Press Release

12 August 2015

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

Bahrain: Improved underwriting performance and higher investment returns supported a 32% increase in the Arig Group's half-year net profit of US$ 6.2 million (half-year 2014: US$ 4.7 million). Earnings from the conventional reinsurance book contributed with a net income of US$ 9.2 million (half-year 2014: US$ 7.4 million), whereas Takaful Re, the Group's Islamic subsidiary, produced a loss of US$ 2.7 million over the period (half-year 2014: a loss of US$ 2.6 million). Results include exchange rate effects and an impairment provision of US$ 4.9 million taken over the office property held by Takaful Re.

The Group's net result for the second quarter alone was US$ 2.7 million (Q2 2014: US$ 1.9 million).

Gross premiums written during the first half-year decreased by 21% to US$ 186.1 million for the Group (half-year 2014: US$ 236.8 million), reflecting Arig's selective underwriting policy in a soft market environment, shifts in its Lloyd's portfolio and exchange rate effects.

The Group's combined ratio was 90.2% after the second quarter (half-year 2014: 90.8%).

Yassir Albaharna, CEO of Arig, commented: "Arig significantly improved its half-year result despite losses from the Nepal earthquake and the Far East, an increase in our technical provisions and a one-off impairment taken on our subsidiary's property holding. I am pleased to say that the Group continues to operate on very solid financials."

Arig's shareholders' equity stood at US$ 262.1 million on 30 June 2015 (end of 2014: US$ 264.5 million) after the distribution of dividend US$ 0.05 per share. Book value per share was US$ 1.32 at the end of the second financial quarter 2015 (end of 2014: US$ 1.34).

Financial Highlights as at 30 June 2015 (in US$ million)

	As at 30 June		Full Year
	2015	**2014**	**2014**
Gross premiums written	186.1	236.8	315.3
Net premiums written	172.3	212.9	260.4
Technical result	9.8	4.9	16.1
Underwriting result	6.2	0.5	6.0
Combined ratio	90.2%	90.8%	101.7%
Investment income	13.3	11.7	20.5
Operating expenses	14.9	15.0	28.7
Net profit	6.2	4.7	15.6
Investment assets	733.2	682.6	721.0
Net technical provisions	705.6	702.5	635.6
Shareholders' equity	262.1	258.6	264.5
Total assets	1,165.2	1,160.9	1,104.3
Book value per share (US$)	1.32	1.31	1.34

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

Arab Insurance Group (B.S.C.) is a reinsurance firm regulated by the Central Bank of Bahrain.

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