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الوثبة للتأمين
AL WATHBA INSURANCE

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

Date	12/11/2026
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	Q3-2026
Overview of the main results during the financial period	Insurance service result: AED 18.60 M Net Investment Income: AED 180.99 M Net insurance finance income /(expenses): AED (2.34) M Other expenses, associate results & tax (net): AED (43.09) M (Loss) / profit for the period: AED 154.15 M
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	AWNIC continued to strengthen its service excellence credentials in Q3 2026. AWNIC also assessed the implications of the CBUAE's Insurance Company Licensing Regulation (effective 14 August 2026) and Operational Risk Management Regulation (effective 14 September 2026), which strengthen Board oversight of licensing compliance, operational resilience and cyber risk.
Summary of operational performance during the financial period	In Q3-2026, we achieved an insurance revenue of AED 818.51 million (9M 2025: AED 555.06 million) and recorded an insurance service result of AED 18.60 million (9M 2025: AED 17.43 million). We reported a net profit of AED 154.15 million (9M 2025: AED 72.34 million), reflecting an optimistic forecast for the company's performance in 2026 and a positive outlook for the rest of the year 2026.
Summary of profit and loss during the financial period	

AED million	9M 2026	9M 2025
Insurance revenue	818.51	555.06
Insurance service result	18.60	17.43
Net investment income	180.99	78.53
Net insurance finance income / (expenses)	(2.34)	(4.27)
Other expenses, associates & tax (net)	(43.09)	(19.35)
Profit for the period	**154.15**	**72.34**

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Summary of financial position as at the end of the financial period	Total Deposits & Cash: AED 65.66 M Total Assets: AED 2.22 billion Total Shareholders' Equity: AED 1.37 billion
Summary of cash flows during the financial period	Net Cash generated from operating Activities: AED 22.87 M Net Cash Generated in Investing Activities: AED 15.30 M Net Cash Generated in Financing Activities: AED (83.29) M
Main performance indicators	Insurance service ratio 2%
Expectations for the sector and the company's role in these expectations	The UAE insurance sector is expected to keep transforming through the end of 2026 and into 2027. Digital adoption is accelerating and demand for health, cyber and climate-related cover continues to deepen. The CBUAE's modernised supervisory regime is raising the bar on licensing, operational resilience and cyber risk management, following the new regulations that took effect during the third quarter. At the same time, pricing competition and claims cost inflation continue to test underwriting margins, favouring insurers with disciplined risk selection and robust reinsurance structures. The UAE's Vision 2031 and Net Zero 2050 agendas continue to create product innovation opportunities in ESG-aligned insurance. AWNIC is well positioned to play a leading role in this evolution. In the first nine months of 2026, the Company delivered record insurance revenue of AED 819 million, up 47% on the same period last year, while advancing the modernisation of its core insurance platform, strengthening its governance and operational resilience in line with the new regulatory requirements, and refining its reinsurance structures. Together with a diversified portfolio across Motor, Health, Technical and Property lines and its participation through Lloyd's, this enables AWNIC to capture emerging growth opportunities while maintaining disciplined underwriting standards
Expectations regarding the economy and its impact on the company and the sector	The UAE economy remained broadly resilient in the first half of 2026 despite the impact of regional geopolitical tensions. Real GDP expanded by 0.4% despite a contraction in the second quarter, while non-oil GDP grew by 1.8% and non-oil activities accounted for 79.2% of the economy, led by trade, financial and insurance services, and construction. Near-term activity indicators have improved since the end of the second quarter, but the outlook for the remainder of the year depends on regional conditions. UAE GDP advances 0.4 despite second quarter contraction +2

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	Infrastructure, real estate and construction activity continue to underpin demand for Technical and Property insurance, The continued expansion of mandatory health insurance coverage across the emirates remains a medium-term growth driver for the Health book, and AWNIC is positioning its health portfolio to benefit as these requirements are rolled out. Claims cost inflation, particularly in Motor (parts and labour) and Health (medical costs and provider charges), remains a key factor being monitored. Weather events, such as the flood losses recorded this year, also underline the importance of reinsurance protection and catastrophe pricing. AWNIC's pricing, underwriting and reserving frameworks are continuously calibrated to loss experience and market trends. AWNIC's UAE gross written premium grew 29% in the first nine months of 2026 to AED 901.6 million, and the Company aims to outperform the market through service differentiation and product innovation.
Future for growth and changes in operations in future periods	AWNIC expects growth to continue in Q4 2026 and into 2027, supported by the diversification of the UAE economy, its participation at Lloyd's and an active pipeline of product and technology initiatives. UAE gross written premium grew 29% in the first nine months of 2026, and management is focusing on profitable growth through pricing discipline, a balanced portfolio and a greater emphasis on Property and Casualty business. The Company is also strengthening its governance and operational resilience to meet the CBUAE's new Licensing and Operational Risk Management regulations. Emiratisation remains a strategic priority and, as a national insurance company, AWNIC is committed to the UAE's national agenda. As at November 2026, UAE nationals made up 27.7% of the workforce against the year-end target of 30%, the Company met its 2026 recruitment target, and further UAE national hires are due to join in November. AWNIC continues its recruitment and development programmes for UAE nationals in line with the CBUAE's sectoral requirements.
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period were AED 1,189 million.

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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	AWNIC continued to execute its Board-approved digital transformation agenda during Q3 2026, centred on two major initiatives. (1) Core insurance platform modernisation. Following a multi-stage business and technology evaluation supported by an independent assurance partner, the Company moved close to finalising its preferred technology partner. (2) AI-assisted underwriting and claims tools. The Board also continued to review the Company's reinsurance structures, and its participation at Lloyd's, and further updates will be reported as decisions are taken.

Shukri Salem Musabah Almheiri
Chief Executive Officer

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