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SALAMA reports Q1 net profit of AED 15.10million; focused on business expansion in 2022 catalyzed by transformative digital initiatives and aggressive acquisition strategy

Highlights:

- Net profit in Q1 reached 15.10 million.
- Gross written contributions reached AED 305 million despite difficult market conditions.
- Strong performance by subsidiaries in Egypt and Algeria achieving YOY growth of 150% in profitability.
- AGM approved the distribution of a cash dividend of 2 fils/share for the period ending December 31, 2021.
- Effective cost control measures resulting in 6% savings under G&A expenses compared to the same period last year.
- Working capital increased by 14% since December 31, 2021.
- Customer portfolio doubled in Q1, as a result of aggressive retail-focused acquisition strategy.
- Outlook: Targeting business expansion in 2022 through continued investment in product innovation and digital transformation initiatives such as enhanced omnichannel experience, customer-centric solutions, and operational efficiencies.

Dubai, May 12, 2022: Islamic Arab Insurance Company, listed as "SALAMA" on DFM, today announced its audited financial results for the first quarter of 2022. SALAMA reported a net profit of AED 15.10 million in the first quarter of 2022.

In the first quarter, SALAMA continued to achieve its operational goals, particularly with regards to continuing advancement of its digital capabilities, strengthening underwriting controls, diversifying its client portfolio, and making new and digitally enhanced products/solutions accessible to varied segments of customers in the UAE.

The company delivered a solid performance in improving core business profitability and investment income.

SALAMA has been able to maintain its profitability in the UAE despite the broader macroeconomic challenges. SALAMA's subsidiaries, particularly in Algeria and Egypt, also performed better in Q1 2022 than in the previous year. Effective cost control measures enabled SALAMA to save 6% in general and administrative expenses compared to the same period last year. Working capital has also increased by 14% since December 31, 2021.

SALAMA's gross written contributions reached AED 305 million in the first quarter, despite continued challenging market conditions in terms of pricing and competition.

SALAMA is making steady progress in its quest to lead the digital takaful space and become the preferred digital takaful partner in the UAE. SALAMA now offers one of the largest range of products online, and has been particularly successful in expanding its direct-to-customer portfolio with product lines such as medical, motor, home content and pet insurance. The number of policies issued online has increased multifold in the retail and e-commerce spaces as more and more partners such as banks, brokers aggregators and e-commerce platforms prefer seamless and fast integration with SALAMA for end-to-end policy issuance.

SALAMA's digital efforts and customer-centric solutions have enabled SALAMA and its partners to onboard customers online, issue policies online, and provide policy certificates and documents to customers within minutes. Customers appreciate the access and flexibility to get their policies from the comfort of their homes or offices in just few minutes. The digital transformation initiatives have made it possible for SALAMA to create this added value for customers, saving them time, hassle and money.

SALAMA doubled its customer portfolio in Q1 thanks to an aggressive retail-focused acquisition strategy. SALAMA's motor & medical portfolio continued to transform in Q1 replacing loss-making accounts with a more robust retail strategy. This process of portfolio consolidation and diversification - led by stronger underwriting controls and continuous improvement of overall customer experience - has improved portfolio health and increased profitability with continued momentum in these business lines.

General lines of business, including device, travel, pet, personal accidents, and home content, saw solid growth on the back of digital enhancement efforts. In the coming quarters, SALAMA's focus remains on enhancing its non-motor business lines digitally.

Commenting on the first quarter results, **Jassim Alseddiqi, SALAMA's Chairman** said: "SALAMA continues to improve its business operations, with a laser focus on expanding digital capabilities and innovation, as well as products and services, - living up to its market-leading position as a progressive takaful provider in the UAE. As we focus on ensuring the resilience of our business operations, building a robust digital infrastructure and bringing new technologies to market, and as there are signs of stabilization in the market, we remain optimistic about achieving our strategic business objectives and creating value in line with shareholder and policyholder expectations in the coming quarters."

Fahim Al Shehhi, CEO of SALAMA, said: "SALAMA is experiencing a new wave of growth and the key pillars that remain critical to our growth are digitalization, innovation and collaboration. We are very pleased with the progress we have made in the first quarter, which will serve as our benchmark for the rest of the year. We are committed to maintain this momentum and there are no signs of slowing down when it comes to playing to our business strengths, which include our product innovation, our dynamic end-to-end digital capabilities, our strategic partnerships and, most importantly, our aggressive client acquisition strategy. We are focused on taking it to the next level to achieve deeper market penetration, particularly through the growth of our life and non-motor business, and ultimately paving the way to make the benefits of Takaful accessible to all in the most seamless way possible."

The Annual General Meeting also approved the distribution of a cash dividend of 2 fils/share for the period ending December 31, 2021.

At the beginning of this year, SALAMA was granted the status of a participating insurer (PI) by DHA. This makes SALAMA one of the 16 insurance companies in the UAE that can offer the 'Essential Benefits Plan' (EBP), which was created to provide quality insurance coverage to all Dubai residents, especially for the segment of employees with a monthly income of AED 4,000 or less.

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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 recognized 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.'