

Bahrain Kuwait Insurance agrees 15pc cash dividend

TDT | Manama

Bahrain Kuwait Insurance Company's Annual General Meeting approved to distribute a cash dividend of 15 per cent (BD 2,140,349) of the paid-up capital to shareholders, excluding treasury shares.

The General Assembly held at the company's head office in Seef District on Wednesday also approved the appointment of new board members for the financial period (2020-2022). The new members are Khalid Saoud Alhasan, Shawqi Ali Fakroo, Dr Emad Jawad Bukhamseen, Bijan Khosrowshahi, Thamer Ebrahim Arab and Mubarak Al Ayyar.

Also, the AGM approved the election of Murad Ali Murad, Hasan Mohamed Zainalabedin, Mohamed Ebrahim Zainal and Mohamed Ahmed Alrayes to the new board for the same period.

Keeping pace with tech

Outlining the challenges faced by the insurance industry during the year 2019, Murad Ali Murad said, in going forward, it is important to utilise technology in keeping pace with modern developments in the field of insurance.

He further revealed that the board approved a business plan for the next three years.

On the decrease in the company's profits, Murad Ali Murad attributed it to the extraordinary expenses/provisions during the



Murad Ali Murad, Chairman



Ebrahim Alrayes, CEO

year. These include VAT on UPR of policies issued in 2018 and in force in 2019 which were not collected from customers, compensation paid to the employees on the voluntary early retirement programme and the increase in technical reserves based on the external actuary's recommendation report.

Meanwhile, Ebrahim Alrayes, the CEO, raised concerns on the fierce competition adversely affecting companies operating, especially in the motor and medical insurance sector.

As for the financial results, the company achieved net premium revenue of BD 33.3 million, compared to BD 31.7m in the previous year, recording a growth of 5pc. The loss ratio also improved, as it decreased from 76.8pc to 73.6pc. It reflected positively

in technical profits which increased by 14pc from BD 1.95 m in 2018 to BD 2.22 m in 2019.

Looking ahead, Alrayes said the company places great importance to the development within the company, whether through training of individuals or through developing services and finding new products.

He said the company expects better results in going forward, despite the instability of political and economic conditions in the world in general.

He added: "Besides, the company's business plan aims towards limiting the increase in expenses. However, we must take into account the impact of the outbreak of COVID 19 in the global economy in general and Bahrain in particular."

G20 leaders pledge \$5trn, 'united' response to coronavirus crisis

Riyadh

G20 nations pledged a "united front" yesterday in the fight against coronavirus, saying they were injecting \$5 trillion into the global economy to counter the pandemic amid forecasts of a deep recession.

US President Donald Trump and Russian President Vladimir Putin joined the emergency videoconference chaired by Saudi Arabia's King Salman, who called for coordinated action while facing pressure to end an oil price war between Riyadh and Moscow that has roiled energy markets.

"We are strongly committed to presenting a united front against this common threat," the leaders said in a joint statement after the summit.

"We are injecting over \$5 trillion into the global economy, as part of targeted fiscal policy, economic measures, and guarantee schemes to



Saudi Arabia's King Salman

counteract the social, economic and financial impacts of the pandemic."

G20 leaders also pledged to work with bodies such as the International Monetary Fund to deploy a "robust" financial package to support developing nations.

"It is our responsibility to extend a helping hand to developing countries and (the) least developed countries to enable them to build their capacities and improve their infrastructure to overcome this crisis and its repercussions," King Salman said.

Coronavirus outbreak could lead to rising demand for IT products: Huawei CEO

Reuters

Most employees at Huawei Technologies Co. are back at work following the coronavirus outbreak, though the pandemic is likely to hit the Chinese telecom giant's financial results this year, the company's chief executive said.

Ren Zhengfei, who is also Huawei's founder, also told The Wall Street Journal in an interview Wednesday that the company plans to boost its research and development budget this year by \$5.8 billion to more than \$20 billion.

Huawei, like all global companies, is coping with the fallout of the coronavirus outbreak, which is curbing economic activity around the world. Ren said Shenzhen-based Huawei resumed some operations beginning Feb. 3, losing little production time and in line with a government ruling that allowed some critical industries to restart early despite a broader work stoppage.

More than 90 per cent of its approximate 150,000 China-based workforce is now back to work, though workers have cut overseas travel and increased their reliance on remote conferencing to carry on business. He added that the company has been helping hard-hit suppliers, including with medical supplies.

"For a large number of international contracts, you don't need to send people into the field," he said. "Even in light of the current situation we can still manage to grow our revenue from our businesses."

The outbreak has also caused the company to lower its financial targets for the year, Ren said, though the specifics won't be clear until next month. Already, smartphone sales are falling outside of China, he said, although the decline has been offset by strong domestic sales. Globally, Huawei is selling about 22 million units a month, a slight rise over last year's pace.

China is slowly returning to work after nationwide clo-



Ren Zhengfei, CEO of Huawei

sures following the novel coronavirus outbreak, which began late December. The pandemic

is just the latest obstacle for Huawei, the world's largest maker of telecom equipment and No. 2 smartphone vendor, which has been fighting an avalanche of attacks from the Trump administration.

Ren said he was confident Huawei would reach its new, downwardly adjusted financial goals for this year, despite the U.S. campaign and the coronavirus that is prompting a seizure in global economic activity.

"In markets outside of China, we don't see significant growth," he said. "We are taking measures to address that."

Despite the restart of most of its business, some locations where Huawei operates remain on lockdown. One Huawei office in Wuhan, the center of the coronavirus outbreak, employs about 8,000 people, mostly in R&D functions. It remains largely closed even though Chinese authorities have begun lifting movement restrictions on residents in Wuhan's province.

However, Ren said he is optimistic that the outbreak could lead to increased demand for information-technology products amid a boost in network usage, as more people work and meet remotely.

"After this pandemic is over, I think people would even more obviously see the value" of Huawei products, he said. "There is a possibility of accelerated demand in the network rollout, so it is a concern that we might not have enough capacity to supply."



BNP PARIBAS

BNP PARIBAS - CONVENTIONAL RETAIL BANK - BAHRAIN BRANCH

(Licensed as a Conventional Retail Bank by the Central Bank of Bahrain)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of financial position (Expressed in thousands of Bahraini Dinars)		Statement of comprehensive income (continued) (Expressed in thousands of Bahraini Dinars)		
	At 31 December 2019	2018	Year ended 31 December 2019	2018
ASSETS				
Cash and balances with banks and the Central Bank	2,998	3,154		
Placements with banks	34,000	10,391		
Due from other offices of the Bank	18,714	36,137		
Financial assets at amortised cost	30,584	30,118		
Loans and advances to banks	471	939		
Loans and advances to customers	33,549	35,617		
Other assets	844	1,320		
Furniture and equipment	35	45		
Total assets	121,195	117,721		
LIABILITIES AND HEAD OFFICE FUNDS				
LIABILITIES				
Due to other offices of the Bank	12,063	3,478		
Due to customers	47,468	55,319		
Other liabilities	18,611	18,275		
Total liabilities	78,142	77,072		
HEAD OFFICE FUNDS				
Capital	2,700	2,700		
Other reserve	1,424	1,431		
Unremitted profit	38,929	36,518		
Total Head Office funds	43,053	40,649		
Total liabilities and Head Office funds	121,195	117,721		
Statement of comprehensive income (Expressed in thousands of Bahraini Dinars)				
			Year ended 31 December 2019	2018
Interest income	4,507	3,860		
Interest expense	(542)	(238)		
Net interest income	3,965	3,622		
Fees and commissions - net	938	1,332		
Loss on derivatives and foreign exchange transactions	(3)	(18)		
Total operating income	4,900	4,936		
Operating expenses				
Staff costs	(545)	(522)		
Depreciation	(17)	(35)		
Premises and equipment costs	(53)	(99)		
Other operating expenses	(1,796)	(1,290)		
Reversal of impairment on loans and advances and placements with banks	9	17		
Impairment on other financial assets at amortised cost	(36)	-		
Impairment on loans and advances to customers	(43)	(686)		
Impairment on guarantees	(8)	(1,801)		
Total operating expenses	(2,489)	(4,416)		
Profit for the year	2,411	520		
Statement of comprehensive income (continued) (Expressed in thousands of Bahraini Dinars)				
Profit for the year			2,411	520
Other comprehensive loss for the year:				
Items that may be reclassified to profit or loss				
Change in other reserve			(7)	(18)
Other comprehensive loss for the year			(7)	(18)
Total comprehensive income for the year			2,404	502
Statement of cash flows (Expressed in thousands of Bahraini Dinars)				
			Year ended 31 December 2019	2018
Cash flows from operating activities				
Profit for the year			2,411	520
Adjustments for:				
Provision for retirement benefits - net			16	5
Reversal of impairment on loans and advances and placements to banks			(9)	(17)
Impairment on Financial assets at amortised cost			36	-
Impairment on loans and advances to customers			43	686
Impairment on guarantees			8	1,801
Depreciation			17	35
Changes in operating assets and liabilities:			2,522	3,030
Balances with the Central Bank			(61)	(35)
Loans and advances to banks			477	1,611
Loans and advances to customers			2,025	(335)
Due from other offices of the Bank			-	3,991
Other assets			476	(480)
Deposits from banks			-	(1)
Due to customers			(7,851)	2,756
Due to other offices of the Bank			8,585	(1,348)
Other liabilities			296	254
Net cash generated from operating activities			6,469	9,443
Cash flows from investing activities				
Purchase of furniture and equipment			(7)	(10)
Purchase of financial assets at amortised cost			(99,777)	(141,009)
Redemption of financial assets at amortised cost			99,275	145,776
Net cash (used in) / generated from investing activities			(509)	4,757
Net increase in cash and cash equivalents			5,960	14,200
Cash and cash equivalents at the beginning of the year			48,557	34,357
Cash and cash equivalents at the end of the year			54,517	48,557
Non-cash transactions				
There were no non-cash transactions during the year ended 2019. During the year 2018, transfer from available-for-sale financial assets to financial assets at amortised cost amounting to 34,932 represented non-cash transactions.				

Mr. Jamal Tartir
General ManagerMr. Abid Hussain
Chief Financial Officer - MEA

The above have been extracted from the audited financial statements. The auditors, PricewaterhouseCoopers ME Limited, Kingdom of Bahrain, have expressed an unqualified opinion on 26/03/2020.