

10 November 2022

**Arig reported its financial results for nine months ended 30th September 2022**

Bahrain: Arab Insurance Group (B.S.C.) (Arig) recorded a consolidated net profit of US\$ 2.4 million, attributable to shareholders of Parent Company, for the third quarter 2022 (third quarter 2021: net profit of US\$ 6.0 million) a decrease of 60% from the third quarter 2021, mainly due to lower investment income. Earnings per share for the third quarter of 2022 was US 1.2 cents compared to US cents 3.0 for the same period in 2021. Comprehensive income attributable to shareholders for the third quarter 2022 was a loss of US\$ 0.8 million (third quarter 2021: profit of US\$ 5.2 million), largely due to the unrealized losses on available for sale investments.

For the nine months 2022, Arig recorded a consolidated net profit of US\$ 7.8 million attributable to shareholders (nine months 2021: US\$ 14.2 million), a decrease of 45%, due to lower earned premiums and investment income. Earnings per share for the nine months of 2022 was US cents 3.9 compared to US cents 7.2 for the same period in 2021. Comprehensive income attributable to shareholders for the nine months 2022 was a loss of US\$ 8.1 million (nine months 2021: profit of US\$ 12.5 million) due to decline in fair value of available for sale investments.

Arig's shareholders' equity stood at US\$ 253.1 million at 30 September 2022 (end of 2021: US\$ 266.1 million) a decrease of 5% primarily due to unrealized losses on available for sale investments and payout of dividends of 2.5% of the paid-up capital. The total assets at 30 September 2022 was US\$ 454.2 million compared to US\$ 613.7 million at the end of December 2021, a reduction of 26%. Retained earnings of the Company stood at US\$ 8.7 million at the period-end (end of 2021: retained earnings US\$ 5.7 million).

The Group reported gross premiums of US\$ 0.1 million for the third quarter of 2022 (third quarter 2021: gross premiums US\$ 0.1 million). Earned premiums for the third quarter of 2022 stood at US\$ 0.4 million (third quarter 2021: US\$ 2.9 million) a decrease of 86% 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 third quarter 2022 was US\$ 0.3 million (third quarter 2021: US\$ 2.2 million), a decrease of 86%. Arig's underwriting result for the third quarter 2022 was a profit of US\$ 4.8 million (third quarter 2021: US\$ 5.8 million) a decrease of 17% due to lower earned premiums.

Gross premiums for the nine months of 2022 was US\$ 0.8 million for the Group due to reversal of excess pipeline premiums (nine months 2021: negative US\$ 3.3 million). Earned premiums for the nine months of 2022 stood at US\$ 1.9 million (nine months 2021: US\$ 12.3 million) a decrease of 85%. Consolidated investment income attributable to shareholders and insurance funds for the nine months 2022 was a loss of US\$ 1.7 million (nine months 2021: profit of US\$ 8.0 million). The negative return is due to the rise in US Treasury yields on fixed income securities as the prices of the securities declined to adjust for the higher yields. Arig's underwriting result for the nine months of 2022 was a profit of US\$ 12.8 million (nine months 2021: US\$ 12.4 million) an increase of 3%, mainly due to lower claims.

Book value per share was US\$ 1.28 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 30 September 2022 (in US\$ million)

	As at 30 September		Full Year
	2022	2021	2021
Earned premiums	1.9	12.3	13.8
Underwriting result	12.8	12.4	23.7
Combined ratio	(613.7%)	30.7%	(40.9%)
Investment income attributable to shareholders and insurance funds	(1.7)	8.0	9.6
Operating expenses	6.9	8.2	11.0
Net profit	7.8	14.2	24.1
Investment assets	393.8	490.1	485.8
Net technical provisions	132.3	237.8	217.3
Shareholders' equity	253.1	257.8	266.1
Total assets	454.2	630.5	613.7
Book value per share (US\$)	1.28	1.30	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](http://www.arig.net)

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