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Islamic Arab Insurance Company (SALAMA) Posts AED 55 Million Net Profit for 2019

Highlights:

- First time in history of SALAMA since listing, Board of Directors to recommend cash dividend level after final audited financials are released.
- Gross written premium (GWP) grew by 6.33% from AED 1.063 billion in 2018 to AED 1.130 billion in 2019.
- Underwriting income increased by 21% to AED 183 million in 2019 from AED 151 million in 2018.
- Net profit of AED 55 million reported in 2019 as compared AED 2 million in 2018
- 87% increase in investment income from AED 12.4 million in 2018 to 23.3 million in 2019.
- Decrease in expenses by 8% bringing it down to AED 117 million in 2019 from AED 127 million in 2018

Dubai, United Arab Emirates, Feb 10, 2020: Islamic Arab Insurance Company, listed as "SALAMA" on DFM and the UAE's largest Shari'ah compliant Takaful insurer, announced its preliminary unaudited and unreviewed financial results for the year ended 31 December 2019, reporting net profit of AED 55 million compared to AED 2 million in 2018. The results are bolstered by SALAMA's effective strategies and strong controls implemented by new board of directors.

SALAMA's topline showed an upward trend throughout the year 2019 reaching AED 1.130 billion from AED 1.063 billion in 2018.

SALAMA demonstrated operational excellence and effective underwriting controls, resulting in growth of underwriting profit to AED 183 million in 2019 compared to AED 151 million in 2018. This also had a positive impact on expense management, decreasing the same by AED 10 million to AED 117 million in the year 2019 from AED 127 million in the year 2018 despite the challenging and competitive business environment and without compromising on the quality and speed of service.

During the beginning of 2019, SALAMA had embarked on a journey to improve its investment portfolio. The efforts made towards this aim have resulted in 87% increase in SALAMA's investment income taking it to 23.3 million in 2019 from 12.4 million in 2018.

The Board of Directors will recommend the level of cash dividend after final annual financials are released. This will be the first time since listing of SALAMA on the Dubai Financial Market that it recommends a cash dividend.

As the UAE's largest Shari'ah compliant Takaful insurer with 'AAA' level capital adequacy, SALAMA also achieved an upgraded rating of 'BBB' with stable outlook in 2019.

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Notes to editor:

About SALAMA Islamic Arab Insurance Company

SALAMA Islamic Arab Insurance Company is one of the world's largest and longest-established Shari'ah compliant Takaful solutions providers listed on the Dubai Financial Market, with paid-up capital of Dh1.21bn. SALAMA has been a pioneer in the Takaful industry from its incorporation in 1979 to the present day.

SALAMA's stability and success can be attributed to its customer-centric approach, keeping clients and partners at the heart of the business, and its commitment to its core values and principles. SALAMA continues to design and develop solutions that meet the ever-changing demand of customers. Today, SALAMA is recognised for providing the most competitive and diverse range of Takaful solutions in the region.

SALAMA serves individual customers and institutions in the UAE and, through its extensive network of subsidiaries and associates, the Kingdom of Saudi Arabia, Egypt and Algeria.

As the UAE's leading Takaful company, SALAMA offers a comprehensive range of family, motor, general and health Takaful solutions. Due to its reputation for high-quality products and services and implementation of Takaful best practice, SALAMA won the 'Family Takaful Company of the Year-2015' award at the Middle East Insurance Awards, 'Best Family Takaful Operator ME – 2016' at the Islamic Banking and Finance Awards, 'Best Takaful Operator - 2019' by the Islamic Banking and Finance Awards as well as other accolades.

SALAMA continues to be the preferred Takaful partner by its partners and customers, remaining committed to 'Securing our future – together.'