Bahrain Kuwait Insurance Company Achieved BD 2.9 million Net Profit with 7% Growth for the Six-Month Period Ended 30 June 2026

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 2026.

The financial results for the three months ended 30th June 2026

The consolidated financial results showed a net profit after tax attributable to shareholders of BD 1.154 million, compared to BD 1.089 million for the same period last year, representing a 6% increase. Earnings per share for the quarter reached 8 fils, marking an increase of 1 fils compared to the same period in 2025. The total comprehensive income attributable to the shareholders increased by 4% and reached BD 1.171 million in Q2 2026 compared to BD 1.122 million in Q2 2025.

The Company reported insurance revenue of BD 31.401 million for the second quarter of the current year, compared to BD 27.719 million in the same period last year. The insurance service result stood at BD 0.069 million in comparison to BD 1.076 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 growth of 22%, rising from BD 1.558 million in the second quarter of last year to BD 1.907 million this year.

The financial results for the six months ended 30th June 2026

The consolidated net profit after tax attributable to shareholders stood at BD 2.873 million for the half year ended 30th June 2026, compared to BD 2.685 million in the corresponding period of 2025, representing a increase of 7%. Earnings per share for the period were 19 fils, compared to 18 fils in the same period last year. Meanwhile, total comprehensive income attributable to shareholders decreased by 37%, reaching BD 1.817 million versus BD 2.892 million in the prior-year period primarily due to lower fair value movements on investments compared to last year.

The Company recorded 37% growth in gross written premiums, reaching BD 77.321 million during the first half of the year, compared to BD 56.562 million in the same period of 2025, reflecting continued business expansion and strong market presence. Insurance revenue increased by 9% from BD 55.751 million in last year to BD 60.750 million in current year. The Insurance service results declined from BD 2.025 million in the First half of last year to BD 1.093 million in the first half of the current year primarily due to an increase in reported claims. In contrast, total investment income grew by 19%, rising to BD 3.729 million from BD 3.142 million in the same period last year.

The total shareholders' equity as at end of June 2026 was BD 44.547 million compared to BD 46.471 million as at end of last year, representing a decrease of 4% mainly due to the allocation of shareholder dividend payouts. Total assets reached BD 355.523 million, compared to BD 246.573 million at the end of the previous year, reflecting 44% increase due to increase in Reinsurance claims recoveries. Net insurance contract liabilities increased from BD 70.297 million at year-end to BD 82.834 million at the end of the current period, representing 18% increase.

Murad Ali Murad, Chairman of BKIC

Dr. Abdulla Sultan, BKIC Chief Executive Officer

Board of Directors' Comments

"The Board is collectively pleased with our first-half results for 2026. All evidence shows that, while executing key strategic projects, the Company is progressing in a robust, sound, and prudent manner." The Board also emphasized that the unity between Board members and employees extends beyond corporate governance, noting that all Board members and employees proudly joined the national initiative to sign the pledge of loyalty and allegiance to His Majesty King Hamad bin Isa Al Khalifa, King of the Kingdom of Bahrain.

Notably, the 2026 results reflect the implementation of the Domestic Minimum Top-up Tax on 1 January 2025. Consequently, the Board advises shareholders to evaluate "Pre-Tax Profits" when conducting benchmark comparisons on performance.

Operationally, the Company maintained uninterrupted customer service and met all client demands.

This enduring success is born from a powerful synergy: the unwavering trust of BKIC customers and partners, met by the fierce dedication of our management and staff. When shared confidence unites with such passionate resolve, success ceases to be an effort—it becomes our natural state, fulfilling the highest aspirations of the Board.

Chief Executive Officer's Comments

BKIC Chief Executive Officer, Dr. Abdulla Sultan, emphasized that the first half consolidated results are satisfactory, despite challenges from claims inflation causing an increase in medical claims frequency and severity. Additionally, the Company faced flood-related claims in its Property & Engineering segment from its Kuwait operations, where prudent reserve provisions were maintained. Conversely, strategic measures implemented within the Motor portfolio yielded highly positive results, with further performance improvements anticipated for the remainder of the year.

To maintain a conservative financial posture, the Company boosted its reserve provisioning during the quarter and increased its Expected Credit Losses (ECL) on policyholders.

Dr. Sultan commented: "I extend my sincere gratitude to our exceptional teams at BKIC Bahrain, BKIC Kuwait, and our subsidiary. Throughout the first half of 2026, your unfaltering efforts have been our greatest strength. It is your outstanding dedication, hard work, and shared commitment that drive our vision forward and consistently turn challenges into achievements."

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF BAHRAIN KUWAIT INSURANCE COMPANY (B.S.C.) FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2026

BKIC
الشركة البحرينية الكويتية للتأمين
A GIG Company

Interim condensed consolidated statement of financial position (Reviewed)

As at 30 June 2026 (in thousands of Bahraini dinars)

	30 June 2026 (Reviewed)	31 December 2025 (Audited)
ASSETS		
Cash and cash equivalents	24,765	15,448
Bank deposits with original maturity of more than three months	2,817	4,609
Insurance contract assets	2,984	2,754
Reinsurance contract assets	212,100	114,596
Other receivables and prepayments	12,895	10,376
Investments at fair value	88,551	87,358
Property and equipment	3,511	3,424
Investment properties	1,888	1,905
Intangible assets	1,488	1,542
Right of use assets	593	645
Investment in an associate	456	417
Statutory deposits	3,475	3,499
TOTAL ASSETS	**355,523**	246,573
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities	290,524	182,141
Reinsurance contract liabilities	7,394	5,506
Payables and accrued liabilities	9,130	8,786
Lease liabilities	670	653
Insurance contract liabilities - due to Takaful policyholders	1,375	1,254
Tax liabilities	535	333
Total liabilities	**309,628**	198,673
Equity		
Share capital	15,000	15,000
Treasury shares	(873)	(871)
Share premium	4,362	4,362
Statutory reserve	7,551	7,112
General reserve	1,358	1,358
Investments fair value reserve	1,435	2,413
Currency translation reserve	(1,319)	(1,241)
Retained earnings	17,033	18,338
Equity attributable to shareholders of the parent	**44,547**	46,471
Non-controlling interests	**1,348**	1,429
Total Equity	**45,895**	47,900
TOTAL LIABILITIES AND EQUITY	**355,523**	246,573

Interim condensed consolidated statement of profit or loss (Reviewed)

For the period ended 30 June 2026 (in thousands of Bahraini dinars)

	For the three month period ended		For the six month period ended	
	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
Insurance revenue	31,401	27,719	60,750	55,751
Insurance service expenses	(148,441)	(19,595)	(167,879)	(38,175)
Net income/(expense) from reinsurance contracts held	117,109	(7,048)	108,222	(15,551)
Insurance service result	69	1,076	1,093	2,025
Takaful policyholders' share of loss / (profit)	59	(31)	(103)	(189)
Insurance service result after Takaful policyholders' share of profit	128	1,045	990	1,836
Interest Income	1,023	1,009	2,046	2,042
Investment income - net	1,146	549	1,939	1,103
Expected credit loss charge on investments	(262)	-	(256)	(3)
Total investment income	1,907	1,558	3,729	3,142
Insurance finance expenses for insurance contracts issued	(1,937)	(415)	(1,863)	(1,434)
Reinsurance finance income for reinsurance contracts held	1,479	270	1,504	943
Net insurance and investment result	1,577	2,458	4,360	4,487
Share of results of an associate	25	16	38	28
Other expense	(459)	(457)	(937)	(918)
Other income / (expense)	116	(396)	140	33
Expected credit loss charge on financial assets	(8)	(320)	(364)	(569)
Profit for the period before tax	1,251	1,301	3,237	3,061
Less: Tax expense	(60)	(191)	(276)	(305)
Profit for the period	1,191	1,110	2,961	2,756
Attributable to:				
Shareholders of the parent	1,154	1,089	2,873	2,685
Non-controlling interests	37	21	88	71
	1,191	1,110	2,961	2,756
Basic and diluted earnings per share	8 Fils	7 Fils	19 Fils	18 Fils

Interim condensed consolidated statement of cash flows (Reviewed)

For the period ended 30 June 2026 (in thousands of Bahraini dinars)

	30 June 2026 (Reviewed)	30 June 2025 (Reviewed)
OPERATING ACTIVITIES		
Profit for the period	2.961	2,756
Adjustments for:		
Depreciation & amortization	333	275
Share of results of an associate	(38)	(28)
Investment income	(3,729)	(3,142)
Net insurance & reinsurance finance costs	359	491
Tax expense	276	305
Changes in operating assets and liabilities:		
Insurance contract assets	(229)	(4,339)
Reinsurance contract assets	(96,001)	6,769
Other receivables and prepayments	(1,251)	(3,860)
Insurance contract liabilities	106.520	(6,302)
Reinsurance contract liabilities	1.888	6,095
Payables and accrued liabilities	(782)	421
	10,307	(559)
Surplus distribution paid	(7)	-
Income taxes paid	(74)	-
Net cash generated from / (used in) operating activities	**10,226**	**(559)**
INVESTING ACTIVITIES		
Dividends received	1,222	1,102
Interest income received	2,118	2,069
Other investment income and expenses paid	38	(1,037)
Purchase of investments	(8.035)	(3,470)
Sale of investments	6.232	1,788
Additions in investment in a subsidiary	-	(708)
Purchase of property and equipment	(242)	(100)
Purchase of intangible assets	(29)	(85)
Maturity of bank deposits with maturities more than three months	4,609	7,890
Placing of bank deposits with maturities more than three months	(2,817)	(4,196)
Statutory deposits	24	(153)
Net cash generated from investing activities	**3,120**	3,100
FINANCING ACTIVITIES		
Dividends paid	(3.833)	(3,818)
Purchase of treasury shares	(2)	(19)
Lease liabilities paid	(116)	(97)
Cash used in financing activities	**(3,951)**	(3,934)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**9,395**	(1,393)
Cash and Cash equivalents at beginning of the period	15,448	15,498
Foreign currency translation adjustments	(78)	109
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**24,765**	14,214

Interim condensed consolidated statement of comprehensive income (Reviewed)

For the period ended 30 June 2026 (in thousands of Bahraini dinars)

	For the three month period ended		For the six month period ended	
	30 June 2026 (Reviewed)	*30 June 2025 (Reviewed)*	*30 June 2026 (Reviewed)*	*30 June 2025 (Reviewed)*
Profit for the period	1,191	1,110	2,961	2,756
A. Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods				
Net changes in fair value of investments measured *at FVOCI - equity instruments*	(248)	(275)	(546)	(327)
Recycled to retained earnings *on disposal of FVOCI equity instruments*	-	159	55	159
B. Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods				
Net changes in fair value of investments measured at FVOCI - debt instruments	14	21	(763)	262
Net changes in allowance for expected credit losses of investments measured at FVOCI - debt instruments	262	-	256	3
Recycled to interim condensed consolidated statement of profit or loss on disposal of FVOCI debt instruments	(1)	1	-	-
	27	(94)	(998)	97
Currency translation differences	(7)	123	(78)	109
Other comprehensive income / (loss) for the period	20	29	(1,076)	206
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,211	1,139	1,885	2,962
Attributable to:				
Shareholders of the parent	1,171	1,122	1,817	2,892
Non-controlling interests	40	17	68	70
	1,211	1,139	1,885	2,962

Interim condensed consolidated statement of changes in equity (Reviewed)

For the period ended 30 June 2026 (in thousands of Bahraini dinars)

	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*
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
Profit for the period	-	-	-	-	-	-	-	2,873	2,873	88	2,961
Other comprehensive loss	-	-	-	-	-	(978)	(78)	-	(1,056)	(20)	(1,076)
Total comprehensive (loss) / income	-	-	-	-	-	(978)	(78)	2,873	1,817	68	1,885
Purchase of treasury shares	-	(2)	-	-	-	-	-		(2)		(2)
Effect of disposal of FVOCI equity instruments	-	-	-	-	-	-		(55)	(55)	-	(55)
Transfer to statutory reserve	-	-	-	439	-	-	-	(439)	-	-	-
Dividend for the year 2025	-	-	-	-	-	-	-	(3,684)	(3,684)	(149)	(3,833)
Balance as at 30 June 2026	**15,000**	**(873)**	**4,362**	**7,551**	**1,358**	**1,435**	**(1,319)**	**17,033**	**44,547**	**1,348**	**45,895**
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
Profit for the period	-	-	-	-	-	-	-	2,685	2,685	71	2,756
Other comprehensive income / (loss)	-	-	-	-	-	98	109	-	207	(1)	206
Total comprehensive income	-	-	-	-	-	98	109	2,685	2,892	70	2,962
Effect of changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	17	17	(725)	(708)
Effect of disposal of FVOCI equity instruments								(159)	(159)	-	(159)
Purchase of minority interest shares	-	-	-	-	-	-	-	-	-	(19)	(19)
Transfer to statutory reserve	-	-	-	458	-	-	-	(458)	-	-	-
Dividend for the year 2024	-	-	-	-	-	-	-	(3,692)	(3,692)	(126)	(3,818)
Balance as at 30 June 2025	15,000	(748)	4,362	6,970	1,358	1,764	(1,159)	16,412	43,959	1,321	45,280

The above Consolidated Financial Statements have been reviewed by PricewaterhouseCoopers M.E Limited and approved by the Board of Directors at their meeting held on Monday, 10 August 2026.

Murad Ali Murad
Chairman

Dr. Abdulrahman Ali Saif
Director

Dr. Abdulla Sultan
Chief Executive Officer

Bahrain Kuwait Insurance (BSC) is Licensed by the Central Bank of Bahrain as a General Insurance Company

www.bkic.com