

Ras Al Khaimah National Insurance Company P.S.C.

Directors' report for the three-month period ended 31 March 2023

The Board of Directors has pleasure in submitting their report and the condensed interim financial information as at 31 March 2023 and for the three-month period (the "Period") ended 31 March 2023 which have been reviewed by the external auditors.

Incorporation and registered office

Ras Al Khaimah National Insurance Company P.S.C. ("RAK Insurance" or the "Company") was incorporated under an Emiri Decree Number 20/76 issued by HH Ruler of Ras Al Khaimah. The address of the registered office is RAK Insurance Head Office, 6th Floor RAK Bank ROC Office, Al Riffa, Ras Al Khaimah, United Arab Emirates.

Financial position and results

These financial statements are the first set of public information prepared by the Company under IFRS 17. All prior period comparatives have been restated as a result of the transition to IFRS 17 resulting in a one-off charge of AED 4.5 million that has been recorded in the Statement of Changes in Equity.

RAK Insurance incurred a net loss of AED 4.3 million for the three-month period ended 31 March 2023 as compared to a restated net loss of AED 3.7 million for the three-month period ended 31 March 2022 (the "Previous Period"). On an underlying basis, the business has shown signs of improvement compared to previous quarters. This improvement is expected to continue in future periods.

During the three-month period ended 31 March 2023, RAK insurance recorded a 25% increase in Gross Written Premiums (GWP) compared to the Previous Period. GWP will continue to be a Key Performance Indicator (KPI) for the Company as it transitions to IFRS 17. However, Insurance Revenue under IFRS 17, decreased by 9.9% to AED 108 million compared to AED 120 million (restated) in the previous period. This adversity will reverse in future periods as the difference between IFRS 4 and IFRS 17 is due to the timing of revenue recognition.

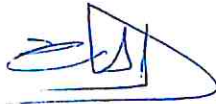
Net loss for the Period was AED 4.3 million compared to AED 3.7 million in the Prior Period due to a one-off provision for bad debts.

Whereas the Company's total assets increased from AED 562 million as at 31 December 2022 (restated) to AED 580 million as at 31 March 2023, the shareholders' equity decreased from AED 140 million as at 31 December 2022 (restated) to AED 137 million as at 31 March 2023 as a result of the loss in the Period.

Basic loss per share is AED 0.04 for the three-month ended 31 March 2023 as compared to a loss per share of AED 0.03 (restated) in the previous period on a capital base of AED 121 million.

On behalf of the Board of Directors of RAK Insurance, I would like to thank all who are working hard in the turnaround journey of the Company. Our sincere appreciation to the executive management and staff for their dedication, commitment, and constant hard work. The Directors would also like to acknowledge our reinsurance partners, customers and all the stakeholders of the Company.

Yours faithfully,



Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman
11 May 2023

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شركة مساهمة عامة تأسست سنة 1974 برأس مال مدفوع قدره 121,275,000 درهم إماراتي مسجلة لدى هيئة التأمين تحت رقم 84/7 بموجب القانون الاتحادي رقم 2007/6
Public Shareholding Company establishment in 1974 with a paid up capital of AED 121,275,000 Registered at the insurance Authority with registration no. 7/84 in conformity with the Federal Law No.6/2007
VAT Registration No. 100021693500003