Press Release

12 May 2016

Arig Swings Back Into Profit Zone In 1st Quarter 2016

Bahrain: Following a full-year loss in 2015, the Arig Group rebounded to profitability, announcing a 1st quarter net profit of US$ 0.8 million (Q1 2015: US$ 3.5 million) despite the negative influence of exchange rate developments, lower technical results and volatile equity markets.

The Group's improved combined ratio of 74.9% for the quarter is reflective of reductions in operating cost and acquisition expenses against the previous year (Q1 2015: 76.6%).

Consolidated investment income of US$ 4.5 million was generated over the reporting period (Q1 2015: US$ 6.3 million).

Gross written premiums increased to US$ 202.7 million for the Group over the quarter (Q1 2015: US$ 166.0 million) mainly on account of the increased Lloyd's portfolio following a dip in 2015.

Yassir Albaharna, CEO of Arig, commented: "We will continue to streamline Arig for better performance and capital efficiency. However we are aware that the state of the global economy, lower investment returns and the abundance of capital in the current reinsurance market are making it more difficult to see immediate results."

Arig's shareholders' equity stood at US$ 248.7 million at 31 March 2016 (end of 2015: US$ 244.2 million). The book value per share was US$ 1.26 for the same period (end of 2015: US$ 1.23).

Financial Highlights as at 31 March 2016 (in US$ million)

	As at 31 March		Full Year
	2016	**2015**	**2015**
Gross premiums written	202.7	166.0	220.4
Net premiums written	173.2	155.6	202.9
Technical result	3.4	5.6	13.2
Underwriting result	1.5	4.0	0.8
Combined ratio	74.9%	76.6%	106.6%
Investment income	4.5	6.3	14.3
Operating expenses	6.0	7.5	28.6
Net profit (loss)	0.8	3.5	(4.4)
Investment assets	738.4	721.3	746.6
Net technical provisions	737.9	712.4	613.7
Shareholders' equity	248.7	261.8	244.2
Total assets	1,240.3	1,217.2	1,099.1
Book value per share (US$)	1.26	1.32	1.23

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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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