Press Release

21 July 2010

Global equity downturn affects 2nd Quarter 2010 results

Manama: Impacted by the volatile global equity markets, Arig recorded US$ 2.8 million loss for the first half of 2010 (Q2 2009: US$ 8.8 million profit). Returns from reinsurance, Arig's core business, remain positive with non-life Combined Ratio of 97.3% and Gross Premium Written increased by 8.6% to US$ 177.1 million for the first half year 2010 (Q2 2009: US$ 163 million).

Shareholders' Equity after the second quarter stood at US$ 245.4 million (December 2009: US$ 267.3 million) following distribution of US$ 13.2 million in dividends on the Financial Year 2009 result and current year's result. Arig's share book value registered US$ 1.20 on 30 June 2010 (December 2009: US$ 1.27).

Financial Highlights as at 30 June 2010 (in US$ million)

	30 June		Year
	2010	2009	2009
Gross premium written	177.1	163.0	279.4
Technical Result	5.0	9.3	16.5
Underwriting result	(4.1)	6.2	10.6
Investment income	5.5	15.4	33.7
Operating expenses	19.1	17.7	34.7
Net (loss) profit	**(2.8)**	**8.8**	**21.9**
Investment assets	635.5	667.2	663.7
Net technical provisions	620.9	591.9	589.8
Shareholders' equity	245.4	250.3	267.3
Total assets	1,149.2	1,120.2	1,132.3
Book value per share (US$)	**1.20**	**1.18**	**1.27**

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 of 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). 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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