مقيدة تحت الرقم (١٧) بموجب القانون الاتحادي رقم (٦) لسنة ٢٠٠٧.
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SALAMA's net profit for first 9 months surges 392% to AED 137.06m

Dubai, November 12, 2020: Islamic Arab Insurance Company, listed as "SALAMA" on DFM, announced its results for the first nine months of 2020.

Highlights:

- Gross written premium increased by 7.5%, from AED 883m in first nine months of 2019 to AED 949m for same period this year, despite challenges of the COVID-19 pandemic.
- Significant growth in underlying net profit YTD, more than doubling YOY to AED 73.69m, thanks to strong performances in the UAE and Egypt and Board's prudent investment strategy
- Net profit reported YTD in 2020 increased to AED 137.06m from AED 34.99m YTD in 2019, including the one-off profit of AED 63.37m from sale of SALAMA KSA shares

SALAMA has continued to build on the strong progress made in H1 2020, in particular delivering significant growth in underlying net profit, with the first nine months of 2020 more than doubling to AED 73.69m (YTD 2019: AED 34.99m). This growth, which sees SALAMA further deliver on the Board's plans to enhance core business profitability and investment income, was underpinned by strong performances in the UAE and Egypt businesses despite the ongoing challenges presented by the global COVID-19 pandemic. SALAMA has also benefited from the prudent investment strategy adopted by the Board which has shielded SALAMA from equity market volatility in the period. The company was also able to reduced its accumulated losses significantly to AED 284.82m (AED 376.82m as at 31 Dec 2019) owing to the strong performance.

Including the one-off profit of AED 63.37m from the partial sale of SALAMA's holding in SALAMA Cooperative Insurance Co. (SALAMA KSA), net profit for the 9-month period surged 392% to AED 137.06m. The sale of shares in SALAMA KSA is in line with SALAMA's intention to focus on the local market, where it sees the most growth potential, and also to strengthen its financial position in order to be able to pay dividends to its shareholders.

The company remains committed to delivering returns to its shareholders via dividend distributions. SALAMA recently announced an interim cash dividend of 3 fils per share for 2020, its first interim dividend since IPO, which was approved at its General Assembly Meeting held in October 2020. In addition, in August 2020, SALAMA announced a payment of surplus cash returns of AED11.5m to eligible group credit life policyholders, making it one of few Takaful provides in the region to do so.

Overall, SALAMA reported growth of 7.5% in gross written contribution, from AED 883m YTD in 2019 to AED 949m for the same period in 2020. As already highlighted, the UAE and Egypt delivered especially strong performances during the period and all lines of the business and its subsidiaries have maintained their positive trajectory in line with expectatons, with the exception of SALAMA Algeria which reported a decrease in gross premium income in the first nine months of 2020. it is expected that performance of Algeria will improve in coming periods.

SALAMA is committed to putting the customer at the heart of its offerings, underpinned by strong business practices and technology-driven solutions, and this drive has enabled it to serve customers and partners quickly and seamlessly during the pandemic. As a result, gross written premium for the first nine months of 2020 has risen, helping SALAMA to maintain its market-leading position in the Takaful segment of the UAE market.

Underwriting income grew from AED 108.21m in the first nine months of 2019 to 121.58m in 2020, an increase of 12.35% year-on-year.

Commenting on the results, Mustafa G. Kheriba, SALAMA's Group Managing Director, said: "During the first nine months of 2020, SALAMA has maintained its positive growth despite the challenges arising from the global COVID-19 pandemic. It is particularly pleasing to see the results reflect the efforts of the entire SALAMA team to continue to serve our customers in these uncertain times with the speed and efficiency that SALAMA is known for. It is this reputation which positions us as the leading Takaful provider in the UAE and underpins our success.

"Looking ahead, we remain firmly focused on executing our growth strategy to drive core business profitability and investment income. As the strong 9-month performance demonstrates, we are making great progress in this aim and we remain confident that we can thereby create long-term value for our shareholders."

SALAMA stands as the largest sharia'h compliant Takaful operator with 'AAA' level capital adequacy as per S&P. SALAMA remains committed to serving partners and customers while enhancing shareholder returns in 2020 and beyond.

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 in 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.'

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