

Board of Directors Report

For the Financial Year Ended 31/12/2024

The Board of Directors of Al Wathba National Insurance Company is pleased to present the Annual Report for the fiscal year 2024, encompassing an overview of the company's business operations and activities. This report is accompanied by the audited financial statements for the financial year ended on December 31, 2024, providing stakeholders with comprehensive insights into our performance, achievements, and strategic initiatives undertaken during the reporting period.

During 2024, the global economy experienced fluctuations driven by sustained high interest rates, contributing to volatility across global and regional financial markets. These conditions introduced uncertainty across various sectors, impacting investment and business sentiment worldwide.

In contrast to the global trends, the local economy of the United Arab Emirates demonstrated resilience and a notable resurgence in growth rates. This positive trajectory was underpinned by strategic initiatives and policies, fostering stability and confidence within the UAE financial markets.

Despite the challenging market environment, Al Wathba National Insurance Company (AWNIC) achieved a significant milestone in expanding its insurance portfolio. The Gross Written Premium (GWP) surged to AED 530 million in 2024, reflecting a 95% growth over AED 272 million in FY 2023. This remarkable achievement marks the highest GWP since the company's inception, underscoring the successful execution of AWNIC's five-year strategic growth plan approved by the Board.

For the fiscal year 2024, Al Wathba National Insurance Company (AWNIC) recorded an insurance revenue of AED 376 million dirhams. However, the company reported a net insurance service result of AED (24) million dirhams, indicating a loss in this segment. This was mainly attributed to the losses inflicted due to the natural catastrophe events that struck UAE in February and April 2024. While prudent reinsurance arrangements covered a significant portion of these losses, these events remained the main contributors to the negative insurance result.

Despite these challenges, AWNIC demonstrated resilience and adaptability, delivering a commendable overall financial performance. The company achieved a net profit before tax of AED 39 million, reflecting its ability to leverage diversified revenue streams and maintain financial stability amidst evolving market conditions.

The local insurance market witnessed positive correction in the rates, deductibles and policy conditions post the flooding events amidst a hardening reinsurance market. The prices on the motor segment and property and casualty segment exhibited at least 30-40% improvement as compared to the pre-flood period. These corrections are anticipated to positively impact AWNIC's insurance business, paving the way for enhanced profitability in the forthcoming period.

Sustainability Overview

Our company is committed to reducing its environmental footprint and effectively managing environmental risks. We integrate environmental considerations into every aspect of our operations and decision-making processes.



Environmental stewardship:

Al Wathba national insurance is cognizant of the profound threat posed by climate change and, as such, is committed to minimizing its environmental footprint to the greatest extent possible. Our strategic focus emphasizes the prudent utilization of energy and water resources, the implementation of waste recycling programs, the promotion of environmentally friendly products, and the advancement of ecological sustainability across our entire value chain. In alignment with the outcomes of COP28, we remain steadfast in our dedication to enhancing our climate action initiatives, striving to achieve even more ambitious targets in environmental stewardship.

Carbon footprint reduction strategy

Acknowledging the inherent risks associated with insurance business operations and their potential implications for society and the environment, we are steadfast in our commitment to integrating ESG (Environmental, Social, and Governance) factors into our strategic framework. By embedding sustainable insurance principles into our core activities, we strive to achieve our long-term strategic objectives. This entails evolving into a sustainable insurer characterized by profitable growth, while concurrently fostering a positive impact on society and the environment.

Sustainable Insurance

As a responsible organization, we are actively integrating sustainable and green products into our insurance portfolio, a key strategy in our mission to achieve net zero emissions by 2050. We are committed to incorporating ESG principles across both our corporate and personal insurance offerings, ensuring that every stage of the insurance value chain—from product development and design to underwriting—accounts for these factors. Our sustainable product initiatives are organized into three categories: a) Motor insurance for EV cars b) Technical insurance for green & sustainable properties. c) Insurance for Sustainable customers.

The green insurance premium has witnessed substantial growth, increasing from AED 3.06 million in 2023 to AED 8 million in 2024—marking a remarkable 161% year-on-year growth. This significant rise underscores our commitment to expanding sustainable insurance solutions and accelerating the adoption of green and hybrid vehicle coverage.

Additionally, the proportion of green premiums for EV and hybrid vehicles to total premium surged from 0.4% in 2023 to 2.2% in 2024, reflecting our ongoing efforts to integrate sustainability into our core business operations.

Social Indicators

At Awnic, we recognize the social and economic benefits of fostering a diverse and inclusive workforce. Our commitment to increasing the representation of women and UAE nationals remains a key focus. Between December 31, 2023, and December 31, 2024, we achieved notable growth in the number of women in leadership and supervisory roles, reflecting our ongoing dedication to gender diversity in leadership.

Gender diversity remains an important aspect of our workforce composition, with women representing 31% of the total workforce.

Employee satisfaction remains a priority, and our latest Employee Satisfaction Survey (ESAT) for FY 2024 indicates that 77.62% of employees reported being either extremely or very satisfied with their experience at Awnic. These results reflect our continuous efforts to create a supportive and engaging workplace where employees can thrive.

Our commitment to diversity, inclusion, and employee well-being continues to drive our human capital strategy, ensuring that Awnic remains a desirable and progressive employer in the industry.

The Board of Directors also would like to extend its highest thanks and gratitude to His Highness Sheikh Mohamed bin Zayed Al Nahyan- President of the United Arab Emirates and Ruler of Abu Dhabi - and His Highness Sheikh Mohammed bin Rashid Al Maktoum - Vice President & Prime Minister of the United Arab Emirates , Ruler of Dubai and to the Crown Prince of Abu Dhabi, His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, and to all the rulers of the Emirates for their patronage and support for the prosperity of this country and all its economic institutions, including the Al Wathba National Insurance Company.





Lastly, we express our profound appreciation to all the employees of Al Wathba National Insurance Company. Your dedication, hard work, and unwavering commitment have been the cornerstone of our success. It is through your collective efforts and contributions that we have achieved significant milestones and overcome challenges. As we look towards the future, we remain confident in our collective ability to navigate complexities and seize opportunities, guided by our shared vision and values.

On behalf of the Board of Directors, we extend our best wishes for continued success and prosperity to all stakeholders, and we reaffirm our commitment to upholding the highest standards of integrity, transparency, and excellence in all our endeavours.

Sheikh Saif Bin Mohammed Bin Butti Al Hamed
Chairman

