Press Release

06 August 2014

Arig Posts Half-Year Profit On Increased Investment Returns

Bahrain: The Arig Group's investment returns were up and underwriting result was lower at the half-year mark 2014 when comparing against the same period of 2013, as Arig delivered net profits of US$ 4.7 million for the first two quarters of the year (six months 2013: US$ 5.2 million). Claims from the Indian sub-continent and Re-Takaful interest pushed up the Group's combined ratio by 4.8 points to 90.8%, lowering underwriting returns to US$ 0.5 million (six months 2013: US$ 4.2 million). At the same time, increased income from investments of US$ 11.7 million (six months 2013: US$ 9.4 million) assisted in cushioning the impact on the company's net result.

The company's net profit for the second quarter alone was US$ 1.9 million (Q2 2013: US$ 3.0 million).

Gross premium income over the six months increased by 5.6% to US$ 236.8 million (six months 2013: US$ 224.3 million) helped by increased premium derived from Arig's engagement in overseas markets and the parent company's Specialty and Life business. Gross premiums written for the second quarter alone was US$ 29.5 million (Q2 2013: US$ 44.2 million).

Yassir Albaharna, CEO of Arig, commented: "We knew that 2014 would be a challenging period for reinsurers as global over-capacities are showing their effect. On the other hand, Arig is writing a well-balanced portfolio and we are strongly reserved. We remain highly confident on our ability to live up to current conditions."

Arig's shareholders' equity increased to US$ 258.6 million on 30 June 2014 (end of 2013: US$ 249.2 million), with a book value per share of US$ 1.31 for the same period (end of 2013: US$ 1.26).

Financial Highlights as at 30 June 2014 (in US$ million)

	April – June		As at 30 June		Full Year
	2014	2013	2014	2013	2013
Gross premiums written	29.5	44.2	236.8	224.3	262.0
Net premiums written	22.9	24.4	212.9	201.1	246.3
Technical result	2.9	8.1	4.9	10.3	20.8
Underwriting result	0.02	3.5	0.5	4.2	13.4
Combined ratio			90.8%	86.0%	97.8%
Investment income	4.9	2.9	11.7	9.4	20.4
Operating expenses	7.3	8.0	15.0	14.8	28.9
Net profit	1.9	3.0	4.7	5.2	18.6
Investment assets	-	-	682.6	640.4	642.2
Net technical provisions	-	-	702.5	692.7	619.6
Shareholders' equity	-	-	258.6	233.9	249.2
Total assets	-	-	1,160.9	1,139.4	1,056.6
Book value per share (US$)	-	-	1.31	1.18	1.26

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About Arig

Arig is one of the largest Arab-owned, professional reinsurance providers in the Middle East and 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) 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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