



discussion report and analysis of the board of directors for Al Wathba National Insurance Company (PJSC)

Date	8 th Aug,2022
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	Q2, 2022 Financials
Overview of the main results during the financial period	GWP: AED 150.22 M Net Underwriting Income: AED 8.13M Net Investment Income: AED 22.45 M Net Profit: 30.58 M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	We are making steady progress in IFRS 17 implementation in the company and expecting to complete the same by end of third quarter of 2022.
Summary of operational performance during the financial period	During this period, we have achieved total premiums of 150.22 million and insurance profit of 8.13 million dirhams. The company has also registered net Investment profit of 22.45 million.
Summary of profit and loss during the financial period	Net profit for the period is AED 30.58 million dirhams compared to net profit of AED 105.88 million dirhams for the previous period.
Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 143.38M Total Technical Reserve: AED 324.40M Total Share Holders Equity: AED 961.11M
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED (27.28) M Net Cash Generated in Investing Activities: AED 94.79 M Net Cash Generated in Financing Activities: AED (60.35) M
Main performance indicators	GWP Growth: (17)% Net Loss Ratio: 56.93%



	Net Expense Ratio: 34.71% Combined Ratio: 91.64%
Expectations for the sector and the company's role in these expectations	The average premiums for the motor insurance segment continues to be under pressure in the market. The escalation in vehicle repairs cost and increase in average commissions to intermediaries has further deteriorated the profitability of the segment. AWNIC was successful in diversifying its portfolio adding more business in commercial lines to mitigate the reduction in motor premiums.
Expectations regarding the economy and its impact on the company and the sector	The increase in oil prices coupled with investment friendly regulatory changes in UAE is expected to act as a catalyst for further growth in the sector. Inflation continued to pick up during the 2nd quarter of 2022 and is expected to have an impact on the cost of operations.
Future plans for growth and changes in operations in future periods	AWNIC will continue to invest in digitization and automation to further its growth aspirations. The commercial lines portfolio continues to grow with the introduction of new product lines.
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period was AED 692 K.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	Inflationary pressures and reduction in margins were discussed by the Board and management was assigned with devising strategies to continue the growth path navigating through the current market conditions.

Bassam Chilmeran
Chief Executive Officer

08/08/2022

