

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2016  
(In thousands of Bahraini Dinars)

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	5,048	3,965
Placements with banks	8,996	6,973
Insurance and other receivables	9,185	7,930
Financial investments	26,379	29,865
Equity accounted investees	15,670	13,806
Reinsurers' share of insurance technical reserves	10,523	12,537
Deferred acquisition cost	628	610
Investment properties	3,099	3,261
Intangible assets	282	319
Property and equipment	3,429	3,631
Statutory deposits	125	125
<b>Total assets</b>	<b>83,364</b>	<b>83,022</b>
<b>LIABILITIES</b>		
Insurance technical reserves	24,522	26,772
Insurance payables	3,492	2,792
Borrowings	-	202
Other liabilities	6,272	5,536
<b>Total liabilities</b>	<b>34,286</b>	<b>35,302</b>
<b>Total net assets</b>	<b>49,078</b>	<b>47,720</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	2,263	2,543
Retained earnings	11,854	10,169
<b>Equity attributable to shareholders of the parent company</b>	<b>46,849</b>	<b>45,444</b>
Non-controlling interest	2,229	2,276
<b>Total equity</b>	<b>49,078</b>	<b>47,720</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2016  
(In thousands of Bahraini Dinars)

	2016	2015
<b>OPERATING ACTIVITIES</b>		
<b>Insurance operations</b>		
Premiums received net of acquisition costs	28,188	28,712
Payments to insurance and reinsurance companies	(11,717)	(13,368)
Claims paid to policyholders	(21,556)	(23,080)
Claims recovered from reinsurers and salvage recoveries	10,880	13,678
<b>Cash flows from insurance operations</b>	<b>5,795</b>	<b>5,942</b>
<b>Investment operations</b>		
Dividends and interest received	1,176	1,357
Proceeds from sale and redemptions of financial investments	12,960	16,850
Payments for purchases of financial investments	(9,242)	(13,985)
Bank deposits with maturities of more than three months	(9,121)	(6,973)
Redemption proceeds from bank deposits	7,098	3,846
Acquisition of subsidiary, net of cash acquired	-	(479)
Payments for investment in equity accounted investees	(160)	(328)
Proceeds from sale of investment in equity accounted investees	-	126
Dividends received from equity accounted investees	469	685
Rent received	248	172
<b>Cash flows from investment operations</b>	<b>3,428</b>	<b>1,271</b>
Expenses paid	(5,570)	(5,369)
<b>Cash flows from operating activities</b>	<b>3,653</b>	<b>1,844</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property, equipment and intangible assets	(265)	(309)
<b>Cash flows used in investment activities</b>	<b>(265)</b>	<b>(309)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	-	47
Repayment of bank borrowings	(191)	(713)
Finance costs paid	(13)	(27)
Dividends paid to non-controlling interest	(97)	(120)
Dividends paid to shareholders	(1,975)	(2,094)
Donations paid	(29)	(33)
<b>Cash flows used in financing activities</b>	<b>(2,305)</b>	<b>(2,940)</b>
<b>Total net cash flows during the year</b>	<b>1,083</b>	<b>(1,405)</b>
Cash and cash equivalents at 1 January	3,965	5,370
<b>Cash and cash equivalents at 31 December</b>	<b>5,048</b>	<b>3,965</b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
for the year ended 31 December 2016  
(In thousands of Bahraini Dinars)

	2016	2015
Gross insurance premiums	28,401	28,401
Reinsurers' share of gross insurance premiums	(12,449)	(12,958)
Retained premiums	15,952	15,443
Net change in reserve for unearned premiums	(314)	(617)
<b>Net premiums earned</b>	<b>15,638</b>	<b>14,826</b>
Gross claims paid	(21,624)	(22,925)
Claims recoveries	11,608	13,580
Outstanding claims adjustment - gross	1,992	4,947
Outstanding claims adjustment - reinsurance	(2,230)	(4,061)
<b>Net claims</b>	<b>(10,254)</b>	<b>(8,459)</b>
<b>Gross underwriting profit</b>	<b>5,384</b>	<b>6,367</b>
Life assurance actuarial reserve (charge)/release	(4)	98
Net commission and fee income/(expense)	605	(7)
General and administration expenses	(4,080)	(4,093)
<b>Net underwriting profit</b>	<b>1,905</b>	<b>2,365</b>
Net investment income	1,628	2,046
Share of profit of equity accounted investees	2,108	1,549
Corporate expenses	(1,732)	(1,756)
<b>Profit for the year</b>	<b>3,909</b>	<b>4,204</b>
<b>Profit attributable to:</b>		
Parent company	3,880	4,049
Non-controlling interest	29	155
<b>Total profit</b>	<b>3,909</b>	<b>4,204</b>
<b>Basic earnings per share (100 fils per share)</b>	<b>36.2 fils</b>	<b>37.8 fils</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2016  
(In thousands of Bahraini Dinars)

	2016	2015
<b>Profit for the year</b>	<b>3,909</b>	<b>4,204</b>
<b>Other comprehensive income / (loss):</b>		
Items that may be reclassified to profit or loss:		
Available-for-sale securities:		
- Change in fair value during the year	129	(490)
- Transfer to statement of profit or loss on impairment of securities	132	111
- Transfer to statement of profit or loss on disposal of securities	(585)	(1,364)
Share of other comprehensive income of equity accounted investees	65	(269)
<b>Other comprehensive loss for the year</b>	<b>(259)</b>	<b>(2,012)</b>
<b>Total comprehensive income for the year</b>	<b>3,650</b>	<b>2,192</b>
<b>Total comprehensive income attributable to:</b>		
Parent company	3,600	2,080
Non-controlling interest	50	112
<b>Total</b>	<b>3,650</b>	<b>2,192</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2016  
(In thousands of Bahraini Dinars)

2016	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		
<b>Balance at 1 January 2016</b>	<b>11,350</b>	<b>(1,868)</b>	<b>5,675</b>	<b>3,990</b>	<b>13,585</b>	<b>2,543</b>	<b>10,169</b>	<b>45,444</b>	<b>2,276</b>	<b>47,720</b>
Profit for the year	-	-	-	-	-	3,880	3,880	29	3,909	3,909
Other comprehensive loss for the year	-	-	-	-	-	(280)	(280)	21	(259)	(259)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(280)</b>	<b>3,880</b>	<b>3,600</b>	<b>50</b>	<b>3,650</b>
Dividends declared for 2015	-	-	-	-	-	(2,145)	(2,145)	(97)	(2,242)	(2,242)
Donations declared for 2015	-	-	-	-	-	(50)	(50)	-	(50)	(50)
<b>Appropriations approved by shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,195)</b>	<b>(2,195)</b>	<b>(97)</b>	<b>(2,292)</b>	<b>(2,292)</b>
<b>Balance at 31 December 2016</b>	<b>11,350</b>	<b>(1,868)</b>	<b>5,675</b>	<b>3,990</b>	<b>13,585</b>	<b>2,263</b>	<b>11,854</b>	<b>46,849</b>	<b>2,229</b>	<b>49,078</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2016  
(In thousands of Bahraini Dinars)

2015	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		
<b>Balance at 1 January 2015</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>
Profit for the year	-	-	-	-	-	4,049	4,049	155	4,204	4,204
Other comprehensive loss for the year	-	-	-	-	-	(1,969)	(1,969)	(43)	(2,012)	(2,012)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,969)</b>	<b>4,049</b>	<b>2,080</b>	<b>112</b>	<b>2,192</b>
Dividends declared for 2014	-	-	-	-	-	(2,145)	(2,145)	(120)	(2,265)	(2,265)
Donations declared for 2014	-	-	-	-	-	(50)	(50)	-	(50)	(50)
<b>Appropriations approved by shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,195)</b>	<b>(2,195)</b>	<b>(120)</b>	<b>(2,315)</b>	<b>(2,315)</b>
<b>Balance at 31 December 2015</b>	<b>11,350</b>	<b>(1,868)</b>	<b>5,675</b>	<b>3,990</b>	<b>13,585</b>	<b>2,543</b>	<b>10,169</b>	<b>45,444</b>	<b>2,276</b>	<b>47,720</b>

Audited by KPMG Fakhro

Farooq Yusuf Almoayyed - Chairman

Abdulahussain Khalil Dewani - Vice Chairman

Sameer Al Wazzan - Chief Executive



**Bahrain National Insurance**

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2016  
(In thousands of Bahraini Dinars)

	2016	2015
<b>ASSETS</b>		
Cash and cash equivalents	2,653	2,292
Placements with banks	7,262	6,247
Insurance and other receivables	7,797	6,744
Reinsurers' share of insurance technical reserves	8,610	11,153
Deferred acquisition cost	474	466
Financial investments	19,075	21,104
Intangible assets	148	151
Property and equipment	262	311
Statutory deposits	75	75
<b>Total assets</b>	<b>46,356</b>	<b>48,543</b>
<b>LIABILITIES</b>		
Insurance technical reserves	19,030	21,241
Insurance payables	2,903	2,308
Other liabilities	2,965	2,852
<b>Total liabilities</b>	<b>24,898</b>	<b>26,401</b>
<b>Total net assets</b>	<b>21,458</b>	<b>22,142</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	3,362	3,653
Retained earnings	4,191	4,584
<b>Total equity</b>	<b>21,458</b>	<b>22,142</b>

**STATEMENT OF CASH FLOWS**

for the year ended 31 December 2016

(In thousands of Bahraini Dinars)

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Premiums received, net of acquisition costs	22,687	22,646
Payments to insurance and reinsurance companies	(8,530)	(10,040)
Claims paid to policyholders	(17,444)	(19,249)
Claims recovered from reinsurers and salvage recovered	8,415	10,896
Expenses paid	(3,623)	(3,558)
<b>Cash flows from operating activities</b>	<b>1,505</b>	<b>695</b>
<b>INVESTMENT ACTIVITIES</b>		
Dividends and interest received	976	1,164
Proceeds from sale and redemption of securities	7,590	13,092
Payments for purchase of securities	(5,453)	(9,351)
Payments for purchase of property & equipment and intangible assets	(147)	(209)
Bank deposits with maturities of more than three months when acquired	(7,262)	(6,247)
Proceeds from redemption of bank deposits with maturities of more than three months	6,247	3,209
<b>Cash flows from investment activities</b>	<b>1,951</b>	<b>1,658</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(3,080)	(3,170)
Donations paid	(15)	(9)
<b>Cash flows used in financing activities</b>	<b>(3,095)</b>	<b>(3,179)</b>
<b>Net change in cash and cash equivalents during the year</b>	<b>361</b>	<b>(826)</b>
Cash and cash equivalents at 1 January	2,292	3,118
<b>Cash and cash equivalents at 31 December</b>	<b>2,653</b>	<b>2,292</b>

**STATEMENT OF PROFIT OR LOSS**

for the year ended 31 December 2016  
(In thousands of Bahraini Dinars)

	2016	2015
Gross insurance premiums	22,379	22,495
Reinsurers' share of gross insurance premiums	(8,902)	(9,763)
Retained premiums	13,477	12,732
Net unearned premiums adjustment	(318)	(439)
<b>Net Premiums Earned</b>	<b>13,159</b>	<b>12,293</b>
Gross claims paid	(17,529)	(19,482)
Claims recoveries	8,707	10,965
Outstanding claims adjustment - Gross	2,076	5,307
Outstanding claims adjustment - Reinsurance	(2,317)	(4,437)
<b>Net Claims</b>	<b>(9,063)</b>	<b>(7,647)</b>
<b>Gross underwriting profit</b>	<b>4,096</b>	<b>4,646</b>
Net commission and fee income	945	362
General and administration expenses	(3,769)	(3,741)
<b>Net underwriting profit</b>	<b>1,272</b>	<b>1,267</b>
<b>Net Investment Income</b>	<b>1,435</b>	<b>2,035</b>
<b>Profit for the year</b>	<b>2,707</b>	<b>3,302</b>
<b>Basic earnings per share (100 fils per share)</b>	<b>41.6 Fils</b>	<b>50.8 Fils</b>

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2016

(In thousands of Bahraini Dinars)

	2016	2015
<b>Profit for the year</b>	<b>2,707</b>	<b>3,302</b>
<b>Other comprehensive income/ (loss):</b>		
Items that may be reclassified to profit or loss:		
Available-for-sale securities:		
- Change in fair value	55	(423)
- Impairment transferred to statement of profit or loss	108	124
- Transfer to statement of profit or loss on disposal of securities	(454)	(1,265)
<b>Other comprehensive loss for the year</b>	<b>(291)</b>	<b>(1,564)</b>
<b>Total comprehensive income for the year</b>	<b>2,416</b>	<b>1,738</b>

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2016

(In thousands of Bahraini dinars)

2016	Share capital	Statutory reserve	General reserve	Investment fair value reserve	Retained earnings	Total
<b>Balance at 1 January 2016</b>	<b>6,500</b>	<b>3,250</b>	<b>4,155</b>	<b>3,653</b>	<b>4,584</b>	<b>22,142</b>
Profit for the year	-	-	-	-	2,707	2,707
Other comprehensive loss for the year	-	-	-	(291)	-	(291)
Dividends declared for 201						