



دبي الوطنية للتأمين وإعادة التأمين ش.م.ع.
Dubai National Insurance & Reinsurance P.S.C.

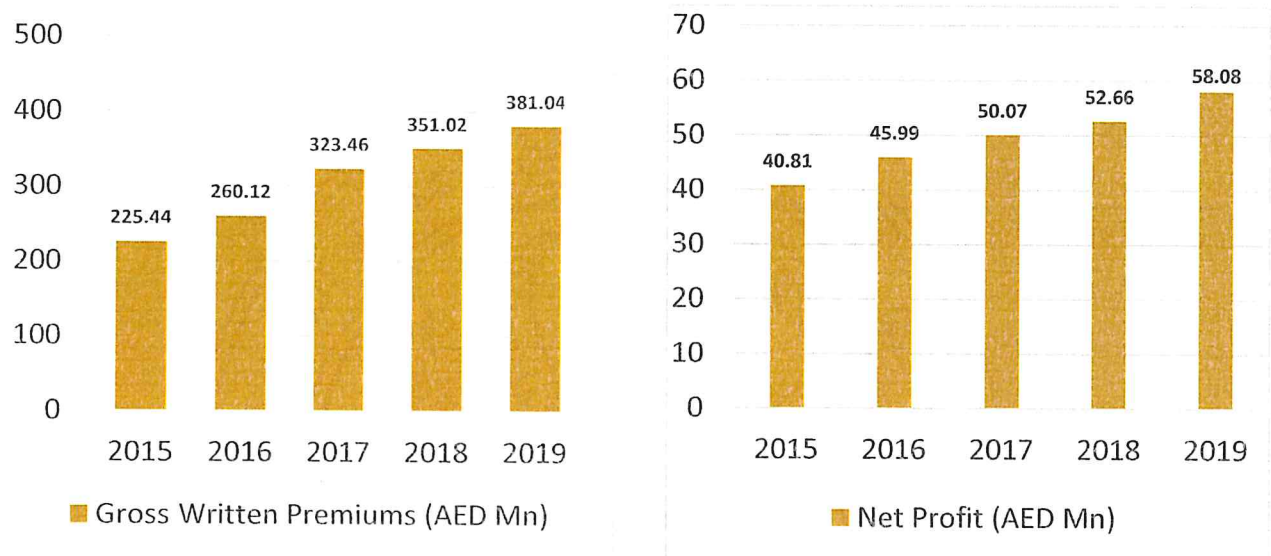
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

For the year ended 31 December 2019

Management discussion and analysis report

Dubai National Insurance & Reinsurance PSC (DNIR) reported today its financial results for the full year ended 31st December 2019.

Financial performance



	Year 2019	Year 2018
Gross written premium	381.04	351.02
Net underwriting income	55.43	53.29
Net investment income	33.20	30.16
Net profit for the year	58.09	52.66

Highlights

- Gross Written Premiums grew year on year by 8.5%
- Net Underwriting Income improved year on year by 4.0%
- Net Investment Income recorded a year on year growth of 10.0%
- Achieved a year on year growth in Net Profits of 10.3%

DNIR has consistently demonstrated the ability to grow its top line without compromising underwriting profitability due to its stringent underwriting guidelines and prudent underwriting approach.

Net Investment income includes gain realized from disposing rights entitled over the Company's invested assets amounting to AED 4.4 million during the year 2019.

Financial position

	Year 2019	Year 2018
<i>Total Invested assets</i>	700.58	668.30
<i>Total Assets</i>	1,080.60	984.09
<i>Insurance contract liabilities</i>	341.96	293.00
<i>Total shareholders' equity</i>	569.44	541.04

The Company is maintaining a sound solvency level as per financial regulations issued by UAE Insurance Authority. DNIR's Balance Sheet strength is reinforced by risk-adjusted capitalization at the strongest level, as measured by A.M. Best's Capital Adequacy Ratio (BCAR).

Cash flows

	Year 2019	Year 2018
<i>Net cash flows from operating activities</i>	23.36	28.02
<i>Net cash flows from investing activities</i>	34.65	8.33
<i>Net cash flows from financing activities</i>	(86.63)	(34.65)
<i>Net change in cash and cash equivalents</i>	(28.62)	1.7

Net outflow in cash and cash equivalents during the current year was AED 28.62 million due to cash dividend paid for previous year in 2019.

Key indicators

<i>Performance Ratios</i>	Year 2019	Year 2018
<i>Net loss ratio</i>	36.8%	45.4%
<i>Net Commission ratio</i>	17.1%	11.2%
<i>Expense ratio</i>	25.4%	25.1%
<i>Net combined ratio</i>	79.3%	81.7%

Improvement in net combined ratio by 2.4% in 2019 as compared to previous year

<i>Profitability Ratios</i>	Year 2019	Year 2018
<i>Return on equity (ROE)</i>	10.2%	9.7%
<i>Earnings per share (EPS)</i>	AED 0.50	AED 0.46

Improvement in ROE and EPS indicators in comparison to the previous year

Non-Financial events and developments

AM Best rating agency affirmed DNIR's credit rating as B++ Good with a positive outlook during the year.

Sector and Economic Overview

The overall outlook of the UAE Insurance Industry continues to remain positive with the expected implementation of mandatory health insurance across all the emirates and large scale infrastructure development for events like EXPO 2020. The industry is also moving towards digitalization that will provide to customer's various innovative insurance products at competitive prices and best services.


Ramez Abou Zaid
General Manager

