Press Release

14 May 2012

Arig Delivers 1st Quarter Profit of US$ 5.5 Million in Turn-Around Performance

Bahrain: Following a full-year loss in 2011, Arig rebounded to profitability, announcing a 1st quarter net profit of US$ 5.5 million (Q1 2011: US$ 0.6 million) on the back of benign claims from its reinsurance book and strong investment returns.

The Group's underwriting result came in at US$ 3.5 million for the period (Q1 2011: US$ 1.5 million). A recovery in the financial markets and improvement of yields from the fixed income portfolio added investment income of US$ 10.5 million over the quarter (Q1 2011: US$ 5.5 million).

Gross premiums written during the first three months of the year reached US$ 119.8 million (Q1 2011: US$ 132.1 million) as Arig de-risked its portfolio from certain catastrophe accumulations, parted with under-performing reinsurance programs and took account of falling premium income amongst some of its regional clientele.

Shareholders' Equity increased to US$235.3 million on 31 March 2012 (December 2011: US$ 222.4 million) while book value per share was US$ 1.19 on 31 March 2012 (December 2011: US$ 1.12).

Financial Highlights as at 31 March 2012 (in US$ million)

	As at 31 March		Full Year
	2012	2011	2011
Gross premiums written	119.8	132.1	247.5
Technical result	4.0	3.8	1.4
Underwriting result	3.5	1.5	(14.5)
Non-life combined ratio	80.7%	81.7%	108.6%
Investment income	10.5	5.5	4.0
Operating expenses	8.4	8.5	31.5
Net profit (loss)	5.5	0.6	(19.1)
Investment assets	643.2	687.7	652.8
Net technical provisions	627.9	641.5	564.8
Shareholders' equity	235.3	245.8	222.4
Total assets	1,080.2	1,171.4	1,024.3
Book value per share (US$)	1.19	1.24	1.12

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About Arig

Arig is one of the largest Arab-owned, professional reinsurance providers in the Middle East and North Africa. Arig is listed on the stock exchanges in Bahrain, Dubai and Kuwait and offers a wide range of reinsurance products and services. Arig's subsidiaries include Takaful Re (Dubai), Gulf Warranties (Bahrain), ARIMA Insurance Software (Bahrain) and Arig Capital Ltd, UK. Arig is also an equal partner in the joint venture Hardy Arig Insurance Management (HAIM). Additional information about Arig can be obtained at www.arig.net

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