مقيدة تحت الرقم (١٧) بموجب القانون الاتحادي رقم (٦) لسنة ٢٠٠٧.
Registration No. (17) under Federal Law No. (6) of 2007.

Date: 11/03/2021

SALAMA reports audited FY 2020 net profit of AED 157.04 million, up 162.50% year-on-year

Dubai, March 11, 2021: Islamic Arab Insurance Company , listed as "SALAMA" on DFM, has received board approval for its audited financial statements for the year ended December 31, 2020.

Highlights:

- Significant growth in net profit to AED 157.04 million; underlying net profit increased by 162.50% YOY.
- Gross written premiums grew by 5.5% to AED 1.17 billion, despite the challenges posed by the pandemic.
- The Board will propose for approval at the AGM a cash dividend of 8.25 fils/share for the six months ended December 31, 2020.
- Strong performance in the UAE and significant improvement in investment income support the results.

In 2020, SALAMA made excellent progress in achieving its business objectives. In particular, the Company has greatly improved core business profitability and investment returns, nearly tripling its net profit to AED 157.04 million (2019: AED 59.8 million).

At an operational level, SALAMA has successfully focused on the local UAE market in 2020, where the Company sees the greatest growth potential. This is reflected in gross written premiums, which increased by 5.5% overall to AED 1.17 billion for the full year 2020 (2019: AED 1.11 billion), despite the challenges posed by COVID-19. Excluding the one-off net profit of AED 67 million from the partial sale of SALAMA's stake in SALAMA Cooperative Insurance Co (SALAMA KSA), underlying net profit increased by more than 50% to AED 90 million compared to AED 59.8 million in 2019.

The results reflect the benefits of the Company's prudent investment strategy adopted last year to redeploy cash flow into high quality assets, recent product launches and continued focus on technology-driven solutions. Management remains focused on these key growth drivers in 2021, which will underpin SALAMA's continued progress in realizing value for its policyholders and shareholders. With the growth in profitability, the Company also significantly reduced its accumulated losses to AED 308.05 million (AED 376.82 million as at 31 December 2019.

Commenting on the Company's performance, **Jassim Alseddiqi, the Chairman of SALAMA,** said: "Despite the challenges posed by the pandemic, SALAMA has made strong headway in executing its new strategy and has more than doubled its net profit - I believe this is a rare achievement in the current climate. We are excited about the future prospects of the Company, especially considering that we have taken all the right and necessary steps, starting with the change in leadership with the appointment of Fahim Al Shehhi as the new CEO, to steer the Company in the right direction in line with our strategy and to increase SALAMA's profitability and investment returns. Our goal for 2021 is to keep the ball rolling and create long-term sustainable value for our policyholders and shareholders while serving our customers effectively and efficiently."

Given the significant growth in net profit and shareholder interest, the Board of Directors will propose for approval at the Annual General Meeting (to be held in April 2021) a cash dividend of 8.25 fils/share for the six months ended 31 December 2020.

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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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. 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.'

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