

**13 November 2018**

## **BNH announces its financial results for the nine-month period ended 30 September 2018**

Bahrain National Holding Company (Trading Code: BNH) announces its financial results for the nine-month period ended 30<sup>th</sup> September 2018, the Group achieved a net profit of BD3.06 million, compared to BD3.11 million in the previous period of last year, a decrease of 1.7%. Net profit attributable to the shareholders for the nine-month period ended 30<sup>th</sup> September 2018 was BD2.86 million, compared to BD2.98 million during the previous period of last year, a decrease of 4%. The Group reported an increase of 5% in net earned premiums to BD12.33 million, compared to BD11.75 million of nine-month period of last year. The Group registered an underwriting profit of BD456 thousand during the nine-month period of 2018, compared to BD778 thousand in previous period of last year, a decrease of 41%. Earnings per share was 25.7 fils compared to 27.8 fils for the nine-month period of 2017. The total comprehensive income for the nine-month period ended 30<sup>th</sup> September 2018 was BD2.62 million, compared to BD4.18 million during the previous period of last year, a decrease of 37%.

The total shareholders' equity (excluding non-controlling interest) as at the nine-month period ended 30<sup>th</sup> September 2018 was BD48.67 million compared to BD47.84 million as at the end of the previous year.

The total assets reached BD96.89 million compared to BD86.31 as at the end of previous year, with an increase of 12%, primarily due to increase in reinsurers' share of technical reserves and increase in cash and cash equivalents.

The decrease in the net profit for the nine-month period ended 30<sup>th</sup> September 2018 in comparison to of similar period of the previous year relates to increase in net claims incurred in all insurance lines.

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### **ABOUT BAHRAIN NATIONAL HOLDING**

BNH, formed in 1998 – a merged company of formerly Bahrain Insurance Company and National Insurance Company– and owner of Bahrain National Insurance Company offers a full fledged range of Insurance and Management of Risk solutions. The Group's paid-up capital of BD 11.35 million makes it one of the most secure insurance companies in the Gulf region. The Group's portfolio includes Bahrain National Life Assurance Company along with other associate companies; United Insurance Company (Bahrain), Arabian Shield Cooperative Insurance Company (Saudi Arabia), Al Kindi Specialized Hospital (Bahrain) and National Finance House (Bahrain).

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Motor insurance was impacted by higher claims reserving during the first quarter of 2018. This impact was partly offset by higher commissions in general insurance as well as savings in general and staff costs. Net profits were also lower due to lower share of profits from associates, which was partly offset by higher investment portfolio income as well as lower impairment provisions.

For the third quarter ended 30<sup>th</sup> September 2018, the Group achieved a net profit of BD1.04 million, compared to BD202 thousand during the third quarter of the previous year, with an increase of 415%. The net profit attributable to the shareholders during third quarter was BD975 thousand, compared to BD154 thousand during the third quarter of previous year, an increase of 533%. The Group achieved net earned premiums in the third quarter of BD4.30 million, compared to BD4.01 million in the third quarter of last year, an increase of 7%. The Group reported underwriting profit of BD528 thousand during the third quarter, compared to underwriting loss of BD66 thousand in the third quarter of the previous year. Earnings per shares during the third quarter were 8.6 fils compared to 1.5 fils in the third quarter of the previous year. The total comprehensive income for the third quarter ended 30th September 2018 was BD1.08 million, compared to BD 584 thousand during the previous period of last year, an increase of 85%.

The increase in the net profit for the third quarter in comparison to the third quarter of last year relates primarily to increase in net earned premium, lower net claims incurred, savings in general expenses as well as the strong performance of the investment portfolio.

**Mr. Farouk Almoayyed, Chairman of Bahrain National Holding**, commented: “Despite the economic and political challenges facing the region, the Group managed to achieve good results especially in the third quarter of this year, where it achieved good results and net profit rose significantly, but the previous results and the decline in profits had an impact on the overall net profit. The net profit for the period is almost same as last year's results, which confirms that the Group is on the right track to achieve foreseen growth”.

**Mr. Sameer AlWazzan, Chief Executive of BNH**, commented: “The Group faced a strong challenge in the first half of this year in calculating the required and expected reserves in future claims that required caution in supporting results with additional reserves that affected net profitability. However, things improved in the third quarter of this year as the net profit increased significantly and the results returned to the same profitability, which is a good indicator of the rigidity of the technical team. Many

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departments have also contributed significantly, such as health insurance, to increasing profitability. We are confident that the fourth quarter will mark better results and profitability”.

*Reviewed financial statements for the nine-month period ended 30 September 2018 and the press release are available on our website [www.bnhgroup.com](http://www.bnhgroup.com) and the Bahrain Bourse’s website.*

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