Dar Al Takaful (DAT) announces Q1 2023 Results

Significant recovery led to positive turnaround positioning the Company well on track to achieve normalized revenue and return to profitability in FY2023

Dubai, UAE, 15 June 2023 – Dar Al Takaful ("DAT", the "Company" or the "Group") reported today its interim, unaudited, consolidated financial results for the first Quarter ended 31 March 2023.

Financial Updates:

- Net loss of AED 2.8 million, indicating successful performance turnaround with the Company back on path to profitability following corrective measures taken since the merger.
- Takaful revenue increase by 52% year on year (y-o-y), as a result of the steady performance improvements and high retention in the motor, technical and life product lines which was offset by lower contribution by the medical product line.
- Investment income increase by 106% y-o-y to AED 13.5 million driven by a larger asset base and improved yield on equities and deposits.

Financial Reporting Considerations:

- The financial statements for Q1 2023 are prepared and reported in compliance with International Financial Reporting Stands (IFRS) 17, per the CBUAE circular no. CBUAE/BIS/2023/729 dated 10th February 2023.
- They are issued within the extended timeframe set by the CBUAE to allow insurance companies to submit their financial statements for the first quarter of 2023 by 15 June 2023.
- All subsequent financial statements will be prepared and reported in accordance with IFRS 17.

Dr. Ali Saeed Bin Harmal Aldhaheri, Chairman, Dar Al Takaful, commented:

"We are pleased to see the solid positive indications of the Company's performance turnaround during the first quarter.

We have made significant progress towards completing the integration and realizing the full suite of synergies post our strategic merger. Across our consolidated Takaful operations, we continued to leverage the scaled up smart technology platforms, expanded geography, distribution networks and customer base, and the diversified services offering to capture a larger share of the Takaful market.

Pleasingly, the adoption of new international accounting standards for insurance companies IFRS17 had minimal impact on our business fundamentals. These are underpinned primarily by the operational excellence and financial resilience strategic initiatives we have undertaken since the merger to enhance both the operational and financial performance of our operating companies.

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Building on the performance turnaround momentum achieved in the first quarter, and the unlocked revenue growth opportunities from our consolidated operations, we are confident that we are well positioned to achieve normalized sustainable net profit levels and a return to growth in FY23 with our focus as always on delivering long-term positive returns to our shareholders."

Operational Updates:

- During the period, the holding company "Dar Al Takaful PJSC" changed its trade name and business object to become "Watania International Holding PJSC", an investment holding company, following regulatory and shareholder approvals.
- The Company adopted a new corporate identity following a strategic brand architecture review undertaken post the merger which also brought all its fully owned operating companies under the moniker 'Watania Takaful'.
- As a result, the two operating companies Nour Takaful Family PJSC (Life and Medical) and Nour Takaful General PJSC (Motor and non-motor) became Watania Takaful Family PJSC and Watania Takaful General PJSC, respectively.
- For the operating companies, several initiatives were implemented to optimize the supporting technology infrastructure and tailor to the needs of the different customer segments to deliver sustainability of growth across the various Takaful product lines.
- In the Medical line, significant corrective measures were taken to address the challenges faced previously, including optimization of pricing mechanisms, reorganization of the claims processing methods, and continuous evaluation of reinsurance partners.

Mr. Gautam Datta, CEO, Dar Al Takaful said:
"Since the start of the year, we have focused on accelerating a range of strategic and operational initiatives.

Following the change of name, business object and structure of the holding company in March, we initiated the development of an ambitious growth strategy to explore further growth opportunities in the insurance sector and create long-term value for all our stakeholders.

In accordance with the guidelines of Central Bank of the UAE (CBUAE) and International Accounting Standards Board (IASB), from this period onwards, our financial statements and reports will follow the new accounting and actuarial requirements of IFRS 17.

At the level of our operating companies or subsidiaries, our digital transformation initiatives continued. As a result, our Takaful services are now driven by a robust technology portal that is accessible anytime, anywhere. This has had a tangible positive impact on our ability to deliver faster and better quality of services as well as realize cost efficiencies and higher production levels leading to improved returns.

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Our drive to establish a tech-enabled human-led approach that we have followed since our merger completion is steadily establishing our market position as a partner of choice for our distribution partners and members alike. I am confident our Takaful companies are on the right track to become leading and best-in-class providers in a continuously evolving industry."

Ends.

About Dar Al Takaful

Dar Al Takaful PJSC is a listed entity on the DFM under the ticker [DARTAKAFUL]. It is a Leading Takaful Operator in the UAE with share capital of AED 260 million. The company was formed following the consolidation of key operators to create one of the leading Takaful providers in the UAE including the acquisition in 2020 by Dar Al Takaful of Noor Takaful and the merger in July 2022 of Dar Al Takaful with National Takaful Company PJSC (Watania).

In March 2023, the listed holding company, was renamed Watania International Holding (WIH), an investment holding company. Upon completing further regulatory conditions precedents, the Company will change its ticker on the Dubai Financial Market. The Company's head office is located at The Galleries 2 in Jebel Ali Dubai.

Dar Al Takaful is the sole shareholder of two operating companies: Watania Takaful General (previously Noor Takaful General PJSC) and Watania Takaful Family (previously Noor Takaful Family PJSC). The two companies offer a full range of digitalized Takaful products including motor, general, technical, medical, and family to both individuals and companies in the UAE. The two companies operate full-services offices located in Abu Dhabi, Sharjah, Deira and Jebel Ali.

For more information, please call 800-WATANIA ((9282642)
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