Watania International Holding reports AED 9.7 million net profit before tax in 9M 2024

Achieves profitability for the fourth consecutive quarter, despite the impacts of large one-time claims post the UAE April rains

Dubai, 12 November 2024: Watania International Holding PJSC (DFM: WATANIA; 'WIH' or the 'Company'), reported today a net profit before tax of AED 9.7 million as part of its preliminary consolidated results for the nine-month period ended 30 September 2024.

Financial Updates (9M 2024):

- Net profit before tax reached AED 9.7 million compared to a loss of AED 6.6 million year on year (y-o-y) driven primarily by the ongoing improvement in the Medical portfolio.
- Takaful revenue declined 9% compared to the 9M period in 2023 mainly due to pricing pressures in the Motor Portfolio and the strained performance of the Property line of business. This was slightly offset by the steady performance of Family (life insurance) and the continued positive upward trend of the technical portfolio.
- Takaful expenses fell 12% y-o-y reflecting ongoing operational streamlining and efficiencies achieved.
- Combined operating ratio (COR) for the period improved to marginally higher than 100% compared to 107% in the corresponding period of 2023. Adjusting for the one-off heavy rains claims, COR improved significantly to 97% with underwriting profits at AED 9 million for the period.

Dr. Ali Saeed Bin Harmal Aldhaheri, Chairman, WIH, said:

"Our strategy to set strong foundations to deliver long-term value for shareholders continues to bear fruit. Pleasingly, our Company delivered sustained profitability for the fourth consecutive quarter, achieving AED 9.7 million net profit in the nine-month period, despite ongoing regional geopolitical challenges and the severe weather systems witnessed in April in the UAE.

Across our Takaful subsidiaries, operational performance has notably improved since the completion of the merger in 2022. This is underpinned by advanced technological capabilities to tailor services and provide better pricing structures as well as a significant focus on customer service. This combined with the savings arising out of synergy and streamlining of functions supported the ongoing operational improvements across the various Takaful segments. Following the April rains in the UAE, we honored our commitment to support our members when they need us. Our Takaful subsidiaries incurred losses in excess of AED 200 million in the Property and Motor business lines which addressed the impacts of the one-off large claims resulting from the once in 75-year rains event that took place in April.

Additionally, our investment income remained robust, driven by better performance from all the asset classes, particularly fixed income and equity portfolio.

We maintain a cautiously optimistic outlook for the full year despite the significant financial impacts of the one-off UAE rains' claims in the first nine months. Looking into the future, we are confident that WIH is well positioned to benefit from the growth opportunities within the Takaful sector in the UAE and beyond."

Operational Updates (Q3 2024):

- WIH appointed Al Ramz Capital as a liquidity provider to optimize share trading by invigorating the order book, minimizing trading spreads, and reducing price volatility, while increasing trading volume to reduce gap between market and book value of the Company's share price.
- WIH in its capacity as the sole shareholder of Watania Takaful General PJSC and Watania Takaful Family PJSC approved the appointment of the members of their respective new Boards of Directors in September 2024.
- The WIH Board of Directors also approved the appointment of new members to the Internal Shari'ah Supervision Committee including the esteemed Dr. Ashraf Bin Md Hashem and Dr. Salim Ali Al Ali to replace the previous members whose tenure ended.
- Through its Takaful subsidiaries, WIH continued to build strong partnerships and run several campaigns including road safety, blood donation and physical and mental health awareness to support the community. Additionally, an Emiratization campaign was launched to engage with young graduates and encourage them to explore opportunities within the Company and the Takaful sector.

Mr. Gautam Datta, CEO, WIH, commented:

"Our steady results in the nine-month period are based on performance successes in many areas of the business. Operationally, as the sole shareholder of the Watania Takaful companies, with a quarter of the Takaful market share which are considered amongst the top ten UAE insurers overall, we have been able to absorb the financial impacts of the unprecedented April rains to a large extent.

At the time, we rose to the challenge by setting up a special Claims Command Centre to process the significant surge in Motor and Property claims which were up 75% and 340% respectively following the April rains event. Our team's empathy and responsiveness to support customers as well as speed and efficiency, has created a valuable experience that will have long-term benefits for our claim-handling abilities.

In addition, the prospects for our Medical and Family (Life insurance) lines continue to look strong, and our technical lines maintained an upward trend despite the impact of April rains.

We also continued to enhance our abilities to manage customer and market data while streamlining operations and ensuring infrastructure efficiencies are put in place to further improve performance across the board. We have progressed the development of Data Lake and the deployment of Snowflake, a sophisticated data warehousing application, to build a highly descriptive, predictive and smart centralized data and business intelligence platform.

As a result of our sustainable turnaround, we have built a firm foundation to further strengthen our position in the market while maintaining profitability and taking full advantage of the many exciting opportunities in the expanding Takaful sector."
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.
For more information, please call 800-WATANIA or visit: www.watania.ae
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