

Press Release

12 May 2022

Arig reported its financial results for three months ended 31st March 2022

Bahrain: Arig (Ticker: ARIG), recorded a consolidated net profit of US\$ 2.6 million attributable to shareholders for the first quarter 2022 (first quarter 2021: net profit of US\$ 1.5 million), an increase of 73% mainly due to lower claims. Earnings per share for the first quarter of 2022 was US cents 1.3 compared to US cents 0.8 for the same period in 2021. Comprehensive income attributable to shareholders for the first three months of the year 2022 was negative US\$ 3.7 million (first quarter 2021: negative US\$ 0.3 million) due to the changes in the fair value of available for sale investments.

Arig's shareholders' equity stood at US\$ 257.4 million at 31 March 2022 (end of 2021: US\$ 266.1 million) a decrease of 3%, primarily due to payout of dividends of 2.5% of the paid up capital. The total assets as at 31 March 2022 was US\$ 588.7 million compared to US\$ 613.7 million as at 31 December 2021, a reduction of 4%. Retained earnings of the Company stood at US\$ 3.5 million at the period-end (end of 2021: retained earnings US\$ 5.7 million), representing 1.6% of paid-up capital.

The Group reported gross premiums of US\$ 0.7 million for the first quarter of 2022 (first quarter 2021: negative gross premiums of US\$ 7.0 million). Earned premiums for the first quarter of 2022 stood at US\$ 1.2 million (first quarter 2021: US\$ 5.6 million) a decrease of 79.3% largely due to the decision taken by the shareholders of the Company on 13 August 2020, to cease writing business. Consolidated investment income attributable to shareholders and insurance funds for the quarter was negative US\$ 2.9 million (first quarter 2021: investment income US\$ 2.8 million). This negative return was due to a sudden spike in yields on fixed income securities, resulting in decrease in market price of the securities. Arig's underwriting result for the quarter was a profit of US\$ 4.3 million (first quarter 2021: US\$ 3.3 million) mainly due to lower claims.

Book value per share was US\$ 1.30 at the end of the period (end of 2021: US\$ 1.34).

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

Financial Highlights as at 31 March 2022 (in US\$ million)

	As at 31 March		Full Year
	2022	2021	2021
Earned premiums	1.2	5.6	13.8
Underwriting result	4.3	3.3	23.7
Combined ratio	(384.2%)	69.1%	(40.9%)
Investment income attributable to shareholders and insurance funds	(2.9)	2.8	9.6
Operating expenses	2.1	3.1	11.0
Net profit	2.6	1.5	24.1
Investment assets	467.3	535.0	485.8
Net technical provisions	202.2	304.0	217.3
Shareholders' equity	257.4	245.1	266.1
Total assets	588.7	717.0	613.7
Book value per share (US\$)	1.30	1.24	1.34

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.