

Press Release

11 May 2021

Arig reported its financial results for three months ended 31st March 2021

Bahrain: Arig (Ticker: ARIG), recorded a consolidated net profit of US\$ 1.5 million attributable to shareholders for the first quarter 2021 (Q1 2020*: net loss of US\$ 6.0 million), mainly due to lower claims and policy acquisition costs. Earnings per share for the first quarter of 2021 was US cents 0.8 compared to a loss of US cents 3.0 for the same period in 2020. Comprehensive income attributable to shareholders for the first three months of the year 2021 was negative US\$ 0.3 million (Q1 2020*: loss of US\$ 16.6 million) a loss decrease of 98%.

Arig's shareholders' equity stood at US\$ 245.1 million at 31 March 2021 (end of 2020: US\$ 245.4 million) a decrease of 0.1% largely due to unrealized losses on investments. Accumulated losses of the Company stood at US\$ 14.6 million at the period-end (end of 2020: US\$ 16.1 million), representing 6.6% of paid-up capital. The total assets at 31 March 2021 was US\$ 717.0 million compared to US\$ 790.6 million at the end of December 2020, a reduction of 9%.

The Group reported negative gross premiums of US\$ 7 million for the first quarter of 2021 (Q1 2020*: negative gross premiums of US\$ 13.8 million), an increase of 49%. Consolidated investment income attributable to shareholders and insurance funds for the quarter was US\$ 2.8 million (Q1 2020*: investment loss US\$ 5.3 million). Arig's underwriting result for the quarter was a profit of US\$ 3.3 million (Q1 2020*: loss US\$ 2.8 million) due to lower claims and policy acquisition costs.

Book value per share was US\$ 1.24 at the end of the period (end of 2020: US\$ 1.24).

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

*Due to the COVID-19 outbreak Central Bank of Bahrain's had exempted listed companies from publishing financial results of first quarter 2020. Arig had elected to avail the exemption and therefore the comparative figures for Q1 2020 disclosed in this press release are extracted from the Group's management accounts and have not been reviewed.

Financial Highlights as at 31 March 2021 (in US\$ million)

	As at 31 March		Full Year
	2021	*2020 unreviewed	2020
Gross premiums written	(7.0)	(13.8)	(17.3)
Net premiums written	(4.1)	(7.3)	(14.3)
Underwriting result	3.3	(2.8)	12.8
Combined ratio	69.1%	97.5%	85.5%
Investment income attributable to shareholders and insurance funds	2.8	(5.3)	4.9
Operating expenses	3.1	4.4	13.3
Net profit (loss)	1.5	(6.0)	13.6
Investment assets	535.0	588.1	557.1
Net technical provisions	304.0	437.1	334.5
Shareholders' equity	245.1	211.8	245.4
Total assets	717.0	921.6	790.6
Book value per share (US\$)	1.24	1.07	1.24

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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