Press Release

12 November 2017

Arig Posts Steady Nine Months Profits

Bahrain: Arig (The Company) recorded consolidated net profits of US$ 4.1 million attributable to shareholders for the first nine months of 2017 (nine months 2016: US$ 3.4 million) backed by positive technical performance and higher investment earnings.

Income from investments over the nine months was higher year-on-year at US$ 17.6 million (nine months 2016: US$ 15.4 million) as a result of continuing positive equity returns. The Company's improved combined ratio of 90.6% for the first nine months (nine months 2016: 92.9%) highlights a stronger underwriting position as compared to the previous year.

Arig's net result for the third quarter alone attributable to shareholders was a loss of US$ 0.03 million (Q3 2016: Profit US$ 1.7 million) and the Company's gross premiums increased to US$ 26.7 million (Q3 2016: US$ 21.3 million) during the quarter alone.

The Company's nine months gross premiums written declined to US$ 216.3 million (nine months 2016: US$ 227.5 million), reflecting continued effort to strengthen bottom line results by 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: "Despite the likely impact of high level of catastrophe losses experienced in the third quarter on the industry's profitability, we continued to generate an improved positive result in the first nine months of 2017 against the same period of last year. We will continue our efforts to streamline Arig for better performance and enhance the Company's earnings."

Arig's shareholders' equity stood at US$ 257.4 million as at 30 September 2017 (end of 2016: US$ 256.6 million) after payment of dividend of US$ 9.9 million. Book value per share was US$ 1.30 for the same period (end of 2016: US$ 1.30).

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

	As at 30 Sep		Full Year
	2017	**2016**	**2016**
Gross premiums written	216.3	227.5	245.4
Net premiums written	188.7	189.7	208.4
Technical result	6.9	7.0	14.7
Underwriting result	8.1	3.7	8.3
Combined ratio	90.6%	92.9%	96.8%
Investment income	17.6	15.4	19.3
Operating expenses	16.5	17.6	25.6
Net profit attributable to shareholders	4.1	3.4	9.2
Investment assets	690.8	740.3	737.4
Net technical provisions	615.4	645.5	589.9
Shareholders' equity	257.4	254.6	256.6
Total assets	1,136.2	1,151.7	1,114.4
Book value per share (US$)	1.30	1.29	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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