البحرينية الكويتية للتأمين
Bahrain Kuwait Insurance

## INTERIM STATEMENT OF FINANCIAL POSISITION
### AT 31 March 2010

Bahraini Dinars

| | Unaudited 31 March 2010 | Audited 31 December 2009 | Unaudited 31 March 2009 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 22,613,995 | 22,772,615 | 18,906,684 |
| Statutory deposits | 1,696,125 | 2,277,388 | 2,775,910 |
| Receivables | 14,785,073 | 14,542,403 | 24,461,218 |
| Deferred acquisition costs | 806,176 | 764,565 | 898,150 |
| Reinsurers' share of insurance reserves | 24,815,467 | 23,903,262 | 26,118,143 |
| Investments | 13,853,999 | 13,449,966 | 13,928,905 |
| Property and equipment | 787,123 | 816,462 | 951,306 |
| **TOTAL ASSETS** | **79,357,958** | **78,526,661** | **88,040,316** |
| **LIABILITIES AND EQUITY** | | | |
| **Liabilities** | | | |
| Insurance liabilities | 37,569,058 | 36,542,374 | 39,304,378 |
| Unearned commissions | 1,559,832 | 1,415,164 | 1,586,989 |
| Payables and accrued liabilities: | | | |
| Insurance and reinsurance companies | 9,071,880 | 9,295,078 | 10,276,904 |
| Policyholders | 2,084,230 | 1,891,111 | 2,183,509 |
| Others | 4,735,812 | 4,990,882 | 12,776,786 |
| **Total liabilities** | **55,020,812** | **54,134,609** | **66,128,566** |
| **Equity** | | | |
| Share capital | 6,500,000 | 6,063,750 | 6,063,750 |
| Treasury shares | (2,477) | (2,477) | (2,477) |
| Share premium | 4,361,700 | 4,361,700 | 4,361,700 |
| Statutory reserve | 3,781,000 | 3,781,000 | 3,781,000 |
| General reserve | 2,904,250 | 2,001,250 | 2,001,250 |
| Invesment fair value reserve | 2,539,597 | 2,298,264 | 2,406,702 |
| Currency translation reserve | 42,515 | 129,640 | 19,313 |
| Retained earnings | 4,210,561 | 5,758,925 | 3,280,512 |
| **Total equity** | **24,337,146** | **24,392,052** | **21,911,750** |
| **TOTAL LIABILITIES AND EQUITY** | **79,357,958** | **78,526,661** | **88,040,316** |

## INTERIM STATEMENT OF INCOME
### Three - month period ended 31 March 2010

Bahraini Dinars

| | Unaudited three months ended 31 March 2010 | 31 March 2009 |
|---|---|---|
| **Gross premiums** | **9,846,916** | **9,274,712** |
| Reinsurers' share of gross premiums | (6,527,460) | (5,330,298) |
| **Retained premiums** | **3,319,456** | **3,944,414** |
| Unearned premiums adjustment - gross | (1,212,154) | (801,564) |
| Unearned premiums adjustment - reinsurance | 643,727 | (278,146) |
| **Net premiums** | **2,751,029** | **2,864,704** |
| Gross claims paid | (4,880,983) | (3,015,435) |
| Reinsurers' share of claims paid | 3,178,099 | 1,422,767 |
| Outstanding claims adjustment - gross | (15,818) | 2,792,468 |
| Outstanding claims adjustment - reinsurance | 401,755 | (2,514,767) |
| **Net claims** | **(1,316,947)** | **(1,314,967)** |
| General & administrative expenses | (741,057) | (710,365) |
| Acquisition costs | (517,034) | (576,436) |
| Fees and commission income | 1,006,231 | 1,040,020 |
| | (251,860) | (246,781) |
| **Underwriting profit** | **1,182,222** | **1,302,956** |
| Investment income - net | 346,048 | 604,055 |
| Corporate expenses | (98,784) | (107,740) |
| Other income | 2,000 | 10,417 |
| Other expenses | (124,575) | (258,878) |
| | 124,689 | 247,854 |
| **PROFIT FOR THE PERIOD** | **1,306,911** | **1,550,810** |
| Basic and diluted earnings per share | **20 fils** | **24 fils** |

## INTERIM STATEMENT OF COMPREHENSIVE INCOME
### Three - month period ended 31 March 2010

Bahraini Dinars

| | Unaudited 31 March 2009 | Unaudited 31 March 2009 |
|---|---|---|
| **Profit for the period** | **1,306,911** | 1,550,810 |
| Available-for-sale investments: | | |
| Fair value changes arising during the period | 292,203 | (674,104) |
| Reclassification adjustments to statement of income on disposal / impairment | (50,870) | (66,689) |
| | 241,333 | (740,793) |
| Currency translation differences during the period | (87,125) | (352,428) |
| Directors' remuneration | (132,000) | (121,000) |
| Donations paid | (50,000) | (50,000) |
| Other comprehensive loss for the period | **(27,792)** | (1,264,221) |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **1,279,119** | 286,589 |

## INTERIM STATEMENT OF CASH FLOWS
### Three - month period ended 31 March 2010

Bahraini Dinars

| | Unaudited three months ended 31 March 2010 | 31 March 2009 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Premiums received net of commission | 9,903,324 | 5,437,194 |
| Paid to insurance and reinsurance companies | (5,958,674) | (3,279,062) |
| Claims paid | (4,931,375) | (3,832,687) |
| Claims recovered | 3,258,317 | 2,158,700 |
| General and administrative expenses paid | (1,716,225) | (1,274,420) |
| Interest and other payments | (213,542) | (520,214) |
| Receipts from statutory deposits | 581,263 | (43,252) |
| **Cash from ( used in ) operating activities** | **923,088** | **(1,353,741)** |
| **INVESTING ACTIVITIES** | | |
| Dividends and interest received | 405,336 | 543,136 |
| Proceeds from sale of available-for-sale investments | 0 | 539,367 |
| Payments for available-for-sale investments purchased | (213,573) | (1,281,529) |
| Rents received | 28,477 | 34,607 |
| Proceeds from sale of property and equipment | 2,000 | 13,455 |
| Purchase of property and equipment | (13,522) | (62,704) |
| **Cash from ( used in ) investing activities** | **208,718** | **(213,668)** |
| **FINANCING ACTIVITY** | | |
| Dividends paid | (1,290,426) | (970,073) |
| **Cash used in financing activity** | (1,290,426) | (970,073) |
| **NET CASH FLOWS DURING THE PERIOD** | (158,620) | (2,537,482) |
| Cash and cash equivalents at beginning of the period | 22,772,615 | 21,444,166 |
| **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** | **22,613,995** | **18,906,684** |
| **CASH AND CASH EQUIVALENTS** | | |
| Cash and bank current accounts | 4,706,605 | 6,455,724 |
| Short term deposits | 17,907,390 | 12,450,960 |
| **As per statement of financial position** | **22,613,995** | **18,906,684** |

### KEY FINANCIAL HIGHLIGHTS

| | 31.3.2010 | 31.3.2009 | Pct.change |
|---|---|---|---|
| **Gross premium revenue** | 9,846,916 | 9,274,712 | 6.17% |
| Net underwriting profit | 1,182,222 | 1,302,956 | -9.27% |
| Investment income | 346,048 | 604,055 | -42.71% |
| Total profit for the period | 1,306,911 | 1,550,810 | -15.73% |
| Return on paid-up capital | 20.11% | 25.58% | -21.38% |
| Return on shareholders' equity | 5.37% | 7.08% | -24.13% |
| Earnings per 100 fils share | 20 fils | 24 fils | |

| | 31.3.2009 | 31.12.2009 | Pct.change |
|---|---|---|---|
| Cash and cash equivalents | 22,613,995 | 22,772,615 | -0.70% |
| Technical reserves | 12,753,591 | 12,639,112 | 0.91% |

## INTERIM STATEMENT OF CHANGES IN EQUITY
### Three - month period ended 31 March 2010 (unaudited)

| | Share capital BD | Treasury shares BD | Share premium BD | Statutory reserve BD | General reserve BD | Invesment fair value reserve BD | Currency translation reserve BD | Retained earnings BD | Total BD |
|---|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2010 | 6,063,750 | (2,477) | 4,361,700 | 3,781,000 | 2,001,250 | 2,298,264 | 129,640 | 5,758,925 | 24,392,052 |
| Profit for the period | | | | | | | | 1,306,911 | 1,306,911 |
| Other comprehensive income (loss) | - | - | - | - | - | 241,333 | (87,125) | (182,000) | (27,792) |
| Total comprehensive income (loss) | - | - | - | - | - | 241,333 | (87,125) | 1,124,911 | 1,279,119 |
| Transfer to general reserve - 2009 | - | - | - | - | 903,000 | - | - | (903,000) | 0 |
| Dividend paid during the year - 2009 | - | - | - | - | - | - | - | (1,334,025) | (1,334,025) |
| Bonus shares issued | 436,250 | - | - | - | - | - | - | (436,250) | 0 |
| **Balance as at 31 March 2010** | 6,500,000 | (2,477) | 4,361,700 | 3,781,000 | 2,904,250 | 2,539,597 | 42,515 | 4,210,561 | 24,337,146 |
| Balance at 1 January 2009 | 6,063,750 | (2,477) | 4,361,700 | 3,406,000 | 1,601,250 | 3,147,495 | 371,741 | 5,101,202 | 24,050,661 |
| Profit for the period | | | | | | | | 1,550,810 | 1,550,810 |
| Other comprehensive income (loss) | - | - | - | - | - | (740,793) | (352,428) | (171,000) | (1,264,221) |
| Total comprehensive income (loss) | - | - | - | - | - | (740,793) | (352,428) | 1,379,810 | 286,589 |
| Transfer to statutory reserve - 2008 | - | - | - | 375,000 | - | - | - | (375,000) | 0 |
| Transfer to general reserve - 2008 | - | - | - | - | 400,000 | - | - | (400,000) | 0 |
| Dividend paid during the year - 2008 | - | - | - | - | - | - | - | **(2,425,500)** | (2,425,500) |
| Balance as at 31 March 2009 | 6,063,750 | (2,477) | 4,361,700 | 3,781,000 | 2,001,250 | 2,406,702 | 19,313 | 3,280,512 | 21,911,750 |

The Financial Statements have been reviewed by Ernst & Young and approved by the Board of Directors at their meeting held on ,.

Abdulla Hassan Buhindi
*Chairman*

Hassan Mohammed Zainalabedin
*Director*

Ebrahim Al-Rayes
*Chief Executive Officer*