Press Release

13 August 2017

Arig Reports Improved Half-Year Profits from Underwriting and Investment

Bahrain: Arig reported net profits of US$ 4.1 million for the first half of the year 2017, an increase of 128% year-on-year (half-year 2016: US$ 1.8 million). The company's technical result for the first half-year rose to US$ 8.6 million (half-year 2016: US$ 4.0 million), while investment income increased to US$ 12.3 million (half-year 2016: US$ 9.9 million). The Group's combined ratio for the first half of the year improved by 8.1 points to reach 79.1% (half-year 2016: 87.2%).

The Group's net result for the second quarter alone was US$ 3.6 million (Q2 2016: US$ 1.0 million) and its gross premiums was US$ 16.8 million (Q2 2016: US$ 3.5 million) during the quarter alone.

Group's half year gross premiums written declined to US$ 189.6 million (half-year 2016: US$ 206.2 million), reflecting voluntary non-renewal of underperforming and inadequately priced accounts coupled with downward premium adjustments of our Lloyd's portfolio.

Yassir Albaharna, CEO of Arig, commented: "We are pleased to report an improved positive result in the first half of 2017 driven by better reinsurance performance and good investment returns, despite the pricing pressure and challenging market environment during the period. With this positive trend, we will continue to streamline our efforts to maximize the Group's earnings."

Arig's shareholders' equity stood at US$ 255.7 million on 30 June 2017 (end of 2016: US$ 256.6 million) after payment of dividend of US$ 9.9 million. Book value per share was US$ 1.29 for the same period (end of 2016: US$ 1.30).

Financial Highlights as at 30 June 2017 (in US$ million)

	As at 30 June		Full Year
	2017	**2016**	**2016**
Gross premiums written	189.6	206.2	245.4
Net premiums written	166.4	177.0	208.4
Technical result	8.6	4.0	14.7
Underwriting result	8.4	1.1	8.3
Combined ratio	79.1%	87.2%	96.8%
Investment income	12.3	9.9	19.3
Operating expenses	12.7	11.8	25.6
Net profit	4.1	1.8	9.2
Investment assets	679.3	717.3	737.4
Net technical provisions	636.0	668.8	589.9
Shareholders' equity	255.7	251.7	256.6
Total assets	1,131.5	1,153.4	1,114.4
Book value per share (US$)	1.29	1.27	1.30

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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), Arig Capital Ltd. (UK) and Arig Insurance Management (DIFC) Limited. 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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