

14 February 2022

Arig reported its financial results for year ended 31st December 2021

Bahrain: Arab insurance Group (B.S.C.) (Arig) recorded a consolidated net profit of US\$ 9.9 million, attributable to shareholders, for the fourth quarter of 2021 (fourth quarter 2020: net profit of US\$ 10.5 million) a marginal decrease of 6%, due to lower earned premiums. Earnings per share for the fourth quarter 2021 was US cents 4.9 compared to a US cent 5.2 for the same period in 2020. Comprehensive income attributable to shareholders for the fourth quarter of 2021 was a profit of US\$ 8.3 million (fourth quarter 2020: US\$ 14.2 million) a decrease of 42%.

For the year 2021, consolidated net profit attributable to shareholders was US\$ 24.1 million (2020: US\$ 13.6 million) an increase of 77%, mainly due to higher technical profits. Earnings per share for the year 2021 was US cents 12.1 compared to US cents 6.8 for the year 2020. Comprehensive income attributable to shareholders for the year 2021 was a profit of US\$ 20.8 million (2020: US\$ 17.0 million) an increase of 22%.

Arig's shareholders' equity stood at US\$ 266.1 million at 31 December 2021 (end of 2020: US\$ 245.4 million) an increase of 8%. The total assets at 31 December 2021 was US\$ 613.7 million compared to US\$ 790.6 million at the end of December 2020, a reduction of 22%.

The Group reported negative gross premiums of US\$ 0.2 million for the fourth quarter of 2021 (fourth quarter 2020: negative gross premiums of US\$ 1.6 million), a decrease of 88% in negative gross premium. Consolidated investment income attributable to shareholders and insurance funds for the fourth quarter of 2021 was US\$ 1.6 million (fourth quarter 2020: US\$ 3.6 million), a decrease of 56%. Arig's underwriting result for the fourth quarter 2021 was a profit of US\$ 11.3 million (fourth quarter 2020: profit US\$ 6.8 million) an increase of 66% due to lower claims.

Earned premiums for the year 2021 were US\$ 13.8 million (2020: earned premium US\$ 68.5 million), a decrease of 80%. Consolidated investment income attributable to shareholders and insurance funds for the year 2021 was US\$ 9.6 million (2020: US\$ 4.9 million), an increase of 96% as a result of insulating the portfolio from market volatility. Arig's underwriting profit for the year 2021 was US\$ 23.7 million compared to US\$ 12.8 million for 2020, an increase of 85%.

The Directors have recommended a dividend of 2.5% (2020: nil), subject to the approval of the Central Bank of Bahrain and the Company's shareholders at the upcoming Annual General Meeting.

The book value per share was US\$ 1.34 at the end of the year (end of 2020: US\$ 1.24).

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

Financial Highlights as at 31 December 2021 (in US\$ million)

	As at 31 December	
	2021	2020
Earned premiums	13.8	68.5
Underwriting result	23.7	12.8
Combined ratio	(40.9%)	85.5%
Investment income attributable to shareholders and insurance funds	9.6	4.9
Operating expenses	11.0	13.3
Net profit	24.1	13.6
Investment assets	485.8	557.1
Net technical provisions	217.3	334.5
Shareholders' equity	266.1	245.4
Total assets	613.7	790.6
Book value per share (US\$)	1.34	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.