

Condensed interim statement of financial position as at 30 June 2010 (Unaudited) (Expressed in Bahrain Dinars)

	Unaudited 30 June 2010	Audited 31 December 2009	Unaudited 30 June 2009
ASSETS			
Cash and cash equivalents	4,047,534	2,417,715	11,375,780
Statutory deposit	125,000	125,000	125,000
Available for-sale-investments	15,449,448	15,674,756	6,098,180
Receivables			
Policyholders	3,593,950	2,621,248	4,447,293
Insurance and re-insurance companies	1,759,057	1,367,295	1,114,087
Deferred re-insurance premiums	3,678,885	2,452,815	4,445,533
Deferred policy acquisition costs	340,050	310,248	538,384
Others	415,488	413,871	296,142
Outstanding claims recoverable from re-insurers	4,116,116	4,000,010	4,931,769
Property and equipment	861,563	881,770	134,382
TOTAL ASSETS	34,387,091	30,264,728	33,506,550
LIABILITIES			
Insurance funds			
Outstanding claims - gross	7,471,631	8,196,236	8,861,419
Unearned premiums	6,345,550	4,807,036	7,663,054
Unearned commissions	568,991	497,234	820,108
Other technical provisions	100,000	235,291	434,098
Payables and other liabilities			
Policyholders	206,519	179,841	190,673
Insurance and re-insurance companies	3,804,870	2,484,212	3,349,740
Others payables	1,334,499	1,052,448	1,452,123
Employees' terminal benefits	146,951	149,632	143,286
TOTAL LIABILITIES	19,979,011	17,601,930	22,914,501
TOTAL NET ASSETS	14,408,080	12,662,798	10,592,049
SHAREHOLDERS' EQUITY			
Share capital	5,399,077	3,998,351	3,998,351
Statutory reserve	1,671,841	1,671,841	1,470,048
Investment fair value reserve	3,507,370	3,157,422	2,367,344
Retained earnings	3,829,792	3,835,184	2,756,306
TOTAL SHAREHOLDERS' EQUITY	14,408,080	12,662,798	10,592,049

Condensed interim statement of changes in shareholders' equity for the six month period ended 30 June 2010 (Unaudited) (Expressed in Bahrain Dinars)

	Share capital	Treasury shares	Statutory reserve	Investments fair value reserve	Retained earnings	Total
At 31 December 2008	3,638,250	(3,724)	1,470,048	2,020,836	4,200,630	11,326,040
Bonus shares issued during the period	363,825	-	-	-	(363,825)	-
Dividend for 2008	-	-	-	-	(1,817,761)	(1,817,761)
Total comprehensive income for period	-	-	-	346,508	749,262	1,095,770
At 30 June 2009	<u>4,002,075</u>	<u>(3,724)</u>	<u>1,470,048</u>	<u>2,367,344</u>	<u>2,768,306</u>	<u>10,604,049</u>
At 31 December 2009	4,002,075	(3,724)	1,671,841	3,157,422	3,835,184	12,662,798
Bonus shares issued during the period	1,400,726	-	-	-	(1,400,726)	-
Dividend for 2009	-	-	-	-	(199,953)	(199,953)
Total comprehensive income for period	-	-	-	349,948	1,595,287	1,945,235
At 30 June 2010	<u>5,402,801</u>	<u>(3,724)</u>	<u>1,671,841</u>	<u>3,507,370</u>	<u>3,829,792</u>	<u>14,408,080</u>



Condensed interim statement of income for the quarter and six month period ended 30 June 2010 (Unaudited) (Expressed in Bahrain Dinars)

	Six month ended 30 June 2010	Six month ended 30 June 2009	Quarter ended 30 June 2010	Quarter ended 30 June 2009
Gross premiums	7,689,081	9,227,973	5,266,069	5,253,234
Re-insurance ceded	(4,851,787)	(5,875,303)	(3,434,301)	(3,420,437)
Retained premiums	2,837,294	3,352,670	1,831,768	1,832,797
Adjustment in unearned premiums	(312,445)	(615,941)	(575,586)	(421,705)
Net premiums earned	<u>2,524,849</u>	<u>2,736,729</u>	<u>1,256,182</u>	<u>1,411,092</u>
Gross claims paid	(3,639,208)	(3,245,088)	(1,871,638)	(1,548,113)
Claims recovered from re-insurers	1,657,278	764,326	938,572	437,867
Outstanding claims adjustment - gross	724,604	(32,855)	368,496	(279,646)
Outstanding claims adjustment - re-insurance recoveries	116,102	396,910	128,528	275,513
Net claims incurred	<u>(1,141,224)</u>	<u>(2,116,707)</u>	<u>(436,042)</u>	<u>(1,114,379)</u>
Management expenses	(274,321)	(283,578)	(119,803)	(138,334)
Net commission income	245,634	256,072	100,094	124,883
Movement in technical provision	135,291	-	135,291	-
	<u>106,604</u>	<u>(27,506)</u>	<u>115,582</u>	<u>(13,451)</u>
Underwriting profit for the period	<u>1,490,229</u>	<u>592,516</u>	<u>935,722</u>	<u>283,262</u>
Investment income	431,716	605,905	(34,694)	309,745
Other income/(expenses)	14,923	(71,149)	(6,048)	(63,227)
Total investment and other income	<u>446,639</u>	<u>534,756</u>	<u>(40,742)</u>	<u>246,518</u>
General and administrative expenses	(341,581)	(366,010)	(152,414)	(184,116)
Net (loss)/profit for the period before Directors' remuneration	<u>1,595,287</u>	<u>761,262</u>	<u>742,566</u>	<u>345,664</u>
Directors' remuneration	-	(12,000)	-	-
Net (loss)/profit for the period transferred to statement of comprehensive income	<u>1,595,287</u>	<u>749,262</u>	<u>742,566</u>	<u>345,664</u>
Basic and diluted earnings per share	<u>30 fils</u>	<u>14 fils</u>	<u>14 fils</u>	<u>6 fils</u>

Condensed interim statement of comprehensive income for the quarter and six month period ended 30 June 2010 (Unaudited) (Expressed in Bahrain Dinars)

	Six month ended 30 June 2010	Six month ended 30 June 2009	Quarter ended 30 June 2010	Quarter ended 30 June 2009
Net (loss)/profit for the period	<u>1,595,287</u>	<u>749,262</u>	<u>742,566</u>	<u>345,664</u>
Other comprehensive income:				
Available-for-sale investments:				
Unrealised fair value (losses) / gains during the period	464,650	808,974	(674,142)	2,128,888
Movement in fair value reserve on sale of available-for-sale investments	(114,702)	(462,466)	249,958	(462,466)
Other comprehensive (loss)/ income for the period	<u>349,948</u>	<u>346,508</u>	<u>(424,184)</u>	<u>1,666,422</u>
Total comprehensive (loss)/ income for the period	<u>1,945,235</u>	<u>1,095,770</u>	<u>318,382</u>	<u>2,012,086</u>

Condensed interim statement of cash flows for the six month period ended 30 June 2010 (Unaudited) (Expressed in Bahrain Dinars)

	Six month period ended 30 June 2010	Six month period ended 30 June 2009
Operating activities		
Net profit for the period	1,595,287	749,262
Adjustments for:		
Depreciation	26,543	24,063
Dividend income	(506,247)	(214,099)
Directors' remuneration paid	-	(12,000)
Interest income	(80,042)	(166,613)
Realised gains/(loss) on sale of available-for-sale investments	154,573	(225,193)
Changes in operating assets and liabilities:		
Receivables	(2,621,953)	(2,133,925)
Outstanding claims recoverable from re-insurers	(116,106)	(397,007)
Insurance funds	750,375	764,263
Payables and other liabilities	1,649,161	1,964,172
Provision for employees' leaving indemnity, net	(2,681)	6,180
Net cash provided by operating activities	<u>848,910</u>	<u>359,103</u>
Investing activities		
Dividend income received	506,247	214,099
Interest income received	80,042	166,613
Purchase of property and equipment	(6,336)	(18,209)
Purchase of available-for-sale investments	(2,969,232)	-
Proceeds from the sale of available-for-sale investments	3,389,915	1,647,555
Net cash provided by investing activities	<u>1,000,636</u>	<u>2,010,058</u>
Financing activities		
Dividends paid	(219,727)	(1,648,326)
Net cash used in financing activities	<u>(219,727)</u>	<u>(1,648,326)</u>
Net increase in cash and cash equivalents	1,629,819	720,835
Cash and cash equivalents, beginning of the period	2,417,715	10,654,945
Cash and cash equivalents, end of the period	<u>4,047,534</u>	<u>11,375,780</u>

The above financial statement have been reviewed by BDO

Hussain Ali Sajwani
Chairman

Adel Hassan Alaali
Deputy Chairman

Tawfiq Isa Shehab
General Manager