

International General Insurance
Holdings

Q1 2026 Investor Conference

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CORPORATE PARTICIPANTS

Robin Sidders - *Head of Investor Relations*

Wasef Jabsheh - *Chairman and CEO*

Waleed Jabsheh - *President*

PRESENTATION

Operator

Good day, welcome to the International General Insurance Holdings Ltd Q1 2026 Financial Results and Conference Call. All participants are in listen-only mode. Should you need any 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 a question, you may press star one on your telephone keypad. To withdraw your question, press star one again. Please note this event is being recorded.

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

Robin Sidders

Thank you, John. Good morning and welcome to today's conference call. Today we'll be discussing the financial results for the Q1 2026, which you will have seen in our press release, which we issued after the market closed yesterday. You can find a copy of the press release in the Investor section of our website at iginsure.com. We've also posted a supplementary investor presentation which can be found on our website as well on the presentations page in the Investor section.

On today's call, our Executive Chairman of IGI Wasef Jabsheh; President and CEO Waleed Jabsheh; and Chief Financial Officer Pervez Rizvi. As always, Wasef will begin the call with some high-level comments before handing over to Waleed to walk through the drivers of the results for the Q1 2026 and finish up with our views on market conditions and our outlook for the remainder of the year, then we'll open the call up for Q&A.

I'll begin with some customary safe harbor language. Our speaker's 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, estimate, or expectations contemplated by us will in fact be achieved. These forward-looking statements involve risks, uncertainties, and assumptions while 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 forth 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 yesterday 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'll 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 is available on our website.

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

Wasef Jabsheh

Thank you, Robin. Good day, everyone. Thank you for joining us on today's call.

As you saw from our first quarter financial results that we issued last night, we are off to a strong start in 2026. On their own, these results are excellent, but viewed in the context of our long-term performance,

they underscored the value of consistency and discipline in executing our strategy.

Long-term success in our business depends heavily on consistency and discipline. No matter what is going on in the world around us, this is particularly true for IGI given the scope of our portfolio, the high severity lines of business we are writing, and our global footprint. Our value proposition and promise is to provide peace of mind in times of uncertainty, to maximize shareholders' returns over time, while being a stable, reliable, and fair partner to our customers.

The first quarter of 2026 has certainly seen its fair share of uncertainty with the ongoing conflict in the Middle East, socially, politically, and economically. It is not just impacting the region but is having global ramifications as well. Already, we are hearing insured market loss estimates upwards of the \$3 billion mark.

When we established IGI in Amman, Jordan, almost 25 years ago, our initial focus was almost exclusively on the Middle East region. It's a region we know and understand well, and where our relationships are some of the longest in our history. I'll leave it to Waleed to talk more about our Middle East exposures and the dynamics of what is happening in the region.

Before I do, I want to reiterate how pleased I am with our performance in the Q1, notwithstanding the tragic consequences of the war. As we look ahead to our 25th anniversary year in 2027, I'm immensely proud of all that we have accomplished at IGI. We are a relatively small player in the global insurance landscape, yet we are definitely punching well above our weight in terms of expertise and execution. This is clearly demonstrated in our financial performance and the significant value that we generate for our shareholders consistently year after year.

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

Waleed Jabsheh

Good morning. Thank you, Wasef, and thank you all for joining us today.

Like Wasef, I'm very pleased with our performance in the first quarter. In the face of increasing competitive pressures and heightened global uncertainty, our results are a clear demonstration of our resilience and also stability. Our diversified platform and strong and consistent execution provide us with a lot of optionality, as we've said in the past, and I truly commend all of our people for their focus and skill in capitalizing on the opportunities that are coming out of this uncertainty.

Just turning specifically to the results for the first quarter, I'm going to focus on the key points, the drivers behind the numbers, and then we'll open it up for any questions you may have at the end. Now starting with some key highlights for the first quarter, we recorded gross written premiums of \$197.2 million. That's a 4.5% decline from Q1 2025 and reflects our cycle management actions in the face of increasingly tough market conditions. We recorded new business across our portfolio, but this was offset somewhat by the non-renewable of two reinsurance programs. One non-renewed, which was our decision, and the other one where the cedent decided to retain and not buy the reinsurance anymore.

Underwriting income came in at \$37.7 million. That's an increase of 35.1% over the first quarter of 2025, and that resulted in a combined ratio of 89.1% for the quarter. That's 5.3 points better than Q1 of last year and in line with our long-term averages.

Combined ratio for Q1 includes about \$15 million of net losses related to the Middle East conflict, and I'll talk about that more in a moment.

Return on average equity was 12.7%, and the core ROE was 14.3%, both also in line with our long-term averages. Book value per share was \$16.60. That's a slight decline from year-end 2025, but that includes total capital return to shareholders of almost \$65 million. That's made up of \$51.5 million in dividends. That includes the special dividend of \$1.15 that we paid out in April. Further share repurchases amounted to just over \$13 million.

Net premiums earned were \$111.2 million, relatively flat with the same period of last year. Combined ratio of 89.1% for the first quarter includes 19.2 points of CAT losses, primarily related to the Middle East war losses, and 29 points of favorable prior year reserve development. That compares to Q1 of last year, where the combined ratio was 94.4%, which included 25 points of accident year CAT losses and just under 23 points of favorable reserve development.

One thing to point out is that during the first quarter of this year, currency revaluation movements were much less of a feature than some prior quarters and especially compared to the first quarter of last year.

All in, we delivered core operating income of \$24.4 million or \$0.56 per share for Q1 of this year versus \$19.5 million or \$0.42 per share for the first quarter of last year.

Specifically, on our segment results, we'll start off with the Short-tail segment, where conditions continue to be quite mixed. That's evident in our results for the first quarter. Rates are still adequate overall, but there's a lot of variation in the level of adequacy from one line to another, and I'll expand on this in a few minutes.

Top line was down just by 4%. Underwriting income was down considerably year-over-year, but still in very positive territory at \$9.5 million. This in spite of the level of losses related to the war, again amounting to about \$15 million, mainly recorded in the political violence line as well as an energy loss in the Persian Gulf. This ultimately really speaks to how we manage risk and the resilience we've built in our portfolio.

In the Reinsurance segment, where conditions are becoming more competitive in the business we write, underwriting income was up just under 6% for the first quarter. That's on a lower level of gross written premium and net earned premiums. As I said, there were two programs we non-renewed, but on the flip side we're starting to see some decent opportunities in the specialty treaty lines. I'll also talk about that in a moment.

Long-tail segment was a bright spot in our segment results. We posted 22% increase in top line driven by new business in most lines, but most notably within the professional indemnity and marine liability lines. You'll recall that this has been the more challenging area of our portfolio for the past two to three years, and where we took the decision to non-renew business with the expectation that in doing so the overall profitability profile of the segment would improve. Ultimately, underwriting income was up significantly by about \$25 million, and that's on a slightly higher net earned premiums due to the higher volume of premiums written.

Just quickly to the balance sheet, total assets were \$2.1 billion. Total investments in cash were \$1.3 billion. Allocation to fixed income securities generated just over \$14 million investment income in the first quarter. That's a yield of 4.3%. The average duration came down very slightly to 3.5 years.

During Q1, we repurchased a little over 545,000 common shares. Average price per share was \$24.11. At the end of the quarter, we had about 4.1 million shares still outstanding under our existing 5 million common share repurchase authorization.

Total equity was \$653.6 million at the end of the quarter, and that includes the almost \$65 million share repurchases, the common share dividend mentioned earlier, including the special that was paid in April. Now that compares to total equity of just over \$710 million at the end of 2025. Ultimately, we recorded a return on average equity of 12.7%, and a core operating ROE of 14.3%. So very strong results, especially considering the overall market softening and the heightened level of uncertainty around the globe.

Now before I turn to our market outlook, I'd just like to expand on some of Wasef's comments about the Middle East as it continues to be an important region for us and I think that in some pockets, there's still a bit of a perception that IGI is predominantly a Middle Eastern company. In reality, we're a truly global company with strong presence and understanding of all our markets. That's particularly true in the Middle East through our offices in Amman and Dubai, where we've been serving clients for decades now.

Specific losses incurred in the first quarter of the year were primarily in the political violence book and predominantly in the UAE and Bahrain relating to physical damage, as well as the energy loss I mentioned earlier on the upstream side relating to damage to an oil facility in the Persian Gulf. This provides a good pivot for me to turn to our view of the market.

The world is clearly a lot more uncertain today than even a year ago. I mean, we're seeing instability in many regions around the world, and this is leading to an interesting dynamic in that we're seeing some decent opportunities come out of this uncertainty and dislocation. Now, it's an unfortunate fact, but the reality of our business is that market corrections and improving conditions only happen after significant loss and tragedy, so what this represents really is a little short-term pain for a longer-term gain. The elevated level of competitive pressure across the market that we talked about on last quarter's call is still very much prevalent, but our vast diversification, broad product offering, global footprint and the local knowledge that we have provides us with a level of resilience and, as we always say, optionality.

Turning a bit to our geographic markets and the opportunities we're seeing, I'll start with the Middle East. As I mentioned earlier, we've got teams in Amman and Dubai. They work closely with our London teams to capitalize on the opportunities arising from the current dynamic. Where we're seeing the most opportunity here is obviously in the PV line, as that is where the bulk of the losses are and that's in a market also which is long overdue for a risk-adjusted pricing correction.

Pricing is now many, many multiples of where it was before the war. When I say that, in some cases the rate increases we're achieving are amounting in the thousands of percentage point increases. Policy structures are improving, limits are shrinking significantly, and where there's historically been an overabundance of Middle East PV capacity, it's now much less ample. There's very clearly a changing perception of war risk in the region, and we can capitalize on that effectively and efficiently because we already have the experience, significant experience; we already have the relationships; and we have the presence in the region.

Now, in other geographic regions like the US, Europe, Asia Pac the story is fairly similar to what we've said on prior calls. I'm not going to spend too much time on this, but we're continuing as always to look at these markets in a bigger way and look at new markets at the same time.

Turning to specific lines of business, I'll start with our Reinsurance segment, our treaty portfolio. Margins here are still healthy, but competitive pressures are becoming increasingly prevalent as we've been hearing from everybody else. The opportunities here are more concentrated in specialty treaty lines. That's where there have been significant losses, basically marine, energy and terror and political violence.

You'll recall that we added a new senior specialty treaty reinsurer underwriter last October. So, we're well-positioned at the right time to develop and diversify this part of the portfolio.

In our Long-tail segment, we continue to be cautiously optimistic, as we've been saying for the last couple of quarters. We're seeing some new opportunities and good deal flow, and you saw that in our first quarter results, especially in the more niche segments like marine liability.

Specifically relating to the Baltimore bridge collapse, back in 2024, we've all seen in the news reports that losses are now estimated to be as high, if not in excess, \$2.8 billion. That makes it the single largest loss in the history of the marine market. This is upending marine markets globally, particularly the liability side. I want to be clear that IGI doesn't expect any material change in our loss estimates related to this event that we recorded two years ago. Instead, I think this is very clearly an opportunity for us to capitalize on improved pricing and demand for capital to grow and expand our direct liability book. We've already seen some of that in 2026, and it's widely expected that renewal rates for the remainder of this year and into 2027 will continue to improve.

Turning to our Short-tail portfolio, I've already spoken about PV. Short-tail marine lines, like cargo and specifically cargo war and war on land, we're seeing some positive traction coming out of the war in the Middle East and these areas. Our energy book and certain areas of our property book, two of our largest lines, are clearly 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 honestly being quite irrational in some cases.

Having said that, we continue to see relatively healthy conditions in the more specialist lines like Construction & Engineering. A continued excellent deal flow. Contingency also continues to be a bright spot, and that's a book that continues to grow for us.

So, definitely some very good opportunities in the pipeline for us. This is in spite of the competitive pressures in some of the pockets we spoke about. But that, of course, is the nature of our business. In the context of our size, breadth of offering, global footprint, financial strength, and ultimately the expertise of our people, it is a little easier for us to move the dial and write new healthy margin business. We've got a lot of levers to work with, and we're in the position we need to be in right now to take advantage of the opportunities in front of us.

Now the underpinning of our strategy and what our track record is built upon, as we've always said, is our disciplined execution. This is embedded in our DNA. We're a resilient company with an almost quarter of a century history of consistency and stability. Our position in the market is much stronger today, and we've shown that we won't compromise on our principles or values under pressure. We've demonstrated clearly that we're not afraid to say no when business doesn't meet our terms or profitability thresholds. We won't, under any circumstances, sacrifice the bottom line to benefit the top line. Our focus is on intelligent risk selection, paying attention to the small print, and being aware of what's going on around us. It's embedded in our corporate culture. So we will continue to do what we do best, and that is to deliver on our promise of being a fair partner to all our stakeholders while generating superior value for our shareholders.

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

QUESTION AND ANSWER

Operator

Thank you. We'll now begin the question-and-answer session. As a reminder, to ask a question, you may press star then one on your telephone keypad. If you are using a speakerphone, please pick up your handset before pressing the keys. To withdraw your question, press star one again. We will pause

momentarily to assemble our roster.

Our first question comes from the line of Rowland Mayor with RBC Capital Markets. Please go ahead.

Rowland Mayor

Hi. I wanted to quickly say that given all that's going on in the Middle East, I hope everyone at IGI's family is safe, then congrats on the strong year given all the moving pieces.

Waleed Jabsheh

Thank you, Rowland. I'm glad to say that everybody's in good shape and spirits.

Rowland Mayor

Could you help me with this large non-CAT energy loss? What was the size of it, and what happened there?

Waleed Jabsheh

Basically, this is an event that actually was an indirect consequence of the war, where a large support vessel in the energy industry collided into an offshore oil platform. The circumstances around it are the not the precautions, but I believe the unfortunate actions that were taken because of the war and the circumstances around the fighting, where not enough safety measures were taken and GPS was turned off, lights were turned off, and they decided to make a run for it and ended up colliding with an offshore platform. It was an unfortunate incident, but that's what we're here for.

In terms of the amount for us, that loss amounted to about \$10.5 million net to us in the quarter. Those were the circumstances of the loss.

Rowland Mayor

Okay, that's very helpful. I wanted to ask on the durability of the opportunity in the political violence in war market. With all the excess capital in the industry today, would you expect that to be durable, or do you think people will start to rush in once there's some signs of stability in the region?

Waleed Jabsheh

It depends on your perception of the region. If you're asking me, I can't control what the rest of the market does. If a political agreement comes to fruition, I don't think that necessarily should or would result in the market piling back in and ignoring what's happened over the last couple of months. I think there's a lot of pain. Wasef mentioned, the estimated market losses are upwards of \$3 billion, and some are talking close to \$4 billion. You put that into context, the global political violence market premium is estimated to be around \$1.5 billion. This event on its own, in one of the smallest PV markets actually in the world, has created so much pain and agony for those involved.

So, I think regardless of what happens politically, the uncertainty will continue to be there. I think this, I'm hoping, is a long-term opportunity where we could quickly make back a lot of the losses that we've incurred, and the market can as a whole. As I mentioned earlier, I mean, we're seeing huge, huge multiples in rate increases and like I said, in some cases in the thousands of percent. So, as I mentioned as well, short-term pain for a longer term gain, and I truly believe that is the case on this occasion.

Rowland Mayor

Thank you. If I could squeeze in one more. It looks like the first quarter had bigger reserve releases than other quarters. Can you maybe just walk through what drove the development this quarter?

Waleed Jabsheh

I think that just reinforces what we've always said of how we approach the reserving side. Putting aside the events of the quarter, it was an unbelievable quarter for us and prior years continued to perform ahead of expectation. Now, the releases weren't concentrated in any specific segment, it was pretty much across the board, but I think it's just a testament to the cautious approach that we always said we'd take to reserve releases and we expect that pattern to continue in the coming quarters and years.

As the market deteriorates, just to give you an idea, as we update our plan every 6 to 12 months, we update our plan loss ratios based on our expectations and based on the changing market conditions. So with the competitive pressures that we've been seeing recently, obviously our approach will become more cautious. In the initial 12 months of any accident year, we're pretty much reserving to plan and following that, we start to take a hard look at actual true incurred performance and on that basis that dictates the amount or level of reserve development that occurs.

Rowland Mayor

That's great. Thank you so much.

Waleed Jabsheh

Thank you, Rowland.

Operator

Our next question comes from the line of Michael Phillips with Oppenheimer. Please go ahead.

Michael Phillips

Thank you. Thanks for your time, guys. I guess a quick numbers question. Can you give a dollar impact of the two reinsurance contracts that were lost in the quarter?

Waleed Jabsheh

I mean, these are portfolios of business that we reinsure. Combined, it's probably in the mid to high single digit millions of dollars in terms of GWP. One of them, just to give you some clarity around that, Mike, is that the one we chose to walk away from was because, obviously, as we mentioned, we brought in a specialty treaty underwriter tail end of last year, and the book that he would write is something similar to the book that we walked away from. It's basically bringing that capability in-house rather than relying or piggybacking on somebody else's portfolio.

The second one, as I said, the cedant decided they wanted to retain the portfolio rather than reinsure parts of it out, plain and simple.

Michael Phillips

Okay. No, thank you. I just kind of wanted to go over on the Middle East stuff. Opportunities are obviously going to come from this. Waleed, when you talk about multiples or rate increases are in the thousands, I guess I'm trying to get a sense of I think political violence for you in terms of premium is low single-digit, but other lines that could be affected that create opportunity. Is there a way you can help us think about what's your mix of overall premium that could be affected by this in terms of these opportunities? Political violence, again, is a big loss line, but I think it, again, it's only 2% or 3% of your premium. So, what other lines, when you talk about these rate increases that are so strong because of what's happened in the Middle East, could be affected by your book?

Waleed Jabsheh

In terms of giving an idea on premium, I think it's very difficult and very early to be able to give any sort of ideas. I mean, by far line that will be impacted and terms of conditions will be impacted the most and

100% based on what we've seen and experienced so far is on the political violence side. Not only are the rates multiplying by 10x, 15x, 20x, but the limits are shrinking, capacity is dwindling, line sizes are being adjusted by all the players.

Now where I think there's definitely opportunity is again on the marine side, especially on marine. Anything to do related with war – hull war, cargo war, war on land – but we haven't seen the activity in those areas come to fruition to the same level that we see in the political violence side. I think it will come. Ultimately, the Strait of Hormuz is effectively still shut with a limited number of ships going in and out. Until those ships are able to sail freely, you're not going to see the abundance of that business. So when that happens, I think you're going to be seeing plenty of opportunity in those lines of business.

Our big focus right now is on the political violence side. I think that's the hanging fruit, if you want to call it that and I think that will continue. As I reiterated in my response to Rowland's question, I think this is going to be a prolonged opportunity where markets will be making their money back, I believe, in quite a short period of time because the conditions, regardless of what political agreements or resolutions, following these last couple of months, the heightened level of uncertainty and cautiousness by the market will stick around for quite a bit and it should.

Michael Phillips

Okay. Thank you for all that. I guess the next question is a little weird, but do the type of losses that you experience from these events in the Middle East, and they are different kind of losses that we're sort of used to, given the infrequent nature of these kind of things, but do these offer any different opportunity for you to have recoverables later? The example you gave of the non-CAT loss and the oil rig made me think of this, but are there different types of opportunities for recoverables from war events down the road?

Waleed Jabsheh

Not nothing outside of the ordinary. I mean, war is war. There's no sort of recovery in terms of subrogation or anything like that. I don't see that happening. Now, in terms of the energy loss itself, obviously, the owners of the platform can recover or sue and look to recover from the owners of the vessel. We insure the platform, we have nothing to do with the vessel itself. So, over time we may be able to recover from the owners of the vessel. It's pretty clear what happened. The issue you have here is there are statute of limitations based on maritime law that limit how much you can recover regardless of the extent of the damage. That depends on the vessel and its size and its various characteristics of the vessel.

We're not 100% certain what those limitations are in this case. My suspicion is that there will be an element of recovery. I'm not confident that it'll be a significant element relative to the size of the actual loss in 100% terms.

Michael Phillips

Okay. Thanks. Then maybe just last one, kind of on the same topic, 1Q, we had March. Is it fair for us to maybe just extrapolate, I guess the question is really what's since 1Q look like for those type of losses since the end of the quarter?

Waleed Jabsheh

Sorry, sorry, I didn't get that, Mike.

Michael Phillips

If we think about 2Q and CAT losses for you guys, given the exposure in the Middle East, is it fair for us to kind of think about that you had one month of losses in March, and maybe just extrapolate from there what the Q2 might look like once we see that?

Waleed Jabsheh

March was definitely the busiest month. Will there be continued development of these losses in Q2? Undoubtedly, of course. Any losses that happen will continue to develop. There was further activity in April. Now, most of April was fairly quiet, except for the first week to 10 days. So, the event is not necessarily over. Obviously, if there is no political solution to all of this, I'm hoping there is, but if there isn't, then the situation will continue to evolve and develop.

I think the positive thing about political violence business is that the coverages are all provided on an aggregate basis. So if a loss impacts a specific policy that erodes all the limited purchased, there is no second or third event that can happen. It's an aggregate policy and that coverage is exhausted, and you're not exposed to it anymore, so that's the positive aspect. So, in answer to your question, will there be continued developments? Yes. I would expect that development to be more limited than it was in Q1.

Michael Phillips

Okay. Thank you for that, and I appreciate all your time.

Waleed Jabsheh

Pleasure. Thanks, Mike.

CONCLUSION**Operator**

This concludes our question and answer session. I would like to turn the conference back over to the management for closing remarks.

Waleed Jabsheh

Well, thank you all for joining us today, as always, and thanks for your continued support for IGI. If anybody has any additional questions, please contact Robin and she'll be happy to assist. We look forward to speaking to you all on the Q2 call. Have a good day, everyone. Thank you.

Operator

The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.