Press Release

13 August 2024

Arig reported its financial results for six months ended 30th June 2024

Bahrain: Arig (Ticker: ARIG), recorded a consolidated net profit of US$ 5.2 million attributable to shareholders for the second quarter 2024 (second quarter 2023: net profit of US$ 4 million), an increase of 30% mainly due to higher insurance service results as compared to prior year. Earnings per share for the second quarter of 2024 was US cents 2.6 compared to US cents 2.0 for the same period in 2023. Comprehensive income attributable to shareholders for the second quarter 2024 was US$ 5.5 million (second quarter 2023: US$ 4.1 million) an increase of 34%, mainly due to higher profits as compared to the previous year.

For the six months 2024, Arig recorded a consolidated net profit of US$ 13.5 million, attributable to shareholders (six months 2023: net profit of US$ 6.1 million) an increase of 121% mainly on account of recovery of US$ 6.0 million of long outstanding dues following an adjudication favoring the Company. Earnings per share for the six months of 2024 was US cents 6.8 compared to US cents 3.1 for the same period in 2023. Comprehensive income attributable to shareholders for the six months 2024 was US$ 13.9 million (six months 2023: US$ 7.2 million) an increase of 93% due to higher profits.

Arig's shareholders' equity stood at US$ 268.7 million at 30 June 2024 (end of 2023: US$ 294.5 million) a decrease of 8.8%, primarily due to payout of dividends of 20% partly offset by the profits of US$ 13.5 million during the period. The total assets as at 30 June 2024 was US$ 379.6 million compared to US$ 412.1 million as at 31 December 2023, a decrease of 8%. Retained earnings of the Company stood at US$ 19.1 million at the period-end (end of 2023: retained earnings US$ 45.0 million), representing 9% of paid-up capital.

Insurance revenue for the second quarter of 2024 stood at US$ 0.3 million (second quarter 2023: US$ 0.4 million) a decrease of 25% largely due to lower premium earned. The insurance service result for the second quarter of 2024 was US$ 0.7 million (second quarter 2023: loss US$ 0.2 million) mainly due to favorable claim experience as compared to second quarter 2023. Consolidated investment income attributable to shareholders and insurance funds for the second quarter 2024 was US$ 3.7 million (second quarter 2023: income US$ 4.1 million), a decrease of 10%.

Insurance revenue for the six months 2024 stood at US$ 0.7 million (six months 2023: US$ 1.0 million) a decrease of 30%. The insurance service result for the six months of 2024 was a loss of US$ 0.7 million (six months 2023: profit US$ 0.7 million) due to less favorable claim experience and recoveries from reinsurer as compared to 2023. Consolidated investment income attributable to shareholders and insurance funds for the six months of 2024 was US$ 7.8 million (six months of 2023: US$ 7.3 million) due to better performance of fixed income portfolio and higher interest earned on deposits.

Book value per share was US$ 1.36 at the end of the period (end of 2023: US$ 1.49).

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

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Financial Highlights as at 30 June 2024 (in US$ million)

	As at 30 June		Full Year
	2024	2023	2023
Insurance revenue	0.7	1.0	1.2
Insurance service expenses	(0.0)	0.5	3.5
Net expense from reinsurance contracts held	(1.4)	(0.8)	(2.1)
Insurance service result	(0.7)	0.7	2.6
Investment income attributable to shareholders and insurance funds	7.8	7.3	14.7
Insurance finance expenses	(1.1)	(2.0)	(4.9)
Reinsurance finance income	0.1	0.2	0.4
Net profit	13.5	6.1	14.0
Net profit ratio (Net profit/insurance revenue)	19.3	6.1	11.67
Investment assets	369.0	383.3	393.4
Insurance contract liabilities	92.4	105.8	97.0
Reinsurance contract assets	3.9	4.5	4.3
Shareholders' equity	268.7	283.9	294.5
Total assets	379.6	411.3	412.1
Book value per share (US$)	1.36	1.43	1.49

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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