



Condensed interim statement of financial position as at 30 June 2011
(Unaudited)
(Expressed in Bahrain Dinars)

	Unaudited 30 June 2011	Audited 31 December 2010	Unaudited 30 June 2010
ASSETS			
Cash and cash equivalents	6,484,374	4,333,689	4,047,534
Statutory deposit	125,000	125,000	125,000
Available for-sale-investments	10,910,700	17,131,127	15,449,448
Receivables			
Policyholders	3,454,193	1,655,493	3,593,950
Insurance and re-insurance companies	2,467,217	2,054,264	1,759,057
Deferred re-insurance premiums	3,384,523	2,170,817	3,678,885
Deferred policy acquisition costs	280,539	227,756	340,050
Others	521,524	450,209	415,488
Outstanding claims recoverable from re-insurers	4,260,927	4,050,181	4,116,116
Property and equipment	842,001	854,329	861,563
TOTAL ASSETS	32,731,043	33,052,865	34,387,091
LIABILITIES			
Insurance funds			
Outstanding claims - gross	8,175,641	7,475,714	7,471,631
Unearned premiums	5,879,464	4,261,419	6,345,550
Unearned commissions	431,395	406,948	568,991
Other technical provisions	100,000	100,000	100,000
Payables and other liabilities			
Policyholders	322,508	313,941	206,519
Insurance and re-insurance companies	3,436,282	2,827,885	3,804,870
Others payables	1,237,369	1,471,461	1,334,499
Employees' terminal benefits	159,616	148,598	146,951
TOTAL LIABILITIES	19,742,275	17,005,966	19,979,011
TOTAL NET ASSETS	12,988,768	16,046,899	14,408,080
SHAREHOLDERS' EQUITY			
Share capital	5,669,217	5,399,077	5,399,077
Statutory reserve	1,902,888	1,902,888	1,671,841
Investment fair value reserve	2,484,127	4,431,011	3,507,370
Retained earnings	2,932,536	4,313,923	3,829,792
TOTAL SHAREHOLDERS' EQUITY	12,988,768	16,046,899	14,408,080

Condensed interim statement of comprehensive income for the quarter and the six month period ended 30 June 2011
(Unaudited)
(Expressed in Bahrain Dinars)

	Six month ended 30 June 2011	Six month ended 30 June 2010	Quarter ended 30 June 2011	Quarter ended 30 June 2010
Net profit for the period	1,048,253	1,595,287	453,925	742,566
Other comprehensive income:				
Available-for-sale investments:				
Unrealised fair value (losses)/gains during the period	(242,329)	464,650	312,820	(674,142)
Movement in fair value reserve on sale of available-for-sale investments	(1,704,555)	(114,702)	44,449	249,958
Other comprehensive (loss)/income for the period	(1,946,884)	349,948	357,269	(424,184)
Total comprehensive (loss)/income for the period	(898,631)	1,945,235	811,194	318,382

Condensed interim statement of changes in shareholders' equity for the six month period ended 30 June 2011
(Unaudited)
(Expressed in Bahrain Dinars)

	Share capital	Treasury shares	Statutory reserve	Investments fair value reserve	Retained earnings	Total
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	5,402,801	(3,724)	1,671,841	3,507,370	3,829,792	14,408,080
At 31 December 2010	5,402,801	(3,724)	1,902,888	4,431,011	4,313,923	16,046,899
Bonus shares issued during the period	270,140	-	-	-	(270,140)	-
Dividend for 2010	-	-	-	-	(2,159,500)	(2,159,500)
Total comprehensive loss for period	-	-	-	(1,946,884)	1,048,253	(898,631)
At 30 June 2011	5,672,941	(3,724)	1,902,888	2,484,127	2,932,536	12,988,768

Condensed interim statement of income for the quarter and the six month period ended 30 June 2011
(Unaudited)
(Expressed in Bahrain Dinars)

	Six month ended 30 June 2011	Six month ended 30 June 2010	Quarter ended 30 June 2011	Quarter ended 30 June 2010
Gross premiums	7,410,256	7,689,081	4,974,809	5,266,069
Re-insurance ceded	(4,747,688)	(4,851,787)	(3,222,010)	(3,434,301)
Retained premiums	2,662,568	2,837,294	1,752,799	1,831,768
Adjustment in unearned premiums	(404,339)	(312,445)	(643,980)	(575,586)
Net premiums earned	2,258,229	2,524,849	1,108,819	1,256,182
Gross claims paid	(2,208,271)	(3,639,208)	(1,253,059)	(1,871,638)
Claims recovered from re-insurers	1,162,625	1,657,278	726,172	938,572
Outstanding claims adjustment - gross	(713,592)	724,604	(130,932)	368,496
Outstanding claims adjustment - re-insurance recoveries	224,457	116,102	(137,354)	128,528
Net claims incurred	(1,534,781)	(1,141,224)	(795,173)	(436,042)
Management expenses	(304,596)	(274,321)	(157,659)	(119,803)
Net commission income	233,320	245,634	116,203	100,094
Movement in technical provision	-	135,291	-	135,291
	(71,276)	106,604	(41,456)	115,582
Underwriting profit for the period	652,172	1,490,229	272,190	935,722
Investment income	593,067	431,716	175,775	(34,694)
Other income/(expenses)	185,705	14,923	189,671	(6,048)
Total investment and other income/(loss)	778,772	446,639	365,446	(40,742)
General and administrative expenses	(382,691)	(341,581)	(183,711)	(152,414)
Net profit for the period	1,048,253	1,595,287	453,925	742,566
Basic and diluted earnings per share	18fils	28fils	8fils	13fils

Condensed interim statement of cash flows for the six month period ended 30 June 2011
(Unaudited)
(Expressed in Bahrain Dinars)

	Six month period ended 30 June 2011	Six month period ended 30 June 2010
Operating activities		
Net profit for the period	1,048,253	1,595,287
Adjustments for:		
Depreciation	14,963	26,543
Dividend income	(475,520)	(506,247)
Interest income	(140,550)	(80,042)
Realised loss on sale of available-for-sale investments	23,003	154,573
Realised gains on sale of Property, plant & equipment	(4,600)	-
Changes in operating assets and liabilities:		
Receivables	(3,549,457)	(2,621,953)
Outstanding claims recoverable from re-insurers	(210,791)	(116,106)
Insurance funds	2,342,419	750,375
Payables and other liabilities	179,830	1,649,161
Provision for employees' leaving indemnity, net	11,018	(2,681)
Net cash (used in)/provided by operating activities	(761,432)	848,910
Investing activities		
Dividend income received	475,520	506,247
Interest income received	140,550	80,042
Purchase of property and equipment	(2,635)	(6,336)
Proceeds from the sale of Property, plant & equipment	4,600	-
Purchase of available-for-sale investments	(6,445,763)	(2,969,232)
Proceeds from the sale of available-for-sale investments	10,696,303	3,389,915
Net cash provided by investing activities	4,868,575	1,000,636
Financing activities		
Dividends paid	(1,956,458)	(219,727)
Net cash used in financing activities	(1,956,458)	(219,727)
Net increase in cash and cash equivalents	2,150,685	1,629,819
Cash and cash equivalents, beginning of the period	4,333,689	2,417,715
Cash and cash equivalents, end of the period	6,484,374	4,047,534

The above financial statements have been reviewed by BDO