

DUBAI INSURANCE
CARE & COMMITMENT SINCE 1970

Board of Directors' Report of 2020

Dear valued Shareholders, In The Name of Allah, The Most Beneficent, The Most Merciful.

The Board of Directors have pleasure in presenting the Fiftieth Report on the business of your Company during 2020.

Firstly, I would like to provide an outline of the most important figures and results in the General Balance Sheet:

1. Written Premiums amounted to AED 919 million against AED 970 million in 2019 with a reduction of 5%.
2. Paid and under-settlement compensation amounted AED 543 million against AED 255 million in 2019, with an increase of 113%.
3. The Company achieved technical profits of AED 49 million against AED 68 million in 2019 with a reduction of 28%.
4. The Company achieved net profits of AED 55 million against AED 76 million in 2019 with a reduction rate of 28%.
5. The assets of the Company amounted to AED 1,7 billion against AED 1.6 billion in 2019 with an increase of 6.5%
6. Shareholders' equity amounted AED 522 million against AED 541 million in 2019 with a reduction rate of 4%.

Dear Valued Shareholders:

As everyone knows, the global and domestic economic situation under COVID-19 pandemic and the associated economic, social and particularly health impacts have negative consequences on the vast majority of institutions and individuals.

The financial data indicates the impacts of this pandemic on your Company, thanks Allah that this pandemic didn't impact figures significantly.

We believe that we have passed the difficult phase and the beginning of 2021 will be better, by Allah willing, owing to the expected economic recovery and its reflection on your Company position within the domestic market.

We tried to provide even a small part of our duty towards the Staff in the Health Sector, the First line defense, through our contribution of one million dirhams for the Dubai Health Authority (DHA), and providing a 5% discount for all these heroes. By Allah willing, we will continue to provide support and assistance for them throughout 2021 too.

On the internal procedural side in your Company, we have pleasure to announce that the percentage of the National employees in the Company amounted to 17% of the Labor Force, and the working male-female ratio is 55% males and 45% females.

Action Plan for 2021:

Most economists expect an improvement of the economic climate in the region and UAE especially. Therefore, we target an increase in production of 17% and increase in profits of 20%.

Report of Management and Analysis

Statement of main figures	(in '000)	
	2020	2019
Total written premiums	919,457	970,502
Net paid premium	122,133	127,991
Net claims	(36,775)	(49,246)
Net of underwriting profits	48,781	68,199
Profits of investment	18,772	18,144
Other expenses	(12,547)	(10,703)
Net profit	55,006	75,640
Total income	20,306	102,846
Total assets	1,713,318	1,609,214
Shareholders' equity	521,968	541,074

1. Significant Events and Developments

- Continuous updating of the labor protection system and expectation to launch the Second system during the first quarter of the current year.
- Continuous addition of free zones to the labor protection system and providing specialized insurance products for these zones.

2. Projected Capital Expenditure:

- Our capital expenditure is mainly focused on developing information technology systems, digitization of documentation process and claim handling.
- It is expected to complete the residential tower that we are developing during the first half of the current year.

Dears:

The Board of Directors make the following recommendations, looking for your kind approval:

1. Listen to and approve the Board of Directors' Report on the Company's activity and its financial position for the fiscal year ended on 31/12/2020
2. Listen to and approve the Auditor's Report for the fiscal year ended on 31/12/2020
3. Approve transfer of AED 3,955,580 from the retained earnings of 2020 to Reinsurance Reserve as per Article 34 of Insurance Authority Board's decision No.23 of 2019.
4. Discuss and approve the Company's balance sheet and profit and loss account for the fiscal year ended on 31/12/2020
5. Consider the Board of Directors' proposals concerning the distribution of cash dividends of 35% of capital in equal to 35 fills per share & 35 million Dhs in total.
6. Approve a proposal concerning the remuneration of the members of the Board of Directors & determine the amount thereof.
7. Discharge the members of the Board of Directors for the fiscal year ended on 31/12/2020, or remove them and file a liability action against them, as the case may be.
8. Discharge the auditors for the fiscal year ended on 31/12/2020, or remove them and file a liability action against them, as the case may be.
9. Appoint the auditors for 2021 and determine their fees.
10. Approve the appointment of Mr. Abdul Kareem Istaitieh from Afaf Marjan Law Firm & Mr. Sameer Kanaan from Kanaan Law Firm to present any shareholder who desire to be presented and vote on behalf of him.

11. Elect the members of the Board of Directors.
12. Special resolution: to amend the following Articles from articles of association, subject to be approved by the concerned Authority:

Article 41 before amendments:

The shareholders shall be called to general assembly meetings by a notice published in two daily local newspapers, one of which at least shall be issued in Arabic and by registered letters accompanied by the Board's report and auditors' report which shall be sent at least fifteen days before the date of meeting and after obtaining the Authority's approval. The notice shall include the meeting agenda. A photocopy of the notice and relevant documents shall be sent to the Authority, Competent Body, and Insurance Authority.

Article 41 after amendments:

1. With the exception of the postponed General Assembly meeting due to lack of quorum, the General Assembly invitation should be sent to all Shareholders not less than 21 days before the meeting date by the method of invitation decided by their Authority but subject to informing the Shareholders by registered mail or by any new means of technology like text messages and emails. In addition the Company should send to the concerned Authority copy of the invitation including the invitation date.
2. The invitation for the meeting should include the Agenda, date, time and location of the first meeting and second meeting in case of lack of quorum of the first meeting. It should also include the details of those entitled to attend the General Assembly meeting and their right to deputize whoever is chosen - other than members of the Board of Directors – in writing as per the Authority Directives. It should also include the right of the Shareholder in discussing the Agenda items and address questions to the Board of Directors, the Auditors and the legal quorum required to certify all the General Assembly meetings and decision made and identify the entitlement of dividend distribution, if any
3. The General Assembly meetings can be held and Shareholders may discuss and vote on all decisions made through the latest technological devices remotely as per the Authority directives.

Article 42 before amendments:

b- The Authority, auditor, or one or more shareholders who own at least (20%) of the Company's capital may, for serious justifications, request the Board of Directors to hold the General Assembly. The Board of Directors shall, in this case, call the General Assembly within five days as of the date of this request.

Article 42 after amendments:

- b- The Authority or the Auditors or any Shareholder(s) owing at least 10% of the Company's capital may based on important matters request the Board of Directors to call for General Assembly and the Board of Directors must send the invitation for the meeting with five days from the date of application. The General Assembly must meet in no later than thirty days from the date of invitation.
- c- The request mentioned in article (b) above, should be submit to the company's head office containing the purpose of the meeting & the matters to be discussed. The requester should submit a certificate from Dubai Financial Market contains that his shares are blocked based on his request till the assembly meeting date.

Article 51 before amendments:

a- The General Assembly shall discuss only issues stated in the agenda
b- Except otherwise stipulated in Clause (A) of this Article and in compliance with relevant controls issued by the Authority, the General Assembly shall have the powers to:

1. Discuss serious issues which appear during a meeting; and
2. Add any additional clause to the agenda of the general assembly meeting as per relevant controls of the Authority and upon request by the Authority or shareholders who represent at least **(10%)** of the Company's capital. The chairman of a general assembly meeting shall add the additional clause before discussing the agenda or shall present such clause to the General Assembly to decide whether or not such clause shall be added.

Article 51/B/2 after amendments:

Shareholders have the right to submit a request to add a new item or items to the General Assembly agenda in the period before the meeting date & after publishing the Agenda, if this was requested by at least (5%) of the holders capital shares subject to the Authority directives.

Article 52 before amendments:

- A. The General Assembly shall, on the Board of Director's recommendation, appoint one or more auditors and specify their remuneration. The auditor shall be registered with the Authority and licensed.
- B. The auditor shall be appointed for one renewable year and shall audit the accounts of the financial year. The appointment of the auditor shall not exceed three successive years.
- C. The auditor shall proceed with performing his duties as of the end of the general assembly meeting to the end of the next annual general assembly meeting.

Article 52 after amendments:

1. The Company should have one or more Auditors nominated by the Board of Directors and approved by the General Assembly.
2. The General Assembly shall appoint the Auditors for a period of one year renewable and this authority must not be delegated to the Board of Directors. The Auditors appointment may be renewed for a period of maximum six years, however the responsible Partner of the Audit firm must be replaced every three financial years. It is permissible to reappoint the same Auditors after two years from the date of expiry of its first appointment
3. The General Assembly determine the Auditor's remuneration, no authorization to Board of Directors in this matter is allowed. This remuneration should be mentioned in the Company's financials .

Finally, the Board of Directors would like to submit its thanks and appreciation to all clients, staff and management of the Company for all their efforts throughout the last year, and also extend their thanks and appreciation to the Auditor's continues cooperation.

Greetings,

Buti Obaid Al Mulla

Chairman of the Board