

Watania International Holding announces net profit of AED 5.9 million in Q1 2024 on higher underwriting earnings

Stronger balance sheet underpinned by ongoing improvements in financial and operational performance of subsidiaries

Dubai, UAE, May 15, 2024: Watania International Holding PJSC (DFM: WATANIA; 'WIH' or the 'Company'), reported today a net profit of AED 5.9 million in its preliminary consolidated results for the first quarter ended 31 March 2024.

Q1 2024 Financial Updates:

- Net profit of AED 5.9 million compared with a loss of AED 2.8 million in the first quarter of 2023, driven primarily by improved operational performance along with continued tight cost controls.
- Combined operating ratio improved to 97% as compared to 110% during the corresponding period last year due to the significant improvements in the results of both Medical and Motor Takaful lines of business.

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

"We are pleased to report solid progress in our strategic vision to create long-term value for our shareholders since the merger that created our Company in 2022. This follows the successful execution of the Company's turnaround strategy including derisking our investment portfolio, leveraging synergies and carefully managing expenses combined with corrective measures at the operating companies' level.

During the first quarter, our Takaful subsidiaries strategically positioned themselves to achieve improved and sustainable profits and grow market share in their respective segments, despite regional macroeconomic challenges and other influences on the sector. The momentum achieved at the end of the previous financial year was maintained with our net profit driven by further strengthening of the operating companies' business fundamentals. This delivered improved financial and operational performance and in turn led to a more stable WIH balance sheet.

As the sole shareholder of Watania Takaful Family and Watania Takaful General that form one of the UAE's largest Takaful operators, the Company is increasingly well positioned with a flexible and scalable business model and solid infrastructure to capitalize on the substantial growth in the regional insurance and Takaful sector, which is expected to expand at a compound growth annual rate of 11.6% during 2023-2030."

Operational Updates:

- WIH launched its inaugural integrated annual and sustainability report for financial year 2023 under the 'Watania' moniker and refreshed branding.
- Various technology updates and initiatives were implemented during the quarter to enhance cyber security, the efficiency of the digital environment and data protection.
- The Company reiterated its commitment to ESG practices through collaboration with the UAE Red Crescent to donate and support various community initiatives during Ramadan including over 45 volunteering hours.
- The subsidiaries continued to develop partnerships to support social awareness campaigns and programs in collaboration with the UAE Ministry of Interior, the DHA and other entities.

Mr. Gautam Datta, CEO, WIH commented:

"The turnaround we achieved towards the end of 2023 continued in Q1 2024 with solid improvements in the Company's financial and operational performance that are paving a clear path towards sustainable growth and profitability. We are now increasingly benefiting from merger synergies such as economies of scale, elimination of duplicated functions, and greater resources, leading to our higher underwriting profit in Q1.

Our Takaful business operations continued to improve due to the realignment of our underwriting parameters and our market leading approach to using new technology including AI and data analytics. These enabled us to reduce costs through automation and improve product pricing and market segmentation as well as manage claims better and faster while delivering enhanced quality customer service.

Our robust risk mitigation framework and reinsurance program enabled us to mostly absorb the impacts of one-off large claims resulting primarily from the adverse weather that affected the UAE in February and March 2024.

While our focus remained on supporting our customers when they needed us, the rise in unusual weather-related claims particularly in the property and motor lines is expected to affect our operational performance during this financial year. However, we anticipate this will be offset by the ongoing improved performance of all product lines particularly the growth in the medical and family (life Islamic insurance) Takaful segments combined with robust investment outcomes."

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

For investor and media inquiries, please contact:

Noha Habib

Vice President – Corporate Communications & Investor Relations

Watania International Holding

noha.habib@watania.ae

+971 50 900 4127