Press Release

13 February 2017

Arig Swings Back To Net Profit Of US$ 9.2 Million In 2016

Bahrain: Arig delivered net profits of US$ 9.2 million for the year 2016 (2015: net loss of US$ 4.4 million). The Company's reinsurance book and investment income both contributed to the rebound. The underwriting result for the Group recorded a profit of US$ 8.3 million (2015: profit of US$ 0.8 million), while the Group's combined ratio improved to 96.8% compared with 106.6% in 2015. Investments yielded US$ 19.3 million (2015: US$ 14.3 million).

Arig's net profit for the fourth quarter 2016 alone was US$ 5.8 million (Q4 2015: net loss of US$ 5.8 million), while the Group wrote Gross premiums of US$ 18.0 million (Q4 2015: US$ 7.8 million) during the period.

The Group's Gross written premiums increased to US$ 245.4 million over the year (2015: US$ 220.4 million) mainly, driven by the Company's continued diversification strategy.

Yassir Albaharna, CEO of Arig, commented: "Arig significantly improved its annual result on the back of solid returns from its reinsurance activities and investments, despite the challenging market conditions. I am also pleased to say that our recent upgrade of the Group's Financial Strength Rating to 'A- (Excellent)' by A.M. Best reflects Arig's ability to take strategic decisions and to generate stronger prospective earnings."

Arig's Board of Directors has recommended a cash dividend of 5% on the Company's paid-up capital, or 5 cents per share. The dividend remains subject to clearance by the Central Bank of Bahrain and shareholders' approval at the Company's Annual General Meeting to be held on 20th March 2017.

Arig's Shareholders' equity stood at US$ 256.6 million on 31 December 2016 (end of 2015: US$ 244.2 million) with a book value per share of US$ 1.30 (end of 2015: US$ 1.23).

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

	2016	2015
Gross premiums written	245.4	220.4
Net premiums written	208.4	202.9
Technical result	14.7	13.2
Underwriting result	8.3	0.8
Combined ratio	96.8%	106.6%
Investment income	19.3	14.3
Operating expenses	25.6	28.6
Net profit (loss)	9.2	(4.4)
Investment assets	737.4	746.6
Net technical provisions	589.9	613.7
Shareholders' equity	256.6	244.2
Total assets	1,114.4	1,099.1
Book value per share (US$)	1.30	1.23

About Arig

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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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