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Arig profit jumps 6pc



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Conventional reinsurance operations continued to perform well as the Arig Group, one of the largest Arab-owned, professional reinsurance providers in the Middle East and North Africa, delivered consolidated net profits of \$18.6 million in 2013 financial year against the 2012 figures of \$17.6m.

Arig, including its corporate member at Lloyd's, contributed \$23m to profits whereas its subsidiary, Takaful Re, turned in a loss of \$4.4m. The group's net profit for the last three months of the year 2013 was \$6m against the corresponding figures of \$8.6m in 2012.

Reinsurance operations produced underwriting returns of \$13.4m for the year (2012: \$23.7m), with Arig contributing \$18.7m to this and Takaful Re losing US\$5.2m on its Re-Takaful book. The combined ratio was 97.8 per cent for the group and 94.2pc for Arig alone.

The group's gross premium reduced by 5pc to \$262m during 2013 (2012: \$276.5m), reflecting a 43pc reduction in Takaful Re's portfolio to \$21.5m as the company actively lowered its exposure to the underperforming market sector. Re-Takaful premium represented 8pc of the group's total gross premium in 2013.

Consolidated Group investment income amounted to \$20.4m for the reporting period (2012: \$21.6m).

CEO of Arig Yassir Albaharna said: "Supported by solid underwriting performance, strong reserves and good investment results, we are pleased with the performance of the group in 2013. Amidst challenging trading conditions, we have seen continuous improvement in the trend of our performance ratios for the conventional reinsurance lines."

Return on average shareholder funds was 7.7pc for the 2013 financial year (2012: 7.6pc) as shareholders' equity grew by 6pc to \$249.2m at the end of 2013 (2012: \$235.2m).