

# Statement of income

for the year ended 31 December 2005

	Note	2005 Bahraini Dinars	2004 Bahraini Dinars
<b>Gross premiums</b>	23	7,110,995	6,753,428
<b>Reinsurance ceded</b>		(4,529,045)	(4,602,152)
Retained premiums		2,581,950	2,151,276
Adjustment in unearned premiums		(226,213)	(235,682)
<b>Net premiums earned</b>	23	2,355,737	1,915,594
<b>Gross claims paid</b>		(2,714,337)	(1,774,685)
Claims recovered from re-insurers		1,399,805	828,256
Outstanding claims adjustment – gross		(723,518)	(284,216)
Outstanding claims adjustment- re-insurance recoveries		280,454	(8,628)
<b>Net claims incurred</b>	23	(1,757,596)	(1,239,273)
Management expenses	18	(395,427)	(377,695)
Net commission income		566,410	423,531
		170,983	45,836
<b>Underwriting profit for the year</b>	23	769,124	722,157
Investment income	19	2,081,077	683,764
Other expenses	20	(26,865)	(5,992)
<b>Total investment and other income</b>		2,054,212	677,772
General and administrative expenses	18	(503,093)	(480,392)
<b>Net profit for the year</b>		2,320,243	919,537
<b>Earnings per share</b>	22	77.4 fils	30.7 fils

Hussain Ali Sajwani  
Chairman

Adel Hassan Ali Alaali  
Deputy Chairman

Yahya E. Nooruddin  
General Manager

The accounting policies on pages 16 to 18 and the notes on pages 19 to 31 form an integral part of these financial statements.