

Board of Directors Report on the Company Business

For the period ending on (31/03/2023)

The Board of Directors of Al Wathba National Insurance Company is pleased to submit its quarterly report for the year 2023 on the company's business and activities, accompanied by the financial statements for the period ending on (03/31/2023).

Global economic indicators have shown continued pressures on various sectors affected by the continuation of the Russian-Ukrainian war on the one hand, and on the other hand the expectation of a continued upward trend in rising interest rates by central banks to reduce global inflation levels.

However, the performance of the Gulf markets witnessed an improvement in all sectors, supported by the continued rise in oil prices, which prompted an increase in the expected levels of growth during the year in financial results, aided also by growth in non-oil sectors such as tourism, construction, and services.

AWNIC has also successfully adopted and implemented IFRS 17 for the preparation of its financial statements with effect from 1st January 2023. The new accounting standard is expected to improve the comparability of results across the industry and involves a significant change in the classification of insurance results in the financial statements. It is to be noted that extensive actuarial calculations and usage of granular data is also required under IFRS 17. The new reporting framework also enables much more financial transparency and accountability, providing our esteemed stakeholders with a comprehensive and accurate depiction of our insurance operations. We would like to extend our sincere appreciation to our dedicated teams and the consultants who worked diligently to ensure a smooth transition to IFRS 17.

This trend in the UAE economy had a positive impact on the company's investments, which achieved net investment income 44.5 million dirhams, and the company's net profits amounted to 44.6 million dirhams, but the performance of the insurance portfolio achieved net losses amounting to (807) thousand dirhams affected by the performance of the motor insurance business written during the year 2022, which was affected by the level of competition on the one hand and the high inflationary costs on the other hand.

Finally, the Board of Directors seizes this opportunity to express its highest thanks and appreciation to H.H Sheikh Mohammed Bin Zayed Al Nahyan President of UAE and Ruler of Abu Dhabi and H.H Sheikh Mohamed Bin Rashid Al Maktoum, the Vice President, Prime Minister and the ruler of Dubai and to all the rulers of the Emirates for their steadfast support for the progress of this country, all its economic institutions and Al Wathba National



شركة الوثبة الوطنية للتأمين
ALWATHBA NATIONAL INSURANCE CO

Insurance Company. The Board would also like to express its sincere appreciation and gratitude to all the company's shareholders and customers for their trust and continuous support, and to all the company's employees for their dedication and contribution to the company's performance during the last period.

Sheikh Saif bin Mohammed bin Butti Al Hamed
Chairman of Board of Directors