



Date : 13/12/2021

التاريخ: ٢٠٢١/١٢/١٣

Ref.: M-21-1085

مرجع: M-21-1085

M/S DUBAI FINANCIAL MARKET

المحترمون

السادة/ سوق دبي المالي

Mr. Hamed Ahmed Ali

المحترم

السيد / حامد أحمد علي

Chief Executive Officer

الرئيس التنفيذي

Dubai – UAE

دبي – الإمارات العربية المتحدة

Subject: Press Release**الموضوع: بيان صحفي**

It gives us great pleasure to announce that AM Best rating agency has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating of "bbb+" of Dubai National Insurance & Reinsurance PSC (DNIR), the outlook of these ratings is positive.

يسرنا أن نعلن سيادتكم بأن وكالة التصنيف A.M. Best قد أكدت تصنيف القوة المالية B++ (جيد) والتصنيف الائتماني طويل الأجل "bbb+" لشركة دبي الوطنية للتأمين وإعادة التأمين، مع نظرة مستقبلية "إيجابية" للتصنيفين.

The agency highlighted that the ratings reflect DNIR's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management.

وقد أشارت الوكالة في بيانها أن "هذان التصنيفان يعكسان قوة المركز المالي والأداء التشغيلي للشركة ومحفظة أعمالها المعتدلة وإدارتها الملائمة للمخاطر".

AM Best also viewed DNIR as a company with a strong track record of operating performance resulting from stringent underwriting controls and prudent risk selection and emphasized the engagement of the role of new management that was appointed earlier this year in broadening its distribution platforms and enters strategic partnerships to source underwriting growth.

كما أثنت الوكالة أيضاً على شركة دبي الوطنية للتأمين وإعادة التأمين كإحدى الشركات ذات سجل قوي من الأداء التشغيلي الذي أدى إلى تحقيق ربحية ثابتة ناتجة عن ضوابط الإكتتاب والإنتقاء الحذر للمخاطر وعلى دور الإدارة الجديدة التي تم تعيينها خلال هذا العام في توسيع منصات التوزيع الخاصة بالشركة والدخول في شركات إستراتيجية لتحقيق نمو في الاكتتاب.

AM Best's press release is enclosed for your kind information.

مرافق نسخة من البيان الصحفي لوكالة A.M. Best لإطلاعكم.

Best regards,

وتفضلوا بقبول فائق الاحترام،،

Abdulla Al Nuaimi
Chief Executive Officer

عبدالله النعيمي
الرئيس التنفيذي



فاكس: +٩٧١ ٤ ٢٩٥٦٧١١

+٩٧١ ٤ ٢٩٥٦٧٠٠

P.O. Box: 1806, Dubai, UAE

Tel : +971 4 295 6700

Fax.: +971 4 295 6711

E-mail: mails@dnirc.com

Website: www.dnirc.com



DECEMBER 09, 2021 09:53 AM (EST)

AM Best Affirms Credit Ratings of Dubai National Insurance & Reinsurance PSC

CONTACTS:

Todor Kitin
Financial Analyst
+44 20 7397 0335
todor.kitin@ambest.com

Christopher Sharkey
Manager, Public Relations
+1 908 439 2200, ext. 5159
christopher.sharkey@ambest.com

Alex Rafferty
Associate Director, Analytics
+44 20 7397 0312
alex.rafferty@ambest.com

Jim Peavy
Director, Communications
+1 908 439 2200, ext. 5644
james.peavy@ambest.com

FOR IMMEDIATE RELEASE

LONDON - DECEMBER 09, 2021 09:53 AM (EST)
AM Best has affirmed the Financial Strength Rating of B++ (Good) and the Long-Term Issuer Credit Rating (Long-Term ICR) of "bbb+" (Good) of Dubai National Insurance & Reinsurance P.S.C. (DNI) (United Arab Emirates). The outlook of these Credit Ratings (ratings) is positive.

The ratings reflect DNI's balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, limited business profile and appropriate enterprise risk management.

The positive outlooks reflect AM Best's expectation that DNI's balance sheet will continue to strengthen over the medium term, supported by the normalisation of dividend payments, allowing surplus growth through earnings retention, and further de-risking of the investment portfolio.

DNI's balance sheet strength assessment is underpinned by risk-adjusted capitalisation at the strongest level. The buffer held by DNI over the threshold for the strongest Best's Capital Adequacy Ratio (BCAR) assessment strengthened in 2020, and is expected to be maintained at least at this level prospectively. Although DNI has taken actions to reduce investment risk, decreasing the weight of equity holdings in favour of fixed-income securities, the company's balance sheet remains exposed to potential volatility from fluctuations in the value of its equity investments.

The assessment of balance sheet strength also reflects the company's low net underwriting leverage, sufficient liquidity and history of prudent reserving practices, which incorporate a buffer over the actuarial best estimate. The counterparty credit risk associated with the company's high dependence on reinsurance is mitigated partially by the use of a panel of financially sound reinsurers.

DNI has a track record of strong operating performance, as demonstrated by a five-year (2016-2020) weighted average return-on-equity of 9.3%. The balance of earnings remains skewed toward investment income, which accounted for over half of the company's net profit in 2020. DNI's underwriting results have been strong and stable, demonstrated by a five-year (2016-2020) weighted average non-life combined ratio of 84.5%. In 2020, DNI reported a non-life underwriting profit of AED 22.8 million, equating to a combined ratio of 80.4%. Although high levels of competition persist in the UAE insurance market, AM Best expects DNI to maintain its strong operating performance metrics through stringent underwriting controls and prudent risk selection.

DNI's business profile assessment reflects its position as a mid-tier insurer in the UAE general insurance market. The company continues to focus on maintaining underwriting profitability in an increasingly competitive market. Following a change in management in early 2021, DNI has engaged in broadening its distribution platforms and entered strategic partnerships to source underwriting growth.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's Recent Rating Activity web page. For additional information regarding the use and limitations of Credit Rating opinions, please view Guide to Best's Credit Ratings. For information on the proper use of Best's Credit Ratings, Best's Preliminary Credit Assessments and AM Best press releases, please view Guide to Proper Use of Best's Ratings & Assessments.

AM Best is a global credit rating agency, news publisher and data analytics provider specialising in the insurance industry. Headquartered in the United States, the company does business in over 100 countries with regional offices in London, Amsterdam, Dubai, Hong Kong, Singapore and Mexico City.

Related Companies

For information about each company, including the Best's Credit Reports, group members (where applicable) and news stories, click on the company name. An additional purchase may be required.

AMB#	Company Name
090716	Dubai National Insurance & Reins PSC

