SALAMA's Preliminary 2020 net profit more than doubles to AED 136.13m

Dubai, February 14, 2021: Islamic Arab Insurance Company, listed as "SALAMA" on DFM, announced its preliminary results for the 2020 fiscal year.

Highlights:

- Significant growth in net proft for the year to AED 136.13m, more than double last year; underlying net profit up more than 15% YOY
- Gross written contributions increased 6% to AED 1.17bn, despite challenges of the COVID-19 pandemic
- Board proposes 3 fils/share cash dividend for 6-months ending 31 Dec 2020, in addition to the special dividend announced earlier of 5.25 fils/share which bring the total to 8.25 fils/share to be recommended to be distributed to shareholders.
- Results underpinned by strong UAE performance and significant improvement in investment income

2020 has seen SALAMA achieve excellent progress in its business objectives. In particular, the Company has executed strongly on improving core business profitability and investment income, with the results that net profit for 2020 more than doubled to AED 136.13m (2019: AED 59.82m).

At an operating level, during 2020, SALAMA has successfully focused on the local UAE market, where it sees the most growth potential. This is reflected in its gross written contributions which increased 6% overall to AED 1.17bn for the full year 2020 (2019: AED 1.11bn) despite the challenges posed by the global COVID-19 pandemic. Excluding the one-off net profit of AED 67m from the partial sale of SALAMA's holding in SALAMA Cooperative Insurance Co. (SALAMA KSA), underlying net profit saw an increase of more than 15% to AED 69m compared with AED 59.8m in 2019.

In addition, SALAMA has achieved a significant uplift in its net investment income, which grew from AED 22m in 2019 to AED 45m in 2020. The increase demonstrates the progress which the Company has made in redeploying cash flows into quality assets as part of the prudent investment strategy adopted by the Board last year. The Company was also able to reduced its accumulated losses significantly to AED AED 314.78m (AED 376.82m as at 31 Dec 2019) thanks to its strong profitability for the year.

During 2020, SALAMA once again demonstrated its commitment to its customers, as it was one of the first insurers in the UAE to launch its new suite of insurance products following the introduction of the new UAE regulation 49 (also known as BOD-49) in October 2020. The results show the early benefits of these new products and will support SALAMA's continued growth in the coming year, in combination with the Company's ongoing implementation of technology-driven solutions and industry-leading business practices.

Commenting on the preliminary results, Jassim Alseddiqi, SALAMA's Chairman, said: "SALAMA made huge strides in 2020, even in the face of an unprecedented global pandemic. Crucially, we continued to serve our customers effectively and efficiently throughout this challenging year and the results are testament to this.

"As a Board, we are also focused on SALAMA's profitability and investment income and again, we have delivered on our strategy to enhance both. It's particularly pleasing to see investment income has more than doubled this year.

"We entered 2021 in a strong position. Whether our industry-leading products, digital solutions or investment approach, we remain confident that SALAMA can create long-term sustainable value for its policyholders and shareholders alike."

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 2021 and beyond.

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<u>Notes to editor:</u>

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. The company has also been recognized as the 'Takaful Company of the Year-2020' at the Middle East Insurance Industry Awards and most recently as the Takaful Specialist of the Year' at the MENA Insurance Review Awards.

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