Press Release

13 November 2024

Arig reported its financial results for nine months ended 30th September 2024

Bahrain: Arig (Ticker: ARIG), recorded a consolidated net profit of US$ 7.6 million attributable to shareholders for the third quarter 2024 (third quarter 2023: net profit of US$ 3.8 million), an increase of 100% mainly due to higher insurance service results as compared to prior year. Earnings per share for the third quarter of 2024 was US cents 3.8 compared to US cents 1.9 for the same period in 2023. Comprehensive income attributable to shareholders for the third quarter 2024 was US$ 11.0 million (third quarter 2023: US$ 4.2 million) an increase of 162%, mainly due to higher profits as compared to the previous year.

For the nine months ended 2024, Arig recorded a consolidated net profit of US$ 21.1 million, attributable to shareholders (nine months 2023: net profit of US$ 9.9 million) an increase of 113% mainly due to higher insurance service results and recovery of US$ 6.0 million of long outstanding dues following an adjudication favoring the Company. Earnings per share for the nine months of 2024 was US cents 10.7 compared to US cents 5.0 for the same period in 2023. Comprehensive income attributable to shareholders for the nine months ended 2024 was US$ 24.9 million (nine months 2023: US$ 11.4 million) an increase of 118% due to higher profits.

Arig's shareholders' equity stood at US$ 279.7 million at 30 September 2024 (end of 2023: US$ 294.5 million) a decrease of 5%, primarily due to payout of dividends of 20% partly offset by the profits of US$ 21.1 million during the period. The total assets as at 30 September 2024 was US$ 375.7 million compared to US$ 412.1 million as at 31 December 2023, a decrease of 9%. Retained earnings of the Company stood at US$ 26.7 million at 30 September 2024 (end of 2023: retained earnings US$ 45.0 million), representing 12% of paid-up capital.

Insurance revenue for the third quarter of 2024 stood at US$ 0.2 million (third quarter 2023: US$ 0.3 million) a decrease of 33% largely due to lower premium earned. The insurance service result for the third quarter of 2024 was US$ 6.4 million (third quarter 2023: US$ 1.1 million) mainly due to favorable claim experience as compared to third quarter 2023. Consolidated investment income attributable to shareholders and insurance funds for the third quarter 2024 was US$ 3.7 million (third quarter 2023: income US$ 3.6 million), an increase of 3%.

Insurance revenue for the nine months ended 2024 stood at US$ 0.9 million (nine months 2023: US$ 1.3 million) a decrease of 31%. The insurance service result for the nine months of 2024 was US$ 5.6 million (nine months 2023: US$ 1.8 million) due to favorable claim experience as compared to 2023. Consolidated investment income attributable to shareholders and insurance funds for the nine months of 2024 was US$ 11.5 million (nine months of 2023: US$ 10.9 million) due to better performance of fixed income portfolio and higher yields on bonds.

Book value per share was US$ 1.41 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 September 2024 (in US$ million)

	As at 30 September		Full Year
	2024	2023	2023
Insurance revenue	0.9	1.3	1.2
Insurance service expenses	6.8	1.9	3.5
Net expense from reinsurance contracts held	(2.1)	(1.4)	(2.1)
Insurance service result	5.6	1.8	2.6
Investment income attributable to shareholders and insurance funds	11.5	10.9	14.7
Insurance finance expenses	(4.0)	(2.4)	(4.9)
Reinsurance finance income	0.3	0.2	0.4
Net profit	21.1	9.9	14.0
Net profit ratio (Net profit/insurance revenue)	23.4	7.6	11.7
Investment assets	364.4	381.9	393.4
Insurance contract liabilities	82.7	100.5	97.0
Reinsurance contract assets	4.7	4.8	4.3
Shareholders' equity	279.7	288.1	294.5
Total assets	375.7	410.1	412.1
Book value per share (US$)	1.41	1.45	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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