

Kurnia Asia sees positive turnaround in 2QFY09

KUCHING: Insurance underwriter holdings Kurnia Asia Bhd (Kurnia Asia) recorded a net profit of RM43.07 million for the second fiscal quarter ended December 31 last year, a major improvement as opposed to a net loss of RM11.996 million recorded the previous year.

In its note to Bursa Malaysia yesterday, the group said the significant improvement was mainly driven by a very strong turnaround performance on its investment portfolio year-on-year.

For the period under review, it registered a net investment income of RM58.179 million versus the net investment loss of

KURNIA ASIA BERHAD

RM9.490 million in the preceding year.

Adding that although the comparative period was substantially weighed down by mark-to-market losses, Kurnia Asia revealed that the recovery of equity market during the period had allowed the group to write-back some of the mark-to-market losses provided previously.

On the underwriting end, the group's gross premium and earned premium declined year-on-year by 13.6 per cent and 13.9 per cent respectively, due to its more stringent risk selection practice.

On a year-to-date basis, Kurnia Asia's results continued to be largely attributable to its prime subsidiary Kurnia Insurans Malaysia Bhd (Kurnia Insurans), whereas its foreign subsidiary PT Asuransi Aegis Indonesia recorded net loss of RM0.5 million.

Meanwhile, the share of profit from its other foreign unit Kurnia Insurance (Thailand) Co Ltd amounted to almost RM0.05 million.

As of last December, Kurnia Asia's net asset value had improved to RM300.09 million as compared to that of RM206.9 million attained as at financial year ended June 30 last year.