

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

Date	13 th May, 2024
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	Q1, 2024 Financials
Overview of the main results during the financial period	Insurance service result: AED (8.16) M Net Investment Income: AED (15.96)M Net insurance finance income /(expenses): AED (2.18) M (Loss) / profit for the period: AED (28.97) M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	AWNIC successfully dealt with weather-related incidents in the first quarter of the year. The total claims from these events were substantial, but a well-planned reinsurance structure significantly reduced their net financial impact. This careful reinsurance setup allowed AWNIC to minimize the cost to a small fraction of the total claims.
Summary of operational performance during the financial period	During this period (Q1 2024), we have achieved Insurance service results. of AED (8.16) million (IFRS-17 Basis) and recorded a net investment income of AED (15.95) during the period.

Summary of profit and loss during the financial period	AED Million	Q1-2024	Q1-2023	Var
	Net Insurance service result	(8,161)	525	(8,686)
	Net Investment Income	(15,958)	48,089	(64,047)
	Net Insurance finance income and expense	(2,188)	(2,401)	213
	Total Income	(26,307)	46,213	(72,520)
	Other Operating income /expenses net	(2,666)	(2,926)	260
	Profit for the period	(28,973)	43,287	(72,260)
Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 90.62 M Total Assets: AED 1.76 billion Total Share Holders Equity: AED 1.20 billion			
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED (12.18) M Net Cash Generated in Investing Activities: AED 28.70 M Net Cash Generated in Financing Activities: AED 13.94 M			
Main performance indicators	Insurance service ratio (10.88%)			
Expectations for the sector and the company's role in these expectations	Insurance sector is expected to grow on account of recent increase in motor premiums and anticipated hardening of the Reinsurance market on account of the recent weather events. AWNIC is poised for steady growth, driven by an expanding economy, population growth, and expected increase in insurance penetration. AWNIC will focus on diversifying the portfolio and targeting new customer segments to capture this growth.			
Expectations regarding the economy and its impact on the company and the sector	S&P Global Ratings, a leading credit rating agency, projects that the UAE's real GDP will increase by 5.3% in 2024, compared to 3.4% in 2023. In response to evolving customer needs, AWNIC is focusing on offering customized products and seamless digital experiences. The company is adopting cloud technology to improve operational efficiency, reduce costs, and enhance customer satisfaction. AWNIC also collaborates with insure tech, fintech companies, and reinsurers to expand its reach and capabilities.			

Future for growth and changes in operations in future periods	AWNIC outlook for the UAE insurance sector in the second quarter of 2024 remains largely optimistic. This positive view is based on a stable economy, expanding trade and services. AWNIC is making steady progress with its digital investments, embracing cloud-based solutions to keep pace with the latest technological and digital advancements while also supporting corporate and business growth.
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period were AED 188 Thousand.
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	The objective of AWNIC is to boost market presence and increase market share by concentrating in insurance segment.



Muralikrishnan R
Chief Financial Officer

