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SALAMA reports AED 40.29m, driving continued profitability and strong operational performance

Highlights:

- A net income of AED 40.29 million was achieved in the first half of 2021.
- SALAMA continues to showcase excellent operating performance with net underwriting income of AED 84.96m, up by 1.2% year on year.
- 87.53% increase in investment income to AED 31.91 million in 2021 compared with AED 17.01 million last year.
- Achieved Gross written contributions of AED 655.5 million in H1 2021.
- Strong growth in net investment income due to an 11.70% increase in invested assets from AED 1.143 billion to AED 1.277 billion, highlighting the effectiveness of the board's investment strategy.
- The company is optimistic about the remaining half of 2021 supported by ongoing digitization initiatives and continuous improvement in operational efficiency.

Dubai, August 14, 2021: Islamic Arab Insurance Company, listed as "SALAMA" on the DFM, today announced its audited financial results for the second quarter of 2021. The company reported a net income of AED 40.29 million for the first half of 2021.

SALAMA maintained momentum in achieving its strategic objectives, with solid performance in improving core business profitability and investment income, which increased by 87.53% to AED 31.91 million in the first half of the year, compared to AED 17.01 million in the same period last year.

The company also recorded a net underwriting income of AED 84.96 million, an increase of 1.2% over the same period last year. This is the result of significant measures to revamp and restructure operations and processes and related IT infrastructure to enhance digital business opportunities, as well as tight underwriting controls.



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ISLAMIC ARAB INSURANCE CO.(P.S.C.)

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SALAMA's strategic focus on the local UAE market, where it sees the most growth potential, enabled the company to maintain its gross written contributions at AED 655.51 million in the second quarter, demonstrating operational excellence despite a challenging macroeconomic environment and the lingering effects of the pandemic.

SALAMA's subsidiaries in Egypt and Algeria also posted positive results, recording a combined profit of AED 15 million in the first half of 2021, compared to AED 18.83 million for the same period last year.

Importantly, SALAMA achieved strong growth in net investment income, driven by an 11.70% increase in invested assets from AED 1.143 billion to AED 1.277 billion in Q2 2021. This increase demonstrates the progress the company has made in redeploying cash flows into high quality assets as part of the prudent investment strategy adopted by the Board last year.

Jassim Alseddiqi, SALAMA's Chairman said, "SALAMA's second quarter results highlight the company's underlying performance and resilience in the face of challenging market conditions. Importantly, we are growing as a business and seeing an increase in our investment income and underwriting income. Looking ahead to the second half of 2021, we are confident that we can grow our operating profit and achieve our goal of creating sustainable, long-term value for our policyholders and shareholders."

Fahim AIShehhi, CEO of SALAMA, said, "The H1 results reflect SALAMA's growth momentum and demonstrate a solid foundation for transformation, and our ability to manage market pressures and continue to grow by focusing on improving our digital and operational capabilities. We are aligned with the Board's strategy and remain in a strong position to support our employees and communities while creating value for our shareholders."

In view of the good results, SALAMA's Board of Directors has scheduled to meet on 5th September 2021 to discuss the distribution of semi-annual dividends to shareholders.

SALAMA stands as the largest sharia'h compliant Takaful operator with 'AAA' level capital adequacy as per S&P. SALAMA remains committed to serving partners and customers while enhancing shareholder returns in 2021 and beyond.



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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 recognised 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.'

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