

Arig records \$12m profit

MANAMA: Higher technical returns from reinsurance and a rally in the world financial markets firmly placed Arab Insurance Group (Arig) back into profitability at the end of the third quarter following a dip in investment returns at the half-year point.

The company's technical result stood at \$12.3 million against \$11.2m last time based on a combined ratio of 98.4 per cent for the general reinsurance business.

Investments yielded \$20.5m compared with \$26.8m over the three quarters combined.

Net profit for the period amounted to \$11.5m against \$16.9m last time but a strong recovery following a \$2.8m loss recorded at mid-year.

"Greater pricing competition among insurance clients means that the company needs to apply

increased scrutiny on its accepted reinsurance contracts," said chief executive officer Yassir Albaharna.

The combined effects of reduced demand for reinsurance, discontinuation of some under-performing contracts and deferred policy renewals led to a reduction in gross premiums written, which reached \$207m at the end of the third quarter compared to \$247.3m this time last year. The company regards this drop as a temporary effect.

Shareholders equity after the third quarter stood at \$258.5m compared with \$267.3m at the end of 2009 after consideration of the paid annual dividend and purchase of \$2.9m in treasury shares. Book value per share registered at \$1.26 on September 30 against \$1.27 at 2009-end.



■ Mr Albaharna