

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (as at 31 December 2016)**

(Expressed in Bahraini Dinars)

	Shareholders			General takaful			Family takaful			Total		
	Restated		Restated	Restated		Restated	Restated		Restated	Restated		
	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
<b>ASSETS</b>												
<b>Cash and investments:</b>												
Statutory deposit	125,000	125,000	125,000	-	-	-	-	-	-	125,000	125,000	125,000
Cash and cash equivalents	1,114,232	1,274,697	974,239	5,331,443	3,114,638	1,033,981	1,162,428	847,819	1,371,043	7,608,103	5,237,154	3,379,263
Available-for-sale investments	2,428,308	2,420,460	3,116,834	773,056	958,361	910,079	1,485,205	1,735,654	1,103,519	4,686,569	5,114,475	5,130,432
Takaful and retakaful balances receivable	3,667,540	3,820,157	4,216,073	6,104,499	4,072,999	1,944,060	2,647,633	2,583,473	2,474,562	12,419,672	10,476,629	8,634,695
Due from retakaful companies in connection with outstanding claims	-	-	-	8,578,362	7,812,919	10,294,067	440,464	378,373	552,448	9,018,826	8,191,292	10,846,515
Deferred retakaful contribution	-	-	-	8,285,559	8,105,700	8,587,011	616,433	586,192	339,713	8,901,992	8,691,892	8,926,724
Deferred policy acquisition costs	-	-	-	2,702,966	2,075,252	3,741,314	327,386	84,912	-	3,030,352	2,160,164	3,741,314
Due from retakaful companies in connection with family takaful technical reserves	706,739	769,705	-	-	-	713,967	-	-	81,638	706,739	769,705	795,605
Property and equipment	2,272,525	2,351,551	1,977,987	-	-	-	1,707,505	1,625,398	1,454,661	1,707,505	1,625,398	1,454,661
Receivable from takaful funds	983,532	33,439	707,076	-	-	-	-	-	-	2,272,525	2,351,551	1,977,987
Other receivables and prepayments	332,488	86,999	127,598	104,982	67,230	54,762	10,936	9,632	6,526	983,532	33,439	707,076
Amounts due from related parties	654	585	962	-	-	-	-	-	-	448,406	163,861	188,886
	-	-	-	-	-	-	-	-	-	654	585	962
<b>TOTAL ASSETS</b>	<b>7,963,478</b>	<b>7,062,436</b>	<b>7,029,696</b>	<b>25,776,368</b>	<b>22,134,100</b>	<b>25,335,181</b>	<b>5,750,357</b>	<b>5,267,980</b>	<b>4,909,548</b>	<b>39,490,203</b>	<b>34,464,516</b>	<b>37,274,425</b>
<b>SHAREHOLDERS' EQUITY, PARTICIPANTS' FUND AND LIABILITIES</b>												
<b>Shareholders' equity</b>												
Share capital	6,250,000	6,250,000	6,250,000	-	-	-	-	-	-	6,250,000	6,250,000	6,250,000
Statutory reserve	519,727	480,066	480,066	-	-	-	-	-	-	519,727	480,066	480,066
General reserve	200,000	200,000	200,000	-	-	-	-	-	-	200,000	200,000	200,000
Accumulated losses	(679,213)	(1,036,159)	(280,787)	-	-	-	-	-	-	(679,213)	(1,036,159)	(280,787)
Investments fair value reserve	(23,543)	(74,368)	(241,217)	12,833	(35,792)	(192,271)	(33,041)	(37,293)	6,442	(43,751)	(147,453)	(427,046)
<b>Equity attributable to shareholders of the parent</b>	<b>6,266,971</b>	<b>5,819,539</b>	<b>6,408,062</b>	<b>12,833</b>	<b>(35,792)</b>	<b>(192,271)</b>	<b>(33,041)</b>	<b>(37,293)</b>	<b>6,442</b>	<b>6,246,763</b>	<b>5,746,454</b>	<b>6,222,233</b>
<b>Non-controlling interests</b>	<b>70,586</b>	<b>15,902</b>	<b>14,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,586</b>	<b>15,902</b>	<b>14,058</b>
<b>Total equity</b>	<b>6,337,557</b>	<b>5,835,441</b>	<b>6,422,120</b>	<b>12,833</b>	<b>(35,792)</b>	<b>(192,271)</b>	<b>(33,041)</b>	<b>(37,293)</b>	<b>6,442</b>	<b>6,317,349</b>	<b>5,762,356</b>	<b>6,236,291</b>
<b>(Deficit)/surplus in participants' fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,346,619)</b>	<b>(1,425,425)</b>	<b>(340,141)</b>	<b>1,209,357</b>	<b>1,060,272</b>	<b>918,338</b>	<b>(137,262)</b>	<b>(365,153)</b>	<b>578,197</b>
<b>Liabilities</b>												
Gross outstanding claims	-	-	-	11,004,805	12,116,302	11,923,718	733,691	732,458	388,223	11,738,496	12,848,760	12,311,941
Unearned contributions reserve	-	-	-	8,226,306	7,794,482	8,222,100	462,157	134,716	-	8,688,463	7,929,198	8,222,100
Unearned retakaful commissions	-	-	-	480,289	340,597	739,641	5,027	2,880	315	485,316	343,477	739,956
Family takaful technical reserves	-	-	-	-	-	-	2,780,866	2,527,505	2,270,828	2,780,866	2,527,505	2,270,828
Retakaful/ takaful and other payables	567,550	535,361	-	5,675,492	2,750,330	3,658,042	581,770	817,740	1,176,676	6,824,812	4,103,431	4,834,718
Other liabilities and provisions	812,703	478,317	423,389	748,294	588,767	762,228	1,966	1,102	3,514	1,562,963	1,068,186	1,189,131
Employees' terminal benefits	245,668	213,317	184,187	-	-	-	-	-	-	245,668	213,317	184,187
Payable to shareholders	-	-	-	974,968	4,839	561,864	8,564	28,600	145,212	983,532	33,439	707,076
<b>Total liabilities</b>	<b>1,625,921</b>	<b>1,226,995</b>	<b>607,576</b>	<b>27,110,154</b>	<b>23,595,317</b>	<b>25,867,593</b>	<b>4,574,041</b>	<b>4,245,001</b>	<b>3,984,768</b>	<b>33,310,116</b>	<b>29,067,313</b>	<b>30,459,937</b>
<b>TOTAL SHAREHOLDERS' EQUITY, PARTICIPANTS' FUND AND LIABILITIES</b>	<b>7,963,478</b>	<b>7,062,436</b>	<b>7,029,696</b>	<b>25,776,368</b>	<b>22,134,100</b>	<b>25,335,181</b>	<b>5,750,357</b>	<b>5,267,980</b>	<b>4,909,548</b>	<b>39,490,203</b>	<b>34,464,516</b>	<b>37,274,425</b>

**CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME (for the year ended 31 December 2016)**

(Expressed in Bahraini Dinars)

	Restated	
	Year ended 31 December 2016	2015
<b>Net profit/(loss) for the year</b>	<b>403,291</b>	<b>(753,528)</b>
Other comprehensive income	-	-
<b>Items that will or may be reclassified to statement of profit or loss</b>		
Net realised fair values gains/(losses) on available-for-sale investments	36,266	(108,313)
Unrealised fair values gain/(losses) on available-for-sale investments	14,559	275,162
<b>Other comprehensive income for the year</b>	<b>50,825</b>	<b>166,849</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>454,116</b>	<b>(586,679)</b>
<b>Attributable to:</b>		
Shareholders of the parent	447,432	(588,523)
Non-controlling interests	6,684	1,844
	454,116	(586,679)

**CONSOLIDATED STATEMENT OF CASH FLOWS (for the year ended 31 December 2016) (Expressed in Bahraini Dinars)**

	Restated	
	31 December 2016	31 December 2015
<b>OPERATING ACTIVITIES</b>		
Net cash from/(used in) operating activities	2,060,992	3,140,155
<b>INVESTING ACTIVITIES</b>		
Net cash from/(used in) investing activities	261,957	(1,256,781)
<b>FINANCING ACTIVITIES</b>		
Net Cash from/(used in) financing activities	48,000	(25,483)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,370,949</b>	<b>1,857,891</b>
Cash and Cash Equivalents at the beginning of the year	5,237,154	3,379,263
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,608,103</b>	<b>5,237,154</b>

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (for the year ended 31 December 2016) (Expressed in Bahraini Dinars)**

	Equity							Total equity
	Share capital	Statutory reserve	General reserve	Accumulated losses	Investments fair value reserve	attributable to shareholders of the parent	Non-controlling interests	
Balance at 1 January 2016 as previously reported	6,250,000	480,066	200,000	(1,036,159)	(74,368)	5,819,539	-	5,819,539
Effect of change due to consolidation	-	-	-	-	-	-	15,902	15,902
At 1 January 2016 - Restated	6,250,000	480,066	200,000	(1,036,159)	(74,368)	5,819,539	15,902	5,835,441
Profit for the year	-	-	-	396,607	-	396,607	6,684	403,291
Other comprehensive income	-	-	-	-	50,825	50,825	-	50,825
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>396,607</b>	<b>50,825</b>	<b>447,432</b>	<b>6,684</b>	<b>454,116</b>
Transfer to statutory reserve	-	39,661	-	(39,661)	-	-	-	-
Increase in subsidiary capital	-	-	-	-	-	-	48,000	48,000
<b>At 31 December 2016</b>	<b>6,250,000</b>	<b>519,727</b>	<b>200,000</b>	<b>(679,213)</b>	<b>(23,543)</b>	<b>6,266,971</b>	<b>70,586</b>	<b>6,337,557</b>
Balance at 1 January 2015 as previously reported	6,250,000	480,066	200,000	(280,787)	(241,217)	6,408,062	-	6,408,062
Effect of change due to consolidation	-	-	-	-	-	-	14,058	14,058
At 1 January 2015 - Restated	6,250,000	480,066	200,000	(280,787)	(241,217)	6,408,062	14,058	6,422,120
Profit for the year	-	-	-	(755,372)	-	(755,372)	1,844	(753,528)
Other comprehensive income	-	-	-	-	166,849	166,849	-	166,849
<b>Total comprehensive income/(loss) for the year - Restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(755,372)</b>	<b>166,849</b>	<b>(588,523)</b>	<b>1,844</b>	<b>(586,679)</b>
At 31 December 2015 - Restated	6,250,000	480,066	200,000	(1,036,159)	(74,368)	5,819,539	15,902	5,835,441

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS (for the year ended 31 December 2016) (Expressed in Bahraini Dinars)**

	Shareholders		General takaful		Family takaful		Total	
	Restated		Restated		Restated		Restated	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015	31 December 2016	31 December 2015
<b>Revenues</b>								
Gross contributions	-	-	19,057,866	18,120,156	1,867,284	1,525,957	20,925,150	19,646,113
Retakaful share	-	-	(6,239,023)	(5,309,514)	(633,336)	(469,269)	(6,872,359)	(5,778,783)
Retained contributions	-	-	12,818,843	12,810,642	1,233,948	1,056,688	14,052,791	13,867,330
Movement in unearned contributions	-	-	195,890	(1,248,449)	(84,967)	(49,804)	14,052,921	(1,298,253)
<b>Net earned contributions</b>	<b>-</b>	<b>-</b>	<b>13,014,733</b>	<b>11,562,193</b>	<b>1,148,981</b>	<b>1,006,884</b>	<b>14,163,714</b>	<b>12,569,077</b>
Net commission and other takaful income/(expenses)	-	-	1,373,142	1,671,061	150	(86,248)	1,373,292	1,584,813
<b>Total takaful revenue</b>	<b>-</b>	<b>-</b>	<b>14,387,875</b>	<b>13,233,254</b>	<b>1,149,131</b>	<b>920,636</b>	<b>15,537,006</b>	<b>14,153,890</b>
<b>Expenses</b>								
Gross claims settled	-	-	(19,113,915)	(16,606,370)	(931,962)	(533,624)	(20,045,877)	(17,139,994)
Claims recovered from retakaful and other parties	-	-	7,899,708	7,802,230	807,003	437,685	8,706,711	8,239,915
Net movement in outstanding claims	-	-	1,291,356	(673,894)	29,008	(97,755)	1,320,364	(771,649)
Net claims incurred	-	-	(9,922,851)	(9,478,034)	(95,951)	(193,694)	(10,018,802)	(9,671,728)
Transfer to family takaful technical reserve	-	-	-	-	(171,254)	(85,940)	(171,254)	(85,940)
(Charge) due to surrender of policies	-	-	-	-	(126,193)	(26,059)	(126,193)	(26,059)
Provision for impaired takaful receivables	-	-	79,131	(1,289,520)	(1,088)	(103,236)	78,043	(1,392,756)
<b>Total takaful expenses</b>	<b>-</b>	<b>-</b>	<b>(9,843,720)</b>	<b>(10,767,554)</b>	<b>(394,486)</b>	<b>(408,929)</b>	<b>(10,238,206)</b>	<b>(11,176,483)</b>
Surplus from takaful operations before wakala fees	-	-	4,544,155	2,465,700	754,645	511,707	5,298,800	2,977,407
Wakala fees	-	-	(4,323,971)	(3,365,052)	(653,549)	(389,119)	(4,977,520)	(3,754,171)
<b>Surplus/(Deficit) from takaful operations after wakala fees</b>	<b>-</b>	<b>-</b>	<b>220,184</b>	<b>(899,352)</b>	<b>101,096</b>	<b>122,588</b>	<b>321,280</b>	<b>(776,764)</b>
Wakala fees	4,977,520	3,754,171	-	-	-	-	4,977,520	3,754,171
Investment income	133,676	341,828	53,276	28,582	140,961	118,093	327,913	488,503