

# Arig registers \$11.5m profit

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Regional reinsurance major, Arig announced yesterday return to profit driven by strong earnings and a rally in the global financial markets.

Net profit for the third-quarter was put at \$11.5 million compared to \$16.9m in the corresponding period last year.

The reinsurer described it as a strong recovery following a \$2.8m loss recorded at mid-year.

"Higher technical returns from reinsurance and a rally in the world financial markets firmly placed Arig back into profitability at the end of the third-quarter following a dip in investment returns at the half-year point," said Arig



● Yassir Albaharna, Arig CEO.

in a statement yesterday.

At September 30, the company's technical result stood

at \$12.3m (3Q 2009: \$11.2m) based on a combined ratio of 98.4 per cent for the general reinsurance business. Investments yielded \$20.5m (3Q 2009: \$26.8m) over the three quarters combined.

"Greater pricing competition among insurance clients means that the company needs to apply increased scrutiny on its accepted reinsurance contracts."

The combined effects of reduced demand for reinsurance, discontinuation of some under-performing contracts and deferred policy renewals led to a reduction in Gross Premium Written, which reached \$207m at the end of the third-quarter (3Q 2009: \$247.3m).

The company termed this

drop 'a temporary effect'.

Shareholders equity after the third-quarter stood at \$258.5m (2009: \$267.3m) after consideration of the paid annual dividend and company's purchase of \$2.9m in treasury shares. Book Value per share registered at \$1.26 on September 30, 2010 (Dec. 2009: \$1.27).

Arig is one of the largest Arab-owned, professional reinsurance providers in the Middle East and North Africa and listed on the Bahrain, Dubai and Kuwait bourses. Its subsidiaries include Takaful Re (Dubai), Gulf Warranties (Bahrain) and ARIMA Insurance Software (Bahrain). It is also an equal partner in the joint venture Hardy Arig Insurance Management (HAIM)