Press Release

11 November 2014

Arig Announces Net Profits For The First Nine Months

Bahrain: The Arig Group announces consolidated net profits of US$ 9.6 million for the first nine months of 2014 (nine months 2013: US$ 12.6 million). A higher combined ratio of 97.8% (nine months 2013: 90.3%) lowered underwriting returns to US$ 1.4 million (nine months 2013: US$ 6.0 million). The combined ratio for Arig alone was 95.2% after the third quarter. The lower underwriting result was partially offset by US$ 19.3 million income from investments (nine months 2013: US$ 14.9 million).

The company's net profit for the third quarter alone was US$ 4.9 million (Q3 2013: US$ 7.5 million).

Gross premium income over the nine months increased by 15.1% to US$ 298.0 million (nine months 2013: US$ 258.9 million) largely supported by increased premium derived from Arig's engagement in overseas markets and the parent company's Life business. Takaful contributions were further reduced as the market segment continued to under-perform.

Gross premiums written for the Group's third quarter alone were US$ 61.2 million (Q3 2013: US$ 34.6 million).

Yassir Albaharna, CEO of Arig, commented: "The Group experienced a number of risk losses from markets, to which we have since reduced our exposure. In addition, Re-Takaful operations continued to disappoint. On the other hand, the Lloyd's book and our Life franchise are showing strong results, as did investments. It has been a mixed year for the industry thus far but Arig's highly diversified portfolio helps shield the Group from greater volatility."

Arig's shareholders' equity increased to US$ 262.6 million on 30 September 2014 (end of 2013: US$ 249.2 million), with a book value per share of US$ 1.33 for the same period (end of 2013: US$ 1.26).

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

	Jul – Sep		As at 30 Sep		Full Year
	2014	2013	2014	2013	2013
Gross premiums written	61.2	34.6	298.0	258.9	262.0
Net premiums written	26.0	38.6	238.8	239.7	246.3
Technical result	2.9	4.4	7.8	14.7	20.8
Underwriting result	0.8	1.8	1.4	6.0	13.4
Combined ratio			97.8%	90.3%	97.8%
Investment income	7.6	5.5	19.3	14.9	20.4
Operating expenses	6.4	7.0	21.4	21.9	28.9
Net profit	4.9	7.5	9.6	12.6	18.6
Investment assets	-	-	724.0	650.5	642.2
Net technical provisions	-	-	682.5	683.1	619.6
Shareholders' equity	-	-	262.6	243.1	249.2
Total assets	-	-	1,174.3	1,127.3	1,056.6
Book value per share (US$)	-	-	1.33	1.23	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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