

Bahrain Kuwait Insurance Company reports BD 1.72 Million Net Profit for three months ended 31st March 2026, achieving 8% growth After Tax

Manama

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 three months ended 31st March 2026.

The financial results for the three months ended 31st March 2026

The company recorded 8% increase in Net profit attributable to shareholders after tax, reflecting growth in its underlying business performance. The Consolidated net profit attributable to shareholders reached BD 1.719 million, compared to BD 1.596 million for the same period last year. Earnings per share for the first quarter stood at 12 fils, compared to 11 fils for the same period last year. Total comprehensive income attributable to the shareholders of the company reached BD 0.646 million in the first quarter of the current year, compared to BD 1.770 million during the same period last year, a decrease of 64%, primarily due to lower fair value movements on investments compared to the corresponding period of the previous year.

Insurance revenue rose by 5% from BD 28.032 million in the first quarter of last year to BD



BKIC's CEO Dr. Abdulla Sultan

29.349 million in the first quarter of the current year. The insurance service result increased by 8%, from BD 0.949 million to BD 1.024 million. Total investment income grew by 15%, from BD 1.584 million to BD 1.822 million over the same period.

Equity attributable to the Company's shareholders stood at BD 43.378 million as at 31 March 2026, compared to BD 46.471 million at the end of the previous year, representing a 7% decrease, mainly due to the allocation of shareholder dividend payouts. Total assets reached BD 251.784 million, compared to BD 246.573 million at the end of the previous year, reflecting a 2% increase. Net insurance contract liabilities increased from BD 70.297 million at year-end to BD 71.328 million at the end of the current period, representing a 1% increase.

Board of Directors' Comments

Upon concluding their re-



Mr. Murad - Chairman

view of the company's results and achievements, the Board of Directors expressed their satisfaction stating: "The Board is pleased with the results for the first three months of 2026. The Board commended the efforts of the company's management and employees, for their efforts in continuously growing the company.

It is with great pleasure that the Board announces the new logo of BKIC as a refined version of its logo, marking a natural evolution of its visual identity. In a landscape of multiple GIG entities, this new identity empowers you to distinguish BKIC Bahrain and BKIC Kuwait across the Group companies with absolute ease, recognizing the unique strength and individual dedication that BKIC brings to the GIG Group's expansive regional horizon and to better serve our customers.

Largely due to the support and confidence of the BKIC cus-

tomers, business partners and in conjunction with the strong commitment and eager dedication of both management and employees, the results continue to demonstrate both a positive and improving trend which the board is pleased with.

The company is also pleased with the appointment of Mr. Moh'd Al Maraj as General Manager - Bahrain operations as of 1/1/2026, as part of its continuous investment in local talent.

Chief Executive Officer's Comments

Echoing the sentiment of the Board, BKIC's CEO Dr. Abdulla Sultan reiterated that "the company's consolidated results in the 1st quarter of 2026 are surely gratifying. Achieving Insurance revenue and Net Profit growth in the current conditions is a worthy accomplishment. In addition, witnessing improved Net Profits in both BKIC and the Takaful International subsidiary is even more rewarding.

Dr Abdulla commented, during the current geopolitical conditions, the company has been conservative in its reserving especially for Political Violence (PV) impact claims that have been witnessed during the month of March. Efforts are still underway to assess any impact arising from the current geopolitical developments in the region, but the company

has robust reinsurance protection in place with reputable A-rated securities. Prudently, the company has already taken reserves for its net position in expected reported losses as well as conservatively strengthened reserves in Motor & Medical, catering for an inflationary spike post the current market disruptions.

In parallel, Dr. Abdulla Sultan highlighted the Company's proactive response to the unprecedented geopolitical developments during the period. He noted that the Company extended emergency medical coverage support to clients who were outside Bahrain and affected by the situation, reaffirming its commitment to customer care during critical times. Furthermore, in recognition of the dedication and sacrifices of frontline personnel, the Company introduced discounts on insurance products as a gesture of appreciation for their invaluable service to the community.

Moreover, the company will be launching various new technological advancements in its digital channels and instigate its

internal customer engagement tools which are both part of the company's approved strategy "Customer 1st".

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 31st March 2026 are available on the websites of Bahrain Bourse and Boursa Kuwait.



INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF BAHRAIN KUWAIT INSURANCE COMPANY (B.S.C.) FOR THE PERIOD ENDED 31 MARCH 2026



| Interim condensed consolidated statement of financial position (Reviewed) | | Interim condensed consolidated statement of profit or loss (Reviewed) | | Interim condensed consolidated statement of cash flows (Reviewed) | | | | |
|---------------------------------------------------------------------------|--------------------------|-----------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------|------------------------------------------------------------------|----------------|----------------|
| As at 31 March 2026 (in thousands of Bahraini dinars) | | For the period ended 31 March 2026 (in thousands of Bahraini dinars) | | For the period ended 31 March 2026 (in thousands of Bahraini dinars) | | | | |
| | 31 March 2026 (Reviewed) | 31 December 2025 (Audited) | 31 March 2026 (Reviewed) | 31 March 2025 (Reviewed) | 31 March 2026 (Reviewed) | 31 March 2025 (Reviewed) | | |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | 17,826 | 15,448 | Insurance revenue | 29,349 | 28,032 | Profit for the period | 1,770 | 1,646 |
| Bank deposits with original maturity of more than three months | 3,706 | 4,609 | Insurance service expenses | (19,438) | (18,580) | Adjustments for: | | |
| Insurance contract assets | 2,124 | 2,754 | Net expense from reinsurance contracts held | (8,887) | (8,503) | Depreciation & amortization | 177 | 136 |
| Reinsurance contract assets | 119,286 | 114,596 | Insurance service result | 1,024 | 949 | Share of results of an associate | (13) | (12) |
| Other receivables and prepayments | 14,294 | 10,376 | Takaful policyholders' share of profit | (162) | (158) | Investment income | (1,822) | (1,584) |
| Investments at fair value | 83,221 | 87,358 | Insurance service result after Takaful policyholders' share of profit | 862 | 791 | Net insurance & reinsurance finance costs | (99) | 346 |
| Property and equipment | 3,365 | 3,424 | Interest income | 1,023 | 1,033 | Tax Expense | 216 | 114 |
| Investment properties | 1,897 | 1,905 | Investment income - net | 793 | 554 | Changes in operating assets and liabilities: | | |
| Intangible assets | 1,521 | 1,542 | Expected credit loss release/(charge) on investments | 6 | (3) | Insurance contract assets | 630 | (3,287) |
| Right of use asset | 634 | 645 | Total investment income | 1,822 | 1,584 | Reinsurance contract assets | (4,665) | (686) |
| Investment in an associate | 430 | 417 | Less: Tax expense | (216) | (114) | Other receivables and prepayments | 2,621 | (3,456) |
| Statutory deposits | 3,480 | 3,499 | Profit for the period | 1,770 | 1,646 | Insurance contract liabilities | 4,335 | (1,422) |
| | | | Attributable to: | | | Reinsurance contract liabilities | 831 | 5,564 |
| TOTAL ASSETS | 251,784 | 246,573 | Shareholders of the parent | 1,719 | 1,596 | Payables and accrued liabilities | (751) | (805) |
| | | | Non-controlling interests | 51 | 50 | Surplus distribution paid | (2,242) | (4,138) |
| LIABILITIES AND EQUITY | | | Basic and diluted earnings per share | 12 Fils | 11 Fils | Net cash used in operating activities | (2,020) | (3,480) |
| Liabilities | | | | | | INVESTING ACTIVITIES | | |
| Insurance contract liabilities | 186,401 | 182,141 | Share of results of an associate | 13 | 12 | Dividends received | 332 | 247 |
| Reinsurance contract liabilities | 6,337 | 5,506 | Other expense | (478) | (461) | Interest income received | 836 | 749 |
| Payables and accrued liabilities | 11,983 | 8,786 | Other income | 24 | 429 | Other investment income and expenses paid | 204 | (481) |
| Lease liabilities | 642 | 653 | Expected credit loss charge on other financial assets | (356) | (249) | Purchase of investments | (3,049) | (1,287) |
| Insurance contract liabilities - due to Takaful policyholders | 1,186 | 1,294 | Profit for the period before tax | 1,956 | 1,762 | Sale of investments | 5,331 | 833 |
| Tax liabilities | 549 | 332 | Less: Tax expense | (216) | (114) | Additions in investment in a subsidiary | (20) | (709) |
| Total liabilities | 207,098 | 198,673 | Profit for the period | 1,770 | 1,646 | Purchase of property and equipment | (30) | (26) |
| Equity | | | Attributable to: | | | Purchase of intangible assets | (19) | (65) |
| Share capital | 15,000 | 15,000 | Shareholders of the parent | 1,719 | 1,596 | Maturity of bank deposits with maturities more than three months | 4,103 | 5,675 |
| Treasury shares | (871) | (871) | Non-controlling interests | 51 | 50 | Placing of bank deposits with maturities more than three months | (3,200) | (4,379) |
| Share premium | 4,362 | 4,362 | | 1,770 | 1,646 | Statutory deposits | 19 | (123) |
| Statutory reserve | 7,551 | 7,112 | | | | Net cash generated from investing activities | 4,527 | 452 |
| General reserve | 1,358 | 1,358 | | | | FINANCING ACTIVITIES | | |
| Investments fair value reserve | 1,411 | 2,413 | | | | Lease liabilities paid | (58) | (66) |
| Currency translation reserve | (1,312) | (1,241) | | | | Cash used in financing activities | (58) | (66) |
| Retained earnings | 15,879 | 16,338 | | | | NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 2,449 | (3,112) |
| Equity attributable to shareholders of the parent | 43,378 | 46,471 | | | | Cash and cash equivalents at beginning of the period | 15,448 | 15,458 |
| Non-controlling interests | 1,308 | 1,429 | | | | Foreign currency translation adjustments | (711) | (14) |
| Total Equity | 44,686 | 47,900 | | | | CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 17,826 | 12,372 |
| TOTAL LIABILITIES AND EQUITY | 251,784 | 246,573 | | | | | | |

| Interim condensed consolidated statement of comprehensive income (Reviewed) | | Interim condensed consolidated statement of changes in equity (Reviewed) | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------------------------------------------------------|---------------------------------------------------------|-----------------|---------------|-------------------|-----------------|--------------------------------|------------------------------|-------------------|---------------------------------------------------|---------------------------|--------------|---------|
| For the period ended 31 March 2026 (in thousands of Bahraini dinars) | | For the period ended 31 March 2026 (in thousands of Bahraini dinars) | | | | | | | | | | | | |
| | 31 March 2026 (Reviewed) | 31 March 2025 (Reviewed) | Share capital | Treasury shares | Share premium | Statutory reserve | General reserve | Investments fair value reserve | Currency translation reserve | Retained earnings | Equity attributable to shareholders of the parent | Non-controlling interests | Total equity | |
| Profit for the period | 1,770 | 1,646 | | | | | | | | | | | | |
| A. Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods | | | Balance as at 1 January 2026 | 15,000 | (871) | 4,362 | 7,112 | 1,358 | 2,413 | (1,241) | 18,338 | 46,471 | 1,429 | 47,900 |
| Net changes in fair value of investments measured at FVOCI - equity instruments | (298) | (52) | Profit for the period | - | - | - | - | - | - | - | 1,719 | 1,719 | 51 | 1,770 |
| Recycled to retained earnings on disposal of FVOCI equity instruments | 55 | - | Other comprehensive income | - | - | - | - | - | (1,002) | (71) | - | (1,073) | (23) | (1,098) |
| | | | Total comprehensive income | - | - | - | - | - | (1,002) | (71) | 1,719 | 646 | 28 | 674 |
| | | | Effect of disposal of FVOCI equity instruments | - | - | - | - | - | - | - | (55) | (55) | - | (55) |
| | | | Transfer to statutory reserve | - | - | - | 439 | - | - | - | (438) | - | - | 3 |
| | | | Dividend for the year 2025 | - | - | - | - | - | - | - | (3,684) | (3,684) | (149) | (3,833) |
| | | | Balance as at 31 March 2026 | 15,000 | (871) | 4,362 | 7,551 | 1,358 | 1,411 | (1,312) | 15,879 | 43,378 | 1,308 | 44,686 |
| B. Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods | | | Balance at 1 January 2025 | 15,000 | (748) | 4,362 | 6,512 | 1,358 | 1,666 | (1,268) | 18,019 | 44,901 | 2,121 | 47,022 |
| Net changes in fair value of investments measured at FVOCI - debt instruments | (777) | 241 | Profit for the period | - | - | - | - | - | - | - | 1,596 | 1,596 | 50 | 1,646 |
| Net changes in allowance for expected credit losses of investments measured at FVOCI - debt instruments | (6) | 3 | Other comprehensive income | - | - | - | - | - | - | - | 188 | (14) | 3 | 177 |
| Recycled to consolidated statement of profit or loss on disposal of FVOCI debt instruments | 1 | (1) | Total comprehensive income | - | - | - | - | - | - | - | 188 | (14) | 1,596 | 1,770 |
| | | | Effect of changes in ownership interest in subsidiaries | - | - | - | - | - | - | - | - | - | 17 | (725) |
| | | | Transfer to statutory reserve | - | - | - | 458 | - | - | - | - | - | (458) | 17 |
| | | | Dividend for the year 2024 | - | - | - | - | - | - | - | - | - | (3,692) | (3,692) |
| | | | Balance as at 31 March 2025 | 15,000 | (748) | 4,362 | 6,970 | 1,358 | 1,854 | (1,282) | 15,482 | 42,996 | 1,323 | 44,319 |
| Currency translation differences | (1,025) | 191 | | | | | | | | | | | | |
| Other comprehensive (loss) / income for the period | (1,096) | 177 | | | | | | | | | | | | |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | 674 | 1,823 | | | | | | | | | | | | |
| Attributable to: | | | | | | | | | | | | | | |
| Shareholders of the parent | 646 | 1,770 | | | | | | | | | | | | |
| Non-controlling interests | 28 | 53 | | | | | | | | | | | | |
| | 674 | 1,823 | | | | | | | | | | | | |

The above Consolidated Financial Statements have been audited by PricewaterhouseCoopers M.E Limited and approved by the Board of Directors at their meeting held on Wednesday, 6th May 2026.

Murad Ali Murad
Chairman

Dr. Abdurrahman Ali Saif
Director

Dr. Abdulla Sultan
Chief Executive Officer