Press Release

14 May 2015

Arig's Net Profits Up For First Quarter 2015

Bahrain: The Arig Group delivered consolidated net profits of US$ 3.5 million for the first quarter 2015 (Q1 2014: US$ 2.8 million). Earnings from the conventional reinsurance book contributed US$ 7.4 million to the result (Q1 2014: US$ 3.7 million), whereas Takaful Re, the Group's Islamic subsidiary, produced a loss of US$ 3.8 million over the period (Q1 2014: a loss of US$ 0.8 million).

The Group's combined ratio of 76.6% for the quarter is reflective of the improved underwriting position against the previous year (Q1 2014: 82.1%).

Consolidated investment income of US$ 6.3 million was generated over the reporting period (Q1 2014: US$ 6.8 million), representing an annualized return of 3.5% on investible assets.

Gross written premiums decreased to US$ 166.0 million for the Group over the quarter (Q1 2014: US$ 207.4 million) as shifts in Arig's Lloyd's portfolio, voluntary premium reductions by Takaful Re and the influence of exchange rate developments contributed to the reduction.

Yassir Albaharna, CEO of Arig, commented: "In a highly challenging business environment, Arig has markedly grown its underwriting profit from the conventional reinsurance portfolio, a pleasing development that was flanked by good investment returns. The losses from the under-performing Re-Takaful book are being addressed with the clear target of achieving a lasting solution so that the full earnings potential of the Group can be realized."

Arig's shareholders' equity stood at US$ 261.8 million on 31 March 2015 (end of 2014: US$ 264.5 million) after the distribution of dividend US$ 0.05 per share. The book value per share was US$ 1.32 for the same period (end of 2014: US$ 1.34).

Financial Highlights as at 31 March 2015 (in US$ million)

	As at 31 March		Full Year
	2015	**2014**	**2014**
Gross premiums written	166.0	207.4	315.3
Net premiums written	155.6	189.9	260.4
Technical result	5.6	2.0	16.1
Underwriting result	4.0	0.5	6.0
Combined ratio	76.6%	82.1%	101.7%
Investment income	6.3	6.8	20.5
Operating expenses	7.5	7.7	28.7
Net profit	3.5	2.8	15.6
Investment assets	727.2	677.0	721.0
Net technical provisions	712.4	760.9	635.6
Shareholders' equity	261.8	254.4	264.5
Total assets	1,217.2	1,211.3	1,104.3
Book value per share (US$)	1.32	1.28	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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