

INTERIM STATEMENT OF FINANCIAL POSITION
AT 30 June 2009

	Unaudited	Audited	Unaudited
	30 June 2009	31 December 2008	30 June 2008
	BD	BD	BD
ASSETS			
Cash and cash equivalents	19,791,651	21,444,166	18,420,630
Statutory deposits	2,222,564	2,732,658	2,812,849
Receivables	23,882,136	22,465,890	14,614,030
Deferred acquisition costs	879,690	899,704	859,323
Reinsurers' share of insurance reserves	25,066,689	29,775,655	24,224,370
Investments	14,193,904	13,860,848	17,893,216
Property and equipment	901,372	967,943	916,928
TOTAL ASSETS	86,938,006	92,146,864	79,741,346
LIABILITIES AND EQUITY			
Liabilities			
Insurance reserves	38,604,569	42,485,347	37,415,940
Unearned commissions	1,539,289	1,645,942	1,528,893
Payables and accrued liabilities			
Insurance and reinsurance companies	10,417,385	8,988,874	7,013,166
Policyholders	1,842,153	3,310,805	2,470,483
Others	11,280,653	11,665,235	4,409,371
Total liabilities	63,684,049	68,096,203	52,837,853
Equity			
Share capital	6,063,750	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	3,406,000	3,406,000
General reserve	2,001,250	1,601,250	1,601,250
Investment fair value reserve	2,650,000	3,147,495	6,970,265
Currency translation reserve	59,858	371,741	417,936
Retained earnings	4,338,876	5,101,202	4,085,069
Total equity	23,253,957	24,050,661	26,903,493
TOTAL LIABILITIES AND EQUITY	86,938,006	92,146,864	79,741,346

INTERIM STATEMENT OF INCOME
Six - month period ended 30 June 2009

	Unaudited		Unaudited	
	Three months ended 30 June 2009	30 June 2008	Six months ended 30 June 2009	30 June 2008
	BD	BD	BD	BD
Gross premiums				
Reinsurers' share of gross premiums	9,086,818	7,712,115	18,361,530	15,638,360
Retained premiums	(6,184,774)	(4,975,145)	(11,515,072)	(10,175,961)
Unearned premiums adjustment - gross	2,902,044	2,736,970	6,846,458	5,462,399
Unearned premiums adjustment - reinsurance	(518,985)	(337,532)	(1,320,549)	(1,702,940)
Net premiums	2,19,144	(67,685)	(59,002)	651,687
Net premiums	2,602,203	2,331,753	5,466,907	4,411,140
Operating expenses				
Gross claims paid	(3,958,629)	(3,292,258)	(6,974,064)	(6,241,174)
Reinsurers' share of claims paid	2,544,682	2,009,009	3,967,449	4,122,714
Outstanding claims adjustment - gross	1,348,419	108,498	4,140,887	(1,216,773)
Outstanding claims adjustment - reinsurance	(1,358,355)	(426,219)	(3,873,122)	766,268
Net claims	(1,423,883)	(1,600,970)	(2,738,850)	(2,568,965)
General and administrative expenses				
General and administrative expenses	(706,031)	(685,272)	(1,416,396)	(1,364,009)
Acquisition costs	(401,546)	(520,809)	(977,982)	(953,875)
Fees and commission income	879,723	1,089,725	1,919,743	2,022,872
Underwriting profit	950,466	614,427	2,253,422	1,547,163
Investment income - net				
Investment income - net	214,104	436,097	818,159	1,237,111
Corporate expenses	(82,911)	(75,562)	(190,651)	(159,480)
Other income	293	25,031	10,710	249,064
Other expenses	(23,588)	(19,365)	(282,466)	(169,394)
Profit for the period	1,058,364	980,628	2,609,174	2,704,464
Basic and diluted earnings per share				
	17 fils	16 fils	43 fils	45 fils

INTERIM STATEMENT OF COMPREHENSIVE INCOME
Six - month period ended 30 June 2009

	Unaudited		Unaudited	
	Three months ended 30 June 2009	30 June 2008	Six months ended 30 June 2009	30 June 2008
	BD	BD	BD	BD
Profit for the period				
Profit for the period	1,058,364	980,628	2,609,174	2,704,464
Available-for-sale investments:				
Fair value changes arising during the period	253,136	(32,979)	(420,968)	1,056,066
Transfer to interim statement of income on disposal of available-for-sale investments	(140,916)	(138,389)	(207,605)	(327,755)
Transfer to interim statement of income on impairment of available-for-sale investments	131,078	-	131,078	-
	243,298	(171,368)	(497,495)	728,311
Currency translation differences during the period				
Currency translation differences during the period	40,545	(3,082)	(311,883)	6,761
Directors' remuneration	-	-	(121,000)	(121,000)
Donations paid	-	-	(50,000)	(50,000)
Other comprehensive income (loss) for the period	283,843	(174,450)	(980,378)	564,072
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,342,207	806,178	1,628,796	3,268,536

INTERIM STATEMENT OF CHANGES IN EQUITY
Six - month period ended 30 June 2009

	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investments fair value reserve	Currency translation reserve	Retained earnings	Total
	BD	BD	BD	BD	BD	BD	BD	BD	BD
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
Total comprehensive income for the period	-	-	-	-	-	(497,495)	(311,883)	2,438,174	1,628,796
Transfer to statutory reserve - 2008	-	-	-	375,000	-	-	-	(375,000)	-
Transfer to general reserve - 2008	-	-	-	-	400,000	-	-	(400,000)	-
Dividend declared - 2008	-	-	-	-	-	-	-	(2,425,500)	(2,425,500)
Balance as at 30 June 2009	6,063,750	(2,477)	4,361,700	3,781,000	2,001,250	2,650,000	59,858	4,338,876	23,253,957
Balance at 1 January 2008	6,063,750	(2,477)	4,361,700	3,001,000	1,251,250	6,241,954	411,175	5,035,293	26,363,645
Total comprehensive income for the period	-	-	-	-	-	728,311	6,761	2,533,464	3,268,536
Transfer to statutory reserve - 2007	-	-	-	405,000	-	-	-	(405,000)	-
Transfer to general reserve - 2007	-	-	-	-	350,000	-	-	(350,000)	-
Dividend declared - 2007	-	-	-	-	-	-	-	(2,728,688)	(2,728,688)
Balance as at 30 June 2008	6,063,750	(2,477)	4,361,700	3,406,000	1,601,250	6,970,265	417,936	4,085,069	26,903,493

INTERIM STATEMENT OF CASH FLOWS
Six - month period ended 30 June 2009

	Unaudited six months ended		
	30 June 2009	30 June 2008	
	BD	BD	
OPERATING ACTIVITIES			
Premiums received net of commission	14,954,622	13,063,920	
Paid to insurance and reinsurance companies	(9,330,551)	(8,032,501)	
Claims paid	(8,010,996)	(5,704,570)	
Claims recovered	4,636,864	3,935,944	
General and administrative expenses paid	(1,777,360)	(1,361,028)	
Interest and other payments	(507,224)	131,172	
Receipts from statutory deposits	510,094	(127,731)	
Cash from operating activities	475,449	1,905,206	
INVESTING ACTIVITIES			
Dividends and interest received	1,019,470	985,956	
Proceeds from sale of available-for-sale investments	1,854,964	1,313,176	
Payments for available-for-sale investments purchased	(2,608,989)	(1,341,326)	
Rent received	46,806	59,761	
Proceeds from sale of property and equipment	15,106	11,818	
Purchase of property and equipment	(80,666)	(76,920)	
Cash from investing activities	246,691	952,465	
FINANCING ACTIVITY			
Dividends paid	(2,374,655)	(2,659,191)	
Cash used in financing activity	(2,374,655)	(2,659,191)	
TOTAL CASH FLOWS DURING THE PERIOD	(1,652,515)	198,480	
Cash and cash equivalents at beginning of the period	21,444,166	18,222,150	
CASH AND CASH EQUIVALENTS AT 30 JUNE	19,791,651	18,420,630	
CASH AND CASH EQUIVALENTS			
Cash and bank current accounts	5,029,628	5,450,713	
Short-term deposits	14,762,023	12,969,917	
As per balance sheet	19,791,651	18,420,630	
KEY FINANCIAL HIGHLIGHTS			
	30 June 2009	30 June 2008	Change
Gross premiums	18,361,530	15,638,360	17.41%
Underwriting profit	2,253,422	1,547,163	45.65%
Investment income - net	818,159	1,237,111	(33.87%)
Profit for the period	2,609,174	2,704,464	(3.52%)
Return on paid-up capital	43.03%	44.60%	(3.52%)
Return on shareholders' equity	11.22%	10.05%	11.65%
Earnings per 100 fils share	43 fils	45 fils	-
	30 June 2009	31 December 2008	Change
Cash and cash equivalents	19,791,651	21,444,166	(7.71%)
Technical reserves - net	13,537,880	12,709,692	6.52%

These Interim Condensed Financial Statements have been reviewed by Ernst & Young and approved by the Directors on Monday, 27th July 2009.

Murad Ali Murad
Director

Hassan Mohammed Zainalabedin
Director

Ebrahim Al-Rayes
Chief Executive Officer