International General Insurance Holdings

Second Quarter and First Half 2026 Investor Conference Call

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CORPORATE PARTICIPANTS

Robin Sidders – *Head of Corporate Relations*

Wasif Jabsheh –*Executive Chairman*

Waleed Jabsheh – *President and Chief Executive Officer*

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PRESENTATION

Operator
Good day and welcome to the International General Insurance Holdings Limited Second Quarter 2026 Financial Results Conference Call. All participants are in the listen mode only. Should you need assistance, please signal a conference specialist by pressing the star key followed by zero. After today's presentation, there will be an opportunity to ask questions. To ask questions, you may press star then number one on your telephone keypad. To withdraw your question, press star then two. Please note that this event is being recorded.

I would now like to turn the call over to Robin Sidders, Head of Corporate Relations. Please go ahead.

Robin Sidders
Thanks, Liza, and good morning. Welcome to today's conference call. Today we'll be discussing financial results for the second quarter and first half of 2026. You will have seen the press release we issued after the market closed yesterday, and if you'd like a copy of it, it's on our website at www.iginsure.com. We've also posted a supplementary investor presentation, which can be found on our website, in the Investor section on the main landing page.

On today's call, our executive chairman of IGI Wasif Jabsheh; President and CEO Waleed Jabsheh; and Chief Financial Officer Pervez Rizvi. As always, Wasif will begin the call with some high-level comments before handing over to Waleed to talk through the key drivers of our results for the second quarter and first half, and finish up with our views on market conditions and our outlook for the remainder of the year. At that point, we'll open the call up for Q&A.

I'll just cover some customary safe harbor language to start with. Our speakers' remarks may contain forward-looking statements. Some of the forward-looking statements can be identified by the use of forward-looking words. We caution you that such forward-looking statements should not be regarded as a representation by us that the future plans, estimates, or expectations contemplated by us will, in fact, be achieved.

These forward-looking statements involve risks, uncertainties, and assumptions. Actual events or results may differ materially from those projected in the forward-looking statements due to a variety of factors, including the risk factors set out in the company's Annual Report on Form 20-F for the year ended December 31, 2025, the company's reports on Form 6-K and other filings with the SEC, as well as our results press release issued last evening. We undertake no obligation to update or revise publicly any forward-looking statements which speak only as of the date they are made.

During this call, we will use certain non-GAAP financial measures. For a reconciliation of these measures to the nearest GAAP measure, please see our earnings release, which has been filed with the SEC, and like I said, is available on our website.

With that, I'll turn the call over to our Executive Chairman Wasif Jabsheh.

Wasif Jabsheh
Thank you, Robin, and good day, everyone. Thank you for joining us on today's call.

IGI delivered excellent underlying results for both the second quarter and first half of 2026, and we continued to generate excellent returns for our shareholders. We delivered these results against a backdrop of war and conflict in the Middle East [indiscernible] global uncertainty and a softening market environment.

Market conditions are undeniably more challenging, and pricing has continued to decline in many lines. The potential declined quite rapidly in some areas. The war-related losses that we experienced in the first half of 2026 are in aggregate likely represent one of the largest net loss events in IGI history. Our ability to withstand loss events of this scale and still achieve a very healthy level of profit still demonstrates the resilience, strength, and stability we have at IGI today. And not only enforces strength of our model, but the experience, focus, and discipline of our people and the culture we have at IGI.

Our purpose is to provide peace of mind in times of uncertainty. We support clients across many countries in [voice fade], and our relationships here are some of the longest in our history. We are proud to be in a position of strength to support our clients and our people through these challenging times, not just in the Middle East, but across all our global markets. Our focus remains, as always, on risk-adjusted returns and active cycle management no matter how volatile the world around us may be. For us, our strategy of having a diversified portfolio allows us to be more resilient and have plenty of optionality. This is what drives the consistency in our long-term track record of high-quality financial results and shareholder value creation.

I will now hand over to Waleed to discuss the numbers in more detail and talk about our outlook. I will remain on the call for any questions at the end.

Waleed Jabsheh
Thank you, Wasif. Good morning, everyone, and thank you all for joining us today.

I'm also extremely pleased with our performance in Q2 and first half of the year. In the face of sizeable losses in one of our core regions, increasingly competitive market conditions, and continued global uncertainty, our results clearly show that IGI is a strong, resilient, and stable organization that can manage and mitigate volatility while continuing to execute our strategy and deliver excellent value for our stakeholders. The events of the first half of the year were unusual, not only because of the scale of the war-related losses, but because it affected Middle Eastern countries that had generally been viewed as comparatively safe from this type of conflict-related impact. As Wasif noted, for IGI, the war losses in aggregate for the first six months of the year represent what's possibly the largest net loss event in IGI's history. So, in many ways, this was a real-life stress test of our strategy, of our underwriting model, of our risk management, of our balance sheet, and I'm very pleased, though not really surprised, that we performed so well, and as our model and strategy was designed to perform.

I'd just like to make a few points before moving on to some of the specifics of the results for Q2 and H1. First, as we've already noted, the Middle East war-related losses in aggregate are looking like there'll be the largest single event loss in IGI's almost 25-year history now. We recorded net war losses in Q2 of almost $14 million, and of the first half roughly $39 million, and that's both direct and indirect losses. These losses are predominantly in our PV book. We mentioned in Q1 of an indirect loss in our energy portfolio, and these are war-related physical damage and business interruption losses, and predominantly stem from our exposures in the UAE, Saudi Arabia, Bahrain, and to a lesser extent Amman. As a reminder, and this should be fairly obvious, we don't have any exposure in countries that are sanctioned.

Now, the Middle East remains an important region for us, served by our operations in both Amman and Dubai. As you're all aware, IGI originated in Jordan, and the nine offices in Amman with almost 300 of our people and much of our operational support headquartered here, and it's where both Wasif and I are speaking to you from today. That said, this is the first time we've experienced major war loss in the Middle East, and I'm proud that we're able to support our clients in the region. Consistent with our disciplined approach, we've used the insights gained from these events to further reduce PV line sizes and exposures. On the flip side, and as I said on last quarter's call, we've also taken advantage of the price

correction in the Middle East to write new business at significantly improved pricing.

Secondly, our ability to absorb shock losses was clearly demonstrated in the second quarter and half year financial results that we're discussing today. As I said at the outset, IGI today is a much larger, much stronger, more resilient, and more stable company than even five years ago. So, again, to be able to record one of, if not the single largest loss in our history in the first six months of the year, while hosting a 92% combined ratio, a $42.5 million profit, and returning over $72 million in capital to shareholders really speaks for itself.

And lastly, and as we say this on most of these calls, we all know our business is very cyclical, but our view of success is never based on a quarter-to-quarter basis, or even on a year-over-year basis. The market is constantly changing, but our philosophy and our values remain the same. Success for us, we've said many times in the past, is determined by long-term, multi-year, or over-the-cycle performance, with some short-term volatility, which is the nature of our business and is innate and expected in our business as well.

Now I'll talk more about specific market opportunities and our entry into the Indian market just a little bit later during the call. But turning to specifically to the results of Q2 and H1 of the year, I'll focus on a few key points and the drivers behind the numbers. Firstly, GWP was $201.7 million for Q2 and just under $400 million for the first half. This represents a 7.4% and 1.2% increase over the same period from last year.

Now, this primarily reflects the impact of around $10 million in new Indian business written subsequent to us securing registration approval in June to open our office in GIFT City in India. As I said, I'll say a few more words about that in a moment.

Underwriting income was $29.5 million for Q2, and just over $67 million for the first half, which represents about a 6.7% increase over the first half of 2025. We posted a combined ratio of 95.1% for Q2. Now that included about 18.8 points of CAT losses, out of which 11 points are related to the war. That led to an ex-CAT accident year combined ratio of 74.9%, below the 76% posted for Q2 of last year. A combined ratio of 92.2% for the first half included 19 points of CAT losses, out of which 12 points were related to the war itself, That led to an ex-CAT accident year combined ratio of 86.2% compared to 84.1% for the first half of last year.

I'd note again that the additional indirect war losses recorded in the first half of around $10 million do not sit in the CAT line, and those amount to about an additional 4.5 points on the combined and loss ratios. Now, these results really show the strength and profitability of our underlying performance, even in the face of these adverse conditions and competitive market conditions as well.

Return on average equity was 12.6% and core operating return on average equity was 11.3% for the second quarter, and then 12.3% and 12.5% for the first half, respectively. And these are broadly in line with our long-term averages.

Book value per share was $16.4 at the end of Q2, which includes total capital return to shareholders of about $73 million in the first half of the year. Now that's made up of almost $55 million in dividends, including the special dividend declared in March of $1.15, and a further $18.2 million in share repurchases.

Now, those are the main highlights. Delving into the detail a little further, net pre-use earns were $125 million and $236.2 million for Q2 and H1 of the year, respectively. Those represented increases of 8.7% and 3.7% respectively over the same periods last year.

Combined ratio of 95.1% for Q2, as mentioned earlier, includes 18.8 points of CAT losses, mainly from the Middle East war, and 1.4 points of unfavorable prior year reserve development, primarily related to our view of specific accounts or risks in our long tail segment, although I note here that there is nothing systematic about this at all. Combined ratio of 92.2% for the first half of the year, again, as mentioned earlier, includes 19 points of CAT losses, primarily as a result of the war, and 13 points of favorable prior yield reserve development.

Now, during Q2 and the first six months of the year, currency evaluation movements were not much of a feature really at all compared to the first half and second quarter of last year. So all in, we delivered net income of just under $21 million or $0.49 per share for Q2 versus $34.1 million or $0.77 per share for Q2 of last year. For the first six months, we delivered net income of $42.5 million or $0.98 versus $61.4 million or $1.36 per share for the same period last year.

Now, specifically onto our segment results. If we start with the short tail, conditions continued to be very mixed in this segment, with increases in some areas and decreases in others. But overall, written premiums were up in 2026 over both the second quarter and the first half of 2025, registering an increase of about 7% in Q2 over the same period last year. For the first half, gross premiums in this segment were up just over 2%. Net premiums earned were down slightly at 3% for Q2 but were up just over 4% for the first half.

Now, now rates remained generally adequate overall, but there is a whole lot of variation in the level of adequacy from one line to another. Underwriting income for both Q2 and H1 was down substantially year over year due to the elevated level of loss activity, again, much related to the war, but still very healthy at $16 million for the second quarter in ‘25, or just over $25 million for the first half. And, again, this really speaks to how we manage risk and the resilience we’ve built in our business.

If we move on to the reinsurance segment, conditions are increasingly competitive in the business that we write and underwriting income was impacted by the higher level of losses in the quarter. GWP was up for the quarter, largely due to the new Indian business mentioned before. Net premiums written were also up by just under 6% to just over $25 million.

For the first half, both gross written premiums and net current premiums were down, more so due to the non-renewal of two cycle reinsurance programs in Q1, which we mentioned on last quarter's call.

In the long tail segment, gross premiums written in Q2 were fairly steady with the same period in 2025, but on a net earned basis premiums were up by over 33%, leading to an underwriting income of $5.5 million versus an underwriting loss of just under $3 million for Q2 last year. Similarly, for the first half, both gross written and net revenues were up 6.6% and 17.4% driven by new business in most lines.

Underwriting income for H1 increased substantially to just under $23 million versus an underwriting loss of just over $10 million for the same period in 2025. Now we remain cautiously optimistic about market conditions stabilizing somewhat in this segment after many sequential years of declining rates.

Now, over the past few quarters, with much better data and more experience driven by more than a decade now of writing this business, we've taken the opportunity to assess this portfolio and our view of the tail and have made some very modest adjustments. Our approach to long tail business has always erred on the side of conservatism, so any minor changes in our philosophy really just adds to that. Consequently, the reserve strengthening you saw in our press release of a modest $1.7 million or about 1.5 points in the combined ratio of Q2 was specific to this portfolio. Again, nothing systemic going on.

Purely us taking a more prudent view of the early years of this business. For the first half of ‘26, we released more than $30 million in higher EU reserves across all our segments.

Now, turning to the balance sheet, total assets were just under $2.2 billion. Total investments in cash were just under $1.3 billion. Our allocation to fixed income securities, which makes up about 78% of our investments in cash portfolio, generated $14.5 million in the second quarter of investment income and $28.6 million in the first half. That's with a yield of 4.5% at the end of Q2 and we held duration steady at 3.5 years.

In Q2, we repurchased a little over 205,000 common shares. Average price per share of $24.82. At the end of Q2, we had 3.9 million common shares remaining under our existing 5 million common share repurchase authorization.

Total equity was just below $670 million at the end of the quarter, and that includes almost $73 million in share repurchases and common share dividends, including that special dividend I mentioned earlier. That compares to a total equity of about $710 million at the end of 2025.

So, as I said at the outset, very strong fundamental results in Q2 and H1, especially considering the overall market softening and the heightened level of significant loss activity. Before turning to our view and outlook of the market, I wanted to reiterate that IGI is a purely technical underwriting business. We generate returns through underwriting discipline, active capital management, cycle management. We don't rely on investment portfolio to support returns when the underwriting cycle softens. Instead, our strategy relies on the significant diversification that we talk about all the time of our underwriting portfolio and our ability to execute through all market conditions and all stages of the market cycle. That's how we endure. And as we approach our 25th anniversary year, it's fair to say the strategy has served us well.

Now, turning to opportunities and market conditions, and starting with the Middle East, we've taken advantage of the significantly improved pricing and terms, and grown our PV book by about 45%. Now, the vast majority of this increase is down to significant pricing improvements, especially on the Middle East portfolio, but we've also written a lot of new business in these countries as well. As always, we're being very selective in what we're willing to write, and as I said earlier, we've adjusted PV growth lines or growth line sizes, leading to reduced war exposures in the region, and that's a continuous process for us.

On a positive note, we're definitely seeing more discipline in the markets there. Now we've said this before, our pricing correction has been long overdue in the PV line, and we're not only seeing that on a direct basis, but also on a reinsurance basis, albeit to a lesser extent. So, we're optimistic that the improved pricing and the policy structures will hold. New opportunities in the Middle East are focused predominantly on PV and marine war lines, and to a lesser extent reinsurance.

Now to India. Now this is a whole sort of new market opportunity for us, one that we see as being long-term in one of the fastest-growing economies in the world, and we're really excited about developing our presence there. In June, we announced that we secured registration approval for the setup of a branch office in GIFT City, which is India's first and only operational international financial services center. So, we're currently in the process of setting up and staffing the office there, and this is a meaningful milestone for IGI as it expands our global footprint, strengthens our presence in the Indian subcontinent, and furthers our diversification and our strategy of having physical presence with local talent in our key regions around the world. As I mentioned earlier, we've already written around $10 million of GWP of new Indian business, and most of that predominantly in pre-PV insurance book and mainly focused on specific niches like cyber and surety.

In other geographic regions, U.S., Europe, APAC, the story is similar to what we said on prior calls, and we continue as always to leverage our presence, experience, and relationships for new opportunities. I would add that we're working on a number of opportunities and initiatives that if and/or when they're in place will provide us with more non-correlated, diversified, and profitable growth. This is where the benefits of our upgrade from S&P last year to a full A really makes or can make a difference for us.

Now turning to specific lines of business and starting with the treaty reinsurance portfolio, margins are still healthy, but competitive pressures are definitely becoming increasingly [indiscernible]. The opportunities here are more concentrated in specialty treaty lines like marine, energy, PV terror, and these are areas where there's been significant risk and war loss. So, we did see continued softening at 1-7. What happens at 1-1 and whether we'll see that further pressure continue will really depend on the loss activity for the remainder of the year.

In our long tail segment, we're seeing some new opportunities and good deal flow, and we saw that in the first half of the year, especially in the more niche segments of the business like marine liability. Now, this is very clearly an opportunity for us to capitalize on improved pricing and demand for capital that resulted from the Baltimore Bridge loss, so we expect to grow and expand our direct marine liability book. Now we've already seen some of that in ‘26, and it's widely expected that renewal rates for the remainder of this year and into next year will continue to improve.

Moving to the short tail portfolio, I've already covered PV, and as I said a moment ago, we're also seeing opportunities in certain marine lines like cargo, specifically cargo war and war on land arising from the conflict. While the opportunity so far isn't significant, or as significant as we anticipated at this stage, we have taken advantage where appropriate.

Our energy book in certain areas of our property book, which two of our largest lines are definitely much tougher than a year ago, and even since the beginning of this year. We've seen those competitive pressures further increase to the point of being quite irrational in some cases. That said, we are cautiously holding on to some optimism that we see some steadying in elements of our energy book, especially following some quite sizeable losses, and especially in the downstream energy space.

Now, having said that, we continue to see relatively healthy conditions in the more specialist clients, like construction engineering, with healthy levels of deal flow, particularly with increase in infrastructure projects globally. I'd like to note, though, that in the Middle East, as a direct symptom or result of the war and general uncertainty, we are seeing some instances where projects are either being delayed and, in some cases, canceled altogether. And elsewhere, in the portfolio, contingency continues to be a bright spot, which has been for many quarters now.

So, there are opportunities out there, even in the current environment, and this is where our strategy and our strengths matter most. Our significant diversification, the experience of our people, and their relationship network provide us with a lot of optionality and several levers to work with. Our business continues to be very much a people business where relationships do matter. So, we look forward to what's to come for the rest of this year and 2027, and we remain steadfastly focused on technical expertise in underwriting strong execution of our strategy and capitalizing on the many opportunities that our strategy provides.

Our performance in the first half of 2026 tells a very clear story: more than $42 million in net income, healthy core margins, over $72 million returned to shareholders, a new operation launched in India. These results demonstrate clearly that even amid a softening market and extraordinary, unexpected loss events, this business continues to show real earnings power and genuine resilience. This is the foundation we build on, and we remain committed to delivering peace of mind for our customers and

superior value for our shareholders.

I'm going to pause here, and we're ready to turn it over for questions. Operator, we're ready to take the first question, please.

QUESTION AND ANSWER

Operator
Thank you. We will now begin the question-and-answer session. To ask a question, you may press star then one on your telephone keypad. If you are using a speakerphone, please pick up your headset before pressing the keys. To withdraw your question, press star then two. At this time, we will pause momentarily to assemble our roster.

Your first question comes from Roland Mayer from RBC Capital Markets. Please go ahead.

Roland Mayer
Thank you, and congrats on another good quarter in the circumstances. I wanted to quickly start on the Middle East growth opportunity during the conflict. Do you think the market has responded appropriately, or have some of the global competitive pressures limited the pricing response, in your opinion?

Waleed Jabsheh
Hi, Roland and thanks for the question. I mean, the war hasn't really impacted lines outside of those exposed to war. So PV definitely there's been a huge reaction. I mentioned on last quarter's call that we're seeing rate increases in some cases in the thousands of percent. I think the market overall has reacted well, but not necessarily that consistently, in all honesty. I think when the ceasefire was announced, I think there were some elements of the market that took a different approach and that maybe eased their underwriting requirements, but I think what's happened since then has hopefully re-emphasized to everyone that there is definitely still a large element of uncertainty and volatility that persists in the environment, and the business needs to be underwritten with that in mind and that's exactly the way we've been doing it.

Thankfully, we don't have the exposures to those marine war losses, which based on the most recent articles I've read have estimated between at $1.5 billion to $2 billion. I think that's the trickiest part of the book or the war exposed book at the moment. Up until today, you're hearing of vessels being targeted. Has the reaction been positive? Definitely. Has it been enough? In some cases, yes. In some cases, no. But we will stick to our guns, and we will continue to underwrite the book and manage the exposures in the best way we see fit for us, regardless of what the others do.

In terms of its impact on other lines of business, such as property, construction, it’s had absolutely no effect on those other lines whatsoever. People are just focusing on those exposures that the war impacts.

Roland Mayer
Thank you. That's great. And then it appears it's been kind of 18 or 19 points of CAT losses a quarter. Have there been any larger losses in the third quarter, or is it kind of a linear CAT loss expectation as the conflict continues?

Waleed Jabsheh
Not to our knowledge. I think despite there being targeted attacks since the ceasefire was announced and the MoU was agreed, there hasn't been that spate of losses. Definitely not that spate of severe losses that you saw in essentially March and April. That's practically where all of our reported losses have emanated from so far this year. Not to say the situation can't deteriorate to levels we saw in March and

April, but it's been fairly quiet on the loss front since then.

Roland Mayer
Thank you. And then if I could sneak in just one more, Waleed. I wanted to ask on your approach to capital return here, and if at the current valuation whether you start to shift some of the buybacks towards dividend due to the valuation.

Waleed Jabsheh
Roland, we've got the authorization, the repurchase authorization in place. Obviously, how much we buy, when we buy it, at what price all depends on various factors, but the authorization is there, and we will exercise it whenever we see fit. There will be an element at some point where we're probably not big fans of buying at certain levels, and if that's the case, then yes, we will look to distribute similar returns, whether they be in the form of buybacks for dividends, and that's obviously all dependent on the level of performance of the business in the beginning.

Roland Mayer
Thank you for the answers.

Waleed Jabsheh
Thank you, Roland.

Operator
Thank you. Again, if you have a question, please press star the number one on your telephone keypad. And your next question comes from Roland Mayer from RBC Capital Markets. Please go ahead.

Roland Mayer
I was going to let someone ask a question, but I'm back. Just quickly on the reserving action, could you help us understand the lines of business impacted and whether there is a change to the current year loss pick associated with it?

Waleed Jabsheh
As I said on the call, Roland, it was purely down now that the more experience we have and data we have internally on specific lines, especially the long tail lines, the more concerted decisions we can make on reserving, and the more cautiousness we can apply as well. Again, it's rather insignificant in the larger scheme of things, but we felt it was more prudent to just put some reserves back in after looking at the tail.

Now the book overall, as I said on the call, we've released more than $30 million of prior year reserves so far this year, and for the long tail segment in and of itself is pretty flat and in line with where we were at the end of last year. So, there's nothing specific to it. Just a couple of losses that we felt prudent to take a more cautious approach on.

Roland Mayer
Thank you, and I'm assuming that's all IV&R at this point?

Waleed Jabsheh
Pretty much, yes.

Roland Mayer
All right. Well, that wraps up the rest of my questions. Thank you so much.

Waleed Jabsheh
Thank you, Roland.

CONCLUSION

Operator
This concludes our question-and-answer session. I'd like to turn the conference back over to management for any closing remarks. Please go ahead.

Waleed Jabsheh
Just a quick thank you to all of you for joining us today, and thanks for your continued support. As always, if you've got any additional questions, you can contact Robin and she'll be happy to assist. We look forward to speaking to you on next quarter's call. Have a good day, everyone. Thank you.

Operator
Ladies and gentlemen, that concludes today's call. Thank you all for joining. You may now disconnect.