

Board of Directors Report For the Financial Year Ended 31/12/2022

The Board of Directors of Al Wathba National Insurance Company is pleased to submit the annual report for the year 2022 on the company's business and activities, accompanied by the audited financial statements for the financial year ending on (31/12/2022).

The year 2022 has gone through many challenges, starting with the Russian-Ukrainian war, which led to turmoil in global markets, in addition to affecting energy supplies of gas and oil in a significant number of countries, all this contributed considerably to the rising inflation rates to high levels which prompted central banks to intervene by raising interest rates; these collective measures had an impact on the global financial markets, which were characterized by instability during the year.

There is no doubt that this global situation had cast a long economic shadow on the markets of the region, however the impact was limited to local financial markets, thanks to the wise financial and astute economic policies that were implemented.

In light of all these circumstances, Al Wathba National Insurance Company was able to achieve positive results amounting to 37.9 million dirhams, supported by positive net investment results amounting to 50.7 million dirhams, However, the company's general results were affected by the results of the insurance business, which achieved total losses amounting to 12.8 million dirhams for the year, mainly affected by the motor insurance business, which witnessed intense competition during the year accompanied by high costs, which was also adversely affected by the high level of commissions paid in addition to the continuous inflation in vehicle repair costs, which prompted the company's management to reconsider the company's underwriting policies in motor insurance.

The company achieved gross written premiums for the year 2022 amounting to 306 million dirhams, compared to 316 million dirhams for the year 2021.

Despite all these exceptional circumstances, the company was able to maintain its financial strength rating by the S&P Global ratings at the level of BBB-, which reflects the high financial solvency of the company.



It is also worth noting that the company, for the third year in a row, has disclosed its sustainability report for the year 2022, which reflects the company's commitment to supporting social and economic initiatives through its adoption of sustainable practices in

various aspects of its business and in line with the national vision of the United Arab Emirates, especially since the UAE hosts the 2023 COP28 Conference of the Parties to the UN Framework Convention on Climate Change.

The Basis of Continuity

The Board of Directors reasonably expects that the company has sufficient resources and support to continue its expected operational existence in the future, and for this reason, we, members of the Board of Directors, continue to adopt the principle of going concern in preparing the financial statements for the fiscal year ending on 31/12/2022.

Related Party Transactions

The financial statements show the transactions and balances related to the related parties that were disclosed as all transactions were carried out as part of our normal course of business and without preferential terms and in accordance with the governing laws and applicable regulations.

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 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

