



RAK INSURANCE

**Board of Directors' Report
on the performance of the Company
for the period from 01st January 2014 to 30th June 2014**

The Company's net profits is AED 26,104,970 as at 30 June 2014 compared to AED 27,619,110 for the same period in 2013 representing a decrease of 5 %. This net profit for the period to June 2014 was adversely impacted by a share in the loss of an associate company of AED 4,013,812 Million. In the comparative period in 2013 our share in the associate profit was a gain of AED 1,543,983. This combined impact of the change in the associated results for the period was a reduction in profits of AED 5,557,795 in the period to 30 June 2014

The gross written premium decreased by 6% to AED 153,091,977 as compared to AED 162,695,946 for the same period last year.

The revenue from insurance operations increased by 6% to AED 157,954,143 as at 30 June 2014 compared to AED 149,663,474 at 30 June 2013.

The losses from investments amounted to AED 2,630,785 as at 30 June 2014 compared to profits of AED 2,875,727 at 30 June 2013. Other income amounted to AED 2,564,454 as at 30 June 2014 compared to AED 2,805,973 at 30 June 2013.

The company's assets increased from AED 487.6 million to AED 525.8 million and the Shareholders' Equity increased from AED 232.2 million to AED 243 million at 30 June 2014 as compared to the position at 31 December 2013

The total non-current assets were AED 88 million and the total current assets were AED 437.7 million at 30 June 2014 as compared to AED 70 million and AED 417.2 million respectively at 31 December 2013

The total current liabilities were AED 279.2 million and the non-current liabilities were AED 3.6 million at 30 June 2014 as compared to AED 261 million and AED 3.4 million respectively at 31 December 2013

The basic earnings per share at 30 June 2014 were AED 0.24 as compared to AED 0.28 for the same period last year on the capital base of AED 110 million.

Chairman