Press Release

13 November 2016

Arig's Premiums and Profits Up After Third Quarter

Bahrain: The Arig Group announced consolidated net profits of US$ 3.4 million for the first nine months of 2016 (nine months 2015: US$ 1.4 million). The result includes a loss of US$ 3.5 million due to Forex movements against the US Dollar. Despite challenging conditions for reinsurers, the company managed to achieve 7% growth in its revenues over the most recent three quarters, writing US$ 227.5 million in gross premiums over the period (nine months 2015: US$ 212.6 million). At the same time, Arig's combined ratio reduced by four points to 92.9% (nine months 2015: 97.1%). Income from investments reinforced the positive trend adding US$ 15.4 million to the result (nine months 2015: US$ 10.1 million).

The net profit for the third quarter alone was US$ 1.7 million (Q3 2015: loss of US$ 4.8 million), while Arig wrote gross premiums of US$ 21.3 million (Q3 2015: US$ 26.5 million) during the period.

Yassir Albaharna, CEO of Arig, commented: "Some larger claims in our region, the effect of Brexit on the value of the British Pound and lower demand for reinsurance were among the challenges we had to manage in 2016. On a positive note, our discontinued portfolios are running off smoothly and we are starting to see the benefits of a streamlined reinsurance portfolio, which is reflecting in our improved combined ratio."

Arig's shareholders' equity stood at US$ 254.6 million on 30 September 2016 (end of 2015: US$ 244.2 million). Book value per share was US$ 1.29 at the end of the third financial quarter 2016 (end of 2015: US$ 1.23).

Financial Highlights as at 30 September 2016 (in US$ million)

	As at 30 Sep		Full Year
	2016	**2015**	**2015**
Gross premiums written	227.5	212.6	220.4
Net premiums written	189.7	195.3	202.9
Technical result	7.0	13.4	13.2
Underwriting result	3.7	2.6	0.8
Combined ratio	92.9%	97.1%	106.6%
Investment income	15.4	10.1	14.3
Operating expenses	17.6	22.4	28.6
Net profit (loss)	3.4	1.4	(4.4)
Investment assets	740.3	741.3	746.6
Net technical provisions	645.5	658.7	613.7
Shareholders' equity	254.6	253.0	244.2
Total assets	1,151.7	1,151.0	1,099.1
Book value per share (US$)	1.29	1.28	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. The Group 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) – currently in run-off, 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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