

Takaful Q1 profit jumps 30% on funds' growth, strategies

● General Takaful fund achieved a surplus of BD 197K

● Shareholders' fund achieved a net profit of BD 255K

● Family Takaful fund achieved a profit of BD 4K

● Q1 total net profit was BD 457K

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Jamal Ali Al Hazeem, the Chairman



Essam Mohamed Al Ansari, Chief Executive officer

Takaful International Company reported a 30% growth in its first-quarter profit, helped mainly by the improved performance of the General Takaful fund and shareholders' fund.

General Takaful fund achieved a surplus of BD 197K compared to a surplus of BD 157K for the same period last year, while shareholders' fund achieved a net profit of BD 255K compared to a net profit of BD 231K for the same period last year. The Family Takaful fund achieved a profit of BD 4K compared to a deficit of BD 37K for the same period last year.

Q1 total net profit was BD 457K compared to BD 351K in the year-ago quarter with an increasing percentage of 30%.

Jamal Ali Al Hazeem, the Chairman, said the good results reflect the stability of performance despite the continuation of the pandemic.

He added that the company strengthened its financial position during this quarter by allocating additional technical reserves to meet the challenges posed by the pandemic conditions.

Essam Mohamed Al Ansari,

Chief Executive officer, attributed the improved results to the policies and strategies adopted by the company recently. He said the company provided many insurance covers during the past months to provide insurance options with Islamic solutions that suit the various needs of individuals and institutions.

Q1 net profit attributable to the shareholders of the parent was BD 255K compared to BD 231K for the same period last year, an increase of 11%. Earnings per share at 3 Fils compared with 2.71 Fils for the same

period last year. Total comprehensive income attributable to the shareholders of the parent stood at BD 493K compared to losses of BD 77 for the same period last year.

Total gross contributions increased by 18% to BD 9,540m compared to BD 8,075m for the same period last year. Net earned contributions also increased by 7% to BD 4,467m as compared to BD 4,189m for the same period last year. The net incurred claims decreased by 1% to BD 2,874m as compared to BD 2,838m for the same period last year.

Aramco beats quarterly profit forecast, maintains dividend

● Net income rose to \$21.7 billion

● Aramco average total hydrocarbon production came in at 11.5 million barrels per day of oil equivalent in the first quarter of 2021

● Aramco declared a dividend of \$18.8 bn

Reuters

State-run oil producer Saudi Aramco beat analysts' forecasts yesterday with a 30% rise in first-quarter net profit and maintained its dividend payout, helped by strong oil prices.

Earnings by global energy companies such as Exxon Mobil have climbed on the back of rising crude prices, which are up by about a third this year, as fuel demand recovers from the pandemic and as a global surplus of crude shrinks.

"Given the positive signs for energy demand in 2021, there are more reasons to be optimistic that better days are coming," Amin Nasser, chief executive of the world's top oil exporter, said in a statement.

"And while some headwinds still remain, we are well-positioned to meet the world's growing energy needs as economies start to recover," he said.

Net income rose to \$21.7 billion for the quarter to March 31 from \$16.7 bn a year earlier. Aramco was expected to post net profit of \$19.48 bn, according to an average of estimates by five analysts.

Aramco, which listed in 2019 with the sale of a 1.7% stake mainly to the Saudi public and regional institutions, said earnings were boosted by stronger crude prices and higher refining and chemicals margins, helping offset lower production.

The OPEC+ group, the alliance that groups the Organisation of the Petroleum Exporting Countries, Russia and several other producers, have cut output to support prices but agreed on a plan in April to start gradually easing those curbs from May 1.

Aramco, which reduced its output as part of that pact and as a result of Saudi Arabia's additional voluntary production cuts, said global demand for petroleum products was recovering from its lows in 2020 but remained below pre-pandemic levels.

Aramco declared a dividend of \$18.8 bn for the first quarter, to be paid in the second quarter, in line with company guidance of a \$75 billion dividend for this year.

"Aramco's dividend commitment is already pretty ambitious, particularly given the continued volatility in the market," said Dmitry Marinchenko, oil and gas analyst at Fitch Ratings.

Aramco would possibly prefer to keep dividends stable, particularly in light of some uncertainty around the Sharek or Partner programme by the Saudi government, he said.

The programme encourages Saudi companies including Aramco to lead private sector investments in the domestic economy.

HSBC, in an equity note to clients, said the move could restrict headroom to boost dividends in the next few years.

Aramco average total hydrocarbon production came in at 11.5 million barrels per day of oil equivalent in the first quarter of 2021. That includes 8.6 m barrels per day of crude oil.

Saudi Crown Prince Mohammed has said more Aramco shares could be sold in the next year or two, including to international investors. He has said the kingdom was in talks to sell 1% to a leading global energy company.



Saudi cuts Q1 deficit

Reuters

Saudi Arabia reduced its budget deficit to 7.4 billion riyals (\$1.97 b) in the first quarter of the year, the finance ministry said yesterday, as the government reaps the benefits of consolidation measures introduced last year.

The kingdom, the Arab world's largest economy and the world's top oil exporter, cashed in 117 bn riyals in oil revenue in the first quarter - 9% below the first three months of 2020.

Total revenue however rose 7% annually, with a 75% increase in income from taxes boosting non-oil revenue by 39% year on year.

In the first quarter last year the budget deficit stood at roughly \$9 bn.

The Saudi government spent 212 bn riyals in the first three months of this year, a 6% annual reduction partly due to a significant cut in capital expenditure - down by over 13 billion riyals year on year.

Military spending was also down by nearly 10 bn riyals.

The International Monetary Fund said this week it expects the kingdom to post a deficit of 4.2% of GDP in 2021 - which would be slightly better than Saudi budget forecasts.

KFH-Bahrain launches new ATM services

● Services include card-less withdrawals, debit cards activation, cash withdrawals using "BenefitPay", and corporate deposit cards

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Abdulrahman AlKhan and Hamed Mashal

Kuwait Finance House-Bahrain announced it is launching several upgraded services across its ATMs network in Bahrain.

The revamped services provide customers with the chance to make card-less withdrawals, activate debit cards without visiting the branch or contacting the service centre, and activate cash withdrawal using "BenefitPay", and enable corporate clients to make deposits using ATM card.

On this occasion, Hamed Mashal, Head of Retail Banking, said: "We are always committed to ensuring that our customers get the most convenient banking experience when dealing with KFHBahrain. The launch of our new ATM services aims to improve this experience by helping cater to their banking needs, especially during these challenging times."

Further commenting on

the upgrades, Abdulrahman AlKhan, Head of Cards & E-Channels at Kuwait Finance House-Bahrain, stated: "We are actively seeking to continue offering the best and most innovative solutions to fulfil our customers' needs while providing optimum convenience."

It is worth noting that Kuwait Finance House-Bahrain owns a network of 30 ATMs strategically located across the Kingdom.

Dubai optimistic visitors will return but numbers unclear

Reuters

Dubai's tourism chief yesterday said he was very optimistic business and leisure travellers would return this year, though the pandemic made it difficult to predict exactly how many.

Dubai, a trade and tourism hub which has kept its borders open since reopening last July, saw 1.26 million visitors in the

first quarter, while last year the number of visitors fell 67% to 5.5 million.

"We are very optimistic on the numbers for the year," Dubai Tourism Chief Executive Issam Kazim told reporters yesterday.

But he said forecasts were "a little bit up in the air" as some markets expected to be allowing international travel were in fact imposing restrictions.

Kazim did not identify any particular market.

The United Kingdom, a top source market, has suspended most direct flights from the United Arab Emirates while arrivals who have recently been in the Gulf state must quarantine in hotels. Meanwhile, the UAE has largely banned entry for those who have recently visited India, another key market, due to the latest outbreak there.

Egypt, France agree large warplane deal

Reuters

France said yesterday it will begin delivering 30 Dassault warplanes to Egypt from 2024 in a 4 billion euro (\$4.8 bn) deal, as it strengthens ties with a partner it considers vital in fighting Islamist militants.

Armed Forces Minister Florence Parly said the deal, confirmed yesterday, illustrated the "strategic nature of the partnership" between the countries and would secure 7,000 jobs in France over three years.

"Our two countries are resolutely committed to the fight

against terrorism and work for stability," she said.

The deal also covers contracts for missile provider MBDA and equipment provider Safran Electronics & Defense worth another 200 million euros.

France concluded more than 7.5 bn euros in arms deals with Egypt between 2010-2019, including 24 of the same warplane, the Rafale, in 2015 in what was its first export sale.

A French official said financing for the deal would be finalised on Tuesday with up to 85% guaranteed by the French state.



French Navy Rafale fighter jets are seen onboard the Charles de Gaulle aircraft carrier, currently moored at the port of Limassol, Cyprus