

Directors' Report

The Board of Directors has pleasure in submitting their report and the audited-Financial Statements for the year ended 31 December 2018.

Incorporation and registered office

Ras Al Khaimah National Insurance Company P.S.C. (RAK Insurance) was incorporated under an Emiri Decree Number 20/76 issued by HH Ruler of Ras Al Khaimah. The address of the registered office is PO Box 506, Ras Al Khaimah, United Arab Emirates.

Financial position and results

Ras Al Khaimah National Insurance Co. (RAK Insurance), achieved a net profit for of AED 20.5M compared to AED 27.9M in the previous year.

Gross written premium increased by 8% to AED 509.9M compared to AED 471.7M in the previous year.

Underwriting profit from insurance operations decreased to AED 14.6M compared to AED 37.7M in the previous year.

The Company's total assets increased from AED 844.2M to AED 854.8M and the Shareholders' Equity decreased from AED 219.2M to AED 195.6 M. The main cause of this reduction is the IFRS 9 adjustment which reduced retained earnings by AED 22.9M.

Total liabilities were AED 659.2M compared to AED 625.1M in the previous year. This increase was primarily due to increased insurance contract liabilities and other insurance payable resulting from the growth in our "book of business" during the year.

Basic earnings per share is AED 0.19 in the current year compared to AED 0.25 of the previous year on a Capital base of AED 110 M.

On behalf of the Board of Directors of RAK Insurance, I would like to thank all who have contributed to our Company's success. Our sincere appreciation to the executive management and staff for their dedication, commitment and constant hard work. The Directors would also like to acknowledge our reinsurance partners, customers and all the stakeholders of the company.

Yours faithfully,



SALEM AL-SHARHAN
Chairman