

Press Release

The General Assembly of Bahrain Kuwait Insurance approve 15% Cash dividend and 4.89% Bonus shares

During its Annual General Meeting for the financial year 2020 held virtually via video conferencing on Monday 29th March 2021 at 10:30 am, with a quorum of 86.81%, Shareholders of Bahrain Kuwait Insurance Company (BSC) approved the Board of Directors' recommendation to distribute a cash dividend of 15% equivalent to 15 fils per share amounting to BD 2,136,140 (excluding the treasury shares). The General Assembly also approved the rest of agenda items of this meeting. Also, the General Assembly approved to distribute Bonus shares of 4.89% of paid-up capital. This will increase the company's paid-up capital to BD 15,000,000.

Mr. Murad Ali Murad – the Chairman stated in his report effects of the Covid-19 pandemic and the unprecedented impact it had on the whole world since nearly the beginning of the year and which it will continue to have for the foreseeable future on all industries, including insurance, until the world discovers a permanent solution. He also added that the Board and Management of BKIC have the unwavering commitment to the objective of guiding and overseeing the creation of long-term value through implementing sound business strategies. More importantly, the center of the Company's endeavors at all times revolves around how to best serve all our esteemed customers.

Mr. Murad Ali Murad mentioned that Despite the highly unusual market environment during the major part of the year, BKIC achieved a net profit attributable to the shareholders of BD 3.8 million, compared to BD 2.7 million in 2019, representing an increase of 41%. This coincided with a -13% reduction in subsidiary share of the profit attributable to BKIC shareholders (excluding profit on sale of building). The Earnings per share was 27 fils compared to 19 fils in the previous year. The total comprehensive income attributable to shareholder's increased by 13.2% to reach BD 4.29 million in 2020 compared to BD 3.79 million in 2019. The company has also reported an increase in shareholders equity which grew by 5.5% to BD 39.6 million compared to BD 37.5 million as at the end of the previous year.

The rationale behind the increase in the company's profits compared to the year before are the following factors:

- 57% increase in underwriting profit
- Reduction in the Loss Ratio from 73.6% to 68.8%
- Reduction in motor claims during the second quarter of the year

Mr. Murad indicated the top priority initiatives discussed at the review session of the 2020-2022 strategy were the topics of digital transformation and insure-tech. Alongside the need for a more efficient customer service, these have climbed to the top of the list of priorities especially because of the pandemic.



He added that throughout 2020, the Board Risk Management Committee adhered to the needs of the Company's added new risk policies and procedures reflecting our special attention to accommodate for the circumstances under Covid-19 and to properly engage within the scope of enterprise risks affiliated with the socio-economic challenges.

Lastly, Mr. Murad mentioned 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 and the subsidiary's performance in 2020. This rating reflects the company's stability and the ability to meet all its financial obligations.

Dr. Abdulla Sultan – the CEO said that despite the adverse effects of the prolific two-fold economic crisis emanating from the oil prices and Covid-19 and despite the immense challenges in place, BKIC in line with the key financial objectives reaffirmed its leadership position in the local market and enhanced the strong presence in Kuwait.

As for the financial results, the company achieved a Gross Written Premium of BD 85.43 million, compared to BD 81.66 million in the previous year, recording a growth of 5%. The Underwriting profits increased by 57% to BD 3.48 million in 2020, compared to BD 2.22 million in 2019 due to the management's prudent underwriting philosophy and a sensible investment regime comprised a formula for success and a positive development.

On the other hand, Dr. Sultan said that during the year, the company had also acquired a 13.5% stake in Health 360, a large Third-Party Administrator in Bahrain. This entity is now owned by the major national insurance companies in the Bahraini-market and is well positioned for future growth.

Dr. Sultan also added that the company gives great importance to the development within the company, including thorough training of our team. Also, the management is currently focusing on the career development of the qualified young staff as well as empowering women to assume supervisory and leadership positions in the company in line with the company and group strategy.

As for the future outlook, Mr. Sultan said, whether it would be the implementation of new digital distribution channels, new joint ventures/acquisitions and strategic investments, or increasing the overall volume of business, all represent the constructs of the attitude and the driving forces behind improving BKIC's financial acumen, strengthening the company's BCAR, solidifying its pioneer approach, and maximizing shareholder value for the foreseeable future.