

## Press Release

### **The General Assembly of Bahrain Kuwait Insurance approve 15% Cash dividend**

During its Annual General Meeting for the financial year 2018, held at the Company Head office in Seef District, on Monday 25<sup>th</sup> March 2019, Shareholders of Bahrain Kuwait Insurance Company (BSC) approved the Board of Directors' recommendation to distribute a cash dividend of 15% (BD 2,143,847) of the paid up capital, excluding treasury shares, noting that the company doubled its paid-up capital in 2018 through the distribution of 100% bonus shares to increase its paid up capital to BD 14.3 million.

It is worth mentioning that at the end of the year the net profit attributable to the shareholders of the company increased by 22%, from BD 2.6 million in 2017 to BD 3.2 million in 2018. The Return on Equity (ROE) recorded was 8.8% compared to 7.5% in 2017. Earnings per share (EPS) at the end of the year 2018 stood at 22 fils (Paid up capital BD 14.3 million) compared with 36 fils (Paid up Capital BD 7.2 million) in 2017.

Mr. Murad Ali Murad – the Chairman stated in his report that in spite of the kingdom of Bahrain has encountered unexpected economic challenges during the year 2018 including the challenges being faced by the insurance industry, the company has overcome all these challenges professionally & efficiently, and continue to maintain its leading position in the insurance market in the Kingdom of Bahrain.

Mr. Murad also stated that among various developments of insurance activity and also the increase in company's share capital in the local market, during the year 2018, the company was able to increase its stake in Takaful International through subscription to rights issue and by acquiring an additional stake to reach to 81.94%. Since the markets in which we operate are small and limited in scope for organic growth, we believe that strategic investments like merger or acquisition will help us to maximise investment income and cost saving.

Mr. Murad informed that the Board always gives due importance in the implementation of policy & procedures in the company and its subsidiary that would strengthen the corporate governance framework across all activities. Apart from that, a risk management officer was appointed in 2018 who reports to the Board's Audit and Risk Management Committee.

With regard to the credit rating, Mr. Murad stated that the international rating agency A.M. Best has affirmed the credit rating of the company "A- with stable outlook" after reviewing the company's performance in 2018. This rating reflects the company's stability and the ability to meet all its financial obligations.





Mr. Ebrahim Alrayes – the CEO said that the company's technical profits for the year 2018 was good. He indicated that the company achieved underwriting profits of BD 1.9 million during the year 2018, compared to BD 1.2 million last year, recording an increase of 66%. The company also achieved a gross premium revenue of BD 81.6 million, compared to BD 59.5 million in the previous year, recording a significant growth of 37%. The investment net income increased by 26%, from BD 1.6 million in 2017 to BD 2 million in the year 2018.

On the other hand, Mr. Alrayes mentioned that the net claims increased by 31% from BD 18.5 million in 2017 to BD 24.4 million in 2018. Despite this increase, there was no change in loss ratio from previous year which remained at 76.8% at the end of the year. Also, based on the report of the external actuary, additional IBNR provisions amounting to BD 564,000 was made to strengthen the technical reserves which stood at BD 29.5 million compared to BD 26.5 million in the previous year.

In the area of business development, Mr. Alrayes stated that during the year 2018, the company recruited a competent officer in the position of Assistant Chief Executive Officer for Support and Development to implement the state of the art information technology and digital solutions within the company which will contribute to better customer service, increased production and efficiency, apart from cost savings. Mr. Alrayes added that among the most important projects that have been completed during the year 2018 was the launch of the application of "gig go" which is a smart and easy-to-use mobile application that enables customers to buy personal insurance products, renew policies and register their claims online using their mobile phones and other smart devices. Apart from these options, this innovative application has various other useful additional information such as directory of garages, car dealers, travel agencies, airports, Embassies.

Mr. Alrayes also mentioned that in accordance with the requirements of the Central Bank of Bahrain, the company is gradually moving to the Cloud Solution using Amazon web services which will save cost on IT infrastructure, while providing us with *our services on demand* for all our users:-

As for the outlook for the year 2019, Mr. Alrayes hopes that the year 2019 would be better than the year 2018 in terms of increased production and increased control of claims, which would enable the company to achieve the anticipated growth in profits. He added that the company will invest more in the digital transformation of insurance services and operations which will contribute effectively to promote sales and communication with customers.

