

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
ASSETS		
Cash and cash equivalents	11,181	3,097
Placements with banks	3,497	9,333
Insurance and other receivables	10,324	9,600
Financial investments	31,764	29,839
Equity accounted investees	17,633	16,934
Reinsurers' share of insurance technical reserves	12,442	9,980
Deferred acquisition cost	634	576
Investment properties	2,774	2,936
Intangible assets	275	211
Property and equipment	3,728	3,676
Statutory deposits	125	125
Total assets	94,377	86,307
LIABILITIES		
Insurance technical reserves	31,328	26,428
Insurance payables	4,599	3,973
Other provisions and liabilities	7,096	5,586
Total liabilities	43,023	35,987
Net assets	51,354	50,320
EQUITY		
Share capital	11,918	11,350
Treasury shares	(1,868)	(1,868)
Share premium	3,990	3,990
Statutory reserve	5,959	5,675
General reserve	13,585	13,585
Fair value reserve	2,698	3,355
Retained earnings	12,568	11,754
Equity attributable to shareholders of the Parent Company	48,850	47,841
Non-controlling interest	2,504	2,479
Total equity	51,354	50,320

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
OPERATING ACTIVITIES		
Insurance operations		
Premiums and service fees received, net of acquisition costs	33,808	29,278
Payments to insurance and reinsurance companies	(15,771)	(12,155)
Claims paid to policyholders	(20,918)	(22,999)
Claims recovered from reinsurers and salvage recoveries	11,368	11,592
Cash flows from insurance operations	8,487	5,716
Investment operations		
Dividends and interest received	1,724	1,240
Proceeds from sale and redemptions of financial investments	14,813	6,928
Payments for purchases of financial investments	(16,909)	(8,789)
Bank deposits with maturities of more than three months	(3,497)	(9,458)
Redemption proceeds from bank deposits	9,333	9,121
Proceeds from partial sale of investment in equity accounted investees	-	343
Dividends received from equity accounted investees	1,152	1,353
Payment for investment properties	(2)	(5)
Rent received	341	289
Cash flows from investment operations	6,955	1,022
Expenses paid	(5,286)	(5,781)
Cash flows from operating activities	10,156	957
INVESTMENT ACTIVITIES		
Purchase of property, equipment and intangible assets	(531)	(664)
Cash flows used in investment activities	(531)	(664)
FINANCING ACTIVITIES		
Dividends paid to shareholders	(1,411)	(2,207)
Dividends paid to non-controlling interest	(102)	-
Donations paid	(28)	(37)
Cash flows used in financing activities	(1,541)	(2,244)
Net increase / (decrease) in cash and cash equivalents	8,084	(1,951)
Cash and cash equivalents at 1 January	3,097	5,048
Cash and cash equivalents at 31 December	11,181	3,097

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
Gross insurance premiums	33,581	28,887
Reinsurers' share of gross insurance premiums	(16,267)	(12,702)
Retained premiums	17,314	16,185
Net change in reserve for unearned premiums	(613)	(365)
Net premiums earned	16,701	15,820
Gross claims paid	(21,394)	(22,478)
Claims recoveries	10,768	11,974
Outstanding claims adjustment - gross	(2,141)	(1,748)
Outstanding claims adjustment - reinsurance	784	(36)
Net claims incurred	(11,983)	(12,288)
Gross underwriting profit	4,718	3,532
Actuarial adjustment on life assurance obligation	19	(35)
Net commission and fee income	60	102
General and administration expenses - underwriting	(4,106)	(4,031)
Other income	33	-
Net underwriting profit / (loss)	724	(432)
Net investment income	2,319	1,889
Impairment losses on investment	(50)	(308)
Share of profit of equity accounted investees	2,098	2,676
Gains on partial sale of investment in equity accounted investees	-	114
Net income from road assist services	125	97
General and administration expenses - non-underwriting	(1,729)	(1,783)
Other income	5	-
Profit for the year	3,492	2,253
Profit attributable to:		
Parent company	3,279	2,095
Non-controlling interest	213	158
Profit for the year	3,492	2,253
Basic and diluted earnings per share	29.4 fils	18.8 fils

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
Profit for the year	3,492	2,253
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Available-for-sale securities:		
- Change in fair value	47	1,028
- Transfer to statement of profit or loss on impairment of securities	21	308
- Transfer to statement of profit or loss on disposal of securities	(805)	(322)
Share of other comprehensive income of equity accounted investees	(6)	170
Other comprehensive income	(743)	1,184
Total comprehensive income	2,749	3,437
Total comprehensive income attributable to:		
Parent company	2,622	3,187
Non-controlling interest	127	250
Total comprehensive income	2,749	3,437

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018
(In thousands of Bahraini Dinars)

2018	Attributable to the shareholders of the Parent company							Non-controlling Interest	Total Equity	
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value reserve	Retained earnings			
Balance at 1 January, as previously reported	11,350	(1,868)	3,990	5,675	13,585	3,355	11,754	47,841	2,479	50,320
Adjustment on initial application of IFRS 15 by non-insurance subsidiary	-	-	-	-	-	-	(75)	(75)	-	(75)
Adjustment on initial application of IFRS 9 by non-insurance equity accounted investee	-	-	-	-	-	-	(241)	(241)	-	(241)
Restated balance at 1 January	11,350	(1,868)	3,990	5,675	13,585	3,355	11,438	47,525	2,479	50,004
Profit for the year	-	-	-	-	-	-	3,279	3,279	213	3,492
Other comprehensive income	-	-	-	-	-	(657)	-	(657)	(86)	(743)
Total comprehensive income	-	-	-	-	-	(657)	3,279	2,622	127	2,749
Bonus shares issued	568	-	-	-	-	-	(568)	-	-	-
Transfer to statutory reserve	-	-	-	284	-	-	(284)	-	-	-
Dividends declared for 2017	-	-	-	-	-	-	(1,287)	(1,287)	(102)	(1,389)
Donations declared for 2017	-	-	-	-	-	-	(10)	(10)	-	(10)
Appropriations approved by shareholders	568	-	-	-	-	-	(2,149)	(1,297)	(102)	(1,399)
Balance at 31 December	11,918	(1,868)	3,990	5,959	13,585	2,698	12,568	48,850	2,504	51,354

2017	Attributable to the shareholders of the parent company							Non-controlling Interest	Total Equity	
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value reserve	Retained earnings			
Balance at 1 January	11,350	(1,868)	3,990	5,675	13,585	2,263	11,854	46,849	2,229	49,078
Profit for the year	-	-	-	-	-	-	2,095	2,095	158	2,253
Other comprehensive income	-	-	-	-	-	1,092	-	1,092	92	1,184
Total comprehensive income	-	-	-	-	-	1,092	2,095	3,187	250	3,437
Dividends declared for 2016	-	-	-	-	-	-	(2,145)	(2,145)	-	(2,145)
Donations declared for 2016	-	-	-	-	-	-	(50)	(50)	-	(50)
Appropriations approved by shareholders	-	-	-	-	-	-	(2,195)	(2,195)	-	(2,195)
Balance at 31 December	11,350	(1,868)	3,990	5,675	13,585	3,355	11,754	47,841	2,479	50,320

Audited by KPMG Fakhro

Farooq Yusuf Almoayyed - Chairman

Abdulhussain Khalil Dewani - Vice Chairman

Sameer Al Wazzan - Chief Executive Officer



Bahrain National Insurance

STATEMENT OF FINANCIAL POSITION

As at 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
ASSETS		
Cash and cash equivalents	8,603	1,354
Placements with banks	2,822	6,357
Insurance and other receivables	8,181	7,897
Reinsurers' share of insurance technical reserves	10,198	8,459
Deferred acquisition cost	472	447
Financial investments	22,279	20,955
Intangible assets	140	100
Property and equipment	732	686
Statutory deposits	75	75
Total assets	53,502	46,330
LIABILITIES		
Insurance technical reserves	24,491	21,061
Insurance payables	3,998	3,090
Other provisions and liabilities	3,846	2,529
Total liabilities	32,335	26,680
Net assets	21,167	19,650
EQUITY		
Share capital	6,500	6,500
Statutory reserve	3,250	3,250
General reserve	4,155	4,155
Investment fair value reserve	3,471	3,880
Retained earnings	3,791	1,865
Total equity	21,167	19,650

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
OPERATING ACTIVITIES		
Premiums received, net of acquisition costs	25,441	23,087
Payments to insurance and reinsurance companies	(10,360)	(8,371)
Claims paid to policyholders	(15,822)	(18,007)
Claims recovered from reinsurers and salvage recovered	7,560	7,539
Expenses paid	(3,208)	(3,572)
Cash flows from operating activities	3,611	676
INVESTMENT ACTIVITIES		
Dividends and interest received	1,589	1,314
Proceeds from sale and redemption of securities	9,100	4,883
Payments for purchase of securities	(10,386)	(6,003)
Payments for purchase of property & equipment and intangible assets	(186)	(590)
Proceeds from sale of equipment and intangible assets	-	6
Bank deposits with maturities of more than three months	(2,822)	(6,357)
Proceeds from redemption of bank deposits with maturities of more than three months	6,357	7,262
Cash flows from investment activities	3,652	515
FINANCING ACTIVITIES		
Dividend paid	-	(2,470)
Donations paid	(14)	(20)
Cash flows used in financing activities	(14)	(2,490)
Net change in cash and cash equivalents during the year	7,249	(1,299)
Cash and cash equivalents at 1 January	1,354	2,653
Cash and cash equivalents at 31 December	8,603	1,354

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018
(In thousands of Bahraini Dinars)

	2018	2017
Gross insurance premiums	25,222	22,571
Reinsurers' share of gross insurance premiums	(11,190)	(8,577)
Retained premiums	14,032	13,994
Net unearned premiums adjustment	(283)	(250)
Net earned premiums	13,749	13,744
Gross claims paid	(16,284)	(17,541)
Claims recoveries	6,970	7,893
Outstanding claims adjustment - Gross	(1,282)	(2,209)
Outstanding claims adjustment - Reinsurance	208	353
Net claims incurred	(10,388)	(11,504)
Gross underwriting profit	3,361	2,240
Net commission and fee income	316	372
General and administration expenses - underwriting	(3,331)	(3,467)
Other income	21	-
Net underwriting profit	367	(855)
Net investment income	2,061	1,724
Impairment losses on investments	(16)	(219)
General and administration expenses - non-underwriting	(486)	(486)
Profit for the year	1,926	164

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018
(In thousands of Bahraini dinars)

	2018	2017
Profit for the year	1,926	164
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Available-for-sale securities:		
- Change in fair value	174	629
- Transfer to profit or loss on impairment of securities	-	219
- Transfer to profit or loss on disposal of securities	(583)	(330)
Total other comprehensive income	(409)	518
Total comprehensive income	1,517	682

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018
(In thousands of Bahraini dinars)

2018	Share capital
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