

Press Release

11 August 2021

Arig reported its financial results for six months ended 30th June 2021

Bahrain: Arig recorded a consolidated net profit of US\$ 6.7 million, attributable to shareholders of Parent Company, for the second quarter 2021 (second quarter 2020: net profit of US\$ 2.9 million) an increase of 131%, mainly due to lower claims. Earnings per share for the second quarter of 2021 was US cents 3.4 compared to US cents 1.5 for the same period in 2020, an increase of 127%. Comprehensive income attributable to shareholders for the second quarter 2021 was a profit of US\$ 7.5 million (second quarter 2020: profit of US\$ 11.8 million) a decrease of 36%.

For the six months 2021, Arig recorded a consolidated net profit of US\$ 8.2 million, attributable to shareholders (six months 2020: net loss of US\$ 3.1 million), mainly due to lower claims. Earnings per share for the six months of 2021 was US cents 4.2 compared to a loss of US cents 1.6 for the same period in 2020. Comprehensive income attributable to shareholders for the six months 2021 was US\$ 7.2 million (six months 2020: loss of US\$ 4.8 million).

Arig's shareholders' equity stood at US\$ 252.6 million at 30 June 2021 (end of 2020: US\$ 245.4 million) an increase of 3%. Accumulated losses of the Company stood at US\$ 8.1 million on 30 June 2021 (end of 2020: US\$ 16.1 million), representing 3.7% of paid-up capital. The total assets at 30 June 2021 was US\$ 666.9 million compared to US\$ 790.6 million at the end of December 2020, a reduction of 16%.

The Group reported gross premiums of US\$ 3.5 million for the second quarter of 2021 (second quarter 2020: gross premiums of US\$ 1.2 million), an increase of 192%. Consolidated investment income attributable to shareholders and insurance funds for the second quarter 2021 was US\$ 3.0 million (second quarter 2020: US\$ 3.6 million), a decrease of 17%. Arig's underwriting result for the second quarter 2021 was a profit of US\$ 3.3 million (second quarter 2020: profit of US\$ 2.0 million) an increase of 65% due to lower claims.

Gross premiums for the six months of 2021 was negative premium of US\$ 3.4 million for the Group due to reversal of excess pipeline premiums (six months 2020: negative US\$ 12.6 million), an improvement of 73%. Consolidated investment income attributable to shareholders and insurance funds for the six months 2021 was US\$ 5.8 million (six months 2020: investment loss of US\$ 1.7 million). Arig's underwriting result for the six months of 2021 was a profit of US\$ 6.7 million (six months 2020: loss of US\$ 0.8 million) mainly due to lower claims.

Book value per share was US\$ 1.28 at the end of the period (end of 2020: US\$ 1.24).

The full set financial statements and the notes are available on Arig's website and Bahrain Bourse's website.

Financial Highlights as at 30 June 2021 (in US\$ million)

	As at 30 June		Full Year
	2021	2020	2020
Gross premiums written	(3.4)	(12.6)	(17.3)
Net premiums written	(3.2)	(10.9)	(14.3)
Underwriting result	6.7	(0.8)	12.8
Combined ratio	61.9%	99.1%	85.5%
Investment income attributable to shareholders and insurance funds	5.8	(1.7)	4.9
Operating expenses	5.6	7.9	13.3
Net profit (loss)	8.2	(3.1)	13.6
Investment assets	524.2	589.5	557.1
Net technical provisions	256.1	395.2	334.5
Shareholders' equity	252.6	223.5	245.4
Total assets	666.9	888.8	790.6
Book value per share (US\$)	1.28	1.13	1.24

About Arig

Arig is a reinsurance provider headquartered in the Kingdom of Bahrain and its shares are listed on the stock exchange in Bahrain (trading code 'ARIG'). Arig's subsidiaries include Takaful Re (Dubai) – currently in run-off, Gulf Warranties W.L.L. (Bahrain) (under voluntary liquidation) and Arig Capital Ltd. (UK)- currently in run-off. Additional information about Arig can be obtained at www.arig.net

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