

Bahrain Kuwait Insurance Company discloses financial results for half year ended 30th June 2025 showcases BD 2.7 million net profit

Recorded a 5% growth in gross written premiums, reaching BD 56.562 million

● Second quarter net profit after tax attributable to shareholders was BD 1.089 million

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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.

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



BKIC's CEO Dr. Abdulla Sultan



Mr. Murad Ali Murad - Chairman

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. Mean-

while, 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.

Six months

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

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 mar-

ketplace.

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.”

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION OF BAHRAIN KUWAIT INSURANCE COMPANY (B.S.C.) FOR THE PERIOD ENDED 30 JUNE 2025



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 30 June 2025 (in thousands of Bahraini dinars)			For the period ended 30 June 2025 (in thousands of Bahraini dinars)				For the period ended 30 June 2025 (in thousands of Bahraini dinars)		
	30 June 2025 (Reviewed)	31 December 2024 (Audited)	For the three month period ended		For the six month period ended			30 June 2025 (Reviewed)	30 June 2024 (Reviewed)
			30 June 2025 (Reviewed)	30 June 2024 (Reviewed)	30 June 2025 (Reviewed)	30 June 2024 (Reviewed)			
ASSETS							OPERATING ACTIVITIES		
Cash and cash equivalents	14,214	15,498	Insurance revenue	27,719	29,317	55,751	Profit for the period	2,756	3,038
Bank deposits with original maturity of more than three months	4,196	7,891	Insurance service expenses	(19,595)	(25,582)	(38,175)	Adjustments for:		
Insurance contract assets	4,803	454	Net expense from reinsurance contracts held	(7,048)	(2,529)	(15,551)	Depreciation & amortization	275	243
Reinsurance contract assets	58,557	64,382	Insurance service result	1,076	1,206	2,025	Share of results of an associate	(28)	(29)
Other receivables and prepayments	12,944	9,330	Takaful policyholders' share of profit	(31)	(50)	(189)	Investment income	(3,142)	(2,495)
Investments at fair value	80,205	77,282	Insurance service result after Takaful policyholders' share of profit	1,045	1,156	1,836	Net insurance & reinsurance finance costs	491	621
Property and equipment	3,550	3,679					Changes in operating assets and liabilities:		
Investment properties	1,923	1,940					Insurance contract assets	(4,339)	(394)
Intangible assets	1,590	1,566					Reinsurance contract assets	6,769	(10,401)
Right of use asset	712	207					Other receivables and prepayments	(3,860)	(3,635)
Investment in an associate	441	413					Insurance contract liabilities	(6,302)	9,966
Statutory deposits	3,517	3,365					Reinsurance contract liabilities	6,095	1,841
							Payables and accrued liabilities	726	(175)
TOTAL ASSETS	186,652	186,017					Net cash used in operating activities	(559)	(1,420)
							INVESTING ACTIVITIES		
LIABILITIES AND EQUITY							Dividends received	1,102	791
							Interest income received	2,069	2,083
Liabilities							Other investment income and expenses paid	(1,037)	(511)
Insurance contract liabilities	121,963	126,632					Purchase of investments	(3,470)	(6,771)
Reinsurance contract liabilities	8,542	2,447					Sale of investments	1,788	2,791
Payables and accrued liabilities	8,745	8,434					Additions in investment in a subsidiary	(708)	-
Lease liabilities	718	217					Dividends received from an associate	-	45
Insurance contract liabilities - due to Takaful policyholders	1,404	1,065					Purchase of property and equipment	(100)	(166)
Total liabilities	141,772	138,995					Purchase of intangible assets	(85)	(29)
							Maturity of bank deposits with maturities more than three months	7,890	10,338
Equity							Placing of bank deposits with maturities more than three months	(4,196)	(9,852)
Share capital	15,000	15,000					Statutory deposits	(153)	(12)
Treasury shares	(748)	(748)					Net cash generated from/used in investing activities	3,100	(793)
Share premium	4,362	4,362					FINANCING ACTIVITIES		
Statutory reserve	6,570	6,512					Dividends paid	(3,818)	(3,806)
General reserve	1,358	1,358					Purchase of treasury shares	(19)	(475)
Investments fair value reserve	1,764	1,666					Lease liabilities	(97)	(112)
Currency translation reserve	(1,159)	(1,268)					Cash used in financing activities	(3,934)	(4,398)
Retained earnings	16,412	18,019					NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,393)	(6,600)
Equity attributable to shareholders of the parent	43,959	44,901							
Non-controlling interests	1,321	2,121							
Total Equity	45,280	47,022							
TOTAL LIABILITIES AND EQUITY	186,652	186,017							

Interim condensed consolidated statement of comprehensive income (Reviewed)				Interim condensed consolidated statement of changes in equity (Reviewed)												
For the period ended 30 June 2025 (in thousands of Bahraini dinars)				For the period ended 30 June 2025 (in thousands of Bahraini dinars)												
For the three month period ended		For the six month period ended														
30 June 2025 (Reviewed)	30 June 2024 (Reviewed)	30 June 2025 (Reviewed)	30 June 2024 (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				1,110	1,287	2,756	3,038									
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	(275)	(395)	(327)	(354)	Balance as 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	(11)	206
					Total comprehensive income	-	-	-	-	-	98	109	2,685	2,892	70	2,962
Recycled to retained earnings on disposal of FVOCI equity instruments	159	-	159	-	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)
Net changes in fair value of investments measured at FVOCI - debt instruments	21	(187)	262	(429)	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
					Balance at 1 January 2024	15,000	(273)	4,362	5,922	1,358	1,985	(1,256)	17,131	44,229	2,013	46,242
Net changes in allowance for expected credit losses of investments measured at FVOCI - debt instruments	-	2	3	10	Profit for the period	-	-	-	-	-	-	-	2,938	2,938	100	3,038
					Other comprehensive loss	-	-	-	-	-	(749)	54	-	695	(24)	(719)
					Total comprehensive (loss) / income	-	-	-	-	-	(749)	54	2,938	(24)	76	2,319
Recycled to interim condensed consolidated statement of profit or loss on disposal of FVOCI debt instruments	1	-	-	-	Purchase of treasury shares	-	(475)	-	-	-	-	-	-	(475)	-	(475)
					Transfer to statutory reserve	-	-	-	456	-	-	-	(456)	-	-	-
					Dividend for the year 2023	-	-	-	-	-	-	-	(3,692)	(3,692)	(114)	(3,806)
Other comprehensive income / (loss) for the period	29	(535)	206	(719)	Balance as at 30 June 2024	15,000	(748)	4,362	6,378	1,358	1,236	(1,202)	15,921	42,305	1,975	44,280
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,139	752	2,962	2,319												
Attributable to:																
Shareholders of the parent	1,122	736	2,892	2,243												
Non-controlling interests	17	16	70	76												
	1,139	752	2,962	2,319												

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 Tuesday, 12th August 2025.

Murad Ali Murad
Chairman

Hassan Mohamed Zainalabedin
Director

Dr. Abdulla Sultan
Chief Executive Officer