**Board of Directors' Report of 2019**

To: Respectable Shareholders

Good day,

**The Board of Directors would like to submit the 49th Report on your Company's operations during 2019.**

Firstly, I'd like to present a summary of the most notable figures and results of Balance Sheet:

1. The underwritten premiums amounted to AED 970,502 million (m.) compared to AED 531,883 m. in 2018, which is equivalent to an increase of 82%.
2. The paid and outstanding benefits amounted to AED 255,751 m. compared to AED 266,956 m. in 2018, which is equivalent to a reduction of 4%.
3. The Company realized technical profits that amounted to AED 68,199 m. compared to AED 43,235 m. in 2018, which is equivalent to an increase of 58%.
4. The Company realized net profits amounted to AED 75,640 m. compared to AED 50,507 m. in 2018, which is equivalent to an increase of 50%.
5. The Company's assets amounted to AED 1,609 billion (b.) compared to AED 1,235 b. in 2018, which is equivalent to an increase of 30%.
6. The Shareholders' equity amounted to AED 541,074 m. compared to AED 471,440 m. in 2018, which is equivalent to an increase of 15%

Dear Respectable Shareholders:

The Company has generated exceptional revenue and technical profits.

Actually, and according to the announced figures, we have achieved higher-than-expected growth and profit due to the following:

1- implementing an agreement with the Ministry of Human Resources & Emiratisation to provide insurance for all expatriates and citizens working in the private sector in addition to Dubai Insurance' leadership of the Insurance Pool endorsed by the Insurance Authority which is composed of 6 companies, 4 in Abu Dhabi, 2 in Dubai in addition to Dubai Insurance.

2- Closing out some of the loss-making businesses especially in the health insurance sector.

3- Releasing out some retained reserves.

4- Targeting the free zones with insurance products consistent with their requirements.

Moreover, your Company managed to maintain AM Best credit rating with A- which is expected, in the light of the current results, to be promoted from A-/Stable to A-/Positive.

With regard to the Insurance Authority and Emiratisation conditions, your Company achieved the required number of points and met the relevant requirements through employing 23 male and female nationals during 2019.

**2020 Business Plan:**

We have developed an ambitious plan for 2020 concerned primarily with growth, profits and the provision of distinguished services to individuals and entities.

Based on financial data, we expect revenues growth amounting at least to 15% and also profits growth amounting to at least 15%.

Management discussion and analysis report

|  |  |  |
| --- | --- | --- |
| Statement of the main figuers | (in 000) |  |
|  | 2018 | 2019 |
| Gross underwritten premiums | 531,883 | 970,502 |
| Net paid premiums | 128,197 | 127,991 |
| Net claims | (62,561) | (49,246) |
| Net underwriting profit | 43,235 | 68,199 |
| Investment profit | 15,448 | 18,144 |
| Other expenditures | (8,176) | (10,703) |
| Net profit | 50,507 | 75,640 |
| Total revenue | 44,214 | 102,846 |
| Total assets | 1,235,078 | 1,609,214 |
| Shareholders' equity | 471,440 | 541,074 |

1. Critical Events and Developments:

The full implementation of the Expatriate Insurance Policy and the formation of the Free Zones Insurance Pool.

1. Insurance sector expectations:

Insurance sector will maintain its competitiveness, and prices are likely to decline, particularly for the health insurance, as Dubai Insurance is working to develop innovative

products such as labour protection, unemployment insurance, cybercrime insurance, and credit.

1. Economic status outlook:

As a result of the steps taken by the government to encourage investors and talented individuals to select UAE as a excellence hub in addition to Expo 2020, we expect an improvement in all economic sectors which will have positive reflections on the corporate performance.

1. Future growth plan:

Dubai Insurane is working to develop innovative products such as labour protection, unemployment insurance, cybercrime insurance, and credit insurance.

1. Expected capital expenditure
2. Our capital expenditure are primarily focused upon IT to improve efficiency and digitize policy issuance and claim management.
3. Dubai Insurance is developing a plot owned by the Company and building a residential tower.

Dear stakeholders,,,,,

The Board of Directors makes the following recommendations hoping that you will kindly agree upon: -

1. Listen to and approve the Board of Directors’ Report on the Company’s activity and its financial position for the fiscal year ended on 31/12/2019
2. Listen to and approve the Auditor’s Report for the fiscal year ended on 31/12/2019
3. Discuss and approve the Company’s balance sheet and profit and loss account for the fiscal year ended on 31/12/2019
4. Transfer AED 30 million from annual profits to the general reserve account.
5. Consider the Board of Directors’ proposal to distribute cash dividends of 35% of capital equal to 35 fills per share amounting to AED 35 million.
6. Approve a proposal concerning the remuneration of the members of the Board of Directors.
7. Discharge the members of the Board of Directors for the fiscal year ended on 31/12/2019, or remove them and file a liability action against them, as the case may be.
8. Discharge the auditors for the fiscal year ended on 31/12/2019, or remove them and file a liability action against them, as the case may be.
9. Appoint or reappoint the auditors for 2020 and determine their fees.
10. Special resolution: to amend Articles (25, 26 & 28) as following ;

**Article 25 before amendments:**

b- Chairman is the legal representative of the company in front of courts and third parties.

c- Chairman may authorize others from the Board Directors part of his authorities.

**Article 25 after amendments:**

b- Chief Executive Officer is the legal representative of the company in front of courts and third parties.

c- Chairman may authorize others from part of his authorities.

**Article 26 before amendments:**

BOD held its meetings in the company’s headquarter or any other place approved by the directors. And must meet once every two months.

**Article 26 after amendments:**

BOD held its meetings in the company’s headquarter or any other place approved by the directors.

**Article 28 before amendments:**

BOD hold (6) six times per year, one time every two months.

**Article 28 after amendments:**

BOD holds (4) four times per year, one time every three months.

In conclusion, the Board of Directors would like to thank all the of the Company's customers and express its appreciation to the management and staff for their efforts throughout the past year, and also extend its thanks to the auditors for their continuous cooperation.

**Best regards,**

Buti Obaid Al-Mulla

/Signed/

Chairman of Board of Directors

/Dubai Insurance seal/