

Press release

BKIC discloses its financial results for the nine months period ended 30th September 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 nine months period ended 30th September 2021.

The consolidated financial results for the three months ended 30 September 2021 presented a net profit attributable to the shareholders of BD 0.813 million compared to BD 0.778 million of the same period last year, representing an increase of 4.5%.

Earnings per share remained at 5 fils. The total comprehensive income attributable to the shareholders reached BD 0.262 million in Q3-2021 compared to BD 0.991 million in Q3-2020, registering a decrease of 74% due to reduction in fair value of AFS investments.

Gross premium revenue marginally decreased by 0.4% to BD 18.084 million in 3rd quarter of this year from BD 18.157 million in the same period last year. The underwriting profits reduced by 33%, from BD 0.838 million in the 3rd quarter of last year to BD 0.563 million in the 3rd quarter of current year due to strengthening of reserves. The net investment income increased by 45%, from BD 0.515 million in the 3rd quarter of last year to BD 0.744 million in the 3rd quarter of current year.

The consolidated financial results for the nine months period ended 30th September 2021 presented a net profit attributable to the shareholders of BD 3.248 million, compared to BD 3.080 million of the same period last year, representing an increase of 5.5%. Earnings per share were 22 fils this year compared to 21 fils same period last year. The total comprehensive income attributable to the shareholders was BD 3.084 million compared to BD 2.959 million for the same period last year, registering an increase of 4.2%.

The company achieved 12% growth in gross premium revenue of BD 63.011 million for 9 months this year, compared to BD 56.176 million for the same period last year. The underwriting profits increased by 18%, from BD 2.570 million for 9 months of last year to BD 3.024 million this year same period. The net investment income decreased by 15%, from BD 1.688 million for the nine months of last year to BD 1.435 million in first nine months of this year due to no large redemption activities of investment equities as opposed to the previous year.

The increase in the net profit for the 3 quarters ended 30th September 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 September 2021 is BD 40.555 million compared to BD 39.607 million as end of last year, representing a increase of 2.4%. The total assets by the end of September 2021 reached BD 222.463 million compared to BD 239.523 million as end of last year, representing a decrease of 7%, mainly due to reduction in receivables. The net technical reserves rose from BD 36.001 million at the end of the previous year to BD 41.830 million at the end of the current period.



Commenting on the company's results, the Board of Directors reaffirmed their satisfaction by stating: "The Board is pleased to announce the positive results for the first three quarters of 2021. While recognizing Bahrain's success story in overcoming the malevolent threats of the pandemic wave, we are pleased to distinguish a new milestone ahead marking life returning to a sense of normalcy. Therefore, we at the Board are confident and uphold the strong belief that the company has adapted fittingly and is adequately positioned to achieve all targets for 2021.

BKIC's CEO, Dr. Abdulla Sultan, shared the sentiment of the Board and affirmed that the company's consolidated results at the end of the third quarter are encouraging even in comparison to the performance of the same period for 2020 when the circumstances revolving around the business encompassed a larger benefit from lower claims during an unprecedented pandemic shock.

One of the ramifications surrounding Covid-19, in conjunction with the Bahrain 2030 vision, has significantly affected the BKIC transformation project whereas not only has it been determined to actively promote the digital channels, but to also reduce the number of company branches. In this manner, Dr. Sultan highlighted the twofold impact – ensuring smaller more dedicated and effective means of operation as well as adopting a new fresher look and feel at prime contemporary locations.

Additionally, Dr. Sultan emphasized the importance of the Management's preparation of comprehensive 2022 budget plans with all branches and the subsidiary in order to secure the same or better trends in performance for the future months and years ahead.

Lastly, the CEO added that this occasion is as good as any to also accentuate AM Best's reaffirmation of BKIC's A- (Excellent) credit rating with a stable outlook. In his own words, Dr. Sultan concluded: "At BKIC, not only do we continuously safeguard and develop stakeholders' interests, but we strive to persevere and overcome any newly manifested challenges. In doing so, we showcase our dedication to our customer base and further enhance our stance as innovators at the local market and pioneers in our field of expertise."

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 ended 30th September 2021 are available on the websites of Bahrain Bourse and Boursa Kuwait.