

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**As at 30 June 2018**

(In thousands of Bahraini Dinars)

	30 June 2018 (reviewed)	31 December 2017 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	6,676	3,097
Placements with banks	4,865	9,333
Insurance and other receivables	11,508	9,600
Financial investments	33,047	29,839
Equity accounted investees	17,188	16,934
Reinsurers' share of insurance technical reserves	13,123	9,980
Deferred acquisition cost	750	576
Investment properties	2,856	2,936
Intangible assets	252	211
Property and equipment	3,664	3,676
Statutory deposits	125	125
<b>Total assets</b>	<b>94,054</b>	<b>86,307</b>
<b>LIABILITIES</b>		
Insurance technical reserves	31,995	26,428
Insurance payables	6,065	3,973
Other liabilities	5,845	5,586
<b>Total liabilities</b>	<b>43,905</b>	<b>35,987</b>
<b>Net assets</b>	<b>50,149</b>	<b>50,320</b>
<b>EQUITY</b>		
Share capital	11,918	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	2,908	3,355
Retained earnings	11,453	11,754
<b>Equity attributable to shareholders of the Parent company</b>	<b>47,661</b>	<b>47,841</b>
Non-controlling interest	2,488	2,479
<b>Total equity</b>	<b>50,149</b>	<b>50,320</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**for the six months ended 30 June 2018**

(In thousands of Bahraini Dinars)

	30 June 2018 (reviewed)	30 June 2017 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Insurance operations		
Premiums and commissions received, net of acquisition costs	17,480	13,653
Payments to insurance and reinsurance companies	(7,343)	(5,411)
Claims paid to policyholders	(9,737)	(10,699)
Claims recovered from reinsurers and salvage recoveries	4,393	5,378
<b>Cash flows from insurance operations</b>	<b>4,793</b>	<b>2,921</b>
Investment operations		
Dividends and interests received	977	574
Proceeds from sale and redemptions of financial investments	4,343	3,707
Payments for purchases of financial investments	(7,623)	(4,040)
Placements with banks	(888)	(9,835)
Proceeds from redemptions of placements with banks	5,355	8,325
Proceeds from partial sale of an equity accounted investee	-	343
Dividends received from equity accounted investees	862	1,353
Investments in investment property	(2)	(3)
Rents received	161	186
<b>Cash flows from investment operations</b>	<b>3,185</b>	<b>610</b>
Expenses paid	(2,907)	(3,102)
<b>Cash flows from operating activities</b>	<b>5,071</b>	<b>429</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property and equipment and intangible assets	(205)	(78)
<b>Cash flows used in investment activities</b>	<b>(205)</b>	<b>(78)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interest	(102)	-
Dividends paid to shareholders	(1,161)	(1,929)
Donations paid	(24)	(21)
<b>Cash flows used in financing activities</b>	<b>(1,287)</b>	<b>(1,950)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,579</b>	<b>(1,599)</b>
Cash and cash equivalents at 1 January	3,097	5,048
<b>Cash and cash equivalents at 30 June</b>	<b>6,676</b>	<b>3,449</b>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
**for the six months ended 30 June 2018**

(In thousands of Bahraini Dinars)

	Six months ended 30 June 2018 (reviewed)	Six months ended 30 June 2017 (reviewed)	Three months ended 30 June 2018 (reviewed)	Three months ended 30 June 2017 (reviewed)
Gross insurance premiums	17,685	14,891	8,537	7,393
Reinsurers' share of gross insurance premiums	(8,950)	(6,700)	(4,212)	(3,067)
<b>Retained premiums</b>	<b>8,735</b>	<b>8,191</b>	<b>4,325</b>	<b>4,326</b>
Net change in reserve for unearned premiums	(704)	(443)	(250)	(394)
<b>Net premium earned</b>	<b>8,031</b>	<b>7,748</b>	<b>4,075</b>	<b>3,932</b>
Gross claims paid	(9,823)	(10,356)	(4,591)	(4,633)
Claims recoveries	4,748	5,201	2,255	2,349
Outstanding claims adjustment - Gross	(2,589)	(1,625)	(634)	(1,024)
Outstanding claims adjustment - Reinsurance	1,142	1,873	421	686
<b>Net claims incurred</b>	<b>(6,522)</b>	<b>(4,907)</b>	<b>(2,549)</b>	<b>(2,622)</b>
<b>Gross underwriting profit</b>	<b>1,509</b>	<b>2,841</b>	<b>1,526</b>	<b>1,310</b>
Net commission and fee income / (expenses)	210	28	183	(11)
General and administration expenses - underwriting	(1,791)	(2,024)	(928)	(989)
<b>Net underwriting (loss) / profit</b>	<b>(72)</b>	<b>845</b>	<b>781</b>	<b>310</b>
Net investment income	1,427	1,350	493	546
Impairment losses on investment	(8)	(207)	-	(95)
Share of profit of equity accounted investees	1,388	1,595	437	536
Gains on partial sale of investment in equity accounted investee	-	114	-	-
Net income from road assist services	57	56	30	23
General and administration expenses - non-underwriting	(776)	(846)	(407)	(456)
<b>Profit for the period</b>	<b>2,016</b>	<b>2,907</b>	<b>1,334</b>	<b>864</b>
<b>Profit attributable to:</b>				
Parent company	1,880	2,822	1,241	816
Non-controlling interest	136	85	93	48
<b>Total</b>	<b>2,016</b>	<b>2,907</b>	<b>1,334</b>	<b>864</b>
<b>Basic and diluted earnings per share</b>	<b>17.1 fils</b>	<b>26.3 fils</b>	<b>11.4 fils</b>	<b>7.6 fils</b>

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**for the six months ended 30 June 2018**

(In thousands of Bahraini Dinars)

	Six months ended 30 June 2018 (reviewed)	Six months ended 30 June 2017 (reviewed)	Three months ended 30 June 2018 (reviewed)	Three months ended 30 June 2017 (reviewed)
<b>Profit for the period</b>	<b>2,016</b>	<b>2,907</b>	<b>1,334</b>	<b>864</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	34	777	(79)	124
- Transfer to profit or loss on impairment of securities	-	207	-	95
- Transfer to profit or loss on disposal of securities	(464)	(356)	(125)	(106)
Share of other comprehensive income of equity accounted investee	(42)	62	(24)	17
<b>Other comprehensive income</b>	<b>(472)</b>	<b>690</b>	<b>(228)</b>	<b>130</b>
<b>Total comprehensive income</b>	<b>1,544</b>	<b>3,597</b>	<b>1,106</b>	<b>994</b>
<b>Total comprehensive income attributable to:</b>				
Parent company	1,433	3,459	1,022	926
Non-controlling interest	111	138	84	68
<b>Total</b>	<b>1,544</b>	<b>3,597</b>	<b>1,106</b>	<b>994</b>

**for the six months ended 30 June 2018**

(In thousands of Bahraini Dinars)

2018 (reviewed)	Attributable to the shareholders of the parent company							Non-controlling interest	Total Equity		
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings				
Balance at 1 January, as previously reported	11,350	(1,868)	3,990	5,675	13,585	3,355	11,754	47,841	2,479	50,320	
Adjustment on initial application of IFRS 15 by non-insurance subsidiary	-	-	-	-	-	-	(75)	(75)	-	(75)	
Adjustment on initial application of IFRS 9 by non-insurance equity accounted investee	-	-	-	-	-	-	(241)	(241)	-	(241)	
<b>Restated balance at 1 January</b>	<b>11,350</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>3,355</b>	<b>11,438</b>	<b>47,525</b>	<b>2,479</b>	<b>50,004</b>	
Profit for the period	-	-	-	-	-	-	1,880	1,880	136	2,016	
Other comprehensive income for the period	-	-	-	-	-	-	(447)	(447)	(25)	(472)	
Total comprehensive income for the period	-	-	-	-	-	-	(447)	1,880	1,433	111	1,544
Bonus shares issued	568	-	-	-	-	-	(568)	-	-	-	
Dividends declared for 2017	-	-	-	-	-	-	(1,287)	(1,287)	(102)	(1,389)	
Donations declared for 2017	-	-	-	-	-	-	(10)	(10)	-	(10)	
<b>Appropriations approved by shareholders</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,865)</b>	<b>(1,297)</b>	<b>(102)</b>	<b>(1,399)</b>	
<b>Balance as at 30 June</b>	<b>11,918</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>2,908</b>	<b>11,453</b>	<b>47,661</b>	<b>2,488</b>	<b>50,149</b>	

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

Reviewed by KPMG Fakhro

Abdul Hussain Khalil Dawani - Vice Chairman

Ghassan Qasim Fakhro - Director

Sameer Al Wazzan - Chief Executive


**CONDENSED STATEMENT OF PROFIT OR LOSS**
**for the six months ended 30 June 2018**

(In thousands of Bahraini Dinars)

	30 June 2018 (reviewed)	30 June 2017 (reviewed)
Gross insurance premiums	13,350	12,390
Reinsurers' share of gross insurance premiums	(6,257)	(5,034)
<b>Retained premiums</b>	<b>7,093</b>	<b>7,356</b>
Net change in reserve for unearned premiums	(311)	(509)
<b>Net premium earned</b>	<b>6,782</b>	<b>6,847</b>
Gross claims paid	(7,540)	(8,322)
Claims recoveries	2,982	3,486
Outstanding claims adjustment - gross	(1,995)	(1,362)
Outstanding claims adjustment - reinsurance	703	1,650
<b>Net claims incurred</b>	<b>(5,850)</b>	<b>(4,548)</b>
<b>Gross underwriting profit</b>	<b>932</b>	<b>2,299</b>
Net commission income	246	174
General and administration expenses - underwriting	(1,481)	(1,766)
<b>Net underwriting (loss) / profit</b>	<b>(303)</b>	<b>707</b>
Net investment income	1,275	1,429
Impairment losses on investments	(4)	(162)
General and administration expenses - non-underwriting	(243)	(243)
<b>Profit for the period</b>	<b>725</b>	<b>1,731</b>

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**
**for the six months ended 30 June 2018**

(In thousands of Bahraini dinars)

	30 June 2018 (reviewed)	30 June 2017 (reviewed)
<b>Profit for the period</b>	<b>725</b>	<b>1,731</b>
<b>Other comprehensive income</b>		
Items that are or may be reclassified subsequently to profit or loss:		
Available-for-sale securities:		
- Change in fair value	(2)	516
- Transfer to statement of profit or loss on impairment of securities	-	162
- Transfer to statement of profit or loss on disposal of securities	(330)	(390)
<b>Other comprehensive income</b>	<b>(332)</b>	<b>288</b>
<b>Total comprehensive income</b>	<b>393</b>	<b>2,019</b>

**STATEMENT OF CHANGES IN EQUITY**
**for the six months ended 30 June 2018**

(In thousands of Bahraini dinars)

2018 (reviewed)	Share capital	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings	Total
Balance at 1 January	6,500	3,250	4,155	3,880	1,865	19,650
Profit for the period	-	-	-	-	725	725
Other comprehensive loss	-	-	-	(332)	-	(332)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(332)</b>	<b>725</b>	<b>393</b>
<b>Balance as at 30 June</b>	<b>6,500</b>	<b>3,250</b>	<b>4,155</b>	<b>3,548</b>	<b>2,590</b>	<b>20,043</b>
2017 (reviewed)						
Balance at 1 January	6,500	3,250	4,155	3,362	4,191	21,458
Profit for the period	-	-	-	-	1,731	1,731
Other comprehensive income	-	-	-	-	288	288
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288</b>	<b>1,731</b>	<b>2,019</b>
Dividends declared for 2016	-	-	-	-	(2,470)	(2,470)
Donations declared for 2016	-	-	-	-	(20)	(20)
<b>Balance as at 30 June</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>

**CONDENSED STATEMENT OF FINANCIAL POSITION**
**As at 30 June 2018**

(In thousands of Bahraini Dinars)

	30 June 2018 (reviewed)	31 December 2017 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	3,626	1,354
Placements with banks	4,148	6,357
Insurance and other receivables	8,894	7,897
Reinsurers' share of insurance technical reserves		