

## **"Watania Takaful" net profits are up by 78% in the third quarter of 2020**

### **Abu Dhabi-10 November 2020:**

National Takaful Company "Watania" announced positive financial results in the third quarter of 2020, as the company's net profits are up by 78% compared to corresponding period last year. The Company achieved net profit of AED 17.8mn in 9 month during the financial year 2020 as against AED 10.0mn in nine months for the financial year 2019.

**Dr. Ali Saeed Bin Harmal Al Dhaheri**, Chairman of National Takaful Company, "Watania", said on the occasion of the announcement of the company's results that the highlight of this performance is its Takaful operation which recorded a surplus of AED 12.5 million compared to AED 4.7 million for the same period in 2019 establishing a growth of 168%.

“In spite of a depressed and volatile investment market, the Company maintained its investment income at the same level as previous year, and was able to reduce its loss ratio from 63% in 2019 to 56% in 2020, and at the same time maintaining a tight control over its expenses”, said Dr. Al Dhaheri.

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As a result, the Combined Operating Ratio, which is a key measure of an insurance company's performance, improved from 97% in 2019 to 92% in 2020. The Company saw a slowdown in its growth of business as its gross contribution fell by 7%.

Regarding the Corona pandemic effect on the company's business during the first nine months of this year, Dr. Al Dhaheri stated that the pandemic had a significant impact on all aspects of our lives. Companies had to change their business process to keep their employees and customers safe.

"We have adopted technology in a way that was not thinkable a year ago. We are still gauging the impact of Covid19 in terms of our future prospects. We expect the growth to be impacted till the pandemic has been brought under control. On the other hand, we also believe that positive learnings from adapting to new way of doing business will help innovation, reduce costs and maintain profitability", stated Dr. Al Dhaheri.

Dr. Ali Saeed Bin Harmel Al Dhaheri said that in 2017, Watania had identified the mid segment of the market as part of its core business strategy. "Creating a digital platform to provide access to distribution and deliver service to business partners and customers was an integral part of this strategy, so we had already invested into digital services. At present, the Company can provide all its services without the customer having to visit its offices. At the same time, the Company appreciates that some of the employees and customers may need to visit our offices. In order to

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provide them with a safe environment all the protocols prescribed for screening, sanitizing and social distancing have been adopted”, confirmed Dr. Al Dhaheri.

On the other hand, the insurance sector has experienced of the COVID-19 pandemic. The business growth has been affected and this is expected to continue for some time. The whole market has experienced reduced claims activity in all classes of business which has resulted in growth of profit from insurance operations. In this regard, Dr. Al Dhaheri explained that Watania, in comparison to their peers, had performed well and its initiatives that focus on reduction of operating cost, improving customer experience through its digital platforms.

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