



شركة الوثبة الوطنية للتأمين
ALWATHBA NATIONAL INSURANCE CO

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

Date	13 th Aug, 2024
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	Q2, 2024 Financials
Overview of the main results during the financial period	Insurance service result: AED 1.08 M Net Investment Income: AED (55.72) M Net insurance finance income /(expenses): AED (10.29) M (Loss) / profit for the period: AED (64.93) M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	AWNIC is expanding its presence in the health insurance segment. Pursuant to the weather related events in UAE, we have seen a notable increase in the rates and deductibles of property and casualty segment. AWNIC's prudent risk management measures allowed it to minimize the adverse impact of the flood on the financials.
Summary of operational performance during the financial period	During this period (Q2 2024), we have achieved Insurance service results. of AED 1.08 million (IFRS-17 Basis) and recorded a net investment loss of AED (55.72) during the period.



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Summary of profit and loss during the financial period	AED Million	Q2-2024	Q2-2023	Var
	Net Insurance service result	(7,072)	(6,986)	(86)
	Net Investment Income	(71,679)	33,512	(105,191)
	Net Insurance finance income and expens	(2,860)	(602)	(2,258)
	Total Income	(81,611)	25,924	(107,535)
	Other Operating income /expenses net	(11,476)	(7,905)	(3,571)
	Profit for the period	(93,087)	18,019	(111,106)
Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 92.79 M Total Assets: AED 1.74 billion Total Share Holders Equity: AED 1.06 billion			
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED (22.75) M Net Cash Generated in Investing Activities: AED (14.22) M Net Cash Generated in Financing Activities: AED 11.07 M			
Main performance indicators	Insurance service ratio (4.4%)			
Expectations for the sector and the company's role in these expectations	The current market trend is driven by a notable rise in competitiveness within the motor and non-motor lines. Due to the recent weather-related events, the market is expected to harden with shrinking reinsurance capacities. With increase in the average premiums, value added services and post claims experience remains key to retain the existing customers and also attract new to brand customers. AWNIC intends to capitalize on the current market conditions by diversifying its portfolio and expanding into new business segments. We are also enhancing our digital customer experience to further improve the TAT's and also provide self service features for our valued customers			
Expectations regarding the economy and its impact on the company and the sector	The World Bank forecasts a GDP growth of 3.9 percent for the UAE in 2024, with the expectation that it will rise further to 4.1 percent in 2025. Similarly, the International Monetary Fund (IMF) expects the national economy to grow by 4 percent in 2024, driven by strong activity in the tourism, construction, manufacturing, and financial services sectors.			



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	The insurance industry in the UAE is expected to grow by 6% in 2024 fueled by the rise in insurance premiums and also an increased penetration of medical insurance.
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 341 Thousands.
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

