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Bahrain Kuwait Insurance Company B.S.C.

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Press Release

Bahrain Kuwait Insurance Company B.S.C. discloses its financial results for the nine months ending 30th September 2025

Bahrain Kuwait Insurance Company (BKIC) B.S.C. (trading code in Bahrain Bourse "BKIC" and in Boursa Kuwait "BKIKWT") announced its consolidated financial results for the nine months ended 30th September 2025.

The financial results for the three months ended 30th September 2025 (Q3-2025)

The company reported a net profit attributable to shareholders of BD 1.146 million for the quarter, compared to BD 1.064 million in the same period last year, representing 8% increase. Earnings per share rose to 8 fils, up from 7 fils in the corresponding period of 2024, reflecting 14.3% growth. Total comprehensive income attributable to shareholders reached BD 1.872 million, compared to BD 2.177 million in the same quarter last year, representing a decrease of 14%. This decline was primarily due to higher fair value gains recorded in the third quarter of 2024.

The Company recorded 4% growth in insurance revenue, rising from BD 29.249 million in the third quarter of last year to BD 30.351 million this year. Insurance service results surged by 75%, increasing from BD 0.404 million to BD 0.708 million, highlighting the strength of the Company's core operations. Total investment income also showed strong growth, rising 41% from BD 0.920 million to BD 1.294 million, contributing positively to overall performance.

The financial results for the nine months ended 30th September 2025

The Company reported a net profit attributable to shareholders of BD 3.831 million for the nine-month period, compared to BD 4.002 million in the same period last year, representing a 4% decrease following the first-time implementation of the new 15% Domestic Minimum Top-up Tax. Excluding the impact of this tax, profit attributable to shareholders before tax rose by 7% compared to the same period last year, reflecting continued operational strength. Earnings per share for the period were 26 fils, compared to 27 fils in the same period of 2024. Total comprehensive income attributable to shareholders increased by 1.4%, reaching BD 4.481 million versus BD 4.420 million in the prior-year period.

The Company achieved 0.2% growth in insurance revenue, rising to BD 86.102 million compared to BD 85.907 million in the first nine months of last year. Insurance service results increased by 5%, reaching BD 2.733 million versus BD 2.608 million in the same period of 2024. Net investment income recorded strong growth, rising 30% from BD 3.415 million in the first nine months of last year to BD 4.436 million this year, contributing positively to overall performance.

The Company's total shareholders' equity stood at BD 45.428 million at the end of September 2025, compared to BD 44.901 million at the end of last year, reflecting a 1% increase. This growth is primarily attributed to improvements in underwriting and investment performance, despite dividend payouts during the period.

Total assets reached BD 180.989 million, compared to BD 186.017 million at the end of last year, representing a 3% decrease. Net insurance contract liabilities increased by 6%, rising from BD 64.433 million at the end of last year to BD 68.343 million at the end of the current period.

Board of Directors' Comments

While reviewing the results of the company, the Board of Directors expressed their satisfaction stating: "The Board of Directors is pleased with the results for the first nine months of 2025 as the company was able to achieve this result despite one-off provisions which will benefit the company in the future. The Board keenly monitors the significant progress made by the company in the implementation of IFRS 17 and new digital initiatives and recognizes the hard work and dedication of the Management and employees of the company."

The support and confidence reposed by BKIC's customers and business partners and the impeccable commitment and dedication of both management and employees enable the company to produce satisfactory results and scale newer heights year on year.

Once again, the 2025 results would be impacted with the Domestic Minimum Top-up Tax for the first time after its implementation at 1/1/2025. Therefore, the Board calls upon all shareholders to also consider the "Pre-Tax Profits" when comparing the Company's results against previous years or against other peers in the marketplace.

BKIC has celebrated its 50th year anniversary in April and wishes to not simply and solely acknowledge this occasion when thanking all Company's customers, shareholders, partners, employees, and other stakeholders, but to also praise everyone's unwavering contribution in helping reach this significant milestone.

Chief Executive Officer's Comments

BKIC's CEO Dr. Abdulla Sultan commented that the company's consolidated results in the first nine months of 2025 are satisfying. He commented that in spite of the adverse effects of change in actuarial assumptions the company recorded increased net profit attributable to shareholders.

He commented that "We would also like to remind our shareholders that the company adopted completely new accounting standards (IFRS 17), which is a global learning process that keeps getting fine-tuned over time. Our core business ratios have improved despite challenges with claims inflation, mainly in Motor lines of business. The Kuwait branch continues to perform well, with acceleration noticed in projects in the Kuwaiti market."

He further commented that AM Best has affirmed the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Ratings of "a-" (Excellent) of Bahrain Kuwait Insurance Company B.S.C. (BKIC). The outlook of these ratings is stable. He added that the company has an excellent record of profitability, reflecting excellent underwriting performance in Bahrain and Kuwait. He also noted that BKIC and its subsidiary Takaful International Co. are the only local listed Bahraini insurance companies to be rated A-.

The Company continues to lead in the Bahraini market, which enables it to strive for new initiatives. As the company grows, continuous strengthening in its management team has been evident in 2025, which complements the C1 (Customer 1st) Strategy, to better serve customers.

Dr. Abdulla also commented "Our team is our greatest asset and we continuously work on improving our culture to make this a Great Place to Work, as reflected by the Great Place to Work award the company received this year." Among the benefits the company has provided to all its employees across its entities are Birthday Leave and a year-round Smart Casual dress code.

Group Profile

Bahrain Kuwait Insurance Company (BKIC) is the leading insurance company in the Bahraini market and a major player in Kuwait, with a credit rating of A- (Excellent) with stable outlook, by A.M Best which is the highest rating in Bahrain to be awarded to a local direct insurer, reflecting the financial strength of the company to meet its future obligations. GIG Bahrain is a subsidiary of Gulf Insurance Group (GIG) which is the largest insurance Group in Kuwait in terms of written and retained premiums, with operations in life and non-life as well as Takaful insurance. Gulf Insurance has become one of the largest insurance networks in the Middle East and North Africa with companies in Bahrain, Kuwait, Jordan, Egypt, Turkey, Algeria, UAE, KSA, Oman, Qatar, Syria, Iraq and Lebanon.

The Canadian-based Fairfax Financial Holding Ltd is Gulf Insurance Group's Major and largest shareholder.

The full set of financial statements and the press release for the period ended 30th September 2025 are available on the websites of Bahrain Bourse and Boursa Kuwait.