Press Release

6 August 2013

Arig Posts Half-Year Profit On Positive Underwriting And Investment Returns

Bahrain: Positive underwriting performance combined with higher investment earnings contributed to improved half-year net profit of US$ 5.2 million (Q2 2012: US$ 3.2 million). The company's technical result for the two quarters was a profit of US$ 10.3 million (Q2 2012: US$ 9.2 million). Investment income increased to US$ 9.4 million at the half-year point (Q2 2012: US$ 8.9 million). Net profit for the second quarter alone was US$ 3.0 million (Q2 2012: loss of US$ 2.4 million). The Group consolidated its Re-Takaful subsidiary participants' fund accounts for the first time to comply with new accounting standards. Accordingly, all comparative figures have been restated.

Gross premiums written during the half-year remained flat at US$ 224.3 million (Q2 2012: US$ 223.6 million). The Gross premiums for the second quarter alone increased by 10.7% to reach US$ 44.2 million (Q2 2012: US$ 40.0 million). The non-life combined ratio stood at 85.9 % (Q2 2012: 85.8 %).

Yassir Albaharna, CEO of Arig, commented: "Group's continued focus on maintaining strict underwriting discipline and a conservative investment strategy has helped achieve consistent positive results in what remains to be a competitive environment".

Arig's shareholders' equity stood at US$ 233.9 million on 30 June, 2013 (end of 2012: US$ 235.2 million), with a book value per share of US$ 1.18 (end of 2012: US$ 1.19).

Financial Highlights as at 30 June 2013 (in US$ million)

	For the three months		As at 30 June		Full Year
	2013	2012 Restated	2013	2012 Restated	2012 Restated
Gross premiums written	44.2	40.0	224.3	223.6	276.5
Technical result	8.1	3.8	10.3	9.2	30.6
Underwriting result	3.5	0.5	4.2	4.4	19.6
Investment income	2.9	(1.7)	9.4	8.9	21.6
Operating expenses	8.0	4.1	14.8	12.5	28.4
Net profit (loss)	3.0	(2.4)	5.2	3.2	17.6
Investment assets	-	-	640.4	660.8	667.6
Net technical provisions	-	-	692.7	705.1	612.2
Shareholders' equity	-	-	233.9	219.7	235.2
Total assets	-	-	1,139.4	1,145.2	1,047.7
Book value per share (US$)	-	-	1.18	1.11	1.19

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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 (Bahrain). Additional information about Arig can be obtained at www.arig.net

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