

Press Release

Manama – Kingdom of Bahrain [16th February 2021]

Takaful International achieves 50% increase in net profits to BHD 1,544 million for the year 2020

The Board of Directors of Takaful International Company B.S.C. (Trading Code: TAKAFUL) approved the financial results for the year ended 31 December 2020. The net profit attributable to the shareholders of the parent for the three months ended 31 December 2020 was BD 564K compared to BD 185K for the same period last year, an increase of 205%, and a corresponding earnings per share at 6.63 Fils compared with 2.18 Fils for the same period last year. Total comprehensive income attributable to the shareholders of the parent for the three months ended 31 December 2020 stood at BD 589K compared to BD 257 for the same period last year, an increase of 129%.

The Company reported a total net profit of BD 538K for the fourth quarter 2020 compared to BD 221K for the same period last year with an increase percentage of 143%, which is attributed to the improved performance of the shareholders' fund which achieved a net profit of BD 564K compared to a net profit of BD 185K for the same period last year, Family Takaful's fund performance that achieved a surplus of BD 19K compared to a surplus of BD 12K for the same period last year. The General Takaful fund reported a deficit of BD 46K in the fourth quarter 2020 compared to a surplus of BD 24K for the same period last year.

Total gross contributions were BD 4.3m in the fourth quarter 2020 compared to BD 4.6m for the same period last year, a decrease of 6%.

As for the results of the year ended 31 December 2020, the net profit attributable to the shareholders of the parent was BD 1.144m compared to BD 690K last year, an increase of 66%, and a corresponding earnings per share at 13.46 Fils compared with 8.12 Fils last year. Total comprehensive income attributable to the shareholders of the parent for the year ended 31 December 2020 stood at BD 1.085K compared to BD 901k last year, an increase of 20%.

Net profit for the year ended 31 December 2020 was BD 1,544m compared to BD 1.031m last year with an increase percentage of 50%, which is attributed to the improved performance of the Shareholders' fund which achieved a net profit of BD 1,144K compared to a net profit of BD 691K last year, an increase of 66%, as well as the improved performance of the General Takaful's fund which achieved a surplus of BD 432K compared to a net profit of BD 316K last year. The Family Takaful fund achieved a deficit of BD 31K this year compared to a surplus of BD 24K last year.



Total gross contributions increased by 5% to BD 22,859m for the year ended 31 December 2020 compared to BD 21,721m last year. Net earned contributions also increased by 7% to BD 16,770m as compared to BD 15,649m last year. The net incurred claims increased slightly by 3% to BD 11,769m for the year ended 31 December 2020 as compared to BD 11,417m last year.

The Company's total equity attributable to the shareholders of the parent grew by 11% to BD 11,164m as at 31 December 2020 compared to BD 10,079m as at 31 December 2019.

Total assets of the Company increased by 8% to BD 41,240m as at 31 December 2020 compared to BD 38,288m as at 31 December 2019.

Commenting on the announced financial results, the Board of Directors praised the results achieved despite the challenging circumstances witnessed worldwide, particularly in the financial sector. Adding that the company was able to achieve good results and enhance the financial strength. The company's adoption of advanced technologies contributed to maintaining the quality of services provided to its customers.

The Board of directors also recommended a cash dividend distribution of 5% of the paid-up capital, equivalent to 5 Fils per share and aggregating BD 425,000. The dividend recommendation is subject to AGM and regulatory approvals.

Mr. Essam Mohammad Al-Ansari, Chief Executive Officer, stated that the company efficiently dealt with the exceptional circumstances that the Bahrain Insurance Market was going through. The outstanding profit achieved this year was a result of the good performance in the various insurance portfolios in addition to the exceptional profits of BD 538K attained from the sale of one of the company's assets. Further, the company increased its investment provisions and the receivable balances provisions during the year by more than 250% compared to last year (2019). The company also increased the technical reserves for Family Takaful and the claims reserves of General Takaful by 51% compared to last year 2019.

Mr. Al Ansari added that the results achieved by the company contributed to the re-accreditation of the company's credit rating with an excellent (A-) rating from the international rating agency AM Best, which specializes in evaluating the financial solvency of insurance and reinsurance companies.

Takaful International Company B.S.C. is the first Islamic Insurance Company in Bahrain. It was established in 1989. The Company provides a wide range of insurance covers and products consistent with the principles of Islamic Shari'a that serves the various needs of individuals and corporates. The Company is a subsidiary of gig-Bahrain and is assigned a rating of A- Excellent by AM Best Credit Rating Agency.

The full set of financial statements is available on Bahrain Bourse's website.

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