Press Release

4 August 2009

Arig Reports Strong Half-Year Result Based On Reinsurance Performance and Investment Returns

Manama: Arig recorded net profits of US$ 8.8 million for the first six months of 2009 (1st HY 2008: US$ 11.4 million). The company's reinsurance Underwriting Result, which includes investment income on insurance funds and related operating expenses, was up 67% against the same period last year, producing US$ 6.2 million. In line with recovery trends in the global financial markets, investment results turned the corner during the second quarter of the year producing overall earnings of US$ 15.4 million for the six-month period (1st HY 2008: US$ 15.3 million).

Life and Non-life classes continued to perform at a robust combined ratio of 94.31% (1st HY 2008: 94.26%).

The Group's reinsurance portfolio reached US$ 163.0 million for the 1st HY 2009 (1st HY 2008: US$ 184.0 million). The drop in gross premium is the result of lower trading volumes in the cyclical lines of business that would recover in tandem with the economies of the Emerging Markets, which form Arig's core business area. Personal line classes, especially medical business performed strongly, reflecting increased demand for such classes in the regional insurance markets.

Shareholders' Equity amounted to US$ 250.3 million on 30 June 2009 (December 2008: US$ 239.6 million). Book value per share stood at US$ 1.18 on 30 June 2009 (December 2008: US$ 1.13).

Financial Highlights as at 30 June 2009

	(US$'000)		
	30 June		Year
	2009	2008	2008
Gross premium written	163,017	183,974	280,694
Technical Result	9,309	6,437	9,585
Underwriting result	6,216	3,713	(15,867)
Investment income	15,379	15,339	(26,129)
Operating expenses	17,670	16,874	32,394
Net profit	**8,827**	**11,439**	**(28,568)**
Investment assets	667,216	715,154	678,507
Net technical provisions	591,890	545,643	524,735
Shareholders' equity	250,348	289,448	239,579
Total assets	1,120,206	1,140,297	1,079,761
Book value per share (US$)	**1.18**	**1.37**	**1.13**

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) and ARIMA Insurance Software (Bahrain). Additional information about Arig can be obtained at www.arig.net

For further information, please contact Amel Dardour, Corporate Communications,
Tel: +973 17 544 357, Fax: +973 17 918802, or email: dardour.a@arig.com.bh