

**Bahrain National Holding
Company B.S.C.**

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION**

31 March 2022

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2022**

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GENERAL INFORMATION

Board of Directors - BNH Group

Farooq Yusuf Almoayyed	- <i>Chairman</i>
Abdulahussain Khalil Dewani	- <i>Vice Chairman</i>
Jehad Yusuf Amin	- <i>Director</i>
Abdulrahman Mohamed Juma	- <i>Director</i>
Ali Hasan Mahmood	- <i>Director</i>
Ghassan Qasim Fakhroo	- <i>Director</i>
Sami Mohamed Zainal	- <i>Director</i>
Talal Fuad Kanoo	- <i>Director</i>
Ayad Saad Khalifa Algosaibi	- <i>Director</i>
Redha Abdulla Ali Faraj	- <i>Director</i>

General Management - BNH Group

Sameer AlWazzan	- <i>Group Chief Executive Officer</i>
Masood Bader	- <i>Group Deputy Chief Executive Officer</i>
Anand Subramaniam	- <i>Group Chief Investment and Financial Officer</i>

General Management - BNI

Eman Salem Mujali	- <i>Chief Executive Officer</i>
Rayan Al Mahmood	- <i>Deputy Chief Executive Officer</i>

General Management - BNL

Enas Asiri	- <i>Chief Executive Officer</i>
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Registered office

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Seef Business District,
Kingdom of Bahrain
Telephone: 17 587300
e-mail: ce@bnhgroup.com
website: www.bnhgroup.com

Listing

Bahrain Bourse

Auditors of the Group

KPMG Fakhro, P.O. Box 710, Bahrain

Registrars of the Group

KFin Technologies (Bahrain) W.L.L

Actuaries of the Group

Actuscope Consulting Actuaries
P. O. Box 11-7503 Riad El Solh
Beirut 1107 2240
Lebanon

Lux Actuaries and Consultants W.L.L
Office No. 41, Building No. 2420,
Road 5718
Amwaj 257
Kingdom of Bahrain

Primary Bankers of the Group

Ahli United Bank
National Bank of Bahrain
National Bank of Kuwait

BNI's branches and outlets

Seef	BNH Tower, Seef Business District, Manama	Budaiya	Najeebi Complex, Building No.3, Shop No.3, Saar Avenue, Saar 515
Manama	Ground Floor, Al Hedaya Building, Government Avenue, Manama Center	Sitra	Building No. 946, Road No. 115 Sitra 601
Muharraq	Shop No. 2, Ground Floor, Promoseven Holding Building 1130 N Road 1531, Block 215, Al Ghous Highway, Muharraq	Zinj	Manama Plaza, Building No. 63, Shop No. P61, Abdul Rahman Jassim Kanoo Avenue, Manama/Bu Ashira 332
Sanad	BNH Building 1809, Al Estiglal Highway, Road 4634, Al Nuwaidrat Block 646	Tubli	Toyota Plaza, Building No. 959 Road 126 Tubli 701



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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors

Bahrain National Holding Company B.S.C
9th Floor, BNH tower,
Al Seef Business District, Kingdom of Bahrain

Introduction

We have reviewed the accompanying 31 March 2022 condensed consolidated interim financial information of Bahrain National Holding Company B.S.C (the "Company") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2022;
- the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2022;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2022;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2022;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2022; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Company is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2022 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

12 May 2022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2022


In thousands of Bahraini Dinars

	Note	31 March 2022 (reviewed)	31 December 2021 (audited)
ASSETS			
Cash and cash equivalents	5	9,711	4,962
Placements with banks		16,453	21,919
Insurance receivables		10,814	7,896
Other assets		2,380	1,991
Reinsurers' share of insurance technical reserves		17,972	17,551
Deferred acquisition cost		991	979
Financial investments		52,501	37,743
Equity accounted investees	6	10,528	19,825
Investment properties	11	2,355	2,397
Intangible assets		348	348
Property and equipment		3,502	3,539
Statutory deposits		131	131
Total assets		127,686	119,281
LIABILITIES			
Insurance technical reserves		40,586	38,670
Insurance payables		9,691	8,821
Other provisions and liabilities		9,140	5,940
Total liabilities		59,417	53,431
Net assets		68,269	65,850
EQUITY			
Share capital		11,918	11,918
Treasury shares		(1,868)	(1,868)
Share premium		3,990	3,990
Statutory reserve		5,959	5,959
General reserve		13,585	13,585
Investments fair value reserve		4,845	6,721
Retained earnings		26,269	21,912
Equity attributable to shareholders of the Parent company		64,698	62,217
Non-controlling interest		3,571	3,633
Total equity		68,269	65,850


The condensed consolidated interim financial information was approved by the Board of Directors on 12 May 2022 and signed on its behalf by:



Farooq Yusuf Almoayyed
Chairman



Abdulhussain Khalil Dawani
Vice Chairman



Sameer AlWazzan
Group' Chief Executive Officer

The accompanying notes 1 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the three months ended 31 March 2022

In thousands of Bahraini Dinars

	Note	Three months ended 31 March 2022 (reviewed)	Three months ended 31 March 2021 (reviewed)
Gross insurance premiums		11,730	10,668
Reinsurers' share of gross insurance premiums		(5,775)	(4,747)
Retained premiums		5,955	5,921
Net change in reserve for unearned premiums		(1,292)	(1,519)
Net premium earned		4,663	4,402
Gross claims paid		(5,004)	(4,411)
Claims recoveries		2,793	2,831
Outstanding claims adjustment – Gross		(262)	(81)
Outstanding claims adjustment – Recoveries		29	(636)
Net claims incurred		(2,444)	(2,297)
Gross underwriting profit		2,219	2,105
Net commission income		115	157
Impairment losses on insurance receivables and recoveries		(78)	(65)
General and administration expenses – underwriting		(1,280)	(1,121)
Other underwriting income		24	1
Net underwriting profit		1,000	1,077
Net investment income		1,159	1,039
Impairment losses on investments		(2)	(60)
Gain on derecognition of equity accounted investee	6	5,872	-
Share of profit of equity accounted investees		384	385
Net income from road assist services		63	68
General and administration expenses - non-underwriting		(572)	(521)
Other income		2	-
Profit for the period		7,906	1,988
Profit attributable to:			
Parent company		7,776	1,885
Non-controlling interest		130	103
		7,906	1,988
Basic and diluted earnings per share		69.1 fils	16.7 fils



Farooq Yusuf Almoayyed
Chairman



Abdulhussain Khalil Dawani
Vice Chairman



Sameer AlWazzan
Group Chief Executive Officer

The accompanying notes 1 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

	Three months ended 31 March 2022 (reviewed)	Three months ended 31 March 2021 (reviewed)
Profit for the period	7,906	1,988
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Available-for-sale securities:		
- Net change in fair value	(1,335)	(185)
- Transfer to profit or loss on impairment of securities	2	60
- Transfer to profit or loss on disposal of securities	(563)	(312)
Share of other comprehensive income of equity accounted investee	(23)	(85)
Transfer to statement of profit or loss on reclassification of equity accounted investee to financial investment	(15)	-
Other comprehensive income for the period	(1,934)	(522)
Total comprehensive income for the period	5,972	1,466
Total comprehensive income attributable to:		
Parent company	5,859	1,374
Non-controlling interest	113	92
	5,972	1,466



Farooq Yusuf Almoayyed
Chairman



Abdulhussain Khalil Dawani
Vice Chairman



Sameer AlWazzan
Group Chief Executive Officer

The accompanying notes 1 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three months ended 31 March 2022

In thousands of Bahraini Dinars

2022

(reviewed)

	Attributable to the shareholders of the Parent company							Non-controlling interest	Total equity	
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investments fair value reserve	Retained earnings			Total
Balance as at 1 January	11,918	(1,868)	3,990	5,959	13,585	6,721	21,912	62,217	3,633	65,850
Profit for the period	-	-	-	-	-	-	7,776	7,776	130	7,906
Other comprehensive income for the period	-	-	-	-	-	(1,917)	-	(1,917)	(17)	(1,934)
Total comprehensive income for the period	-	-	-	-	-	(1,917)	7,776	5,859	113	5,972
Dividends declared for 2021	-	-	-	-	-	-	(3,378)	(3,378)	(175)	(3,553)
Appropriations approved by shareholders	-	-	-	-	-	-	(3,378)	(3,378)	(175)	(3,553)
Transfer on reclassification of equity accounted investee (note 6)	-	-	-	-	-	41	(41)	-	-	-
Balance as at 31 March	11,918	(1,868)	3,990	5,959	13,585	4,845	26,269	64,698	3,571	68,269

2021

(reviewed)

	Attributable to the shareholders of the Parent company							Non-controlling interest	Total equity	
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Investments fair value reserve	Retained earnings			Total
Balance as at 1 January	11,918	(1,868)	3,990	5,959	13,585	5,596	18,071	57,251	3,218	60,469
Profit for the period	-	-	-	-	-	-	1,885	1,885	103	1,988
Other comprehensive income for the period	-	-	-	-	-	(511)	-	(511)	(11)	(522)
Total comprehensive income for the period	-	-	-	-	-	(511)	1,885	1,374	92	1,466
Dividends declared for 2020	-	-	-	-	-	-	(2,477)	(2,477)	-	(2,477)
Donations for 2020	-	-	-	-	-	-	(70)	(70)	-	(70)
Appropriations approved by shareholders	-	-	-	-	-	-	(2,547)	(2,547)	-	(2,547)
Balance as at 31 March	11,918	(1,868)	3,990	5,959	13,585	5,085	17,409	56,078	3,310	59,388

The accompanying notes 1 to 14 are an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months ended 31 March 2022
In thousands of Bahraini Dinars

	Note	31 March 2022 (reviewed)	31 March 2021 (reviewed)
OPERATING ACTIVITIES			
Insurance operations			
Premiums and commissions received, net of acquisition costs		9,975	9,138
Payments to insurance and reinsurance companies		(5,139)	(2,537)
Claims paid to policyholders		(4,332)	(5,463)
Claims recovered from insurers, reinsurers, and salvage recoveries		1,398	2,222
Cash flows from insurance operations		1,902	3,360
Investment operations			
Proceeds from sale and redemptions of financial investments		3,462	2,966
Purchases and advances of investments		(4,662)	(4,659)
Bank deposits with maturities of more than three months		(1,564)	(7,735)
Redemption proceeds from bank deposits		7,029	9,216
Dividends and interests received		483	337
Dividends received from equity accounted investees		485	157
Loan recovered from equity accounted investee		75	-
Investments in equity accounted investee		-	(15)
Rent received		159	99
Cash flows from investment operations		5,467	366
General and admin expenses, net		(2,535)	(2,117)
Cash flows from operating activities		4,834	1,609
INVESTING ACTIVITIES			
Purchase of equipment and intangible assets		(69)	(26)
Cash flows used in investing activities		(69)	(26)
FINANCING ACTIVITIES			
Payment of lease liabilities		(16)	(12)
Cash flows used in financing activities		(16)	(12)
Net change in cash and cash equivalents		4,749	1,571
Cash and cash equivalents as at 1 January		4,962	5,991
Cash and cash equivalents as at 31 March	5	9,711	7,562

The accompanying notes 1 to 14 are an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

1 REPORTING ENTITY

Bahrain National Holding B.S.C. (the "Company") is domiciled in Kingdom of Bahrain. This condensed consolidated interim financial information as at and for the three-month period ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are to transact in insurance and investment activities.

The Company's registered office is at 9th floor, BNH Tower, Seef Business District, Manama, Kingdom of Bahrain, P.O. Box 843.

2 BASIS OF ACCOUNTING AND MEASUREMENT

This condensed consolidated interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting", and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021 ("last annual consolidated financial statements"). They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards (IFRS). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2021. This condensed consolidated interim financial information was authorized for issue by the Group's Board of Directors on 12 May 2022.

The condensed consolidated interim financial information for the three months ended 31 March 2022 has been prepared using the same accounting policies and methods of computation used by the Group in its consolidated financial statements as at and for the year ended 31 December 2021. There were no new or amended standards effective for annual periods beginning on or after 1 January 2022 that have significant impact on the Group.

The condensed consolidated interim financial information is reviewed, not audited.

3 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing this condensed consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

4 SEASONALITY OF INTERIM OPERATIONS

As a result of the seasonality / cyclicity associated with the insurance business, gross premiums written and claims incurred over the financial year are not evenly spread out. This seasonality / cyclicity of gross written premium does not however, have any material impact on the Group's underwriting result as the premiums are taken to income over the terms of the related contracts or policies. Claims are not cyclical and could impact reported result for each interim period. Dividend income during the three-month period ended 31 March 2022 is also of a cyclical nature and is usually declared in the first quarter of each year.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

5 CASH AND CASH EQUIVALENTS

	31 March 2022	31 December 2021
Cash and bank current accounts	9,711	4,962
	9,711	4,962

6 EQUITY ACCOUNTED INVESTEEES

a) Interests in associates

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of the entity	Location of business / country	Percentage of ownership interest		Nature of relationship	Principal activities
		March 2022	December 2021		
National Finance House B.S.C. (c)	Kingdom of Bahrain	34.93%	34.93%	Associate	Engaged in consumer and auto finance business
Al Kindi Specialized Hospital W.L.L.	Kingdom of Bahrain	27%	27%	Associate	Engaged in providing private medical services
United Insurance Company B.S.C. (c)	Kingdom of Bahrain	20%	20%	Associate	Primarily provides insurance coverage for motor vehicles
Arabian Shield Cooperative Insurance Company (ASCIC)*	Kingdom of Saudi Arabia	9.4%	15%	Available-for-sale (2021: Associate)*	Transact various types of general insurance business
Health 360 Ancillary Services W.L.L.	Kingdom of Bahrain	20.0%	20.0%	Associate	Processing insurance claims as a third-party administrator
Al Bayrooni Dialysis B.S.C. (c)	Kingdom of Bahrain	24.0%	24.0%	Associate	Provider of dialysis and related services

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

6 EQUITY ACCOUNTED INVESTEEES (continued)

b) The movement in the investment in equity accounted investees is as follows:

31 March 2022	National Finance House	Al Kindi Specialised Hospital	United Insurance Company	ASCIC*	Health 360 Ancillary Services	Al Bayrooni Dialysis	Total
Opening balance	5,646	1,921	2,747	9,243	191	77	19,825
Share of profit/(loss)	180	33	181	(4)	(6)	-	384
Dividends declared	(210)	-	(275)	-	-	-	(485)
Share of other comprehensive income	-	-	43	(66)	-	-	(23)
Reclassified to financial investment	-	-	-	(9,173)	-	-	(9,173)
	5,616	1,954	2,696	-	185	77	10,528

31 March 2021	National Finance House	Al Kindi Specialised Hospital	United Insurance Company	ASCIC*	Health 360 Ancillary Services	Al Bayrooni Dialysis	Total
Opening balance	5,365	1,873	2,761	8,711	175	-	18,885
Investments	-	-	-	-	15	60	75
Share of profit	141	60	69	114	1	-	385
Dividends declared	(157)	-	(300)	-	-	-	(457)
Share of other comprehensive income	-	-	(52)	(33)	-	-	(85)
	5,349	1,933	2,478	8,792	191	60	18,803

* On 12 January 2022, ASCIC announced the effectiveness of the resolution to merge with AlAhli Takaful Company (ATC). This effectively results in the transfer of assets and liabilities of ATC to ASCIC and the distribution and listing of new shares issued to ATC shareholders. This was followed by an announcement by ASCIC on 16 January 2022 on the listing of the consideration shares and the completion of the Merger.

Following the completion of the Merger Transaction formalities, the Group's shareholding in ASCIC has been diluted from 15% as of 31 December 2021 to 9.4% effective 12 January 2022 (Merger Transaction effective date).

As a result, the investment in ASCIC has been reassessed for existence of "significant influence" in line with the Group's accounting policies. Although the Group continues as the largest single shareholder, has representation in ASCIC's board of directors and provides technical support, the "significant influence" has ceased considering the diluted shareholding has fallen significantly to 9.4%. Therefore, the investment in ASCIC has been reclassified as Available-for-Sale carried at fair value, effective 12 January 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

6 EQUITY ACCOUNTED INVESTEEES (continued)

Based on above and in accordance with the relevant accounting standards, a gain on derecognition of equity accounted investee of BD 5,872 thousand, representing: (i) the difference between ASCIC's carrying value of BD 9,173 thousand and the fair value of BD 15,030 thousand as of 12 January 2022 and (ii) the release of BD 15 thousand from other comprehensive income which has been reported through the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2022. Furthermore, other reserves of BD 41 thousand have been recycled from investment fair value reserve to retained earnings in the consolidated statement of changes in equity.

c) Reporting dates of financial information of equity accounted investees

For the equity accounted investees as of 31 March 2022, the information is taken from the financial information for the three-month period ended 31 March 2022 and for the year ended 31 December 2021.

7 APPROPRIATIONS

At the Annual General Meeting held on 27 March 2022, the Company's shareholders approved the Board of Directors' proposal to pay dividends of BD 0.030 per share, amounting to BD 3,378 thousand for the financial year ended 31 December 2021 (2020: BD 0.022 per share, amounting to BD 2,477 thousand).

The directors' remuneration of BD 160 thousand for the financial year ended 31 December 2021 (2020: BD 182 thousand) was also approved by the shareholders at the Annual General Meeting held on 27 March 2022.

The appropriations for the financial year ending 31 December 2022 will be made in the next Annual General Meeting.

8 OPERATING SEGMENTS

For operational and management reporting purposes, the Group is organized into five business segments: "Motor Insurance", "Property and General Insurance", "Medical Insurance", "Life Assurance" and "Corporate".

Motor Insurance segment comprises motor comprehensive insurance covers and third-party insurance covers and other services related to motor.

Property and General Insurance segment comprises property, general accidents, engineering, marine and aviation.

Medical Insurance segment comprises medical insurance products.

Life Assurance segment comprises group life, group credit life, decrease in term assurance, level term assurance and saving scheme plans.

Corporate segment comprises administrative and financial operations services for the Group's companies.

These segments are the basis on which the Group reports its primary segment information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

8 OPERATING SEGMENTS (continued)

The following table present underwriting and profit information about the Group's operating segments for the three months ended 31 March 2022 and 2021, respectively:

31 March 2022 (reviewed)	Motor	Property & General	Medical	Life Assurance	Corporate	Consolidation adjustments	Total
Gross insurance premiums	2,823	3,879	4,000	1,245	-	(217)	11,730
Net premiums earned	2,640	376	1,323	370	-	(46)	4,663
Net claims incurred	(1,248)	(125)	(904)	(187)	-	20	(2,444)
Impairment losses on insurance receivables	(7)	(80)	9	-	-	-	(78)
General and administration expenses - underwriting	(635)	(303)	(279)	(116)	-	53	(1,280)
Net commission (expense) / income	(50)	166	54	(55)	-	-	115
Other income	16	5	1	2	-	-	24
Underwriting profit	716	39	204	14	-	27	1,000
Net investment income	457	457	79	263	206	(303)	1,159
Impairment losses on investments	(1)	(1)	-	-	-	-	(2)
Gains on derecognition of equity accounted investee	-	-	-	-	5,872	-	5,872
Share of profit of equity accounted investees	-	-	-	-	315	69	384
Net income from road assist services	63	-	-	-	-	-	63
Corporate services fees income	-	-	-	-	169	(169)	-
General and administration expenses - non-underwriting	(88)	(43)	(23)	(15)	(572)	169	(572)
Other income	-	-	-	-	2	-	2
Segment results	1,147	452	260	262	5,992	(207)	7,906

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three months ended 31 March 2022

In thousands of Bahraini Dinars

8 OPERATING SEGMENTS (continued)

31 March 2021 (reviewed)	Motor	Property & General	Medical	Life Assurance	Corporate	Consolidation adjustments	Total
Gross insurance premiums	3,221	2,894	3,741	1,017	-	(205)	10,668
Net premiums earned	2,772	266	1,139	269	-	(44)	4,402
Net claims incurred	(1,316)	(48)	(738)	(215)	-	20	(2,297)
Impairment losses on insurance receivables	(46)	(6)	(16)	3	-	-	(65)
General and administration expenses - underwriting	(591)	(244)	(258)	(80)	-	52	(1,121)
Net commission (expense) / income	(60)	139	34	44	-	-	157
Other income	-	-	-	1	-	-	1
Underwriting profit	759	107	161	22	-	28	1,077
Net investment income	431	431	66	221	218	(328)	1,039
Impairment losses on investment	(22)	(22)	(4)	(12)	-	-	(60)
Share of profit of equity accounted investees	-	-	-	-	316	69	385
Net income from road assist services	68	-	-	-	-	-	68
Corporate services fees income	-	-	-	-	169	(169)	-
General and administration expenses - non-underwriting	(88)	(43)	(23)	(15)	(531)	179	(521)
Segment results	1,148	473	200	216	172	(221)	1,988

Assets and liabilities are not reported on segment basis as these are managed on an aggregate basis.

Cash flows relating to segments are not disclosed separately as these are managed on an aggregate basis.

9 RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions include transactions with associate companies, key management personnel including Directors of the Company and other companies in which the Directors control.

Key management personnel of the Group comprise of Group's Chief Executive Officer, Group's Deputy Chief Executive Officer, Group's Chief Financial Officer, Chief Executive Officers, Deputy Chief Executive Officer and the Board of Directors having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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9 RELATED PARTIES (continued)

The related party balances and transactions included in this condensed consolidated interim financial information are as follows:

a) Related party balances

31 March 2022 (reviewed)	Associates	Key management personnel	Companies in which Directors control	Total
Insurance receivables	123	3	676	802
Other assets	69	-	-	69
Retirement and saving plan obligation	608	-	71	679
Insurance payables	60	-	-	60
Other liabilities	-	-	606	606

31 December 2021 (audited)	Associates	Key management personnel	Companies in which Directors control	Total
Insurance receivables	106	2	470	578
Other assets	142	-	-	142
Retirement and saving plan obligation	653	-	70	723
Insurance payables	9	-	45	54
Other liabilities	-	-	679	679

b) Transactions with related parties

31 March 2022 (reviewed)	Associates	Key management personnel	Companies in which Directors control	Total
Gross insurance premiums	204	2	448	654
Gross claims paid	73	-	88	161
Claim recoveries	41	-	-	41
Retirement and saving plan contributions received	23	-	1	24
Retirement and saving plan benefits paid	61	-	-	61
General and administration expenses	67	359	69	495
Dividend received	485	-	-	485
Purchases of property and equipment	-	-	14	14
Loan recovered	75	-	-	75

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9 RELATED PARTIES (continued)

31 March 2021 (reviewed)	Associates	Key management personnel	Companies in which Directors control	Total
Gross insurance premiums	226	2	464	692
Gross claims paid	71	29	39	139
Claim recoveries	24	-	-	24
Retirement and saving plan contributions received	21	-	2	23
Retirement and saving plan benefits paid	52	-	-	52
General and administration expenses	47	281	76	404
Dividend received	337	-	-	337

10 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer liability in an ordinary transaction between market participant at the measurement date in the principle or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

31 March 2022 (reviewed)	Fair value through the statement of profit or loss	Available-for-sale	Held-to-maturity	Loans and receivables	Financial liability	Total carrying value	Fair value
Cash and cash equivalents	-	-	-	9,711	-	9,711	9,711
Placements with banks	-	-	-	16,453	-	16,453	16,453
Insurance and other assets	-	-	-	13,194	-	13,194	13,194
Financial investments	2,155	46,433	3,913	-	-	52,501	52,565
Total financial assets	2,155	46,433	3,913	39,358	-	91,859	91,923
Insurance payables	-	-	-	-	9,691	9,691	9,691
Other liabilities	-	-	-	-	9,140	9,140	9,140
Total financial liabilities	-	-	-	-	18,831	18,831	18,831

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

31 December 2021 (audited)	Fair value through the statement of profit or loss	Available- for- sale	Held-to- maturity	Loans and receivables	Financial liability	Total carrying value	Fair value
Cash and cash equivalents	-	-	-	4,962	-	4,962	4,962
Placements with banks	-	-	-	21,919	-	21,919	21,919
Insurance and other assets	-	-	-	9,887	-	9,887	9,887
Financial investments	1,977	31,993	3,773	-	-	37,743	37,905
Total financial assets	1,977	31,993	3,773	36,768	-	74,511	74,673
Insurance payables	-	-	-	-	8,821	8,821	8,821
Other liabilities	-	-	-	-	5,940	5,940	5,940
Total financial liabilities	-	-	-	-	14,761	14,761	14,761

Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- **Level 1**
quoted prices (unadjusted) in active markets for identical assets and liabilities.
- **Level 2**
inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3**
inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

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10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**31 March 2022 (reviewed)**

Available-for-sale investments
Securities carried at fair value through
profit or loss

Level 1	Level 2	Level 3	Total	Carrying Value
37,361	8,937	135	46,433	46,433
1,694	461	-	2,155	2,155
39,055	9,398	135	48,588	48,588

31 December 2021 (audited)

Available-for-sale investments
Securities carried at fair value through
profit or loss

Level 1	Level 2	Level 3	Total	Carrying Value
22,575	9,300	118	31,993	31,993
1,516	461	-	1,977	1,977
24,091	9,761	118	33,970	33,970

During the period, there were no transfers between level 1 and 2, also there were no transfers out of, or into, the level 3 measurement classification.

Fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying amount of the Group's held-to-maturity investments equals BD 3,913 thousand (31 December 2021: BD 3,773 thousand) whereas the fair value of the investments is BD 3,977 thousand (31 December 2021: BD 3,935 thousand).

The carrying amount of the Group's other financial assets and liabilities approximate their fair values due to their short-term nature.

11 INVESTMENT PROPERTIES

The Group has investment properties which are carried at cost less accumulated depreciation of BD 2,355 thousand (31 December 2021: BD 2,397 thousand). As at 31 March 2022, the Group's management assessment determined that there were no indicators of impairment or significant changes in fair value of investment properties as compared to the recent detailed valuation performed by the Group's external, independent property valuers, as of 31 December 2021.

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12 SUBSEQUENT EVENTS

Subsequent to the reporting period ended 31 March 2022 and on 12th April 2022, the Company has completed the disposal its treasury shares of 6,566,756, with carrying value of BD 1,868 thousand as of 31 March 2022 (31 December 2021: BD 1,868 thousand). The impact of the disposal will be reported for the six months period ending 30 June 2022.

13 SIGNIFICANT EVENTS

(i) COVID-19

The outbreak of the novel Coronavirus (COVID-19) rapidly evolved across the region and globally. As a result, governments and authorities, including the Government of the Kingdom of Bahrain implemented several measures to contain the spread of the virus such as suspension of flights from/to various countries, other travel restrictions and quarantines and also announced various support measures to counter adverse economic implications. These measures and policies caused significant disruption in the operation of many companies around the globe. COVID-19 has also brought about significant uncertainties in the global economic environment.

(ii) OTHER SIGNIFICAN MATTERS

The current ongoing conflict between Russia-Ukraine has triggered a global economic disruption and has, amongst other impacts, led to increased volatility in financial markets and commodity prices due to disruption of supply chain which may affect a broad range of entities across different jurisdictions and industries.

The management has carried out an assessment of its portfolio and has concluded that it does not have any direct exposures to / from the impacted countries. However, potential for indirect exposures continue to exist. At this stage, it is difficult to quantify the full impact of this conflict since it depends largely on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets. The management will continue to closely monitor impact of this evolving situation on its portfolio to assess indirect impact, if any. As at 31 March 2022 the Group does not have a material impact of this conflict.

The Board of Directors has considered the potential impacts of the current economic downturn and uncertainty involved in the determination of the reported amounts of the Group's financial and non-financial assets and liabilities in this condensed consolidated interim financial information, and they are considered to represent management's best assessment based on available and observable information. Based on this assessment, no material impact on the Group's condensed consolidated interim financial information has been noted to date.

14 COMPARATIVES

Certain corresponding figures of 2021 have been regrouped where necessary to conform to the current period's presentation. Such regrouping did not affect previously reported total assets, total liabilities, equity, profit or loss and comprehensive income.