# Press Release

13 November 2013

## Arig Announces 41% Increase In Profits For The First Nine Months

Bahrain: Arig recorded net profits of US$ 12.6 million for the first three quarters of 2013 (nine months 2012: US$ 9.0 million) on the back of positive returns from its reinsurance activities and investments. After consideration of its subsidiary, Takaful Re, the Group's underwriting result of US$ 6.0 million for the nine-month period was similar to last year's (nine months 2012: US$ 6.2 million), while investment income for the same period reached US$ 14.9 million for the Group (nine months 2012: US$ 16.3 million). Results were supported by a reduction in expenses and a favorable development in currency exchange values.

The company's net profit for the third quarter alone was US$ 7.5 million (Q3 2012: US$ 5.7 million).

Gross premiums written during the first three quarters of the year reduced slightly to US$ 258.9 million (nine months 2012: US$ 260.9 million), reflecting diverse trends at the parent and its subsidiary, Takaful Re. At Arig and its corporate membership at Lloyd's, revenues increased by 4% year-on-year, whereas Takaful Re relinquished 31% of its premium during the same period in its continued effort to strengthen bottom line results.

Gross premiums written for the third quarter alone was US$ 34.6 million (Q3 2012: US$ 37.3 million).

The Group's combined ratio for its non-life book improved to 90.4 % for the first three quarters of the year (nine months 2012: 92.7 %).

Yassir Albaharna, CEO of Arig, commented: "After full consolidation of our subsidiary, Takaful Re, the Group's performance continues to strengthen in a highly competitive market place. At Arig, we believe in a sustainable business model and it is heartening that our continuous efforts are paying off."

The Group consolidated its Re-Takaful subsidiary participants' fund accounts during the second quarter of this year, in order to comply with the requirements under the IFRS 10 accounting rules. Accordingly, all comparative 2012 figures quoted have been restated.

Arig's shareholders' equity was up 3% at US$ 243.1 million on 30 September 2013 for the first nine months (end of 2012: US$ 235.2 million), with a book value per share of US$ 1.23 (end of 2012: US$ 1.19).

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

| | For the three months | | As at 30 September | | Full Year |
|---|---|---|---|---|---|
| | 2013 | 2012 Restated | 2013 | 2012 Restated | 2012 Restated |
| Gross premiums written | 34.6 | 37.3 | 258.9 | 260.9 | 276.5 |
| Technical result | 4.4 | 5.3 | 14.7 | 14.5 | 30.6 |
| Underwriting result | 1.8 | 1.8 | 6.0 | 6.2 | 19.5 |
| Investment income | 5.5 | 7.4 | 14.9 | 16.3 | 21.6 |
| Operating expenses | 7.0 | 8.3 | 21.9 | 20.8 | 28.4 |
| Net profit | 7.5 | 5.7 | 12.6 | 9.0 | 17.6 |
| Investment assets | - | - | 650.5 | 665.4 | 667.6 |
| Net technical provisions | - | - | 683.1 | 674.1 | 612.2 |
| Shareholders' equity | - | - | 243.1 | 226.5 | 235.2 |
| Total assets | - | - | 1,127.3 | 1,134.3 | 1,047.7 |
| Book value per share (US$) | - | - | 1.23 | 1.14 | 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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