

Financial Analysis of Reported Earnings
As of 31 March 2016
UAE National Insurance & Takaful Companies

31 May 2016

EXECUTIVE SUMMARY

Taha Actuaries & Consultants examined the financial statements of twenty-nine (29) listed, locally incorporated, National companies as of 31 March 2016. These financial statements form the basis for this quarter-end report and the results reflected below.

The companies we reviewed included eight (8) Takaful Companies and twenty-one (21) Conventional Insurance Companies. Please note that Islamic Arab Insurance Co. (SALAMA) and its subsidiaries is a Takaful company but it reports its financials similar to conventional companies. In our report, we included SALAMA under the Takaful list.

The Takaful analysis is greatly affected by one Takaful company, Islamic Arab Insurance Co. (SALAMA), which constitutes 27% of Gross Takaful premium. Similarly, the Conventional analysis is affected mainly by three large players: Abu Dhabi National Insurance Company (ADNIC), Oman Insurance Company (OMAN), and Orient Insurance Company (ORIENT).

Our analysis is based solely on the data disclosed by the companies on their financial statements. It is important to note that the majority of the companies are not following the exact format of the financials mandated by the new Insurance and Takaful regulations. Due to this incompliance with the reporting requirements, providing standardized figures for all the companies in the market was not an easy task, especially that many accounts reported by the companies are not explained in the financial statements. To the extent possible, we tried to follow the format stipulated in the regulations.

In addition, due to each company's different reporting formats, our calculated results may vary from the actual disclosed results unless the company is following the reporting format stipulated by the regulator. For example, we calculated the Net Underwriting Income as the income before operating expenses, as required in Appendix 1 of the Financial Regulations; however, this will not match the Net Underwriting Income available in the financials of the companies that did not follow the unified Appendix 1 of the Financial Regulations. Another important example is the Net Takaful Income that might not match the accounts with the same name available in the financials of the Takaful companies, as no Takaful company is currently following the Appendix 1 of the Financial Regulations for financial reporting.

The main trend observed this quarter is the improvement in Investment and Other Income year-on-year for the majority of the companies in the market. Eighteen (18) out of twenty-one (21) Conventional insurance companies recorded improvement in their Investment and Other Income as of the first quarter of 2016, as compared to the same period in 2015, amounting to **AED 271 million**. Total Investment and Other Income for the same companies as 31 March 2015 amounted to **AED 170 million**. The table below shows the details for those companies.

Financial Statement Analysis of UAE National Conventional Companies

Investment and Other Income and Return on Assets

Figures in AED million

Name of Company	Investment and Other Income		
	Mar-16	Mar-15	% Change
Al Ain Ahlia Insurance Co. P.S.C.	10.7	9.4	14%
Al Buhaira National Insurance P.S.C.	10.4	7.6	38%
Al Dhafra Insurance Company P.S.C.	9.4	6.6	41%
Al Fujairah National Insurance Company P.S.C.	3.3	0.3	853%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	11.6	(0.2)	4913%
Al Wathba National Insurance Company PJSC	32.8	5.6	486%
ALLIANCE INSURANCE (PSC)	14.7	14.1	4%
Orient Insurance Company PJSC and its subsidiaries	79.0	64.2	23%
Dubai Insurance Company (PSC)	15.5	13.0	19%
Dubai National Insurance & Reinsurance P.S.C.	19.5	16.9	16%
Emirates Insurance Company P.S.C.	34.6	34.2	1%
AXA Green Crescent Insurance Company PJSC	1.0	(0.1)	1105%
Insurance House P.S.C	3.5	2.7	31%
National General Insurance Co. (P.S.C.)	8.6	1.7	416%
Oman Insurance Company P.S.C. and Subsidiaries	19.7	18.0	9%
Ras Al Khaimah National Insurance Company P.S.C.	1.9	1.8	2%
Sharjah Insurance Company P.S.C.	1.7	0.2	1049%
Union Insurance Company P.S.C.	(6.4)	(25.6)	75%
Total Conventional Companies	271	170	59%

All the Takaful companies recorded increases in their Investment and Other Income as of 31 March 2016, as compared to 31 March 2015, amounting to **AED 60 million**. Total Investment and Other Income for the same companies as of 31 March 2015 was **AED 21 million**. The table below shows the details for those companies.

Financial Statement Analysis of UAE National Takaful Companies

Investment and Other Income and Return on Assets

Figures in AED million

Name of Company	Investment and Other Income		
	Mar-16	Mar-15	% Change
Abu Dhabi National Takaful Company PSC	1.7	1.1	54%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	14.8	4.6	224%
Dar Al Takaful PJSC	0.9	0.2	319%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	7.4	2.9	152%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	16.2	12.0	34%
Methaq Takaful Insurance Company PSC	0.6	(0.7)	182%
National Takaful Company (Watania) PJSC	4.4	1.6	184%
Takaful Emarat - Insurance (PSC)	15.4	(0.7)	2306%
Total Takaful Companies	61	21	192%

Findings & Recommendations

Below is an overview of the findings of our analysis of the financial statements of the twenty-nine (29) listed, locally incorporated, National companies as of 31 March 2016. We would be happy to discuss any of our findings and recommendations with you.

- Total Gross Premium (GP) for the above mentioned 29 companies, as of 31 March 2016, was AED 6.25 billion, an increase of 10% as compared to GP as of 31 March 2015. For Conventional companies, Gross Premium increased from AED 4.88 billion, as of 31 March 2015, to AED 5.38 billion, as of 31 March 2016, a 10% increase, while Gross Premium for Takaful companies increased from AED 0.81 billion, as of 31 March 2015, to AED 0.87 billion, as of 31 March 2016, a 7% increase.
- Total Net Profits declined by 20% from Total Net Profit of AED 411.57 million as of 31 March 2015 to AED 327.95 million as of 31 March 2016. Conventional companies' Net Profit declined slightly (1%), while it declined significantly for Takaful companies, driven mostly by an AED 91.70 million Net Loss for SALAMA. Four (4) Conventional companies and three (3) Takaful companies reported negative Net Profit as of 31 March 2016.
- As of 31 March 2016, the 29 companies possessed a total of AED 45.71 billion in Assets against Liabilities of AED 30.32 billion. As compared to 31 December 2015, Assets increased by 8.8% while Liabilities increased by 14.3%.

- Share Capital remained the same between the two periods at AED 2.24 billion for Takaful companies and AED 4.39 billion for Conventional insurance companies. Equity experienced a slight decrease of 0.6%, from AED 15.49 billion, as at 31 December 2015, to AED 15.39 billion, as of 31 March 2016.
- Four (4) Conventional and six (6) Takaful companies are at a higher risk as their Equity is below their Share Capital level. Equity as a percentage of Assets is higher, on average, for Conventional companies (35%) compared to their Takaful counterparts (26%). However, this ratio decreased from 38% as of 31 December 2015, for Conventional companies, and from 29% for Takaful companies. The industry's Return on Assets is 0.7%, Return on Share Capital is 4.9%, and Return on Equity is 2.1%.
- In total, Takaful companies are relying less on reinsurance (and/or retakaful) than Conventional companies. The average reinsurance ratio for all companies in the first quarter of 2016 increased by 7.5%. This ratio changed significantly, either increased or decreased, on an individual company basis. Additionally, there are varying levels of reinsurance ratios for Conventional companies, ranging from 9% for Al Khazna Insurance Company P.S.C (AKIC) to 74% for Dubai Insurance Company (DIN), the highest in the market. Similarly, for Takaful companies, the range is from 12% for Methaq Takaful Insurance Company (METHAQ) to 58% for Abu Dhabi National Takaful Company PSC (ADNTC).
- Since the accounts available in the new P&L template required by the regulator do not allow us to calculate the gross and the reinsurance claims loss ratios, we only calculated the Net Claims Loss Ratios for each company. Net Claims Loss Ratio is defined as follows:

$$\text{Net Claims Loss Ratio} = \frac{\text{Net Claims Incurred}}{\text{Net Premiums Earned}}$$

The Net Claims Loss Ratio for all companies increased from 68% as of 31 March 2015 to 76% as of 31 March 2016. Conventional companies registered a better Net Claims Ratio of 74%, compared to 84% by the Takaful companies in total. The total Net Claims Loss Ratio for Takaful companies is driven by Islamic Arab Insurance Co. (SALAMA)'s 104% Net Claims Loss Ratio, recorded as of the first quarter of 2016.

- The industry as a whole incurred 11% more in General and Administrative Expenses and Other expenses as of 31 March 2016, as compared to the same period in 2015. Consequently, the Net Expense Ratio increased from 20% as of 31 March 2015 to 23% as of 31 March 2016, due to the stability of Net Premium earned in total over the same period. Conventional companies increased their General and Administrative Expenses

and Other Expenses by 8%, while Takaful companies increased their General and Administrative Expenses and Other Expenses by 21%.

- For Conventional companies, there was an increase of 82% in their Net Commission as of 31 March 2016, compared to the same period in 2015.
- We noticed that many companies restated the previous year's comparative figures, hence, 31 March 2015 figures available in this report are different from the 31 March 2015 figures published in our report at that time. The following companies disclosed restatements of their accounts: Al Dhafra Insurance Company (DHAFRA), Al Fujairah National Insurance Company P.S.C. (AFNIC), Al-Sagr National Insurance Company P.S.C. and its subsidiary (ASNIC), National General Insurance Co. (P.S.C.) (NGI), Al Buhaira National Insurance Company P.S.C (ABNIC), Emirates Insurance Company P.S.C (EIC), and Islamic Arab Insurance Co. and its subsidiaries (SALAMA).
- We also analyzed Investment and Other Income, i.e., other income not related to underwriting activities and including the finance costs, of the industry during the period under review. The industry as a whole experienced an increase of 60% in Investments and Other Income, compared to the same period in 2015. Conventional companies' Investment and Other Income increased by 46%, while Takaful companies observed an increase of 192% as of 31 March 2016, as compared to 31 March 2015.

We calculated Investment and Other Income Ratios for each company for the first quarter of 2016 and the first quarter of 2015. The Ratio is defined as below:

$$\text{Investment and Other Income Ratio} = \frac{\text{Investment and Other Income}}{\text{Net Premiums Earned}}$$

Based on the above, the ratio for the first quarter of 2016 for the market comes to 16.3%, compared to 10.3% for the first quarter of 2015.

Our findings summarized above are market trends and totals on a consolidated basis. However, totals can hide many of the interesting details and variations between companies. For a better understanding of the particulars of each company, please read our more detailed analysis below.

INTRODUCTION

Insurance and Takaful companies operating in the UAE are legally structured as either National companies or as branches of foreign companies. In this analysis, Taha Actuaries & Consultants will focus on financial statements of twenty-nine (29) listed, locally incorporated, National companies, out of which eight (8) are Takaful companies. Our analysis uses the data from their financial statements which were downloaded from one of the following websites:

- Dubai Financial Market (www.dfm.ae)
- Abu Dhabi Securities Exchange (www.adx.ae)

Unfortunately, the data for branches of Foreign Companies or the non-listed locally incorporated National companies are either not available or not easily available publically. Hence, these companies are not included in this analysis.

For uniformity and comparison between Conventional and Takaful companies, we referred to *Contribution as Premium*, and to *Retakaful as Reinsurance* throughout the report.

Our analysis will cover the major aspects of each company's financial statement, including:

- Reporting and analyzing key figures of the Balance Sheet such as, Assets, Liabilities, Share Capital and Equity.
- Calculating the ratio of Net Profit to these key Balance Sheet numbers.
- Analyzing important numbers from the Income Statement and presenting both Underwriting results and Net Profit for the period under review and as compared to 31 March 2015.
- Reporting on General and Administrative Expenses and Net Commission as of 31 March 2016 and as compared to 31 March 2015.

For these analyses, we present consolidated figures for all Conventional companies and all Takaful companies separately. These total figures can act as benchmarks for any of the companies to compare its performance to that of the industry.

INCOME STATEMENT - NET PROFIT

Table 1a presents different Income Statement figures for Conventional companies as of 31 March 2015 and 31 March 2016.

Conventional companies registered a 4% decrease in their Net Premiums Earned and a 1% increase in their Net Incurred Claims, from 31 March 2015 to 31 March 2016. There are significant variances between companies for both Net Premium Earned and Net Incurred Claims. For Net Premium Earned, there are decreases of 61% to increases of 102%. For Net Incurred Claims, there are decreases of 60% to increases of 119%.

Table 1a

Financial Statement Analysis of UAE National Conventional companies Income Statement - Net Profit

Figures in AED million

Name of Company	Net Premium Earned			Net Incurred Claims			Net Underwriting Income			Net Profit	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Insurance Company PSC	282	358	-21%	206	307	-33%	76	37	102%	39	5
Al Ain Ahlia Insurance Co. P.S.C.	68	99	-31%	43	52	-17%	31	47	-33%	21	37
Al Buhaira National Insurance P.S.C.	84	66	27%	88	88	0%	19	17	10%	19	16
Al Dhafra Insurance Company P.S.C.	55	84	-35%	39	59	-35%	21	30	-29%	23	28
Al Fujairah National Insurance Company P.S.C.	34	33	3%	27	27	-1%	7	5	24%	2	(2)
Al Khazna Insurance Company P.S.C.	36	18	102%	31	14	119%	4	4	-19%	(11)	(5)
Al-Sagr National Insurance Company P.S.C. and its subsidiary	69	61	14%	66	44	52%	15	32	-53%	18	24
Al Wathba National Insurance Company PJSC	30	50	-40%	25	37	-33%	12	13	-4%	34	7
ALLIANCE INSURANCE (PSC)	31	34	-9%	28	26	9%	4	10	-60%	9	14
Orient Insurance Company PJSC and its subsidiaries	175	148	18%	87	57	53%	93	102	-9%	129	120
Dubai Insurance Company (PSC)	28	31	-11%	12	13	-9%	16	13	22%	22	19
Dubai National Insurance & Reinsurance P.S.C.	21	19	7%	12	9	31%	7	8	-14%	21	20
Emirates Insurance Company P.S.C.	135	131	3%	108	71	52%	24	44	-46%	38	59
AXA Green Crescent Insurance Company PJSC	5	9	-43%	2	5	-59%	3	3	-22%	(1)	(2.2)
Insurance House P.S.C	32	23	41%	26	19	33%	4	2	114%	0	(3)
National General Insurance Co. (P.S.C.)	79	71	11%	59	40	48%	15	31	-51%	6	19
Oman Insurance Company P.S.C. and Subsidiaries	336	360	-7%	256	260	-1%	88	100	-12%	22	44
Ras Al Khaimah National Insurance Company P.S.C.	74	53	40%	50	27	87%	17	21	-21%	6	15
Sharjah Insurance Company P.S.C.	7	8	-14%	15	9	76%	(5)	4	-240%	(7)	1
Union Insurance Company P.S.C.	93	66	42%	58	35	65%	36	34	6%	0	(17)
United Insurance Company P.S.C.	12	32	-61%	15	39	-60%	(2)	(6)	61%	(5)	(7)
Total Conventional Companies	1,687	1,753	-4%	1,254	1,237	1%	485	554	-12%	388	392

We followed the same definition of Net Underwriting Income as available in the template mandated by the regulator which defines the Net Underwriting Income as **the income of the company before all expenses and investment income are considered**. As mentioned previously, not all the companies are following the mandated template; some companies report Net Underwriting Income before any expenses, while others report it after accounting for expenses, either underwriting expenses only or all expenses in total. Thus, as we have followed the regulator's template, the companies not following the regulator's template for financials will have numbers different from the Net Underwriting Income in their own financials. As a result, while the Net Profit will match each company's reported financials, Net Underwriting Income might not.

Net Underwriting Income demonstrates the skill that a company has in running its core business: insurance underwriting. For Conventional companies on a consolidated basis, the total Net Underwriting Income as of 31 March 2016 is AED 485 million, a 12% decrease year-on-year. Fourteen (14) out of the twenty-one (21) companies had significant reductions in their Net Underwriting Income, and two (2) companies are even negative.

Net Profit is one of the most important indicators on an Income Statement. On a consolidated basis, Conventional companies had AED 388 million in Net Profit as of 31 March 2016, compared to AED 392 million as of 31 March 2015, a slight decrease of 1%. On an individual basis, ten (10) out of twenty-one (21) Conventional companies showed decreases in their Net Profit while a few others showed improvements year-on-year. On the other hand, four (4) out of twenty-one (21) Conventional companies reported negative Net Profit as of 31 March 2016 as detailed in Table 1a above.

Table 1b

Financial Statement Analysis of UAE National Takaful companies

Income Statement - Net Profit

Figures in AED million

Name of Company	Net Premium Earned			Net Incurred Claims			Net Takaful Income			Net Profit	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Takaful Company PSC	36	30	20%	13	9	51%	31	26	19%	18	12
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	24	14	74%	22	11	96%	5	5	2%	10	3
Dar Al Takaful PJSC	30	27	11%	24	19	29%	8	11	-27%	(4)	0
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	40	37	9%	32	28	12%	16	16	4%	3	0
Islamic Arab Insurance Co. (Salama) and its subsidiaries	187	148	26%	193	69	178%	(69)	40	-270%	(92)	13
Methaq Takaful Insurance Company PSC	50	47	5%	36	32	12%	15	16	-4%	2	(2)
National Takaful Company (Watania) PJSC	20	31	-35%	15	22	-35%	7	10	-32%	(0)	(4)
Takaful Emarat - Insurance (PSC)	90	67	34%	66	46	42%	24	20	17%	3	(3)
Total Takaful Companies	477	401	19%	401	237	69%	38	144	-74%	(60)	19
All Companies	2,163	2,154	0%	1,655	1,475	12%	523	698	-25%	328	412

Table 1b presents different Income Statement indicators for Takaful companies as of 31 March 2016 and 31 March 2015.

Takaful companies experienced a 19% increase in their Net Premiums Earned and a 69% increase in their Net Incurred Claims, from 31 March 2015 to 31 March 2016.

On a consolidated basis, Net Takaful Income for Takaful companies decreased significantly from AED 144 million as of 31 March 2015 to AED 38 million as of 31 March 2016. This decrease is mainly driven by the decrease in the Net Takaful Income of Islamic Arab Insurance Co. and its subsidiaries (SALAMA) which reported a decrease in Net Takaful income of 270% between 31 March 2015 to 31 March 2016.

Three (3) of the Takaful companies reported positive Net Profit. On a consolidated basis, Takaful companies reported a negative Net Profit of AED 60 million as of 31 March 2016, compared to the Net Profit of AED 19 million for the same period in 2015. This decrease is also mainly driven by the significant negative Net Profit of Islamic Arab Insurance Company (SALAMA).

GROSS AND REINSURANCE PREMIUM

Table 2a summarizes reinsurance activities of Conventional companies and compares their performance as of 31 March 2016 with that of 31 March 2015.

Gross Premium increased by 10% and Reinsurance Premium increased by 18%, on a consolidated basis for all Conventional companies' year-on-year. Reinsurance Premium as a percentage of Gross Premium has increased to 58% as of 31 March 2016 from 54% as of 31 March 2015. Among the Conventional companies, Orient Insurance Company (ORIENT), Dubai Insurance Company (DIN), and United Insurance Company P.S.C (UIC) have the highest ratios of Reinsurance Premium as Percentage of Gross Premium, ranging from 71% to 74%, as of 31 March 2016.

Table 2b summarizes reinsurance activities of the Takaful companies and compares their performance as of 31 March 2016 with that of 31 March 2015.

For Takaful companies, Gross Premium and Reinsurance Premium increased by 7% and 12% respectively, year-on-year. Reinsurance Premium as Percentage of Gross Premium slightly increased from 32% to 33% for the same period. Among the Takaful companies, Abu Dhabi National Takaful Company PSC (ADNTC) has the highest ratio of Reinsurance Premium as a Percentage of Gross Premium at 58% as of 31 March 2016. The same ratio for Methaq Takaful Insurance Company (METHAQ) was only 12% for the same period. As of 31 March 2016, Takaful companies in total have lower Retakaful levels (33%) than their Conventional counterparts (58%).

Table 2a

Financial Statement Analysis of UAE National Conventional companies

Reinsurance Ratios

Figures in AED million

Name of Company	Gross Premium			Reinsurance Premium			Reins Prem as % of Gross Prem	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Insurance Company PSC	1,062	1,066	0%	582	558	4%	55%	52%
Al Ain Ahlia Insurance Co. P.S.C.	310	271	15%	183	165	11%	59%	61%
Al Buhaira National Insurance P.S.C.	350	303	15%	208	162	28%	59%	54%
Al Dhafra Insurance Company P.S.C.	104	147	-29%	71	42	69%	68%	29%
Al Fujairah National Insurance Company P.S.C.	70	54	30%	20	15	32%	29%	29%
Al Khazna Insurance Company P.S.C.	71	28	158%	6	6	3%	9%	23%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	130	111	17%	57	46	26%	44%	41%
Al Wathba National Insurance Company PJSC	143	169	-16%	83	45	87%	58%	26%
ALLIANCE INSURANCE (PSC)	111	123	-9%	75	87	-14%	68%	71%
Orient Insurance Company PJSC and its subsidiaries	728	586	24%	514	410	25%	71%	70%
Dubai Insurance Company (PSC)	141	109	29%	105	79	33%	74%	72%
Dubai National Insurance & Reinsurance P.S.C.	61	64	-5%	34	39	-12%	56%	60%
Emirates Insurance Company P.S.C.	340	321	6%	162	152	6%	48%	47%
AXA Green Crescent Insurance Company PJSC	17	20	-16%	10	10	3%	59%	48%
Insurance House P.S.C	46	35	33%	8	14	-42%	17%	39%
National General Insurance Co. (P.S.C.)	154	102	51%	85	33	157%	55%	32%
Oman Insurance Company P.S.C. and Subsidiaries	1,156	1,045	11%	742	614	21%	64%	59%
Ras Al Khaimah National Insurance Company P.S.C.	88	82	7%	16	24	-31%	19%	29%
Sharjah Insurance Company P.S.C.	29	32	-9%	14	17	-14%	50%	53%
Union Insurance Company P.S.C.	242	172	40%	109	83	31%	45%	48%
United Insurance Company P.S.C.	28	41	-32%	20	21	-5%	73%	52%
Total Conventional companies	5,380	4,881	10%	3,107	2,622	18%	58%	54%

Table 2b

Financial Statement Analysis of UAE National Takaful companies Reinsurance Ratios

Figures in AED million

Name of Company	Gross Premium			Reinsurance Premium			Reins Prem as % of Gross Prem	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Takaful Company PSC	93	79	19%	55	50	9%	58%	64%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	42	22	94%	10	8	27%	23%	35%
Dar Al Takaful PJSC	72	64	13%	36	32	12%	50%	50%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	92	74	24%	52	38	38%	57%	51%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	235	227	3%	65	66	-1%	28%	29%
Methaq Takaful Insurance Company PSC	66	73	-9%	8	5	58%	12%	7%
National Takaful Company (Watania) PJSC	59	115	-49%	32	47	-32%	55%	41%
Takaful Emarat - Insurance (PSC)	211	160	32%	32	12	171%	15%	7%
Total Takaful Companies	872	814	7%	290	258	12%	33%	32%
All Companies	6,251	5,696	10%	3,397	2,880	18%	54%	51%

LOSS RATIOS

Table 3a shows Net Claims Loss Ratios for Conventional companies. As mentioned before, Loss Ratio is calculated by dividing Net Incurred Claims by Net Earned Premium.

For Conventional companies, Net Loss Ratio increased to 74% as of 31 March 2016 versus 71% as of 31 March 2015. Among the Conventional Companies, AXA Green Crescent Insurance Company (AXAGCI) recorded the lowest Net Claims Ratio of 39% as of 31 March 2016.

Table 3a

Financial Statement Analysis of UAE National Conventional companies Loss Ratios

Name of Company	Net Loss Ratio	
	Mar-16	Mar-15
Abu Dhabi National Insurance Company PSC	73%	86%
Al Ain Ahlia Insurance Co. P.S.C.	63%	52%
Al Buhaira National Insurance P.S.C.	104%	132%
Al Dhafra Insurance Company P.S.C.	70%	70%
Al Fujairah National Insurance Company P.S.C.	78%	82%
Al Khazna Insurance Company P.S.C.	87%	80%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	96%	72%
Al Wathba National Insurance Company PJSC	84%	76%
ALLIANCE INSURANCE (PSC)	93%	77%
Orient Insurance Company PJSC and its subsidiaries	50%	38%
Dubai Insurance Company (PSC)	43%	43%
Dubai National Insurance & Reinsurance P.S.C.	59%	48%
Emirates Insurance Company P.S.C.	80%	54%
AXA Green Crescent Insurance Company PJSC	39%	55%
Insurance House P.S.C	80%	85%
National General Insurance Co. (P.S.C.)	74%	56%
Oman Insurance Company P.S.C. and Subsidiaries	76%	72%
Ras Al Khaimah National Insurance Company P.S.C.	68%	51%
Sharjah Insurance Company P.S.C.	216%	106%
Union Insurance Company P.S.C.	62%	53%
United Insurance Company P.S.C.	125%	122%
Total Conventional companies	74%	71%

Table 3b shows the Net Claims Ratio for Takaful companies.

For Takaful companies, Net Loss Ratio increased to 84% as of 31 March 2016 versus 59% as of 31 March 2015. The Loss Ratios of Takaful companies have been higher than the Conventional Companies.

Table 3b

Financial Statement Analysis of UAE National Takaful companies Loss Ratios

Name of Company	Net Loss Ratio	
	Mar-16	Mar-15
Abu Dhabi National Takaful Company PSC	36%	29%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	89%	79%
Dar Al Takaful PJSC	81%	70%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	80%	78%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	104%	47%
Methaq Takaful Insurance Company PSC	72%	68%
National Takaful Company (Watania) PJSC	73%	73%
Takaful Emarat - Insurance (PSC)	73%	69%
Total Takaful Companies	84%	59%
All Companies	76%	68%

BALANCE SHEET HIGHLIGHTS

Table 4a provides figures of Assets and Liabilities for the Conventional companies in our analysis. The figures provided are company-wide values as of 31 March 2016 and 31 December 2015.

As of 31 March 2016, Assets of Conventional companies have increased by 9.4%, and Liabilities by 15.4%, compared to the figures as of 31 December 2015. The largest percentage increase in Assets, as of the 31 March 2016, is 17.8% reported by Dubai Insurance Company (DIN). Liabilities' level of increase ranged from 1.8% to 42.2%.

Table 4a

Financial Statement Analysis of UAE National Conventional Companies

Balance Sheet Highlights as of 3 month period ended 31 March 2016

Figures in AED million

Name of Company	Assets			Liabilities		
	Mar-16	Dec-15	% Change	Mar-16	Dec-15	% Change
Abu Dhabi National Insurance Company PSC	6,333	5,604	13.0%	5,066	4,363	16.1%
Al Ain Ahlia Insurance Co. P.S.C.	2,282	2,024	12.7%	1,176	908	29.5%
Al Buhaira National Insurance P.S.C.	1,906	1,749	9.0%	1,272	1,134	12.2%
Al Dhafra Insurance Company P.S.C.	948	866	9.5%	645	596	8.3%
Al Fujairah National Insurance Company P.S.C.	471	426	10.6%	274	244	12.2%
Al Khazna Insurance Company P.S.C.	934	904	3.3%	596	555	7.4%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	1,332	1,263	5.4%	887	836	6.1%
Al Wathba National Insurance Company PJSC	1,457	1,313	11.0%	641	538	19.2%
ALLIANCE INSURANCE (PSC)	1,335	1,266	5.5%	912	827	10.3%
Orient Insurance Company PJSC and its subsidiaries	6,002	5,718	5.0%	3,320	3,033	9.4%
Dubai Insurance Company (PSC)	1,105	938	17.8%	624	458	36.2%
Dubai National Insurance & Reinsurance P.S.C.	676	658	2.8%	264	250	5.6%
Emirates Insurance Company P.S.C.	2,185	1,990	9.8%	1,221	986	23.9%
AXA Green Crescent Insurance Company PJSC	222	218	1.6%	66	62	6.7%
Insurance House P.S.C	244	226	7.9%	141	125	12.6%
National General Insurance Co. (P.S.C.)	1,260	1,119	12.6%	835	684	22.0%
Oman Insurance Company P.S.C. and Subsidiaries	6,853	6,163	11.2%	4,969	4,248	17.0%
Ras Al Khaimah National Insurance Company P.S.C.	666	657	1.2%	425	424	0.3%
Sharjah Insurance Company P.S.C.	411	395	3.9%	211	149	42.2%
Union Insurance Company P.S.C.	1,285	1,113	15.4%	949	771	23.1%
United Insurance Company P.S.C.	294	295	-0.6%	299	294	1.8%
Total Conventional Companies	38,201	34,905	9.4%	24,792	21,485	15.4%

Table 4b

Financial Statement Analysis of UAE National Takaful Companies

Balance Sheet Highlights as of 3 month period ended 31 March 2016

Figures in AED million

Name of Company	Assets			Liabilities		
	Mar-16	Dec-15	% Change	Mar-16	Dec-15	% Change
Abu Dhabi National Takaful Company PSC	730	697	4.7%	470	456	2.9%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	464	438	6.1%	153	125	22.0%
Dar Al Takaful PJSC	349	324	7.5%	302	274	10.3%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	1,185	1,148	3.3%	1,046	1,012	3.3%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	3,458	3,359	2.9%	2,530	2,326	8.8%
Methaq Takaful Insurance Company PSC	369	357	3.3%	287	277	3.6%
National Takaful Company (Watania) PJSC	357	357	0.1%	279	276	0.7%
Takaful Emarat - Insurance (PSC)	600	439	36.6%	462	304	51.7%
Total Takaful Companies	7,512	7,119	5.5%	5,528	5,051	9.4%
All Companies	45,713	42,024	8.8%	30,320	26,536	14.3%

Table 4b provides figures of Assets and Liabilities for Takaful companies as of 31 March 2016 and year-end 2015. As of 31 March 2016, Assets and Liabilities of Takaful companies increased by 5.5% and 9.4%, respectively. Takaful Emarat - Insurance (TAKEM) reported the highest increase in both Assets and Liabilities.

Table 5a provides detail on Share Capital and Equity for Conventional companies as of 31 March 2016 and year-end 2015.

In total as of 31 March 2016, Share Capital of Conventional companies stands at AED 4.39 billion.

Total Equity for Conventional companies is AED 13.41 billion, providing a cushion to the industry in the event a payout to fulfill Liabilities exceeds the allotted amount. When compared to the year-end 2015 figure, total Equity for Conventional companies slightly decreased by 0.1%. Eleven (11) out of the twenty-one (21) Conventional companies recorded a decrease in equity year-on-year. Al Dhafra Insurance Company (DHAFRA) reported the highest percentage increase in Equity among all companies' industry-wide of 12% between year-end 2015 and 31 March 2016.

One (1) company, United Insurance Company (UIC), reported a negative Equity as of 31 March 2016, while three (3) Conventional companies reported Equity as of 31 March 2016 lower than the Share Capital held for the same period.

Table 5a

Financial Statement Analysis of UAE National Conventional Companies

Balance Sheet Highlights as of 3 month period ended 31 March 2016

Figures in AED million

Name of Company	Share Capital			Equity		
	Mar-16	Dec-15	% Change	Mar-16	Dec-15	% Change
Abu Dhabi National Insurance Company PSC	375	375	0%	1,268	1,241	2%
Al Ain Ahlia Insurance Co. P.S.C.	150	150	0%	1,106	1,115	-1%
Al Buhaira National Insurance P.S.C.	250	250	0%	634	615	3%
Al Dhafra Insurance Company P.S.C.	100	100	0%	303	270	12%
Al Fujairah National Insurance Company P.S.C.	100	100	0%	197	182	8%
Al Khazna Insurance Company P.S.C.	420	420	0%	339	349	-3%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	230	230	0%	445	427	4%
Al Wathba National Insurance Company PJSC	207	207	0%	815	775	5%
ALLIANCE INSURANCE (PSC)	100	100	0%	424	439	-4%
Orient Insurance Company PJSC and its subsidiaries	500	500	0%	2,682	2,684	0%
Dubai Insurance Company (PSC)	100	100	0%	481	480	0%
Dubai National Insurance & Reinsurance P.S.C.	116	116	0%	412	407	1%
Emirates Insurance Company P.S.C.	135	135	0%	964	1,004	-4%
AXA Green Crescent Insurance Company PJSC	200	200	0%	156	157	0%
Insurance House P.S.C	120	120	0%	103	101	2%
National General Insurance Co. (P.S.C.)	150	150	0%	426	435	-2%
Oman Insurance Company P.S.C. and Subsidiaries	462	462	0%	1,884	1,915	-2%
Ras Al Khaimah National Insurance Company P.S.C.	110	110	0%	240	233	3%
Sharjah Insurance Company P.S.C.	138	138	0%	200	247	-19%
Union Insurance Company P.S.C.	331	331	0%	336	342	-2%
United Insurance Company P.S.C.	100	100	0%	(5)	2	-386%
Total Conventional Companies	4,393	4,393	0%	13,409	13,421	-0.1%

Table 5b

Financial Statement Analysis of UAE National Takaful Companies

Balance Sheet Highlights as of 3 month period ended 31 March 2016

Figures in AED million

Name of Company	Share Capital			Equity		
	Mar-16	Dec-15	% Change	Mar-16	Dec-15	% Change
Abu Dhabi National Takaful Company PSC	100	100	0%	260	241	8%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	154	154	0%	311	312	0%
Dar Al Takaful PJSC	100	100	0%	47	50	-8%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	226	226	0%	139	135	3%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	1,210	1,210	0%	928	1,033	-10%
Methaq Takaful Insurance Company PSC	150	150	0%	82	80	2%
National Takaful Company (Watania) PJSC	150	150	0%	78	80	-2%
Takaful Emarat - Insurance (PSC)	150	150	0%	138	135	2%
Total Takaful Companies	2,240	2,240	0%	1,983	2,067	-4.1%
All Companies	6,633	6,633	0%	15,393	15,488	-0.6%

Table 5b above summarizes the Share Capital and Equity for Takaful Companies as of year-end 2015 and 31 March 2016.

In total as of 31 March 2016, Share Capital of Takaful companies stands at AED 2.24 billion.

Islamic Arab Insurance Co. (SALAMA) still possesses the highest amount of Share Capital of all companies, with holdings of AED 1.21 billion. Compared to March 2015, total Equity for Takaful companies decreased by 4.1%, totaling AED 1.98 billion as of 31 March 2016. Six (6) Takaful companies reported Equity as of 31 March 2016 lower than the Share Capital held as of the same period.

BALANCE SHEET RATIOS AND RETURNS

Table 6a presents Equity as Percentage of Assets for Conventional companies as of 31 March 2016 and 31 December 2015. The table also shows the first quarter return for Conventional companies on Assets, Share Capital and Equity as of 31 March 2016.

Equity as Percentage of Assets tells us how much a company holds in assets over and above their liabilities. The higher the ratio, the lower the risk the company possesses, everything else being equal. The consolidated ratio for Conventional companies is 35% as of 31 March 2015. For the majority of companies, the ratio decreased between year-end 2015 and 31 March 2016 with nineteen (19) out of twenty-one (21) companies reporting a decrease in Equity as Percentage of Assets during the period, while the remaining two (2) showed slight increases.

Return on Assets is calculated by dividing Net Profit by average assets for the period under review. Return on Assets for all Conventional Companies, on a consolidated basis, is 1.1%. Conventional companies have a Return on Assets ranging from -1.7% to 3.2%.

Return on Share Capital illustrates how efficiently a company utilizes its capital. This ratio is calculated by dividing Net Profit by average Share Capital for the period under review. Return on Capital for all Conventional companies on a consolidated basis is 8.8% as of 31 March 2016. Emirates Insurance Company (EIC) reported the highest Return on Capital of 28.5%. The remainder of the companies reported a Return on Share Capital in the range of -5% to 25.9%.

Return on Equity is calculated by dividing Net Profit by Average Equity for the period under review. Industry-wide, Conventional companies' Return on Equity is 2.9% as of 31 March 2016. The highest negative return on Equity shown during the period is by United Insurance Company (UIC) of -289.7%, while Al Dhafra Insurance Company (DHAFRA) reported the highest Return on Equity of 7.9%. The remainder of the companies reported a Return on Equity in the range of -3.2% to 5.1%.

Table 6a

Financial Statement Analysis of UAE National Conventional Companies Balance Sheet Ratios and Returns

Figures in AED million

Name of Company	Equity as % of Assets		Net Profit	First - Quarter Return on		
	Mar-16	Dec-15	Q1 2016	Assets	Share Capital	Equity
Abu Dhabi National Insurance Company PSC	20%	22%	39	0.7%	10.4%	3.1%
Al Ain Ahlia Insurance Co. P.S.C.	48%	55%	21	1.0%	14.3%	1.9%
Al Buhaira National Insurance P.S.C.	33%	35%	19	1.1%	7.7%	3.1%
Al Dhafra Insurance Company P.S.C.	32%	31%	23	2.5%	22.6%	7.9%
Al Fujairah National Insurance Company P.S.C.	42%	43%	2	0.5%	2.3%	1.2%
Al Khazna Insurance Company P.S.C.	36%	39%	(11)	-1.2%	-2.6%	-3.2%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	33%	34%	18	1.4%	7.7%	4.1%
Al Wathba National Insurance Company PJSC	56%	59%	34	2.5%	16.5%	4.3%
ALLIANCE INSURANCE (PSC)	32%	35%	9	0.7%	9.1%	2.1%
Orient Insurance Company PJSC and its subsidiaries	45%	47%	129	2.2%	25.9%	4.8%
Dubai Insurance Company (PSC)	44%	51%	22	2.2%	22.5%	4.7%
Dubai National Insurance & Reinsurance P.S.C.	61%	62%	21	3.2%	18.3%	5.1%
Emirates Insurance Company P.S.C.	44%	50%	38	1.8%	28.5%	3.9%
AXA Green Crescent Insurance Company PJSC	70%	72%	(1)	-0.5%	-0.6%	-0.8%
Insurance House P.S.C	42%	45%	0	0.1%	0.3%	0.3%
National General Insurance Co. (P.S.C.)	34%	39%	6	0.5%	4.2%	1.5%
Oman Insurance Company P.S.C. and Subsidiaries	27%	31%	22	0.3%	4.9%	1.2%
Ras Al Khaimah National Insurance Company P.S.C.	36%	35%	6	0.9%	5.7%	2.6%
Sharjah Insurance Company P.S.C.	49%	62%	(7)	-1.7%	-5.0%	-3.1%
Union Insurance Company P.S.C.	26%	31%	0	0.0%	0.0%	0.0%
United Insurance Company P.S.C.	-2%	1%	(5)	-1.7%	-5.0%	-289.7%
Total Conventional Companies	35%	38%	388	1.1%	8.8%	2.9%

Table 6b presents Equity as Percentage of Assets for Takaful companies as of 31 December 2015 and 31 March 2016. The table also shows Return on Assets, Share Capital and Equity. For Takaful companies, the ratio of Equity as Percentage of Assets is 34%, as of 31 March 2016, compared to 35% for Conventional companies.

Table 6b

Financial Statement Analysis of UAE National Takaful Companies Balance Sheet Ratios and Returns

Figures in AED million

Name of Company	Equity as % of Assets		Net Profit	First - Quarter Return on		
	Mar-16	Dec-15	Q1 2016	Assets	Share Capital	Equity
Abu Dhabi National Takaful Company PSC	36%	35%	18	2.5%	18.1%	7.2%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	67%	71%	10	2.2%	6.3%	3.1%
Dar Al Takaful PJSC	13%	16%	(4)	-1.2%	-4.0%	-8.2%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	12%	12%	3	0.2%	1.3%	2.1%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	27%	31%	(92)	-2.7%	-7.6%	-9.4%
Methaq Takaful Insurance Company PSC	22%	22%	2	0.5%	1.2%	2.2%
National Takaful Company (Watania) PJSC	22%	22%	(0)	-0.1%	-0.3%	-0.6%
Takaful Emarat - Insurance (PSC)	23%	31%	3	0.6%	2.2%	2.4%
Total Takaful Companies	26%	29%	(60)	-0.8%	-2.7%	-3.0%
All Companies	34%	37%	328	0.7%	4.9%	2.1%

For Takaful companies, Return on Assets, Share Capital and Equity for the period are -0.8%, -2.7%, and -3% respectively, on a consolidated basis. The negative returns are due to Net Losses for the whole group of Takaful companies. From the table above, it is evident that the results are driven mostly by Islamic Arab Insurance Company (SALAMA).

EXPENSES AND NET COMMISSION

Table 7a presents figures for General and Administrative Expenses and Other Expenses, Net Commission, and Expense Ratio for all of the Conventional companies included in the study. General and Administrative Expenses and Other Expenses include all expenses and taxes, excluding only any explicit finance costs related to investments. Net Commission is equal to the difference between commission income from the reinsurers and commission expenses incurred by the companies. Expense Ratio is defined as the ratio of General and Administrative Expenses and Other Expenses over the Net Premium earned for the period.

On a consolidated basis, Conventional companies incurred 8% more in Expenses and 82% more in Net Commission when comparing figures as of 31 March 2015 and 31 March 2016. However, the experience per company varies.

In general, companies with larger premium volume were able to benefit from the economies of scale, and hence, were able to achieve relatively lower Expense Ratios. However, this was not the case for all of the companies, as the ratio differs for each. Al Buhaira National Insurance (ABNIC) reported the lowest Expense Ratio of 12%, as of 31 March 2016. The highest Expense Ratio for the period is 90%, reported by AXA Green Crescent Insurance (AXAGCI).

Table 7a

Financial Statement Analysis of UAE National Conventional Companies

Expenses and Net Commission

Figures in AED million

Name of Company	General and Administrative Expense			Net Commission			Expense Ratio	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Insurance Company PSC	59.2	58.3	2%	(3.0)	(16.0)	81%	21%	16%
Al Ain Ahlia Insurance Co. P.S.C.	20.5	19.3	6%	6.3	(0.3)	2069%	30%	20%
Al Buhaira National Insurance P.S.C.	9.9	9.0	10%	22.2	38.2	-42%	12%	14%
Al Dhafra Insurance Company P.S.C.	8.1	8.3	-3%	9.2	4.6	99%	15%	10%
Al Fujairah National Insurance Company P.S.C.	7.8	7.4	5%	(0.7)	(0.5)	-35%	23%	22%
Al Khazna Insurance Company P.S.C.	9.1	7.8	16%	(1.2)	0.8	-251%	25%	44%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	9.0	7.9	14%	12.3	15.4	-20%	13%	13%
Al Wathba National Insurance Company PJSC	11.1	11.9	-7%	7.8	1.0	664%	37%	24%
ALLIANCE INSURANCE (PSC)	6.0	6.2	-3%	1.8	2.3	-24%	20%	18%
Orient Insurance Company PJSC and its subsidiaries	42.7	45.6	-6%	5.1	10.6	-51%	24%	31%
Dubai Insurance Company (PSC)	8.5	6.4	33%	(0.4)	(5.3)	93%	30%	20%
Dubai National Insurance & Reinsurance P.S.C.	5.5	5.1	8%	(2.3)	(2.6)	11%	27%	26%
Emirates Insurance Company P.S.C.	20.1	19.0	6%	(3.2)	(15.9)	80%	15%	14%
AXA Green Crescent Insurance Company PJSC	4.9	5.5	-12%	(0.6)	(0.8)	22%	90%	59%
Insurance House P.S.C	7.7	7.6	1%	(2.5)	(1.6)	-54%	24%	33%
National General Insurance Co. (P.S.C.)	17.5	13.9	26%	(5.0)	(0.2)	-1960%	22%	20%
Oman Insurance Company P.S.C. and Subsidiaries	85.6	74.3	15%	(3.0)	(11.7)	74%	26%	21%
Ras Al Khaimah National Insurance Company P.S.C.	12.6	8.5	48%	(6.8)	(4.5)	-50%	17%	16%
Sharjah Insurance Company P.S.C.	3.5	2.8	25%	3.2	4.2	-24%	50%	34%
Union Insurance Company P.S.C.	29.8	25.6	16%	1.1	3.6	-70%	32%	39%
United Insurance Company P.S.C.	5.8	6.9	-17%	1.0	1.4	-30%	47%	22%
Total Conventional Companies	385	357	8%	41	23	82%	23%	20%

Table 7b

Financial Statement Analysis of UAE National Takaful Companies

Expenses

Figures in AED million

Name of Company	General and Administrative Expense			Expense Ratio	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Takaful Company PSC	9.2	8.1	14%	25%	27%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	9.7	6.6	48%	40%	47%
Dar Al Takaful PJSC	7.8	6.5	20%	26%	24%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	14.6	13.4	9%	36%	36%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	37.1	34.6	7%	20%	23%
Methaq Takaful Insurance Company PSC	6.6	7.1	-7%	13%	15%
National Takaful Company (Watania) PJSC	7.4	8.2	-10%	37%	27%
Takaful Emarat - Insurance (PSC)	24.0	11.7	106%	27%	17%
Total Takaful Companies	116	96	21%	24%	24%
All Companies	501	453	11%	23%	21%

Table 7b shows figures for General and Administrative Expenses and Other Expenses (related to shareholders' fund) and Expense Ratio for Takaful companies. Takaful companies, on a consolidated basis, reported an increase of 21% in General and Administrative Expenses and Other Expenses as of 31 March 2016, compared to the same period in 2015. The Expense Ratio remained stable at 24%.

INVESTMENT AND OTHER INCOME

Table 8a presents figures for Investment and Other Income (Other Income not related to Underwriting activities including finance costs) and Investment and Other Income Ratio for all of the Conventional companies included in the study. Investment and Other Income Ratio is defined as the ratio of Investment and Other Income over the Net Premium earned for the period.

On a consolidated basis, Conventional companies' income increased by 46% from 31 March 2015 to 31 March 2016. Three (3) out of twenty-one (21) companies reported a decrease in their annual income on Investment and Others. Two (2) companies, Al Khazna Insurance Company (AKNIC) and Union Insurance Company (UNION), reported negative returns on Investment and Other Income.

The Investment and Other Income Ratio for Conventional companies is calculated to be 17.3% of their Net Premium earned as of 31 March 2016, compared to 11.4% for the same period in 2015. The individual results for Conventional companies vary broadly, from a negative ratio of 15% to a positive ratio of 111%.

Table 8a

Financial Statement Analysis of UAE National Conventional Companies

Investment and Other Income and Return on Assets

Figures in AED million

Name of Company	Investment and Other Income			Investment and Other Income Ratio	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Insurance Company PSC	22.6	25.9	-13%	8%	7%
Al Ain Ahlia Insurance Co. P.S.C.	10.7	9.4	14%	16%	10%
Al Buhaira National Insurance P.S.C.	10.4	7.6	38%	12%	11%
Al Dhafra Insurance Company P.S.C.	9.4	6.6	41%	17%	8%
Al Fujairah National Insurance Company P.S.C.	3.3	0.3	853%	10%	1%
Al Khazna Insurance Company P.S.C.	(5.5)	(1.5)	-278%	-15%	-8%
Al-Sagr National Insurance Company P.S.C. and its subsidiary	11.6	(0.2)	4913%	17%	0%
Al Wathba National Insurance Company PJSC	32.8	5.6	486%	111%	11%
ALLIANCE INSURANCE (PSC)	14.7	14.1	4%	48%	42%
Orient Insurance Company PJSC and its subsidiaries	79.0	64.2	23%	45%	43%
Dubai Insurance Company (PSC)	15.5	13.0	19%	55%	41%
Dubai National Insurance & Reinsurance P.S.C.	19.5	16.9	16%	94%	87%
Emirates Insurance Company P.S.C.	34.6	34.2	1%	26%	26%
AXA Green Crescent Insurance Company PJSC	1.0	(0.1)	1105%	18%	-1%
Insurance House P.S.C	3.5	2.7	31%	11%	12%
National General Insurance Co. (P.S.C.)	8.6	1.7	416%	11%	2%
Oman Insurance Company P.S.C. and Subsidiaries	19.7	18.0	9%	6%	5%
Ras Al Khaimah National Insurance Company P.S.C.	1.9	1.8	2%	3%	3%
Sharjah Insurance Company P.S.C.	1.7	0.2	1049%	24%	2%
Union Insurance Company P.S.C.	(6.4)	(25.6)	75%	-7%	-39%
United Insurance Company P.S.C.	3.0	5.4	-45%	24%	17%
Total Conventional Companies	291	200	46%	17.3%	11.4%

Table 8b

Financial Statement Analysis of UAE National Takaful Companies

Investment and Other Income and Return on Assets

Figures in AED million

Name of Company	Investment and Other Income			Investment and Other Income Ratio	
	Mar-16	Mar-15	% Change	Mar-16	Mar-15
Abu Dhabi National Takaful Company PSC	1.7	1.1	54%	5%	4%
Arabian Scandinavian Insurance Company (PLC) - Takaful (ASCANA)	14.8	4.6	224%	60%	32%
Dar Al Takaful PJSC	0.9	0.2	319%	3%	1%
Dubai Islamic Insurance & Reinsurance Co. (Aman) (PSC)	7.4	2.9	152%	18%	8%
Islamic Arab Insurance Co. (Salama) and its subsidiaries	16.2	12.0	34%	9%	8%
Methaq Takaful Insurance Company PSC	0.6	(0.7)	182%	1%	-2%
National Takaful Company (Watania) PJSC	4.4	1.6	184%	22%	5%
Takaful Emarat - Insurance (PSC)	15.4	(0.7)	2306%	17%	-1%
Total Takaful Companies	61	21	192%	12.9%	5.2%
All Companies	353	221	60%	16.3%	10.3%

Table 8b shows figures for Investment and Other Income (related to shareholders' fund) and Investment and Other Income Ratio for Takaful companies. Takaful companies, on a consolidated basis, reported an increase of 192% between 31 March 2015 and 31 March 2016. The Investment and Other Income Ratio in total for Takaful companies increased to 12.9% from 5.2%, as of 31 March 2015.

CONCLUSION

Taha Actuaries & Consultants reviewed the financial results as of the first quarter of 2016 for twenty-nine (29) Conventional and Takaful companies and compared the figures to the first quarter of 2015.

Total Gross Premium (GP) for the above mentioned 29 companies, as of 31 March 2016, was AED 6.25 billion, an increase of 10% as compared to GP as of 31 March 2015.

Total Net Profits declined by 20% from Total Net Profit of AED 411.57 million as of 31 March 2015 to AED 327.95 million as of 31 March 2016.

As of 31 March 2016, the 29 companies possessed a total of AED 45.71 billion in Assets against Liabilities of AED 30.32 billion. As compared to 31 December 2015, Assets increased by 8.8% while Liabilities increased by 14.3%.

We hope this report and analysis is of value to you and your companies. Please provide any feedback using the contact details below:

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