



UAE

Dubai Group acquires stake in Kuwaiti Al Fajer Retakaful

Dubai Group has announced its acquisition of a 51 per cent controlling stake in Al Fajer Retakaful Insurance Company KSCC, through its global Shari'a-compliant investment company, Dubai Islamic Investment Group.

Al Fajer Re is the first licensed retakaful company in Kuwait and the third in the Gulf region, and is considered to be the largest global retakaful by paid-up capital of US\$178.5 million.

Dubai Islamic Investment Group's investment in Al Fajer Re marks Dubai Group's foray into the retakaful sector as a first step to drive the segment globally. Dubai Islamic Investment Group will bring extensive experience from its current investment portfolio, owning stakes in Bank Islam Malaysia (the largest and oldest Islamic bank in Malaysia), National Bonds UAE (the national Shari'a-compliant saving scheme),

and the strength of its sister companies under Dubai Group in Islamic finance, including takaful and retakaful products.

Latest industry estimates reveal the worldwide takaful industry is one of the fastest-expanding segments in global insurance, registering 15 to 20 per cent growth per annum. The international takaful market is expected to be worth more than US\$6 billion by 2010 and currently generates premiums of about US\$3.5bn a year.

Al Fajer's core business model is to focus on property and engineering, marine, casualty and motor, and family retakaful. Underlying the Kuwaiti retakaful company's development is an in-depth strategy of diversification along the current lines of business and geographical spread, allowing its product portfolio to be more adaptable to market conditions. ■

UAE

SALAMA Islamic Arab Insurance Co nets AED150m; premium revenue nears AED1bn

Islamic insurance provider SALAMA Islamic Arab Insurance Co has reported profits of AED150 million for 2007, in a disclosure made by the company to the Dubai Financial Market.

SALAMA also disclosed that its takaful premium revenue

reached at AED930m at the end of 2007, compared with AED657m at the end of 2006 – an increase of AED273m, representing 41 per cent jump on 2006 revenue.

Last year proved to be a banner year for SALAMA. Apart from the launch of its IPO, the company also attained an A-rating from AM Best, and has completed the acquisition of the total equity of retakaful company, Best Re.

SALAMA expects substantial growth during the next five years in the global takaful and retakaful industry to reach between US\$7.5 billion and US\$10bn, making it one of the

fastest growing sectors of the financial services industry.

The company has already begun family and health takaful operations, not only in the UAE, but also in Algeria. Its Saudi Arabia subsidiary has added health takaful to its activities, and another subsidiary has been set up in Senegal to offer family takaful. SALAMA raised capital in the Jordanian Islamic Insurance Co – where it has a 15 per cent stake – by 100 per cent to JOD8 million.

SALAMA was listed on the Dubai stock exchange in September 2007, allowing the company's paid capital to

reach AED1bn. SALAMA now includes six takaful companies that provide services in 70 countries through Tunisia-based Best Re, which is among the largest re-takaful companies in the Islamic world. ■

UAE

Takaful Re profits up to US\$11.6m

Takaful Re Limited (TRL) announced net profits of US\$11.6 million for the 2007 financial year compared with

US\$1.3m in 2006, achieving impressive growth.

From the second year of operation, TRL's board of directors has recommended a cash dividend of five per cent on the company's paid-up capital (US\$0.05 per share). The dividend remains subject to approval at the company's annual general meeting on March 25.

Gross contributions increased by 35 per cent to US\$20.34m in 2007, up from US\$15.05m in 2006, in a very competitive market.

The total investment earnings increased in 2007 to US\$11.8m, from US\$5.4m in 2006. The average rate of return on investments was 9.1 per cent, despite the volatility of the regional markets.

Khalid Al Bustani, Takaful Re's chairman, said: "The continuous support of our takaful and cooperative partners and shareholders was the main driver in achieving these outstanding results."

Shareholders' equity stood at US\$138.2m and the book value per share was US\$1.11 at the end of December 2007. ■

Bahrain

CBB grants licence for Allianz Global Investors Europe

The Central Bank of Bahrain (CBB) has granted a licence to Allianz Global Investors Europe GmbH (AllianzGI Europe) to open an office in Bahrain. Allianz GI Europe undertakes portfolio management, investment

advisory and brokerage services. The Bahrain office of the firm will develop and service the firm's institutional client base throughout the Middle East and North Africa (Mena) region.

AllianzGI Europe's licence is the third to be granted by the CBB to Allianz Group. In 2007, the group established Allianz Takaful (Bahrain), the Islamic insurance arm of Allianz. Later the same year, the group established Allianz MENA Holding Company as an ancillary service provider in Bahrain. The new firm is the group's central office, which monitors, supports, guides and controls the various insurance operations of Allianz in the Indian subcontinent and Mena region.

According to a new report from McKinsey Global Institute, the GCC states will have US\$3.5 trillion to invest abroad between now and 2020 – nearly twice their current foreign wealth. The report estimates that the six GCC countries held foreign assets worth about US\$1.9trn at the end of 2006. That was more than double the 2003 figure and nearly equal to the combined size of the Brazilian and Indian economies, or the market value of the top 10 Fortune 500 companies.

The new regulations on collective investment undertakings (CIUs) introduced by the CBB in 2007 provide for the full range of investment funds catering to various categories of investors and include Bahrain's first rules allowing CIUs targeting professional investors. ■

Bahrain

Takaful posts strong gains

Bahrain's Shari'a-compliant insurance firm, Takaful International, has announced profits for the year 2007 amounting to BHD327,000, a 257 per cent jump from 2006. The kingdom's first insurance

company also recorded its highest ever growth of 60 per cent in written contributions, up from BHD5.7 million in 2006 to BD9.2m in 2007.

Underwriting resulted in a growth of 42 per cent compared with the previous year, earning a profit of BHD1.8m. The takaful reserves further strengthened with a growth of about 20 per cent while assets rose to BHD19m. ■



Bahrain

Ahli United Bank and BNI in a credit card tie-up

Ahli United Bank BSC (AUB) and Bahrain National Insurance Company BSC (BNI) have entered into a product agreement to offer the AUB-BNI credit card, the first insurance co-branded credit card in the kingdom.

The new AUB-BNI credit card will offer customers significant savings on insurance premiums, including 10 per cent off for motor, medical and Al Dar home insurance and a five per cent reduction on life insurance policies under BNI. Cardholders also have the option of automatically debiting their

insurance premium payments to their AUB-BNI account. AUB-BNI credit card customers will also benefit from the other features that AUB credit cards offer, such as comprehensive travel insurance including medical insurance of up to US\$50,000 and the opportunity to earn rewards for every dinar spent on the card with AUB's credit card rewards programme, Pearl Rewards. Accumulated Pearl Points can be redeemed for free air tickets and hotel stays, and can even be used for payment of insurance premiums at BNI. ■