

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2019  
(In thousands of Bahraini Dinars)

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	4,254	11,181
Placements with banks	14,767	3,497
Insurance and other receivables	11,493	10,324
Financial investments	32,148	31,764
Equity accounted investees	18,520	17,633
Reinsurers' share of insurance technical reserves	16,772	12,442
Deferred acquisition cost	732	634
Investment properties	2,731	2,774
Intangible assets	266	275
Property and equipment	4,024	3,728
Statutory deposits	125	125
<b>Total assets</b>	<b>105,832</b>	<b>94,377</b>
<b>LIABILITIES</b>		
Insurance technical reserves	35,958	31,328
Insurance payables	6,102	4,599
Other provisions and liabilities	7,117	7,096
<b>Total liabilities</b>	<b>49,177</b>	<b>43,023</b>
<b>Net assets</b>	<b>56,655</b>	<b>51,354</b>
<b>EQUITY</b>		
Share capital	11,918	11,918
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	4,615	2,698
Retained earnings	15,641	12,568
<b>Equity attributable to shareholders of the Parent Company</b>	<b>53,840</b>	<b>48,850</b>
Non-controlling interest	2,815	2,504
<b>Total equity</b>	<b>56,655</b>	<b>51,354</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019  
(In thousands of Bahraini Dinars)

	2019	2018
<b>OPERATING ACTIVITIES</b>		
<b>Insurance operations</b>		
Premiums and service fees received, net of acquisition costs	33,175	33,808
Payments to insurance and reinsurance companies	(15,833)	(15,771)
Claims paid to policyholders	(22,326)	(20,918)
Claims recovered from reinsurers and salvage recoveries	11,623	11,368
<b>Cash flows from insurance operations</b>	<b>6,639</b>	<b>8,487</b>
<b>Investment operations</b>		
Dividends and interest received	1,720	1,724
Proceeds from sale and redemptions of financial investments	10,771	14,813
Payments for purchases of financial investments	(7,784)	(16,909)
Bank deposits with maturities of more than three months	(14,767)	(3,497)
Redemption proceeds from bank deposits	3,497	9,333
Payment for investment in equity accounted investees	(105)	-
Dividends received from equity accounted investees	957	1,152
Payment for investment properties	(10)	(2)
Rent received	254	341
<b>Cash flows from investment operations</b>	<b>(5,467)</b>	<b>6,955</b>
Expenses paid	(6,166)	(5,286)
<b>Cash flows from operating activities</b>	<b>(4,994)</b>	<b>10,156</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property, equipment and intangible assets	(44)	(531)
<b>Cash flows used in investment activities</b>	<b>(44)</b>	<b>(531)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(1,623)	(1,411)
Dividends paid to non-controlling interest	(140)	(102)
Donations paid	(32)	(28)
Payments of lease liabilities	(94)	-
<b>Cash flows used in financing activities</b>	<b>(1,889)</b>	<b>(1,541)</b>
<b>Net change in cash and cash equivalents</b>	<b>(6,927)</b>	<b>8,084</b>
Cash and cash equivalents at 1 January	11,181	3,097
<b>Cash and cash equivalents at 31 December</b>	<b>4,254</b>	<b>11,181</b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

For the year ended 31 December 2019  
(In thousands of Bahraini Dinars)

	2019	2018
Gross insurance premiums	33,804	33,581
Reinsurers' share of gross insurance premiums	(17,052)	(16,267)
<b>Retained premiums</b>	<b>16,752</b>	<b>17,314</b>
Net change in reserve for unearned premiums	739	(613)
<b>Net premiums earned</b>	<b>17,491</b>	<b>16,701</b>
Gross claims paid	(22,206)	(21,394)
Claims recoveries	11,654	10,768
Outstanding claims adjustment - gross	(4,403)	(2,141)
Outstanding claims adjustment - reinsurance	3,876	784
<b>Net claims incurred</b>	<b>(11,079)</b>	<b>(11,983)</b>
<b>Gross underwriting profit</b>	<b>6,412</b>	<b>4,718</b>
Actuarial adjustment on life assurance obligation	-	19
Net commission and fee income	195	60
Impairment losses on insurance receivables	(1,003)	(305)
General and administration expenses - underwriting	(3,607)	(3,801)
Other income	59	33
<b>Net underwriting profit</b>	<b>2,056</b>	<b>724</b>
Net investment income	3,097	2,319
Impairment losses on investment	(89)	(50)
Share of profit of equity accounted investees	1,618	2,098
Net income from road assist services	242	125
General and administration expenses - non-underwriting	(1,905)	(1,729)
Other income	8	5
<b>Profit for the year</b>	<b>5,027</b>	<b>3,492</b>
<b>Profit attributable to:</b>		
Parent company	4,792	3,279
Non-controlling interest	235	213
<b>5,027</b>	<b>3,492</b>	
<b>Basic and diluted earnings per share</b>	<b>42.6 fils</b>	<b>29.4 fils</b>

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2019  
(In thousands of Bahraini Dinars)

	2019	2018
<b>Profit for the year</b>	<b>5,027</b>	<b>3,492</b>
<b>Other comprehensive income:</b>		
Items that may be reclassified to profit or loss:		
Available-for-sale securities:		
- Change in fair value	3,270	47
- Transfer to statement of profit or loss on impairment of securities	77	21
- Transfer to statement of profit or loss on disposal of securities	(1,335)	(805)
Share of other comprehensive income of equity accounted investees	121	(6)
<b>Other comprehensive income</b>	<b>2,133</b>	<b>(743)</b>
<b>Total comprehensive income</b>	<b>7,160</b>	<b>2,749</b>
<b>Total comprehensive income attributable to:</b>		
Parent company	6,709	2,622
Non-controlling interest	451	127
<b>7,160</b>	<b>2,749</b>	

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2019  
(In thousands of Bahraini Dinars)

2019	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	11,918	(1,868)	3,990	5,959	13,585	2,698	12,568	48,850	2,504	51,354
Profit for the year	-	-	-	-	-	-	4,792	4,792	235	5,027
Other comprehensive income	-	-	-	-	-	1,917	-	1,917	216	2,133
<b>Total comprehensive income</b>	-	-	-	-	-	<b>1,917</b>	<b>4,792</b>	<b>6,709</b>	<b>451</b>	<b>7,160</b>
Dividends declared for 2018	-	-	-	-	-	-	(1,689)	(1,689)	(140)	(1,829)
Donations declared for 2018	-	-	-	-	-	-	(30)	(30)	-	(30)
<b>Appropriations approved by shareholders</b>	-	-	-	-	-	-	<b>(1,719)</b>	<b>(1,719)</b>	<b>(140)</b>	<b>(1,859)</b>
<b>Balance at 31 December</b>	<b>11,918</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,959</b>	<b>13,585</b>	<b>4,615</b>	<b>15,641</b>	<b>53,840</b>	<b>2,815</b>	<b>56,655</b>

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)
<b>Total comprehensive income</b>	-	-	-	-	-	<b>(657)</b>	<b>3,279</b>	<b>2,622</b>	<b>127</b>	<b>2,749</b>
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	-	-	284	-	-	(2,149)	(1,297)	(102)	(1,399)
<b>Balance at 31 December</b>	<b>11,918</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,959</b>	<b>13,585</b>	<b>2,698</b>	<b>12,568</b>	<b>48,850</b>	<b>2,504</b>	<b>51,354</b>

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 2019  
(In thousands of Bahraini Dinars)

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents	3,022	8,603
Placements with banks	11,653	2,822
Insurance and other assets	8,521	8,181
Reinsurers' share of insurance technical reserves	14,102	10,198
Deferred acquisition cost	558	472
Financial investments	22,534	22,279
Intangible assets	133	140
Property and equipment	2,067	732
Statutory deposits	75	75
<b>Total assets</b>	<b>62,665</b>	<b>53,502</b>
<b>LIABILITIES</b>		
Insurance technical reserves	27,852	24,491
Insurance payables	4,910	3,998
Other provisions and liabilities	5,430	3,846
<b>Total liabilities</b>	<b>38,192</b>	<b>32,335</b>
<b>Net assets</b>	<b>24,473</b>	<b>21,167</b>
<b>EQUITY</b>		
Share capital	6,500	6,500
Statutory reserve	3,250	3,250
General reserve	4,155	4,155
Investment fair value reserve	4,527	3,471
Retained earnings	6,041	3,791
<b>Total equity</b>	<b>24,473</b>	<b>21,167</b>

**STATEMENT OF CASH FLOWS**

For the year ended 31 December 2019  
(In thousands of Bahraini Dinars)

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Premiums received, net of acquisition costs	25,681	25,441
Payments to insurance and reinsurance companies	(10,928)	(10,360)
Claims paid to policyholders	(15,538)	(15,822)
Claims recovered from reinsurers and salvage recovered	7,065	7,560
Expenses paid	(4,239)	(3,208)
<b>Cash flows from operating activities</b>	<b>2,041</b>	<b>3,611</b>
<b>INVESTMENT ACTIVITIES</b>		
Dividends and interest received	1,514	1,589
Proceeds from sale and redemption of securities	7,128	9,100
Payments for purchase of securities	(5,451)	(10,386)
Payments for purchase of property & equipment and intangible assets	(98)	(186)
Bank deposits with maturities of more than three months	(11,653)	(2,822)
Proceeds from redemption of bank deposits with maturities of more than three months	2,822	6,357
<b>Cash flows (used in)/from investment activities (5,738)</b>	<b>3,652</b>	
<b>FINANCING ACTIVITIES</b>		
Dividend paid	(1,680)	-
Payments of lease liabilities	(189)	-
Donations paid	(15)	(14)
<b>Cash flows used in financing activities (1,884)</b>	<b>(14)</b>	
<b>Net change in cash and cash equivalents (5,581)</b>	<b>7,249</b>	
Cash and cash equivalents at 1 January	8,603	1,354
<b>Cash and cash equivalents at 31 December 3,022</b>	<b>8,603</b>	

**STATEMENT OF PROFIT OR LOSS**

For the year ended 31 December 2019  
(In thousands of Bahraini Dinars)

	2019	2018
Gross insurance premiums	24,496	25,222
Reinsurers' share of gross insurance premiums	(11,547)	(11,190)
<b>Retained premiums</b>	<b>12,949</b>	<b>14,032</b>
Net unearned premiums adjustment	963	(283)
<b>Net earned premiums</b>	<b>13,912</b>	<b>13,749</b>
Gross claims paid	(15,556)	(16,284)
Claims recoveries	6,851	6,970
Outstanding claims adjustment - Gross	(3,781)	(1,282)
Outstanding claims adjustment - Reinsurance	3,523	208
<b>Net claims incurred</b>	<b>(8,963)</b>	<b>(10,388)</b>
<b>Gross underwriting profit</b>	<b>4,949</b>	<b>3,361</b>
Net commission and fee income	620	316
Impairment losses on insurance receivables	(992)	(246)
General and administration expenses - underwriting	(2,901)	(3,085)
Other income	43	21
<b>Net underwriting profit</b>	<b>1,719</b>	<b>367</b>
Net investment income	2,678	2,061
Impairment losses on investments	(67)	(16)
Net income from road assist services	115	-
General and administration expenses - non-underwriting	(495)	(486)
<b>Profit for the year</b>	<b>3,950</b>	<b>1,926</b>

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2019  
(In thousands of Bahraini dinars)

	2019	2018
<b>Profit for the year</b>	<b>3,950</b>	<b>1,926</b>
<b>Other comprehensive income:</b>		
Items that may be reclassified to profit or loss:		
Available-for-sale securities:		
- Change in fair value	2,044	174
- Transfer to profit or loss on impairment of securities	54	-
- Transfer to profit or loss on disposal of securities	(1,042)	(583)
<b>Total other comprehensive income</b>	<b>1,056</b>	<b>(409)</b>
<b>Total comprehensive income</b>	<b>5,006</b>	<b>1,517</b>

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2019  
(In thousands of Bahraini dinars)

2019	Investment					Total
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