

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

Date	13/11/2024				
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)				
The period of the financial statements covered by the report	Q3, 2024 Financials				
Overview of the main results during the financial period	Insurance service result: AED 205 k Net Investment Income: AED 19.23 M Net insurance finance income /(expenses): AED (5.07) M (Loss) / profit for the period: AED 14.36 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 (Q3 2024), we have achieved Insurance service results of AED 205K (IFRS-17 Basis) and recorded a net investment profit of AED 19.23 million during the period, which points to an optimistic forecast of the company’s performance during the year 2024 and a positive outlook to the upcoming year 2025.				
Summary of profit and loss during the financial period	AED '000		Q3-2024	Q3-2023	Var
	Net Insurance service result		205	(4,101)	4,306
	Net Investment Income		19,232	163,438	(144,206)
	Net Insurance finance income and expens		(1,142)	(2,161)	1,019
	Total Income		18,295	161,277	(142,982)
	Other Operating income /expenses net		(3,932)	(15,095)	11,163
	Profit for the period		14,363	146,182	(131,819)

AL WATHBA NATIONAL INSURANCE COMPANY P.J.S.C

Paid-up Capital: AED 207,000,000.00
 UAE Central Bank Reg No: 10
 Trade License No: CN-1001776

قيمة رأس المال المدفوع: 207,000,000 درهم
 رقم القيد لدى المصرف المركزي: 10
 ترخيص التجارة: CN-1001776

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Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 79.81 M Total Assets: AED 1.79 billion Total Share Holders Equity: AED 1.09 billion
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED (9.34) M Net Cash Generated in Investing Activities: AED (35.65) M Net Cash Generated in Financing Activities: AED 4.10 M
Main performance indicators	Insurance service ratio (2.67%)
Expectations for the sector and the company's role in these expectations	The UAE's insurance market is expected to grow steadily, driven by continued economic diversification, increased regulatory measures, and rising consumer demand for comprehensive coverage. Growth is likely across multiple segments, including life, health, and property insurance, with health insurance experiencing expansion due to government regulations, along with digital transformation that is also expected to play a critical role, with insurers increasingly leveraging data analytics and artificial intelligence to tailor products, streamline processes, and improve customer engagement. AWNIC intends to focus on several key areas such as prioritizing the integration of technology into its operations to enhance customer experience and provide flexible, efficient support to internal stakeholders. Along with strict compliance to regulatory standards to build consumer trust and align with government goals for a stable and secure insurance ecosystem.
Expectations regarding the economy and its impact on the company and the sector	The UAE GDP is projected to grow at 3.3 % in 2024, with the expectation that it will rise further to 4.1 % in 2025, driven by strong activity in the tourism, construction, manufacturing, and financial services sectors. It is estimated that the compound annual growth rate of the insurance industry in UAE will be 4.1 % between 2021 and 2026. Lead by the rise in insurance premiums and an increased penetration of medical insurance.
Future for growth and changes in operations in future periods	AWNIC outlook for the UAE insurance sector for 2025 remains largely optimistic on account of the recent pricing corrections in the market post the adverse weather events and due to health insurance getting compulsory for Sharjah and Northern Emirates in FY 2025. AWNIC has already shown prowess in providing digital solutions to its customers and continues to embrace automation in its back-office processes.

The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period were AED 665 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	The objective of Awnic is to boost market presence and increase market share by concentrating in insurance segment.



Muralikrishnan R
Chief Financial Officer

