

Watania Takaful Net Profit jumped in spite of COVID-19

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- **Watania's Business Strategy is built on 3 basic pillars to provide service that exceeds the expectation of their customers.**
- **In spite of COVID-19 pandemic, Watania Takaful will compensate the fall in the business by implementing initiatives to reduce the cost of operation, improve its services, and maintain its profit margins.**

Abu Dhabi, UAE- 12 August 2020:

Watania's Net Profit jumped to AED16.6 million from AED7 million for the same period last year – a growth of 136%, declared Dr. Ali Saeed Bin Harmal Al Dhaheri, Chairman of the Board of National Takaful Company.

The lockdown imposed on account of the pandemic saw significant reduction in road accidents and general illnesses. This had a positive impact on Company's Motor and Medical insurance portfolio. The overall loss ratio came down to 54% compared to 62% last year for the same period. The operating income increased by 271% from AED 3.4million to AED 12.6 million. The investment income showed a slight increase of 8% at AED3.9 million from AED3.6 million in H12019.

Press Release

In spite of COVID-19 pandemic, Watania Takaful was able to deliver on all the critical items when it mattered the most. Its measures resulted in growth of business during a period when there was contraction all around.

Dr. Al Dhaheri declared that the company's strategy is driven by data. The company incorporated special discount in motor and medical premium. This helped many of the customers who were facing economic challenges to keep their policies intact. 50% discount was given on motor policies for the frontline workers fighting the pandemic acknowledging their brave and courageous contribution in keeping us safe. Moreover, there has been control over expense ratio, by ensuring all spending either contribute to direct revenue or increase productivity.

As for the steps taken to overcome any effects to the business, Al Dhaheri, said that Watania's business strategy is built on 3 basic pillars – expertise in Medical and Motor business to deliver right solutions at a competitive price to its customers, provide prompt service with problem free claims settlement (#settlesclaims faster) and a committed team that is passionate about enhancing their knowledge and skills to provide service that exceeds the expectation of their customers. No doubt that the impact due to the COVID-19 pandemic will affect economic activity in the market and may result a negative rate of growth, but Watania Takaful will compensate the fall in the business by implementing initiatives that will reduce the cost of operation, improve its services, and maintain its profit margins.

Press Release

On the other hand, Al Dhaheri assured that the Insurance Authority can implement the proposals made by the Emirates Insurance Association to provide relief to the insurance sector and maintain its financial viability in order to overcome the effects of Corona crisis and resume its activities in a better way. The support from Insurance Authority to consolidation (M&A) initiatives will help in building a strong insurance sector that can withstand the shock of such future pandemics and contribute to the financial stability of the economy.

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