Press Release

11 November 2012

Arig Announces Net Profits Of US$ 10.3 Million After Three Quarters

Bahrain: Improved performance under its reinsurance portfolio and healthy investment returns resulted in a net profit position of US$ 10.3 million for Arig nine months into its 2012 Financial Year (Q3 2011: net loss of US$ 11.5 million).

The comparatively benign current-year claims experience under the company's non-life book and a corresponding combined ratio of 92.4% produced net underwriting returns of US$ 8.3 million for the 9-month period (Q3 2011: net loss of US$ 7.9 million). At the same time, gross premiums written reduced by 12% to US$ 209.4 million, mostly as a result of decreased income from territories subject to UN sanctions or political turmoil, and clients struggling to reach their business targets within a highly price competitive market environment.

Investment income of US$ 16 million for the three quarters was sharply up against the previous year (Q3 2011: US$ 0.2 million), representing an annualised average return of 3.3% on invested assets.

Arig's net operating result for the third quarter 2012 alone represented a profit of US$ 6.5 million (Q3 only 2011: net loss of US$ 7.4 million).

Over the reporting period, shareholders' equity increased to US$ 241.9 million (2011 year end position: US$ 222.4 million), while book value per share climbed to US$ 1.22 (2011 year end: US$ 1.12).

Financial Highlights as at 30 September 2012 (in US$ million)

	As at 30 September		Full Year
	2012	**2011**	**2011**
Gross premiums written	209.4	239.0	247.5
Technical result	16.5	6.1	1.4
Underwriting result	8.3	(7.9)	(14.5)
Non-life combined ratio	92.4%	97.2%	108.6%
Investment income	16.0	0.2	4.0
Operating expenses	24.0	24.8	31.5
Net profit (loss)	10.3	(11.5)	(19.1)
Investment assets	655.4	652.1	652.8
Net technical provisions	584.4	601.9	564.8
Shareholders' equity	241.9	232.8	222.4
Total assets	1,063.7	1,075.1	1,024.3
Book value per share (US$)	1.22	1.18	1.12

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About Arig

Arig is one of the largest Arab-owned, professional reinsurance providers in the Middle East and North Africa. Arig is listed on the stock exchanges in Bahrain and Dubai and offers a wide range of reinsurance products and services. Arig's subsidiaries include Takaful Re (Dubai), Gulf Warranties (Bahrain), ARIMA Insurance Software (Bahrain) and Arig Capital Ltd, UK. Arig is also an equal partner in the joint venture Hardy Arig Insurance Management (HAIM). Additional information about Arig can be obtained at www.arig.net

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