

14 October 2019

Resumption of trading in Arig Shares

Arab Insurance Group (B.S.C.) ("Arig") wishes to announce that the Central Bank of Bahrain (the "CBB") has advised Bahrain Bourse on 7 October 2019 to resume trading in Arig shares, which had been suspended since 14 May 2019.

By way of background, on 16 May 2019 the CBB informed the public that the suspension of trading in Arig's shares will remain until the completion of its investigation and the submission of a clear business strategy by Arig to the CBB. The CBB has now concluded its investigation and has issued an examination report (the "Report") to Arig. Arig has considered and formally responded to the CBB in relation to the issues raised in the CBB's examination report.

In addition, on 16 April 2019, the CBB had issued formal instructions and directions to Arig's Board of Directors that were published by the CBB on 16 May 2019. Specifically referring to those CBB instructions and directions, taking each point in turn:

1. *Appoint a permanent Chief Executive Officer ("CEO") to the Company acceptable to the CBB. On an interim basis, appoint one of senior staffs as the Acting CEO of the Company.*

The Board of Directors of Arig has made the decision to appoint the Deputy General Manager, Finance & Administration as the Acting CEO, in the interim.

2. *Suspend, with immediate effect, all decisions related to staff layoffs and business termination at overseas branches/offices/subsidiaries, until a clear action plan is submitted to the CBB.*

The decision to close an overseas representative office and lay off its staff have been now suspended on the direction of the CBB.

3. *Submit a clear business strategy on the way forward.*

In line with its 13 May 2019 decision, the Board of Directors of Arig recommends cessation of underwriting activities as the strategy going forward subject to regulatory and shareholders' approval. An application has been submitted to the CBB for its approval to now conduct an Extraordinary General Meeting of Shareholders of Arig (the "EGM") to allow the EGM to properly consider and vote on a contemplated cessation of business consistent with the relevant provisions of the Central Bank of Bahrain Law and the Bahrain Commercial Companies Law.

4. *Fill all vacant core business function positions and other critical functions with suitable staff.*

The appointment of core business and other critical functions will be addressed after the proposed EGM.

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5. *Seek a rating from a rating agency and work towards further business enhancement.*

Depending on the future strategy that will be adopted by the Board of Directors of Arig following the proposed EGM, an appropriate decision to seek a rating will be made.

6. *Make a press release on the strategic direction of the Company once the same is discussed and agreed with the CBB.*

The Board of Directors recommends the cessation of underwriting activities which will be voted upon by the proposed EGM. For completeness, such cessation of business requires prior approval by the CBB. A press release communicating the outcome of the EGM will be issued after the EGM.

7. *The board should acquaint themselves with sound governance practices, and the trends and opportunities in insurance business.*

The Board of Directors will continue to pursue its objective of better corporate management and governance. Moreover, the Board of Directors would like to reiterate its commitment to continue to comply with all applicable laws, regulations and CBB rules and will liaise with the CBB on all the matters raised by it in its Report.



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(Arab Insurance Group (B.S.C.) is a reinsurance firm regulated by the Central Bank of Bahrain)

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