Press Release

13 May 2009

Arig Records 1Q Profit Backed By Strong Reinsurance Performance

Manama: Following a full-year loss in 2008, Arig returned to profitability posting a 1st Quarter Net Profit of US$ 1.5 million (1Q 2008: US$ 3.0 million) backed by strong Technical Result of US$ 8.6 million (1Q 2008: US$ 3.3 million) across its reinsurance portfolio. Investment returns remained flat with a marginal deficit of US$ 0.3 million reflecting current financial market conditions.

Gross Written Premium was down by 14% due to lower trading volumes in the cyclical Engineering and Marine lines as well as the selective acceptance policy exercised by the Company. The Group's reinsurance portfolio reached US$ 111.8 million for the quarter.

All Life and Non-life classes produced a robust combined ratio of 93.8% (1st Quarter 2008: 101.3%) based on Net Earned Premiums.

Shareholders' Equity increased to US$ 241.0 million on 31 March 2009 (December 2008: US$ 239.6 million). Book value per share stood at US$ 1.14 on 31 March 2009 (December 2008: US$ 1.13).

Financial Highlights as at 31 March 2009

	(US$'000)		
	31 March		Year
	2009	2008	2008
Gross premium written	111,812	130,730	280,694
Technical Result	8,576	3,297	9,585
Underwriting result	3,678	994	(15,867)
Investment income	(273)	3,193	(26,129)
Operating expenses	8,472	8,180	32,394
Net profit	**1,487**	**2,956**	**(28,568)**
Investment assets	647,637	714,339	678,507
Net technical provisions	581,248	536,311	524,735
Shareholders' equity	241,049	281,873	239,579
Total assets	1,111,059	1,142,800	1,079,761
Book value per share (US$)	**1.14**	**1.33**	**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

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