Watania International Holding (WIH) announces net profit of AED 7.9 million in H1 2024

Higher underwriting earnings led gains despite large one-time claims following the unprecedented UAE April rains

Dubai, 13 August 2024: Watania International Holding PJSC (DFM: WATANIA; 'WIH' or the 'Company'), reported today a net profit of AED 7.9 million as part of its preliminary consolidated results for the first half of 2024 ended 30 June.

Financial Updates (H1 2024):

- Net profit reached AED 7.9 million year-on-year (y-o-y) compared to a loss of AED 3.9 million in the first half of 2023.
- Combined operating ratio (COR) improved to slightly less than 100% compared to 107% in the corresponding period of 2023, driven primarily by the outstanding performance of the Medical Takaful business and group Family (Life) Islamic insurance. Prior to adjusting for the one-off heavy rains claims, COR had improved significantly to 94% with underwriting profits at AED9 million for the period.

Dr. Ali Saeed Bin Harmal Aldhaheri, Chairman, WIH, said:
"The unprecedented April rains event which the UAE had not witnessed in more than 75 years was a watershed moment for the insurance industry. Pleasingly, we managed to absorb most of the impacts of the resulting one-off large claims during the first half, without compromising our overall profitability due to the stronger than budgeted performance of other Takaful business lines as well as our robust risk mitigation framework.

The Company delivered a net profit of AED 7.9M and operating profit remained positive during the first half of the financial year despite the downward pressures following the losses incurred in the Motor and Property lines of business due to April rains.

This solid performance demonstrates the strength and resilience of the business fundamentals following the successful execution of the Company's turnaround strategy.

We remain cautiously optimistic about the remainder of the financial year primarily due to the continued improvements of the financial and operational performance and more stable WIH balance sheet."

Operational Updates (H1 2024):

- WIH launched its inaugural integrated annual and sustainability report for financial year 2023 under the 'Watania' moniker and refreshed branding.
- The Watania Takaful subsidiaries continued to foster strong strategic partnerships and collaboration with various entities to support road safety and wellbeing of members and the community.

- Following the April rains event, Watania Takaful established an emergency command center and streamlined claims notification and management approach to help customers by 'Settling Claims Faster'.

Mr. Gautam Datta, CEO, WIH, commented:
"The business turnaround we achieved towards the end of 2023 led to a stronger balance sheet underpinned by ongoing improvements in the financial and operational performance of our Watania Takaful subsidiaries.

The implementation of sustainable operational and underwriting improvements enabled us to support our customers better and faster in the aftermath of the April heavy rains. In the following five weeks, Watania Takaful registered 100% of the claims submitted by customers and most were processed within 50% of the usual timeframe with zero motor claims rejected at that time.

Our operational profits remained on track despite the anticipated significant impact of the one-time claims related to the extreme weather event particularly on the motor and technical business lines. This was mostly offset by the ongoing improved performance of the Medical and group Family (life) Takaful segments, combined with disciplined underwriting practices and better pricing specifically following the rains.

Despite the challenging market and sector conditions, our net profit for the first half continued to grow driven by higher underwriting earnings across several Takaful business lines. Our outlook for the rest of the financial year is positive as we continue to execute the key milestones of our strategy to achieve sustainable growth and profitability."
ENDS.

About Watania International Holding (WIH):
Watania International Holding PJSC is a listed entity on the DFM with share capital of AED 260 million. In 2020 Dar Al Takaful acquired Noor Takaful and in July 2022, the National Takaful Company (Watania) merged with Dar Al Takaful to create one of the largest Takaful entities in the UAE. In March 2023, the name of the holding company, Dar Al Takaful, was changed to Watania International Holding PJSC and its insurance license was cancelled as it became an investment holding company that aims to expand its footprint through sharia compliant investments in the Takaful and Islamic finance sectors. In July 2023 its DFM trading symbol changed to [WATANIA] from [DARALTAKAFUL] following completion of regulatory conditions precedent.
Watania International Holding 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 operating companies offer a full range of Takaful products including motor, general, technical, medical, and family (life insurance) to both individuals and companies in the UAE through a national network of full-services offices in Abu Dhabi, Sharjah, Jebel Ali and in Business Point and Al Gurg Tower in Deira.
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