

14 May 2018

Bahrain National Holdings Announces Net Profit of BD682 Thousand or the 1st Quarter of 2018

Manama:- Bahrain National Holding Company (BNH) – the parent company of Bahrain National Insurance (bni) and Bahrain National Life Assurance (bnl) has announced a net profit of BD682 Thousand for the three-month period ended 31st March 2018; against BD2.04 million for the same period last year, a decrease of 67%. The net profit attributable to the shareholders of the parent company for the three-month period ended 31st March 2018 was BD639 Thousand, lower by 68% as compared to BD2.01 million achieved in the same period of last year. The decrease in profits is mainly due lower underwriting results arising from additional claims reserving which was partially offset by the excellent performance of the Group's investment portfolio.

The Group registered gross premium of BD9.15 million compared BD7.50 million for the same period last year, an increase of 22%. The net earned premium was BD3.96 million for the period in comparison to BD3.82 million for the same period in 2017, an increase of 3.6%. Underwriting loss was BD853 Thousand compared to profit of BD535 Thousand for the same period in 2017. Although premiums, particularly in medical and general insurance, continued to grow, underwriting results were affected by higher claims and additional claims reserving and lower net commission income.

The total investment income for the three-month period was BD1.88 million compared to BD1.75 million for the same period in 2017. The marketable portfolio performed well as regional equities recovered on higher oil prices and improved sentiment. The group's associates' performance was also resilient.

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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Mr. Farouk Almoayyed, Chairman of Bahrain National Holding, commented: The Group's core insurance performance continues to strengthen and the additional reserving will ensure a strong foundation for the continued growth of the Group. The continued performance of our well diversified investment portfolio, while maintaining strong Group liquidity, is a major advantage for the Group.

Mr. Sameer Al Wazzan, Chief Executive of Bahrain National Holding, commented: Although the underwriting results are impacted by our conservative stance on reserving, I am pleased to note that management has undertaken a number of operational steps and initiatives that are already showing results in the core operations. This combined with our investments in the IT core system, lays a strong foundation for the continued growth of the Group.

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