

Report of the Board of Directors

On the Company's Business for the Financial Year Ending on (31/12/2020)

The Board of Directors of Al Wathba National Insurance Co. is pleased to submit its annual report for the year 2020 on the company's business and activities, accompanied by audited financial statements for the financial year ending on (31/12/2020).

The year 2020 was exceptional by all means, as the Covid 19 pandemic and the resultant complete shutdown of economic and social activities in various parts of the world had a considerable negative impact on the levels of economic growth causing a state of instability. During the first half of the year, global and local economic and financial indicators have retreated; however, the measures and precautions taken by the governments helped mitigate these retreats. It is worth noting that the economic relief packages and subsequent directions issued by the government of the United Arab Emirates, being a forerunner in that regard, helped manage and control the crisis. During the second half of the year, there was improvement in the economic indicators, reflecting the announced results of companies for 2020.

Al Wathba National Insurance Co. has succeeded to a large extent in managing the crisis, especially during the period of complete shutdown. The company continued to communicate directly with its clients and was able to provide all services without interruption. It showed full readiness to face such circumstances through the optimal use of all types of advanced technology that has not only helped the company to maintain its client base but also to succeed in achieving a growth rate in such difficult circumstances. This success won the appreciation of the Insurance Authority which sent a thank-you letter to the company, and in the previous year it also selected Al Wathba National Insurance Co. as a pioneer in the field of technological development and use.

Al Wathba National Insurance Co. also took the lead in honoring the pandemic front-line workers by providing insurance services at nominal prices to them.

As for the financial results, the company achieved a growth rate of 23% in the total underwritten premiums, amounting to AED 307 million for 2020, compared to an amount of AED 250 million for 2019. Likewise, insurance profits rose to AED 38 million for 2020 compared to AED 33 million for 2019.

As for the net final results, the company achieved a net profit of AED 15.22 million for 2020, compared to an amount of AED 5.96 million for 2019 with a growth rate of 155%.

AL WATHBA NATIONAL INSURANCE CO. P.J.S.C.



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The company also maintained its Standard & Poor's BBB- credit rating, which reflects the company's financial strength and the confidence in its performance.

Quality and Sustainability Initiatives

AWNIC also became one of the first listed insurance companies in the region to publish its Sustainability report 2019, affirming our commitment to ADX ESG Disclosure Guidance issued in 2019, in alignment with UAE National Vision 2021 and Abu Dhabi Economic Vision 2030.

AWNIC also got triple certified with ISO 9001:2015 (QMS), ISO 14001 :2015 (EMS) and ISO 27001:2013 (ISMS). This endorses AWNIC's continued commitment to deliver quality service and products to our esteemed customers.

The Basis of Continuity

The Board of Directors reasonably expects that the company has sufficient resources and support to continue its anticipated operational existence in the future. For this reason, we, the Board of Directors, continue to adopt the principle of continuity in preparing the financial statements ending on December 31, 2020.

Related-Party Transactions

The financial statements reveal transactions and balances relevant to related parties, which were disclosed in Note no. 20. All transactions were executed as part of our normal course of business and in compliance with applicable laws and regulations.

In conclusion, the Board of Directors takes the chance to extend its highest thanks and gratitude to HH Sheikh Khalifa bin Zayed bin Sultan Al Nahyan, President of the United Arab Emirates and Ruler of Abu Dhabi, to HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister and Ruler of Dubai, and to the Crown Prince HH Sheikh Mohammed bin Zayed bin Sultan Al Nahyan and also to all Rulers of the Emirates for their care and support for the march of this country and all its economic institutions, including Al Wathba National Insurance Co.

The Board of Directors also wishes to express its sincere appreciation and gratitude to all the company's shareholders and clients for their continuous confidence and support, and to all the company's employees for their dedication and contribution to the company's performance during the past period.

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