

Press Release

BKIC discloses its Financial Results for the Half Year ended 30th June 2021

Bahrain Kuwait Insurance Company B.S.C. (trading code in Bahrain Bourse “BKIC.BH” and in Boursa Kuwait “BKIKWT”) has announced its consolidated financial results for the half year ended 30th June 2021.

The consolidated financial results for the three months ended 30 June 2021 presented a net profit attributable to the shareholders of BD 1.485 million compared to BD 1.448 million of the same period last year, representing an increase of 3%. Earnings per share during the 2nd quarter of current year were 10 fils same as of in the 2nd quarter of last year. The total comprehensive income attributable to the shareholders reached BD 1.783 million in Q2-2021 compared to BD 2.955 million in Q2-2020, registering a decrease of 40% as fair value of available for sale investments which had a significant recovery in Q2-2020 post impact of COVID-19 market reaction. The company achieved 19.4% growth in gross premium revenue from BD 17.044 million in the 2nd quarter of last year to BD 20.302 million in the 2nd quarter of current year. The underwriting profits increased by 47%, from BD 1.141 million in the 2nd quarter of last year to BD 1.677 million in the 2nd quarter of current year. The net investment income decreased by 78%, from BD 0.589 million in the 2nd quarter of last year to BD 0.128 million in the 2nd quarter of current year.

The consolidated financial results for the half year period ended 30th June 2021 presented a net profit attributable to the shareholders of BD 2.435 million, compared to BD 2.302 million of the same period last year, representing an increase of 6%. Earnings per share were 16 fils during the current period compared to 15 fils of the same period last year. The total comprehensive income attributable to the shareholders was BD 2.822 million compared to BD 1.968 million for the same period last year, registering an increase of 43%. The company achieved 18% growth in gross premium revenue of BD 44.927 million during the first half of this year, compared to BD 38.019 million in the first half of last year. The underwriting profits increased by 42%, from BD 1.732 million in the first half of last year to BD 2.461 million in the first half of this year. The net investment income decreased by 41%, from BD 1.173 million in the first half of last year to BD 0.691 million in the first half of this year as the company did not sell investments in the current year, to book any profit on sale.

The increase in the net profit for the half year ended 30th June 2021 in comparison to the same period last year mainly relates to the significant improvement in company’s core underwriting business.

The total shareholders’ equity as end of June 2021 is BD 40.293 million compared to BD 39.607 million as end of last year, representing an increase of 2%. The total assets by the end of June 2021 reached BD 228.278 million compared to BD 239.523 million as end of last year, representing a decrease of 5%. The net technical reserves increased from BD 36.001 million at the end of the previous year to BD 41.290 million at the end of the current period.



Commenting on the company's results, the Board of Directors expressed their satisfaction stating, "The Board is pleased to announce the positive results for the first half of 2021 despite the continuing effect of the Global Pandemic on our economy leading to reduction in activities both locally and globally. The Board is pleased with the Management's conservative approach in increasing the company's technical reserves, which will allow the company to surf the waves of future uncertainties from the impact of Covid-19 on the economy."

Also commenting on the results, Dr. Abdulla Sultan, BKIC's Chief Executive Officer said, "The company's consolidated results at the end of the first half of this year were encouraging even compared to the performance in the first half of last year. The company continues to become even more conservative in its provisioning, preparing for the evolution into IFRS 9 & 17 parallel run in 2022."

He added "The company is well aligned with its 2021 plans and the 2 main pillars that have had evident progress during the first half of 2021 are the Digital Transformation strategy as well as the Sustainability implementation project. Also, the company has launched its First Graduate Development intensive program and has selected 3 outstanding Bahraini women who have successfully completed a comprehensive selection process. The chosen candidates were selected out of more than 200+ applicants as the best fit for the company's future vision. BKIC continues to safeguard and develop stakeholders' interests and will keep innovating as the local market leaders."

It is worth mentioning that Bahrain Kuwait Insurance Company (BKIC) is the lead insurance company in the Bahraini market rated 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. BKIC 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, Saudi Arabia, Jordan, Egypt, United Arab Emirates, Algeria, Lebanon, Syria, Iraq, and Turkey.

KIPCO – Kuwait Projects Company – is Gulf Insurance Group's largest shareholder, followed by the Canadian-based Fairfax Financial Holding Ltd.

The full set of financial statements and the press release for the period are available on the websites of Bahrain Bourse and Boursa Kuwait.

