
<b>Total net assets</b>	<b>23,594</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	5,217	4,674
Retained earnings	4,472	4,479
<b>Total equity</b>	<b>23,594</b>	<b>23,058</b>

**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013 (Restated)
<b>OPERATING ACTIVITIES</b>		
Premiums received, net of acquisition costs	23,294	19,110
Payments to insurance and reinsurance companies	(12,365)	(6,675)
Claims paid to policyholders	(16,305)	(12,229)
Claims recovered from reinsurers and salvage recovered	8,680	5,328
Payments made for other operating expenses	(3,003)	(3,763)
<b>Cash flows from operating activities</b>	<b>301</b>	<b>1,771</b>
<b>INVESTMENT ACTIVITIES</b>		
Dividends and interest received	930	1,042
Proceeds from sale and redemption of securities	9,971	6,592
Payments for purchase of securities	(10,498)	(6,963)
Payments for purchase of property & equipment and intangible assets	(190)	(272)
Bank deposits with maturities of more than three months when acquired	(3,209)	(6,671)
Proceeds from redemption of bank deposits with maturities of more than three months	6,671	4,987
<b>Cash flows (used in) / from investment activities (3,675)</b>	<b>(3,675)</b>	<b>1,285</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid to shareholder	(3,334)	(2,255)
<b>Cash flows used in financing activities (3,334)</b>	<b>(3,334)</b>	<b>(2,255)</b>
<b>Increase / decrease in cash and cash equivalents during the year</b>	<b>642</b>	<b>(1,769)</b>
Cash and cash equivalents at 1 January	2,476	4,245
<b>Cash and cash equivalents at 31 December</b>	<b>3,118</b>	<b>2,476</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2014  
(In thousands of Bahraini Dinars)

2014	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	Total		
Balance at 1 January 2014	6,500	3,250	4,155	4,674	4,479	23,058				
Net Profit	-	-	-	-	3,327	3,471				
Other comprehensive income:										
Items that are or may be reclassified to profit or loss:										
Available-for-sale securities:										
- Change in fair value					1,450	1,228				
- Impairment transferred to statement of profit or loss					162	148				
- Transfer to statement of profit or loss on disposal of securities					(1,069)	(621)				
<b>Other comprehensive income</b>	-	-	-	-	543	755				
<b>TOTAL COMPREHENSIVE INCOME</b>	-	-	-	-	3,870	4,226				
<b>Balance at 31 December 2014</b>	<b>6,500</b>	<b>3,250</b>	<b>4,155</b>	<b>5,217</b>	<b>4,472</b>	<b>23,594</b>				
<b>2013</b>										
Balance at 1 January 2013	6,500	3,250	4,155	3,919	3,263	21,087				
Net Profit	-	-	-	-	3,471	3,471				
Total comprehensive income	-	-	-	-	755	755				
Dividends declared for 2012	-	-	-	-	(2,255)	(2,255)				
<b>Balance at 31 December 2014</b>	<b>6,500</b>	<b>3,250</b>	<b>4,155</b>	<b>4,674</b>	<b>4,479</b>	<b>23,058</b>				

Audited by: KPMG Fakhro

Abdul-Hussain Khalil Dawani - Chairman

Ghassan Qassim Fakhro - Vice Chairman

Joseph Mary Rizzo - General Manager



**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013
<b>ASSETS</b>		
Cash and balances with banks	2,563	788
Receivables	841	1,127
Reinsurers' share of insurance technical reserves	1,682	1,541
Deferred acquisition costs	65	16
Investment securities	10,590	11,829
Intangible assets	134	204
Equipment	10	14
Statutory deposits	50	50
<b>Total assets</b>	<b>15,935</b>	<b>15,569</b>
<b>LIABILITIES</b>		
Insurance technical reserves	5,510	5,978
Insurance payables	970	1,006
Other liabilities	320	234
<b>Total liabilities</b>	<b>6,800</b>	<b>7,218</b>
<b>Total net assets</b>	<b>9,135</b>	<b>8,351</b>
<b>EQUITY</b>		
Share capital	5,000	5,000
Statutory reserve	491	404
General reserve	11	11
Investment fair value reserve	338	425
Retained earnings	3,295	2,511
<b>Total equity</b>	<b>9,135</b>	<b>8,351</b>

**STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2014  
(In thousands of Bahraini Dinars)

	2014	2013 (Restated)
<b>OPERATING ACTIVITIES</b>		
Premiums received net of acquisition costs	4,156	7,166
Payments to insurance and reinsurance companies	(2,573)	(2,758)
Surrenders and claims paid to policyholders	(3,858)	(4,910)
Claims recovered from reinsurers	2,715	2,057
Payments made for other operating expenses	(691)	(1,033)
<b>Cash flows (used in) / from operating activities (251)</b>	<b>(251)</b>	<b>522</b>
<b>INVESTMENT ACTIVITIES</b>		