

Gulf Insurance Group announces KD 7.1 million (US\$ 23.6 million) net profit for the first half of 2016

Kuwait City, 28 July 2016: Gulf Insurance Group (**gig**) announced a net profit of KD 7.1 million (US\$ 23.6 million), or 39.83 fils per share, for the first half of 2016 compared with net profit of KD 7.5 million (US\$ 24.8 million) for the same period last year with a decrease of KD 0.4 million (US\$ 1.2 million) or 4.9 percent. This decrease is due to the devaluation of Egyptian Pound with 14 percent during this year that had a negative effect on our existing investments with this currency and the decrease of the group share of results from one of its associates compared with same period last year. Group posted Net Underwriting Income of KD 8.7 million (US\$ 28.7 million) with an increase of 24.9 percent or KD 2.2 million (US\$ 7.2 million) compared to the same period last year.

In the second quarter (the three months ended June 30, 2016), the Group achieved a net profit of KD 3.8 million (US\$ 12.7 million), an increase of 2.3% compared to the same period in 2015.

Shareholder equity reached KD 86.4 million (US\$ 286.4 million), reflecting a growth of 2.1% or KD 1.8 million (US\$ 6.1 million) as at June 30, 2016 compared to the same period last year.

Book value per share reached fils 484, compared with fils 472 as at June 30, 2015.

During the first half of 2016, Gross written premium reached KD 98.5 million (US\$ 326.4 million), with an increase of 14% compared to KD 86.4 million (US\$ 286.4 million) reported for the first half of 2015.

Net technical reserves rose from being KD 112.7 million (US\$ 373.4 million) on December 31, 2015 to stand at KD 113.1 million (US\$ 374.8 million) as at June 30, 2016. This 0.4% growth will support the company's technical operations and protect the policyholders' rights, thereby strengthening gig's ability to withstand emergencies and risks that may rise in the future.

Total assets reached KD 358.3 million (US\$ 1.19 billion) during the first half of 2016, an increase of KD 6.4 million (US\$ 21 million) or 1.8 percent compared to the same period last year.

Mr. Khaled Saoud Al Hasan, **gig's** CEO, said,

“Our results for the 1st half of 2016 reflects the growth we have achieved. This is also a strong indication of the Group’s ability to protect its assets and shareholders’ equity. It is also in line with our constant strive to provide the best insurance services to our clients across all markets we operate in, supported by our strategy for regional expansion and increasing our domestic and regional market share.”

He added,

“We thank our clients for these achievements, as well as the support of our shareholders, namely KIPCO – Kuwait Projects Company (Holding) – and Fairfax Middle East Ltd. I would also like to express my sincere appreciation to our dedicated employees for their efforts.”

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Notes to Editors:

Gulf Insurance Group is the largest insurance Group in Kuwait in terms of written and retained premiums, with operations in both life and non-life insurance. Gulf Insurance has become one of the largest insurance networks in the Middle East and North Africa, with companies in Saudi Arabia, Jordan, Lebanon, Syria, Egypt, Algeria, Iraq, Bahrain, Emirates, Turkey and Kuwait. Its reported consolidated assets stand at US\$ 1.19 billion as at 30 June 2016.

KIPCO – Kuwait Projects Company – is Gulf Insurance Group’s largest shareholder, followed by the Canadian-based Fairfax Financial Holding Ltd.

Gulf Insurance Group holds a Financial Strength Rating of 'A' (Excellent) and issuer credit rating of 'a' with stable outlook from A. M. Best Europe – Rating Services Limited. Standard & Poor’s has also assigned its Financial Strength Rating of BBB+ with stable outlook.

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