



BADRI

# Kuwait



## Listed Insurance Industry Performance Analysis – Q3 2025



December 24th, 2025



A silhouette of a person standing on a mountain peak with arms outstretched, looking at a vast, misty mountain range under a cloudy sky.

**Vision.** Solution architects strengthening our partners to optimize performance.

**Mission.** We help our clients be the best version of themselves by fostering partnerships, challenging norms and providing cutting edge solutions. We inspire our people to constantly evolve and chase excellence with integrity in a diverse, exciting and growth-oriented culture.

**01.** Integrity →

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**02.** Chasing Excellence →

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**03.** Fostering Partnerships →

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**04.** Breeding Excitement →

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**05.** Growth-Centric →

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# Core Values



InsuretekME

# Awards & Achievements

Award winning strategic partner to the insurance industry with 200+ talented staff in UAE, KSA, Pakistan, Egypt and UK drive innovation and provide cutting edge solutions to our business partners across the globe. We strive to ensure that we provide the best quality solutions, turning our experience and industry knowledge into value for our clients.

# Our Awards

1. Strategic Partner to the Industry 2025, 2024, 2023, 2022, 2021 & 2020 by MIIA.
2. Best Actuarial/Risk Consultancy Firm of 2025, 2023, 2018 & 2016 by MENAIR.
3. Corporate Risk Manager of 2023 & Best Actuarial Firm of 2024 & 2025 by InsureTek.
4. Employer Spotlight Societal Purpose Award of 2024 by SOA.
5. Best Internship Program (Silver) Award by Employee Happiness Awards.
6. Best Digital & Social Media Initiative (Silver) Award by Customer Happiness Awards.





# About BADRI



BADRI over the years has emerged to be a global consulting company that provides diverse sets of services to clients across Middle East and other regions.

We are proudly standing with **200+** employee base that are spread across UAE, KSA, Pakistan, Egypt and UK. They certainly drive innovation and provide cutting edge solutions to our business partners across the globe. We strive to ensure that we provide the best quality solutions, turning our experience and industry knowledge into value for our clients.

We specialize in all range of actuarial services and have also been able to integrate to provide services in other segments including Financial Services, Strategic HR consulting, Data Management and Business Intelligence to our clients.

# What can we do for you?

## ACTUARIAL CONSULTANCY

- General Insurance, Life and Health, Pensions and Social Security
- Regulatory / Appointed Actuary
- Reserving, Technical Pricing, Capital Modelling
- Investment and ALM
- Reinsurance Modelling / Optimization
- Financial reporting including IFRS 17 and IFRS 9

## STRATEGIC CONSULTANCY

- Strategy and Business Plan development
- Digitalization Strategy
- M&A (due diligence)
- Market and Product development and innovation
- Enterprise Risk Management
- ESG and Climate Risk
- Financial Services
- HR Strategy

## TECHNOLOGY CONSULTANCY

- Actuarial Software for pricing, reserving and capital modelling
- IFRS 17 financial reporting software and managed services
- Business Intelligence software
- Motor and medical portfolio management / dashboards
- Data Strategy and Governance



# What can we do for you?

## IFRS 17 IMPLEMENTATION PARTNER

BADRI provides a seamless and supportive environment for your IFRS 17 financial reporting needs.

-  ACE 17 Financial Reporting System
-  Dedicated IFRS 17 team – 17 Individuals
-  Extensive experience of IFRS 17 – Across 8 locations
-  Financial Services Team – 15 Individuals

## FINANCIAL SERVICES – OPTIMIZE YOUR FINANCIAL PRECISION

Elevate your operations with a specialized suite of sub services from our Financial Services team – designed to ensure accuracy, efficiency, and strategic financial insight.

### Accounting Services – We Offer:

-  Account Reconciliation Services
-  Fixed Assets Verification and Reconciliation
-  Preparing Position Papers for Accounting Matters
-  Account Receivable & Payable Cleaning Up
-  Virtual CFO Services
-  Backlog Accounting



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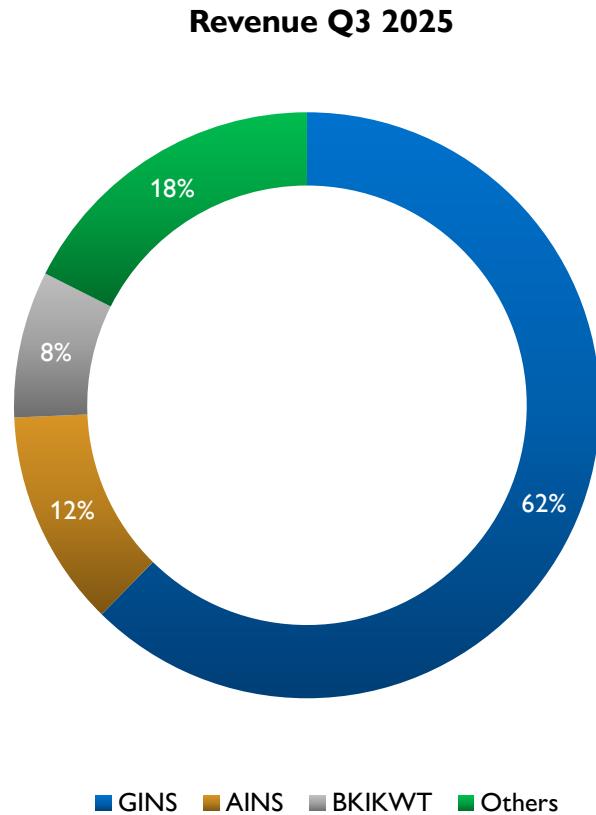
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# Q3 2025 Highlights



## Insurance Revenue

Q3 2025: **KD 866 million**

Q3 2024: KD 999 million

Growth: -13%

## Insurance Service Results

Q3 2025: **KD 60 million**

Q3 2024: KD 63 million

Growth: -6%

## Profit After Zakat

Q3 2025: **KD 68 million**

Q3 2024: KD 69 million

Growth: -1%

## Investment Income

Q3 2025: **KD 80 million**

Q3 2024: KD 72 million

Growth: 11%





# Revenue



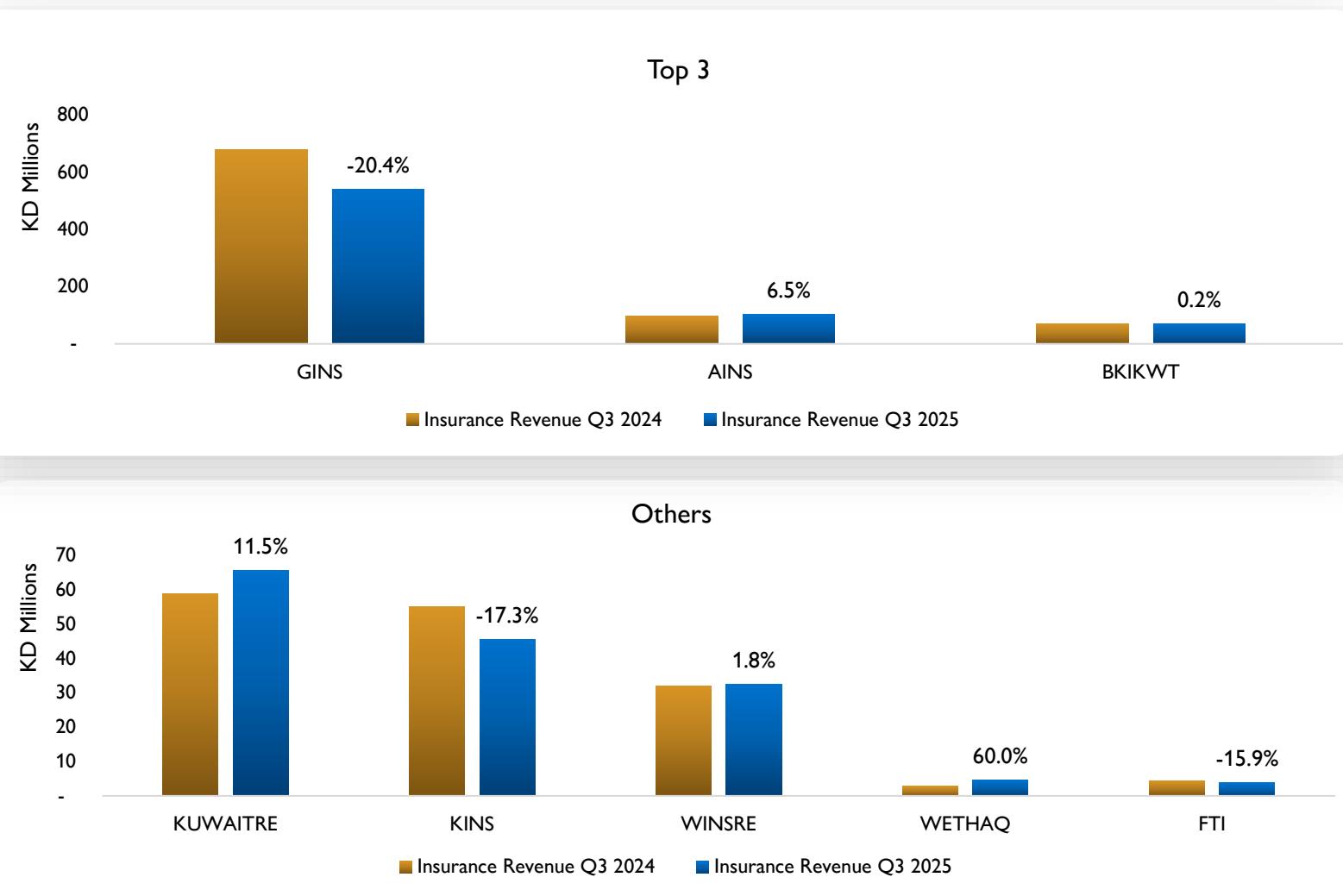
# Insurance Revenue

In Q3-2025, the eight listed insurers generated a combined insurance revenue of KD 866 million, reflecting a noticeable 13% contraction compared to KD 999 million in the same period last year. Despite the sector-wide pullback, GINS remained the dominant contributor, accounting for 62% of total revenue at KD 540 million. However, this also represented a 20% decline from its Q3 2024 level of KD 679 million, highlighting the pressure on the segment's largest player.

On the positive side of the performance spectrum, WETHAQ delivered the strongest year-on-year percentage uplift, expanding its revenue base by 60% to KD 5 million from KD 3 million. Meanwhile, KUWAITRE recorded the largest absolute improvement, adding KD 7 million to its top line.

BKIKWT reported their figures in Bahraini Dinar, which we have converted to Kuwaiti Dinar for consistency in this report.

1 Bahraini Dinar = 0.8145 Kuwaiti Dinar

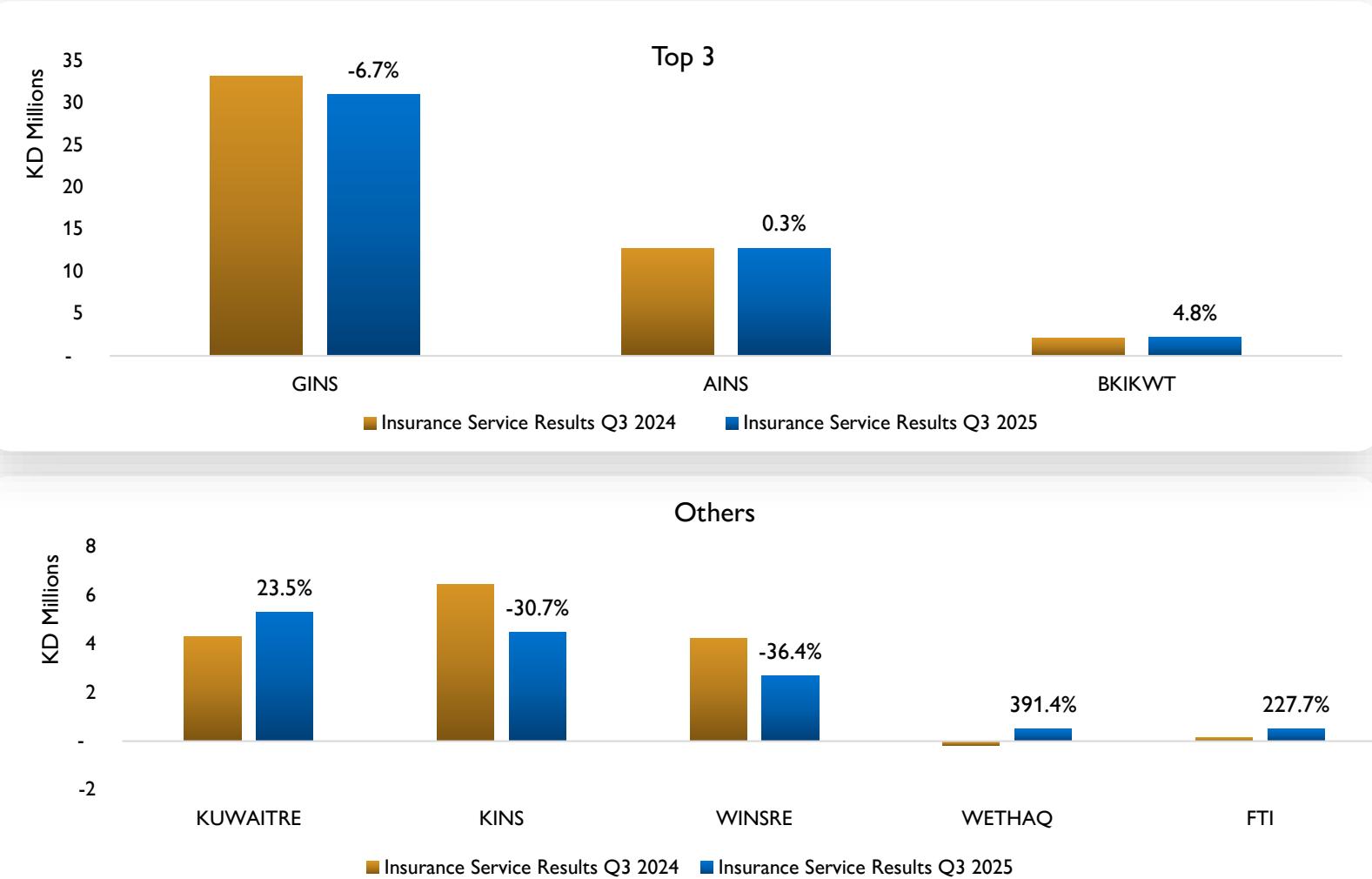


# Insurance Service Results

In Q3-2025, the eight listed insurers posted a collective 6% decline in their insurance service result, easing from KD 63 million last year to KD 60 million in Q3 2025. Despite the overall moderation, performance varied widely across the market.

WETHAQ stood out as the strongest performer, delivering an extraordinary 391% year-on-year surge, signaling a sharp improvement in its technical profitability. Among the larger players, KUWAITRE contributed the highest absolute uplift of KD 1 million, whereas WINSRE registered the sharpest setback, with a 36% contraction.

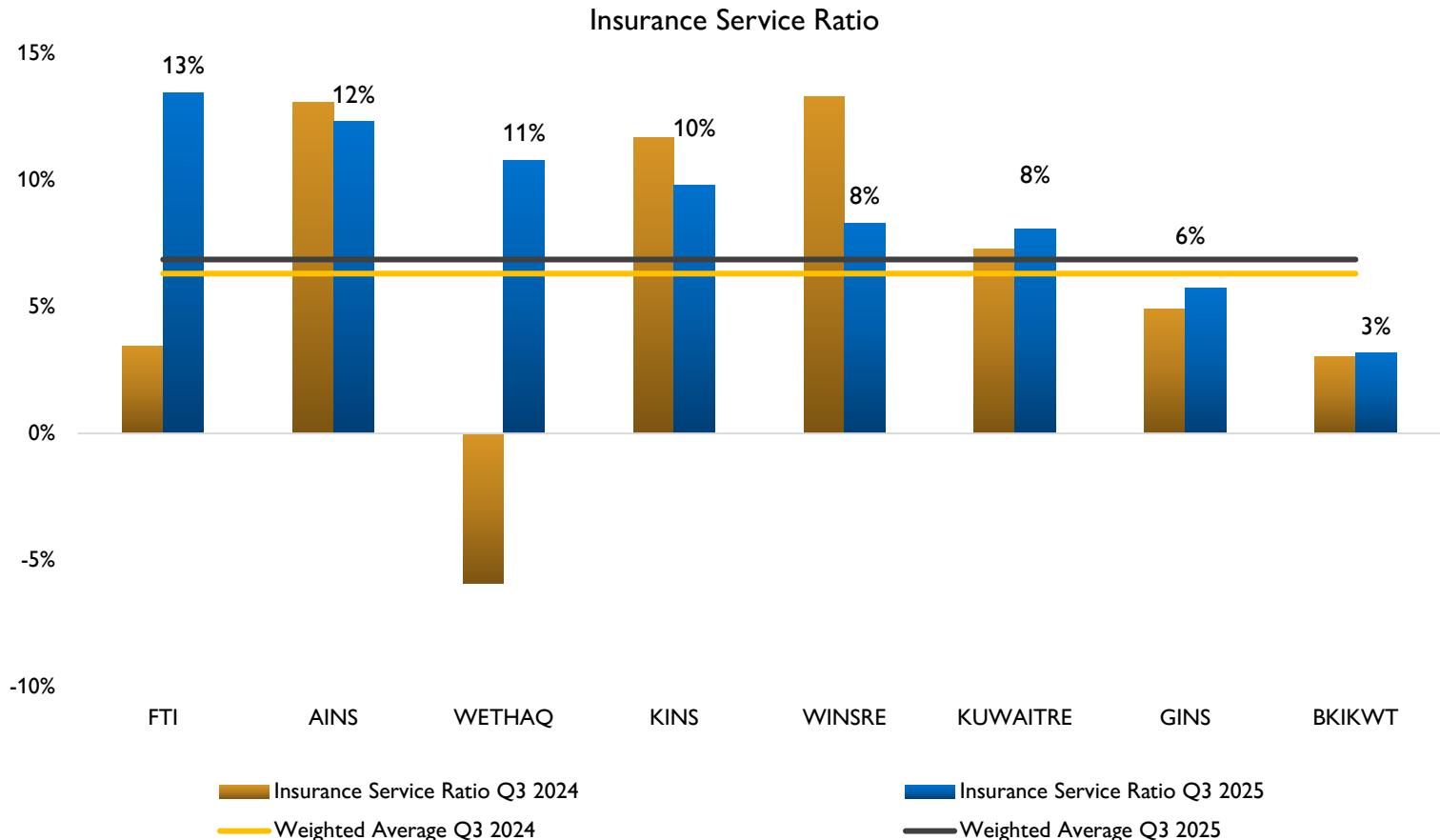
Overall, the chart reflects a sector experiencing mixed momentum some companies are gaining traction through improved underwriting discipline, while others appear to be navigating heightened claims pressures or softer revenue streams



# Insurance Service Ratio

In Q3 2025, the Insurance Service Ratio for the reviewed insurers inched up from 6% to 7%. FTI led the group with a ratio of 13%, closely followed by AINS at 12%, while BKIKWT reported the lowest efficiency level with a ratio of 3%.

The Insurance Service Ratio derived by dividing the Insurance Service Result by Insurance Revenue provides a concise measure of how effectively an insurer manages its core activities. A higher ratio reflects stronger control over underwriting and service-related costs relative to the revenue generated.

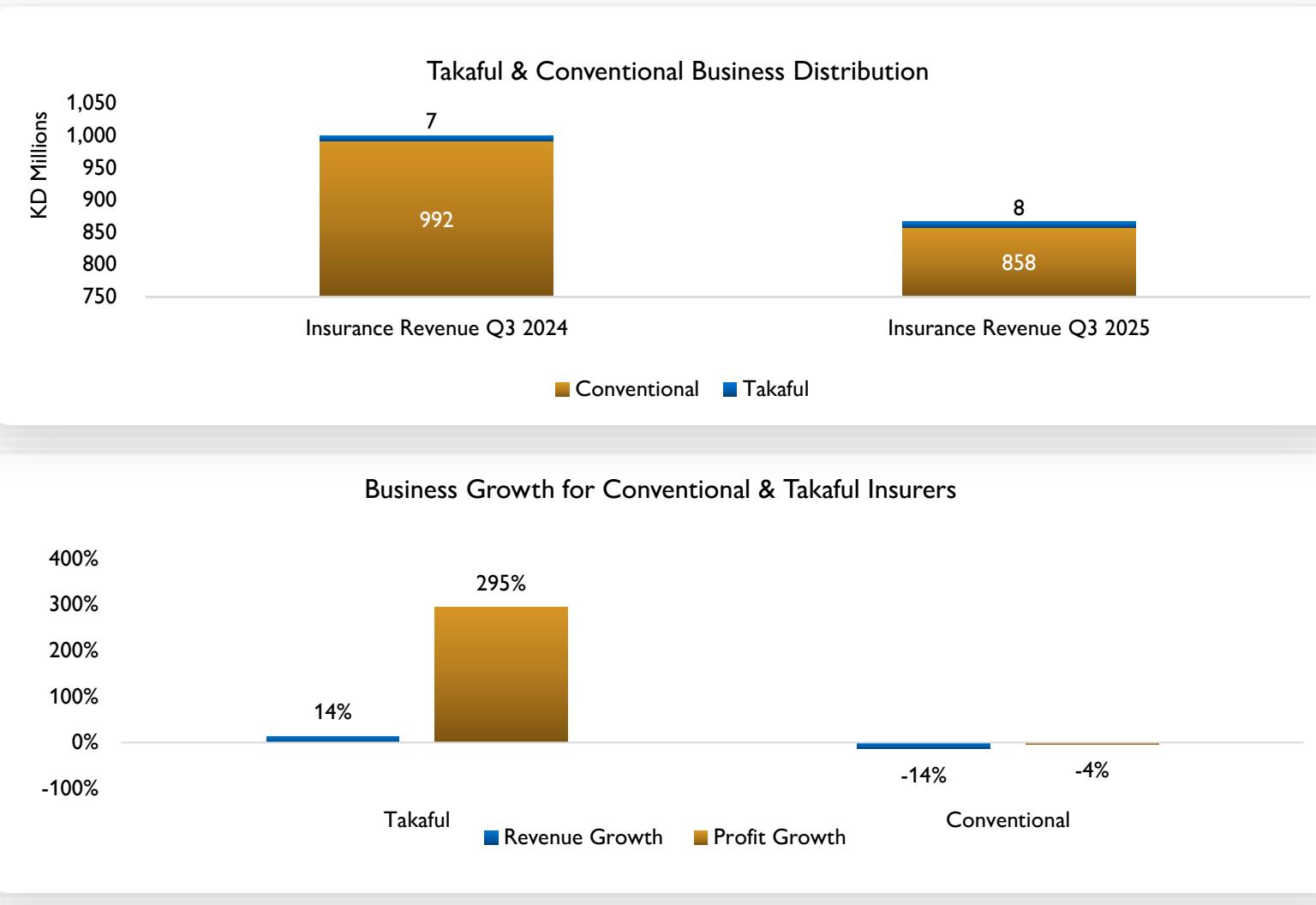


# Conventional Vs Takaful

In Kuwait's insurance landscape, only two of the eight listed companies operate under the Takaful model, yet their performance in Q3 2025 sharply diverged from their conventional peers.

The gap widened noticeably during the period. Conventional insurers saw their insurance revenue contract by 14%, whereas Takaful operators delivered a solid 14% expansion, signaling continued demand momentum within the segment. The divergence was even more striking on the profitability front: Takaful firms reported an exceptional 295% surge in profit, in contrast to the 4% decline registered by conventional players.

Despite representing just 1% of total sector revenue, Takaful insurers continue to demonstrate a powerful growth trajectory and strengthening profitability profile highlighting their rising competitiveness even as conventional companies remain the dominant force in overall market share.





# Profitability



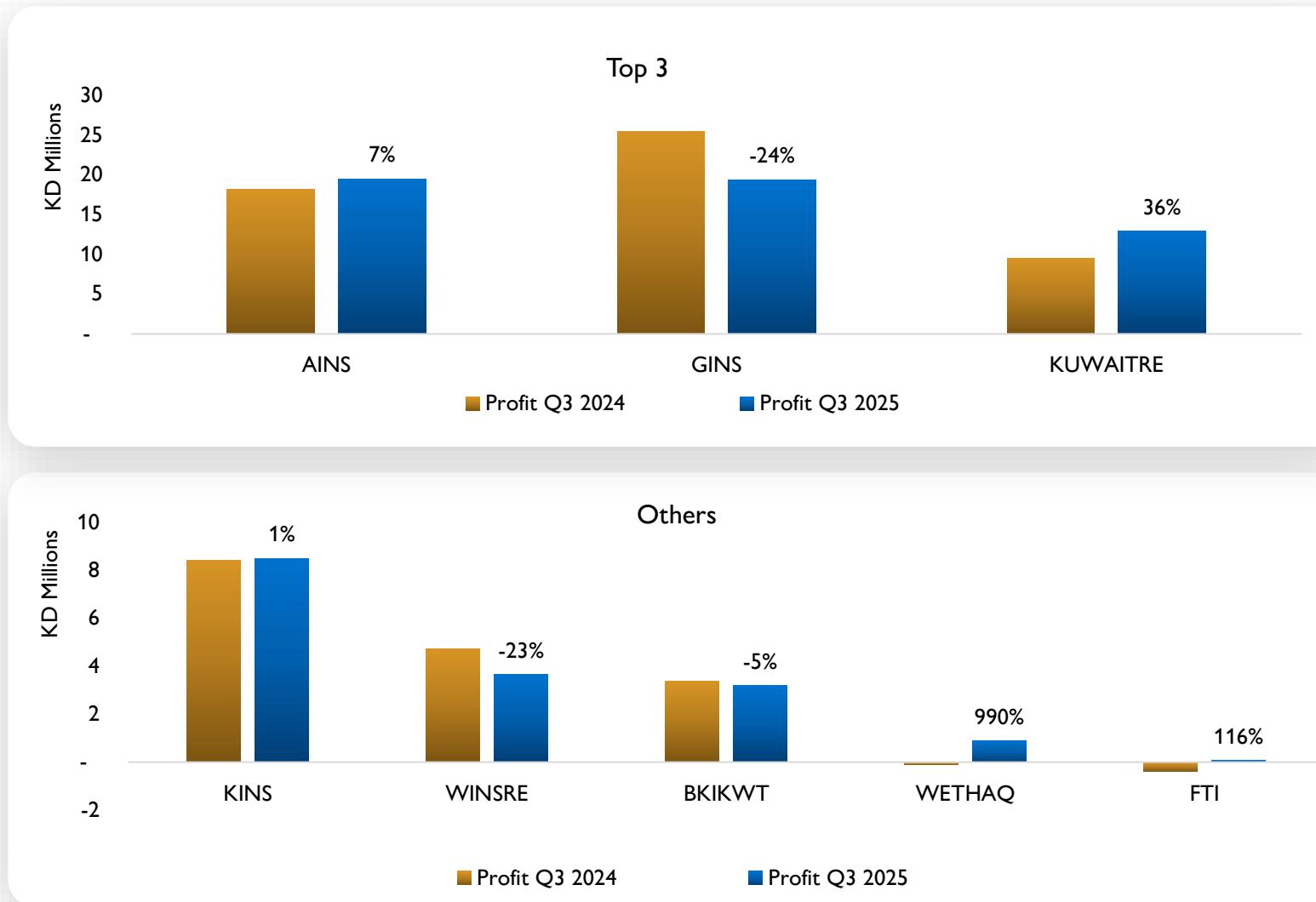
# Profit After Tax

The aggregate after-Zakat and tax profit of the eight listed insurers dipped marginally by 1% in Q3 2025, easing from KD 69 million in Q3 2024 to KD 68 million.

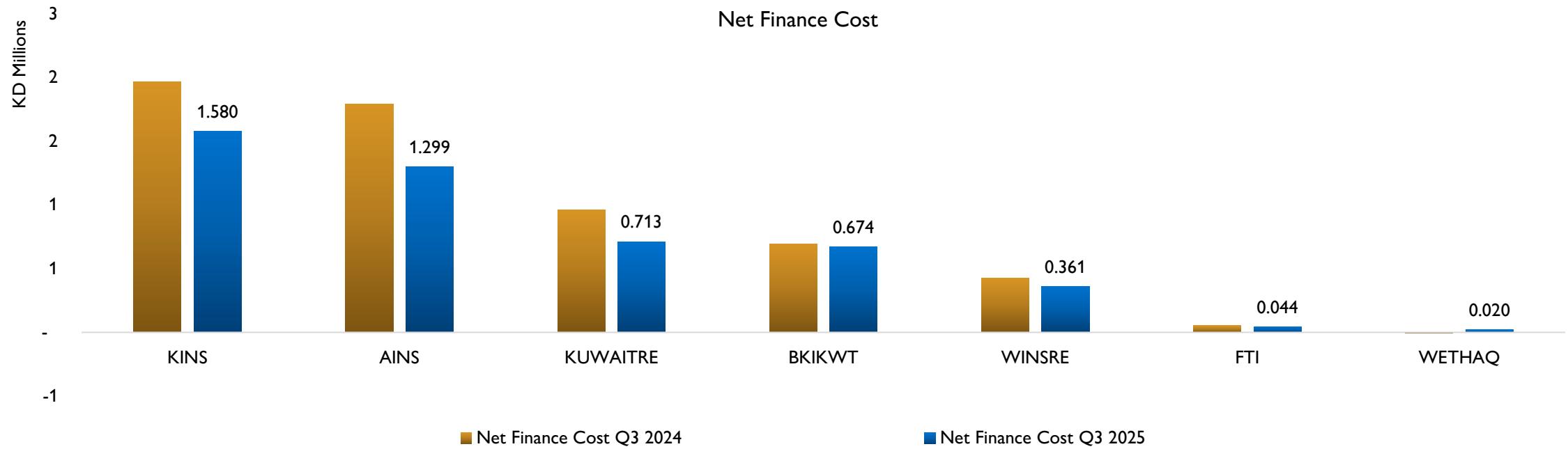
At the company level, KUWAITRE recorded the strongest absolute improvement, adding KD 3.5 million to its bottom line, followed by AINS with an increase of KD 1.3 million. In relative terms, WETHAQ delivered a standout performance with a remarkable 990% surge in profit, by turning its loss to profit in Q3 2025, whereas GINS posted the sharpest contraction, declining by 24%.

If the impact of GINS is excluded, the market's growth rate would stand at 11% rather than 1%, underscoring the substantial weight GINS carries in shaping overall profitability.

\* Zakat & Tax amount also includes contribution to KFAS and NLST



# Finance Cost Comparative

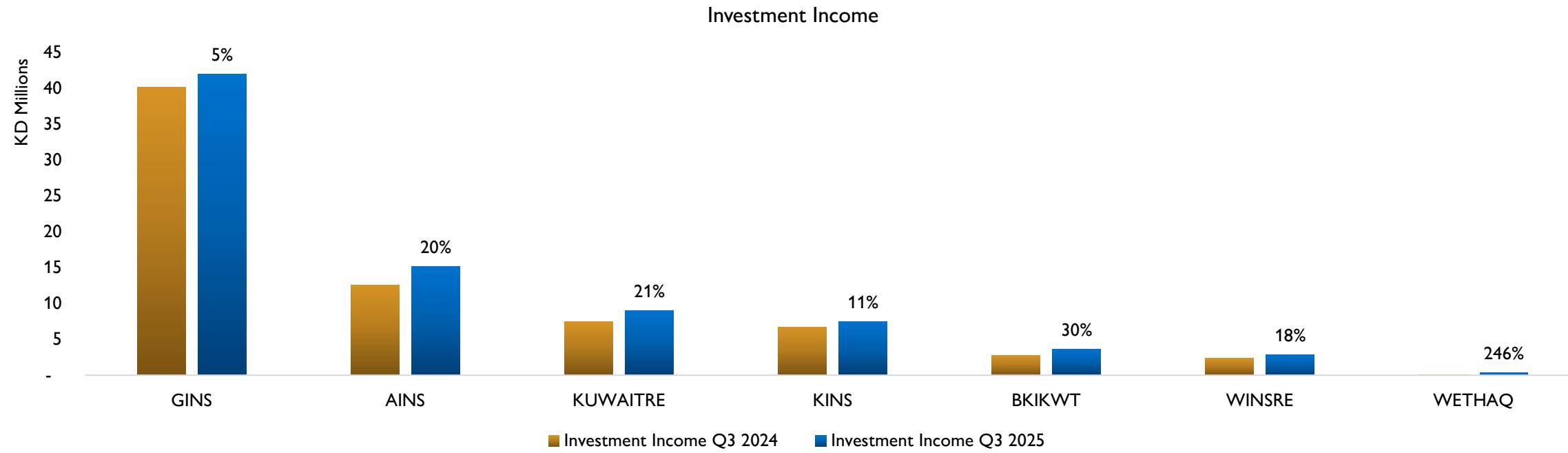


The net finance cost chart illustrates the interplay between interest earned on the Contractual Service Margin (CSM) and the costs arising from the discounting of insurance liabilities. It demonstrates how shifts in interest rates, the passage of time, and revisions to future cash flow estimates shape insurers' financial outcomes capturing the ongoing balance between financial inflows and outflows.

To enhance clarity, GINS has been removed to prevent distortion in the graph. GINS reported the highest net finance loss of KD 19 million.



# Investment Income

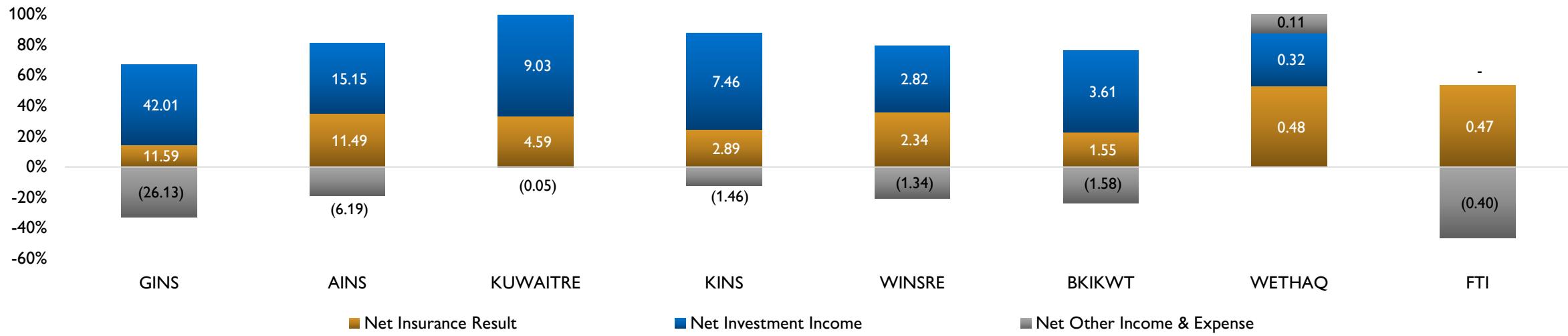


The cumulative Investment Income of listed companies increased by 11% from KD 72 million in Q3 2024 to KD 80 million in Q3 2025. GINS reported highest Investment Income of KD 42 million. AINS reported highest absolute growth in Investment income of KD 2.6 million, whereas WETHAQ reported the highest percentage growth at 246%.



# Profit Composition

Profit Composition IFRS 17



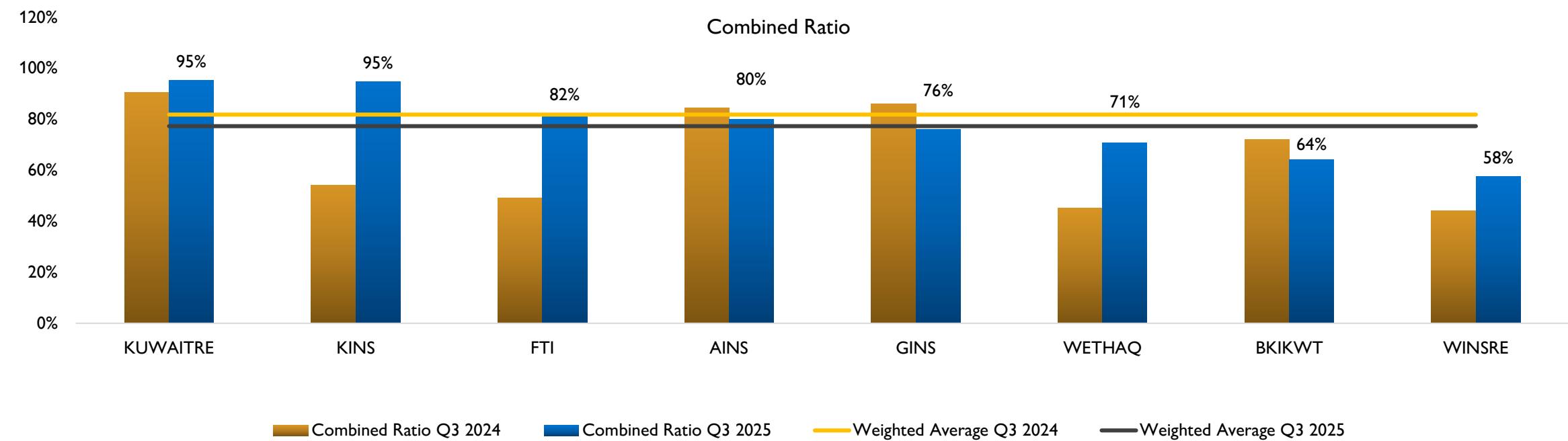
Investment income continues to play a pivotal role in supporting sector profitability, helping offset the fluctuations observed in underwriting outcomes. The figures highlight a structural imbalance in the market, with several insurers appearing to depend more heavily on investment returns than on the performance of their core insurance activities.

GINS remains a notable outlier, generating KD 42 million in investment income while simultaneously delivering the highest net insurance result at KD 11.6 million. AINS follows closely with an insurance result of KD 11.5 million, reflecting comparatively stronger underwriting fundamentals.

The sector's pronounced reliance on investment-driven earnings signals an underlying vulnerability. Strengthening and stabilizing insurance service results would reduce exposure to market-driven volatility and establish a more resilient platform for long-term profitability.



# Combined Ratio



The weighted average combined ratio inched up to 82% in Q3-2025, compared to 77% in the corresponding period last year.

As a core measure of underwriting performance and financial soundness, the combined ratio reflects how efficiently insurers manage claims and expenses relative to premium income. A figure below 100% signals underwriting profitability, meaning premiums collected are sufficient to cover both claims and operating costs..

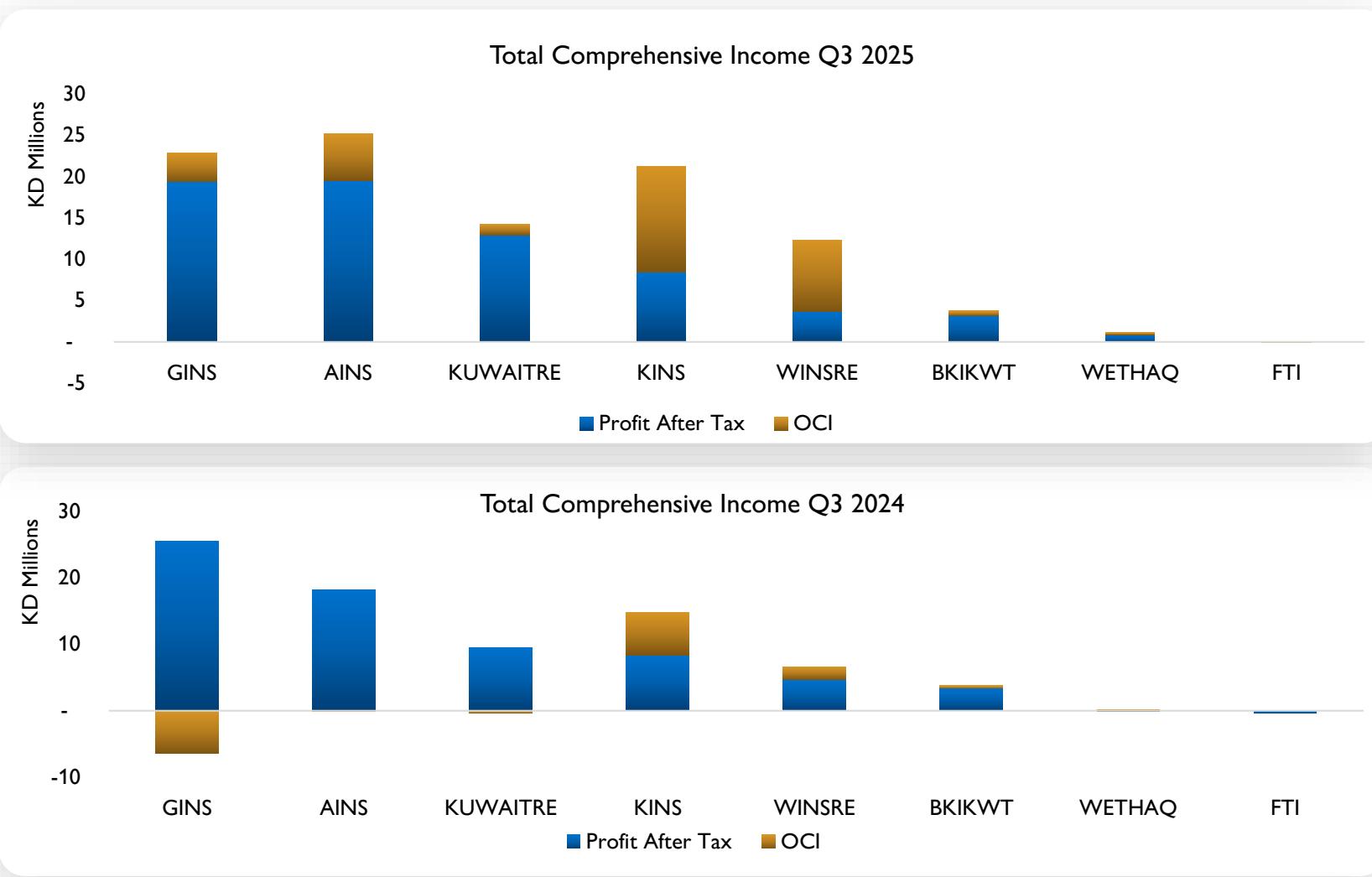
\*Combined ratio is computed as insurance service expenses over insurance revenue.



# Total Comprehensive Income

In Q3 2025, total comprehensive income for listed insurers rose 42% to KD 100 million. While GINS, AINS, and KUWAITRE showed solid profit growth, companies like KINS and WINSRE relied heavily on investment-driven OCI to boost results. This creates a mixed performance landscape, where some companies are steadily strengthening their core insurance earnings, whereas others remain more vulnerable to market-dependent fluctuations.

Total Comprehensive Income reflects the combined contribution of Profit After Zakat and Other Comprehensive Income (OCI), providing a more complete assessment of an insurer's overall financial position and resilience.



# Net Profit Break Down

	Q3 2024	Q3 2025	Variance
	KD Million	KD Million	KD Million
Insurance Result	48.8	35.4	(13.4)
Investment Income	72.3	80.4	8.1
Other Income & Expense	(43.1)	(37.0)	6.1
Total Profit (Before Zakat & Tax)	77.9	78.7	0.8
Zakat & Tax	(8.7)	(10.5)	(1.82)
Total Profit (After Zakat & Tax)	69.3	68.3	(1.0)

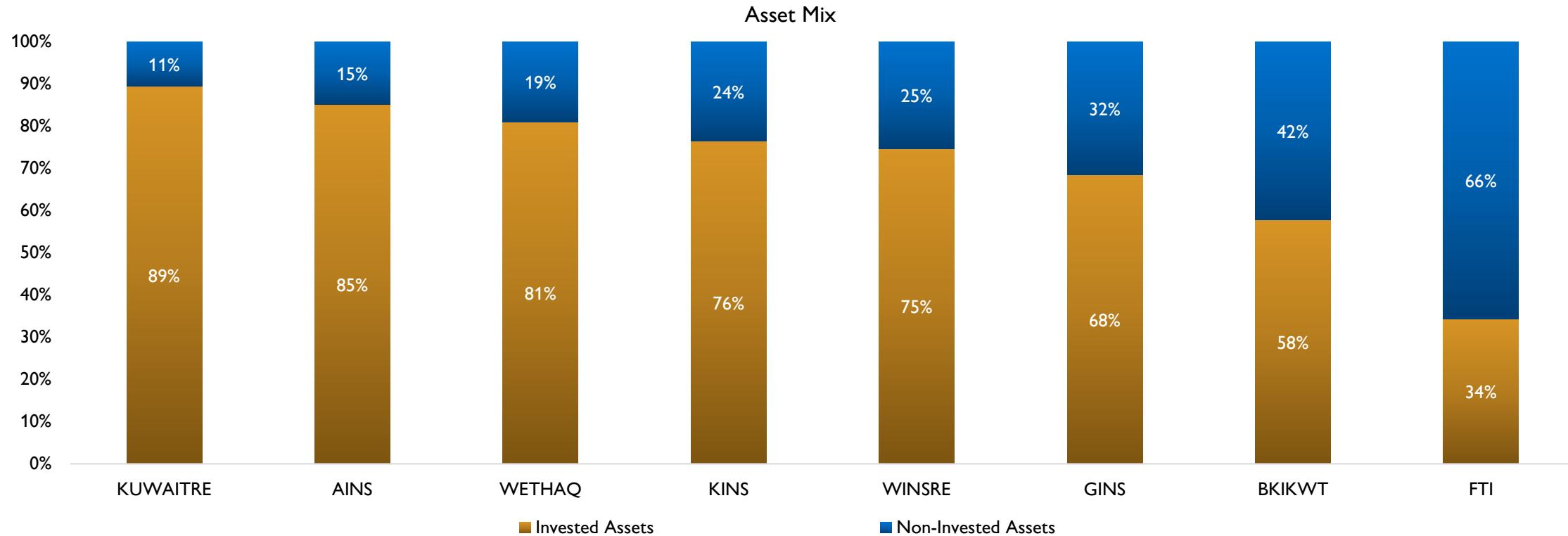




# Assets



# Asset Mix



Asset Mix compares the proportion of invested assets and non invested assets for Q3 2025

KUWAITRE have the highest proportion of 89% of their assets invested, while FTI has only invested 34% of their assets.



# Earning Per Share

Company	EPS Q3 2024	EPS Q3 2025
KINS	44.65	45.28
GINS	69.62	41.71
AINS	74.33	76.98
WINSRE	19.45	14.92
KUWAITRE	30.8	42.01
FTI	(0.43)	0.05
BKIKWT	21.99	21.18
WETHAQ	0.37	3.42

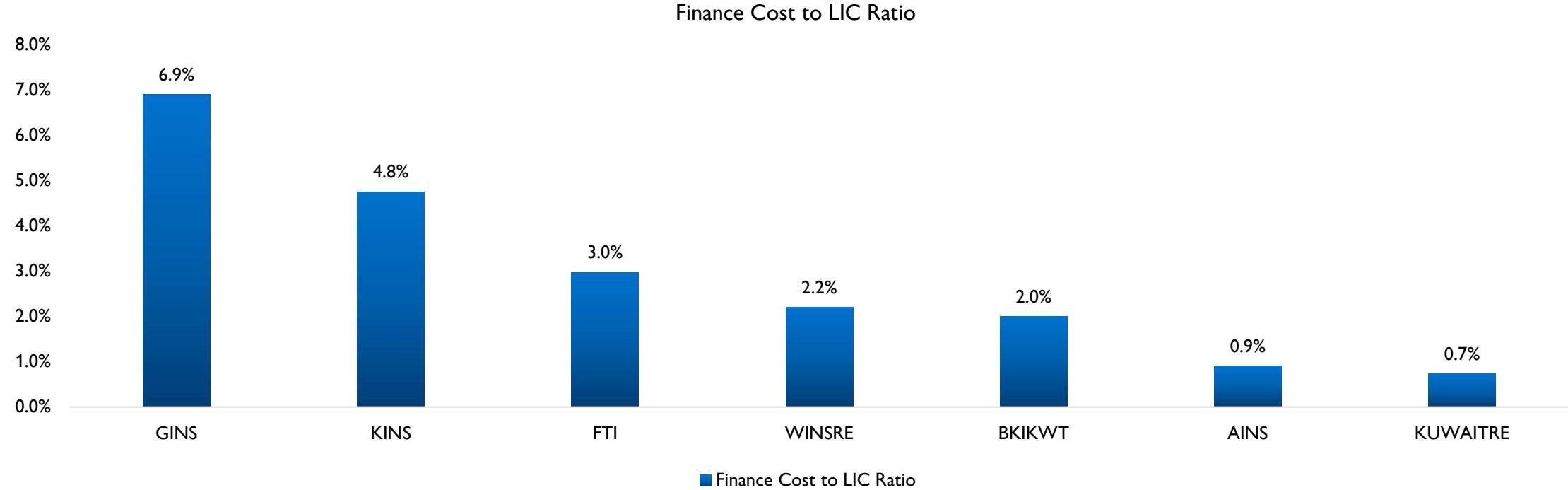




# IFRS 17



# Finance Cost to LIC Ratio



Finance income (or expenses) directly influence the valuation of incurred claim liabilities through the discounting mechanism under IFRS 17. Since most insurers apply the PAA, this KPI has been calculated by dividing finance income/expense by the Liability for Incurred Claims (LIC). The chart reflects the proportion of finance costs or gains relative to claim liabilities

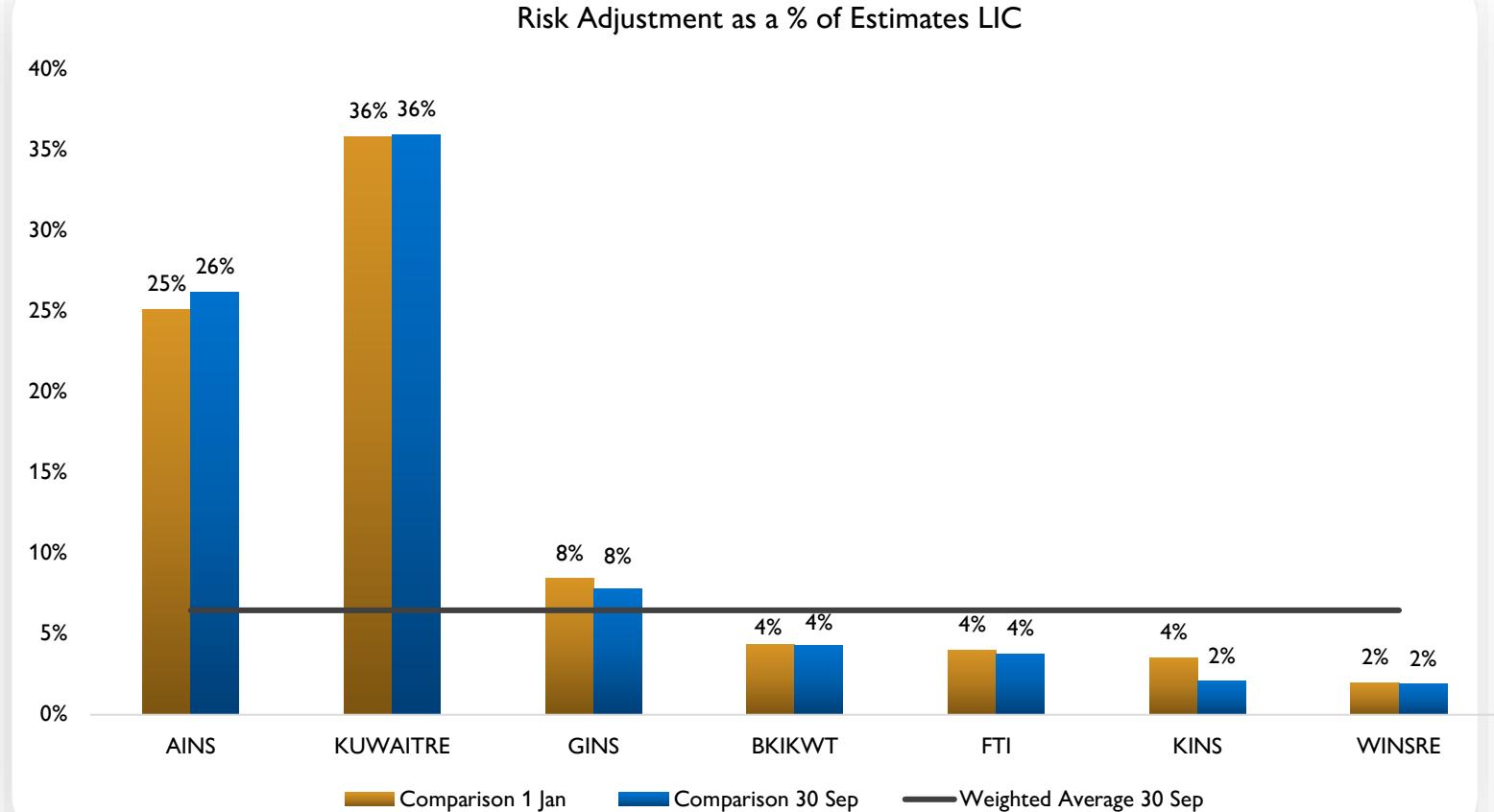
Wethaq has not disclosed its LIC figures.



# Risk Adjustment/LIC

The graph illustrates the relationship between risk adjustment and the liability for incurred claims, offering valuable insights into the company's risk assessment and their approach to accounting for these risks. This is a crucial KPI for stakeholders to assess the company's prudence and effectiveness in risk management under IFRS-17 financial reporting.

The weighted average proportion of risk adjustment in LIC for the period from January 1 to September 30 is analyzed to be 7.2% and 6.5%, respectively. KUWAITRE shows the highest ratio at 36%, while WINSRE records the lowest at 2%



# Conclusion

Q3 2025 reflected a difficult operating environment for Kuwait's insurers, with declines in underwriting performance, revenue, and net profit signaling mounting pressure on the sector. Net profit after zakat and tax edged down by 1% in Q3-2025 to KD 68 million. However, when adjusting for the impact of GINS, the market would have recorded an underlying growth of 11% instead of the reported decline, demonstrating the outsized influence of GINS on sector profitability. Underwriting performance remained under pressure, with the net insurance financial result dropping 27%, underscoring persistent challenges within core operations.

Industry revenue also contracted, falling 13% from KD 999 million in Q3 2024 to KD 866 million in Q3 2025. The decline highlights subdued underwriting momentum and ongoing competitive strain. With GINS accounting for 62% of sector revenue, its performance continues to exert significant influence over broader market trends. In contrast to the weakening in operational metrics, investment income provided a much-needed lift rising 11% from KD 72 million to KD 80 million and stood out as the only major indicator posting year-on-year growth. This reinforces the sector's continued reliance on market-driven gains to counterbalance underwriting volatility.

Looking ahead, the overall sector view remains cautiously optimistic. Continued regulatory enhancements, accelerating digital transformation, and the development of more diversified product and distribution models are expected to support long-term expansion. To build a stronger foundation, insurers will need to strike a more deliberate balance between investment-based earnings and improvements in underwriting discipline, enabling more sustainable profitability and reducing sensitivity to external financial market movements.



# Disclaimer

We have undertaken an analysis of the Key Performance Indicators (KPIs) of the listed insurance companies in Kuwait for the 9 months 2025. The data has been extracted from the published financial reports of those companies which were publicly listed and available till the compilation of this report.

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Due to availability of limited information, we were unable to segregate further. Once all companies start publishing reports with uniform level of segregation, this can be done.



## Listed Insurance Companies

Logos	Sr. No.	Name	Abbreviation
	1	Kuwait Insurance Company	KINS
	2	Gulf Insurance Group	GINS
	3	Al Ahleia Insurance Company	AINS
	4	Warba Insurance and Reinsurance Company	WINSRE
	5	Kuwait Reinsurance Company	KUWAITRE
	6	First Takaful Insurance Company	FTI
	7	Bahrain Kuwait Insurance Company	BKIKWT
	8	Wethaq Takaful Insurance Company	WETHAQ



# Badri's Team



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