# Press Release

14 May 2017

## Arig posts positive 1st Quarter results in 2017

Bahrain: Arig Group recorded consolidated net profits of US$ 0.5 million for the first quarter 2017 (Q1 2016: US$ 0.8 million). The consolidated investment income went up by 40% to reach US$ 6.3 million (Q1 2016: US$ 4.5 million). While Arig's traditional reinsurance portfolio produced an improved technical result of US$ 5.6 million (Q1 2016: US$ 3.6 million) representing an increase of 56%, Lloyd's accounts generated a technical loss of US$ 3.9 million (Q1 2016: loss US$ 0.2 million) mainly due to higher natural catastrophe claims.

Gross premiums written during the first quarter decreased to US$ 172.8 million for the Group (Q1 2016: US$ 202.7 million), reflecting negative influence of exchange rate movements coupled with voluntary premium reductions in some under-performing accounts, mainly in the MENA region.

Yassir Albaharna, CEO of Arig, commented: "The challenging business environment and the effect of Brexit on the value of the British Pound have affected the Group's first quarter results. Although, we have seen improvements in important business segments, our ultimate aim remains the achievement of an increased profitability".

Arig's shareholders' equity reduced to US$ 251.4 million at 31 March 2017 (end of 2016: US$ 256.6 million) after payment of dividend of US$ 9.9 million. The book value per share was US$ 1.27 for the same period (end of 2016: US$ 1.30).

**Financial Highlights as at 31 March 2017 (in US$ million)**

| | As at 31 March | | Full Year |
|---|---|---|---|
| | **2017** | **2016** | **2016** |
| Gross premiums written | 172.8 | 202.7 | 245.4 |
| Net premiums written | 151.0 | 173.2 | 208.4 |
| Technical result | 1.7 | 3.4 | 14.7 |
| Underwriting result | 0.7 | 1.5 | 8.3 |
| Combined ratio | 77.6% | 74.9% | 96.8% |
| Investment income | 6.3 | 4.5 | 19.3 |
| Operating expenses | 7.3 | 6.0 | 25.6 |
| Net profit | 0.5 | 0.8 | 9.2 |
| | | | |
| Investment assets | 717.0 | 738.4 | 737.4 |
| Net technical provisions | 698.0 | 737.9 | 589.9 |
| Shareholders' equity | 251.4 | 248.7 | 256.6 |
| Total assets | 1,226.3 | 1,240.3 | 1,114.4 |
| Book value per share (US$) | 1.27 | 1.26 | 1.30 |

**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 (UAE). 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.

For further information, please contact Amel Dardour, Corporate Communications,
Tel: +973 17 544 357, Fax: +973 17 531 155, or email: dardour.a@arig.com.bh