

Bahrain Kuwait Insurance Company B.S.C.

SUPPLEMENTARY DISCLOSURES TO THE CONSOLIDATED AND COMPANY'S SEPARATE FINANCIAL INFORMATION

At 31 December 2020

COVID-19 pandemic is presenting challenges for many entities throughout the world. The pandemic arrested the growth in business & resulted in pulling down the activities of the Group. However, it is difficult to identify full extent of any financial impact yet. The Group is actively monitoring the COVID-19 situation, and in response to this outbreak, has activated its disaster recovery, business continuity & risk management plan to manage the potential business disruption on its operations and financial performance.

The Central Bank of Bahrain (CBB) announced various measures to combat the effects of COVID-19 to ease liquidity conditions in the economy as well as to assist financial institutions in complying with regulatory requirements.

The Government of Kingdom of Bahrain has announced BD 4.3 billion economic stimulus package to support the country's citizens and private sector and counter the effects of the coronavirus (COVID-19) in these challenging times. The Government paid the salaries of all private sector employees for three months from April 2020 from the unemployment fund, following constitutional procedures and in line with the Social Insurance Law. Also the Government paid individuals' and businesses' Electricity and Water Authority utility bills for six months from April 2020 (capped to electricity bill amount during the same period in 2019).

The overall impact on the financial statements as assessed by the group is as below:

	Net impact on the Group's consolidated income statement BD '000	Net impact on the Group's consolidated financial position BD '000	Net impact on the Group's consolidate d owners' equity BD '000	Net impact on the Company income statement BD '000	Net impact on the Company's financial position BD '000	Net impact on the Company's owners' equity BD '000
Capital Expenditure	-	21	-	-	18	-
Liabilities	-	3	-	-	3	-
Revenue Expenditure	(131)	-	(127)	(109)	-	(109)
Impairment on receivables	(287)	(287)	(59)	(59)	(59)	(59)
Loss of Investment income & provision for Impairments	(758)	(758)	(733)	(621)	(621)	(621)
Loss of Profit on reduction in Gross premium due - to cancelation or halt in specific schemes	(160)	-	(160)	(160)	-	(160)
COVID-19 related claims	(38)	-	(38)	(38)	-	(38)
Rent concessions	15	-	15	15	-	15
Total Impact	(1,359)	(1,021)	(1,102)	(972)	(659)	(972)
Government Grant for Salaries & Electricity charges	433	-	403	267	-	267
Net Impact	(926)	(1,021)	(699)	(705)	(659)	(705)

The above supplementary information is provided to comply with the CBB circular number OG/259/2020 (Reporting of Financial Impact of COVID-19), dated 14th July 2020. This indication should not be considered as an indication of the results of the entire year or relied upon for any other purposes. Since the situation of the COVID-19 is uncertain and is still evolving, the above impact is as of the date of preparation of this information. Circumstances may change which may result in this information to be out-of-date. In addition, this information does not represent the exact full comprehensive assessment of COVID-19 impact on the Group. This information is not subject to a formal review by the external auditors.


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17th February 2021

