

THE BOARD OF DIRECTORS' REPORT

Year ended December 31, 2022

Fidelity United Performance

Keeping up the strong business performance, Fidelity United generated gross written premiums of AED 422 million for the year 2022 as compared to AED 384 million in the previous year, this represents a 10% increase. The increase in GWP was achieved despite the 32% reduction in the consumer business, which was intentional and in line with management's decision to safeguard bottom line of company.

We are extremely proud to share that earlier in the year Fidelity United was assigned a Financial Strength Rating of Baa3 with stable outlook by Moody's. Having an investment grade rating is a steppingstone on the remarkable journey of Fidelity United towards becoming a top tier company. The efforts made by the team to create a fundamental sustainable company is visible and now been acknowledged by external stakeholders as well. In addition, the company aggressively worked towards its automation and digitalization journey, where some of the key processes were transformed during the year to bring in efficiencies.

From a financial results perspective year 2022 was a very challenging year attributable to the tough competition in consumer line's pricing and commission, Fujairah floods and some large losses which impact the overall UAE insurance industry in the last quarter of the year. Despite all these conditions, Fidelity United was able to achieve a net profit of AED 683,217 during the year 2022.

Financial Highlights 2022

Particulars	December 31, 2022	December 31, 2021	Change
	AED '000	AED '000	%
Gross Premium Written	422,075	383,781	10%
Administrative & Other Operating Expenses	(44,560)	(45,318)	-2%
Net Underwriting Income / (Loss)	(22,709)	(5,749)	-295%
Net Investment & Other Income	23,392	13,787	70%
Net Profit / (Loss) for the Period	683	8,038	-91%

Business Mix	December 31, 2022	December 31, 2021	Change
	AED '000	AED '000	%
Commercial	125,119	95,270	31%
Consumer	79,971	118,100	-32%
Medical and Life	216,985	170,411	27%
Total	422,075	383,781	10%



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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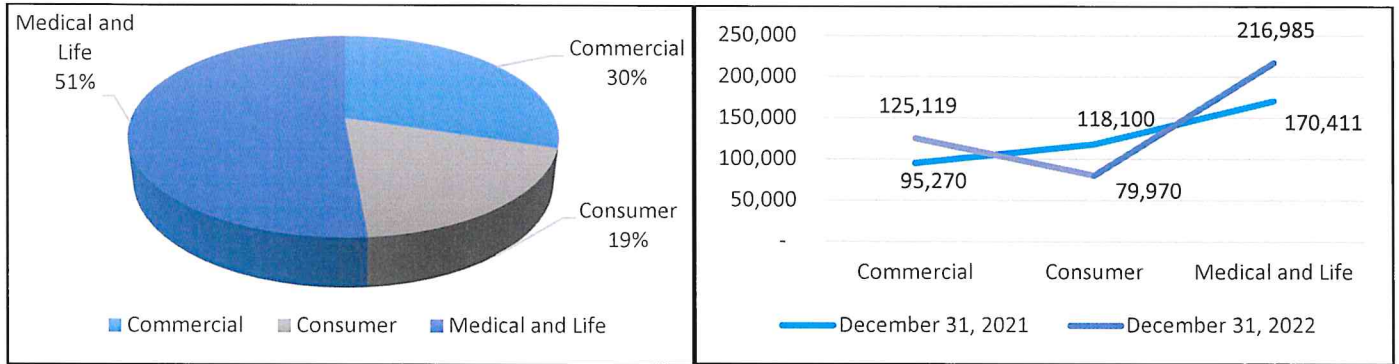
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The pie chart depicts the gross written premium by business segments, Medical and Life representing the highest share at 51% followed by Commercial and Consumer with 30% and 19% respectively.

The trend chart on the right side below, shows the yearly growth in gross written premium by business segments. Fidelity United is well placed to benefit from market opportunities and ready to play a more significant role in the UAE Insurance market.



Future Outlook

Similar to last year, 2023 is also presenting signs of challenging market conditions related to consumer lines affected by tough competition in respect of pricing and commission, however we remain confident that the market correction will happen eventually and expect the market to improve for better results. Fidelity United continues to focus on lines with a better profitability.

In addition to achieving quality financial results, the company will 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 projected growth in 2023 we are aiming to be among the top 15 listed Insurance Companies.



Chairman

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