

## **AL KHAZNA INSURANCE COMPANY P.S.C.**

### **Report of the Board of Directors for the year ended 31 December 2019**

On behalf of the Board of Directors of Al Khazna Insurance Company PSC, We present the Board of Directors Report and Audited Consolidated Financial Statements for the year ended 31 December 2019

Presented below are the technical and financial results of the Group:

#### **1. Profit/Loss for the year:**

The Group's has recorded a loss of AED 13.9 million for the year 2019 compared to a loss of AED 13.9 million in 2018.

#### **2. Insurance activities:**

The Group had a reduction in its underwriting business for the Year 2019 by 99.19% as compared to the year 2018. The gross written premium decreased from AED 52.74 million in 2018 to AED 429,475 in 2019, mostly due to the fact that AKIC was banned from issuing insurance policies to all its class of business by the Insurance Authority till late 2019 .

The gross claims paid have decreased from AED 72.5 million in 2018 to AED 27 million in 2019.

The group registered a net underwriting loss of AED 24.88 million in 2019 compared to AED 11.80 million in 2018.

#### **3. Investment activities:**

From investment activities, The Company was able to register a positive income of AED 22.58 million for 2019 compared to AED 8.65 million in 2018.

**Report of the Board of Directors for the year ended 31 December 2019 (continued..)**

**4. Expenses from operations:**

Operating expenses allocated to underwriting decreased from AED 39.86 million in 2018 to AED 36.85 million in 2019. This is mainly due to drop in VAT penalties and salary.

**5. Going forward:**

The Group will continue the corrective measures adopted in previous year in order to maintain a steady growth way forward.

Further, the Company is going to adopt major reforms through Capital restructuring to address the accumulated losses which will involve reduction of Capital from 420 million to 150 million in compliance with articles 201-202-203 of the UAE's commercial companies' law of 2015. In addition to that, strict measures will be adopted to streamline the investment and operational areas.

Finally, the Board of Directors would like to extend its sincere thanks and gratitude to H.H. Sheikh Khalifa Bin Zayed Al Nahyan, the President of the United Arab Emirates and Ruler of the Emirate of Abu Dhabi H.H Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of UAE and Ruler of Dubai, H.H. Sheikh Mohammed Bin Zayed Al Nahyan, the Crown Prince of Abu Dhabi and the Rulers of all the other Emirates for their wise leadership and support. We would like to also thank the Securities and Commodities Authority, the Abu Dhabi Stock Market and the Insurance Authority for their continuous support.

The Board would like also to express its high appreciation to the Company's shareholders, corporate and individual customers, reinsurers, brokers and the Company's external auditors for their constant trust and continuous support in addition to the Company's management team and staff for their sincere efforts and dedication.



**Khalifa Mohammed Rubaya Al Muhairi**  
**Chairman**

**23 March 2020**