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Bahrain National Holding announces its financial results for the 1st Quarter period ended 31st March 2023

Manama: Bahrain National Holding Company (Trading Code: BNH) the parent company of Bahrain National Insurance (bni) and Bahrain National Life Assurance (bnl) announces its financial results for the first quarter period ended 31st March 2023 based on the adoption of two new accounting standards, IFRS 9 and IFRS 17.

The Group has applied the two new accounting standards (IFRS 17 and IFRS 9), including any consequential amendments to other standards, effective 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. The Group has therefore restated certain comparative amounts and presented a statement of financial position as of 1st January 2022.

The introduction of IFRS 17 as the standard for insurance reporting heralds a shift, not just in the way we report, but also how the Groups' stakeholders examine the fundamentals of our insurance business, and we at BNH, are committed to providing accurate and transparent reporting of the Group's performance.

During the first quarter ended 31st March 2023, the Group achieved a net profit attributable to the shareholders of BD 1.74 million, compared to BD 6.63 million during the first quarter of the previous year, a decrease of 74%. Earnings per share during the first quarter is 15 fils compared to 59 fils in the first quarter of the previous year. The total comprehensive income attributable to the shareholders for the first quarter ended 31st March 2023 decreased by 73% to BD1.56 million, compared to BD5.70 million during the previous period of last year.

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 11.92 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), Health 360° Ancillary Services W.L.L (Bahrain), Al Kindi Specialized Hospital (Bahrain), National Finance House (Bahrain) and Al Bayrooni Dialysis Centre (Bahrain).

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The decrease in the net profit for the first quarter ended 31st March 2023 in comparison to similar period of the previous year was primarily due to an extraordinary non-recurring gain, amounting to BD5.87 million, which was reported in the first quarter of 2022, on the reclassification of an equity accounted investee, Arabian Shield Co-operative Insurance Company (ASCIC), based in KSA. The investment in ASCIC has been reclassified as Available-for-Sale carried at fair value (reclassified to Fair Value through Other Comprehensive Income on the adoption of IFRS 9), effective 12 January 2022. Excluding the effect of this reclassification gain, the Group achieved a growth of 131% over the first quarter of 2022.

The total shareholders' equity (excluding non-controlling interest) as at the end of first quarter of 2023 decreased by 4% to BD63.28 million compared to BD65.91 million as at the end of 2022. The total assets increased by 8% to BD120.23 million compared to BD111.49 million at the end of previous year.

The Group achieved insurance revenue for the first quarter of BD10.64 million, compared to BD10.47 million in the first quarter of 2022, an increase of 2%. The insurance service result for the first quarter increased by 22% to BD1.26 million, compared to BD1.04 million in the first quarter of 2022. The Group reported investment return of BD920 thousand during the first quarter, compared to a loss of BD 146 thousand for the first quarter of the previous year.

Mr. Farooq Almoayyed, Chairman of Bahrain National Holding, commented: "Our underlying portfolio of businesses continue to demonstrate remarkable strength and resilience, backed by the performance of our two leading insurance subsidiaries. We are optimistic and positioned for continued sustainable growth in the future."

Mr. Raed A. Fakhri, Group Chief Executive Officer of BNH, commented: "We are pleased with the performance of our portfolio, led by the performance of Bahrain National Insurance (bni), Bahrain National Life Assurance (bnl) and our investment portfolio. The insurance subsidiaries' transition to the IFRS 17 accounting standard will enhance the comparability and transparency of our financial reporting, and we believe it will bring even more clarity and confidence to our investors and stakeholders about our business health and future growth potential. We look forward to continuing our positive trajectory to the benefit of all stakeholders."

Reviewed financial statements for the three-month period ended 31st March 2023 and the press release is available on our website www.bnhgroup.com and the Bahrain Bourse's website.

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