

Gulf Insurance Group announces KD 12 million (US\$ 39.3 million)
in net profit of 2016 with EPS fils 67.02

BOD recommends 40% cash dividend

'Growth in gross written premiums, underwriting results and
net investments & cash'

says company's Chairman

Kuwait City, 22 Feb, 2016: Gulf Insurance Group (GIG) announced today that it has achieved a net profit of KD 12 million (US\$ 39.3 million), or 67.02 fils per share for the financial year ended December 31, 2016, compared to KD 14.09 million (US\$ 46.1 million) in 2015 with decrease of 14.8 per cent.

The Board of Directors has recommended the distribution of 40 % cash dividend (40 fils per share) for the financial year ended December 31, 2016, subject to the approval of GIG's General Assembly and other concerned regulatory authorities.

GIG's book value per share reached 460 fils as on 31 December 2016.

GIG's Shareholder's equity decreased during 2016 by KD 7.3 million (US\$ 24 million) to reach KD 82.3 million (US\$ 269.4 million), representing a 8 per cent decrease rate as at December 31, 2016, compared to KD 89.6 million (US\$ 293.1 million) in 2015 effected by the devaluation of some foreign currencies against Kuwaiti dinar related to our subsidiaries and associates.

GIG's Gross written premiums grew 14.7 per cent compared to last year, with an increase of KD 27.3 million (US\$ 89.3 million) to reach KD 213.2 million (US\$ 697.7 million) at the end of 2016.

GIG's Net investment and other income reached KD 10.1 million (US\$ 33 million) at the closing of 2016, with a decrease of KD 2.2 (US\$ 7.3 million), or 18 per cent, compared to 2015 as a result of losses of the devaluation in some Arab currencies against Kuwaiti dinar.

GIG's net technical reserves reached KD 106.4 million (US\$ 348.2 million) as at December 31, 2016 with a decrease of KD 6.3 million (US\$ 20.5 million) or 5.6 per cent compared to KD 112.7 million (US\$ 368.7 million) as at December 31, 2015. This decrease resulted from translating our subsidiary's technical reserves in foreign currencies in to Kuwaiti dinar which its currencies witnessed a sharp decrease against Kuwaiti dinar.

Total assets increased by KD 7.5 million (US\$ 24.4 million) to reach KD 375.9 million (US\$ 1.23 billion) at year-end, a growth of 2 percent compared to the same period in 2015.

Mr. Farqad Al-Sane, GIG's Chairman, said:

"Our results for the year 2016 reflect the strength of GIG group and its ability to take risks through diversifying its revenue sources and our ability to preserve stakeholders' benefits and protect their rights. This is also in line with our constant endeavor to provide the best insurance services to our valued customers in all markets we operate in, supported by our proven strategy which aims at expanding our distribution networks, and our regional expansion plan to acquire greater market share locally and regionally.

He added:

"We thank our clients for these achievements, as well as the unlimited support from our shareholders, especially 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 and all the concerned regulatory authorities in Kuwait."

- Ends -

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\$ 1.23 billion as at 31 December 2016.

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

Gulf Insurance Group enjoys the privilege of being the first triple-rated insurance group in Kuwait. The 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, a Financial Strength Rating of BBB+ with stable outlook from Standard & Poor’s and an Insurance Financial Strength Rating (IFSR) of ‘A3’ from Moody’s Investors Service carrying a stable outlook.

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