

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

Date	26/03/2025
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	2024 Annual Financials
Overview of the main results during the financial period	Insurance service result: AED (24) M Net Investment Income: AED 96 M Net insurance finance income /(expenses): AED (4) M (Loss) / profit for the period: AED 37 M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	AWNIC is strategically enhancing its footprint in the health insurance sector. In light of the weather-related events in the UAE in February'24 and April'24, we have observed a rise in premiums and deductibles within the property and casualty segment. AWNIC's diligent risk management practices have enabled mitigation of the adverse financial impact caused by the floods, supported by robust reinsurance agreements that effectively contained the repercussions. By maintaining an elevated standard of customer service, we successfully navigated the situation, delivering prompt and dependable responses to our clients throughout the crisis.
Summary of operational performance during the financial period	In 2024, we achieved an insurance revenue of AED 376 million (2023: AED 285 million) and recorded an insurance service result of AED (24.11) million (2023: AED (33.14) million). We reported a net profit of AED 36.79 million (2023: AED 177.08 million), reflecting an optimistic forecast for the company's performance in 2024 and a positive outlook for 2025.

Summary of profit and loss during the financial period	AED '000	2024	2023	Var
	Net Insurance service result	(24,112)	(33,144)	9,032
	Net Investment Income	96,043	229,069	(133,026)
	Net Insurance finance income and expenses	(4,027)	848	(4,875)
	Total Income	67,904	196,773	(128,869)
	Other Operating income /expenses Including tax	(31,125)	(19,684)	(11,441)
	Profit for the period	36,779	177,089	(140,310)
Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 82.06 M Total Assets: AED 1.92 billion Total Share Holders Equity: AED 1.1 9 billion			
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED 37.80 M Net Cash Generated in Investing Activities: AED (.76) M Net Cash Generated in Financing Activities: AED (42.74) M			
Main performance indicators	Insurance service ratio (6.38%)			
Expectations for the sector and the company's role in these expectations	The UAE insurance sector is expected to experience steady growth, driven by increasing regulatory reforms, economic diversification, and a growing awareness of the importance of insurance among individuals and businesses. Market expectations include enhanced digital transformation, greater adoption of innovative technologies such as artificial intelligence and blockchain, and a stronger focus on customer-centric products and services. Additionally, there is a rising demand for tailored insurance solutions, particularly in health, motor, and property insurance, as well as an increased emphasis on sustainability and Environmental, Social, and Governance (ESG) principles. AWNIC is expected to play a pivotal role in meeting these expectations by leveraging technology to improve operational efficiency, offering personalized and flexible products, and ensuring compliance with evolving regulatory standards.			
Expectations regarding the economy and its impact on the company and the sector	The UAE's economy is projected to maintain robust growth through 2025 and 2026, driven by ongoing economic diversification, technological innovation, and strategic initiatives such as Vision 2030 and the UAE Centennial 2071 Plan. Key sectors like tourism, real estate, healthcare, and renewable energy are expected to expand significantly, creating new opportunities for the insurance industry.			

	As a result, AWNIC will play a critical role in supporting economic resilience by providing tailored risk management solutions, fostering financial stability, and contributing to the UAE's long-term vision of sustainable development.
Future for growth and changes in operations in future periods	AWNIC's outlook for growth and operational expansion in 2025 is highly favorable, underpinned by the nation's economic diversification, technological innovation, and progressive regulatory environment. The sector is expected to witness significant growth driven by the expansion of compulsory health insurance in regions such as Sharjah and the Northern Emirates, alongside increasing demand for specialized products in areas like cyber insurance, climate risk coverage, and tailored health solutions. By leveraging digital transformation, fostering customer-centric approaches, and maintaining robust risk management frameworks, AWNIC is poised to achieve sustainable growth, strengthen our market position, and contribute to the nation's economic resilience and long-term prosperity.
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period were AED 765 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 local insurance market witnessed positive correction in the rates, deductibles and policy conditions post the flooding events amidst a hardening reinsurance market. Al Wathba Insurance also achieved AED 530 Million in terms of gross written premiums for the year with a 95 % growth over 2023. This was mainly achieved by diversifying the portfolio, concentrating on niche segments and also our expansion in the health insurance segment. The prices on the motor segment and property and casualty segment exhibited at least 30-40% improvement as compared to the pre-flood period. The company has been successfully executing its 5-year strategic plan approved by the Board underpinning its ambitions in growing in its core insurance segment



Muralikrishnan R
Chief Financial Officer

