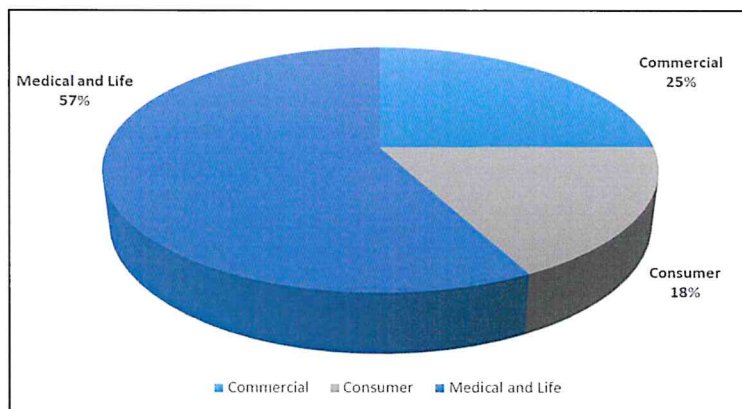


The Board of Directors' Report - Quarter ended March 31, 2023

From a business growth perspective first quarter of the year 2023 has been rewarding where Fidelity United generated over AED 183m of gross written premiums as compared to AED 139m written in same period of last year, representing a 31% increase YoY. This strong growth is contributed by the medical & life business and supported by both commercial and consumer businesses.

Gross Written Premiums (AED in thousands)	March 31		Increase/ (decrease)	
	2023	2022	Amount	%
Commercial	45,626	38,908	6,718	17%
Consumer	32,245	27,047	27,047	19%
Medical & Life	105,429	73,533	73,533	43%
Total	183,299	139,489	43,810	31%

The pie chart below depicts the gross written premium by business segments. Medical & Life represents the highest share at 57% followed by Commercial and Consumer with 25% and 18% respectively.



Q1 2023 was a tough and challenging period for the UAE insurance market, where Fidelity United similar to other players also experienced higher than expected losses. It is also worth pointing out that due to the implementation of new accounting standard (IFRS 9 Financial Instruments) Fidelity United was no longer allowed to present the gains on disposal of FVTOCI investments, which has made a significant impact on the net loss for the quarter.

Key financial numbers are shared below comparing current quarter to the first quarter of last year:

Key Financial Trends (AED in thousands)	March 31	
	2023	2022
Insurance Revenue	127,134	93,441
Insurance Service Expenses	(142,510)	(84,390)
Insurance Service Result	(15,376)	9,051
Net Expenses from Reinsurance contracts held	(3,760)	13,462
Insurance service result	(11,616)	(4,411)
Net Investment Income	7,547	7,616
Net insurance financial result	(1,747)	149
Other operating expenses	(175)	(203)
Profit/ (loss) for the period	(5,991)	3,151

UNITED FIDELITY INSURANCE COMPANY

In Conformity with the Federal Law No. 6/2007 Reg. No (8) dated 22/12/1984. Authorized paid-up Capital Dh. 160,000,000
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Future Outlook

Fidelity United continues to generate strong growth in top line after the first quarter of 2023 despite the challenging market conditions affected by tough competition in respect of pricing and commission. Managements' focus will be to closely monitor the net bottom line of the company in future. We remain confident that the market conditions will improve eventually helping to generate better results as we focus on lines with a better profitability.

Fidelity United will continue to work aggressively on key aspects related to customer services, marketing and branding activities, providing enhanced online portal access to our business partners, introducing new and improved products to cater to ever changing customer needs along with making steady progress towards the automation and digitalization journey. With the strong projected growth for the UAE economy in 2023 we are aiming to further strengthen our position amongst the listed Insurance Companies.

The Board of Directors would like to thank all our customers and business partners for their continued trust in United Fidelity Insurance Company strengthening our image as the reliable insurance partner. The Board of Directors would also like to thank our employees for their unwavering dedication and hard work.



Chairman of the Board



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