

## **SALAMA Reports Record Profit and Strengthened Solvency in Q1 2026**

- *Net profit rose to AED 14 million in Q1 2026 from AED 0.4 million in Q1 2025*
- *Shareholders' equity grew 40% to AED 505 million, reflecting a significantly reinforced capital base*
- *Solvency ratio increased from 76% to 159% following the successful completion of the capital raise*
- *Earnings per share (EPS) increased to AED 0.023 from AED 0.001, 2,400% year-on-year increase*
- *UAE business delivered its first positive net underwriting result since Q2 2022*
- *Performance driven by disciplined underwriting, operational efficiency, portfolio optimization and capital strengthening initiatives implemented under Group's strategic transformation program focused on sustainable profitability over top-line growth*

**Dubai, UAE – 15 May 2026 – Islamic Arab Insurance Company (Salama) PJSC (“SALAMA”)**, one of the world's largest and longest-established composite Takaful providers announced a landmark set of Q1 2026 financial results, marking a major milestone in the Group's transformation and recovery journey.

Following the successful completion of its recent capital raise, which was positively received by investors and the market, SALAMA delivered its strongest quarterly financial performance in recent years, with Q1 2026 net profit reaching AED 14 million, compared to AED 0.5 million in the corresponding period last year, and an annual profit of AED 11 million for the entire FY2025. At the same time, the Group's solvency ratio surged from 76% at year-end 2025 to 159% post-capital raise, firmly restoring SALAMA's regulatory capital strength and materially reinforcing the balance sheet.

SALAMA's strategic focus on underwriting profitability is increasingly delivering tangible results, as the Group continues to prioritise underwriting modernisation, disciplined risk selection, and portfolio optimisation to drive qualitative earnings rather than solely quantitative premium volume increase. Q1 2026 insurance revenue stood at AED 229.5 million compared to AED 256.4 million in Q1 2025, reflecting SALAMA's deliberate focus on underwriting profitability and long-term value creation over volume-driven growth.

The continued repositioning of the portfolio toward higher-quality and more profitable business segments, combined with reduced exposure to underperforming and low-margin lines, contributed to stronger underwriting margins and a more resilient earnings profile. These initiatives form part of SALAMA's broader long-term strategy aimed to simplify the business, strengthen financial resilience, and improve earnings stability across market cycles.

The turnaround was broad-based across the Group, with the UAE, as well as its subsidiaries in Algeria and Egypt all contributing positively to the improved performance. The subsidiary in Algeria continued to demonstrate strong operational resilience and profitability, while the Egyptian subsidiary maintained positive momentum supported by growth alongside stronger investment and foreign exchange income.



**Commenting on the results, Mohamed Ali Bouabane, Group Chief Executive Officer of SALAMA, said:**

“Our Q1 2026 results demonstrate the tangible impact of the strategic choices we have made. Delivering AED 14 million in profit, restoring solvency to 159% and a significantly strengthened equity base are clear confirmations of our transformation strategy. Our focus now shifts firmly on sustainable growth: driving consistent underwriting performance, strengthening our market position and building a resilient, high-quality earnings platform for our shareholders, policyholders and partners.”

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#### **Notes to Editor**

##### **About Salama Islamic Arab Insurance Company**

Salama Islamic Arab Insurance Company (Salama) is one of the world's largest and longest-established Shariah-compliant Takaful solutions providers listed on the Dubai Financial Market, with paid-up capital of AED 820 million.

Since its incorporation in 1979, Salama has been a pioneer in the Takaful industry, having won many industry awards and accolades. Salama's stability and success can be attributed to its customer-centric approach that keeps its customers and partners at the heart of the business, while staying committed to its Takaful principles. The company is recognised for providing the most competitive and diverse range of family, motor, general and health Takaful solutions that meet the ever-changing demand of its individual and corporate customers in the UAE and, through its extensive network of subsidiaries and associates, in Egypt and Algeria.

As the preferred Takaful provider for its partners and customers, Salama remains committed to shaping tomorrows, together.