Press Release

13 February 2018

Arig Reports Net Profits Of US$ 7.2 Million For 2017

Bahrain: Arig continued to generate a positive net result of US$ 7.2 million attributable to shareholders for the year 2017 (2016: US$ 9.2 million), representing a drop of 21.7% compared to the previous year, despite a high claims record of natural catastrophe losses experienced during the year combined with a major fire loss in UAE which was one of the costliest claims in the MENA region. Both technical performance and investment earnings contributed to the positive results.

The Company recorded an underwriting profit of US$ 5.8 million (2016: US$ 8.3 million), a reduction of 30.1%, while the investment income over the year increased by 15.5% to US$ 22.3 million (2016: US$ 19.3 million) as a result of positive equity returns.

Arig's net result for the fourth quarter alone attributable to shareholders was a profit of US$ 3.2 million (Q4 2016: US$ 5.7 million), a decline of 43.9% and the Company's gross premiums written stood at US$ 9.3 million (Q4 2016: US$ 18 million), a decrease of 48.3% during the quarter alone compared to the same period in previous year.

The Company's gross premiums written declined by 8.1% to US$ 225.6 million (2016: US$ 245.4 million) as a result of voluntary non-renewal of underperforming and inadequately priced accounts, in line with its prudent underwriting approach coupled with negative influence of exchange rate movements and downward premium adjustments of the Lloyd's portfolio.

Yassir Albaharna, CEO of Arig, commented: "There is no doubt that 2017, similar to 2011, was an exceptionally difficult year for most reinsurers world-wide due to a spate of catastrophe losses such as "HIM". But despite these challenging conditions, Arig continues producing positive results thanks to a successful investment strategy and a diversified reinsurance book".

Arig's Shareholders' equity stood at US$ 256.9 million as at 31 December 2017 (end of 2016: US$ 256.6 million) with a book value per share of US$ 1.30 (end of 2016: US$ 1.30).

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

	2017	2016
Gross premiums written	225.6	245.4
Net premiums written	197.1	208.4
Technical result	5.5	14.7
Underwriting result	5.8	8.3
Combined ratio	104.1%	101.5%
Investment income	22.3	19.3
Operating expenses	22.3	25.6
Net profit	7.2	9.2
Investment assets	665.1	737.4
Net technical provisions	568.1	589.9
Shareholders' equity	256.9	256.6
Total assets	1,086.1	1,114.4
Book value per share (US$)	1.30	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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