الوثبة للتأمين
AL WATHBA INSURANCE

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

Date	13/08/2025
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	Q2-2025
Overview of the main results during the financial period	Insurance service result: AED 5.18 M Net Investment Income: AED 43.40 M Net insurance finance income /(expenses): AED (1.34) M (Loss) / profit for the period: AED 44.62 M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	AWNIC has set a benchmark in the UAE insurance sector by becoming the first provider to attain a 4.4-star rating on Google Reviews — a reflection of its unwavering focus on client experience. This milestone highlights the company's ability to consistently deliver responsive, dependable, and solution-oriented support, particularly during critical moments. Further reinforcing its commitment to excellence, AWNIC has successfully achieved multiple international certifications, including ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environmental Management), ISO 10002:2018 (Customer Satisfaction and Complaints Handling), and ISO 27001:2022 (Information Security Management). By embedding transparency, efficiency, and professionalism into every aspect of its operations, AWNIC continues to build enduring trust and solidify its reputation as a leader in service excellence within the insurance industry.
Summary of operational performance during the financial period	In Q2-2025, we achieved an insurance revenue of AED 184.19 million (2024: AED 83.40 million) and recorded an insurance service result of AED 5.18 million (Q2-2024: AED 1.08 million). We reported a net profit of AED 44.62 million (2024: AED (65.40) million), reflecting an optimistic forecast for the company's performance in 2025 and a positive outlook for the rest of the year 2025.

Summary of profit and loss during the financial period	<table><tr><th>AED Million</th><th>Q2-2025</th><th>Q2-2024</th><th>Var</th></tr><tr><td>Net Insurance service result</td><td>5,184</td><td>1,089</td><td>4,095</td></tr><tr><td>Net Investment Income</td><td>43,400</td><td>(20,779)</td><td>64,179</td></tr><tr><td>Net Insurance finance income and expenses</td><td>(1,348)</td><td>(672)</td><td>(676)</td></tr><tr><td>Total Income</td><td>47,236</td><td>(20,362)</td><td>67,598</td></tr><tr><td>Other Operating income /expenses net</td><td>(2,611)</td><td>(45,045)</td><td>42,434</td></tr><tr><td>Profit for the period before tax</td><td>44,625</td><td>(65,407)</td><td>110,032</td></tr></table>
Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 88.38 M Total Assets: AED 1.91 billion Total Shareholders' Equity: AED 1.15 billion
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED 30.14 M Net Cash Generated in Investing Activities: AED (.58) M Net Cash Generated in Financing Activities: AED (23.24) M
Main performance indicators	Insurance service ratio 2.81%
Expectations for the sector and the company's role in these expectations	The UAE insurance sector is undergoing rapid transformation in 2025, driven by digital innovation, regulatory reforms, and evolving customer needs. With the adoption of AI, automation, and blockchain accelerating, insurers are streamlining operations and enhancing customer experience. Heightened compliance demands under IFRS 17 and CBUAE guidelines are reinforcing the focus on risk management and transparency. Rising demand for health and cyber insurance, alongside ESG-driven product development, is reshaping the market. In response, AWNIC is strategically positioned to lead, leveraging technology, regulatory agility, and product innovation to remain at the forefront of industry evolution.
Expectations regarding the economy and its impact on the company and the sector	In 2025, the UAE economy is expected to maintain strong growth, driven by economic diversification, technological advancements, and progressive government policies. This positive trajectory will significantly influence the insurance sector, fuelling expansion and innovation. Growth will be propelled by the extension of mandatory health insurance, increasing demand for specialized coverage in areas like cyber risks and climate-related protection, and the sector's continued embrace of digital transformation. AWNIC will be expected to refine risk assessment models, adjust premiums accordingly, and integrate sustainability initiatives into our offerings.

	With anticipated industry growth of 20%, the UAE's insurance sector is set to reinforce its market strength, aligning with the nation's economic resilience and long-term prosperity.
Future for growth and changes in operations in future periods	AWNIC forecasts continued growth in 2025, supported by the UAE's economic diversification, regulatory evolution, and digital advancement. Rising demand for specialized products such as cyber, climate, and tailored health insurance will drive industry expansion. Leveraging technology, customer-centricity, and sound risk governance, AWNIC is well-placed to enhance its market position and contribute to long-term national resilience.
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period were AED 741 thousand.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	To drive cost efficiency and operational excellence, AWNIC is executing board-approved initiatives focused on AI integration, low-code/no-code development, and CRM implementation. These technologies aim to automate workflows, enhance decision-making, and streamline customer engagement. In parallel, potential new business ventures are under review to support strategic growth and reinforce AWNIC's market leadership. Collectively, these efforts enhance agility, improve performance, and position the company for long-term success in a competitive landscape.

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Chief Financial Officer

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