



**Statement of financial position as at 31 December 2016**  
(Expressed in Bahrain Dinars)

	2016	2015
<b>ASSETS</b>		
Cash and bank balances	10,439,741	8,464,147
Statutory deposit	125,000	125,000
Available-for-sale investments	6,592,510	8,084,020
Receivables		
Policyholders	3,003,528	3,023,122
Insurance and reinsurance companies	2,703,609	1,906,248
Deferred reinsurance premiums	2,709,878	1,493,035
Deferred policy acquisition costs	380,335	284,974
Other receivables	291,242	249,096
Outstanding claims recoverable from reinsurers	2,729,909	1,714,113
Property, plant and equipment	850,475	823,484
<b>TOTAL ASSETS</b>	<b>29,826,227</b>	<b>26,167,239</b>
<b>LIABILITIES</b>		
Insurance funds		
Outstanding claims reserve	6,484,739	5,012,236
Unearned gross premiums	5,942,100	4,508,153
Unearned commissions	392,232	406,960
Payables and other liabilities		
Policyholders	702,993	533,832
Insurance and reinsurance companies	464,684	786,489
Other payables	2,006,071	1,812,099
Employees' terminal benefits	154,769	153,859
<b>TOTAL LIABILITIES</b>	<b>16,147,588</b>	<b>13,213,628</b>
<b>TOTAL NET ASSETS</b>	<b>13,678,639</b>	<b>12,953,611</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	6,188,663	6,188,663
Statutory reserve	2,409,654	2,406,473
Investment fair value reserve	1,813,209	1,119,989
Property revaluation reserve	747,312	747,312
Retained earnings	2,523,525	2,494,898
Treasury shares	(3,724)	(3,724)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>13,678,639</b>	<b>12,953,611</b>

**Statement of cash flows for the year ended 31 December 2016**  
(Expressed in Bahrain Dinars)

	2016	2015
<b>Operating activities</b>		
Net profit/(loss) for the year	31,808	(622,699)
Adjustments for:		
Depreciation	26,181	15,514
Dividend income	(343,100)	(372,220)
Interest income	(114,360)	(179,321)
Impairment losses on available-for-sale investments	308,440	2,034,645
Realised loss/(gains) on sale of available-for-sale investments	549,450	(36,750)
Realised gain on sale of property, plant and equipment	(3,850)	-
Changes in operating assets and liabilities:		
Receivables	(2,132,117)	(834,430)
Outstanding claims recoverable from re-insurers	(1,015,796)	644,896
Insurance funds	2,891,722	(1,561,505)
Payables and other liabilities	107,058	331,755
Provision for employees' leaving indemnity, net	910	22,291
<b>Net cash provided by/(used in) operating activities</b>	<b>306,346</b>	<b>(557,824)</b>
<b>Investing activities</b>		
Dividend income received	343,100	372,220
Interest income received	114,360	179,321
Purchase of available-for-sale investments	(51,360)	(2,215,505)
Proceeds from sale of available-for-sale investments	1,378,200	4,435,835
Purchase of property, plant and equipment	(53,172)	(6,400)
Proceed from sale of property, plant and equipment	3,850	-
<b>Net cash provided by investing activities</b>	<b>1,734,978</b>	<b>2,765,471</b>
<b>Financing activities</b>		
Dividend paid	(65,730)	(2,286,045)
<b>Net cash used in financing activities</b>	<b>(65,730)</b>	<b>(2,286,045)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,975,594</b>	<b>(78,398)</b>
Cash and cash equivalents, beginning of the year	8,464,147	8,542,545
<b>Cash and cash equivalents, end of the year</b>	<b>10,439,741</b>	<b>8,464,147</b>

**Statement of profit or loss for the year ended 31 December 2016**  
(Expressed in Bahrain Dinars)

	2016	2015
<b>Gross premiums</b>	<b>13,529,014</b>	<b>10,926,418</b>
Reinsurance ceded	(4,801,818)	(5,005,548)
<b>Retained premiums</b>	<b>8,727,196</b>	<b>5,920,870</b>
Adjustment in unearned premiums	(217,104)	(392,393)
<b>Net premiums earned</b>	<b>8,510,092</b>	<b>5,528,477</b>
<b>Gross claims paid</b>	<b>(8,012,404)</b>	<b>(7,259,921)</b>
Claims recovered from reinsurers	1,831,416	2,185,728
Outstanding claims adjustment – gross	(1,471,470)	1,655,400
Outstanding claims adjustment–reinsurance recoveries	1,015,796	(644,896)
<b>Net claims incurred</b>	<b>(6,636,662)</b>	<b>(4,063,689)</b>
Management expenses	(612,905)	(550,135)
Net commission income	203,469	518,499
Provision on Insurance and re-insurance receivables	(67,051)	(10,734)
	(476,487)	(42,370)
<b>Underwriting profit for the year</b>	<b>1,396,943</b>	<b>1,422,418</b>
Realised (loss)/gain on the sale of available-for-sale investments	(549,450)	36,750
Investment income	457,460	551,541
Impairment loss on available-for-sale investments	(308,440)	(2,034,645)
Other income	7,199	226,439
<b>Total investment and other loss</b>	<b>(393,231)</b>	<b>(1,219,915)</b>
General and administrative expenses	(971,904)	(825,202)
<b>Net profit/(loss) for the year</b>	<b>31,808</b>	<b>(622,699)</b>
<b>Basic and diluted earnings per share</b>	<b>fil0.51</b>	<b>(fil10.07)</b>

**Statement of changes in shareholders' equity for the year ended 31 December 2016**  
(Expressed in Bahrain Dinars)

	Share capital	Statutory reserve	Investment fair value reserve	Property revaluation reserve	Retained earnings	Treasury shares	Total
As at 31 December 2014	6,188,663	2,406,473	502,704	747,312	5,591,573	(3,724)	15,433,001
Dividends paid for 2014	-	-	-	-	(2,473,976)	-	(2,473,976)
Total comprehensive loss for the year	-	-	617,285	-	(622,699)	-	(5,414)
As at 31 December 2015	6,188,663	2,406,473	1,119,989	747,312	2,494,898	(3,724)	12,953,611
Total comprehensive income for the year	-	-	693,220	-	31,808	-	725,028
Transferred to statutory reserve	-	3,181	-	-	(3,181)	-	-
As at 31 December 2016	6,188,663	2,409,654	1,813,209	747,312	2,523,525	(3,724)	13,678,639

**Statement of other comprehensive income for the year ended 31 December 2016**  
(Expressed in Bahrain Dinars)

	2016	2015
<b>Net profit/(loss) for the year</b>	<b>31,808</b>	<b>(622,699)</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified into profit or loss:</b>		
Unrealised fair value gain/(loss) on available-for-sale investments	477,419	(322,800)
Net movement in the fair value reserve on impairment losses on available-for-sale-investments	79,680	936,037
Net movement in fair value reserve on sale of available-for-sale-investments	136,121	4,048
<b>Total other comprehensive income for the year</b>	<b>693,220</b>	<b>617,285</b>
<b>Total comprehensive profit/(loss) for the year</b>	<b>725,028</b>	<b>(5,414)</b>

The above financial position and results are extracted from the financial statements which was audited by BDO. The auditors have expressed an unqualified opinion on those financial statements and was approved and authorised for issue by the Board of Directors.

Dr. Osama Taqi Al Baharna  
Chairman

Mr. Abdullellah Al Qassimi  
Vice Chairman