Disclosure made as required under Article 42 of the Central Bank of Bahrain Disclosure Standards

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Announcement relating to the Inspection of Arig by the Central Bank of Bahrain

Bahrain: The Central Bank of Bahrain has recently conducted an onsite examination of Arab Insurance Group (B.S.C.) ("Company") and identified glaring deficiencies in the Company's governance framework, among which was the lack of strategic direction that secures a stable and sustainable performance as a Company.

To address the deficiencies, the Central Bank of Bahrain has formally directed the Company to implement the following actions:

a. Appoint a permanent Chief Executive Officer and in the interim appoint one of the senior staffs as Acting Chief Executive Officer of the Company;
b. Suspend all decisions relating to lay off staff and closure of overseas offices until a clear action plan and strategy submitted to the Central Bank of Bahrain;
c. Fill all vacant core and critical business functions;
d. Seek a rating from the rating agency and work towards further business enhancement as Arig is currently operating with an unrated status;
e. Strengthen the Corporate Governance Framework.

The Company's Board of Directors are in the process of reviewing the formal direction of the Central Bank of Bahrain.

Mani Lakshmanamoorthy
Compliance Officer