



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

Chairman's Report for the first quarter ended 31 March 2016

On behalf of the Board of Directors, I am pleased to present the financial statements of Insurance House PSC (IH) as at 31 March 2016 and the results of its operations for the three months ended 31 March 2016.

IH has registered a Total Comprehensive Income of AED 2.05 million for the three months ended 31 March 2016, compared to a Comprehensive Loss of AED 3.61 million registered in the corresponding period of the previous year. This is a remarkable turnaround in the overall operating results of the Company, under challenging local, regional & global market conditions.

Gross Premiums Written (GPW) during the three months ended 31 March 2016 totaled AED 46.46 million, which is 33% higher compared to AED 34.91 million underwritten during the first three months of the previous year. Net Earned Premiums during the first three months of 2016 soared by 41.3% to reach AED 32.23 million, compared to AED 22.81 million during the same period in the previous year. Net Underwriting Income for the three months ended 31 March 2016 more than doubled to AED 4.03 million compared to AED 1.88 million during the same period last year. This outstanding improvement in Underwriting Performance is primarily the result of a series of carefully planned changes effected in the Motor Insurance business and other products lines in 2015 & 2016. As a combined result of these targeted initiatives, the ratio of Net Claims Incurred as a percentage of Net Premiums Earned, significantly improved from 84.8% in Q1 2015 to 79.9% in Q1 2016.

Despite the unprecedented intense competition in the insurance sector, the Company's business portfolio grew significantly in terms of volume and performance, due to the necessary corrective measures that we have initiated to rejig our product-mix, weed-out

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شركة مساهمة عامة برأس مال وقدره ١٢٠ مليون درهم إماراتي Public Joint Stock Company and the share capital is AED 120 million

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unprofitable businesses and/or re-price them in line with known risk characteristics. Concurrently, we have improved our claims management procedures to ensure that loss ratios fall in line with or lower than our estimates for such product lines. This has had the desired, positive impact on the Company's business portfolio in Q1 2016. The challenge ahead is to maintain sustained top line growth as well as steady improvement in Net Underwriting Results. We are ready for this challenge.

Income from investing activities during the first three months of 2016 grew by a robust 30.55% to reach AED 3.53 million compared to AED 2.70 million logged during the same period of the previous year.

In Q1 2016, general & administrative expenses were on a tight leash. As a result, overall expenditure (including general & administrative expenses and other operating expenses) was held nearly flat in comparison to the same period last year, despite a 33% growth in top line in Q1 2016 compared to Q1 2015.

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 processes.

On behalf of the Board of Directors,

Mohammed Abdulla Alqubaisi
Chairman
Abu Dhabi
19 April 2016

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