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Arig posts net profit of $4.7m in first half

MANAMA: Bahrain-based Arig Group, a leading reinsurance provider, has reported a net profit of $4.7 million for the first half of this year as against $5.2m for the same period last year.

The group's investment returns were up and underwriting result was lower at the half-year mark.

Claims from the Indian Subcontinent and re-takaful interest pushed up the group's combined ratio by 4.8 points to 90.8 per cent, lowering underwriting returns to $0.5m, as against $4.2m for the same period last year.

At the same time, increased income from investments of $11.7m in the first half this year, as against $9.4m for the same period last year, assisted in cushioning the impact on the company's net result.

Net profit for the second quarter alone was $1.9m as against $3m for the same quarter a year ago.


■ *Mr Albaharna*

Gross premium income over the six months increased by 5.6pc to $236.8m when compared with $224.3m earlier helped by increased premium derived from Arig's engagement in overseas markets and the parent company's speciality and life business.

Gross premiums written for the second quarter alone were $29.5m, as against $44.2m in the corresponding quarter a year ago.

"We knew that this year would be a challenging period for reinsurers as global over-capacities are showing their effect," Arig chief executive Yassir Albaharna said.

"On the other hand, Arig is writing a well-balanced portfolio and we are strongly reserved.

"We remain highly confident on our ability to live up to current conditions," he added.

Arig's shareholders' equity increased to $258.6m on June 30, from $249.2m as of the end of last year, with a book value per share of $1.31 for the same period, as against $1.26 as of end of last year.

Arig is listed on stock exchanges in Bahrain, Dubai and Kuwait.