

Press Release

Bahrain Kuwait Insurance Company discloses its Financial Results for the Half Year ended 30th June 2025 showcases BD 2.7 million Net Profit

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 six months ended 30th June 2025.

The financial results for the three months ended 30th June 2025

The consolidated financial results showed a net profit after tax attributable to shareholders of BD 1.089 million, compared to BD 1.258 million for the same period last year, representing a 13% decrease. This variance is due to the first-time implementation of the 15% Domestic Minimum Top-up Tax in Bahrain and Kuwait, which came into effect in January 2025 for multinational companies and was not reflected last year. However, the Company recorded growth of 2% in profit attributable to shareholders before tax. Earnings per share for the quarter reached 7 fils, marking a decrease of 1 fils compared to the same period in 2024. The total comprehensive income attributable to the shareholders increased by 52% and reached BD 1.122 million in Q2-2025 compared to BD 0.736 million in Q2-2024.

The Company reported insurance revenue of BD 27.719 million for the second quarter of the current year, compared to BD 29.317 million in the same period last year. The insurance service result stood at BD 1.076 million in comparison to BD 1.206 million in the same period last year, impacted by an increase in claims and the Company's continued prudent approach to strengthening reserves. Meanwhile, total investment income saw a robust growth of 81%, rising from BD 0.862 million in the second quarter of last year to BD 1.558 million this year.

The financial results for the six months ended 30th June 2025

The consolidated net profit after tax attributable to shareholders stood at BD 2.685 million for the half-year ended 30th June 2025, compared to BD 2.938 million in the corresponding period of 2024, representing a decrease of 8% following the first-time implementation of the new 15% Domestic Minimum Top-up Tax. However, the Company reported a 1.4% increase in profit attributable to shareholders before tax for the current period compared to the same period last year, reflecting continued operational strength. Earnings per share for the period were 18 fils, compared to 20 fils in the same period last year. Meanwhile, total comprehensive income attributable to shareholders increased significantly by 29%, reaching BD 2.892 million versus BD 2.243 million in the prior-year period.

The Company recorded a 5% growth in gross written premiums, reaching BD 56.562 million during the first half of the year, compared to BD 53.695 million in the same period of 2024, reflecting continued business expansion and strong market presence. However, there was a marginal decline of 1.6% in Insurance revenue from BD 56.658 million in last year to BD 55.751 million in current year. The Insurance service results reduced from BD 2.204 million in the First half of last year to BD 2.025 million in the first half of the current year primarily due to an increase in reported claims mainly from the Motor Portfolio. In contrast, total investment income delivered strong growth of 26%, rising to BD 3.142 million from BD 2.495 million in the same period last year.

The total shareholders' equity as at end of June 2025 was BD 43.959 million compared to BD 44.901 million as at end of last year, representing a decrease of 2% mainly due to allocation towards increased shareholders' dividends payouts. The total assets by the end of June 2025 reached BD 186.652 million compared to BD 186.017 million as at end of last year, representing a marginal increase of 0.3%. The net Insurance contract liabilities increased from BD 64.433 million at the end of the last year to BD 67.145 million at the end of the current period.

Board of Directors' Comments

Upon concluding their review of the Company's results and achievements, all members of the Board expressed their satisfaction: "Not only is the Board pleased with the results for the first six months of 2025, but all evidence suggests that, whilst monitoring the key strategic projects, the Company is progressing in a very robust, sound, and prudent manner."

Notably, 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.

Clearly, when aligning both the support and confidence of BKIC customers and business partners along with the conviction and valiant effort of both management and employees, the formula works well. Continuous and consistent success nowadays falls within the norm, and this inevitably pleases the Board on all fronts.

Chief Executive Officer's Comments

BKIC's CEO Dr. Abdulla Sultan stands firm in assessing the 1st half of 2025 consolidated results as satisfactory albeit the significant increase in both Motor claims frequency and severity in 2025, a trend mainly driven by claims inflation. Notwithstanding, the Company has thus far obtained the necessary approvals to implement a stringent plan to ensure enhanced customer service whilst maintaining the overall profitability in the Motor portfolio.

Dr. Sultan commented with great prominence: "The Company is very pleased to announce that its parent GIG Kuwait has obtained an AM Best issuer Credit Rating upgrade to A+." And in conclusion, he also remained resolute and passionate in his words of praise: "On this occasion, I would like to thank all teams at BKIC Bahrain, BKIC Kuwait, and our subsidiary for their unfaltering efforts throughout the first half of 2025. The teams remain determined and consistently continue to demonstrate their outstanding dedication, hard-work, and commitment to the Company."

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 June 2025 are available on the websites of Bahrain Bourse and Boursa Kuwait.

