Press Release

13 May 2018

Arig posts positive 1st Quarter results in 2018

Bahrain: Arig recorded consolidated net profits of US$ 0.5 million attributable to shareholders for the first quarter 2018 (Q1 2017: US$ 0.5 million). The Company's technical result stood at US$ 0.7 million (Q1 2017: US$ 1.7 million), a decline of 58.8%. While Arig's traditional reinsurance portfolio produced an improved technical result of US$ 8.0 million (Q1 2017: US$ 5.6 million) representing an increase of 42.9%, Lloyd's accounts generated a technical loss of US$ 7.3 million (Q1 2017: loss US$ 3.9 million), an increase in loss by 87.0% mainly due to deterioration in recent US hurricane losses. The consolidated investment income amounted to US$ 5.1 million (Q1 2017: US$ 6.3 million), a reduction of 19%.

Gross premiums written during the first quarter amounted to US$ 169.1 million for the Group (Q1 2017: US$ 172.8 million), a decrease of 2.1% compared to the same period in previous year. Downward premium adjustments of US$ 20.8 million in the Lloyd's portfolio were offset by an increase of US$ 17.2 million in the traditional reinsurance portfolio.

Yassir Albaharna, CEO of Arig, commented: "Despite the challenging industry climate, the Company remained in positive territory. Although, we have seen minor improvements in our traditional reinsurance business, our ultimate aim remains the achievement of an overall increased profitability across all the lines of business".

Arig's shareholders' equity stood at US$ 253.9 million at 31 March 2018 (end of 2017: US$ 256.9 million). The book value per share was US$ 1.28 for the same period (end of 2017: US$ 1.30).

Financial Highlights as at 31 March 2018 (in US$ million)

	As at 31 March		Full Year
	2018	**2017**	**2017**
Gross premiums written	169.1	172.8	225.6
Net premiums written	133.4	151.0	197.1
Technical result	0.7	1.7	5.5
Underwriting result	0.03	0.7	5.8
Combined ratio	105.2%	107.5%	104.1%
Investment income	5.1	6.3	22.3
Operating expenses	5.7	7.3	22.3
Net profit	0.5	0.5	7.2
Investment assets	662.8	717.0	665.1
Net technical provisions	655.9	698.0	568.1
Shareholders' equity	253.9	251.4	256.9
Total assets	1,186.2	1,226.3	1,086.1
Book value per share (US$)	1.28	1.27	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. 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