



دار التأمين  
INSURANCE HOUSE  
ش.م.ع. - P.S.C.

## Chairman's Report for the financial year ended 31 December 2015

On behalf of the Board of Directors, I hereby present the audited financial statements of Insurance House P.S.C. (IH) as at 31 December 2015 and the results of its operations for the 12 month period ended 31 December 2015.

For the financial year ended 31 December 2015, IH has registered a Net Loss of AED 14.30 million, which is 31.5% lower than the Net Loss of AED 20.86 million registered during the previous financial year ended 31 December 2014. It is gratifying to note that the core insurance business has staged a robust recovery by registering a Net Underwriting Income of AED 9.87 million during 2015 compared to a Net Underwriting Loss of AED 5.90 million in 2014. This dramatic turnaround in underwriting results is directly attributable to a series of corrective actions initiated since the last calendar quarter of 2014, focused on streamlining underwriting procedures, changing the product mix and improving claims management.

Gross Premiums Written (GPW) during the 12 month period ended 31 December 2015 surged by 29.2% to AED 126.51 million, compared to AED 97.93 million underwritten during the previous reporting period ended 31 December 2014. Net Earned Premiums grew by nearly 11% in 2015 to AED 78.41 million, compared to AED 70.70 million in the previous year. Net Claims Incurred in 2015 as a percentage of GPW dropped significantly to 50.16% compared to 73.86% in the previous year. All of these are very positive and encouraging developments that bear testimony to the fact that the revised strategies put into action are working well as intended.

Since inception, IH's Investment Strategy continues to be well thought out, clearly documented and professionally managed. However, due to severe disruption to local and global equity markets during the year, income from investing activities during 2015 was significantly lower at AED 6.72 million compared to AED 14.73 million in the previous year.

Total Assets as of 31 December 2015 aggregated to AED 242.81 million and Total Shareholders' Equity stood at AED 101.05 million. Liquidity position remained strong with Cash & Cash Equivalents plus bank fixed deposits maturing within 30 days (Liquid Assets) accounting for a healthy 17.44% of Total Assets.

General and Administrative expenses for the 12 month period ended 31 December 2015 were marginally higher at AED 28.35 million compared to AED 26.52 million during the previous reporting period. We believe this is reasonable for a full-fledged insurance operation covering our Abu Dhabi headquarters and 5 operational branches located in Dubai, Sharjah, Al Samha, Mussafah and Mahawi.

دار التأمين ش.م.ع.؛ ص.ب. ١٢٩٩٢١، أبوظبي، ا.ع.م.؛ هاتف: ٤٤٤ ٤٩٣٤ (٢) +٩٧١؛ فاكس: ٤٠٠ ٤٩٣٤ (٢) +٩٧١

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Public Joint Stock Company and the share capital is AED 120 million

شركة مساهمة عامة برأس مال وقدره ١٢٠ مليون درهم إماراتي

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Despite tough market conditions, we remain optimistic of our profitable growth potential in the near future. Our strategy is to compete on the basis of innovative product offerings and superior service quality. Going forward, profits from core insurance activities will be driven by continuous fine tuning of our risk underwriting policies & capabilities and through enhanced claims management procedures.

On behalf of the Board of Directors,

**Mohammed Abdulla Alqubaisi**

**Chairman**

Abu Dhabi,

3<sup>rd</sup> February 2016

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