Press Release

10 November 2020

Arig reported its financial results for nine months ended 30th September 2020

Bahrain: Arig recorded a consolidated net profit of US$ 6.2 million, attributable to shareholders of Parent Company, for the third quarter 2020 (third quarter 2019: net profit of US$ 3.6 million) an increase of 72%, mainly due to lower claims. Earnings per share for the third quarter of 2020 was US cents 3.1 compared to US cents 1.8 for the same period in 2019, an increase of 72%. Comprehensive income attributable to shareholders for the third quarter 2020 was a profit of US$ 7.6 million (third quarter 2019: profit of US$ 5.5 million) an increase of 38%.

Arig recorded a consolidated net profit of US$ 3.1 million, attributable to shareholders of Parent Company, for the nine months 2020 (nine months 2019: net profit of US$ 12.8 million) a reduction of 76%, mainly due to lower investment income. Earnings per share for the nine months of 2020 was US cents 1.6 compared to US cents 6.5 for the same period in 2019, a decrease of 75%. Comprehensive income attributable to shareholders for the nine months 2020 was a profit of US$ 2.8 million (nine months 2019: profit of US$ 26.0 million) a reduction of 89%.

Arig's shareholders' equity stood at US$ 231.1 million at 30 September 2020 (end of 2019: US$ 228.4 million) an increase of 1%. Accumulated losses of the Company stood at US$ 25.3 million at the period-end (end of 2019: US$ 28.5 million), representing 11.5% of paid-up capital. The total assets at 30 September 2020 was US$ 842.2 million compared to US$ 1,035.8 million at the end of December 2019, a reduction of 19%.

The Group reported negative gross premiums of US$ 3.1 million for the third quarter of 2020 (third quarter 2019: gross premiums of US$ 3.7 million). Consolidated investment income attributable to shareholders and insurance funds for the third quarter of 2020 was US$ 3.0 million (third quarter 2019: US$ 3.3 million), a decrease of 9%. Arig's underwriting result for the third quarter 2020 was a profit of US$ 6.8 million (third quarter 2019: profit US$ 3.5 million) an increase of 94% due to lower claims.

For nine months of 2020, the Group recorded negative gross premiums of US$ 15.7 million due to net write-off of pipeline premiums (nine months 2019: gross premiums US$ 175.4 million). Consolidated investment income attributable to shareholders and insurance funds for the nine months was US$ 1.3 million (nine months 2019: US$ 20.7 million) a decrease of 94% as a result of market volatility. Underwriting result for the nine months of 2020 was a profit of US$ 6.0 million (nine months 2019: profit US$ 16.1 million), a reduction of 63% due to lower investment income on insurance funds.

Book value per share was US$ 1.17 at the end of the period (end of 2019: US$ 1.15).

The full set financial statements and the notes are available on Arig's website, Bahrain Bourse's and Dubai Financial Market's websites.

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Financial Highlights as at 30 September 2020 (in US$ million)

	As at 30 September		Full Year
	2020	**2019**	**2019**
Gross premiums written	(15.7)	175.4	194.6
Net premiums written	(16.2)	129.2	142.5
Technical result	10.9	11.0	15.9
Underwriting result	6.0	16.1	22.5
Combined ratio	91.0%	98.7%	97.2%
Investment income attributable to shareholders and insurance funds	1.3	20.7	26.3
Operating expenses	9.9	13.2	16.5
Net profit	3.1	12.8	17.5
Investment assets	562.6	614.0	629.0
Net technical provisions	364.9	531.5	503.1
Shareholders' equity	231.1	222.4	228.4
Total assets	842.2	1,048.8	1,035.8
Book value per share (US$)	1.17	1.12	1.15

About Arig

Arig is an Arab-owned, professional reinsurance providers in the Middle East and Africa and its shares are listed on the stock exchanges in Bahrain and Dubai (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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