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# Arig reports net profit of US\$1.8m

## Gross Premium increased 10.8pc

**Manama**  
**A**rig announced it has returned US\$1.8m of net profit to its shareholders, a reduction of 71 per cent year-on-year (half-year 2015: US\$ 6.2m), at the close of the second quarter of its 2016 Financial Year.

Despite the 10.8pc growth of its Gross Premium Income, unsatisfactory insurance pricing, lower investment income and the impact of large losses from regional clients combined in lowering the mid-year result, the company said in a statement.

The Group's net result for the second quarter alone was US\$ 1.0m (Q2 2015: US\$2.7m).

Half-year premium growth originated from Arig's involvement in the Lloyd's market while losses from the GCC markets impacted underwriting returns. The Group's parent returned a Technical

Result of US\$3.8m from its underwriting activities after the first two quarters (half-year 2015: US\$ 9.1m), whereas its Takaful subsidiary, currently in run-off, showed a small profit of US\$0.2m for the same period (half-year 2015: US\$ 0.7m).

The Group's combined loss ratio moved to 69pc (half-year 2015: 67.2pc) yet its combined ratio improved to 87.2pc (half-year 2015: 90.2pc) on savings achieved from its operations.

Investment income accounted for US\$9.9m (half-year 2015: US\$13.3m), representing an average return of 2.7pc (half-year 2015: 3.7pc) on the Group's investible assets.

Yassir Albaharna, CEO of Arig, commented: "These are challenging times, especially regional reinsurers. We see some positive signs as regulators have started to focus on sustainable market



CEO, Yassir Albaharna

practices. But we still have a long way to go and the global policy of cheap capital is not helping us."

Arig's shareholders' equity stood at US\$251.7m on 30 June 2016 (end of 2015: US\$244.2m). Book value per share was US\$ 1.27 at the end of the second financial quarter 2016 (end of 2015: US\$ 1.23).

## Oil prices jump on talk of possible action

**New York**  
**O**il prices rose sharply on Thursday after Saudi Arabia's energy minister said producers may take action to help rebalance global oil markets.

The remarks helped send prices up more than 4 percent in New York, where a barrel of West Texas Intermediate for September delivery closed up \$1.78 at \$43.49.

In London, North Sea Brent for October delivery rose \$1.99 to \$46.04 a barrel on the Intercontinental Exchange.



Picture for representation