


## Template for discussion report and analysis of the board of directors of the listed public shareholding company

Date	26-03-2020
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	2019 Annual Financial
Overview of the main results during the financial period	GWP: AED 250M Net Underwriting Income: AED 33.5M Net Investment Income: AED (27.5) M Net Profit: 5.97M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	AWNIC wins the Digital Innovation Award for the second year in a row for its initiatives from the Insurance Authority. AWNIC maintains investment grade credit rating from Standard & Poor's.
Summary of operational performance during the financial period	This year shows a decline in GWP by 8% as compared to last year but in terms of Net underwriting income it shows an increase of 3% as compared to last year. Net investment income records a loss of 27.5M due to fluctuation in the equity investments.
Summary of profit and loss during the financial period	Net profit for the period remained at AED 5.9M compared to 42.6M for the prior year
Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 134M Total Technical Reserve: AED 334M Total Share Holders Equity: AED 766M
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED 28M Net Cash used in Investing Activities: AED 35M Net Cash used in Financing Activities: AED 48.7M
Main performance indicators	GWP Negative Growth: 8% Net Loss Ratio: 58% Net Expense Ratio: 24%

	Combined Ratio: 81%
Expectations for the sector and the company's role in these expectations	The company expects slightly higher growth in the overall insurance market. Launching of new products, technological innovations and regulatory changes will be key drivers. The company expects to increase its overall market share for FY 2020 by strengthening the distribution channels.
Expectations regarding the economy and its impact on the company and the sector	EXPO 2020 will be one of the key events in the economy together with the economical changes brought about by the visa rule changes and permitting more foreign investment in selected sectors. The company expects to be a key beneficiary along with other players in the resilient economic performance of the UAE.
Future plans for growth and changes in operations in future periods	Expansion of operation within UAE by opening new branches and point of sale and by strengthening the Awnic team. Digitization of operational processes and innovation in the distribution channels is expected to help Awnic widen the reach and be a preferred insurer for Corporates and Insurance intermediaries. Awnic also intends to increase its UAE national workforce within the company supporting the UAE's vision and initiatives in this regard.
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for 2019 was AED 2M.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	The Company's board actively monitors and reviews the performance of the company against the set plans and approved projects. Appropriate course corrections are advised by the Board to the management at the Board meetings to steer the company in the right track.

The Name of the Authorized Signatory	Bassam Chilmeran
Designation	Chief Executive Officer
Signature and Date	 2020/3/26
Company's Seal	