Press Release

26 February 2024

Arig reported its financial results for year ended 31st December 2023

Bahrain: Arab Insurance Group (B.S.C.) (Arig) recorded a consolidated net profit of US$ 4.1 million, attributable to shareholders, for the fourth quarter of 2023 (fourth quarter 2022: net profit of 13.6 US$ million) a decrease of 70%, due to the decrease in insurance service results. Earnings per share for the fourth quarter 2023 was US cents 2.1 compared to a US cents 6.8 for the same period in 2022. Comprehensive income attributable to shareholders for the fourth quarter of 2023 was a profit of US$ 6.4 million (fourth quarter 2022: profit US$ 13.2 million) a decrease of 52%.

For the year 2023, consolidated net profit attributable to shareholders was US$ 14.0 million (2022: US$ 29.2 million) a decrease of 52%, mainly due to the decrease in insurance service results. Earnings per share for the year 2023 was US cents 7.1 compared to US cents 14.7 for the year 2022. Comprehensive income attributable to shareholders for the year 2023 was a profit of US$ 17.8 million (2022: profit US$ 12.9 million) an increase of 38%.

Arig's shareholders' equity stood at US$ 294.5 million at 31 December 2023 (end of 2022: US$ 286.6 million) an increase of 3% primarily due to higher investment income partly offset by payout of dividends of 5%. The total assets at 31 December 2023 was US$ 412.1 million compared to US$ 421.4 million at the end of December 2022, a reduction of 2%. Retained earnings of the Company stood at US$ 45.0 million at the period-end (end of 2022: retained earnings US$ 39.8 million), representing 21% of paid-up capital.

Insurance revenue for the fourth quarter of 2023 decreased by US$ 0.1 million (fourth quarter 2022 increased by US$ 2.1 million). The insurance service result for the quarter was US$ 0.8 million (fourth quarter 2022: US$ 5.5 million), mainly due to less favorable claim experience as compared to fourth quarter 2022. Consolidated investment income attributable to shareholders and insurance funds for the fourth quarter 2023 was US$ 3.8 million (fourth quarter 2022: US$ 3.3 million), an increase of 15%.

Insurance revenue for the year 2023 stood at US$ 1.2 million (2022: US$ 4.8 million) a decrease of 75%. The insurance service result for 2023 was a profit of US$ 2.6 million (2022: profit US$ 19.6 million) a reduction of 87% mainly due to less favorable claim experience as compared to 2022.Consolidated investment income attributable to shareholders and insurance funds for 2023 was US$ 14.7 million (2022: investment income of US$ 1.6 million) an increase of 819%, due to better performance of fixed income portfolio and higher interest earned on deposits.

The Directors have recommended a dividend of 20% (2022: 5%), subject to the approval of the Central Bank of Bahrain and the company's shareholders on the upcoming Annual General Meeting.

The book value per share was US$ 1.49 at the end of the year (end of 2022: US$ 1.45).

Arig has produced the financial statements compliant with the new requirements of IFRS 17. The transition date was set as 01 January 2022, and the company has calculated the impact of implementing the new standard on the shareholders' equity as at that date. The comparatives for the year 2022 were restated in accordance with the new standard. The company has adopted PAA (Premium Allocation Approach) measurement model for all lines except long-term life business, where GMM (General Measurement Model) was applied.

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

Financial Highlights as at 31 December 2023 (in US$ million)

	As at 31st December	
	2023	**2022**
Insurance revenue	1.2	4.8
Insurance service expenses	3.5	18.2
Net expense from reinsurance contracts held	(2.1)	(3.4)
Insurance service result	2.6	19.6
Investment income attributable to shareholders and insurance funds	14.7	1.6
Insurance finance expenses	(4.9)	6.3
Reinsurance finance income	0.4	(0.5)
Net profit	14.0	29.2
Net profit ratio (Net profit/insurance revenue)	11.67	6.08
Investment assets	393.4	393.2
Insurance contract liabilities	97.0	112.6
Reinsurance contract assets	4.3	4.4
Shareholders' equity	294.5	286.6
Total assets	412.1	421.4
Book value per share (US$)	1.49	1.45

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.

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