

Integrated REPORT

2023



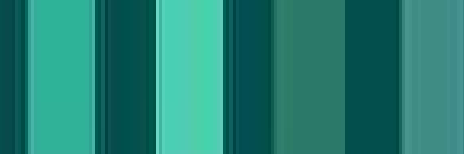


TABLE OF CONTENTS



<u>ABOUT THIS REPORT</u>	<u>03</u>	<u>HUMAN CAPITAL</u>	<u>39</u>
<u>AWNIC AT A GLANCE</u>	<u>07</u>	<u>INTELLECTUAL CAPITAL</u>	<u>48</u>
<u>OUR VALUE CREATION MODEL</u>	<u>11</u>	<u>CORPORATE GOVERNANCE</u>	<u>55</u>
<u>OUR OPERATING ENVIRONMENT</u>	<u>17</u>	<u>ENTERPRISE RISK MANAGEMENT</u>	<u>66</u>
<u>FINANCIAL CAPITAL</u>	<u>21</u>	<u>GRI & ADX ESG INDEX</u>	<u>73</u>
<u>SOCIAL & RELATIONSHIP CAPITAL</u>	<u>25</u>		
<u>NATURAL CAPITAL</u>	<u>33</u>		

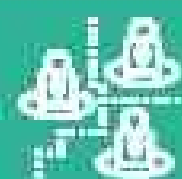




01 ABOUT THIS REPORT

ABOUT THIS REPORT

We are delighted to present Awnic's third Integrated Report for the year 2023, demonstrating our ongoing commitment to sustainable development and progress. This report showcases our dedication to sustainability across all facets of our operations in the insurance sector, both nationally and globally. As advocates for responsible business practices, we align with industry standards and support initiatives such as ADX's sustainability drive and the Abu Dhabi Economic Vision for 2030. With transparency, integrity, and competency at the core of our approach, we aim to highlight our achievements and contributions to sustainable operations in the insurance industry through this report.



BOUNDARY - ALL UAE OPERATIONS

ALIGNED FRAMEWORKS -



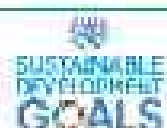
ADX ESG DISCLOSURE GUIDANCE - 31 INDICATORS



GLOBAL REPORTING INITIATIVE (GRI)



INTEGRATED REPORTING FRAMEWORK (IR)



SUSTAINABLE DEVELOPMENT GOALS (UNSDGS)



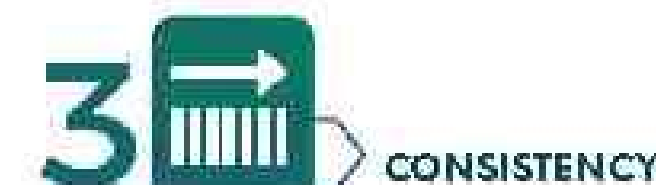
ADOPTED PRINCIPLES



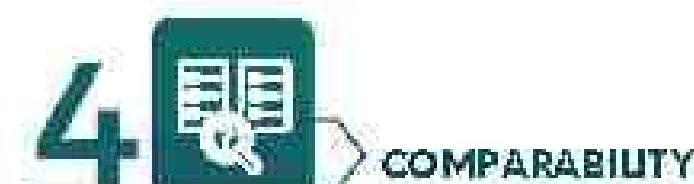
RELIABILITY



COMPLETION



CONSISTENCY



COMPARABILITY

We strive to showcase our dedication to sustainability, business, and investments by smoothly incorporating them throughout our company, as evidenced by our quantitative targets, key performance indicators, and performance data. It's important to recognize that these measures are subject to evolution as our company expands and adjusts to the ever-changing market dynamics. Our goal is to delicately balance the interests of all stakeholders while achieving benchmark results on a broader scale and promoting resilience in an ever-evolving world.

BOARD OVERSIGHT

As a National Insurance Company, Awnic's Board of Directors firmly believes that insurance plays a vital role in delivering social responsibility, and providing security and peace of mind to individuals and businesses alike. They are dedicated to prioritizing environmental consciousness, promoting social welfare, and upholding the highest standards of governance (ESG). They diligently oversee and take responsibility for transparently disclosing pertinent data to enhance Awnic's sustainability practices for both internal decision-making and for the benefit of our external stakeholders.



**MOST TRUSTED INSURANCE
PROVIDER**



**SUSTAINABILITY PIONEER IN THE
INSURANCE INDUSTRY IN THE UAE**

VALUES



ASSURANCE

Comprehensive review and validation conducted by pertinent internal departments and the company's internal audit department. Financial data derived from financial statements audited independently by a globally recognized audit firm.

DISCLAIMER

AWNIC has made every effort to ensure the accuracy and reliability of the information presented in this report. However, certain statements may be forward-looking. These are based on certain assumptions using currently available information which is subject to a continuously changing environment and emerging new risks. Awnic assumes no obligation to publicly update any information made in this report.

FEEDBACK

We welcome your valuable feedback and suggestions at sustainability@awnic.com



CHAIRMAN'S STATEMENT



"At Awnic, sustainability is not merely a pursuit but an integral part of our commitment to the future. Aligned with the UAE's vision, we incorporate innovation and environmental stewardship into our operations, ensuring that every step we take today contributes to a sustainable and prosperous future."

Esteemed Stakeholders,

I am pleased to address you once again as we reflect on this year's journey. Amidst unprecedented challenges, our company has demonstrated remarkable resilience, emerging stronger and more determined.

Our Integrated Report for 2023 encapsulates key aspects of our organization's endeavors across the Environment, Social, Governance, and Economic (ESG & E) spectrums while outlining our ambitious plans for the current year and beyond.

In an era with challenges such as climate change and natural calamities, insurers wield significant influence in ensuring the resilience of the future through comprehensive insurance solutions. Awnic remains committed to this cause. As the UAE hosted COP28 in 2023, a critical juncture in global climate action, we are persevering to contribute meaningfully by pioneering innovative insurance products tailored to combat the urgent climate crisis.

Our sustainability initiatives for the year 2023 encompass a robust Emiratisation strategy, boasting a remarkable rate of 14%. We proudly champion local UAE suppliers, who account for an impressive 53% of our total suppliers. Our efforts extend to insuring 755 eco-friendly vehicles and actively participating in community-centric endeavors. These initiatives emphasize our unwavering commitment to embedding sustainability principles at the core of our operations in the coming year and beyond.

At the heart of our achievements, lies dedication to corporate governance and ethical business practices. Upholding transparency, accountability, and integrity in all endeavors remains paramount. The Board of Directors provides strategic guidance, ensuring alignment with long-term objectives while mitigating risks effectively.

We are extremely proud to announce that Awnic has been honored with the Silver Sheikh Khalifa Excellence Award (SKEA) in the Services Category. This prestigious recognition underlines our commitment to quality initiatives, operational excellence, digital transformation, and superior customer service.

Awnic has also successfully obtained a Sustainability Linked Loan (SLL) from HSBC. This achievement represents a noteworthy milestone for us, underscoring our dedication to supporting the ADX initiative in promoting sustainability. Our efforts are aligned with Abu Dhabi Economic Vision 2030, We the UAE 2031, and both national and global endeavors to embrace sustainable development goals (SDGs) across various facets of the insurance value chain.

Our greatest asset remains our talented workforce, whose dedication and resilience have been instrumental. Prioritizing employee well-being and engagement promotes inclusivity and empowerment. Training and development initiatives equip employees with the skills needed to succeed in an ever-changing environment.

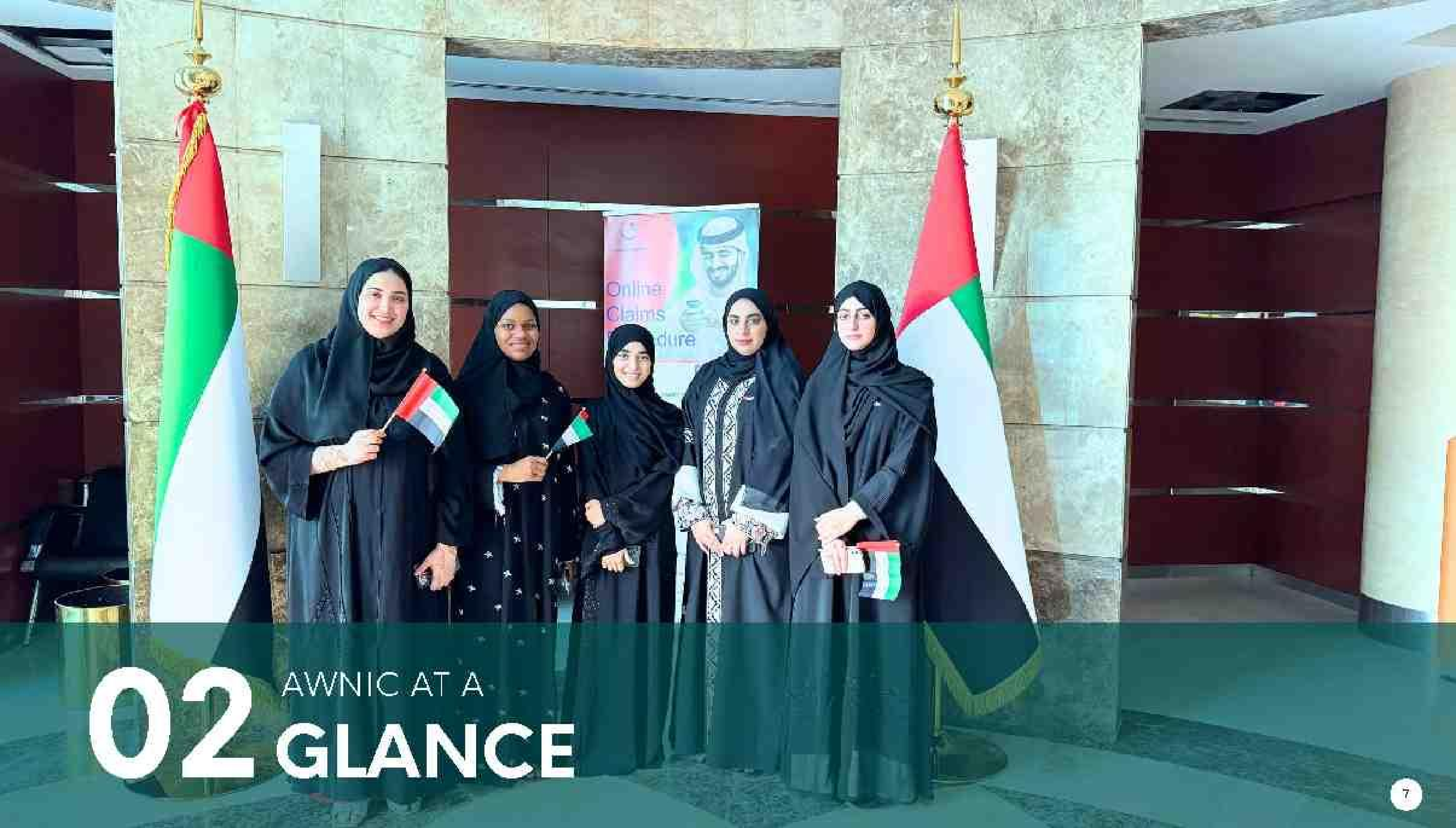
Beyond business objectives, Awnic remains deeply committed to creating a lasting impact on society and the environment. Active engagement in community development and sustainability initiatives, such as supporting education and healthcare workshops to promote awareness, to reduce our environmental footprint, reflects this dedication to driving positive change.

Together, let us go ahead on this journey towards a sustainable future while reflecting on this year's journey of Awnic. Our financial performance stands as proof of our excellence. We have achieved strong revenue growth and profitability. Strategic initiatives driving innovation, enhancing operational efficiency, and diversifying revenue streams have contributed to this success. Investment in cutting-edge technology and digital transformation enables us to better serve customers and adapt to market dynamics.

As we look ahead, we remain optimistic about opportunities. With a clear strategic vision and a talented team, we are well-positioned to navigate uncertainties and capitalize on emerging trends. I would like to thank the Awnic team for their innovative ideas and calculated risks that have enabled us to secure the future of many. I also thank the leaders of the UAE for their belief in achieving the impossible through qualitative efforts. Together, let's continue to innovate, grow, and create value.

Thank you

- H.E. Shk Saif Bin Mohammed Bin Butti Al Hamed
Chairman



02 AWNIC AT A GLANCE

AT AL WATHBA INSURANCE, WE'RE YOUR DEDICATED INSURANCE PARTNER, OFFERING RELIABLE SOLUTIONS AND PERSONALIZED SERVICE TO COVER WHAT MATTERS MOST.

SNAPSHOT OF THE BUSINESS



VISION

Al Wathba Insurance aims to reinforce its position in the UAE market as a major player, establishing itself as **"The Company of Choice"** through long term growth with profitability, prudent underwriting, risk management, and an innovative and complete product range offers provided by a unique service.



VALUES

Al Wathba Insurance's corporate values are adopted by all members of its growing family. Fostering a culture of passion and excellence in all facets, Al Wathba Insurance continues to support and exude



COMMITMENT

To continuously provide first-class security and comfort through innovative and digitally empowering solutions.

RATINGS AND CERTIFICATIONS



Awarded **Sheikh Khalifa Excellence Award (SKEA)**
- Silver Category in Services in 2023

First listed insurance company in the UAE to become triple certified with ISO 9001:2015 (QMS), ISO 14001:2015 (EMS) and ISO 27001:2013 (ISMS)



BBB - with a positive outlook by S&P



as of 2023, Awnic maintains its firm position within UAE in **Top 5 conventional listed insurers** in the UAE in terms of overall profitability



Recognized by the UAE's insurance regulatory body for two consecutive years - 2018 & 2019, for its transformative digitized and smart technology



Recognized for excellence in claims settlements by the UAE Insurance Authority in 2020

Al Wathba National Insurance Company (AWNIC) is a leading insurance provider headquartered in Abu Dhabi, United Arab Emirates. Since its establishment in 1996, Awnic has built a strong reputation for offering a diverse range of insurance products and services tailored to the needs of individuals and businesses. With a focus on customer satisfaction, innovation, and financial stability, we continue to be a trusted partner for clients seeking reliable insurance solutions, including motor, property, marine, health, and travel insurance, among others.

STRONG CAPITAL BASE OF 207 MILLION AED

AWNIC's digital endeavors are in harmony with the UAE government's vision to transition into a digitally advanced nation. We have implemented a wide array of adaptable digital solutions catering to both internal operations and external interactions. Embracing the era of technology enables us to enhance our insurance offerings for both individual and corporate clients, optimizing the quality and efficiency of our products and services.



MAJOR LINE OF BUSINESS -

AWN operates through 3 branches and 6 satellite offices - its head office in Abu Dhabi, primary branches in Dubai & Al Ain, and AWN Online Smart Services, Brokers and Agents.

MOTOR INSURANCE - CONTRIBUTING 51% OF REVENUE

OTHERS -
PROPERTY,
GENERAL
ACCIDENT,
ENGINEERING AND
MARINE - 49%

OUR USP-

1

DELIVERING MOTOR INSURANCE SOLUTIONS ENRICHED WITH DISTINCTIVE AND UPGRADED SUPPLEMENTARY BENEFITS, ENSURING ALIGNMENT WITH, OR EVEN SURPASSING, CUSTOMER EXPECTATIONS.

- Built-in replacement vehicle
- Roadside assistance service
- Registration service
- International driving license

2

OMNI CHANNEL TOUCHPOINT APPROACH:

- Dedicated customer care centre (CCC)
- Online Platform
- Physical presence across UAE
- Mobile App

3

ESTABLISHING ALLIANCES WITH PROMINENT ENTITIES IN THE MARKET AND INTRODUCING EXCLUSIVE ADVANTAGES.

- Etihad Miles Program
- FAB EPP
- ADCB Touchpoints
- Tabby - Buy Now Pay Later

First Insurance in the UAE to have such a tie up

4

AWN PRIVILEGE CLUB (LOYALTY PROGRAM)

With a network comprising over 50 esteemed partners throughout the UAE, we provide AWN policyholders with preferential rates and exclusive redemption offers. These perks are accessible through accumulated loyalty points garnered via referrals or purchases.





AWARDS AND ACCOLADES

2023-



Won **Silver Sheikh Khalifa Excellence Award (SKEA)** in the Services Category in 2023



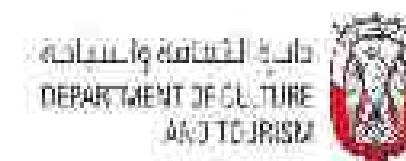
Secured **SLL (Sustainability linked loan)** from **HSBC**



2022-

Won **"Insurance Technology Leader Award"** at Insurtek Goldenshield Excellence Awards 2022

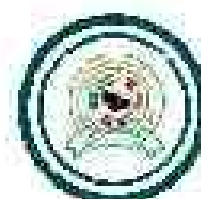
AFFINITY SCHEMES-



MEMBERSHIPS & ASSOCIATIONS



Emirates Insurance Association



Gulf Insurance Federation



Insurance Business Group (IBG)



General Arab Insurance Federation (GAIF)



Federation of Arab Insurers and Reinsurers



British Business Group





03 OUR VALUE CREATION MODEL

MANAGEMENT APPROACH-

AWNIC endeavors to establish a comprehensive framework that enhances the welfare of all our stakeholders, both internally and externally. Our dedication extends towards ensuring utmost security and convenience through cutting-edge and digitally empowering solutions within the insurance sector. At AWNIC, our value creation revolves around our vision and core principles.

SUSTAINABLE VALUE ADD

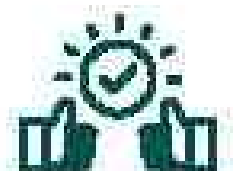
BUSINESS MODEL



VISION: Al Wathba Insurance aims to reinforce its position in the UAE market as a major player, establishing itself as **"The Company of Choice"** through long term growth with profitability, prudent underwriting, risk management, and an innovative and complete product range offered by a unique service.



VALUES:



COMMITMENT: Continuously provide first-class security and comfort through innovative and digitally empowering solutions

AWNIC'S PRODUCT SEGMENTATION

INDIVIDUAL

Motor Insurance Pet Insurance Yacht Insurance
Visit Visa Insurance Travel Insurance
Jet Ski Insurance Home Insurance

CORPORATE

Fire & General Accident
Oil & Energy Marine & Aviation
Fleet Insurance Engineering

CORE CAPABILITIES



CRITICAL SUCCESS FACTORS

DIVERSIFIED CHANNELS OF REVENUE

48% OF BUSINESS THROUGH DIRECT CHANNEL

52% OF BUSINESS THROUGH INTERMEDIARIES

REINSURANCE

'A' rated' panel of renowned reinsurers enhancing the risk carrying capacity

TREASURY MANAGEMENT

Healthy balance sheet position, in one of top listed conventional insurance companies in terms of net assets

FOCUSED LEADERSHIP



Corporate governance



Ethical business practice



ESG (Risks, Opportunity & Performance)



Cyber Security



Sustainable Development Goals



Digitization



Regularity Updates and Compliance

360 DEGREE VALUE-ADD

FINANCIAL CAPITAL



INSURANCE SERVICE REVENUE

284.6

MILLION AED



NET INVESTMENT INCOME

222.8

MILLION AED



TOTAL ASSETS

1.76

BILLION AED

TOTAL EQUITY

1.27

BILLION AED



RETURN ON EQUITY

14%



359%

ASSETS TO LIABILITY RATIO

SOCIAL & RELATIONSHIP CAPITAL

CUSTOMER SATISFACTION SCORE ABOVE

90%

SINCE 2019

WITHIN

24 hr

RESPONSE RATE

50-70

NET PROMOTER SCORE SINCE 2019

0

DATA BREACHES

100%

OF ALL COMPLAINTS RESOLVED

ONLINE CONVERSION OF

65%

23%

CUSTOMER RENEWAL RATIO IN 2023

CONTINUOUS SOCIAL MEDIA ENGAGEMENT WITH OUR CUSTOMERS AND THE COMMUNITY WITH OVER

100k+

FOLLOWERS IN 2023

9k

NEW ONLINE CUSTOMERS

86%

CUSTOMER EXPERIENCE SCORE

COMMUNITY



COMMUNITY INVESTMENTS INCREASED ALMOST THREE-FOLD IN THE PAST FIVE YEARS TO REACH

AED 112k

IN 2023

40k AED+

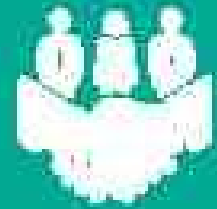
DONATIONS TO COMMUNITY WELFARE IN 2023 TO EMPOWER SOCIETY FOR BETTER CARE & RELIEF



7

CSR ACTIVITIES IN 2023

BUSINESS PARTNERS



164+

BUSINESS
PARTNERS

53% SPENDING
ON LOCAL
SUPPLIERS

0 TOLERANCE TO
UNETHICAL
BUSINESS
PRACTICES

HUMAN CAPITAL

1:1.2

FEMALE TO MALE
COMPENSATION
RATIO IN 2023

25%

OF OUR EMPLOYEES HAVE BEEN AT
THE COMPANY FOR MORE THAN 10
YEARS

84%

OF EMPLOYEES
ARE OVERALL
SATISFIED AT THE
COMPANY

28

NEW
EMPLOYEES
HIRED IN 2023

29%

FEMALE
PRESENCE

14%

EMIRATIZATION
RATE

15+

NATIONALITIES

INTELLECTUAL CAPITAL



10.5K+

APP DOWNLOADS

NATURAL CAPITAL



ENERGY
CONSUMPTION
REDUCED BY

9%

IN 2023 FROM
2022

EQUIVALENT TO
239 TONS OF CO2
EMISSIONS

755

ECO-FRIENDLY
VEHICLES
INSURED IN
2023

ISO
14001

ENVIRONMENTAL
MANAGEMENT
CERTIFIED
COMPANY

9%

REDUCTION OF
WATER
CONSUMPTION IN
2023
FROM 2022

8,520

KGS OF PAPER
SAFELY DISPOSED/
RECYCLED IN 2023

Recognizing the inherent risks tied to insurance business operations and their potential impact on society and the environment, we are committed to incorporating ESG (Environmental, Social, and Governance) factors. By adhering to sustainable insurance principles in our fundamental activities, we aim to realize our long-term strategic goals. This involves becoming a sustainable insurer with profitable growth while simultaneously exerting a positive influence on both society and the environment.

REINSURANCE





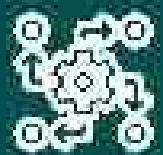
ENVIRONMENTAL STEWARDSHIP:

AWNIC is deeply aware of the significant threat posed by climate change, and as such, we are dedicated to minimizing our environmental impact to the fullest extent possible. Our focus lies in prioritizing the judicious use of energy and water resources, implementing waste recycling initiatives, endorsing green products, and advocating for ecological sustainability throughout our value chain. Following COP26, we remain committed to intensifying our efforts in climate action, working towards even more ambitious targets for environmental stewardship.



EMPOWERING PEOPLE AND THE COMMUNITY:

By establishing the groundwork for a secure and empowered workplace, we endeavor to demonstrate our dedication to upholding human rights and promoting non-discrimination. These principles are embedded within our Code of Conduct and associated policies. Therefore, we uphold our social responsibility to the communities where we operate.



CORPORATE GOVERNANCE AND RESPONSIBLE BUSINESS PRACTICES:

AWNIC seeks to nurture enduring relationships with stakeholders by demonstrating responsible conduct throughout our business value chain. This commitment is solidified through robust compliance policies that serve as the foundation for ethical business practices across all stakeholders. With an outstanding compliance track record, AWNIC remains dedicated to adhere to regulatory requirements through strong governance standards.

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT CHANNELS:

Our connections with stakeholders are essential for grasping both internal and external viewpoints, crucial for assessing materiality. Continuously enhancing stakeholder engagement is vital for crafting comprehensive solutions and tackling concerns effectively. Engagement occurs across diverse platforms, and stakeholders can be categorized as follows:



EMPLOYEES-

By actively listening to our employees' suggestions, opinions, and ideas, AWNIC can guarantee positive growth within its workplace, thus sustaining long-term value for both employees and customers alike.

- Intranet
- Newsletters
- CEO Communications
- Management Meetings
- Townhall Meetings
- Surveys
- Team building & inhouse training events



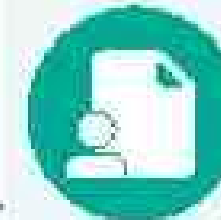
CUSTOMERS-

Interacting with customers is crucial as it enables us to optimize our services, product delivery, and operational procedures.



SUPPLIERS AND BUSINESS PARTNERS

- Trainings & Workshops
- Events
- Service portals
- Personal contacts



REGULATORY AUTHORITIES, MEDIA, SOCIETY AND OTHERS:

- Voluntary Participations
- Interviews
- Publications & Social Events Exchange of ideas & communications with regulators
- Projects & Surveys



SHAREHOLDERS AND INVESTORS

At AWNIC, we hold the belief that ongoing interaction with our investors and shareholders enables us to effectively convey our sustainability strategy and performance. Utilizing various communication channels, we empower them to make informed investment decisions and comprehend their expectations regarding our business.

- Market Disclosures
- General Assembly Meeting
- Personal Contacts by Investor Relations
- Corporate Notices



INDUSTRY

- Networking Events / Conferences
- Collaborations
- Personal Contacts

INTEGRATING ESG INTO OUR DNA



OPERATIONS



UNDERWRITING



INVESTING



CUSTOMERS



EMPLOYEES



PARTNERS COMMUNICATIONS

01

OPERATIONS

- GHG Emission Reduction
- Aligning with UAE Net Zero Strategy 2050
- Integrating ESG into our Business Strategy

02

UNDERWRITING

- Climate Resilience for Customers and portfolio

03

INVESTING

- Integrating ESG into our investment strategy

04

CUSTOMERS

- Aspire to be "The Company of Choice"
- Unique customer experience and satisfaction
- Customer Engagement Touch-points and effectiveness

05

EMPLOYEES

- Employee wellbeing
- Talent Development
- Diversity, Equity, and Inclusion

06

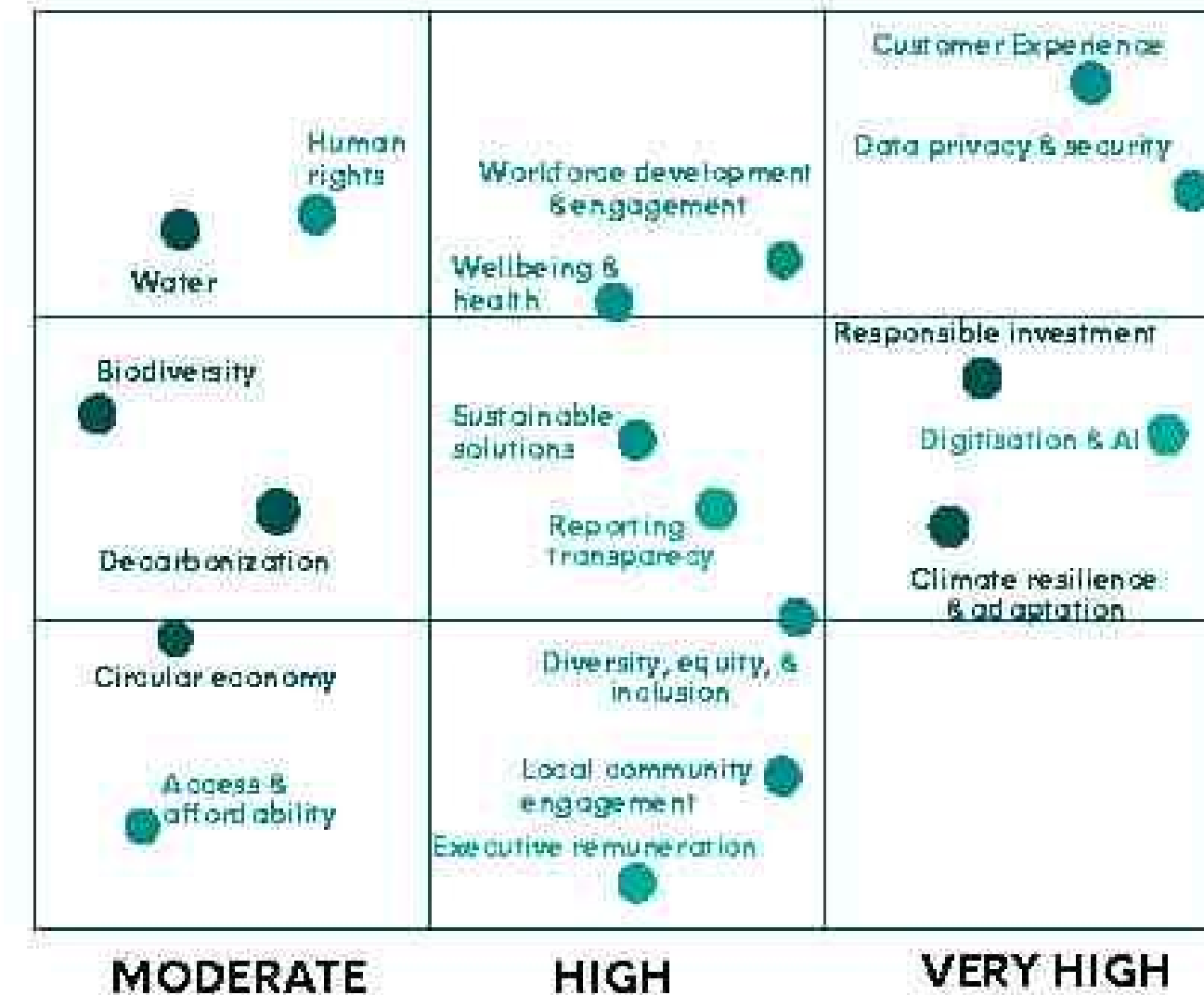
PARTNERS & COMMUNICATION

- Community Contribution
- Sustainable Operations
- Enhance Climate Resilience

MATERIALITY METRICS

GOVERNANCE ● SOCIAL ● ENVIRONMENTAL

IMPORTANT TO STAKEHOLDERS



POTENTIAL FOR FUTURE BUSINESS IMPACT

Performing a materiality analysis is essential as it helps pinpoint the societal goals most pertinent to our vision and business strategy. Through engaging our stakeholders and plotting their concerns on a matrix, we can identify the areas exerting the greatest impact on our economic, social, and environmental performance, including those likely to influence stakeholder perspectives and decisions down the line. We aim to engage both internal and external stakeholders and incorporate strategic insights into our analysis.

A wide-angle photograph of the Dubai skyline at sunset. The sky is a mix of soft orange, pink, and blue. The city's skyscrapers are silhouetted against the sky, with some buildings reflecting the warm light. The water in the foreground is a deep teal color.

04 OUR OPERATING ENVIRONMENT

MANAGEMENT APPROACH

We navigate a competitive landscape with strict laws impacting us directly and indirectly. Recognizing the importance of digitalization in the insurance market, we actively work to improve our position in line with current market trends.

- Regulatory Review
- Technological Environment
- Competitive landscape
- Risks and Opportunities

REGULATORY REVIEW

Since the inception of insurance services in the UAE, oversight and regulation have been entrusted to four distinct regulatory authorities.

1972

MINISTRY OF FINANCE, ECONOMY & INDUSTRY
Federal Law No. 1 of 1972 on the Jurisdictions of the Ministries and the Competences of the Ministers

1984

MINISTRY OF ECONOMY
Federal Law No. 9 of 1984 on Insurance Companies and Agents

2007

INSURANCE AUTHORITY
Federal Law No. 6 of 2007 on Establishment of the Insurance Authority and Organisation of its Operations

2020

CENTRAL BANK OF THE UAE
Federal Law No. 25 of 2020 regarding the amendment of some provisions of the Decretal Federal Law No. (14) of 2018 regarding the Central Bank & Organisation of Financial Institutions & Activities

In the year 2023, there were several primary regulatory changes that impacted Awnic's operations in the UAE.

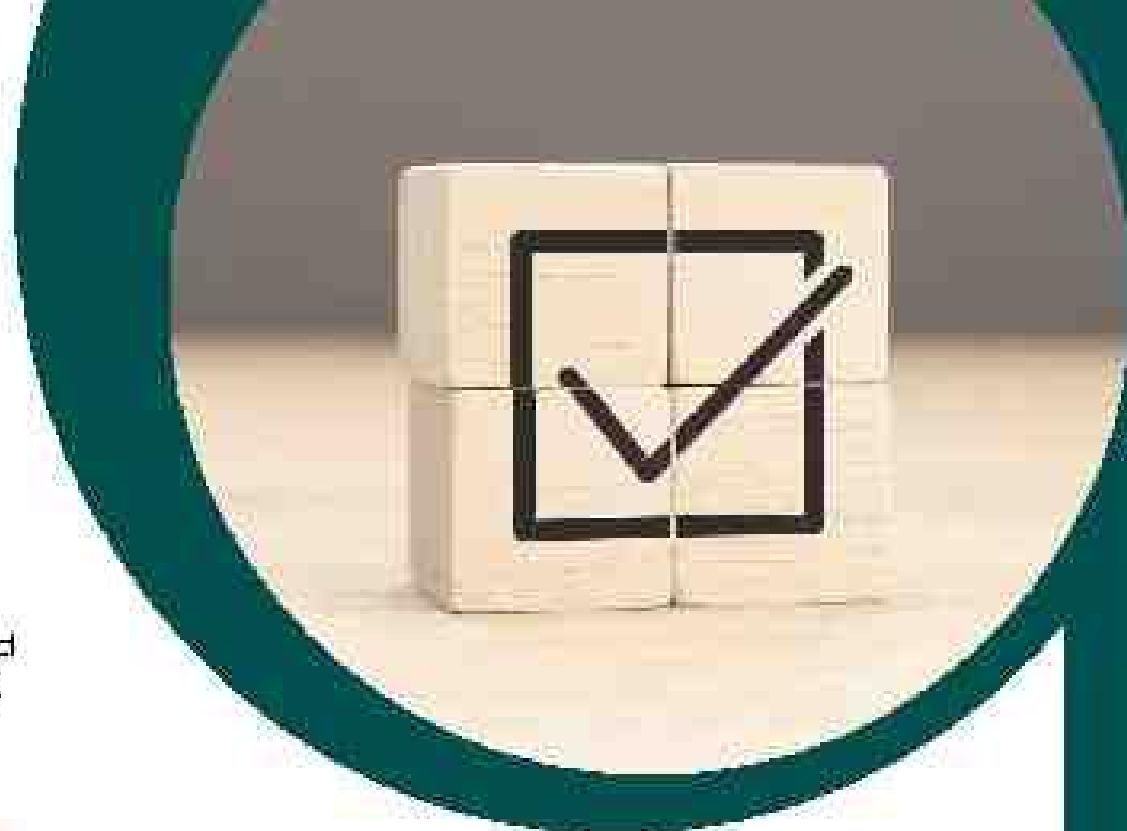
These changes included:

THE NEW INSURANCE LAW (FEDERAL LAW NO. 48 OF 2023):

AWNIC actively reviewed the new law's requirements to ensure its capital allocation strategies and risk management practices align with the updated solvency standards. We assessed our corporate governance framework to implement any necessary adjustments for enhanced transparency and accountability as mandated by the law. Awnic re-evaluated its product offerings and claims handling procedures to confirm adherence to the strengthened policyholder protection measures outlined in the legislation.

RISK MANAGEMENT AND INTERNAL CONTROLS REGULATION:

AWNIC invested in further strengthening its risk management framework to effectively identify, assess, and mitigate potential risks in the evolving regulatory landscape. We implemented new tools and processes to enhance internal controls, ensuring accurate financial reporting, strict compliance, and robust asset safeguarding.



Type of Risks Identified	Mitigation policies & procedures	Actions taken by Awnic
Corporate network infiltration	- User authentication/privileges handling Centralized Active Directory - Password Management Policy - Encryption and Key Management Policy	- Antivirus, Spam filtering, security awareness, backups - Periodical Testing - Disaster Recovery Site in Place - Daily Data Backup - Antivirus, Spam filtering, security awareness, backups - Periodical Testing - Disaster Recovery Site in Place - Daily Data Backup
Cyber Attack	- Firewall protection - Endpoint security solution - AI based Network security Solution - Intranet and internet hosted servers are in different isolated zones	- Antivirus, Spam filtering, security awareness, backups - Periodical Testing - Disaster Recovery Site in Place - Daily Data Backup
Damage to the application	- Test and live servers are in different isolated zones - Credentials/ Configuration are different	- Antivirus, Spam filtering, security awareness, backups - Periodical Testing - Disaster Recovery Site in Place - Daily Data Backup - Alertness for new regulatory compliance obligations
Hacking	- Limited User Access - Firewall protection - Endpoint security solution on server - Regular backup - Regular audit/VAPT testing	

OMBUDSMAN REGULATION:

AWNIC established clear communication channels and efficient procedures for handling inquiries and complaints that may be directed to the Ombudsman. We trained its staff on the new regulations and dispute resolution protocols to ensure prompt and professional responses to customer concerns.

FOCUS ON INNOVATION:

AWNIC actively explored opportunities to leverage InsurTech solutions and data analytics to streamline operations, personalize offerings, and provide exceptional customer experiences. We investigated potential partnerships and investments in the InsurTech domain to stay ahead of the curve in a rapidly innovating industry.

OVERALL IMPACT:

AWNIC adopted a proactive approach to navigating the regulatory changes in 2023, viewing them as an opportunity to strengthen its operations and solidify its position as a leader in the UAE's insurance sector.

We adapted our policies, procedures, and product portfolio to comply with the new regulations while maintaining our commitment to delivering superior insurance solutions to its customers.



TECHNOLOGICAL ENVIRONMENT

In 2023, we observed a few technological changes to the UAE market. The integration of IoT, AI, ML, and big data analytics is reshaping the insurance sector.



INTERNET OF THINGS (IOT):

Enables real-time data collection from insured assets like vehicles and homes, facilitating usage-based insurance policies.



ARTIFICIAL INTELLIGENCE (AI):

Enhances customer service with chatbots, claims processing, and personalized recommendations.



MACHINE LEARNING (ML):

Analyzes historical claims data to improve risk assessment, detect fraud, and optimize underwriting.



BIG DATA ANALYTICS:

Provides insights into customer behavior and market trends for innovative product development and risk management.

These technologies streamline operations, enhance risk management, and improve customer experiences, positioning insurers for greater competitiveness in a digitalized market place.

To stay ahead in the insurance industry's technological landscape, AWNIC consistently invests in technology, research, and development. As the technological landscape evolves, AWNIC remains dedicated to harnessing technology to improve our products and services, adapting to the evolving needs of our customers.

- Implementation of AI-driven underwriting processes to streamline risk assessment and improve accuracy.
- Introduction of blockchain technology for secure and transparent transactions, particularly in policy issuance and claims management.
- Adoption of telematics and IoT devices for usage-based insurance, enabling personalized pricing and enhanced risk management.
- Expansion of digital platforms and mobile apps for convenient policy management and customer service.
- Integration of data analytics tools to gain insights into customer behavior and preferences, facilitating targeted marketing strategies.
- Embrace of InsurTech partnerships and collaborations to leverage innovative solutions and stay competitive in the market.
- Enhancement of cybersecurity measures to safeguard sensitive customer information and protect against cyber threats and data breaches.

COMPETITIVE LANDSCAPE

Throughout 2023, the UAE's insurance market continued to be a dynamic environment characterized by strong competition. Awnic, like other industry participants, encountered both obstacles and promising prospects within this competitive landscape.



IFRS 17 IMPLEMENTATION:

The industry-wide transition to IFRS 17 accounting standards brought complexities and potential operational disruptions in 2023.



CLIMATE CHANGE:

In 2023, insurance companies grappled with a surge in motor insurance claims due to extreme weather events. Heightened risk assessment challenges prompted a reassessment of underwriting processes, while increasing costs emphasized the importance of effective risk management strategies.

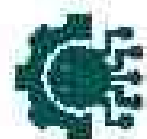


EVOLVING REGULATORY LANDSCAPE:

New regulations and directives from the UAE Insurance Authority can necessitate adjustments to business practices and product offerings.

OPPORTUNITIES

Awnic navigated a dynamic market in 2023, solidifying its position as a frontrunner in the UAE's insurance sector. By closely monitoring industry trends and investing in cutting-edge technology and innovation, Awnic remains committed to delivering high-caliber products and services that meet the evolving needs of our customers.



DIGITAL TRANSFORMATION:

Leveraging technology to streamline processes, personalize offerings, and enhance customer experience can be a key differentiator.



FOCUS ON INNOVATION:

Developing Sharia-compliant insurance products, parametric insurance solutions, and micro-insurance options can cater to diverse customer needs.



CYBERSECURITY INSURANCE:

The growing threat of cyberattacks creates a demand for robust cyber insurance solutions. In case of cyber attack, unauthorised access, compromise of server, application failure or fire (Risks) , Company has established Disaster Recovery Site in Place, obtains Daily Data Backup, Business Continuity Arrangements and Insurance. (Controls)





05 FINANCIAL CAPITAL

MANAGEMENT APPROACH

Our primary focus is to generate enduring value for our shareholders and uphold the interests of our policyholders through a diverse insurance portfolio primarily centered on motor insurance. We prioritize financial stability and profitability to ensure sustainable growth over the long term. In pursuit of this, we are committed to maintaining a balance between profitability and providing quality coverage and services to our policyholders.

FINANCIAL PERFORMANCE



This section offers a thorough examination of the company's financial performance, emphasizing its capacity to create long-term value. It showcases vital financial metrics and initiatives executed by the company throughout the year. For the fiscal year 2023, the total Insurance Revenue reached 284 Mn AED. Awnic's Profit for the year amounted to 35 Mn AED for the fiscal year 2023.

PRODUCT MIX

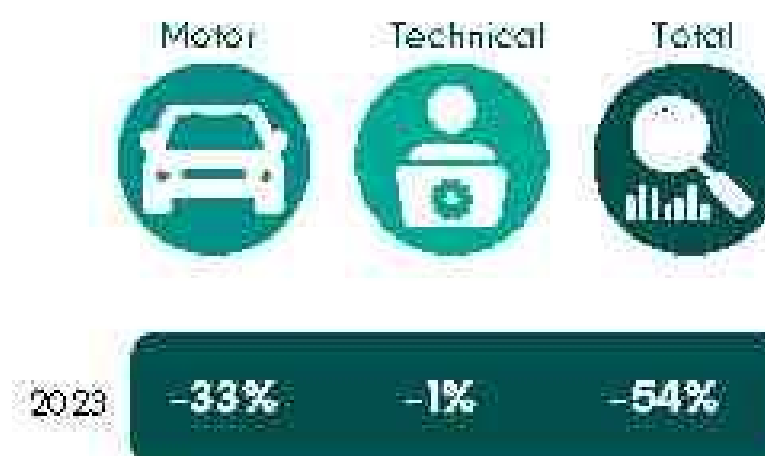


	Insurance Service Revenue AED'000	Profit for the Period AED'000
2023	284,649	177,089
2022	303,341	31,392

GROSS INSURANCE REVENUE GROWTH RATE



NET INSURANCE SERVICE RESULT GROWTH RATE



MANAGEMENT RATIOS



Gross risk ratio (Gross Insurance Revenue to Equity)



Net risk ratio (Net insurance service result to Equity)



Employee Wages and Benefits as a % of total G&A exps

CAPITAL ADEQUACY RATIOS



Liabilities to Equity



Liabilities to Assets



Invested Assets to Total Assets



Equity to Assets

EARNINGS RATIO



Net total profit to Net Insurance Revenue



Net Insurance Result to Net Insurance Revenue



Investment yield



Return on assets

INSURANCE SERVICE EXPENSE RATIO



Insurance service expense to Insurance Revenue Ratio



Insurance service expense to LIC



Return on shareholder's equity



Earning Per Share (EPS)



Dividend Per Share (DPS)



Dividend Payout Ratio (Dividend Paid to Net Profit ratio)



LIQUIDITY RATIOS



EQUITY+ LIABILITIES = ASSETS (AED'000)



The financial highlights shows Awnic's ongoing expansion and its capacity to provide sustainable returns to its stakeholders. Awnic remains committed to generating value for its shareholders while delivering top-notch products and services to its customers.



ECONOMIC VALUE (AED'000)

	2023	2022
Insurance Revenue	284,649	303,341
Insurance service result	(33,144)	(21,504)
Net investment income	229,069	69,147
Net insurance finance income	848	1,073
Net insurance and investment result	196,773	48,716
Profit for the Year	177,089	31,392
Earning Per Share	0.86	0.15



06 SOCIAL & RELATIONSHIP CAPITAL

MANAGEMENT APPROACH

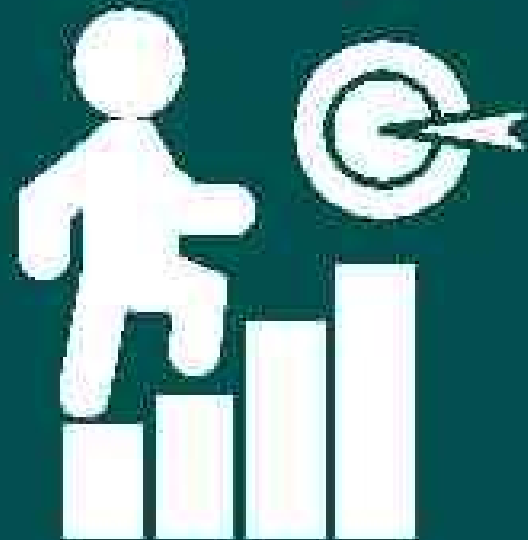
Through our social and relationship capital strategy, we prioritize building trust and collaboration with customers, partners, suppliers, and the community, ensuring mutual success.

47%

Customer Renewal Ratio from
Technical with property being
above 80%

59%

Customer Renewal Ratio from
Retail Business from Motor



Customer Satisfaction
score above

90%

since 2019



Triple ISO certified ISO/IEC
27001:2013, ISO 14001:2015,
ISO 9001:2015

Within

24Hr

response time

2023

OBJECTIVES AND ACHIEVEMENTS:



POLICY COUNTS

'A rated' panel of renowned reinsurers enhancing the risk carrying capacity

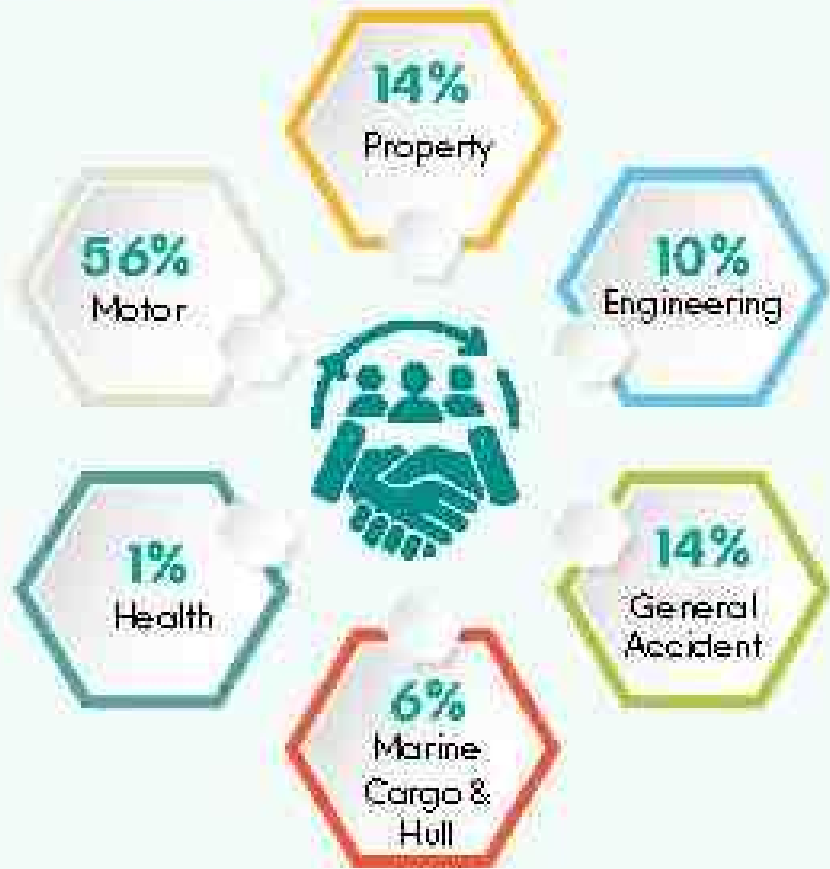


2023	116,170
2022	218,613
2021	303,367

CUSTOMER ACQUISITION BY CHANNEL 2023



CUSTOMER PORTFOLIO BY PRODUCT 2023



CUSTOMER RENEWAL RATIO



UNIQUE VALUE PROPOSITION



CUSTOMERS

GOOGLE BUSINESS RATINGS

Industry Benchmark - 3.8



APPLE STORE RATINGS

Industry Benchmark - 3.92



GOOGLE PLAY STORE RATINGS

Industry Benchmark - 3.75



CUSTOMER FEEDBACK

CSAT



NPS



CX



86%

CX Score in 2023 (6% higher than industry benchmark of 80%)

Note: Customer feedback is through IVR, Mobile App and Email

We provide risk mitigation recommendations during the Insurance survey to the potential customer.

93%

CSAT in 2023 (13% higher than industry benchmark of 80%)



Referral Codes



Points system



Customer Loyalty and Referral Program for our active customers

50-70%

Net Promoter Score in 2023 (above industry average, which currently stands at 30-40%)



83%

Response Rate in 2023

0

Data Breaches

3

days of Seamless Customer On-boarding process through our in-house eKYC module

QUEUE WISE BREAK UP YTD 2023



100% of all customer complaints resolved via one-to-one human interaction

DIGITAL PLATFORM PERFORMANCE

Social Media Followers 2023



Organic Website Visitors



Google Play

App Store

10.5k
App Downloads in

2023

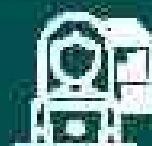


We express deep appreciation and convey our thanks to our community and individuals by actively promoting employee participation in corporate community programs. Our collaboration with NGOs plays a crucial role in the successful implementation of our community initiatives.



000 000

- Provide strategic direction on the Company's CSR activities
- Include the entire Management in CSR decisions
- Delegate CSR responsibilities to the team



INTERNAL CONTROLS MANAGER

- CSR oversight and due diligence
- Guiding CSR activities



**COMMITTEE MEMBER AND
SECRETARY**

Primary accountability for executing CSR initiatives and providing updates on their advancement



ALIGNING WITH COMPANY'S BUSINESS STRATEGY AND SUSTAINABILITY PRIORITIES.

NUMBER OF CSR ACTIVITIES IN 2023

- Sponsoring Women Basketball League in Dubai
- Indian Dandiya Beatz
- Filipino OPW Global Movement for Empowerment's Badminton & Table Tennis Tournament
- Thalassery Carnival
- International Koodiyattam and Kathakali Fraternity (IKKF)
- Filipino Bayanihan Council's Leadership Summit 2023
- Family Fun Day, 7's Football Tournament
- Indo Arab Cultural Fest of Abu Dhabi Malayalee Samajam

42,000+ AED

donation for community welfare



Make-A-Wish

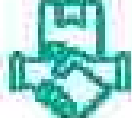
OUR PARTICIPATION IN INDUSTRY ASSOCIATIONS FOR SPREADING AWARENESS:

- Emirates Insurance Association (EIA)
- Gulf Insurance Federation
- Insurance Business Group (IBG)
- Federation of Arab Insurers and Reinsurers (FAIR)
- British Business Group (BBG)
- General Arab Insurance Federation (GAIF)



BUSINESS PARTNERS

 **164+** Total Business Partners

 **53.28%** Spending on Local Suppliers

 **46.72%** Spending on Outside UAE Suppliers



OUR STRONG NETWORK OF PARTNERS

- Technology Support
- Actuaries facilitating business risk management
- Solicitors facilitating legal advice on insurance cases
- Consultants for regulatory compliance
- Process documentation & financing arrangements
- Facilities Management: Companies for regular upkeep and maintenance of our building
- Waste Collection & Recycling companies for waste management

SUSTAINABLE RELATIONSHIP MANAGEMENT

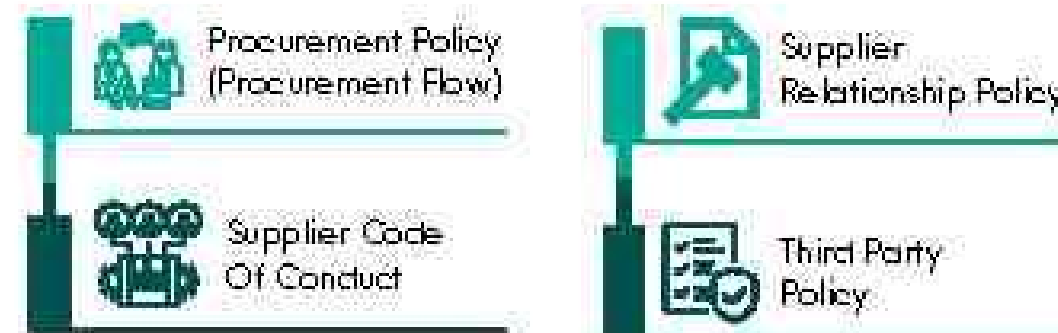


Zero

Tolerance to Unethical Business Practices



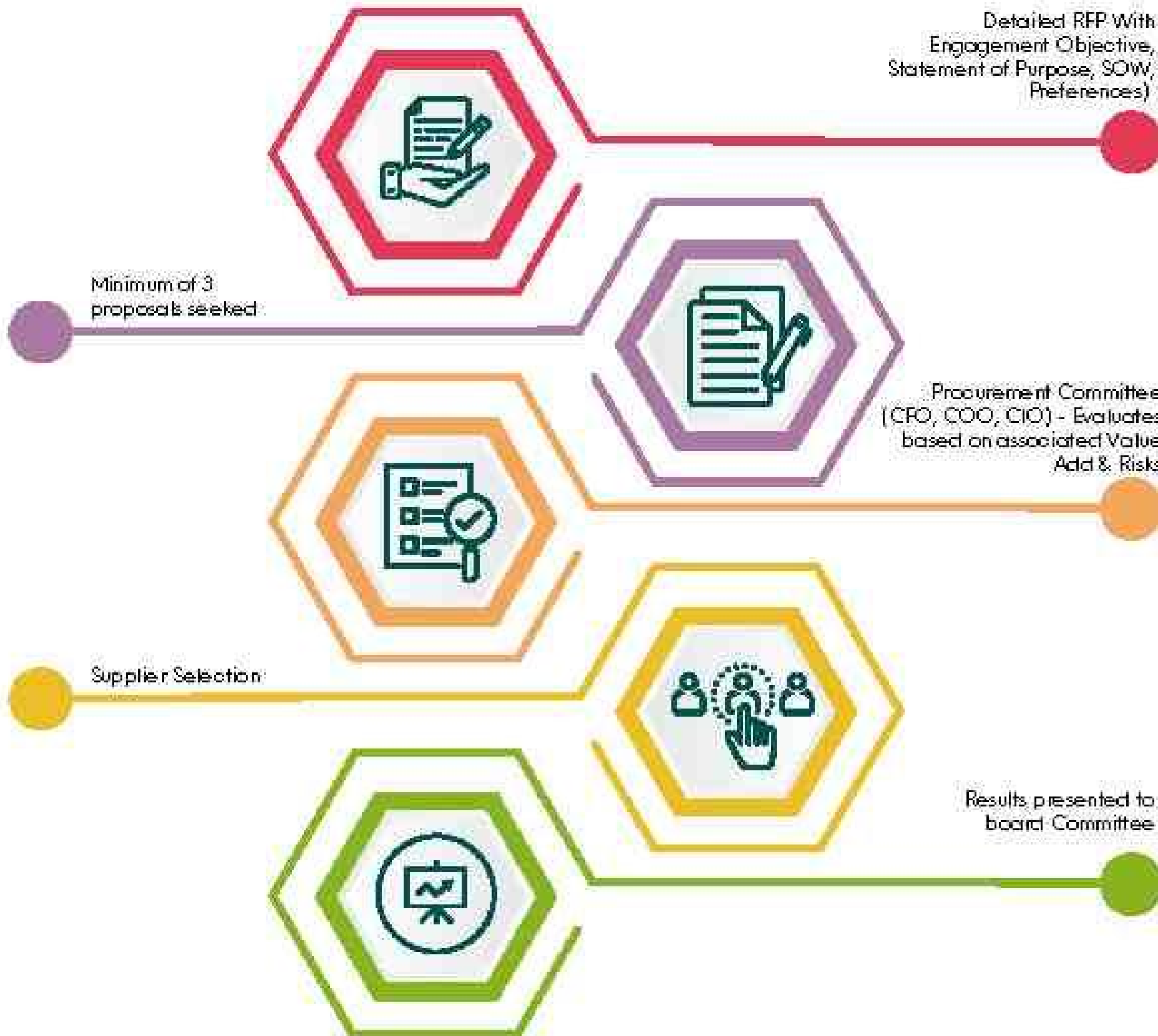
COMPREHENSIVE PROCUREMENT PROCESS



CONSTANT ENGAGEMENT WITH SUPPLIERS



SUPPLIER SELECTION PROCESS



We are dedicated to establishing enduring partnerships with our business associates founded on trust, mutual respect, and aligned principles. Through collaborative efforts, we are confident in our ability to promote sustainable growth and generate mutual benefits for all stakeholders involved.



07 NATURAL CAPITAL

MANAGEMENT APPROACH -

We are committed to promoting and integrating the three pillars of ESG (Environmental, Social and Governance) into our business and investment practices for the future generations.

- Emission Management
- Energy Management
- Water Management
- Effluent & Waste Management
- Compliance with Environmental Regulations

AWNIC began Reporting it's Natural Capital in 2019,

The UAE Net Zero by 2050 strategic initiative is a national drive to achieve net-zero emissions by 2050, making the Emirates the first Middle East and North Africa (MENA) nation to do so

OUR ENVIRONMENTAL IMPACT

Aim to integrate sustainability into our entire portfolio



EMISSION MANAGEMENT

At Awnic, we acknowledge the influence of greenhouse gas emissions on the environment and climate.



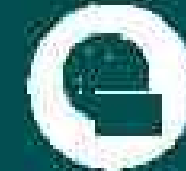
OUR TARGETED FRAMEWORKS



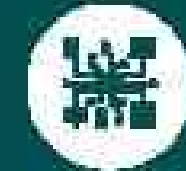
GREEN IT POLICY



Energy-efficient devices



Server virtualisation



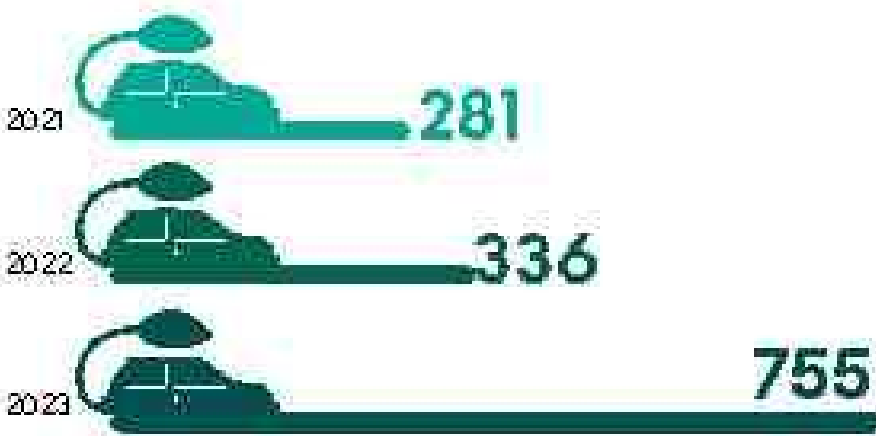
Cloud computing



We measure GHG emissions from our operations and building owned in Abu Dhabi

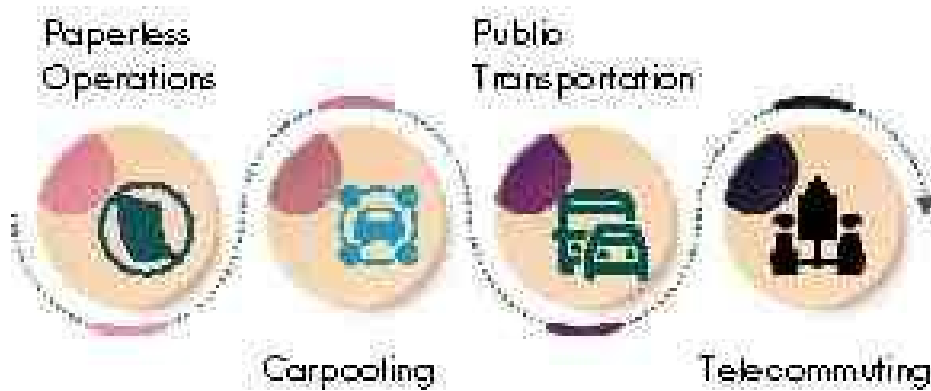
OUR COMMITMENT TO EVM - SUSTAINABLE TRANSPORTATION

Eco-friendly vehicle insurance at a discounted premium:



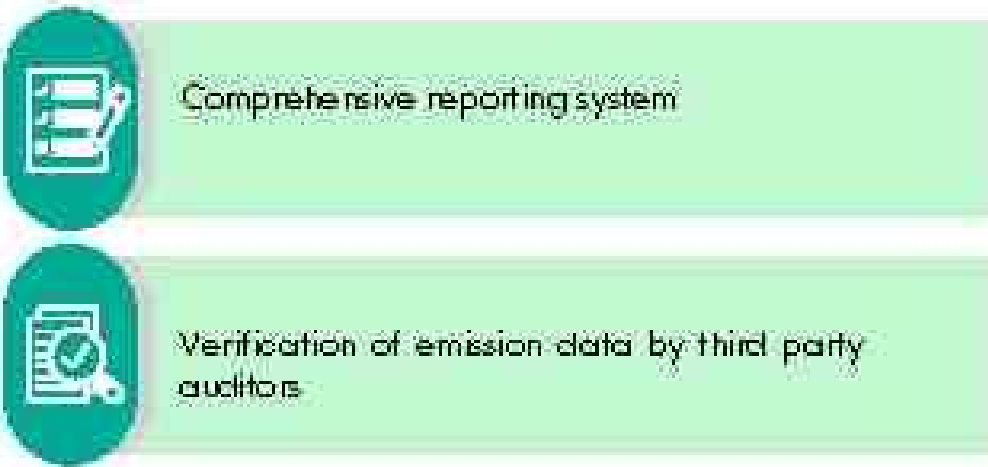
CARBON FOOTPRINT REDUCTION STRATEGY

We encourage our employees to follow eco-friendly practices such as



We provide incentives to employees following such eco-friendly practices

Initiatives to track and report our emissions:



This ensures compliance with international standard and accuracy in our operations

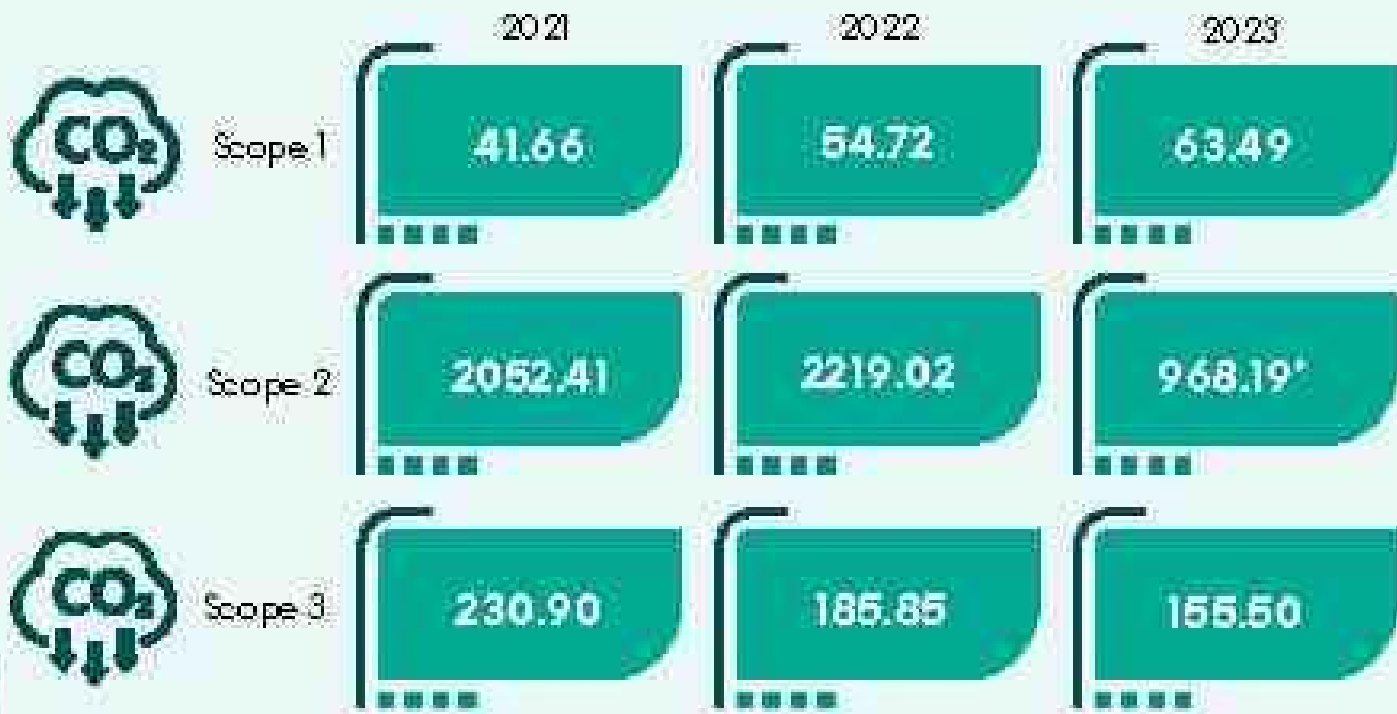
Through these actions, AWNIC is dedicated to overseeing our emissions and diminishing our carbon footprint, thereby aiding in the advancement of a more sustainable future for everyone.



Identified Emission Sources:



GHG Emissions in TCO₂e -



*For 2023 calculations, we used the emission factor of EWEC's 2023 grid emission factor for electricity, 0.18 kg CO₂/kWh, which has been reduced from 0.25kg CO₂/kWh in 2022

ENERGY MANAGEMENT

Recognizing the pivotal role of energy management, particularly within the insurance industry, AWNI Co highlights the importance of sustainable practices and their profound impact on the environment. As part of our commitment to reducing our carbon footprint, we have implemented a series of measures aimed at enhancing energy efficiency and promoting the integration of renewable energy sources. These proactive initiatives align with our environmental goals while exemplifying our dedication to responsible business practices, setting the stage for a more sustainable future within the insurance sector and beyond.



OUR ENERGY-SAVING MEASURES

 Energy Consumption
Electricity (kWh)



 Fuel (Litres)



 Energy intensity
per employee -



 Fuel (Litres) /
employee



Energy Consumption
Reduced by

9%

Equivalent to 239
tons of CO2 emissions

We are committed to regular improvisation of our energy management practices and reducing our carbon footprint. We will continue to monitor and report our energy consumption and work towards reducing our adverse environmental impact.

WATER MANAGEMENT

We are dedicated to minimizing our water usage. Our Water Management strategy emphasizes the reduction of water consumption and advocates for efficient water utilization across the organization.

OUR WATER CONSERVATION INITIATIVES-

01

Constant check on water leaks

02

Low-flow faucets & fixtures

03

Recycled water for irrigation

WATER REDUCTION TARGETS-

AWNIC has established targets for reducing water consumption, which undergo regular review and monitoring.

In 2023, we achieved a

9%

reduction in water consumption compared to 2022

Water (Liters)



We regularly organize training and awareness sessions for employees regarding water conservation and the efficient utilization of water resources.

WATER QUALITY MANAGEMENT

Take actions to enhance the quality of water as needed.



AWNIC is dedicated to consistently enhancing its water management procedures and minimizing its water footprint in accordance with local regulations and global standards of excellence.



EFFLUENT & WASTE MANAGEMENT

At AWNIC, we acknowledge the significance of waste and effluent management in mitigating our environmental footprint.

COMPREHENSIVE WASTE MANAGEMENT SYSTEM IMPLEMENTED ACROSS ALL OUR OFFICES AND BRANCHES.

- Waste segregation
- Recycling
- Disposal
- Partnership with accredited waste management companies to collect, transport, and dispose of our waste in an environmentally responsible manner
- Timely waste audits

These initiatives collectively aid us in diminishing the waste we produce and advancing recycling efforts.



COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

At AWNIC, we acknowledge our duty to safeguard the environment and pledge to adhere to all relevant environmental regulations. We endeavor to reduce our environmental footprint through conscientious management practices and ongoing enhancement. Here are some approaches through which we ensure adherence to environmental regulations:

- Regular monitoring of emissions and waste streams for compliance with local and national regulations.
- Implementation of an Environmental Management System (EMS) certified to ISO 14001 standard to monitor and manage environmental impacts.
- Continuous efforts to reduce carbon footprint through the use of energy-efficient equipment and systems, alongside promoting sustainable practices company-wide.
- Engagement with regulators and stakeholders to stay updated with changes in environmental regulations and ensure compliance.
- Participation in industry-wide initiatives and programs advocating for sustainable practices and compliance with environmental regulations.

"We hold the belief that our dedication to adhering to environmental regulations not only serves to safeguard the environment but also plays a crucial role in securing our long-term success as a responsible and sustainable business."



08 HUMAN CAPITAL

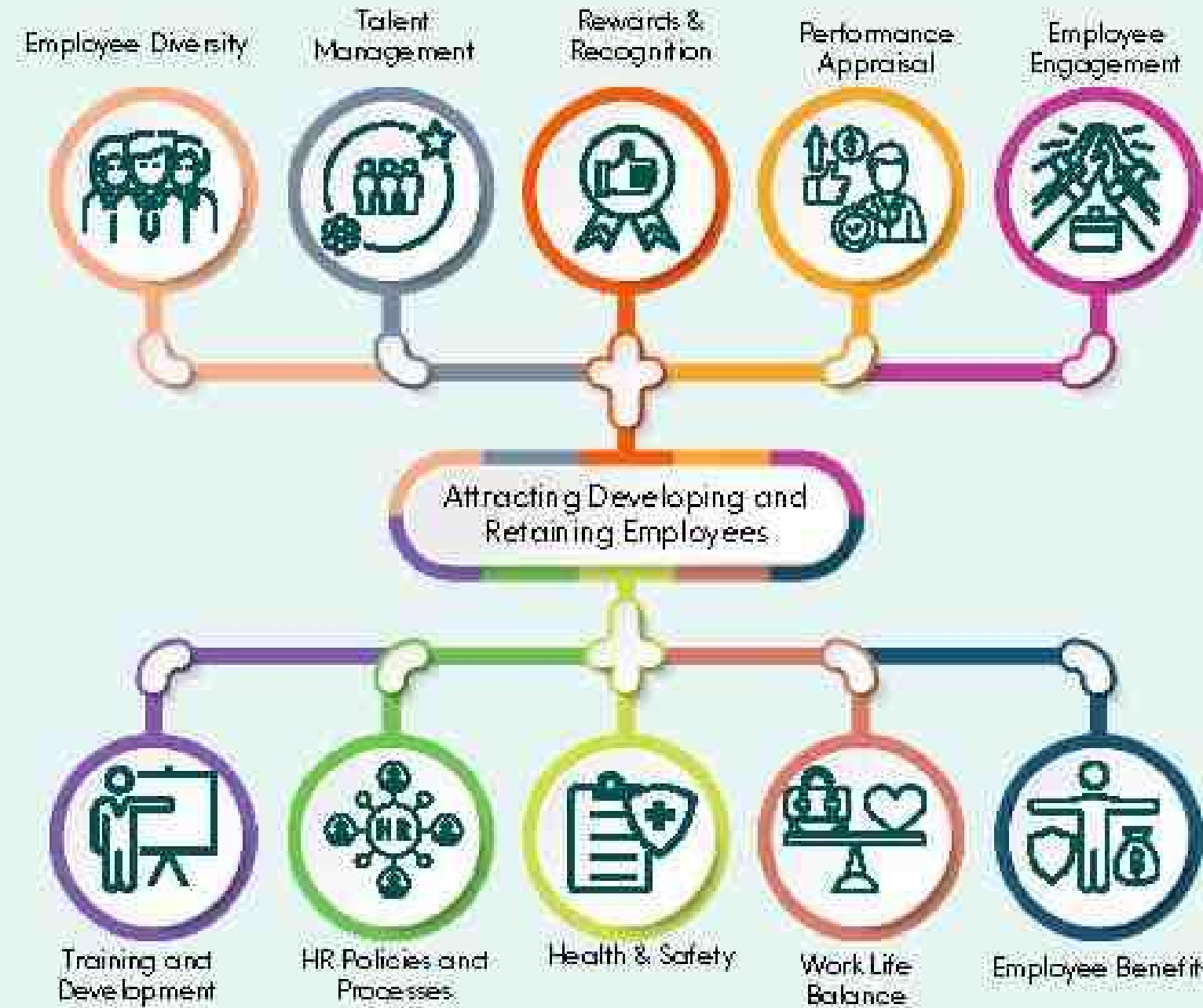
MANAGEMENT APPROACH -

We cultivate a constructive work environment through employee engagement initiatives and ongoing education. As a responsible employer, we are dedicated to bring 'The company of choice' even for our employees.

EMPLOYEE

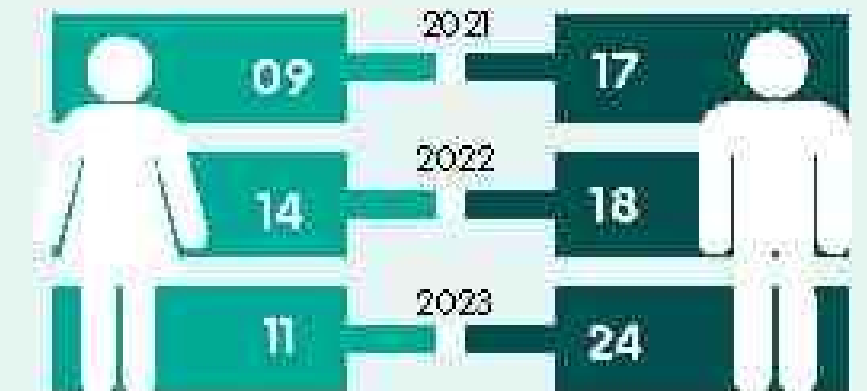
Our Ethos

HAPPY EMPLOYEES,
EVEN HAPPY CUSTOMERS

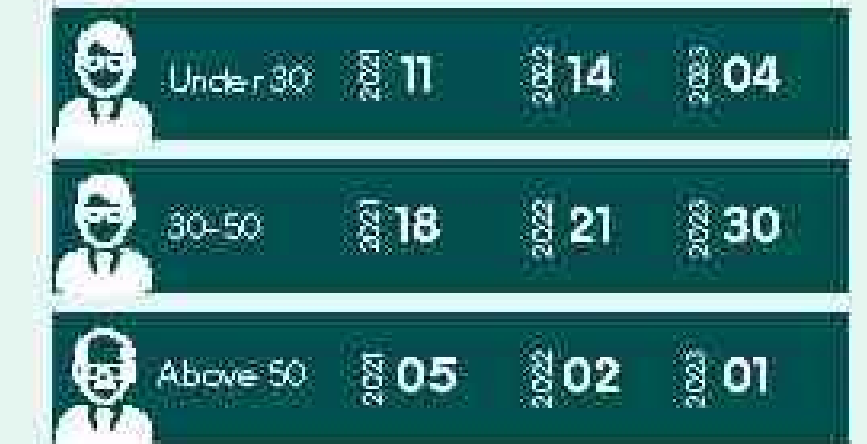


We guarantee the financial stability and security of our employees by offering improved end-of-service benefits through structured contribution plans.

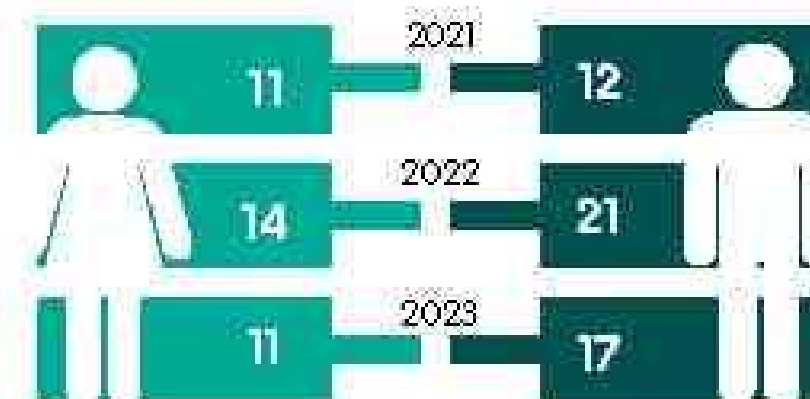
EMPLOYEES THAT LEFT



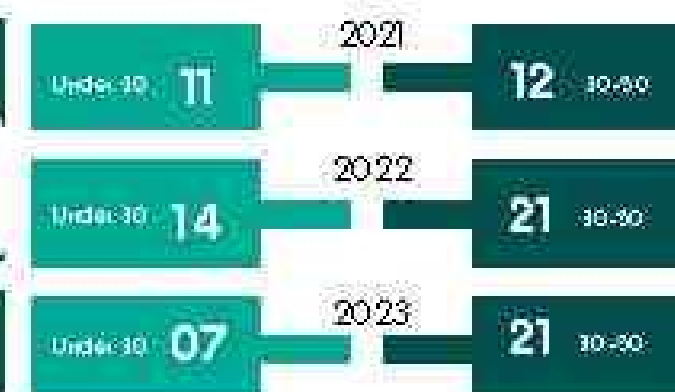
EMPLOYEES THAT LEFT



NEW HIRES



NEW HIRES



25%

OF OUR EMPLOYEES HAVE
BEEN WITH THE COMPANY
FOR MORE THAN 10 YEARS

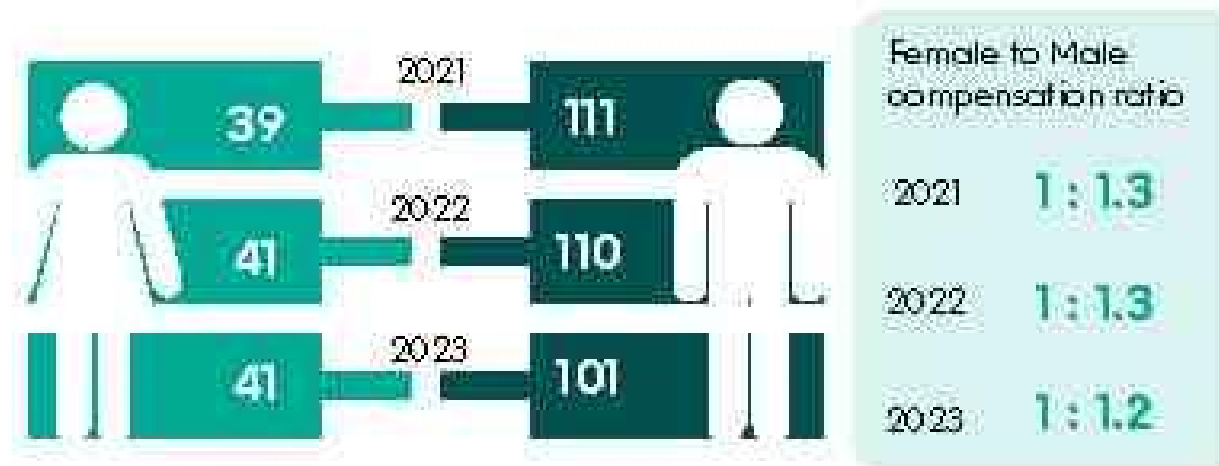
DIVERSITY AND INCLUSION

We endeavor to establish a workplace that embraces diversity and inclusivity, ensuring every employee feels appreciated and respected.

 **29%** FEMALE EMPLOYEES

 **71%** MALE EMPLOYEES

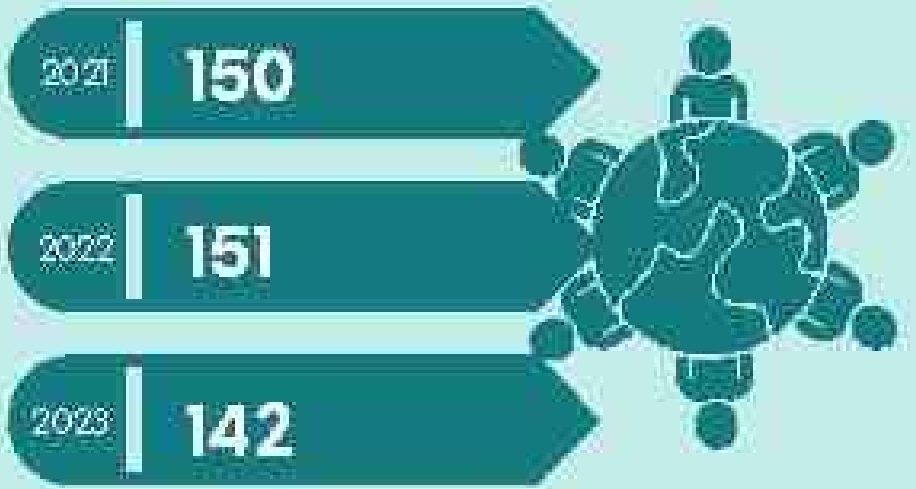
TOTAL EMPLOYEES, BY GENDER



AGE WISE COMPOSITION



TOTAL



DIVERSE NATIONALITIES



EMPLOYEE ENGAGEMENT



1. Continuous Employee Engagement Activities
2. Celebrating Festivals

**We believe in work
life balance**

At Awnic, we prioritize employee well-being as fundamental to our business success, and we are fully committed to offering our staff the necessary resources and assistance to attain peak physical and mental health. In pursuit of this objective, we organize a variety of workshops and awareness sessions annually, designed to advocate for healthy behaviors and empower our employees to proactively manage their well-being. Our dedication to nurturing a wellness-oriented culture remains steadfast, and we continuously invest in the health and contentment of our workforce. Notably, we achieved zero work-related injuries in 2023.

Cervical Cancer Awareness: We conducted educational campaigns and initiatives to raise awareness about cervical cancer, advocating for regular screenings and early detection to safeguard the well-being of our women employees.



Prostate Cancer Awareness: We raised awareness about prostate cancer, organizing initiatives to emphasize the importance of regular screenings and promoting a proactive approach to men's health within our organization and beyond.



ADCB Pink Run: We participated in the ADCB Pink Run, demonstrating our commitment to health and solidarity in the fight against breast cancer, promoting physical activity and well-being among employees.

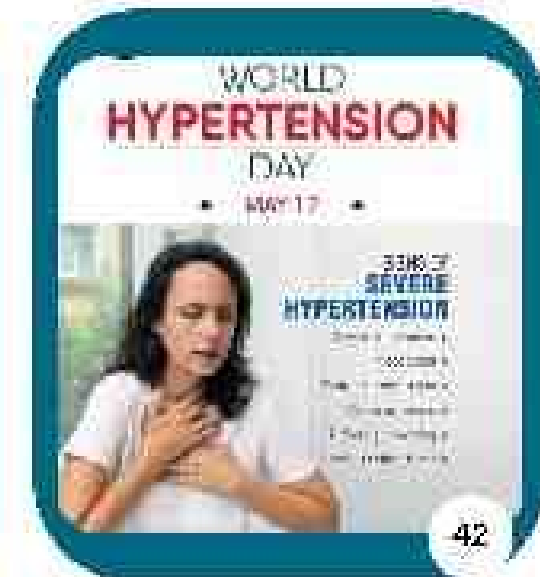
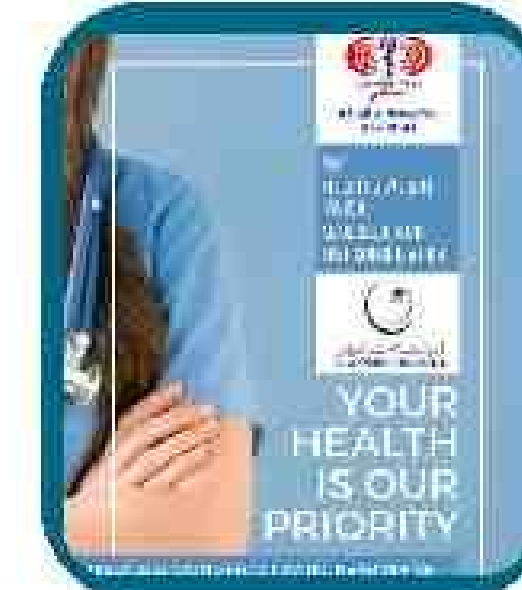


Breast Cancer Awareness: We prioritized women's health by advocating for breast cancer awareness, encouraging regular screenings, and offering support to those affected, promoting a caring and supportive workplace environment.



Lung Health Awareness: Prioritizing respiratory health, we promoted lung health awareness and advocated for a smoke-free environment, empowering our employees to make healthy choices and ensuring their overall well-being.

Health Check & Hypertension Day: We organized health check-ups and hypertension awareness events, empowering employees to take charge of their health and promoting preventive measures to combat hypertension and related health issues.



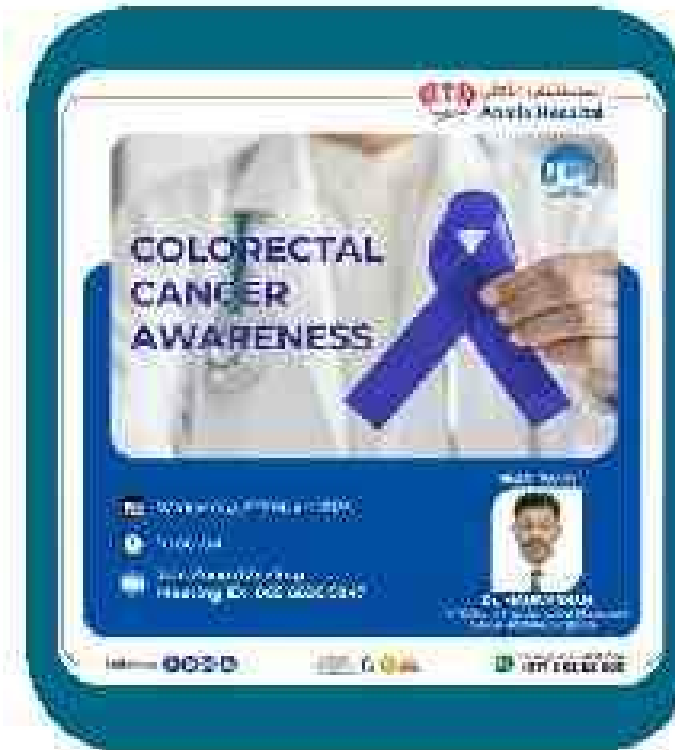
World Hepatitis Awareness Day: We supported global health initiatives by raising awareness about hepatitis, advocating for vaccination and prevention strategies, contributing to the global effort to eliminate hepatitis-related diseases.



Dental Health Awareness : Promoting holistic well-being, we conducted a dental health awareness webinar, educating employees about the importance of oral hygiene and preventive dental care.



Colorectal Cancer Awareness: We raised awareness about colorectal cancer, advocating for screenings and healthy lifestyle choices, supporting employees in their journey towards better health outcomes.



Eye Check-up: Prioritizing employee well-being, we organized eye check-up camps, ensuring the visual health of our workforce, promoting preventive care and overall wellness.



Celebrating Festivities

Christmas and Secret Santa: Boosting friendship and joy, we organized Secret Santa events during Christmas, promoting team bonding and spreading cheer among employees.



Emirati Women's Day: We honored Emirati Women's Day, celebrating the achievements of Emirati women and highlighting our commitment to diversity and gender equality, cultivating an inclusive workplace where all voices were valued and empowered.



Onam Celebration: We celebrated Onam, embracing cultural diversity and promoting a sense of belonging and unity among our diverse workforce, promoting cultural understanding and harmony.



Diwali Celebrations: Embracing cultural diversity, we celebrated Diwali, promoting inclusivity and cultural understanding, cultivating a sense of belonging and respect among employees from various backgrounds.



Women's Equality Day: We commemorated Women's Equality Day, reaffirming our commitment to gender equality and women's empowerment in the workplace and beyond. Through various initiatives and advocacy efforts, we strive to create a supportive environment where women have equal opportunities for growth, leadership, and success.



UAE Flag Day: As a leading insurance company operating in the UAE, we take pride in celebrating the country's rich cultural heritage and national events. We celebrated UAE Flag Day, reinforcing our commitment to the nation and its values, promoting unity and patriotism among employees.



International Women's Day: We celebrated International Women's Day by recognizing the achievements of women, advocating for gender equality, and reaffirming our commitment to empowering women in the workplace and beyond.



OUR COMMITMENT TO ENVIRONMENT

Tree Plantation: Demonstrating environmental stewardship, we engaged in a tree plantation drive conducted by our sustainability partners, contributing to sustainability efforts and promoting a greener future for generations to come.



TOWNHALL AND FINANCIAL AWARENESS

AWNIC Townhall: Strengthening communication and transparency, we conducted regular town hall meetings, providing a platform for employees to engage, share feedback, and stay informed about company developments, cultivating a culture of collaboration and openness.



Financial Literacy Workshop: In collaboration with our sustainability partners, The One Percent, we empowered employees by conducting a financial literacy workshop promoting personal well-being and long-term financial security.



OPEN-DOOR COMMUNICATION

DISCUSSIONS BETWEEN EMPLOYEES AND SENIOR MANAGEMENT, ENRICHING THE DECISION-MAKING PROCESS.



ATMOSPHERE OF TRANSPARENCY AND OPENNESS.



An illustrative instance of this approach is the inception of the

GO GREEN INITIATIVE

which invites employees to propose ideas for enhancing workplace sustainability.

INTERNAL PORTAL AND A SELF-SERVICE MOBILE APPLICATION

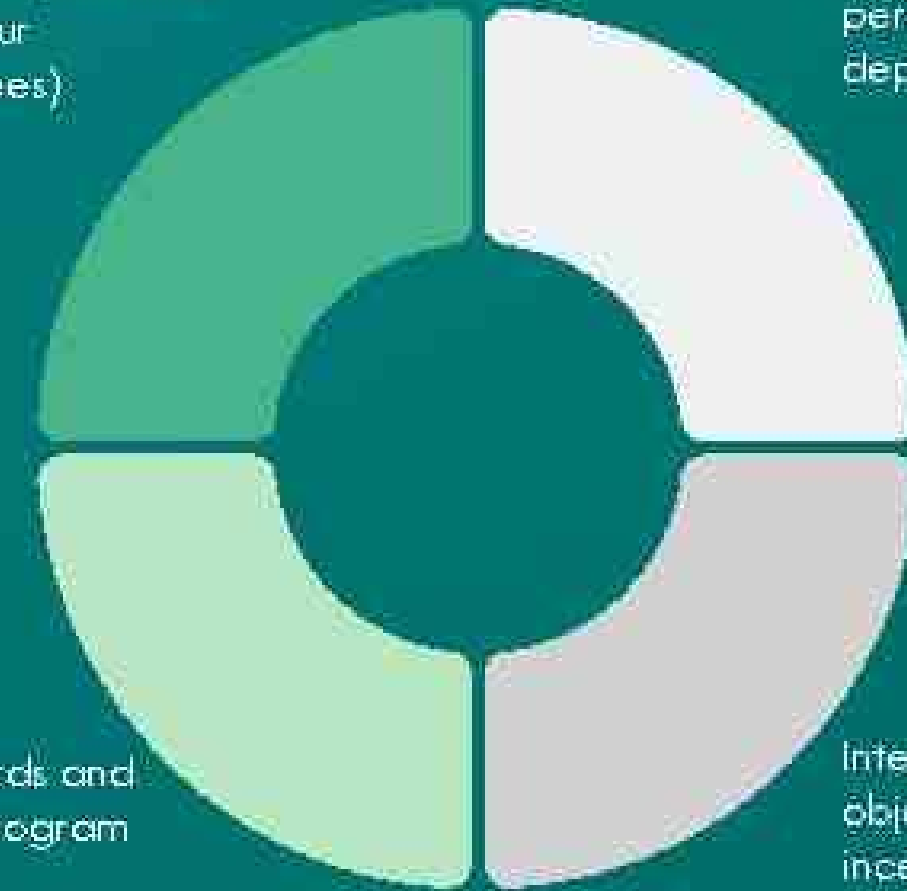


- Facilitate internal communication
- Enabling employees to remain connected and informed about pertinent topics such as health and safety protocols, training opportunities, wellness programs, and HR-related information

AWARDS AND RECOGNITIONS

Recognize the importance of rewarding our assets (employees)

Annual awards to top-performing employees, department & branches



Created awards and recognition program

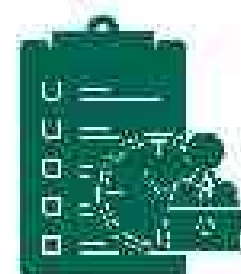
Integrated into HR's objectives to give incentives to employees

SPECIAL AWARDS TO EMPLOYEES WHO HAVE SERVED FOR A PERIODS OF 15 YEARS

84%

OF EMPLOYEES ARE HAPPY WORKING AT Awnic

TRAINING & DEVELOPMENT



TOTAL TRAINING HOURS

1600 HOURS

E-LEARNING

We provide in-house and external compliance that consists of mandatory training courses:-

- AML/CFT updates
- Anti bribery & corruption
- Cybersecurity
- Code of conduct, etc

DRIVING SUCCESS: We aim every interaction with our customers to reflect the highest standards of professionalism & expertise, driving the success of our business.

CULTURAL IMPACT: These programs promote a culture of innovation, collaboration, and growth within our organization.

CONTINUOUS LEARNING: We invest in learning programs to ensure our employees stay updated with the latest industry trends & best practices.

VALUING EMPLOYEES: At Awni, we consider our employees as our most valuable assets.

MOTIVATED WORKFORCE: We aim to create a motivated and engaged workforce capable of delivering exceptional customer service.

SKILL ENHANCEMENT: We aim to improve our employees' skills and knowledge, enabling them to perform their roles more effectively.

SERVICE EXCELLENCE: Our primary goal is to consistently provide quality services to our customers while also achieving our organizational goals.





09 INTELLECTUAL CAPITAL

MANAGEMENT APPROACH

At AWWIC, we recognize that intellectual capital serves as the driving force behind our success. From our talented employees to our innovative processes and proprietary technologies, we leverage our intellectual capital to drive sustainable growth and deliver exceptional value to our stakeholders.

DIGITAL TRANSFORMATION & BRAND VALUE

FIRST INSURANCE COMPANY IN THE UAE TO IMPLEMENT BLOCKCHAIN TECHNOLOGY.

At Awnic, our digital transformation journey is not merely a technological evolution but a strategic imperative to enhance our brand value. By seamlessly integrating cutting-edge technologies and promoting a customer-centric digital experience, we aim to elevate our brand's relevance and engagement in the ever-evolving marketplace. This commitment to digital innovation reinforces our position as a forward-thinking industry leader, driving value for both our customers and stakeholders.

The Awnic Edge – Meeting the Criteria

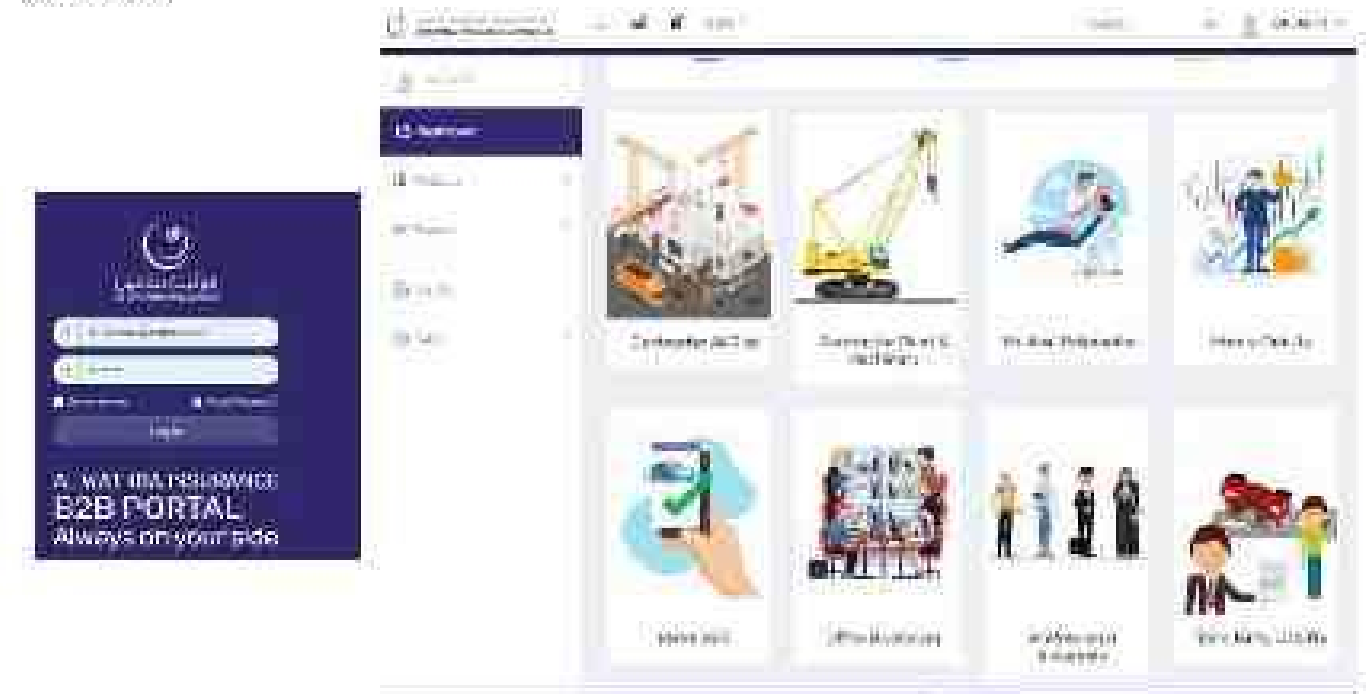
DIGITAL VISION



- 01 OUR STATE-OF-THE-ART CMS SYSTEM
- 02 CLAIM OFFICER DASHBOARD SCREEN
- 03 BOX CONCEPTS (POLICY ACCIDENT CLAIMS SURVEY QUOTATIONS REPAIR DISPATCHING)
- 04 COMPREHENSIVE WORKFLOW MANAGEMENT

SMART ECOMMERCE PORTAL B2C

Our smart B2C eCommerce Portal allows consumers to purchase policies with just a few clicks.



Since its establishment, Awnic has been a reputable brand within the UAE insurance sector. Our dedication to delivering outstanding service, pioneering products, and a focus on customer satisfaction has been instrumental in solidifying our brand's esteemed reputation throughout the years.



Our social media presence has grown significantly in the past year, with a steady increase in followers on major platforms such as Twitter, Facebook, and LinkedIn.

OUR DIGITAL ACHIEVEMENTS-



Intelligent Communication Management System (iCMS)

1. Reduction in Avg. time required for approvals from **5 to 2 days**
2. A total of **AED 213M** finance transactions processed since Feb 2020
3. A total of **AED 5.4M** claim transactions processed since Feb 2020



Enterprise Content Management System

85-90%
of documents are handled electronically



Mobile Application

10.5K+
app downloads



Customer Relationship Management (CRM)

Efficient eCommerce CRM system



Marine Portal

Process time of less than **2 minutes**
Premium of AED 1M policies booked from Jan - June 2020

#awniclive

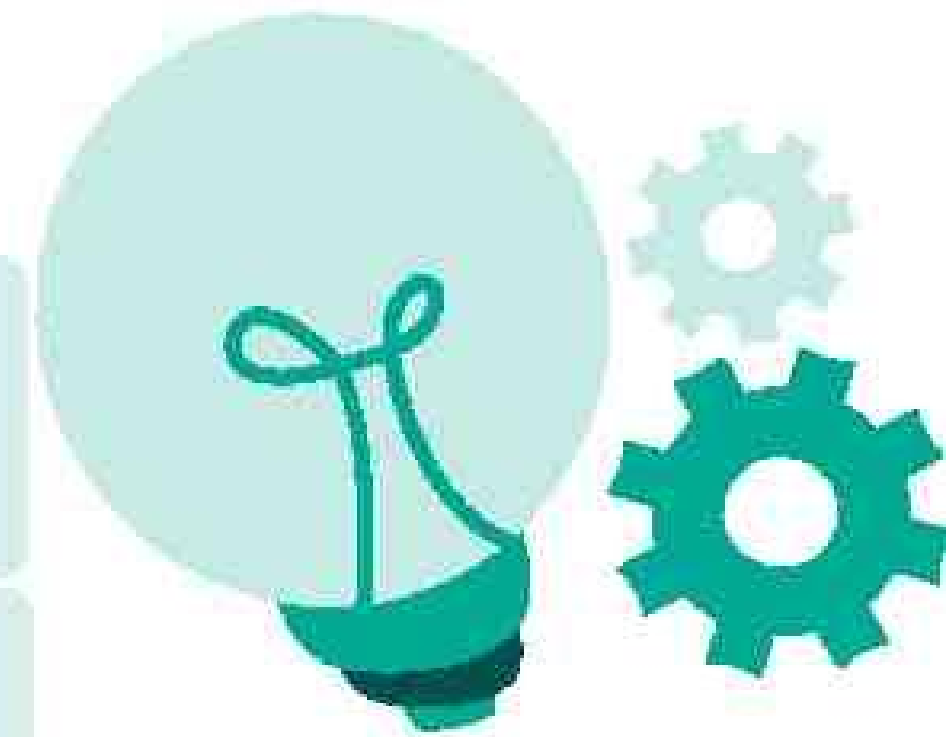
HEMAYAH, Car Insurance

Health, car insurance, and more... With Awnic, it's all in one place. Let your journey begin.

#awniclive to get your car insured today!

COMPANY

Share your Car Information



AWARDS IN DIGITAL SPACE



Digital Initiative Award by the UAE Insurance Authority in 2018, 2019



Best innovative company award by InsurTech in 2021

OUR DIGITAL COMMITMENT TO SOCIETY

UAE Heroes initiative through digital platforms and otherwise, Awnic has been able to extend its social commitment of

AED 200K+ PREMIUM

INNOVATION

We place a strong emphasis on innovation, recognizing its crucial role in achieving long-term goals. Leadership actively supports and champions innovation, promoting a collaborative and cross-functional environment. The innovation framework encompasses stages such as idea generation, validation, and implementation. Key components of the company's innovation strategy include employee empowerment, customer-centric innovation, and fostering a risk-taking culture. Given the company's size and corporate governance, flexibility and quick adaptation are embraced.

In 2023, significant projects under the umbrella of innovation included the

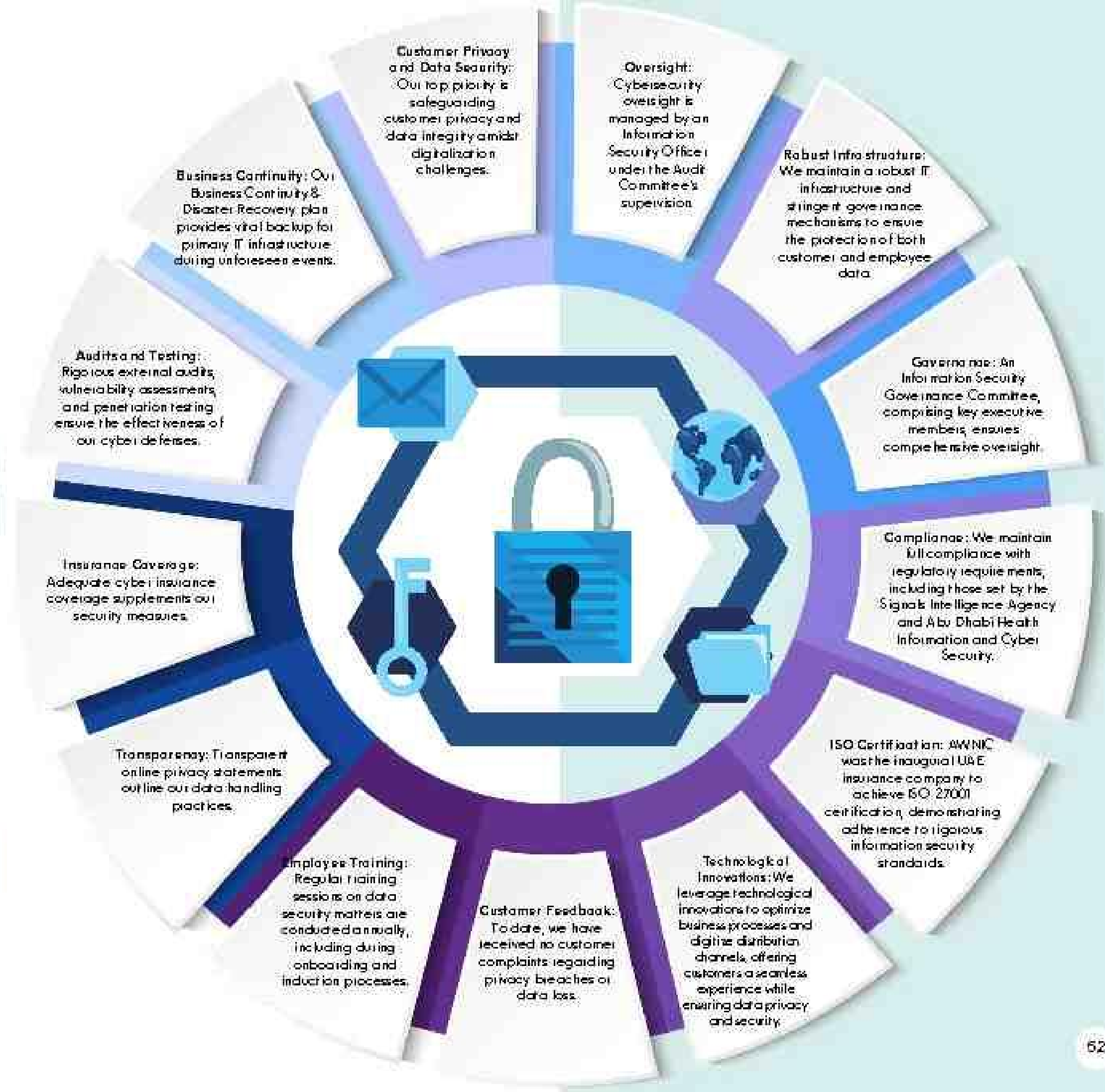
DEVELOPMENT OF NEW UPGRADED MOTOR THIRD-PARTY (TP SMART) AND COMPREHENSIVE PLANS (COMP SMART & COMP LUX).

These plans were designed as unique selling propositions for the Direct Sales Channel.

Since August 2023, over **1,502 Smart & Lux policies** have been issued, providing customers with exclusive offers and discounts unrelated to accidents. These offerings, courtesy of being AWWNIC policyholders, are detailed in handbooks sent to customers upon issuance of a Smart or Lux quote or policy. These handbooks serve as guides for customers to avail themselves of discounts throughout the policy period, alleviating their non-accident related expenses throughout the year.



DATA PRIVACY



SAFEGUARDING YOUR DATA AT AWNIC

AWNIC is committed to providing the utmost protection for our clients' data and privacy.

Data Encryption: Sensitive client data stored on our servers is encrypted, ensuring an additional layer of protection.

Patch Management: We diligently ensure that all devices and servers are patched regularly to mitigate vulnerabilities and enhance security.

Employee Education: Employees receive ongoing education on cybersecurity threats via email, empowering them to recognize and respond to potential risks effectively.

Email Security: AWNIC has implemented Machine Learning-Artificial Intelligence (ML-AI) email security to proactively detect and prevent various types of phishing emails, further enhancing our cybersecurity posture.

Access Control: We prioritize security by limiting access to critical data through a Privileged Access Management (PAM) solution with Multi-Factor Authentication (MFA) implemented across all critical systems.

Backup Strategy: Regular encrypted offline and online backups are performed to safeguard data integrity and availability.

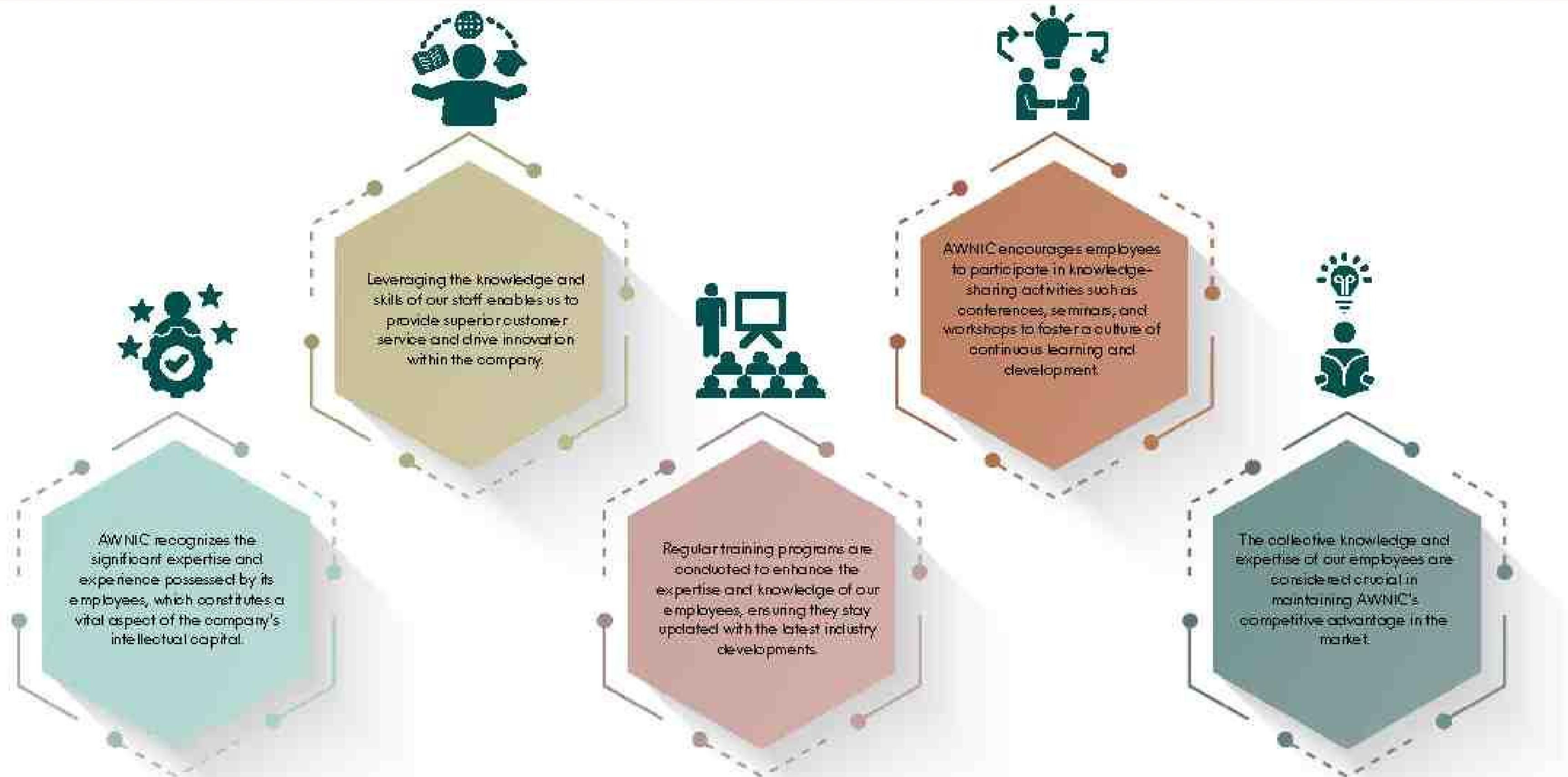
Data Leak Prevention: To mitigate the risk of data leaks, we have deployed an AI-based network security system, Endpoint Detection and Response (EDR), and a robust firewall with Distributed Denial-of-Service (DDoS) protection.

Regular Audits: Our systems and data undergo regular audits to maintain compliance, identify vulnerabilities, and strengthen security measures.

Data Protection and Client Confidentiality Policy: This ensures the secure handling and strict safeguarding of sensitive information to maintain trust and compliance with legal regulations.



EMPLOYEE KNOW-HOW





10 CORPORATE GOVERNANCE

MANAGEMENT APPROACH

For more than 25 years, our service has been synonymous with trustworthiness, strong governance, and integrity. Our corporate governance protocols safeguard the enduring interests of our partners.

Our focus is on applying policies derived from the rules and standards of institutional discipline established in the UAE.

We believe this approach will align with stakeholder interests and enhance sustainable value for them.

This commitment extends to prioritizing the interests of customers and employees.

We aim to improve elements of the control environment and ensure compliance with transparency, standards, accountability, responsibility, and disclosure.

Upholding the integrity of our work is a priority shared by our Board of Directors and Executive Management.

Both entities are dedicated to implementing and maintaining these principles.

BOARD OF DIRECTORS

The Board of Directors directs its attention to corporate governance and discipline through its committees.

They oversee the management and execution of entrusted responsibilities and duties through their authority.

Supervision extends to the implementation and refinement of policies and procedures to optimize the efficiency and effectiveness of internal controls.

This oversight is pivotal in upholding our commitment to integrity, transparency, and accountability.

The Board closely monitors the Audit Committee and Nomination & Remuneration Committees in compliance with governance regulations.

They safeguard shareholders' rights by striving to maximize company profitability.

COMPOSITION OF THE BOARD

Our Board is composed of a diverse group of individuals with complementary skills and backgrounds.

Our Board consists of:

nine board members, two of whom are independent, who have extensive experience and expertise in their respective fields.



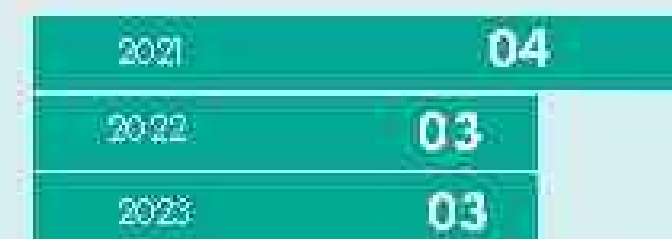
IN 2023, WOMEN REPRESENTED

11%

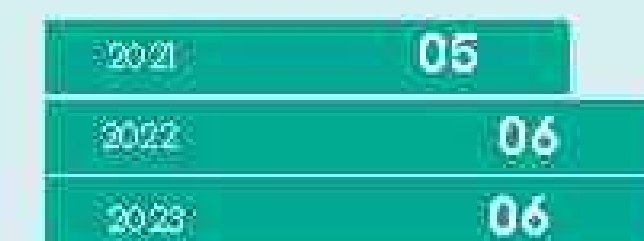
OF OUR BOARD MEMBERSHIP



BETWEEN 30-50 YEARS OLD



OVER 50 YEARS OLD



Our CEO Pay ratio is as per industry standards



EXPERIENCES AND QUALIFICATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

NAME	EXPERIENCE	QUALIFICATION	NAME	EXPERIENCE	QUALIFICATION
Sheikh Saif Bin Mohammed bin Butti Al Hamed	• CEO and Deputy Owner of United Al Sager Group from 02/04/2008 to date • CEO and Deputy Owner of Al Atheer Group from 02/04/2008 to date • Owner and CEO of Saif Group from 01/11/1999 to date • Member of the Board of Directors of Sharjah bank (since 1999) to date	• Bachelor of Political Science / Economics	Mr. Mohammed Saeed Al Qubaisi	▪ Chairman of the Board of Directors of Mohammed Al Qubaisi Company from 1986 to date	Secondary degree
H.E. Rashed Darwish Al Ketbi	▪ Chairman and Owner of Rashid Darwish Al Ketbi Commercial Investment from 2007 to date ▪ Financial and Administrative director of Darwish Bin Ahmed and Sons from 1995 to 2006 ▪ Assistant Undersecretary for Financial and Administrative Affairs at the Ministry of Health - UAE from 1991 to 1995 ▪ Financial and Administrative Director of Saif Bin Darwish from 1985 to 1991	• Bachelor of Business Administration • Master of Business Administration	Mr. Ahmed Ali Al Dhaheri	• He is currently the Chairman of Ali & Sons Holding Company • Chairman of Hily Holding (since April 2009) • Member of the Board of Directors of Waha Capital (since April 2012) Currently Vice President since April 2018. • Member of the Board of Directors of Abu Dhabi Aviation (since April 1999) • Member of the Board of Directors of Al Ramz of Investment & Development (PJSC) since April 2018. • Vice Chairman and CEO of Ali & Sons Group of Companies since 1998 until July 2014 • Founder and Chairman of the Board of Directors of AK Investments - Sole Proprietorship LLC	• Higher Diploma in Business Administration - Accounting Major with distinction from the Higher Colleges of Technology- Abu Dhabi • Bachelor of Accounting from the School of Management and Economics of Seattle University - America • Certified Public Accountant (CPA)
Mr. Shukri Salem Al Mheiri	• Businessman • General Manager of Dubai Investment Industries Company from 2006 to 2014 • Business Development Manager for Dubai Investments Company from 2001 to 2006 • Executive Director of Abu Dhabi Investments Company and Oman Emirates Holding Company (Emirates Branch) from 1995 to 2006 • Director of Finance at Tawam Hospital - Ministry of Health from 1992 to 1995 • Marketing Manager at Abu Dhabi National Oil Company (ADNOC) from 1985 to 1990	• Bachelor of Economics • Master of Public Administration development	Mr. Rasheed Ali Al Omaira	• CEO of BILDCO since 2018 • Businessman from 2010 - 2017 • CEO and Board Member of Vision Capital from 2006 to 2010 • Employee at Abu Dhabi Securities Market from 2000 to 2006 • Businessman from 1996 to 2000 • Employee at RAK Bank for the period 1991-1996 • Employee at United Arab Bank for the period 1988-1991	
			Mr. Khalifa Saif Al Ketbi	• Executive Director with 20 years' experience in marketing and sales • Experience in business management • Experience in services and investment in a company specialized in the field of heavy equipment and spare parts	• Bachelor's degree in business administration

NAME	EXPERIENCE	QUALIFICATION
Mr. Khalid Khalifa Al Mheiri	A financial analyst for Al-Dhabi Investment Company from 2013 to date	Bachelor's degree in business administration
Ms. Samira Rashed Darwish Al Ketbi	- CEO of "RDK" Group, since March 2017 until now. - Associate Director, Hedge Funds - National Bank of Abu Dhabi - Abu Dhabi from March 2015 until February 2017. - Investment Associate - Emirates Investment Authority - Asset Management - Abu Dhabi from August 2011 until February 2015.	- Bachelor of Business Administration - Certified Financial Analyst (CFA) - Bachelor of Business Sciences: Finance major - - An advanced course in Macroeconomics in Banking, Monetary and Financial Policy and the Financial Crisis of 2008 - University of Oxford, United Kingdom



THE BOARD OF DIRECTORS' POSITIONS IN PJSC COMPANIES

NAME	NAME OF THE PUBLIC JOINT STOCK OR ANY IMPORTANT POSITION (REGULATORY, GOVERNMENT)	DESIGNATION
Sheikh Saif Bin Mohammed Bin Butti Al Harmed	- Bank of Sharjah - Abu Dhabi National Hotels	- Member of the BOD - Chairman of the BOD
H.E. Rashed Darwish Al Ketbi	- Hily Holding - Waha Capital	- Vice Chairman - Member of the BOD
Mr. Mohamed Saeed Al Qubaisi	Hily Holding	Member of the BOD
Mr. Ahmed Ali Al Dhaheri	- Abu Dhabi Aviation Company PJSC - Hily Holding PJSC - Waha Capital - Al Ramz Corporation for Investment and Development (PJSC)	- Member of the BOD - Chairman of the BOD - Vice Chairman - Member of the BOD
Mr. Rasheed Ali Al Omaira	- Abu Dhabi National Company for Building Materials - BILDOO - Waha Capital	- Member of the BOD - Member of the BOD

BOARD OF DIRECTORS' MEETINGS

MEETING	DATE OF MEETING	NUMBER OF ATTENDEES
First Meeting	13/02/2023	9
Second Meeting	28/03/2023	7
Third Meeting	27/03/2023	7
Fourth Meeting	27/04/2023	9
Fifth Meeting	12/05/2023	8
Sixth Meeting	19/05/2023 - By Circulation	8
Seventh Meeting	11/08/2023	6
Eight Meeting	13/11/2023	7

THE NUMBER OF PERSONAL ATTENDANCES OF BOARD MEMBERS

NAME	ATTENDANCE FREQUENCY
Sheikh/ Saif Bin Mohamed Bin Butti Al Hamed	5
H.E Rashed Darwish Al Ketbi	8
Mr. Shukri Salem Al Mheiri	7
Mr. Mohamed Saeed Al Qubaisi	7
Mr. Ahmed Ali Al Dhaheri	6
Mr. Rasheed Ali Al Omaira	5
Mr. Khalifa Saif Al Ketbi	8
Mr. Khalid Khalifa Al Mheiri	7
Ms. Sanaa Rashed Darwish Al Ketbi	8

ROLE OF BOARD

BOARD EFFECTIVENESS

ROLE OF THE BOARD

- Our Board is responsible for overseeing the management of the Company and ensuring that we act in the best interests of our stakeholders.
- They follow up on the Audit Committee and Nomination & Remuneration Committees in accordance with the governance regulations.
- They shall ensure that the committees fulfill their duties by sending all the minutes of the meetings which includes recommendations, results, and suggestions to the Board of Directors which will be discussed, and a final decision will be made based on the minutes of the meetings, and this decision will be made at the earliest board meeting and all Board responsibilities cannot be delegated to the committees.
- They also ensure shareholders' rights by maximizing the profitability of the company.
- The Board meets regularly to review and approve key decisions, including strategy, budget, risk management, and financial performance.



BOARD EFFECTIVENESS

- We regularly evaluate the effectiveness of our Board and its committees to ensure that they are functioning optimally.
- We also provide ongoing training and development opportunities to our directors to enhance their skills and knowledge.
- We believe that good corporate governance is essential to our success.
- Our Board of Directors is committed to upholding the highest standards of corporate governance and ensuring that we operate in a transparent and ethical manner.
- We will continue to work diligently to maintain the trust of our stakeholders and deliver sustainable value over the long term.

EXECUTIVE MANAGEMENT DELEGATION BY BOARD OF DIRECTORS

H.E. Rashed Darwish Al Ketbi- Vice Chairman & Managing Director-

- To manage the company's investments, funds and contracts and represent the company in its relations with others.
- The right to the Establishment of companies and signs contracts on behalf of the company either with himself or with the third party.
- The right to trade in shares and bonds by selling, purchasing, pledging, and canceling the pledge.
- The right to manage the properties and lands owned by the company.
- Opening, managing, closing the current accounts, depositing, and withdrawing the deposits of the company with the banks.
- Sign on behalf of the Company any papers or documents related to the above works, and such works as are approved by the board of directors whether within the UAE or abroad.
- The right to appoint others from the managers or employees of the company in all or some of the aforementioned text.

Mr. Bassam Adib Chilmaran- Chief Executive Officer

- Sign on behalf of the company all transactions, records, and documents in the ministries, courts, municipalities, civil associations, chamber of commerce and industry, immigration department, traffic department, labor department, and immigration affairs at airports. Also, he has the authority to sell the vehicles owned by the company and register and renew them and remove them at traffic and licensing departments, as well as purchase in company's name.
- He has the right to dismiss, appoint and authorize lawyers, arbitrators, and experts to defend the company's cases in all courts of the United Arab Emirates of all types and degrees including first instance, appeal, and supreme in all the roles of the trial, in the federal courts on all degrees, the Supreme Federal Court, and the Shari'a courts of different degrees including cessation court.
- Furthermore, he has the right to authorize in all or some of aforementioned text.

Hassan Ali Hadid – Legal & Compliance Manager

- Submitting, receiving, and signing on behalf of the company for all transactions with ministries, courts, judicial departments, police stations, prosecutors, and all other relevant institutions.
- The authority to sell the vehicles owned by the company and register and renew them and remove them at traffic and licensing departments; as well as purchase in company's name.
- The right to dismiss, appoint, or engage lawyers to represent the company and act on its behalf in all courts of the UAE.
- The power to release, drop, deny, receive, deliver, settle, acknowledge the claimed right, waive it, reconcile, arbitrate, accept an oath, direct it, or reject it, abandon the dispute, or waive the ruling in whole or in part.



MANAGEMENT STRUCTURE AND ACTIVITIES

Our management level is structured as given in table below-

Management level	Purpose	Type of interactions
Executive Management (CEO, CFO, COO, CIO, and Head Internal Controls)	Leadership guidance & strategic decision-making	Board & Board Committee meetings ABPP- goal setting & performance review Monthly meeting- periodic progress review
Mid-level Management (Functional/ Department Heads)	Tactical problem solving and execution	Steering committee meetings/ project committee meetings
Front line/ Customer facing/ support team	Execution of strategic goals	

EXTERNAL AUDITOR:

KPMG were appointed as the company's external auditor for the financial year 2023 and the General Assembly dated 27/04/2023 approved the appointment of the external auditor, KPMG, and determined the fees.



AUDIT COMMITTEE COMPOSITION:

NAME	DESIGNATION
Mr. Mohamed Saeed Al Qubaisi	Committee Chairman
Mr. Ahmed Ali Al Dhaheri	Committee Member
Mr. Khalid Khalifa Al Mheiri	Committee Member

Coordinate with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties.

Consider important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.

Review of financial control, internal control, and risk management systems in the Company.

Discussing the internal control system with the Board of Directors and ensuring the latter's establishment of an effective system for internal control.

Considering the results of primary investigations relating to internal control issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of directors approval of such initiative.

Review the Company's financial and accounting policies.

Meeting of the Audit Committee with the External Auditor at least once a year.

Ensure the existence of coordination between the internal and external auditor, which will be done at the meeting with the internal audit department.

Reviewing the External Auditor's letter and their work plan and any material queries raised by the auditor to the management on the following: accounting records, financial accounts, or internal control systems.

Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the external auditor's letter.

Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal control, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.

Review and discuss internal audit reports.

The Audit Committee shall send all minutes of the Committee meetings to the Board of Directors for discussion and review at the next Board meeting.

Monitoring the extent to which the Company complies with the code of conduct.

Submitting reports and recommendations to the Board of Directors as per the functions listed.

Considering any other issues determined by the Board of Directors.

AUDIT COMMITTEE FUNCTIONS:

Ensure the availability of the required resources for the internal controls department and reviewing and monitoring the effectiveness of such department.

Ensure the independence of the external auditor, review the auditor's letter, work plan, and objectivity.

Submit a recommendation to the Board of Directors on the appointment, dismissal, or resignation of the External Auditor.

Monitor the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and review as part of its normal work during the year, and the committee shall particularly focus on the following:

1. Any changes in accounting policies and practices.
2. Highlight the aspects that are subject to the management's discretion.
3. Substantial amendments resulting from auditing.
4. Supposing continuity of the Company's business.
5. Commitment to the accounting standards approved by the Authority.
6. Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports.

COMMITTEE MEETINGS

In 2023, The Audit Committee held eight meetings to carry out the tasks assigned to it and to discuss internal audit reports.

NOMINATIONS AND REMUNERATIONS COMMITTEE

NAME	DESIGNATION
Mr. Shukri Salem Al Mheiri	Committee Chairman
Mr. Rasheed Ali Al Omairi	Committee Member
Mr. Khalifa Saif Al Ketbi	Committee Member

COMMITTEE FUNCTIONS:

Constantly verifying independence of independent Board members.

Setting the policy for granting bonus, privileges, incentives, and salaries to the Company's Board members and staff. Reviewing such policy annually and ensuring that the bonus and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance.

Reviewing the Company's human resources and training policy and monitor the implementation of such policy.

Determining the Company's needs of qualifications at the Senior Executive Management and the staff levels and the criteria for selection thereof.

Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations and in accordance with the Chairman of Authority's Board of Directors' Resolution No. (03 R.M) of 2020 Concerning the Corporate Governance Guide of Public Shareholding Companies.

COMMITTEE MEETINGS:

The Nomination and Remuneration Committee held two meetings during 2023.

INSIDERS DEALING COMMITTEE

NAME	DEPARTMENT	DESIGNATION
Mr. Awmi Manna	Investments & Shareholders Affairs	Committee Chairman
Mr. Murali Krishnan	Finance	Committee Member
Mr. Hassan Hadidi	Legal Affairs	Committee Member

COMMITTEE FUNCTIONS:

Set rules and regulations regarding the transactions of the Company's Board of Directors and its employees in the securities issued by the Company, the Parent Company, subsidiaries, or sister companies.

Preparing a special and integrated register for all people who are knowledgeable, including those who may be considered as temporary insiders who are entitled or have access to the company's internal information prior to publication. The register also includes the prior and subsequent disclosures of the insiders.

Manage, follow up, and supervise the transactions of the insiders and their ownership. Moreover, the Committee will maintain their register and submit periodic statements and reports to the market.

To take all measures to maintain the complete confidentiality of the company's material data and information to ensure that they are not misused.

Establish effective contractual arrangements to ensure that other insiders who review their own internal data and information of other customers maintain the confidentiality of such data and information and not misuse, transfer or direct or indirect transfer of such data and information to third parties.

The signature of all parties that are aware of the official statements that confirm their knowledge that they have internal data and information relating to the company and its customers and bear all the legal effects in the event of leaking this information or data or providing advice on the basis of the information in possession of it, and its obligation to notify the company of any trading carried out on the securities of the parent company or subsidiaries before and after such transactions.



COMMITTEE'S SUMMARY REPORT

Summary report of the Committee's work during the year 2023:

A special and comprehensive record has been created for all insiders

Ensure that all persons familiar with the prohibition during the said prohibition periods in accordance with circulars issued by ADX

The Committee is currently committed to fulfilling all its mandated tasks as fully as possible

COMMITTEE FUNCTIONS:

Develop an investment strategy and policy to be approved by the Board of Directors

Setting the investment guidelines

Reviewing / monitoring the investments

In conjunction with the Audit Committee, determining the scope of the rigorous audit procedures that include full coverage of the investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies; and

Assisting the Board of Directors in its evaluation of the adequacy and efficiency of the investment policies, procedures, practices, and controls applied in the day-to-day management.

INVESTMENTS COMMITTEE

NAME	DESIGNATION
H.E. Rashed Darwish Al Ketbi	Committee Chairman
Mr. Shukri Salem Al Mheiri	Committee Member
Mr. Mohamed Saeed Al Qubaisi	Committee Member

COMMITTEE MEETINGS:

The Investment Committee held three meetings during 2023

INTERNAL CONTROL SYSTEM-

The Internal Control reviews the effectiveness of the internal control system of the Company and informs the Board of Directors of the results and recommendations by sending its reports directly to them. Moreover, they are responsible for monitoring the internal control system and reviewing its effectiveness



COMMITTEE FUNCTIONS:

Continuing the development of corporate governance and building a culture of governance.

Establish an effective monitoring system and ensure that the employees of the company adhere to the internal policies and procedures that govern its work.

Perform any other tasks assigned by the Board of Directors.

To assess the adequacy of the internal control system and the effectiveness of management.

Investigate a conflict of interest.

Making recommendations related to risk management to the Board of Directors in order to ensure the effectiveness of the control system.

Updating the internal procedures of the company to make them commensurate with the developments of the work and to ensure an effective control environment.

Working to strengthen the internal control system to comply with the requirements of the Securities and Commodities Authority and the Insurance Authority by:

Creating a suitable decision-making system.

Determination of authorities and responsibilities.

Create clear policies and procedures.

The Internal Controls Department also meets the Audit Committee on an annual basis to coordinate the determination of the annual audit and control plan.

Year	Total Operations Assessed for Corruption Risks	Percentage of Operations Assessed for Corruption Risks
2021	7	58%
2022	6	67%
2023	6	67%

INCIDENTS OF CORRUPTIONS AND ACTIONS TAKEN IN 2023

There were instances where the underwriter inadvertently misjudged the sum insured values, resulting in discrepancies during total loss claims processing.

Certain irregularities were identified in payment processing conducted by select members of the Finance department.

There were reports of employees encountering challenges in adhering to office hours due to technical issues related to accessing the Company's HRMS platform online.

We are committed to enhancing our operational processes to prevent any future incidents of this nature. Our goal is to achieve a zero-tolerance policy towards such occurrences by continuously improving our systems and procedures. With ongoing efforts and vigilance, we strive to uphold the utmost integrity and accountability within our organization.

The company did not face any significant issue during 2023





11 ENTERPRISE RISK MANAGEMENT

MANAGEMENT APPROACH

Ensuring the enduring sustainability of our business, the incorporation of enterprise risk management stands as a fundamental component within our Corporate Governance process.

- Risk Management
- Risk Management Framework
- ERM Framework
- Risk Governance

MISSION AND OBJECTIVE OF RISK MANAGEMENT

- Recognizing the paramount importance of effective risk management in achieving our strategic goals and upholding stakeholder trust.
- We have established a comprehensive Enterprise Risk Management (ERM) framework. This framework facilitates the identification, assessment, mitigation, and monitoring of risks across our organization.
- Our mission regarding risk management is to ensure the implementation of a robust and integrated risk management process that aligns seamlessly with our business strategy and objectives. This approach is integral to our ability to generate sustainable value for our stakeholders.
- The internal audit assesses risks and their significance by auditing various divisions and departments according to the annual plan.
- The internal audit function provides recommendations through audit reports, which are then discussed with the audit and senior management committee for effective risk management.
- Our data undergoes thorough analysis, leading to the issuance of detailed reports.
- These reports comprehensively identify specific risks and provide insights into avoidance strategies and mitigation measures.
- Our risk management strategy encompasses all types of insurable risks, considering risk type, value, insured sector, and geographic scope, ensuring comprehensive coverage and effective risk management.

We consider our ERM framework and risk management goals as essential elements in generating sustainable value for our stakeholders and securing the enduring prosperity of our business.

TO ACHIEVE THIS MISSION, OUR AIM FOR RISK MANAGEMENT INCLUDES:

-  Identifying and evaluating risks that may hinder the attainment of our strategic objectives and targets.
-  Implementing suitable risk mitigation measures aligned with our risk appetite and tolerance levels.
-  Ensuring effective monitoring and reporting of risks to facilitate timely decision-making and actions.
-  Cultivating a risk-aware culture throughout our organization through employee and stakeholder training and awareness programs.
-  To accomplish these aims, we've formed a Risk Management Committee (RMC) tasked with overseeing the execution of our ERM framework. The RMC comprises senior executives from diverse business units, responsible for risk identification, assessment, mitigation strategy development, and monitoring the efficacy of our risk management procedures.

RISK MANAGEMENT PROCESS:



RISK MANAGEMENT POLICY -



This policy sets out our risk management (RM) which is exercised across our organisation and defines the risk management principles and guidelines with which we need to comply.



The policy stipulates the basic processes of the company wide framework for risk management and defines the categories of risks which the divisions should identify and approaches to managing them.



As a basis for risk management, a risk management policy has been created for Awnic and approved by the Management and Board.



The policy is based on the board-approved annual business plan and three years strategy. The policy is reviewed by the Management and Board annually.



We take risks inherent to our strategy in order to achieve our objectives and to deliver operational excellence for all stake holders.

RISK MANAGEMENT FRAMEWORK



- Our organization places a strong emphasis on identifying and managing risks proactively to prevent disruptions to business operations
- We aim to establish a unified, formalized, and systematic approach to risk management across all operational areas
- Divisions are encouraged to adopt best practices in risk management, fostering knowledge sharing and transparency with shareholders regarding key risks
- This approach enhances overall risk awareness and ensures transparency in divisional risk profiles
- Our proficient risk management enables us to scrutinize potential business decisions and swiftly capitalize on alternative options to address potential challenges
- Recognizing the potential for financial, operational, and IT risks to result in losses, we prioritize minimizing their impact through proactive measures
- Operating within a clear risk management framework, our primary objective is to identify and manage risks within the board-approved risk appetite
- Our risk management system facilitates proactive identification, evaluation, and mitigation of relevant risks to minimize their potential impact on the organization

ERM FRAMEWORK

RISK MANAGEMENT STRUCTURE

Our risk policy outlines a comprehensive risk management framework

ROLES AND RESPONSIBILITIES

The board directly supervises the Risk Management function, with responsibility for implementing risk management resting primarily with the following:



BOARD & AUDIT COMMITTEE RESPONSIBILITIES:

- Review and approve the Risk Management Policy and related manual in so far as it is consistent with our corporate objectives.
- Review and approve the corporate risk appetite and risk tolerance.
- Oversee the appropriate application of the Risk Management Policy and its related procedures within the divisions.



INTERNAL CONTROLS DEPARTMENT & MANAGEMENT:

- The individual/team overseeing our risk management policy, manual, and execution.
- Review and consolidate risk tolerance statements from division managers to formulate corporate risk appetite and tolerance for Board approval.
- Critically evaluate divisional risk reports and provide constructive feedback.
- Ensure the adequacy of structure, processes, and competencies to meet the requirements outlined in the risk management policy and manuals.
- The Internal Controls department conducts risk-based audits and reviews for corporate governance compliance.
- Provide risk identification and mitigation recommendations to division managers and top management.
- Keep division managers and management informed about changes in laws and regulatory requirements and their implications on operations.
- Report risks to the Board and audit committee.



REVIEW COMMITTEES:

- Engage in discussions regarding specific risks identified by divisions and offer advice for decision-making.
- Conduct actuarial reviews of technical provisions, experience analysis, asset allocation, and reinsurance structure, reporting deviations from the risk appetite to management.
- Ensure that discussed specific risks are accurately documented in meeting minutes.
- Deliver timely reports to management regarding the aforementioned activities.
- Assess the quality of risk management within divisions.
- Coordinate and support the Internal Controls department in conducting risk reviews as directed by the committee.





OPERATIONAL & SUPPORT DIVISION MANAGEMENT:

- Implement the risk management policy and associated divisional risk manual within the division.
- Establish and review the division's risk appetite and tolerance in alignment with corporate risk standards.
- Ensure the identification, assessment, management, and reporting of (project) risks adhere to the RM Policy and Division Risk Manuals.
- Operational divisions are required to submit weekly reports to management detailing divisional performance and significant risk acceptances and implications.
- The support division furnishes management with monthly financial statement analyses, including performance breakdowns at corporate, department, and division levels.
- Divisional management provides insights into the risks contributing to discrepancies between expected and actual revenue/profit.

KEY ELEMENTS OF RISK MANAGEMENT

Risk management is an essential aspect of our business, and we have a robust framework in place to identify, assess, and manage various types of risks.

Our risk management framework comprises the following components:

Risk Governance: We have established a Risk Management Committee that oversees the risk management process and ensures alignment with our overall strategic objectives.

Risk Identification: We employ various techniques to identify potential risks, including scenario analysis, risk mapping, and internal and external risk assessments.

Risk Assessment: We use a comprehensive risk assessment process that considers both the likelihood and impact of each risk. The process involves the use of risk heat maps and risk registers to facilitate monitoring and management of identified risks.

Risk Mitigation: We have implemented risk mitigation measures to manage identified risks effectively. These measures include risk transfer through insurance, risk avoidance, risk reduction, and risk acceptance.

Risk Monitoring and Reporting: We continuously monitor and review identified risks to ensure their effective management. We report the status of risk management to the Board of Directors and other stakeholders through regular risk management reports.

Our mission in risk management is to identify and assess potential risks to our business operations and create a framework for managing these risks that aligns with our strategic objectives. We recognize that managing risks is critical to maintaining the sustainability of our business, and we are committed to ensuring that our risk management framework remains effective and relevant in a changing environment.

Through our robust risk management framework, we aim to ensure that our operations are sustainable and that we are well-positioned to achieve our strategic objectives.



RISK GOVERNANCE



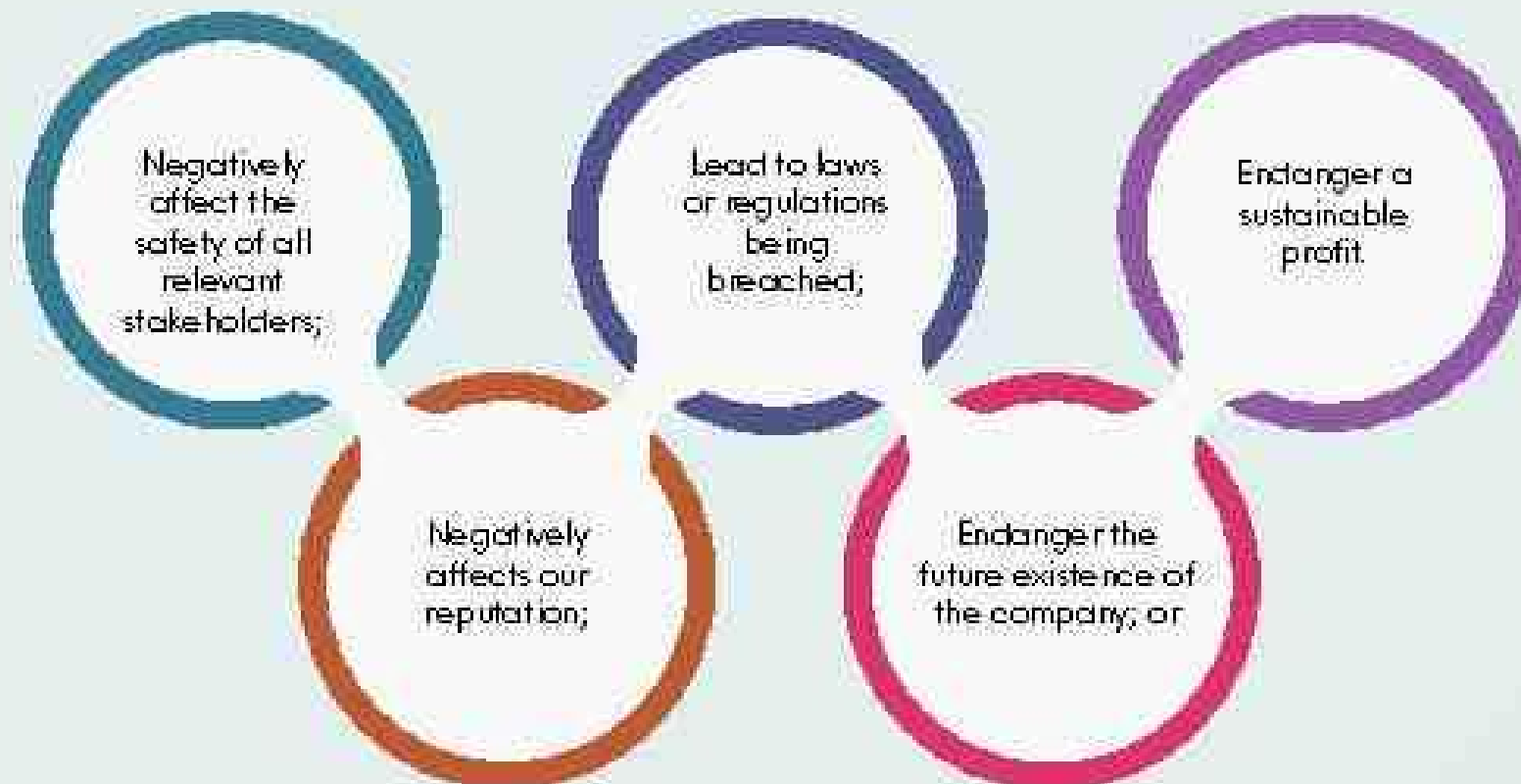
Risk governance is an integral part of our Enterprise Risk Management (ERM) strategy. We are committed to implementing best practices in risk management to ensure the protection of its stakeholders and assets. Our Board of Directors is responsible for overseeing the risk management process and ensuring that it is aligned with the company's overall strategy and objectives.

To achieve an effective risk governance, we have implemented the following measures:

RISK APPETITE AND TOLERANCE:

AWNIC has established a clear risk appetite and tolerance framework to guide its decision-making process. The company regularly monitors and reviews its risk exposure to ensure that it is within acceptable levels.

AWNIC aims to be risk aware, but not overly risk averse. We are constantly aware of potential risks and opportunities within an individual area. We aim to actively avoid risks that could:



Management at the appropriate organisational level will establish risk responses as required to achieve the corporate objectives. The responses are within division risk tolerance levels, which are formulated and regularly updated by management.

Individual risk category wise risk appetite and tolerance limits are articulated in the risk register

RISK MANAGEMENT ROLES AND RESPONSIBILITIES:

We have clearly defined the roles and responsibilities of all stakeholders involved in the risk management process. This includes the board of directors, executive management, risk management committees, and individual employees.

RISK MANAGEMENT POLICIES AND PROCEDURES:

We have developed a comprehensive set of risk management policies and procedures that are regularly reviewed and updated. These policies and procedures cover all areas of the business, including operational, financial, legal, reputational, and strategic risks.

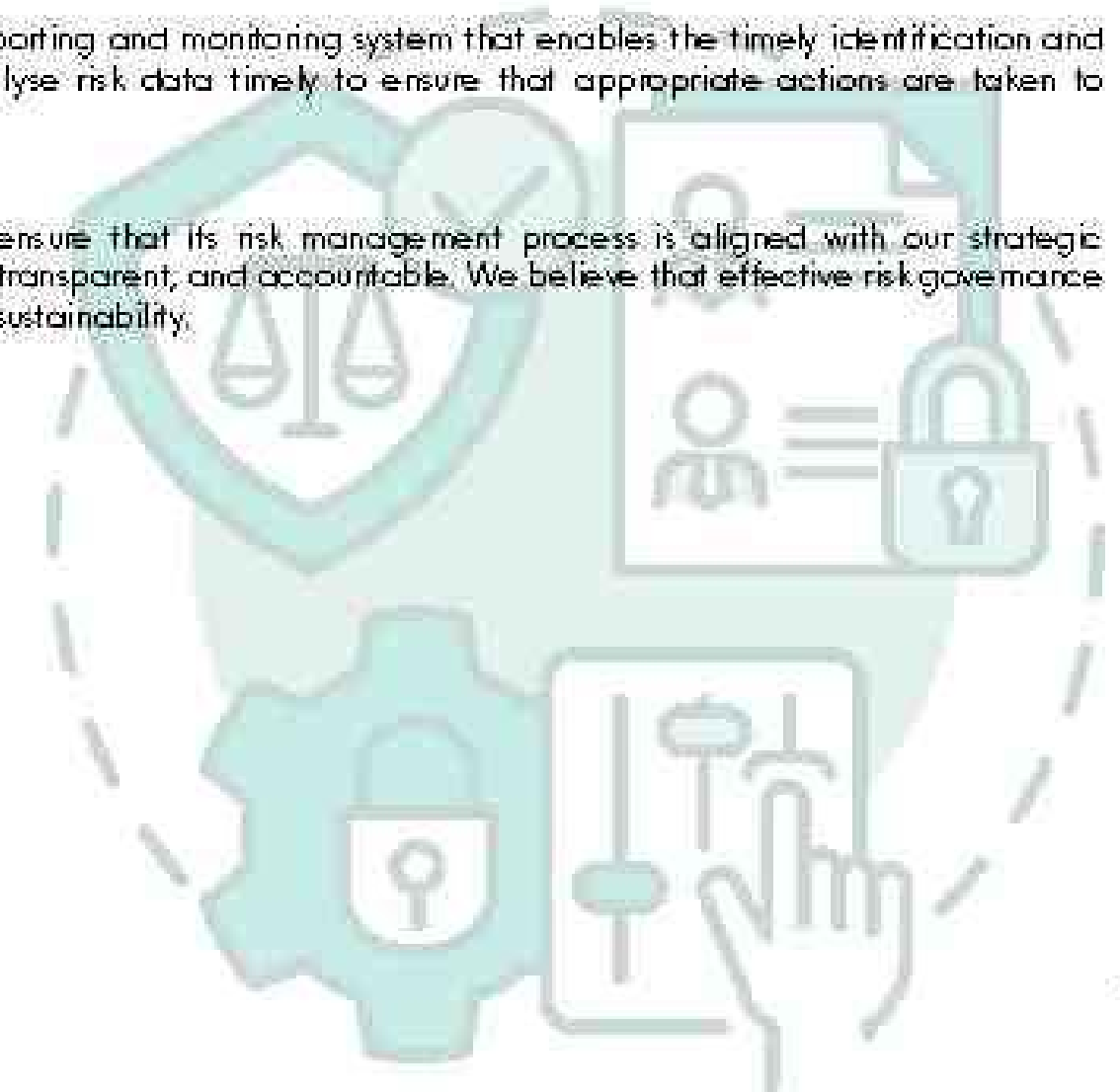
RISK MANAGEMENT CULTURE:

We have established a risk-aware culture that encourages employees to identify and report risks. The company provides regular training and awareness programs to ensure that employees are equipped with the necessary skills to manage risks effectively.

RISK REPORTING AND MONITORING:

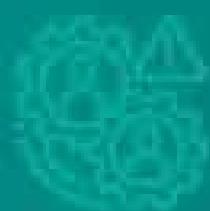
We have implemented a robust risk reporting and monitoring system that enables the timely identification and reporting of risks. We review and analyse risk data timely to ensure that appropriate actions are taken to mitigate risks.

By implementing these measures, we ensure that its risk management process is aligned with our strategic objectives and that it is well-governed, transparent, and accountable. We believe that effective risk governance is essential to its long-term success and sustainability.



ANALYSIS BY RISK TYPE

We believe in proactively identifying and managing risks that could potentially impact our business objectives. As part of our Enterprise Risk Management (ERM) framework, we conduct a thorough analysis of various risk types that we may encounter.



Operational Risks:

Operational risks are those risks that arise from the execution of our day-to-day operations. We have implemented strong internal controls, processes and procedures to mitigate these risks. Our focus is to ensure that our employees are well-trained, and we have implemented regular monitoring and testing of our controls to minimise operational risks.



Market Risks:

Market risks arise from adverse market movements or changes in market conditions. We manage market risks through a combination of diversification, hedging strategies and active monitoring of market trends. We also maintain adequate liquidity levels to mitigate the impact of market volatility.



Credit Risks:

Credit risk is the risk that a customer or counterparty may default on their financial obligations. We have implemented a credit risk management framework that includes robust credit assessment, monitoring and reporting mechanisms. Our focus is on maintaining a diversified portfolio and adhering to strict credit underwriting standards.



Reputational Risks:

Reputational risk is the risk of negative impact to our brand and reputation. We have a strong focus on maintaining our reputation by conducting business with integrity and transparency. We have implemented rigorous compliance frameworks and training programs to ensure that our employees adhere to high ethical standards.

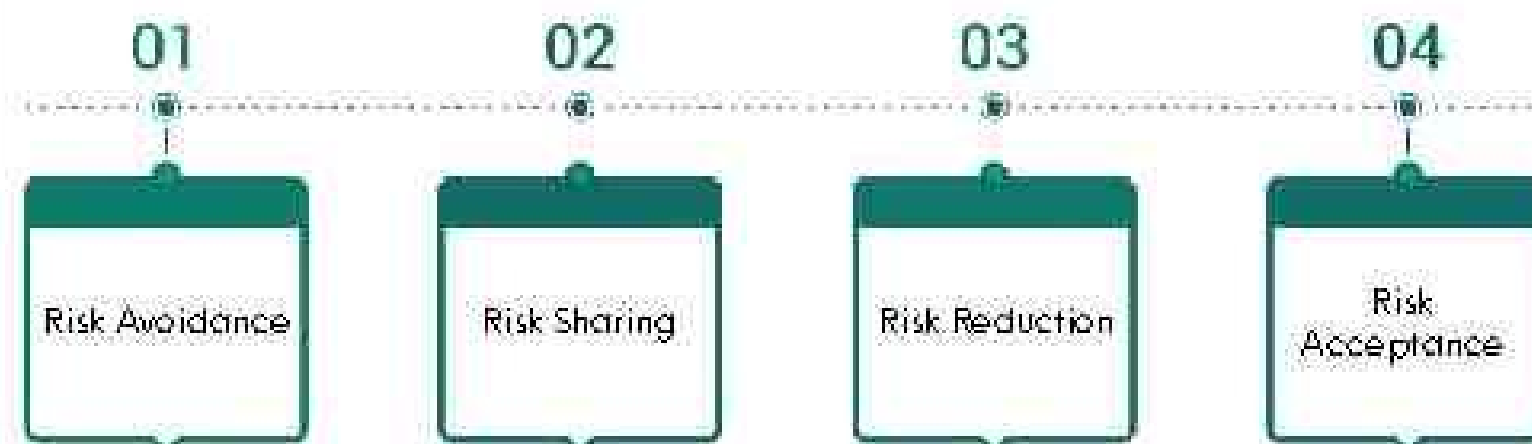


Financial Risks:

Financial risks arise from changes in interest rates, currency fluctuations, liquidity risk and other factors that could impact our financial performance. We manage financial risks through a combination of active monitoring and hedging strategies to mitigate their impact on our business.

RISK RESPONSE-

On risk assessment and determination of its impact on our operations; the response to such futuristic risk will then be categorised as below:



RISK RESPONSE MECHANISM:

- 01 Through measurement tools identified risks are reported to the management and board with the response received from the division managers / review committees.
- 02 The various subcommittees (ex: reinsurance, remuneration, investment, claims, system review committee) plays an important role in identifying the opportunities from the risks identified and suggests plans to capitalise those in order to benefit the company.
- 03 Internal controls department advises on the possible new risks for the business and also recommends various ways in which risks could be measured.
- 04 Our management information system/ IT plays an active role in planning appropriate strategies for measured risks and also to monitor the effectiveness of the strategies implemented during the whole period.
- 05 Internal controls department conducts follow up internal audits / actuarial reviews to ensure execution of the agreed risk management recommendations.

Our comprehensive risk management framework is designed to identify, assess, monitor and manage risks across our business. By proactively managing risks, we are able to minimise their impact on our business objectives and ensure the sustainable growth of our company.

GRI & ADX

CONTENT INDEX

GRI STANDARDS			
GENERAL DISCLOSURES			
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION
Organisational Profile			
102-1	Name of the organization		8
102-2	Activities, brands, products, and services		8
102-3	Location of headquarters		8
102-4	Location of operations		8
102-5	Ownership and legal form		8
102-6	Markets served		8
102-7	Scale of the organization		13, 22, 24
102-8	Information on employees and other workers	S4: Gender Diversity S5: Temporary Worker Ratio	14, 40, 41
102-9	Supply Chain	G4: Supplier Code of Conduct	10, 31, 32
102-10	Significant changes to the organization and its supply chain		No significant changes
102-11	Precautionary Principle or approach		14
102-12	External initiatives		10
102-13	Membership of associations		10
Strategy			
102-14	Statement from senior decision-maker	G7: Sustainability Reporting G8: Disclosure Practices	6

Ethics & Integrity

102-15	Describe your organization's values, principles, standards and norms of behavior	S6: Non-Discrimination S9: Child & forced labor S10: Human Rights	8
102-16	Mechanisms for advice and concerns about ethics	G5: Ethics & Prevention of Corruption	8

Governance

102-18	Governance structure	G1: Board Diversity G2: Board Independence G3: Incentivised Pay	56-58
102-20	Executive-level responsibility for economic, environmental, and social topics	E8, E9: Environmental Oversight	5, 6
102-21	Consulting stakeholders on economic, environmental, and social topics		15, 16
102-22	Composition of the highest governance body and its committees		56-58
102-23	Chair of the highest governance body		57, 58
102-24	Nominating and selecting the highest governance body		60
102-25	Role of highest governance body in setting purpose, values, and strategy		60, 61
102-29	Identifying and managing economic, environmental, and social impacts		15
102-30	Effectiveness of risk management processes		67-80
102-31	Review of economic, environmental, and social topics		15

SRI STANDARDS			
GENERAL DISCLOSURES			
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION
Governance			
102-32	Highest governance body's role in sustainability reporting		5, 6
102-33	Communicating critical concerns		15, 46
102-38	Annual total compensation ratio	\$1 CEO Pay Ratio	56
Stakeholder Engagement			
102-40	List of stakeholder groups		15
102-41	Identifying and selecting stakeholders		15, 1a
102-42	Collective bargaining agreements		-
102-43	Approach to stakeholder engagement		15, 16
102-44	Key topics and concerns raised		16
Reporting Practice			
102-45	Entities included in the consolidated financial statements		-
102-46	Defining report content and topic boundaries	G7: Sustainability Reporting G8: Disclosure Practices	4, 5
102-47	List of material topics		16
102-48	Restatements of information		5
102-49	Changes in reporting		-
102-50	Reporting period		4
102-51	Date of the most recent report		4

102-52	Reporting cycle		4
102-53	Contact point for questions regarding the report		3
102-54	Claims of reporting in accordance with the GRI standards		4
102-55	GRI content index		73
102-56	External assurance	G9: External Assurance	5
GRI 200: Economic Standard Series			
GRI 201: Economic Performance 2016			
GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		15, 1c
103-2	The management approach and its components		15, 16
103-2	Evaluation of the management approach		15, 16
GRI 201 Topic Specific			
201-1	Direct economic value generated and distributed		24
201-2	Financial implications and other risks and opportunities due to climate change	E10: Climate Risk Mitigation	8
GRI 204: Procurement Practices 2016			
GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		31, 32
103-2	The management approach and its components		31, 32
103-2	Evaluation of the management approach		31, 32

GRI STANDARDS			
GENERAL DISCLOSURES			
GRI DISCLOSURE	CONTENT	ADJ. DISCLOSURE	REFERENCE SECTION
GRI 204 Topic Specific			
204-1	Proportion of spending on local suppliers	G4: Supplier Code of Conduct	31
GRI 205: Anti-Corruption 2016 GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		65
103-2	The management approach and its components		65
103-2	Evaluation of the management approach		65
GRI 205 Topic Specific			
205-3	Confirmed incidents of corruption and actions taken	G5: Ethics & Prevention of Corruption	65
GRI 300: Environmental Standard Series GRI 302: Energy 2016 GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary	E7: Environmental Operations	33-36
103-2	The management approach and its components	E8: Environmental Oversight	33-36
103-2	Evaluation of the management approach	E9: Environmental Oversight	33-36
GRI 302 Topic Specific			
302-1	Energy consumption within the organization	E3: Energy Usage E5: Energy Mix E6: Energy Intensity E8: Water Usage	36, 37
302-2	Energy intensity		

GRI 305: Emissions 2016 GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary	E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight	33-36
103-2	The management approach and its components		
103-2	Evaluation of the management approach		
GRI 305 Topic Specific			
103-1	Direct (Scope 1) GHG emissions		
103-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions E2: Emissions Intensity	35
103-2	GHG emissions intensity		
GRI 400: Social Standard Series GRI 401: Employment 2016 GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		
103-2	The management approach and its components		39
103-2	Evaluation of the management approach		
GRI 401 Topic Specific			
401-1	New employee hires and employee turnover	S3: Employee Turnover	40
401-2	Benefits provided to full-time employees that are not provided to part-time employees		
GRI 403: Occupational Health & Safety 2018			

GRI STANDARDS			
GENERAL DISCLOSURES			
GRI DISCLOSURE	CONTENT	ADX DISCLOSURE	REFERENCE SECTION
GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		39-46
103-2	The management approach and its components		39-46
103-2	Evaluation of the management approach		39-46
403-1	Occupational health and safety management system		8
403-2	Hazard identification, risk assessment, and incident investigation		46
403-3	Occupational health services		46
403-4	Worker participation, consultation, and communication on occupational health and safety		46
403-5	Worker training on occupational health and safety		47
403-6	Promotion of worker health		42-46
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		42-47
GRI 403 Topic Specific			
403-8	Workers covered by an occupational health and safety management system	S8: Global Health & Safety	8
403-9	Work-related injuries	S7: Injury Rate	No work related injuries

GRI 404: Training and Education 2016			
GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		47
103-2	The management approach and its components		
103-2	Evaluation of the management approach		
GRI 404 Topic Specific			
404-1	Average hours of training per year per employee		47
404-3	Percentage of employees receiving regular performance and career development reviews		100%
GRI 405: Diversity and Equal Opportunity 2016			
GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		39, 41
103-2	The management approach and its components		
103-2	Evaluation of the management approach		
GRI 405 Topic Specific			
405-1	Diversity of governance bodies and employees	S4: Gender Diversity S6: Non-Discrimination S11: Nationalization G1: Board Diversity	41, 56
GRI 413: Local Community 2016			
GRI 103 Management Approach			
103-1	Explanation of the material topic and its boundary		41, 43

SRI STANDARDS

GENERAL DISCLOSURES

GRI DISCLOSURE	CONTENT	ADV. DISCLOSURE	REFERENCE SECTION
103-2	The management approach and its components	S1: Emission S2: Community Investment	41, 43
103-2	Evaluation of the management approach		41, 43

GRI 417: Marketing and Labeling 2016

GRI 103: Management Approach

103-1	Explanation of the material topic and its boundary		49
103-2	The management approach and its components		49
103-2	Evaluation of the management approach		49

GRI 417 Topic Specific

417-2	Incidents of non-compliance concerning product and service information and labeling		No incidents
417-3	Incidents of non-compliance concerning marketing communications		No incidents

GRI 418: Customer Privacy 2016

GRI 103: Management Approach

103-1	Explanation of the material topic and its boundary		52, 53
103-2	The management approach and its components		52, 53
103-2	Evaluation of the management approach		52, 53

GRI 417 Topic Specific

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy	52, 53
-------	--	------------------	--------





Audited Financial Statements
2023



Corporate Governance Report
2023

Sustainability
shapes tomorrow's
world.



الوثبة للتأمين
AL WATHBA INSURANCE

Contact

Al Wathba National Insurance

Tel: +971 2 4185301

Fax: +971 2 4185 307

Website: awnic.com

Email: customerarea@awnic.com

P.O. Box: 45154, Abu Dhabi - United
Arab Emirates



FOR ONE PERCENT

Developed with the support
of our Sustainability Partner
THE ONE PERCENT