

IGI Reports Second Quarter and Half-Year 2022 Condensed and Unaudited Financial Results

HAMILTON, Bermuda, August 18, 2022 -- International General Insurance Holdings Ltd. (“IGI” or the “Company”) (NASDAQ: IGIC) today reported financial results for the second quarter and first six months of 2022.

Highlights for the second quarter and first six months of 2022 include:

<i>(in millions of U.S. Dollars, except percentages and per share information)</i>				
	Quarter Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Gross written premiums	\$176.4	\$166.1	\$304.4	\$266.8
Net premiums earned	\$95.8	\$85.5	\$183.0	\$167.8
Net underwriting results	\$40.4	\$20.9	\$81.7	\$48.6
Total investment income, net ⁽¹⁾	\$4.6	\$3.9	\$8.5	\$7.9
Profit for the period	\$21.8	\$8.2	\$41.3	\$18.5
Combined ratio ⁽²⁾	74.8%	92.3%	73.5%	88.5%
Earnings per share (basic and diluted) ⁽³⁾	\$0.44	\$0.17	\$0.84	\$0.38
Return on average equity (annualized) ⁽⁴⁾	22.2%	8.5%	20.8%	9.6%
Core operating income ⁽⁴⁾	\$29.4	\$8.8	\$53.3	\$23.5
Core operating earnings per share ⁽⁴⁾ (basic and diluted)	\$0.60	\$0.18	\$1.08	\$0.48
Core operating return on average equity (annualized) ⁽⁴⁾	30.0%	9.1%	26.8%	12.2%

(1) See Note (1) in the “Notes to the Condensed Consolidated Financial Statements (Unaudited)” below.

(2) See “Supplementary Financial Information” below.

(3) See Note (3) in the “Notes to the Condensed Consolidated Financial Statements (Unaudited)” below.

(4) See the section titled “Non-IFRS Financial Measures” below.

IGI Chairman and CEO Mr. Wasef Jabsheh said, “IGI continues to perform well with excellent results recorded for the second quarter and first half of 2022. Highlighted by a combined ratio of 73.5% and a 26.8% core operating return on average shareholders’ equity, our results for the first half of 2022 demonstrate how our strategy and execution capabilities are driving continued high-quality returns and creating shareholder value.”

“We continue to see attractive rate increases and favorable market conditions across a number of business lines and territories providing excellent opportunities to further grow our portfolio. In the first six months of 2022, premium production continued at a steady pace with increases in most lines of business, resulting in 14% growth in the first half of 2022. This is on top of the 56% growth we saw in 2020 and 2021. We are well-positioned to benefit from this momentum for the foreseeable future.”

“Like others in our sector, we are monitoring the broader economic impacts of elevated inflationary pressures, rising interest rates and foreign exchange movements, which were evident in our results for the second quarter and first half of 2022. Notwithstanding these factors, our capital position remains very strong allowing us to continue to execute on our ‘underwriting first’ strategy to grow in the lines and territories where we see the most attractive returns. We remain optimistic about our future and delivering on our commitment to generate long-term shareholder value.”

Results for the Periods Ended June 30, 2022 and 2021

Profit for the quarter ended June 30, 2022 was \$21.8 million, compared to profit of \$8.2 million for the quarter ended June 30, 2021.

Core operating income, a non-IFRS measure defined below, was \$29.4 million for the quarter ended June 30, 2022, a significant increase over the core operating income of \$8.8 million for the comparable period in 2021. The improvement in core operating income from the second quarter of 2021 to the second quarter of 2022 was primarily the result of an increase in net premiums earned and a lower level of net claims and claim adjustment expenses, which benefited from higher favorable development of net loss reserves from prior accident years. The core operating return on average equity (annualized) increased 20.9 points to 30.0% for the second quarter of 2022 compared to the second quarter of 2021.

For the first six months of 2022, profit was \$41.3 million, compared to profit of \$18.5 million for the first six months of 2021.

Core operating income was \$53.3 million for the six months ended June 30, 2022 compared to core operating income of \$23.5 million for the six months ended June 30, 2021. The improvement in core operating income in the first six months of 2022 compared to the first six months of 2021 was primarily driven by an increase in net premiums earned and a lower level of net claims and claim adjustment expenses, which benefited from higher favorable development of net loss reserves from prior accident years.

The core operating return on average equity (annualized) increased 14.6 points to 26.8% for the first six months of 2022 compared to the first six months of 2021.

Underwriting Results

Net underwriting results improved to \$40.4 million for the second quarter of 2022 from \$20.9 million for the second quarter of 2021, largely driven by growth in net premiums earned and a lower level of net claims and claim adjustment expenses.

Gross written premiums were \$176.4 million for the quarter ended June 30, 2022, representing growth of 6.2% compared to gross written premiums of \$166.1 million for the quarter ended June 30, 2021. The increase in gross written premiums was the result of new business generated across all segments and most lines of business, as well as rate increases on existing business across all segments.

The net claims and claims expense ratio improved to 40.1% for the quarter ended June 30, 2022, compared to 57.0% for the quarter ended June 30, 2021, primarily driven by favorable development of net loss reserves from prior accident years of \$5.5 million, or 5.7 points, compared to unfavorable development of \$1.0 million or 1.2 points for the quarter ended June 30, 2021. The favorable development of net loss reserves from prior accident years in the second quarter of 2022 was driven by improvement in claims experience in most lines of business in the Long-tail Segment, and primarily the energy line in the Short-tail Segment, coupled with the currency devaluation impact on prior period loss reserves denominated in Pound Sterling and Euro.

The general and administrative expense ratio increased 0.3 points to 17.0% in the second quarter of 2022 compared to the same quarter of 2021, largely due to increased employee-related costs, specifically higher salary costs due to new hires, an increase in business travel as result of the easing of global COVID-19 travel restrictions, and investment in technology infrastructure to support the Company's growth.

The combined ratio for the quarter ended June 30, 2022 was 74.8% compared to 92.3% for the quarter ended June 30, 2021, benefiting from an increase in net premiums earned, favorable development of net loss reserves from prior accident years during the quarter, and the currency devaluation impact on loss reserves denominated in Pound Sterling and Euro.

For the first six months of 2022, gross written premiums were \$304.4 million, an increase of 14.1% compared to \$266.8 million for the comparable period in 2021.

The net claims and claim expense ratio improved to 36.6% for the six months ended June 30, 2022, compared to 53.5% for the six months ended June 30, 2021, primarily driven by favorable development of net loss reserves from prior accident years of \$23.1 million or 12.6 points, compared to favorable development of \$3.3 million or 2.0 points for the six months ended June 30, 2021. The favorable development of net loss reserves from prior accident years in the first six month of 2022 was largely driven by improvement in claims experience in nearly all lines of business in both the Long-tail and Short-tail segments, coupled with the currency devaluation impact on prior period loss reserves denominated in Pound Sterling and Euro.

The general and administrative expense ratio increased 0.7 points to 18.2% in the first six months of 2022 compared to the same period of 2021, largely due to increased employee-related costs, specifically higher salary costs due to new hires, an increase in business travels as result of the easing of global COVID-19 travel restrictions, and investment in technology infrastructure to support the Company's growth.

The combined ratio for the six months ended June 30, 2022 was 73.5%, compared to 88.5% for the six months ended June 30, 2021, benefiting from an increase in net premiums earned, favorable development of net loss reserves from prior accident years during the six months ended June 30, 2022 and the currency devaluation impact on loss reserves denominated in Pound Sterling and Euro.

Segment Results

The **Long-tail Segment**, which represented approximately 34% of the Company's gross written premiums for the six months ended June 30, 2022, includes financial institutions, marine liability, inherent defects insurance, and professional lines, which is comprised of professional indemnity, directors and officers, legal expenses, and other casualty lines (non-U.S.).

Gross written premiums for the second quarter of 2022 in the Long-tail Segment were \$58.2 million compared to \$63.0 million for the second quarter of 2021. Net premiums earned for the quarter ended June 30, 2022 were \$42.6 million, compared to \$41.9 million in the comparable quarter in 2021. The net underwriting results for this segment were \$20.2 million for the second quarter of 2022, compared to \$9.7 million in the second quarter of 2021. The growth in net underwriting results was primarily due to a lower level of net claims and claim adjustment expenses in the second quarter of 2022, which benefited from higher favorable development of net loss reserves from prior accident years in all lines except for marine liability and inherent defects insurance, compared to the second quarter of 2021, coupled with the currency devaluation impact on loss reserves denominated in Pound Sterling.

Gross written premiums for the first six months of 2022 in the Long-tail Segment increased 2.1% to \$103.4 million from \$101.3 million for the first six months of 2021. Net premiums earned for the six months ended June 30, 2022 were \$81.6 million, compared to \$82.7 million in the comparable period in 2021. The net underwriting results for this segment were \$37.3 million for the first six months of 2022, compared to \$22.5 million in the first six months of 2021. The growth in net underwriting results was primarily due to a lower level of net claims and claim adjustment expenses in the first six months of 2022, which benefited from higher favorable development of net loss reserves from prior accident years compared to the first six months of 2021, coupled with the currency devaluation impact on loss reserves denominated in Pound Sterling.

The **Short-tail Segment**, which represented approximately 59% of the Company's gross written premiums for the six months ended June 30, 2022, includes energy, property, general aviation, ports and terminals, marine trades, marine cargo, contingency, construction and engineering, and political violence.

Gross written premiums for the second quarter of 2022 in the Short-tail Segment were \$111.6 million, an increase of 14.5% compared to \$97.5 million in the second quarter of 2021. Net premiums earned for the quarter ended June 30, 2022 were \$45.7 million, compared to \$37.4 million in the comparable quarter in 2021. The net underwriting results for this segment were \$18.9 million for the second quarter of 2022, compared to \$10.1 million for the comparable quarter in 2021. The second quarter of 2022 benefited from the increase in net premiums earned compared to the second quarter of 2021.

Gross written premiums for the first six months of 2022 in the Short-tail Segment were \$180.7 million, an increase of 19.7% compared to \$150.9 million in the first six months of 2021. Net premiums earned for the six months ended June 30, 2022 were \$87.0 million, compared to \$73.8 million in the comparable period in 2021. The net underwriting results for this segment were \$41.1 million for the first six months of 2022, compared to \$23.5 million for the comparable period in 2021. The first six months of 2022 benefited from the increase in net premiums earned and a lower level of net claims and claim adjustment expenses in the first six months of 2022, which benefited from favorable development of net loss reserves from prior accident years compared to unfavorable development of net loss reserves from prior accident years in the first six months of 2021, coupled with the currency devaluation impact on loss reserves denominated in Euro.

The **Reinsurance Segment**, which represented approximately 7% of the Company's gross written premiums for the six months ended June 30, 2022, includes the Company's inwards reinsurance portfolio.

Gross written premiums for the second quarter of 2022 in the Reinsurance Segment were \$6.6 million, compared to \$5.6 million in the second quarter of 2021. Net premiums earned for the quarter ended June 30, 2022 were \$7.5 million, compared to \$6.2 million for the comparable quarter in 2021. Net underwriting results for this segment were \$1.3 million for the second quarter of 2022, compared to \$1.1 million in the second quarter of 2021. The second quarter of 2022 benefited from an increase in net premiums earned, partially offset by the increase in net claims and claim adjustment expenses.

Gross written premiums for the first six months of 2022 in the Reinsurance Segment were \$20.3 million, compared to \$14.6 million in the first six months of 2021. Net premiums earned for the six months ended June 30, 2022 were \$14.4 million, compared to \$11.3 million for the comparable period in 2021. Net underwriting results for this segment were \$3.3 million for the first six months of 2022, compared to \$2.6 million in the first six months of 2021. The six months ended June 30, 2022 benefited from an increase in net premiums earned, partially offset by the increase in net claims and claim adjustment expenses.

Foreign Exchange Losses

The loss on foreign exchange in the second quarter of 2022 was \$9.2 million, compared to \$1.9 million in the second quarter of 2021, both of which largely represent currency revaluation losses. When compared with the second quarter of 2021, the second quarter of 2022 saw a greater degree of negative currency movement in the Company's major transactional currencies, primarily the Pound Sterling and the Euro, against the U.S. Dollar.

The loss on foreign exchange in the first six months of 2022 was \$12.7 million, compared to \$3.2 million in the first six months of 2021, both of which largely represent currency revaluation losses. When compared with the first six months of 2021, the first six months of 2022 saw a greater degree of negative currency movement in the Company's major transactional currencies, primarily the Pound Sterling and the Euro, against the U.S. Dollar.

Investment Results

Total investment income was a gain of \$1.5 million in the second quarter of 2022, compared to a gain of \$4.5 million in the second quarter of 2021. Total investment income, net (*See Note (1) in the "Notes to the Condensed Consolidated Financial Statements (Unaudited)" below*) was \$4.6 million and \$3.9 million for the quarters ended June 30, 2022 and 2021, respectively. This represented an annualized investment yield of 2.0% on the average total investments, term deposits (bank deposits with a maturity of more than three months), and cash and cash equivalents (cash, bank balances, and short-term deposits with a maturity of three months or less) in the second quarter of 2022, unchanged compared to the 2.0% annualized investment yield in the corresponding period in 2021. The Company's total investments and term deposits produced an investment yield of 2.3% in the second quarter of 2022, compared to 2.4% in the corresponding period in 2021. The decline in total investment income was primarily attributable to a \$3.1 million unrealized loss on investments in the second quarter of 2022 compared to a \$0.8 million unrealized gain on investments in the second quarter of 2021, partially offset by increase in interest income of \$0.5 million.

Total investment income was a gain of \$4.2 million in the first six months of 2022, compared to a gain of \$9.7 million in the first six months of 2021. Total investment income, net was \$8.5 million and \$7.9 million for the first six months ended June 30, 2022 and 2021, respectively. This represented an annualized investment yield of 1.9% on the average total investments, term deposits, and cash and cash equivalents in the first six months of 2022, compared to 2.0% in the corresponding period in 2021. The Company's total investments and term deposits produced an investment yield of 2.2% in the first six months of 2022, compared to 2.4% in the corresponding period in 2021. The decline in total investment income was primarily attributable to a \$3.1 million unrealized loss on investments in the first six months of 2022 compared to a \$2.1 million unrealized gain on investments in the first six months of 2021 and a \$0.7 million impairment provision on the Company's fixed income portfolio, partially offset by an increase in interest income of \$0.5 million.

Term deposits, cash and cash equivalents totaled \$369.0 million at June 30, 2022, representing 40.7% of the Company's total investments, term deposits and cash and cash equivalents, compared to \$422.1 million at December 31, 2021, when it represented 46.2%. Total investments include investments, investment in associates, and investment properties and totaled \$905.8 million at June 30, 2022 compared to \$914.3 million at December 31, 2021.

Total Equity

Total equity at June 30, 2022 was \$393.9 million, compared to \$401.9 million at December 31, 2021. The movement in total equity during the second quarter and six months ended June 30, 2022 is illustrated below:

<i>(in millions of U.S. Dollars)</i>	Quarter Ended June 30, 2022	Six Months Ended June 30, 2022
Total Equity at beginning of period	\$390.9	\$401.9
Profit for the period	\$21.8	\$41.3
Net change in fair value reserves for investments through other comprehensive income (OCI)	(\$18.7)	(\$40.7)
Change in foreign currency translation reserve	(\$0.3)	\$0.1
Purchase of treasury shares	(\$0.1)	(\$0.1)
Issuance of restricted share awards	\$0.8	\$1.2
Cash dividends declared during the period	(\$0.5)	(\$9.8)
Total Equity at June 30, 2022	\$393.9	\$393.9

Book value per share was \$8.64 at June 30, 2022, representing a decrease of 2.2% from \$8.83 at December 31, 2021.

During the second quarter of 2022, the Company began to utilize the 5 million common share repurchase authorization announced in May 2022. As of August 16, 2022, the Company had repurchased 35,356 common shares at an average price per share of \$7.51 per share.

International General Insurance Holdings Ltd.

Condensed Consolidated Statements of Income (Unaudited)

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
<i>(in millions of U.S. Dollars, except for percentages and per share data)</i>	2022	2021	2022	2021
Gross written premiums.....	\$176.4	\$166.1	\$304.4	\$266.8
Reinsurers' share of insurance premiums.....	(\$60.2)	(\$56.6)	(\$97.4)	(\$80.1)
Net written premiums	\$116.2	\$109.5	\$207.0	\$186.7
Net change in unearned premiums.....	(\$20.4)	(\$24.0)	(\$24.0)	(\$18.9)
Net premiums earned	\$95.8	\$85.5	\$183.0	\$167.8
Net claims and claim adjustment expenses	(\$38.4)	(\$48.7)	(\$67.0)	(\$89.8)
Net Policy acquisition expenses	(\$17.0)	(\$15.9)	(\$34.3)	(\$29.4)
Net underwriting results	\$40.4	\$20.9	\$81.7	\$48.6
Net investment income ⁽¹⁾	\$1.6	\$4.3	\$4.2	\$9.4
Share of profit from associates ⁽¹⁾	-	\$0.2	-	\$0.3
General and administrative expenses	(\$16.3)	(\$14.3)	(\$33.3)	(\$29.3)
Other expenses, net ⁽²⁾	\$1.1	(\$0.8)	(\$2.2)	(\$1.6)
Change in fair value of derivative financial liability	\$3.6	\$0.4	\$3.6	(\$3.8)
Loss on foreign exchange	(\$9.2)	(\$1.9)	(\$12.7)	(\$3.2)
Profit before tax	\$21.2	\$8.8	\$41.3	\$20.4
Income tax	\$0.6	(\$0.6)	-	(\$1.9)
Profit for the period	\$21.8	\$8.2	\$41.3	\$18.5
Basic and diluted earnings per share attributable to equity holders ⁽³⁾	\$0.44	\$0.17	\$0.84	\$0.38

See "Notes to the Condensed Consolidated Financial Statements (Unaudited)" below.

International General Insurance Holdings Ltd.
Condensed Consolidated Statements of Financial Position

<i>(in millions of U.S. Dollars)</i>	<u>As at June 30, 2022</u> <u>(Unaudited)</u>	<u>As at December 31, 2021</u> <u>(Audited)</u>
ASSETS		
Cash and cash equivalents	\$213.9	\$242.1
Term deposits	\$155.1	\$180.0
Insurance receivables	\$212.8	\$179.4
Investments ⁽⁴⁾	\$515.3	\$470.2
Investment in associates ⁽⁴⁾	\$5.8	\$5.7
Reinsurance share of outstanding claims	\$157.9	\$182.3
Reinsurance share of unearned premiums	\$75.5	\$64.1
Deferred excess of loss premiums	\$5.4	\$17.2
Deferred policy acquisition costs	\$69.1	\$64.8
Deferred tax assets	\$4.6	\$0.5
Other assets	\$12.1	\$9.9
Investment properties ⁽⁴⁾	\$15.7	\$16.3
Property, premises and equipment	\$14.1	\$14.9
Intangible assets	\$4.0	\$4.3
TOTAL ASSETS	<u>\$1,461.3</u>	<u>\$1,451.7</u>
LIABILITIES		
Gross outstanding claims	\$565.5	\$575.9
Gross unearned premiums	\$364.1	\$328.8
Insurance payables	\$90.1	\$89.5
Other liabilities	\$22.1	\$29.0
Derivative financial liability	\$9.3	\$12.9
Unearned commissions	\$16.3	\$13.7
TOTAL LIABILITIES	<u>\$1,067.4</u>	<u>\$1,049.8</u>
EQUITY		
Common shares at par value	\$0.5	\$0.5
Share premium	\$160.7	\$159.5
Treasury shares	(\$0.1)	-
Foreign currency translation reserve	\$1.1	\$1.0
Fair value reserves	(\$32.4)	\$8.3
Retained earnings	\$264.1	\$232.6
TOTAL EQUITY	<u>\$393.9</u>	<u>\$401.9</u>
TOTAL LIABILITIES AND EQUITY	<u>\$1,461.3</u>	<u>\$1,451.7</u>

See "Notes to the Condensed Consolidated Financial Statements (Unaudited)" below.

Supplementary Financial Information – Combined Ratio (Unaudited)

International General Insurance Holdings Ltd.

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Net claims and claim expense ratio ^(a)	40.1%	57.0%	36.6%	53.5%
<i>Net policy acquisition expense ratio</i> ^(b)	17.7%	18.6%	18.7%	17.5%
<i>General and administrative expense ratio</i> ^(c)	17.0%	16.7%	18.2%	17.5%
Expense ratio ^(d)	34.7%	35.3%	36.9%	35.0%
Combined ratio ^(e)	74.8%	92.3%	73.5%	88.5%

- (a) Represents net claims and claim adjustment expenses as a percentage of net premiums earned. The split of net claims and claims expense ratio between current accident year, current year CAT losses and prior years' loss development is as follows:

	Quarter Ended June 30,				Six Months Ended June 30,			
	2022		2021		2022		2021	
	Claims and claim adjustment expenses	% of net premiums earned	Claims and claim adjustment expenses	% of net premiums earned	Claims and claim adjustment expenses	% of net premiums earned	Claims and claim adjustment expenses	% of net premiums earned
<i>(in millions of U.S. Dollars, except percentages)</i>								
Current year net incurred claims	\$38.4	40.1%	\$48.7	57.0%	\$67.0	36.6%	\$89.8	53.5%
<i>Minus: Current accident year CAT losses</i>	\$0.4	0.4%	\$0.4	0.5%	\$5.6	3.1%	\$0.5	0.3%
<i>Minus: Effect of prior years' development</i>	(\$5.5)	-5.7%	\$1.0	1.2%	(\$23.1)	-12.6%	(\$3.3)	-2.0%
Current accident year (before CAT losses)	\$43.5	45.4%	\$47.3	55.3%	\$84.5	46.1%	\$92.6	55.2%

- (b) Represents net policy acquisition expenses as a percentage of net premiums earned.
- (c) Represents general and administrative expenses as a percentage of net premiums earned.
- (d) Represents the sum of the net policy acquisition expense ratio and the general and administrative expense ratio.
- (e) Represents the sum of the net claims and claim expense ratio and the expense ratio.

International General Insurance Holdings Ltd.
Supplementary Financial Information – Book Value per Share (Unaudited)

(in millions of U.S. Dollars, except share and per share data)

	<u>As at June</u> <u>30, 2022</u>	<u>As at December</u> <u>31, 2021</u>
Cash and cash equivalents and term deposits	\$369.0	\$422.1
Total investments ***	\$536.8	\$492.2
Total investments, term deposits and cash and cash equivalents	\$905.8	\$914.3
Common shares outstanding (in millions)*	49.3	48.9
Minus: Unvested shares (in millions)**	3.7	3.4
Number of vested common outstanding shares (in millions) (a)	45.6	45.5
Total equity (b)	\$393.9	\$401.9
Book value per share (b)/(a)	\$8.64	\$8.83

* Common shares issued and outstanding as at June 30, 2022 and December 31, 2021 are as follows:

	<i>No. of shares as at</i> <i>June 30, 2022</i>
Vested common shares as of December 31, 2021	45,471,084
Vested restricted share awards	146,386
Total vested common shares as of June 30, 2022	45,617,470
Earnout shares as of June 30, 2022	3,012,500
Unvested restricted share awards as of June 30, 2022	675,848
Total unvested shares as of June 30, 2022	3,688,348
Treasury shares as of June 30, 2022	(15,665)
Total common shares outstanding	49,290,153
	<i>No. of shares as at</i> <i>December 31, 2021</i>
Vested common shares as of December 31, 2020	45,426,251
Vested restricted share awards	44,833
Vested common shares as of December 31, 2021	45,471,084
Earnout shares as of December 31, 2021	3,012,500
Unvested restricted share awards as of December 31, 2021	396,857
Total unvested shares as of December 31, 2021	3,409,357
Total common shares outstanding	48,880,441

*** Earnout Shares are subject to vesting at stock prices ranging from \$11.50 to \$15.25, are entitled to dividends and voting rights, but are non-transferable by their holders until they vest. If the Earnout Shares do not vest on or prior to March 17, 2028, they will be cancelled by the Company. Restricted Share Awards were issued in 2022, 2021 and 2020 pursuant to the Company's 2020 Omnibus Incentive Plan and beneficiaries are entitled to dividends and voting rights. However,

the Restricted Share Awards are non-transferable by their holders until they vest as per the respective Restricted Share Award Agreements. As at June 30, 2022, the vesting conditions attached to both Earnout Shares and unvested Restricted Share Awards to employees have not been met, and as a result these shares were not included in the weighted average number of common shares for both basic and diluted earnings per share.

*** See Note 4 in the “Notes to Consolidated Financial Statements (Unaudited)” below.

International General Insurance Holdings Ltd.

Supplementary Financial Information - Segment Results (Unaudited)

Segment information for IGI's consolidated operations is as follows:

For the quarter ended June 30, 2022

<i>(in millions of U.S. Dollars)</i>	Specialty Long-tail	Specialty Short-tail	Reinsurance	Total
Underwriting revenues				
Gross written premiums	\$58.2	\$111.6	\$6.6	\$176.4
Reinsurers' share of insurance premiums	(\$15.6)	(\$44.6)	-	(\$60.2)
Net written premiums	\$42.6	\$67.0	\$6.6	\$116.2
Net change in unearned premiums	-	(\$21.3)	\$0.9	(\$20.4)
Net premiums earned	\$42.6	\$45.7	\$7.5	\$95.8
Net claims and claim adjustment expenses	(\$13.6)	(\$20.0)	(\$4.8)	(\$38.4)
Net policy acquisition expenses	(\$8.8)	(\$6.8)	(\$1.4)	(\$17.0)
Net underwriting results	\$20.2	\$18.9	\$1.3	\$40.4

For the quarter ended June 30, 2021

<i>(in millions of U.S. Dollars)</i>	Specialty Long-tail	Specialty Short-tail	Reinsurance	Total
Underwriting revenues				
Gross written premiums	\$63.0	\$97.5	\$5.6	\$166.1
Reinsurers' share of insurance premiums	(\$18.8)	(\$37.8)	-	(\$56.6)
Net written premiums	\$44.2	\$59.7	\$5.6	\$109.5
Net change in unearned premiums	(\$2.3)	(\$22.3)	\$0.6	(\$24.0)
Net premiums earned	\$41.9	\$37.4	\$6.2	\$85.5
Net claims and claim adjustment expenses	(\$24.7)	(\$19.9)	(\$4.1)	(\$48.7)
Net policy acquisition expenses	(\$7.5)	(\$7.4)	(\$1.0)	(\$15.9)
Net underwriting results	\$9.7	\$10.1	\$1.1	\$20.9

International General Insurance Holdings Ltd.

Supplementary Financial Information - Segment Results (Unaudited)

For the six months ended June 30, 2022

<i>(in millions of U.S. Dollars)</i>	Specialty Long-tail	Specialty Short-tail	Reinsurance	Total
Underwriting revenues				
Gross written premiums	\$103.4	\$180.7	\$20.3	\$304.4
Reinsurers' share of insurance premiums	(\$28.1)	(\$69.3)	-	(\$97.4)
Net written premiums	\$75.3	\$111.4	\$20.3	\$207.0
Net change in unearned premiums	\$6.3	(\$24.4)	(\$5.9)	(\$24.0)
Net premiums earned	\$81.6	\$87.0	\$14.4	\$183.0
Net claims and claim adjustment expenses	(\$27.4)	(\$31.2)	(\$8.4)	(\$67.0)
Net policy acquisition expenses	(\$16.9)	(\$14.7)	(\$2.7)	(\$34.3)
Net underwriting results	\$37.3	\$41.1	\$3.3	\$81.7

For the six months ended June 30, 2021

<i>(in millions of U.S. Dollars)</i>	Specialty Long-tail	Specialty Short-tail	Reinsurance	Total
Underwriting revenues				
Gross written premiums	\$101.3	\$150.9	\$14.6	\$266.8
Reinsurers' share of insurance premiums	(\$26.9)	(\$53.2)	-	(\$80.1)
Net written premiums	\$74.4	\$97.7	\$14.6	\$186.7
Net change in unearned premiums	\$8.3	(\$23.9)	(\$3.3)	(\$18.9)
Net premiums earned	\$82.7	\$73.8	\$11.3	\$167.8
Net claims and claim adjustment expenses	(\$46.2)	(\$36.7)	(\$6.9)	(\$89.8)
Net policy acquisition expenses	(\$14.0)	(\$13.6)	(\$1.8)	(\$29.4)
Net underwriting results	\$22.5	\$23.5	\$2.6	\$48.6

International General Insurance Holdings Ltd.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

(1) The following are the calculated investment yields and the reconciliation of net investment income and share of profit from associates included in the Condensed Consolidated Statements of Income (Unaudited) to Total investment income, net, used to calculate investment yield:

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
<i>(in millions of U.S. Dollars, except percentages)</i>				
Net investment income*	\$1.5	\$4.3	\$4.2	\$9.4
Share of profit from associates	-	\$0.2	-	\$0.3
Total investment income	\$1.5	\$4.5	\$4.2	\$9.7
Minus				
Realized gain on investments	-	\$0.3	-	\$0.2
Unrealized (loss) gain on investments	(\$3.1)	\$0.8	(\$3.1)	\$2.1
Fair value loss on investment properties	(\$0.3)	(\$0.7)	(\$0.5)	(\$0.8)
Expected credit losses on investments	\$0.3	-	(\$0.7)	-
Share of profit from associates	-	\$0.2	-	\$0.3
Total investment income, net (a)	\$4.6	\$3.9	\$8.5	\$7.9
Average total investments and term deposits, at cost, (b1)	\$790.4	\$662.7	\$770.0	\$645.0
Average total investments, term deposits, and cash and cash equivalents, at cost (b2)	\$931.6	\$792.0	\$915.0	\$787.2
Investment Yield (a) / (b1) annualized	2.3%	2.4%	2.2%	2.4%
Investment Yield (a) / (b2) annualized	2.0%	2.0%	1.9%	2.0%

* Net investment income is comprised of interest and dividend income, realized and unrealized gain (loss) on investments, realized and unrealized gain (loss) on investment properties, expected credit loss on investments, investment custodian fees and other investment expenses.

(2) Represents the following:

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
<i>(in millions of U.S. Dollars)</i>	2022	2021	2022	2021
Other revenues	\$0.4	\$0.6	\$1.2	\$1.0
Other expenses	(\$0.5)	(\$0.8)	(\$1.3)	(\$1.5)
Impairment loss on insurance receivables	\$1.2	(\$0.6)	(\$2.1)	(\$1.1)
Other expenses, net.....	\$1.1	(\$0.8)	(\$2.2)	(\$1.6)

(3) Represents net profit for the period attributable to vested common shares divided by the weighted average number of vested common shares – basic and diluted calculated as follows:

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
<i>(in millions of U.S. Dollars, except share and per share information)</i>	2022	2021	2022	2021
Profit for the period	\$21.8	\$8.2	\$41.3	\$18.5
<i>Minus:</i> Profit attributable to the Earnout Shares	\$1.3	\$0.5	\$2.5	\$1.1
<i>Minus:</i> Profit attributable to the Restricted Shares	\$0.3	\$0.1	\$0.6	\$0.2
Net profit for the period attributable to equity holders (a)	\$20.2	\$7.6	\$38.2	\$17.2
Weighted average number of vested common shares – basic and diluted (in millions of shares) (b)*	45.6	45.5	45.6	45.5
Basic and diluted earnings per share attributable to equity holders (a/b)	\$0.44	\$0.17	\$0.84	\$0.38

* The weighted average number of common shares refers to the number of common shares calculated after adjusting for the changes in issued and outstanding common shares over a reporting period.

(4) Total Investments includes the following:

	As at	
	June 30, 2022	December 31, 2021
<i>(in millions of U.S. Dollars)</i>		
Investments	\$515.3	\$470.2
Investment properties	\$15.7	\$16.3
Investments in associates	\$5.8	\$5.7
Total investments	\$536.8	\$492.2

International General Insurance Holdings Ltd.

Non-IFRS Financial Measures

In presenting IGI's results, management has included and discussed certain non-IFRS financial measures. We believe that these non-IFRS measures, which may be defined and calculated differently by other companies, help to explain and enhance an understanding of our results of operations. However, these measures should not be viewed as a substitute for those determined in accordance with IFRS.

Combined Ratio

The table below illustrates the reconciliation of the combined ratio on a financial and accident year basis:

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
<i>(in millions of U.S. Dollars, except percentages)</i>	2022	2021	2022	2021
Net premiums earned (a)	\$95.8	\$85.5	\$183.0	\$167.8
Net Claims and claim adjustment expenses (b)	(\$38.4)	(\$48.7)	(\$67.0)	(\$89.8)
Net Policy acquisition expenses (c)	(\$17.0)	(\$15.9)	(\$34.3)	(\$29.4)
General and administrative expenses (d)	(\$16.3)	(\$14.3)	(\$33.3)	(\$29.3)
Prior years favorable development (e)	(\$5.5)	\$1.0	(\$23.1)	(\$3.3)
CAT losses (f)	\$0.4	\$0.4	\$5.6	\$0.5
Combined ratio ((b+c+d)/a)*	74.8%	92.3%	73.5%	88.5%
<i>Minus: Prior years (favorable) / unfavorable development (e/a)</i>	(5.7%)	1.2%	(12.6%)	(2.0%)
Accident year combined ratio	80.5%	91.1%	86.1%	90.5%
<i>Minus: CAT losses on an accident year basis (f/a)</i>	0.4%	0.5%	3.1%	0.3%
Accident year combined ratio prior to CAT losses	80.1%	90.6%	83.0%	90.2%

* See "Supplementary Financial Information - Condensed Consolidated Statements of Income (Unaudited)."

Core Operating Income

Core operating income measures the performance of our operations without the influence of after-tax gains or losses on investments and foreign currencies and other items as noted in the table below. We exclude these items from our calculation of core operating income because the amounts of these gains and losses are heavily influenced by, and fluctuate in part according to, economic and other factors external to the Company and/or transactions or events that are typically not a recurring part of, and are largely independent of, our core underwriting activities and including them distorts the analysis of trends in our operations. We believe the reporting of core operating income enhances an understanding of our results by highlighting the underlying profitability of our core insurance operations. Our underwriting profitability is impacted by earned premiums, the adequacy of pricing, and the frequency and severity of losses. Over time, such profitability is also influenced by underwriting discipline, which seeks to manage the Company's exposure to loss through favorable risk selection and diversification, IGI's management of claims, use of reinsurance and the ability to manage the expense ratio, which the Company accomplishes through the management of acquisition costs and other underwriting expenses.

In addition to presenting profit for the period determined in accordance with IFRS, we believe that showing "core operating income" provides investors with a valuable measure of profitability and enables investors, rating agencies and other users of our financial information to analyze the Company's results in a similar manner to the way in which Management analyzes the Company's underlying business performance.

Core operating income is calculated by the addition or subtraction of certain line items reported in the "Condensed Consolidated Statements of Income" from profit for the period and tax effecting each line item (resulting in each item being a non-IFRS measure), as illustrated in the table below:

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2022	2021	2022	2021
<i>(in millions of U.S. Dollars, except for percentages and per share data)</i>				
Profit for the period	\$21.8	\$8.2	\$41.3	\$18.5
<i>Reconciling items between profit for the period and core operating income:</i>				
Realized gain on investments (tax adjusted) ⁽ⁱ⁾	-	(\$0.4)	-	(\$0.2)
Expected credit losses on investments	(\$0.3)	-	\$0.7	-
Unrealized loss (gain) on investments (tax adjusted) ⁽ⁱ⁾	\$3.0	(\$0.8)	\$3.2	(\$2.0)
Fair value loss on investment properties	\$0.3	\$0.7	\$0.5	\$0.8
Fair value gain on investment properties held through associates ⁽ⁱⁱ⁾	-	(\$0.2)	-	(\$0.3)
Change in fair value of derivative financial liability.....	(\$3.6)	(\$0.5)	(\$3.6)	\$3.8
Loss on foreign exchange (tax adjusted) ⁽ⁱ⁾	\$8.2	\$1.8	\$11.2	\$2.9
Core operating income	\$29.4	\$8.8	\$53.3	\$23.5
Average shareholders' equity ⁽ⁱⁱⁱ⁾	\$392.4	\$386.4	\$397.9	\$385.6
Core operating return on average equity (<i>annualized</i>) ^(iv) and ^(vi)	30.0%	9.1%	26.8%	12.2%
Basic and diluted core operating earnings per share ^(v)	\$0.60	\$0.18	\$1.08	\$0.48
Return on average equity (<i>annualized</i>) ^(vi)	22.2%	8.5%	20.8%	9.6%

- i. Represents a non-IFRS financial measure as components within the line-item balances for Net investment income and loss on foreign exchange reported in “Condensed Consolidated Statements of Income (Unaudited)” have been adjusted above for the related tax impact.
- ii. Fair value gain (loss) on investment properties held through associates has been excluded from core operating income for the quarter and six months ended June 30, 2022. Accordingly, in order to conform to the current presentation, fair value gain (loss) on investment properties held through associates has been excluded from the comparative periods ended June 30, 2021 in the determination of core operating income.
- iii. Represents the total equity at the reporting period end plus the total equity as of the beginning of the reporting period, divided by 2.
- iv. Represents annualized core operating income for the period divided by average shareholders’ equity.
- v. Represents core operating income attributable to vested equity holders divided by weighted average number of vested common shares – basic and diluted as follows:

	Quarter Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<i>(in millions of U.S. Dollars, except per share information)</i>				
Core operating income	\$29.4	\$8.8	\$53.3	\$23.5
<i>Minus:</i> Core operating income attributable to the Earnout Shares subject to vesting	\$1.8	\$0.5	\$3.3	\$1.4
<i>Minus:</i> Core operating income attributable to the Restricted Shares Awards subject to vesting	\$0.4	\$0.1	\$0.7	\$0.2
Core operating income for the period attributable to vested equity holders (a)	\$27.2	\$8.2	\$49.3	\$21.9
Weighted average number of vested common shares – basic and diluted (in millions of shares) (b)	45.6	45.5	45.6	45.5
Basic and diluted core operating earnings per share (a/b)	\$0.60	\$0.18	\$1.08	\$0.48

- vi. Return on average equity (annualized) and core operating return on average equity (annualized), both non-IFRS financial measures, represent the returns generated on common shareholders’ equity during the year.

The Company has posted a Second Quarter 2022 investor presentation deck on its website at www.iginsure.com in the Investors section under the Presentations & Webcasts tab.

About IGI:

IGI is an international specialty risks commercial insurer and reinsurer underwriting a diverse portfolio of specialty lines. Established in 2001, IGI has a worldwide portfolio of energy, property, general aviation, construction & engineering, ports & terminals, marine cargo, marine trades, contingency, political violence, financial institutions, general third-party liability (casualty), legal expenses, professional indemnity, D&O, surety, marine liability and reinsurance treaty business. Registered in Bermuda, with operations in Bermuda, London, Malta, Dubai, Amman, Labuan and Casablanca, IGI aims to deliver outstanding levels of service to clients and brokers. IGI is rated "A" (Excellent)/Stable by AM Best and "A-"(Strong)/Stable by S&P Global Ratings. For more information about IGI, please visit www.iginsure.com.

Forward-Looking Statements:

This press release contains "forward-looking statements" within the meaning of the "safe harbour" provisions of the Private Securities Litigation Reform Act of 1995. The expectations, estimates, and projections of the business of IGI may differ from its actual results and, consequently, you should not rely on forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," "commitment," and similar expressions are intended to identify such forward-looking statements. Forward-looking statements contained in this press release may include, but are not limited to, our expectations regarding the performance of our business, our financial results, our liquidity and capital resources, the outcome of our strategic initiatives, our expectations regarding pricing and other market conditions, and our growth prospects. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside of the control of IGI and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) changes in demand for IGI's services together with the possibility that IGI may be adversely affected by other economic, business, and/or competitive factors globally and in the regions in which it operates; (2) competition, the ability of IGI to grow and manage growth profitably and IGI's ability to retain its key employees; (3) changes in applicable laws or regulations; (4) the outcome of any legal proceedings that may be instituted against the Company; (5) the potential effects of the COVID-19 pandemic and emerging variants; (6) the effects of the hostilities between Russia and Ukraine and the sanctions imposed on Russia by the United States, European Union, United Kingdom and others; (7) the inability to maintain the listing of the Company's common shares or warrants on Nasdaq; (8) the inability of the Company to complete the proposed acquisition of EIO or the failure to realize the anticipated benefits of the proposed acquisition of EIO; and (9) other risks and uncertainties indicated in IGI's filings with the SEC. The foregoing list of factors is not exclusive. In addition, forward-looking statements are inherently based on various estimates and assumptions that are subject to the judgment of those preparing them and are also subject to significant economic, competitive, industry and other uncertainties and contingencies, all of which are difficult or impossible to predict and many of which are beyond the control of IGI. There can be no assurance that IGI's financial condition or results of operations will be consistent with those set forth in

such forward-looking statements. You should not place undue reliance upon any forward-looking statements, which speak only as of the date made. IGI does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

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