الوثبة للتأمين
AL WATHBA INSURANCE



Integrated Report 2025



TABLE OF CONTENTS

1 STRATEGIC OVERVIEW.....04

About the Report.....06
Leadership Messages.....10
AWNIC At a Glance.....12
Our Value Creation Model.....22
AWNIC's Operating Environment.....32

2 SUSTAINABILITY REPORT.....40

Financial Capital.....42
Human Capital.....48
Intellectual Capital and Digitisation.....60
Social and Relationship Capital and Social Stewardship.....68
Natural Capital and Environmental Stewardship.....74
Corporate Governance.....82
Enterprise Risk Management.....90
GRI and ADX ESG Index.....96

3 CORPORATE GOVERNANCE REPORT.....102

4 FINANCIAL STATEMENTS.....144



01
STRATEGIC OVERVIEW

About the Report



We are pleased to present Al Wathba Insurance's (AWNIC) fifth Integrated Report, which reports on our sustainability performance for the period from 1 January 2025 to 31 December 2025. This report reflects our continued commitment to transparent, responsible, and integrated reporting, and builds on our established practice of annually disclosing our sustainability performance.

This Integrated Report provides a consolidated view of how sustainability is embedded across our strategy, operations, and decision-making processes. It demonstrates how we create long-term value by balancing financial performance with environmental, social, and governance considerations.

Reporting Framework

Our Integrated Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 and aligns with ADX's sustainability requirements and Abu Dhabi's sustainability vision.

In preparing this report, we have adopted five core principles. Our principles guide us to identify, manage, and report on our material topics, and ensure that our disclosures provide a balanced and credible representation of our performance and progress.Through this Integrated Report, we aim to provide stakeholders with clear insight into our sustainability approach, key outcomes, and the way we are strengthening resilience and long-term value creation in a dynamic and evolving operating environment.

Reporting Period and Frequency

We are committed to transparently communicating our sustainability initiatives on an annual basis. The 2025 Integrated Report provides a comprehensive overview of AWNIC's Environmental, Social, and Governance (ESG) performance for the period from 1 January 2025 to 31 December 2025, along with highlights of our previous ESG achievements. The Integrated Report aligns with our financial reporting year, which follows the calendar-year format.



Reporting Boundary

This Integrated Report covers AWNIC's overall environmental, social, governance, and economic performance across its operations. The reporting boundary includes Al Wathba Insurance Company's activities conducted through its head office in Abu Dhabi, primary branches in Dubai and Al Ain, and its six satellite offices.

Feedback

We highly value feedback from all stakeholders and encourage them to share their insights, questions, or requests for clarification regarding this Integrated Report or its contents. Stakeholders are invited to provide feedback or raise inquiries using the contact details below:

Email: customercare@awnic.com; Tel: 600 54 40 40

Assurance

This Integrated Report has not been subjected to external assurance. However, we have established internal processes and procedures to collect, validate, and evaluate data related to ESG parameters. Looking ahead, we aim to seek independent assurance for our sustainability reporting to further strengthen the credibility and robustness of our disclosures.

Restatements of Information

There were no restatements, revisions, or corrections to previously reported information during the 2025 reporting period.

Forward-Looking Statements

This Integrated Report includes forward-looking statements covering areas such as financial position, business strategy, and management plans. These statements may be identified using terms such as "believes", "expects", "may", "will", "plans" and "outlook". Such statements are based on reasonable assumptions and information available at the time of reporting and are not intended as guarantees of future performance. Actual outcomes may differ materially due to a range of factors. AWNIC does not undertake any obligation to update or revise forward-looking statements to reflect new information, future events, or unforeseen developments.



Leadership Messages



Chairman's Statement

When I reflect on what this company has achieved over the past three years, what stands out is not any single result - it is the consistency of the decisions behind them. Choosing rigour over volume. Choosing resilience over speed. Growth, in insurance, is easy to manufacture and difficult to sustain. In 2025, that consistency produced results we can present with confidence.

Against a backdrop of continued economic momentum in the UAE, Al Wathba National Insurance Company PJSC delivered a year of disciplined progress. The market continues to evolve with higher regulatory standards and increasing focus on financial strength and claims performance.

Our 2025 results reflect thoughtful choices made over recent years - disciplined underwriting, portfolio management, and efficient capital rationing.

Gross written premium reached AED 908 million, up 71% year-on-year. Insurance revenue exceeded AED 781 million, while net profit after tax increased to AED 94 million, up 156%. This growth has been achieved alongside improving operating quality.

Our balance sheet remains strong. Total assets exceeded AED 2 billion, and shareholders' equity reached AED 1.24 billion. We continue to prioritize the quality, liquidity, and resilience of capital as the foundation of sustainable growth.

As part of our diversification strategy, AWNIC entered the Lloyd's of London market in 2025, with operations becoming effective in 2026. This positions the Company within a disciplined global insurance platform and supports the development of technical capability over time.

Looking ahead, our direction is clear. Mission 2027 aspiration is a topline of AED 2 billion with people, process and systems being key pillars. These ambitions are aligned with the UAE's structural growth and a regulatory environment that continues to strengthen industry standards.

We remain mindful of a dynamic operating environment. Competitive intensity, claims volatility, and regulatory developments require continued discipline in underwriting and capital allocation. We will continue to strengthen the quality and flexibility of our capital base in support of future growth.

We approach the future with confidence, but not complacency. Our focus remains on disciplined execution, strong capital management, and long-term value creation.

The results of this year are encouraging. The responsibility ahead is greater. We remain committed to building AWNIC with discipline, resilience, and clarity of purpose.

Sheikh Saif bin Mohammed bin Bhutti Al Hamed

Chairman
Al Wathba National Insurance Company PJSC

AWNIC at a Glance



We are Al Wathba Insurance Company ('AWNIC' or 'Al Wathba'), a national insurance provider headquartered in Abu Dhabi, United Arab Emirates. Since our inception in 1996, we have established a strong market presence by offering a comprehensive portfolio of insurance products and services designed to meet the needs of both individual and corporate customers. Our focus remains on customer satisfaction, innovation, and delivering reliable insurance solutions across the UAE.

Business Snapshot

Vision

We aim to be the most trusted and innovative insurance provider in the UAE, empowering individuals and businesses with comprehensive solutions that safeguard their future and enhance their quality of life.

Mission

We deliver exceptional insurance services by prioritising customer needs, maintaining high standards of quality and integrity, and continuously innovating to address the evolving challenges of a dynamic environment. We are committed to fostering growth, collaboration, and excellence while building lasting relationships with our customers and stakeholders.

Values

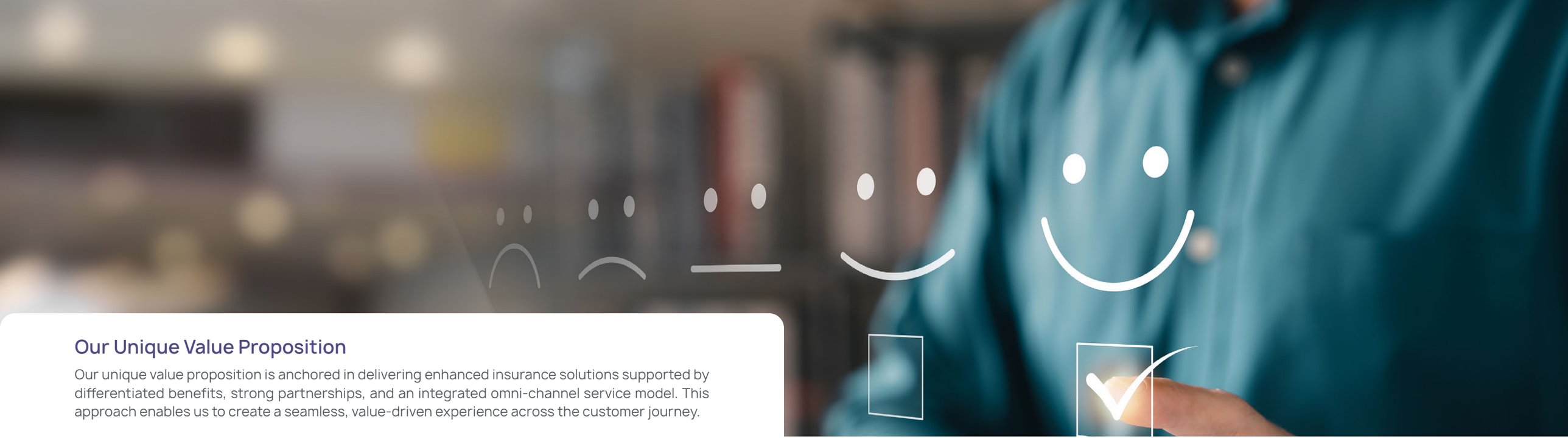
To continuously provide first-class security and comfort through innovative and digitally empowering solutions.

- Customer Centricity
- Service Quality
- Growth Mindset
- Innovation
- Integrity

Our Business Footprint and Value Proposition

We operate through three branches and six satellite offices, with our head office in Abu Dhabi and primary branches in Dubai and Al Ain, supported by AWNIC Online Smart Services, brokers, and agents. Motor insurance represents a major line of business, contributing 56% of revenue. Our value proposition is anchored in enriched insurance offerings with upgraded supplementary benefits, an omni-channel customer engagement approach, strategic market alliances, and the AWNIC Privilege Club loyalty program, providing policyholders with preferential access and rewards across the UAE. We continue to focus on strengthening service quality, advancing digital capabilities, and maintaining standards that reinforce trust and long-term value creation.





Our Unique Value Proposition

Our unique value proposition is anchored in delivering enhanced insurance solutions supported by differentiated benefits, strong partnerships, and an integrated omni-channel service model. This approach enables us to create a seamless, value-driven experience across the customer journey.

Enhanced Supplementary Benefits

Replacement Vehicle
Built-in replacement vehicle support to minimise customer disruption

Roadside Assistance
On-ground assistance services to enhance reliability and convenience

Registration Service
Support with vehicle registration processes

International Driving License
Access to international driving license services

Omni-Channel Customer Touchpoints

Customer Care
Dedicated Customer Care Centre (CCC)

Digital Platforms
Online platform and mobile application

Physical Presence
Branch presence across the UAE

Strategic Partnerships and Alliances

Etihad Miles Program
Integrated rewards and mileage benefits

FAB EPP
Payment flexibility through employerlinked programs

ADCB Touchpoints
Banking-led engagement and accessibility

Tabby
Buy Now, Pay Later option

AWNIC Privilege Club (Loyalty Program)

Partner Network
Over 50 partners across the UAE

Customer Benefits
Preferential rates and exclusive redemption offer

Loyalty Mechanism
Points accumulated through referrals or purchases

* We are the first insurance provider in the UAE to establish such a partnership model.

Sustainability Commitment

We have demonstrated long-standing leadership in sustainability by being the first insurer in the UAE to publish a Sustainability Report in 2019. Our sustainability disclosures are aligned with the ADX ESG Disclosure Guidance 2019 and support national priorities under the UAE National Vision 2021 and Abu Dhabi Economic Vision 2030. Sustainability considerations are embedded within our corporate strategy, supported by defined indicators and targets to guide performance and accountability.

AWNIC is committed to embedding sustainability across its business strategy and investment decisions, integrating it seamlessly into our operations. This commitment is reflected in our clearly defined quantitative targets, key performance indicators, and transparent performance reporting.

As our organisation grows and adapts to evolving market dynamics, these metrics will continue to develop in line with emerging priorities and opportunities. Our objective is to create long-term value by balancing stakeholder interests, delivering performance aligned with industry benchmarks, and strengthening resilience in an increasingly dynamic global environment.

Adopted Principles

01 Reliability

02 Completion

03 Consistency

04 Comparability



Sustainability Performance

CSAT in 2025
95%
higher than market benchmark

ISO
10002:2018
Certified

Google Rating
4.5
stars (one of the highest among UAE insurers)

Serving over
159K
retail customers annually

Awards and Accolades

2018

Excellence in Digital Transformation and Smart Services

Continued recognition for advancing digital capabilities

Mid-Size Direct Insurer of the Year

Awarded for strong performance as a mid-sized direct insurer

2019

Excellence in Digital Transformation and Smart Services

Recognition for leadership in digital transformation and smart service delivery

2020

Sheikh Khalifa Excellence Award

Recognition for organisational excellence

2022

Digital Insurance Initiative of the Year

Recognised by CBUAE for support during COVID-19

2022

Insurance Technology Leader of the Year

Awarded for leadership in insurance technology

2022

Forbes Ranking

Ranked 6th among Forbes' Most Valuable Insurance Companies

2024

Best Use of AI in Customer Experience

Customer Experience in Financial Services and Best Use of AI in Marketing

2025

Customer Centricity Summit & Awards

Recognition for excellence in customer-centric practices

Value Creation Model: Our Strategic Framework



At Al Wathba National Insurance Company (AWNIC), value creation is not a static outcome but a continuous cycle. We convert our capital into long-term security for our clients and sustainable growth for the UAE. Our model is built to navigate complex risk environments while ensuring that every policy written and every investment made contributes to the broader stability of our national economy. We do not just manage risk; we provide the confidence necessary for individuals and businesses to thrive.

Our Foundation

To be the most trusted and innovative insurance partner in the UAE, recognised for our reliability and forward-thinking approach.

Vision

Mission

To protect the interests of our stakeholders through tailored insurance solutions, disciplined underwriting, and a commitment to service excellence.

Values

Integrity, Transparency, Customer-Centricity, and Innovation.

Core Credit and Capabilities

Our strength lies in our financial solvency and technical expertise. With a strong credit profile and a deep understanding of the local market, we maintain the liquidity necessary to meet our obligations promptly. Our core capabilities include:

- Insurance
- Investments
- Partnership
- Technology

Business through Direct Channels

37%

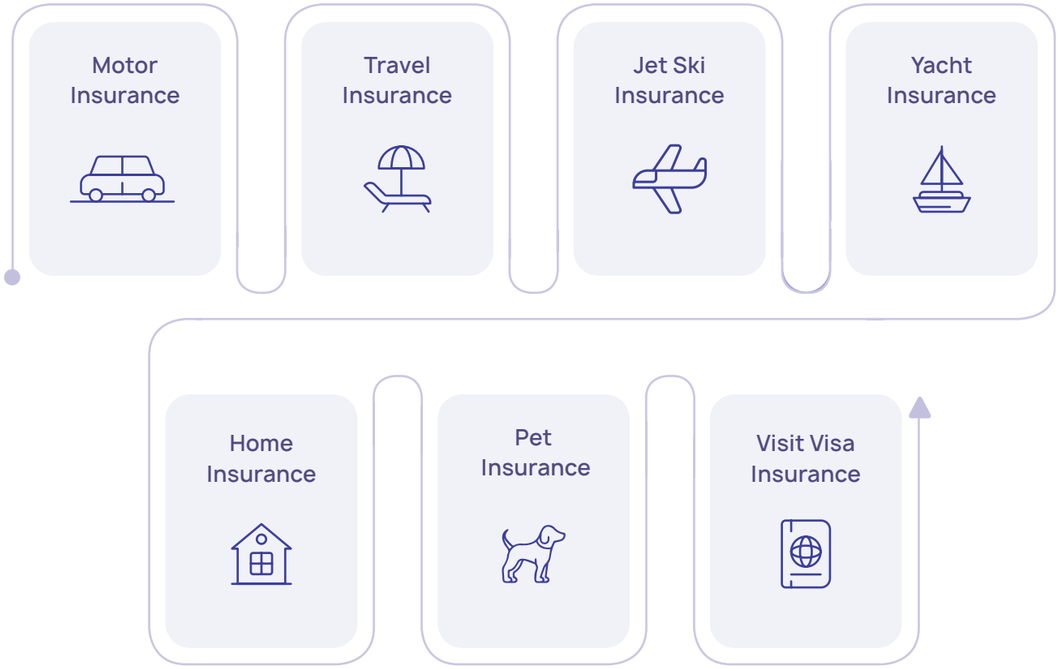
Business through Intermediaries

63%

Product Segments

Individual Solutions

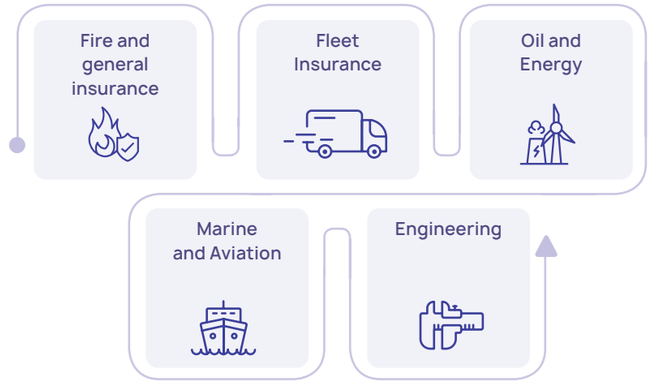
We provide a safety net for the UAE's residents. From motor and home insurance to specialised personal accident cover, our individual products are designed to protect the assets and well-being of the community. We focus on accessibility, using digital platforms to make insurance simple and transparent for every policyholder.





Corporate Solutions

AWNIC serves as a strategic partner to the UAE's business sector. By mitigating the financial impact of unforeseen events, we enable corporations to focus on their operational goals and contribute to the nation's industrial and commercial growth.



Our leadership team brings decades of regional expertise and a disciplined approach to governance. We prioritise long-term stability over short-term gains, ensuring that AWNIC remains a dependable entity regardless of market volatility. This executive focus allows us to execute our strategy with precision and maintain the trust of our shareholders and regulators.



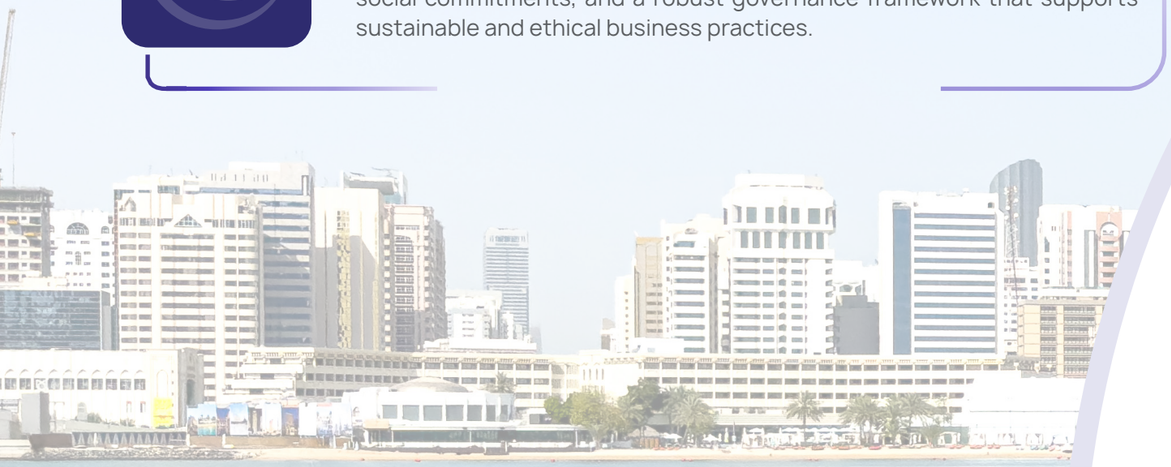
Reinsurance

Recognising the risks inherent in insurance operations and their potential implications for society and the environment, we integrate ESG considerations into our strategic framework to support sustainable growth. Our reinsurance approach reflects this commitment by bringing together business partners, AWNIC employees, and the community to strengthen risk management and resilience.

This philosophy is implemented through our Reinsurance and Treasury functions, which act as key safeguards for our financial stability. Through reinsurance, we collaborate with leading global reinsurers to manage risk exposure and expand our underwriting capacity, helping protect our capital against high-severity events. In parallel, our Treasury function focuses on disciplined capital allocation, ensuring that our investment portfolio delivers stable returns while maintaining the liquidity required to support operational resilience and long-term sustainability.

Performance Highlights

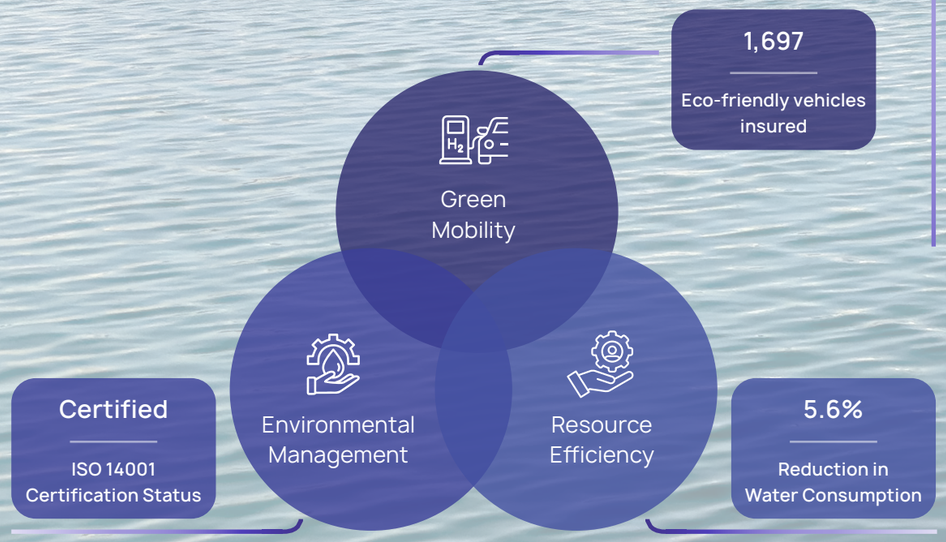
At Al Wathba National Insurance Company, our approach to value creation is guided by responsible environmental management, strong social commitments, and a robust governance framework that supports sustainable and ethical business practices.



Environmental

We recognise the increasing risks associated with climate change and are committed to minimising our environmental footprint. Our efforts focus on the responsible use of energy and water resources, the implementation of waste recycling initiatives, and the promotion of environmentally responsible products across our value chain. Through these actions, we seek to reduce environmental impact while aligning our operations with broader sustainability priorities.

Environmental Focus Area



Social

We prioritise building a secure and inclusive workplace that upholds human rights, non-discrimination, and ethical conduct. These principles are embedded within our Code of Conduct and support policies, guiding how we engage with employees and prohibit discriminatory practices including child and forced labor. By maintaining fair and equitable practices, we aim to contribute positively to the communities in which we operate and create a workplace environment that supports respect, inclusion, and accountability.

Stakeholder Group	Performance Metric	Value for 2025
Customers	Customer Satisfaction Score	95.0%
	Response Rate	92.0%
	Online Conversion Rate	73.5%
Employees	Emirati Employee Count	32
	Emiratisation Rate	24.4%
	Female Presence	35.0%
	Attrition Rate	9.0%
	New Employees Hired	67
	Number of Nationalities	17
	ESAT (Employee Satisfaction)	4.03 out of 5



Governance

Our governance framework reinforces responsible business conduct and strong stakeholder relationships. Through comprehensive compliance policies and adherence to regulatory requirements, we maintain high standards of integrity across our operations. This approach ensures that our business practices remain transparent, accountable, and aligned with the expectations of regulators, partners, and policyholders.

Performance Area	Performance Metric	Value for 2025
Financial Strength	Total Assets	AED 2 billion
	Total Equity	AED 1.2 billion
	Insurance Service Revenue	AED 781 million
	Net Investment Income	AED 138 million
	Return on Equity	8%
	Asset to Liability Ratio	253%



Stakeholder Engagement

At Al Wathba National Insurance Company, engaging with stakeholders is essential to understanding both internal and external perspectives and addressing material issues effectively. We maintain continuous dialogue with our stakeholders through multiple channels to gather feedback, improve our services, and align our operations with stakeholder expectations. This structured engagement enables us to strengthen relationships, enhance transparency, and support informed decision-making across our business.

Employees

We actively listen to employee suggestions, opinions, and ideas to support a positive workplace and long-term value creation for both employees and customers

- Internet
- Newsletters
- Management meetings
- Townhall meetings
- Surveys
- Team-building and in-house training events

Customers

Customer engagement helps us improve service delivery, product offerings, and operational procedures while responding effectively to feedback

- Customer service interactions via calls
- Website
- WhatsApp Business
- Email
- NPS surveys and feedback mechanisms

Suppliers and Business Partners

We collaborate with suppliers and partners to ensure effective service delivery and operational coordination across the value chain

- Training and workshops
- Events service portals
- Personal contacts

Shareholders and Investors

Regular engagement ensures investors remain informed about our sustainability performance, strategy, and business outcomes

- Market disclosures
- General assembly meetings
- Investor relations contacts
- Corporate notices

Regulatory Authorities, Media, Society and Others

Engagement with regulators and broader society supports compliance, transparency, and participation in industry dialogue

- Voluntary participation
- Interviews
- Publications and social events
- Exchange of ideas with regulators
- Projects and surveys

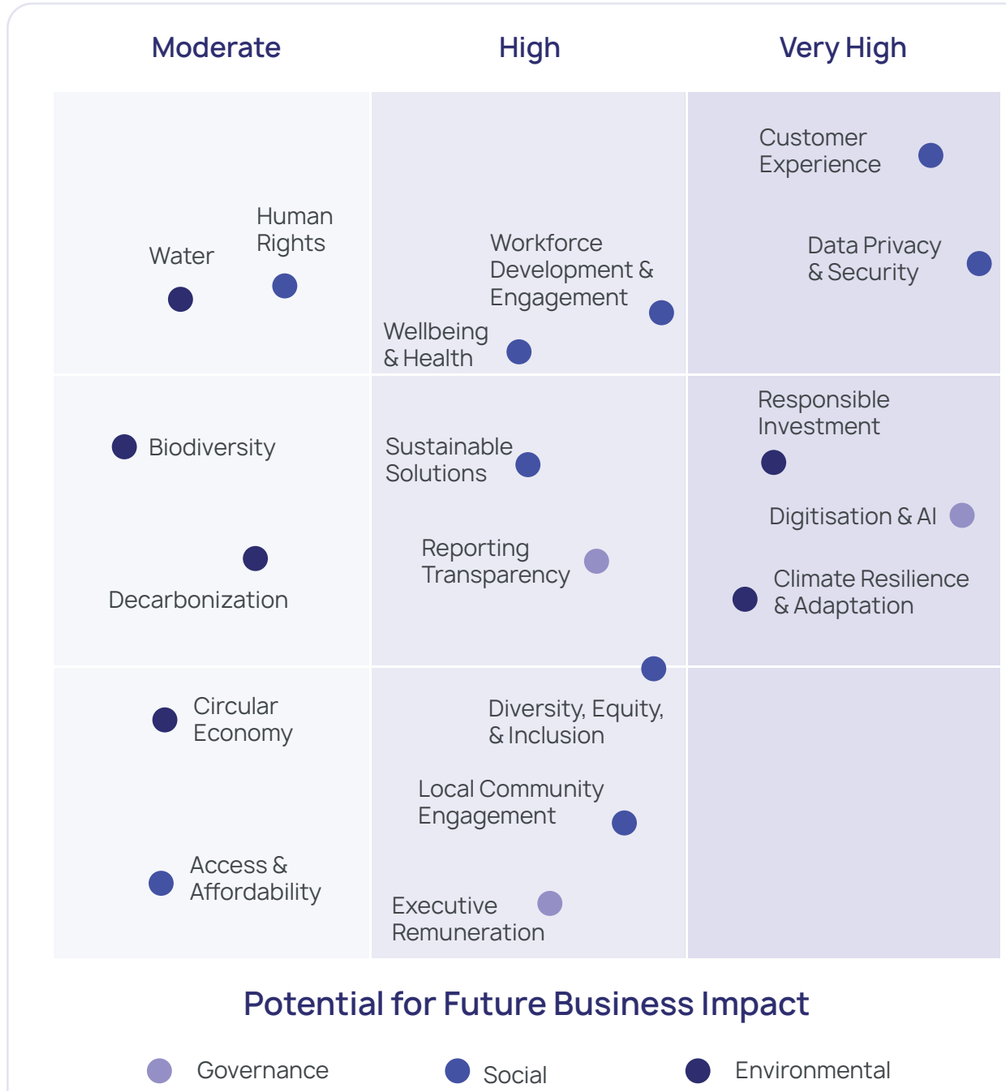
Industry

We engage with industry stakeholders to exchange knowledge, share practices, and strengthen collaboration within the sector

- Networking events
- Conferences
- Collaborations
- Personal contacts

Materiality Assessment

The materiality assessment helps identify the environmental, social, and governance topics most relevant to business strategy and stakeholder expectations. By engaging both internal and external stakeholders and mapping their perspectives through a structured matrix, key issues with the greatest impact on economic, environmental, and social performance are identified. This process enables a clear understanding of stakeholder priorities, highlights potential risks and opportunities, and supports the integration of these insights into strategic decision-making and sustainability planning.



Integrating ESG into Our DNA

ESG considerations are integrated across key business functions to support responsible operations, strengthen stakeholder relationships, and align with national sustainability priorities. This approach ensures that environmental responsibility, social commitment, and governance practices are embedded into operational decision-making, underwriting, investment activities, and stakeholder engagement.

Operations

ESG considerations are incorporated into operational practices to improve efficiency and align business activities with national climate priorities

- GHG emission reduction
- Alignment with UAE Net Zero Strategy 2050
- Integrating ESG into business strategy

Underwriting

Insurance underwriting incorporates climate-related considerations to strengthen resilience across the customer base and insurance portfolio

- Climate resilience for customers and portfolio

Investing

Investment decisions consider ESG factors to support responsible capital allocation and long-term value creation

- Integrating ESG into investment strategy

Customers

Customer engagement focuses on delivering strong service quality and building lasting relationships through improved experience and accessibility

- Aspiring to be the "Company of Choice"
- Enhancing customer experience and satisfaction
- Strengthening engagement touchpoints

Employees

People practice prioritise workforce wellbeing and development while supporting an inclusive workplace environment

- Employee wellbeing
- Talent development
- Diversity, equity, and inclusion

Partners & Communication

Engagement with partners and communities supports collaborative initiatives that contribute to sustainability and resilience

- Community contribution
- Sustainable operations
- Enhancing climate resilience

AWNIC's Operating Environment



Our Operating Environment

We operate within a dynamic insurance environment shaped by evolving regulations, technological advancements, and increasing stakeholder expectations. This section outlines how we manage our operating context, with a focus on the regulatory landscape governing the UAE insurance sector and its implications for our strategy, operations, and risk management approach.

Our Regulatory Environment

The UAE insurance sector is governed by a structured and evolving regulatory framework overseen by Central Bank of UAE. The regulations collectively aim to ensure financial stability, strengthen governance, protect policyholders, and promote market confidence.

UAE Federal Law No. 1

1972

This law established the foundational structure of the UAE federal government by defining the roles and powers of ministries and federal authorities. It provides the institutional framework within which economic, financial, and insurance-related regulations are developed and administered, forming the basis for regulatory oversight across sectors, including insurance.

UAE Federal Law No. 6

1984

This law strengthened the regulatory framework for insurance operations by introducing clearer requirements around governance, solvency, risk management, and supervisory oversight. It marked a significant step in enhancing market discipline and protecting policyholder interests within the UAE insurance sector.

UAE Federal Law No. 9 (Insurance Companies and Agents)

2007

This law laid the early regulatory foundation for the insurance sector by introducing requirements related to licensing, operations, and supervision of insurance companies and agents. It played a key role in formalising insurance market practices and influencing subsequent legislation governing financial institutions in the UAE.

Central Bank of the UAE Regulatory Framework

2020

In 2020, the Central Bank of the UAE expanded its regulatory role to include insurance supervision, alongside broader financial system oversight. During this period, the CBUAE introduced measures to safeguard financial stability, strengthen consumer protection, enhance AML/CFT controls, and support innovation through fintech initiatives, reinforcing a more integrated and resilient regulatory environment.

AWNIC operates within a well-defined and closely supervised regulatory environment governed by the Central Bank of the UAE and other federal authorities. This framework is designed to promote financial stability, strengthen risk management, enhance transparency, and protect policyholders.

During the reporting period, AWNIC continued to monitor regulatory developments closely, assess their operational impact, and take timely actions to ensure compliance while maintaining business continuity and service quality.

Key Regulatory Requirements and Compliance Status

Regulation / Notice	Effective Date	Compliance Status	Actions Taken
Financial Reporting and External Audit Regulation for Insurance Companies	30-Apr-24	Complied	Updated the External Audit Policy; appointment of the external auditor aligned with the new regulatory requirements.
Open Finance Regulation	15-Apr-24	In progress	Open finance consultant approval currently in progress.
Payment Token Services Regulation	21-Aug-24	Not Applicable	AWNIC is not involved in digital payment token services.
Recovery Planning Regulation	30-Jun-24	Complied	Recovery plan submitted to the CBUAE by 30-Apr-2024.
UAE Information Assurance Regulation	21-Jun-24	Complied	Required self-assessment for FY 2024 submitted on 02-Jan-2025.
Insurance Broker's Regulation	15-Feb-24	In progress	IT system changes for payment gateway implementation are underway.
Credit Risk Management Regulation and Standards	30-Nov-24	In progress	Credit risk policy and framework are being updated.
Fitness and Propriety Regulation and Standards	31-Oct-24	Complied	Approval requests submitted to the CBUAE in line with regulatory requirements.
CBUAE Ad hoc Data Requests and Notices	Continuous	Complied	Data related to claims, AML/CFT, customer screening, and other requests shared within stipulated timelines.



Guiding Frameworks and Guidelines

Reporting Frameworks	National Guidelines	International Guidelines
GRI	Securities and Commodities Authority (SCA) Obligations ADX سوق أبوظبي للأوراق المالية Abu Dhabi Securities Exchange	SUSTAINABLE DEVELOPMENT GOALS

Our Business Environment

The UAE insurance market continues to evolve as a highly competitive and fast-changing environment, shaped by regulatory reforms, climate-related risks, and rapid technological advancement. Insurers are required to remain agile while strengthening resilience, compliance, and customer-focused delivery.

AWNIC recognises this evolving landscape and has undertaken focused initiatives to navigate emerging challenges while strengthening operational resilience and long-term value creation.



IFRS 17 Implementation

AWNIC navigated the transition to IFRS 17 by strengthening financial reporting frameworks and aligning internal systems and processes with updated regulatory and disclosure requirements

Climate Change Impacts

AWNIC responded to increased climate-related events by maintaining service continuity and managing financial exposure through robust reinsurance arrangements and disciplined risk management practices

Internet of Things (IoT) and Technology Shifts

AWNIC adapted to emerging technology-driven regulatory expectations by reviewing business practices and product structures to remain aligned with evolving market and supervisory requirements and disciplined risk management practices

Our Technological Environment

We operate in a rapidly evolving technological environment where digital innovation is reshaping the UAE insurance market. This section outlines key technology-driven changes in the market, how we are responding to remain competitive, the associated risks, and the opportunities arising from the expansion of our digital capabilities. We observed several technological developments that are transforming the insurance sector in the UAE, particularly through the integration of advanced digital solutions.

Cloud-native platforms

Wider adoption of cloud-native platforms to improve agility and scalability

AI-driven tools

Increased use of AI-driven tools to enhance customer engagement and service delivery

Machine learning

Growing application of machine learning for risk assessment, fraud detection, and underwriting efficiency

Data analytics

Expanded use of data analytics to support product innovation and data-led decision-making

Digital Infrastructure

Our digital ecosystem is anchored in a set of core technology pillars that support operational resilience and customer-centric delivery. These include cloud-native platforms that enable agility, faster deployment, and scalable growth; artificial intelligence to strengthen customer support, streamline claims processing, and enable personalised interactions; machine learning to analyze historical claims data for improved risk assessment, fraud detection, and underwriting accuracy; and data analytics to generate actionable insights that inform product innovation, targeted offerings, and effective risk management.

How We Are Staying Ahead

AWNIC understands that to remain competitive in an increasingly digitalised marketplace, we continue to invest in technology, research, and development. Our focus areas include leveraging AI-powered solutions to enhance customer experience and service efficiency; strengthening cybersecurity using next-generation AI and ML tools in line with regulatory and market expectations; expanding digital platforms and mobile applications to simplify policy management and customer interactions; integrating advanced data analytics to better understand customer behavior and preferences; and exploring Insurtech partnerships to accelerate innovation while safeguarding sensitive customer information.

Our Risk Environment

While AWNIC adopts a cautious and well-governed approach to the use of technology, it recognises that inherent operational and compliance risks remain an integral part of a digitalised environment. Accordingly, the key risks and the corresponding mitigation measures are outlined below.

Type of Risk Identified	Description	Mitigation Strategies
Cybersecurity Risks	Vulnerabilities in software that may expose the Company to cyberattacks, data breaches, or ransomware.	• Implement robust firewalls, encryption, and multi-factor authentication (MFA) • Conduct regular penetration testing and vulnerability assessments • Train employees on cybersecurity best practices and phishing prevention • Keep systems updated with the latest security patches
Data Integrity Risks	Errors, corruption, or loss of data due to system malfunctions or weak data management practices.	• Use data validation and error-checking mechanisms • Implement automated backups and data recovery solutions • Regularly monitor and audit data for accuracy and consistency
Vendor and Third-Party Risks	Risks arising from reliance on third-party software vendors, including service quality or security weaknesses.	• Conduct due diligence during vendor selection • Include service-level agreements (SLAs) to ensure accountability • Regularly review vendor performance and security practices
Compliance Risks	Failure to comply with regulatory requirements or software licensing obligations.	• Conduct periodic audits of software usage • Monitor regulatory developments and implement required changes • Use compliance management tools to track and report adherence

Growth Opportunities

Expanding our digital capabilities presents significant opportunities to enhance customer experience, improve operational efficiency, and support sustainable growth in the UAE insurance market. Key opportunity areas include digital transformation, where technology is leveraged to streamline processes, personalise offerings, and strengthen customer engagement as a competitive differentiator; a continued focus on innovation, through the development of solutions such as Sharia-compliant insurance products, parametric insurance, and micro-insurance offerings to address diverse customer needs; and cybersecurity insurance, which responds to rising cyber risks by offering relevant coverage, supported by the establishment of a Disaster Recovery Site, daily data backups, and strengthened business continuity and insurance arrangements.



02
SUSTAINABILITY
REPORT

Financial Capital



Financial Capital- Highlights

Insurance Service Revenue

AED 781 million

108% increase compared to 2024

Return on Equity

8%

Increased from 3%

Net Investment Income

AED 138 million

41% increase compared to 2024

Total Assets

AED 2 billion

7.5% increase compared to 2024

Liabilities to Asset Ratio

40%

Slight increase from 37% in 2024

Our financial performance reflects a comprehensive assessment of our ability to generate long-term value and maintain sustained growth. Throughout the year, we tracked key financial indicators and implemented targeted initiatives to strengthen revenue quality, operational efficiency, and capital resilience. For the year 2025, total insurance service revenue reached AED 781 million, demonstrating continued expansion across our portfolio. We remain focused on delivering sustainable returns to stakeholders while offering exceptional products and services to our customers.

Core Financial Results

Primary Performance Metrics

Metric (AED million)	2023	2024	2025
Insurance Service Revenue	285	376	781
Insurance Service Result	(33)	(24)	24
Net Investment Income	221	97	138
Profit Before Tax	177	39	101
Earnings Per Share (EPS)	0.86	0.18	0.46

Business Product Mix

Segment	2023	2024	2025
Motor	51%	56%	54%
Technical	49%	33%	26%
Health	NA	11%	20%

Growth and Efficiency Analysis

The year-on-year comparison highlights changes in revenue composition and earnings outcomes across our portfolio. We continue to monitor these movements closely to ensure that growth remains balanced and aligned with our risk appetite. Our focus remains on maintaining stable performance while strengthening the quality and sustainability of income streams.

Gross insurance revenue growth indicates positive momentum across all segments, with Motor, Technical, and Health lines showing consistent year-on-year expansion and strengthening topline performance over the reporting periods.

Gross Insurance Revenue Growth Rate

Segment	2023	2024	2025
Motor	(16%)	41%	90%
Technical	9%	9%	44%
Health	NA	100%	911%

Net insurance service result growth reflects changes in underwriting performance across segments, highlighting improvements in select portfolios while indicating areas that require continued monitoring to maintain stable profitability.

Net Insurance Service Result Growth Rate

Segment	2023	2024	2025
Motor	(33%)	17%	158%
Technical	(1%)	46%	(48%)
Health	NA	NA	(57%)

Management and earnings ratios provide insight into productivity, profitability, and capital utilisation. These indicators support informed decision-making and help us improve operational discipline across functions.

Management Ratios

	2023	2024	2025
Gross Risk Ratio	22%	31%	63%
Employee wages & benefits as % of G&A	53%	42%	37%

Earnings Ratio

	2023	2024	2025
Return on Shareholders' Equity (ROE)	14%	3%	8%
Return on Assets (ROA)	10%	2%	5%
Investment Yield	15%	6%	8%

Maintaining a strong balance sheet remains a priority for us. We regularly assess capital adequacy and liquidity to ensure we can meet our obligations, absorb volatility, and sustain operations under different market conditions. A prudent approach to capital management supports both stability and long-term growth.

Capital Strength and Liquidity

Capital Adequacy

	2023	2024	2025
Equity to Asset	72%	63%	60%

Liquidity Ratios

	2023	2024	2025
Assets to Liability Ratio	359%	269%	253%
Cash Ratio	24%	12%	15%

Accounting Equation (AED '000)

Year	2023	2024	2025
Equity	1,270,317	1,197,478	1,236,500
Liabilities	489,633	706,656	809,902
Total Assets	1,759,950	1,904,134	2,046,402

We continued to prioritise value distribution to shareholders. The dividend payout ratio decreased from 113% to 55% in 2025, while dividend per share increased from 0.2 to 0.25 in 2025.



Human Capital



Our People and Culture

We cultivate a constructive work environment through employee engagement initiatives and continuous learning. As a responsible employer, we remain committed to building a workplace where our people feel valued, supported, and proud to contribute. Our goal is to be recognised as the company of choice not only by our stakeholders, but equally by our employees, through consistent investment in their growth, well-being, and experience.

Diversity and Inclusion

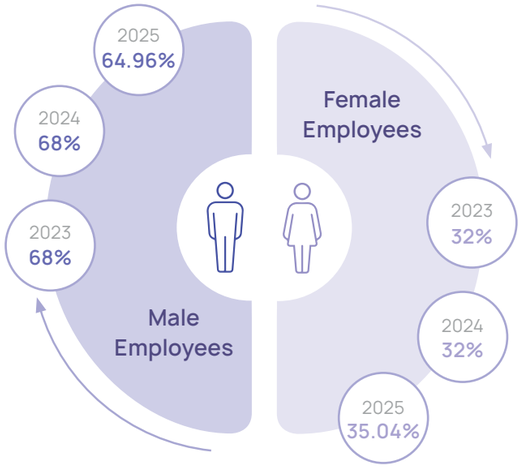
We are committed to building a workplace that reflects diversity, equity, and inclusion. We aim to ensure every employee feels appreciated and respected, while maintaining fair representation across gender, age groups, and nationalities. We regularly track our workforce composition to strengthen transparency and support balanced participation across our organisation.

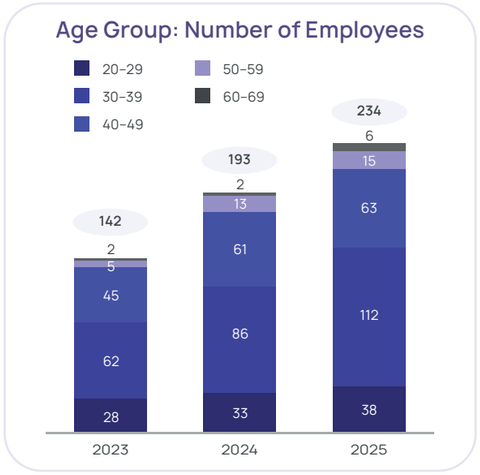
Gender representation across our workforce is monitored annually to promote equitable opportunities. We encourage gender diversity through structured initiatives that promote inclusion, respect, and equal opportunity across our workforce. In recognition of International Women's Day, we organised a series of engagements, including celebratory events, inspirational message sharing, and peer-led appreciation activities, to acknowledge the contributions and achievements of women and foster a positive and supportive workplace culture. We also marked Emirati Women's Day to specifically honour the achievements and leadership of Emirati women and their role in national and organisational development. These efforts align with the UAE's vision for women's empowerment and inclusive leadership, and we monitor gender representation annually to ensure equitable participation and continuous progress across all levels of our organisation.











We track age distribution across the workforce to ensure an appropriate balance of experience, continuity, and new talent.

Nationalities Working at AWNIC

Nationality	2024	2025
Algerian	1	1
Bangladeshi	3	3
British	2	2
Egyptian	23	28
Emirati	15	32
Filipino	18	20
Indian	68	78
Iraqi	4	4
Jordanian	14	16
Lebanese	6	5
Moroccan	2	2
Pakistani	17	18
Palestinian	0	2
Sri Lankan	1	2
Sudanese	0	8
Syrian	0	12
Yemen	0	1



Employee Well-being

We place strong emphasis on employee well-being as a cornerstone of our organisational success. We provide our workforce with the resources and support required to maintain their physical and mental health and encourage active participation in initiatives that strengthen connection, morale, and shared purpose. Through structured programs and regular activities, we aim to create a workplace where employees feel valued, supported, and There were zero incidents of discrimination and zero work related injuries were reported in 2025.

Healthcare and Well-being Initiatives

We promote preventive care and healthy lifestyles through awareness and participation-based programs.



We've Got You Back

We conducted onsite physiotherapy sessions to help prevent musculoskeletal strain, improve ergonomics, and provide early support for workplace-related injuries.

Blood Donation Drives

We facilitated voluntary blood donation drives with SEHA to support critical healthcare needs, enabling employees to contribute to life-saving efforts and demonstrate compassion and social responsibility toward the wider community.





Flu Vaccination Days

We provided free seasonal flu vaccinations across our offices to reduce health risks, prevent the spread of illness, and protect overall workforce wellbeing and productivity.

Beat the Heat Campaign

We implemented hydration support, safety guidance, and awareness measures to mitigate heat-related risks and ensure safe working conditions during peak summer months.





Employee Wellness Checks and Health Camps

We organised preventive screenings **with Ahalia Hospital and Blooberries** and health camps to provide accessible medical consultations, enable early detection, and encourage healthier lifestyle choices among employees.

Breast Cancer Awareness Activities



We conducted awareness sessions and participated in community initiatives, including the ADCB Pink Run, to promote early screening, educate employees, and strengthen our collective commitment to women's health.



World Sight Day Vision Screenings

We delivered vision health screenings across all branches to encourage preventive eye care, support early diagnosis, and safeguard long-term employee wellbeing.

Self-Reflection and Personal Growth Webinar



We conducted a guided self-reflection webinar to support employees' mental wellbeing, mindfulness, and personal development. The session encouraged individuals to pause, assess their goals, recognise strengths, and identify areas for improvement, helping them build resilience and self-awareness in a fast-paced work environment. By creating space for introspection and growth, we strengthened employee engagement, emotional wellbeing, and a culture of continuous learning across the organisation.

Workplace Engagement and Recognition

We strengthen morale and alignment through regular forums and appreciation initiatives.

Monthly Birthday Celebrations

Recognise individual contributions and build a sense of belonging

Yearly Corporate Town Hall Meetings

Encourage open dialogue and align employees with our vision and goals

Continuous Engagement Activities

Ongoing programs maintain team connection and workplace satisfaction

Cultural and Festive Celebrations

We celebrate cultural occasions to promote inclusion and shared values across our diverse workforce.



UAE Flag Day Event

Commemorative gatherings celebrated the UAE's heritage, unity, and national achievements, strengthening employees' connection to the country's values and fostering collective pride.

Ramadan Iftar Gathering



During the Holy Month, we combined community outreach with an employee Iftar gathering to promote generosity, cultural understanding, and social cohesion. The initiative reflected Islamic values of compassion while strengthening unity and shared purpose across the workforce.



Cultural Diversity Day

Interactive activities encouraged employees to showcase their traditions and identities, promoting cross-cultural dialogue, inclusion, and collaboration within one of the world's most diverse workplaces.

Festival Celebrations



We celebrated the cultural diversity of our workforce by observing Onam, Diwali, and Easter through inclusive and festive engagements that honoured the traditions of our Indian and Christian communities. These shared celebrations created opportunities for employees to connect, appreciate different cultural heritages, and learn from one another. Through these activities, we strengthened mutual respect, fostered belonging, and reinforced a workplace culture built on inclusivity and multicultural harmony.

Workforce Communication

At AWNIC, we foster an open and transparent communication culture that encourages regular dialogue between employees and senior management. Through structured discussions and accessible feedback channels, employees can share ideas, raise concerns, and contribute to decision-making, strengthening trust, alignment, and engagement across the organisation.

We also support seamless information flow through our internal portal and self-service mobile application. These tools keep employees connected and provide easy access to key updates, including health and safety protocols, training opportunities, wellness programs, and HR-related information.



Employee Participation and Ideas



We encourage employee participation by creating opportunities for our people to engage beyond their day-to-day roles and strengthen workplace connections. Through Secret Santa activities organised across our locations, we provided a simple yet meaningful platform for employees to interact, exchange appreciation, and celebrate together. These engagements fostered teamwork, boosted morale, and reinforced a positive, inclusive, and connected workplace culture.

We also organised a Gingerbread House Competition at the Head Office as a holiday-themed creative activity to encourage teamwork and collaboration. The initiative provided employees with a fun and engaging platform to work together, strengthen relationships, and build a positive festive spirit within the workplace.

Training and Development

We invest in continuous training and development to strengthen employee capability, engagement, and long-term performance. Our programs equip employees with the knowledge and skills required to perform their roles effectively, adapt to changing business needs, and contribute to a resilient and high-performing organisation. Through structured learning, we support productivity, retention, leadership readiness, and a culture of continuous improvement. Our training initiatives are designed to enhance both technical and behavioral competencies across the workforce.

01 Improve employee performance and productivity

02 Increase engagement and retention

03 Strengthen adaptability to change and evolving practices

04 Support risk management through compliance, safety, and cybersecurity training

05 Develop future leaders and critical thinking skills

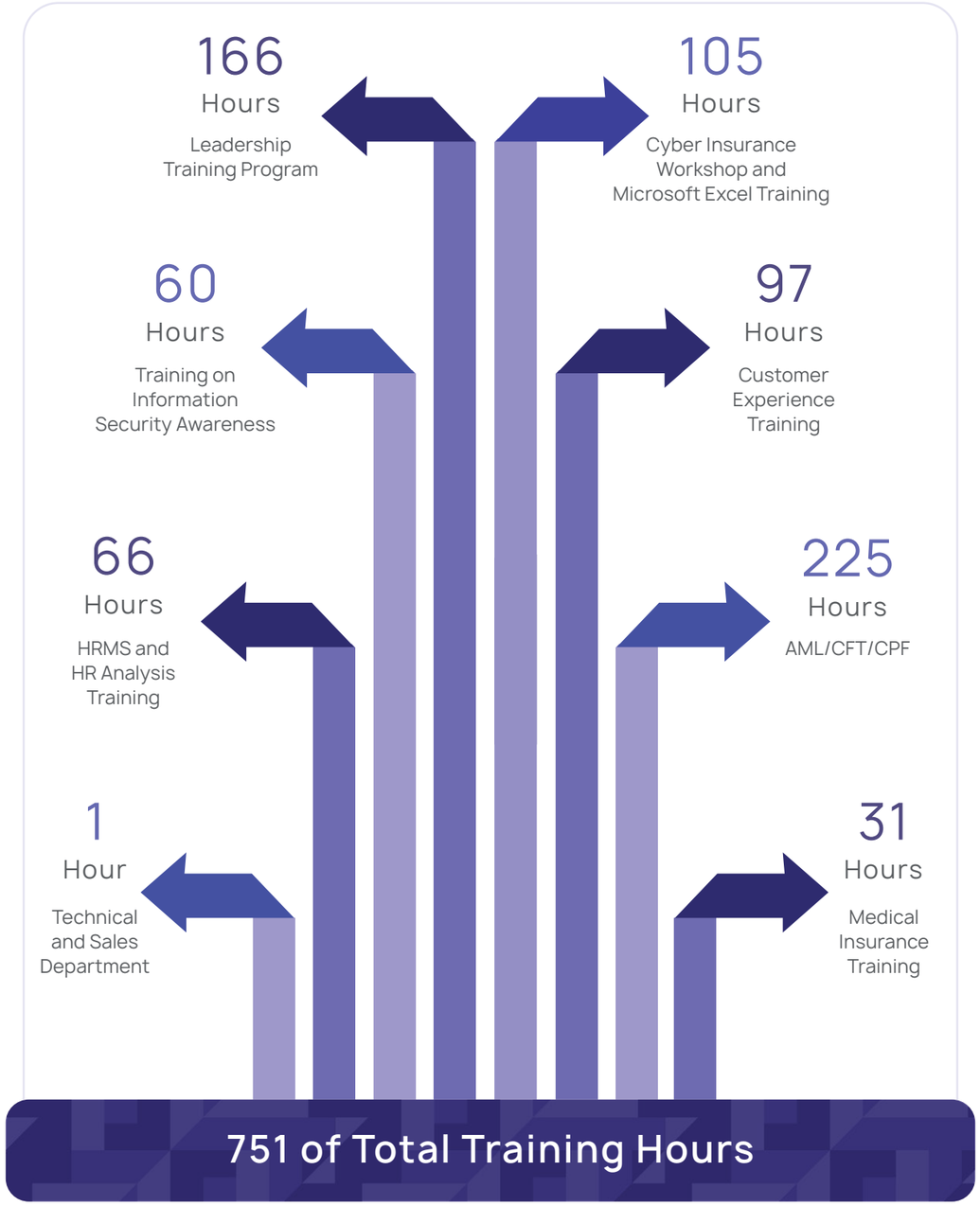
06 Encourage innovation and creativity

07 Promote a culture of continuous learning and collaboration



Training Programs Delivered in 2025

We conducted the following training sessions to address compliance, safety, and professional skills development. We recorded a total of 751 training hours and supplemented classroom sessions with e-learning modules covering AML/CFT updates, anti-bribery and corruption, cybersecurity, and code of conduct requirements, ensuring consistent and accessible learning opportunities for all average hours of training per employee was 3.2.



Our Parteners in Value

Our procurement process at AWNIC ensures we select suppliers who align with our ESG principles. We view our supply chain as an extension of our values, prioritising partners who help us maintain operational effectiveness, ISO compliance, and superior information security management. This approach ensures transparency, efficiency, and consistent alignment with our sustainability goals.

Risk Management

Our comprehensive risk management framework identifies and categorises potential risks based on their probability and impact. We implement proactive strategies and clear contractual terms to manage these risks effectively. Regular reviews and detailed records are maintained to support audits and continuous improvement.

Sustainability Commitment

Our comprehensive risk management framework identifies and We integrate sustainability as a key criterion when selecting vendors and subcontractors. We believe that responsible procurement enhances our business operations and contributes to global well-being. We actively seek partners who share our dedication to sustainable practices and build a more resilient future.

Innovation and Technology Adoption

We are modernising the procurement value chain by adopting cutting-edge technologies. Our process integrates tools such as AI for predictive analysis and ERP systems for streamlined operations, including e-proposal submission and e-contract formulation.

Internal Training and Capacity Building

We provide continuous training and capacity-building initiatives for all stakeholders involved in vendor management. This education covers best practices, legal compliance, and emerging trends, ensuring our internal team remains aligned with our organisational values and goals.

Vendor Relationship Ethics

We maintain strict policies to avoid conflicts of interest during vendor selection. We prohibit employees from accepting significant gifts from vendors, and any apparent conflicts must be reported to the Chief Finance Officer immediately.

Our Commitment to Service

We view our customers as the primary focus of our operations, striving to deliver seamless experiences that combine digital efficiency with a human touch. By actively listening to feedback across multiple channels, we ensure our services evolve alongside our clients' needs while maintaining the highest standards of data security and operational transparency.

Customer Satisfaction Performance

Our Customer Satisfaction (CSAT) scores reflect a consistent commitment to quality, gathered through IVR, our mobile app, and direct email communications.

Metric	2023	2024	2025
CSAT Score	92%	92%	95%
Google Rating	3.8	4.3	4.5
App Store Rating	3.8	4.3	3.2
Play Store Rating	3.8	4.3	2.2

Service Highlights & Risk Mitigation

We leverage our technical expertise to provide value-added insights that go beyond standard policy issuance, fostering a safer environment for our clients.

ISO 10002:2018
Customer Satisfaction, Complaints Handling

Proactive Protection:

We provide tailored risk mitigation recommendations during our insurance surveys to help potential customers protect their assets before a policy even begins.

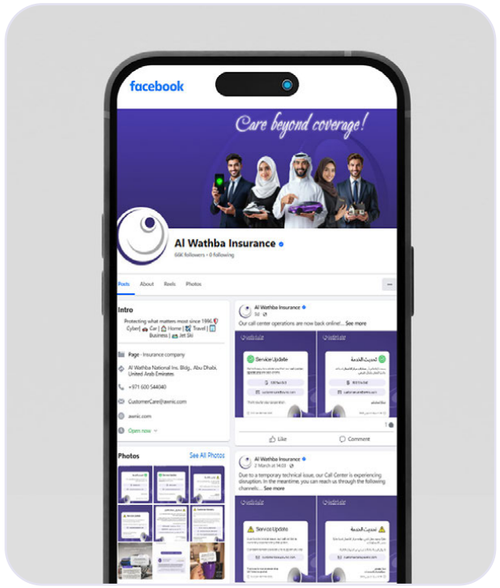
Digital Speed:

Our in-house eKYC module has transformed the onboarding journey, allowing for a seamless three-day process.

Advocacy:

Our Net Promoter Score reached **50-70% in 2023**, significantly outperforming the industry average of 30-40%.

Digital Engagement



Our digital footprint continues to expand, allowing us to connect with our community where they are most active.

Platform	2024 Performance	2025 Performance
	70K	66.7K
	28K	37.8K
	3.3K	5K

Creating Everyday Value Beyond Insurance: AWNIC's Enhanced Loyalty Program



AWNIC redesigned its customer value proposition by implementing an Enhanced Loyalty Program that integrates non-insurance benefits across lifestyle domains. Drawing on cross-sector partnerships, we launched a network of 20+ merchants spanning health, wellness, dining, entertainment, and everyday essentials. Through targeted integration of partner offers into the AWNIC customer portal and communications, we extended value beyond claims and premiums, incentivising healthy behaviours and frequent platform interactions.

AWNIC's Enhanced Loyalty Program provides policyholders with exclusive benefits and preferential offers from more than 20 partner merchants. The program complements core insurance coverage by embedding practical, day-to-day value into the customer relationship.

By formalising merchant partnerships and integrating benefits within our digital platforms, we ensured structured access, consistent communication, and measurable engagement. This approach positions insurance not as a transactional product, but as an ongoing service relationship aligned with customers' daily needs.

Benefits to Customers

Access to health and wellness partners supports preventive care and healthier lifestyle choices, aligning with UN SDG 3 (Good Health and Well-Being). Discounts across dining, entertainment, and essential services reduce everyday expenses, strengthening customers' financial resilience.

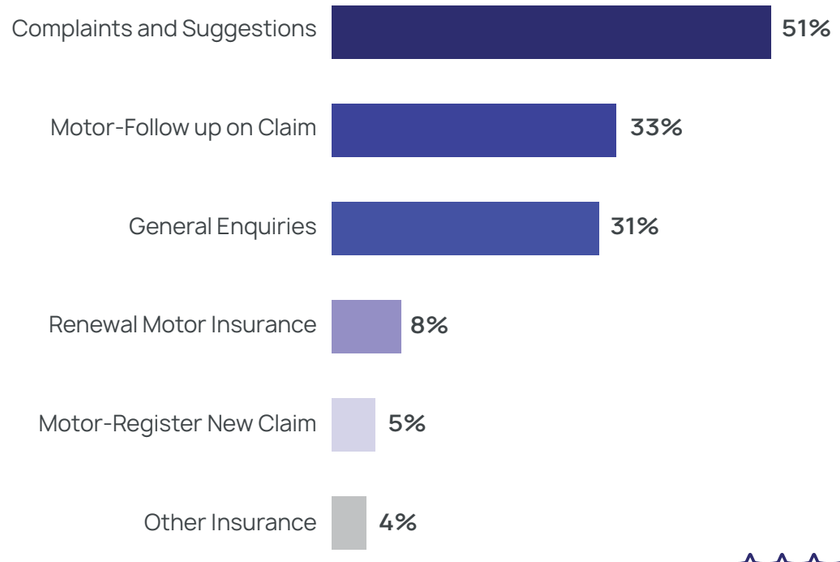


At a business level, the program increases engagement frequency beyond renewal cycles, reinforces retention drivers, and enhances brand relevance in a competitive market.

By delivering tangible, lifestyle-oriented benefits, AWNIC demonstrates customer-centric responsibility while strengthening long-term relationship value and revenue stability.

Responsive Support

We categorise our interactions to ensure every inquiry reaches the right expert, with a firm promise of personal accountability. Our queue-wise analysis allows us to align our specialised teams with the specific needs of our customers.



We are proud to share that **100% of all customer complaints are resolved** through one-to-one human interaction, ensuring no concern is left to an automated system alone.

Intellectual Capital and Digitisation



Intellectual Capital

Our Intellectual Capital, including Digitisation practices is a key component of our value and competitiveness and continues to play a critical role in strengthening our operating model. We view digital transformation not merely as a technology upgrade, but as a strategic lever to improve efficiency, elevate service delivery, and reinforce our brand value in a rapidly evolving insurance landscape.

AWNIC became the inaugural UAE insurance company to achieve ISO 27001:2022 certification, demonstrating adherence to rigorous international information security standards.

ISO 27001:2022
Information Security Management

Our Digital Vision - Connected I Efficient I Customer Centric

The approach to digitalisation focuses on creating a connected, efficient, and customer-centric ecosystem that supports end-to-end business process improvements. Technology is leveraged to streamline internal workflows, strengthen decision-making, and deliver seamless, consistent experiences across all customer touchpoints.

iCMS

Intelligent Communication Management

- Digitised internal workflows
- Faster claims and finance processing
- Centralised reports and dashboards

Motor Portal

Automated Motor Insurance

- Automated policy issuance
- Cross-sell and up-sell enablement
- Customer purchase insights

HRMS

People & Workforce Management

- Centralised HR operations
- Improved workforce efficiency
- Streamlined internal processes

Marine Portal

Digital Marine Insurance

- Online broker and employee access
- Yacht, jet ski, cargo, and transit cover
- Faster and accurate service delivery

Digital Salvage Auction

360° Vehicle Salvage Management

- End-to-end digital visibility
- Improved transparency
- Efficient salvage handling

Digital Transformation

Our digital initiatives are designed to drive measurable improvements across business operations and customer service delivery. By digitising end-to-end processes, we continue to strengthen responsiveness, accessibility, and service quality. Key outcomes from our digital enablement include:



IT Service Desk

We have enhanced project management capabilities and improved turnaround times for internal queries and service requests.

Customer Experience Focus

We enable customers to access our products and services anytime and anywhere through digital platforms.





e-Channels Expansion

We continue to strengthen digital touchpoints, including WhatsApp Business, our website, and mobile applications, to support wider customer reach and engagement.

Service Quality and Responsiveness

We have enabled instant, same-day processing for premium refunds and cash claims through automated digital workflows.



AWNIC has implemented a range of digital initiatives to enhance operational efficiency, improve customer experience, and strengthen digital adoption across the organisation. The following section highlights the key initiatives and their measurable outcomes.

Digital Initiative	Achievement / Outcome
Intelligent Communication Management System (iCMS)	Reduction in average approval time from **5** to **2** days
Enterprise Content Management System	**85–90%** of documents handled electronically
Mobile Application	**10.5K+** app downloads in 2024
Customer Relationship Management (CRM)	Efficient eCommerce CRM system
Marine Portal	Average process time reduced to as low as **2** minutes
Auto LPO initiative for Motor Claims	Digital initiative to improve employee efficiency and customer experience
Motor Corporate Fleet Portal	Allow brokers/corporate customers to download certificates without depending on UW team

Awards in Digital Space

AWNIC's digital transformation efforts have been recognised through several industry awards, demonstrating its commitment to innovation and excellence in the digital and InsurTech domains

- Digital Initiative Award – UAE Insurance Authority — 2018
- Digital Initiative Award – UAE Insurance Authority — 2019
- Best Innovative Company Award – InsurTech — 2021

Social Media Presence



AWNIC maintains an active digital presence across key social media platforms to engage customers, strengthen brand visibility, and support communication of products and services.

Metric					
Total Followers:	109K+	»	38K+	66K+	5K+
Total Impressions:	3.3M+	»	574K+	1,483K+	1,292K+
Total Reach:	2.1M+	»	574K+	1,080K+	1,047K+
Engagement:	4.8%	»	80K+	66K+	14K+

Data Privacy

Customer Privacy and Data Security

Safeguarding customer privacy and ensuring data security remain central to AWNIC's digitalisation journey. As digital channels and systems expand, the organisation continues to prioritise the integrity, confidentiality, and availability of customer and business information.

Strong governance arrangements support this focus, with cybersecurity oversight managed by the Information Security Officer under the supervision of the Audit Committee. In addition, an Information Security Governance Committee, comprising key executive members, provides comprehensive oversight of data protection and cybersecurity matters.

AWNIC also maintains adequate cyber insurance coverage to complement its technical and procedural safeguards. Regular external audits, vulnerability assessments, and penetration testing are conducted to assess and strengthen the effectiveness of cybersecurity controls.

Business Continuity

Business continuity forms a critical pillar of AWNIC's digital resilience framework. The organisation has established a Business Continuity and Disaster Recovery plan to ensure the availability of critical IT infrastructure during unforeseen events.

This framework provides essential backup for primary systems and supports uninterrupted service delivery. By embedding continuity planning within its digital operations, AWNIC enhances its ability to respond effectively to disruptions while protecting customer and business data.

Robust Infrastructure

AWNIC maintains a robust IT infrastructure supported by stringent governance mechanisms to protect both customer and employee data. Digital systems are designed to balance operational efficiency with strong data protection controls.

Technology-driven innovations are leveraged to optimise internal processes and digital distribution channels, enabling a seamless customer experience while maintaining high standards of data privacy and security. Transparency is reinforced through clear online privacy statements outlining data handling practices.

AWNIC's Ecosystem to safeguard your data

Data Encryption

Sensitive client data stored on AWNIC servers is encrypted, providing an additional layer of protection against unauthorised access.

Email Security

Machine Learning–Artificial Intelligence (ML-AI)–enabled email security is deployed to proactively detect and prevent phishing and email-based cyber threats.

Data Leak Prevention

An AI-based network security system, Endpoint Detection and Response (EDR), and a robust firewall with Distributed Denial-of-Service (DDoS) protection are implemented to mitigate data leakage risks.

Patch Management

All devices and servers are regularly patched to address vulnerabilities and strengthen system security.

Access Control

Privileged Access Management (PAM) with Multi-Factor Authentication (MFA) is implemented across critical systems to restrict and secure access to sensitive data.

Regular Audits

Systems and data undergo regular audits to maintain compliance, identify vulnerabilities, and enhance security controls.

Backup Strategy

Regular encrypted online and offline backups are conducted to ensure data integrity and availability.

Employee Education

Employees receive ongoing cybersecurity education to recognise and respond effectively to potential cyber risks.

Data Protection Policy

A formal Data Protection and Client Confidentiality Policy governs secure data handling and compliance with legal and regulatory requirements.

Employee Training and Knowledge Development

AWNIC invests consistently in building employee capability to support its digitalisation and data protection objectives. Ongoing training initiatives are implemented to strengthen workforce proficiency and ensure employees remain up to date with emerging industry trends, technological advancements, and information security requirements. In parallel, AWNIC promotes active participation in knowledge-sharing initiatives, including conferences, seminars, and workshops, promoting a culture of continuous learning, professional growth, and innovation. This collective expertise is regarded as a core element of the organisation's intellectual capital and a key enabler of sustained competitiveness and service excellence.

Innovation and Digital Advancement

Innovation remains a key driver of AWNIC's digital transformation, with a clear focus on applying technology to improve customer experience, operational efficiency, and service delivery. Leadership actively supports the use of advanced digital solutions to enable faster, simpler, and more reliable insurance processes.

Key initiatives undertaken during the year include the launch of an internal innovation challenge to translate high-potential ideas into practical solutions, the redesigning of customer journeys to enable a seamless and frictionless policy-buying experience, and the deployment of a next-generation generation AI chatbot to provide 24/7 smart customer support. AWNIC also upgraded its IVR system with AI-enabled smart routing to improve query resolution and progressed cloud migration and optimisation efforts to enhance system performance and scalability.

Innovative Insurance Offering of the Year 2025 – Motor Product

AWNIC received the ***Innovative Insurance Offering of the Year 2025*** award at the Great Marketing & Business Minds Awards 2026, hosted by the Digital Stallions Forum UAE.

This recognition reflects our disciplined focus on product innovation, technology adoption, and sustained growth in our motor portfolio.
It reinforces our commitment to delivering measurable customer value under our "Caring Beyond Coverage" promise while strengthening our competitive position in the UAE insurance market.



Social and Relationship Capital and Social Stewardship

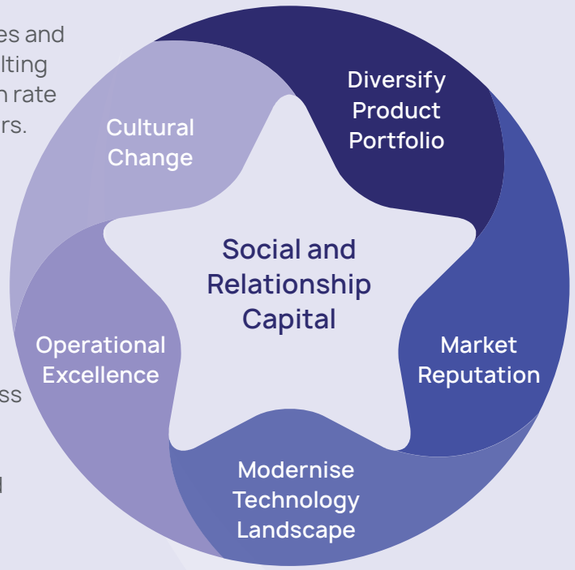


At AWNIC, we believe that our long-term success is inseparable from our relationships with stakeholders and the communities we serve. By embedding social stewardship into our core strategy, we ensure that every interaction, whether with a customer, partner, or colleague reflects our commitment to ethics, transparency, and sustainable growth. Our objective is to create a resilient ecosystem where digital innovation and human accountability coexist to deliver superior value.

The **five strategic objectives that guide our Social and Relationship Capital are outlined below,** reflecting our progress in modernisation, market presence, and internal culture:

We have successfully re-entered the health insurance market, establishing a robust business line with an **approximate AED 60 million topline**.

We are fostering a more inclusive environment through dedicated engagement activities and policy changes, resulting in our lowest attrition rate in the past three years.



Our standing in the market has significantly improved, driven by a substantial volume of new business and healthy policy renewals.

We have optimised core processes across the organisation, specifically in motor claims, which has led to automated LPO issuance for 30% of our overall claims.

We are future-proofing our operations, having completed a full infrastructure migration to AWS, with additional technological upgrades currently underway.

Strategic Growth through Product Diversification

We aim to strengthen our social and relationship capital by expanding our product portfolio, enhancing our market reputation, modernising our technology landscape, driving operational excellence, and promoting a positive organisational culture. Through these objectives, we focus on re-establishing key business lines, improving market standing, implementing advanced technological solutions, optimising processes for efficiency, and creating an inclusive environment that supports engagement and retention.

The following table highlights the distribution of our insurance products across different segments for the year 2025.

Product	2024	2025
Motor	56%	54%
Health	11%	20%
Marine and Cargo Hull	4%	3%
Property	10%	11%
Engineering	9%	6%
General Accident	9%	6%

ISO Certification Celebration

We celebrated the achievement of our ISO certifications across locations to recognise our teams' collective commitment to quality, compliance, and operational excellence. The celebration acknowledged the disciplined processes, collaboration, and continuous improvement efforts that enabled us to meet international standards. By marking this milestone, we reinforced employee ownership of performance, strengthened pride in our achievements, and promoted a culture of accountability and excellence across the organisation.

Our Commitment to the Community

We believe our responsibility extends far beyond providing insurance; it is about building a safer and more resilient society. Our community engagement is a reflection of our core values, focusing on sustainable development, local empowerment, and proactive social stewardship. Over the past five years, we have demonstrated this commitment by increasing our community investments almost threefold, ensuring that our growth directly contributes to the well-being of the UAE.

CSR Strategy

Our Corporate Social Responsibility (CSR) strategy is integrated into our broader business model, ensuring that our social and environmental efforts align with the UAE's national visions, such as the Abu Dhabi Economic Vision 2030. **We focus on four key pillars:**

Education and Innovation:
Investing in digital literacy and workshops to equip the next generation for a tech-driven future.

Environmental Stewardship:
Reducing our carbon footprint through digital transformation and eco-friendly practices.



Social Empowerment:
Prioritising initiatives that support the local workforce and underprivileged segments.

Healthcare Support:
Providing direct aid to frontline workers and promoting health awareness.

CSR Committee

To maintain the highest standards of accountability, our CSR initiatives are overseen by a dedicated team that reports to the Board of Directors. This oversight ensures that every project is vetted for impact, transparency, and alignment with our ESG goals. The committee is responsible for:

Project Selection:
Identifying high-impact community needs that match our organisational expertise

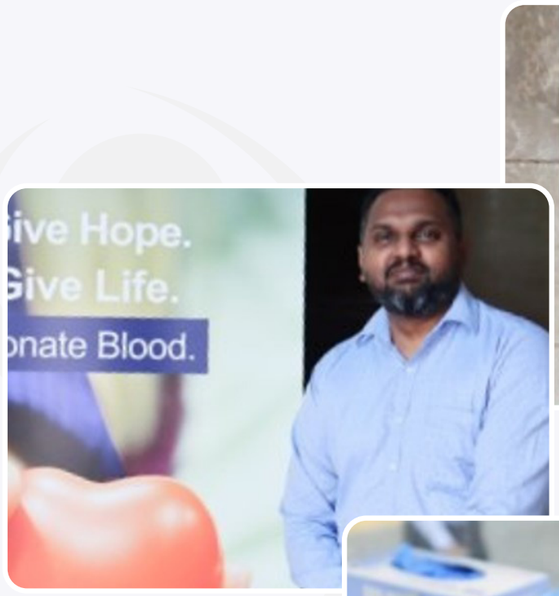
Impact Measurement:
Monitoring quantitative results and performance metrics to ensure resource efficiency

Transparent Disclosure:
Providing clear reporting to our stakeholders on our social contributions and progress

Community Initiatives

We take pride in our active role within the community, having **participated in 4 key CSR activities in 2025** alone.

In collaboration with SEHA Blood Bank, Al Wathba organised a blood donation drive, bringing employees together to contribute to community health and support life-saving medical needs through voluntary blood donations.







الوثبة للتأمين
AL WATHBA INSURANCE

At AWNIC, we believe road safety begins with awareness and shared responsibility. In collaboration with RoadSafetyUAE.com, we assessed current traffic conditions to better understand the daily challenges faced by motorists across the UAE.

Our findings show that 80% of drivers feel traffic has worsened, while 86% experience congestion regularly. For us, these numbers represent more than delays - they indicate higher stress levels, reduced wellbeing, and increased road safety risks.

Through this initiative, we aim to encourage informed discussions around smarter commuting, shared mobility, and long-term infrastructure improvements that can ease congestion and enhance safety. We see this as part of our broader responsibility to support safer roads and healthier communities.

At AWNIC, we care beyond coverage and remain committed to practical actions that create a positive social impact.

We want to give the concerned traffic participants a voice. We need to understand their feelings and perceptions with regards to the omni-present traffic congestion. As a customer-centric organisation, we are committed to improving our customers' daily lives, which is why we teamed up with RoadSafetyUAE on this important project.

Muralikrishnan R
Chief Financial Officer



Natural Capital and Environmental Stewardship



Our Environmental Stewardship

AWNIC recognises that our long-term success is inseparable from the health of the ecosystems in which we operate. Our approach focuses on minimising our environmental footprint through disciplined oversight of the resources we consume and the outputs we generate.

ISO 14001:2015
Environmental Management System

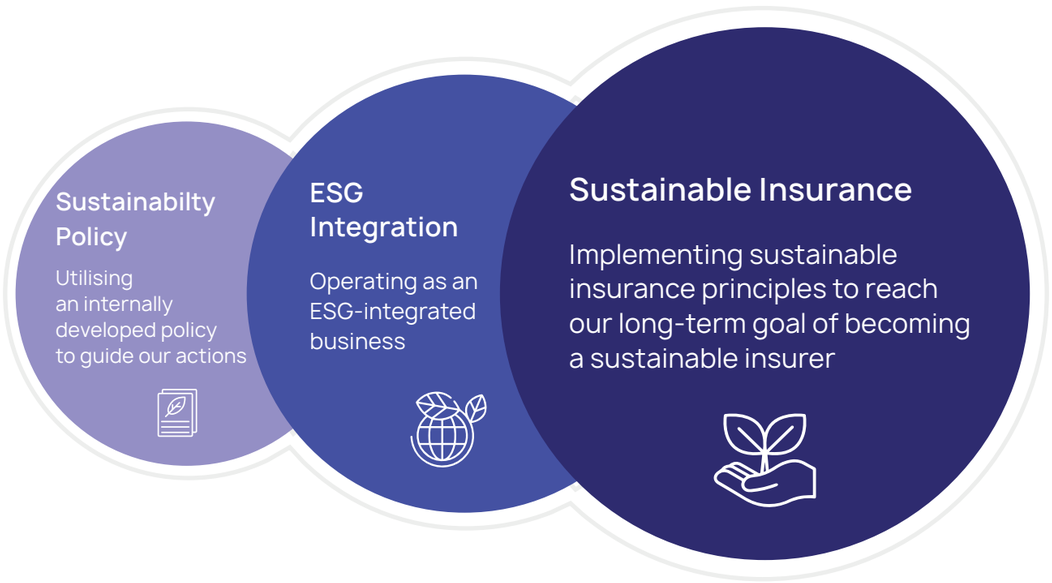
Emission Management

We began reporting our Natural Capital in 2019, aligning our efforts with the UAE Net Zero by 2050 strategic initiative.

To address our environmental impact, we aim to integrate sustainability across our entire portfolio, specifically focusing on our Insurance Operations, Real Estate Portfolio, and Investment Portfolio. By embedding these we ensure that our growth remains responsible and resilient.

Addressing Our Greenhouse Gas Footprint

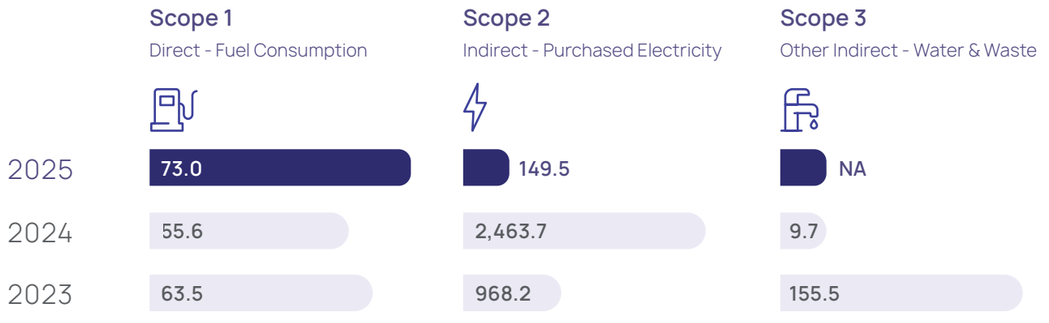
We acknowledge the significant influence of greenhouse gas emissions on the environment and climate. To manage this, we have adopted a structured approach. This strategy allows us to achieve profitable growth while exerting a positive influence on both society and the environment.



Category	Frameworks / Initiatives
Targeted Frameworks	UNSDGs
	We the UAE 2031
	GRI
	UNGC (United Nations Global Compact) Principles
	ADX ESG Disclosure
	SASB (Sustainability Accounting Standards Board) standards
	UN Environment's Principles for Sustainable Insurance Initiative (PSI)
Policies & Certifications	Green IT Policy
	ISO 14001:2015 – Environmental Management Certified
Operational Practices (Green IT Policy)	Energy-efficient Devices
	Server Virtualisation
	Cloud Computing

GHG Emissions

We track our emissions through a comprehensive reporting system to ensure compliance with international standards and operational accuracy.



Emission Intensity per employee stands at 0.95 tCO2e/employee

*All values are in TCO2e

Strategic Decarbonisation

Our carbon footprint reduction strategy is centered on active employee participation and the promotion of sustainable transportation.

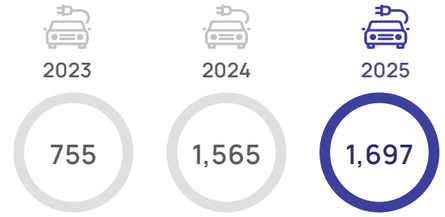
Operational Efficiency

We encourage eco-friendly practices such as:



Sustainable Transportation

We provide incentives for the transition to a low-carbon economy by offering discounted premiums for eco-friendly vehicle insurance. This commitment is reflected in the rapid growth of our eco-friendly policies.



Number of Eco Friendly vehicle insurance

Through these actions, we remain dedicated to overseeing our emissions and aiding the advancement of a more sustainable future for everyone.

Energy Management

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 setting the stage for a more sustainable future within the insurance sector and beyond.

Energy-Saving Measures

Our company persistently monitors and discloses our energy consumption metrics, striving to minimise our adverse environmental impact and align with sustainable operational standards. We track our electricity and fuel use to drive operational improvements and ensure transparency.

	2023	2024	2025
Total Consumption (kWh)	-	-	314,674
Intensity per Employee	-	-	1,344.7
Total Consumption (Liters)	27,019	24,072.3	31,614
Intensity per Employee	150	127	135.1

Water Management

Al Wathba recognises that water is a precious shared resource, and its responsible management is essential to maintaining the ecological balance within our operating regions. To ensure we minimise our impact on local water supplies. We also focus on monitoring consumption patterns and implementing efficiency measures across our physical locations and investment properties.

We maintain a disciplined approach to tracking our water usage to drive accountability and identify opportunities for reduction. The following table outlines our consumption trends.

	2023	2024	2025
Total Consumption (Liters)	19,052	22,253	9,144.5
Intensity per Employee	106	118	39.1

Our overall water consumption reduced by 5.68% compared to 2024 levels

Our Commitment to Regional Water Security

Guided by our long-term environmental strategy, we are committed to reduce our water intensity per employee. This ensures that our growth remains responsible and protective of our shared water resources.

Water Conservation Initiatives

To mitigate our consumption, we have integrated several conservation practices into our daily operations:

We have installed water-efficient fixtures, including low-flow taps and motion-sensor faucets, in our corporate offices to minimise unnecessary waste.



We actively promote water conservation through internal awareness campaigns and digital communications that encourage responsible water usage among our staff.

We conduct regular maintenance and inspections of our plumbing systems to ensure rapid leak detection and optimal performance of our water infrastructure.

Effluent & Waste Management

Al Wathba acknowledges the significance of waste and effluent management in mitigating our environmental footprint. To maintain high operational standards, we have implemented a Comprehensive Waste Management System across all our offices and branches, ensuring that our disposal processes are disciplined and aligned with our broader sustainability goals.

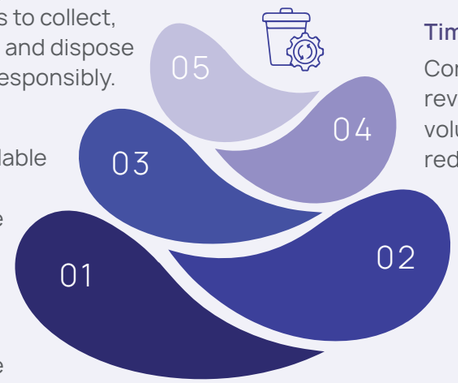
Waste Management System

We utilise a structured framework to handle all operational outputs, focusing on a clear lifecycle from initial sorting to final audit:

Management Oversight
Partnering with accredited companies to collect, transport, and dispose of waste responsibly.

Disposal
Ensuring non-recyclable waste is handled through responsible and safe channels.

Waste Segregation
Sorting materials at the source to maximise recovery potential.



Timely Waste Audits
Conducting regular reviews to monitor waste volumes and identify reduction opportunities.

Recycling
Prioritising the diversion of materials from landfills through specialised streams.

To ensure technical excellence and impact tracking, we collaborate with specialised partners for various waste streams:

WeCirculars
Our partner for the dedicated recycling of e-waste.

Averda Waste Management Services
Provides general waste disposal for our Mussafah Store.

Endo Shred
Collaborative partner for document shredding and paper recycling, resulting in **7,760 kgs** of paper recycled in 2025.

Recycling 7,760 kgs of paper helped us conserve natural resources by saving approximately 132 trees, 54,320 gallons of water, and 31,040 kW of energy.

Compliance with Environmental Regulations

TAI Wathba **acknowledges its duty to safeguard the environment and pledges to adhere to all relevant environmental regulations. We endeavor to reduce our environmental footprint through conscientious management practices and ongoing enhancement, holding the belief that our dedication to these standards is crucial** for our long-term success as a responsible and sustainable business. To ensure consistent adherence, we focus on the following five points:

We track emissions and waste streams to ensure compliance with local and national regulations.

We participate in industry-wide initiatives and programs that advocate for sustainable practices and compliance with environmental regulations.



We engage with regulators and stakeholders to stay updated with changes in environmental regulations and ensure full compliance.

We maintain an Environmental Management System (EMS) certified to the ISO 14001 standard to monitor and manage environmental impacts.

We make continuous efforts to reduce our carbon footprint through the use of energy-efficient equipment and promoting sustainable practices company-wide.

Go Green Initiative – Recycling Drive

We engaged employees in a structured recycling programme in partnership with RECAPP to promote responsible waste segregation and environmentally conscious behaviours. The initiative embedded everyday sustainability practices into our operations and strengthened employee ownership of our environmental commitments.

Corporate Governance



Our Governance Framework

We operate within a structured governance framework that reflects the applicable regulatory requirements and institutional governance expectations. Our approach is designed to strengthen discipline, transparency, and accountability across the organisation, while supporting long-term value creation for shareholders and other key stakeholders.

Our governance practices are guided by formally established policies and procedures aligned with nationally prescribed principles of institutional discipline. We believe that consistent application of these policies supports the achievement of our strategic objectives, safeguards shareholder interests, and enhances sustainable value. At the same time, our framework considers the interests of customers and employees, supporting a sound and well-defined control environment.

Board Oversight and Accountability

The Board of Directors are supported by the committees in providing oversight of management and the execution of entrusted responsibilities. This oversight extends to supervising the implementation, periodic review, and continuous development of internal policies and procedures to ensure the efficiency and effectiveness of internal controls. Through this governance structure, we uphold our commitment to integrity, transparency, accountability, responsibility, and appropriate disclosure.

We also remain aligned with the applicable regulatory requirements governing the UAE's insurance sector. Implementation of these governance requirements is monitored on an ongoing basis, with periodic reporting submitted to the regulators including the CBUAE and ADX to demonstrate compliance and support effective governance oversight.



Name	Category	Responsibilities	Qualification	Experience
Sheikh Saif Bin Mohammed Bin Butti	Non-Independent	Chairman of the Board of Directors	Bachelor's degree in political science / economics	• CEO and Deputy Owner of United Al Saqer Group from 2008 to date. • CEO and Deputy Owner of Al Atheer Group from 2008 to date. • Owner and CEO of Saif Group from 1999 to date. • Vice Chairman of the Board of Directors of the Bank of Sharjah from 1999 to date.
H.E. Rashed Darwish Ahmed Al Ketbi	Non-Independent	Vice Chairman of the Board of Directors and Chairman of Internal Controls Committee	Bachelor's degree in business administration Master of Business Administration	• Chairman of the Board of Directors 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.
Sheikh Zayed Butti Suhail Butti Al Maktoum	Independent	Member of Board of Directors, audit committee and Nomination and remuneration committee	Bachelor's Degree with Honors in Business Administration, University of Roehampton, London, United Kingdom (2014- 2017)	• Head of the Sales Department at Emirates National Oil Company (2019 - Present). • Head of the Sales Team, overseeing the department's financial budget, including revenue forecasting, expense management, and profitability goals. • Collaborating with the finance department to ensure budget accuracy and reporting sales-related expenses.
Mr. Shukri Salem Musabah Humaid Al Mheiri	Non-Independent	Chairman of Nomination and remuneration committee and member of the board	Master's degree in public administration Bachelor's degree in economics	• Freelancer. • General Manager of Dubai Industrial Investment Company from 2006 to 2014. • Business Development Manager at Dubai Investments from 2001 to 2006. • Executive Director at Abu Dhabi Investment Company and Oman Emirates Holding (UAE branch) from 1995 to 2006. • Financial Manager at Tawam Hospital - Ministry of Health from 1992 to 1995. • Marketing Officer at Abu Dhabi National Oil Company (ADNOC) from 1985 to 1990.
Mr. Rasheed Ali Al Omaira	Non-Independent	Member of Board of Directors, audit committee and internal controls committee	-	• Chief Executive Officer at BILDCO Company during the period 2018-2021. • Freelancer from 2010 - 2017. • Chief Executive Officer and Board Member of Al-Ru'ya Capital from 2006 to 2010. • Employee at the Abu Dhabi Securities Exchange from 2000 to 2006. • Freelancer from 1996 to 2000. • Employee at Ras Al Khaimah Bank from 1991 to 1996. • Employee at United Arab Bank from 1988 to 1991.

Name	Category	Responsibilities	Qualification	Experience
Mr. Khalifa Saif Darwish Al Ketbi	Non-Independent	Chairman of the Audit committee and member of the Board of Directors	Bachelor of Business Management, Marylhurst University, Portland Oregon, United States of America	• Executive Director with 20 years of experience in marketing and sales. • Experience in business management. • Experience in services and investment in a private company specialising in heavy equipment and spare parts. • Managing Director of Darwish Bin Ahmed & Sons Group of Companies since (January 1998 to present).
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	Non-Independent	Member of the Board of Directors, Nomination & Remuneration Committee and Risk Committee	Bachelor's degree in human resource management from Zayed University.	• Establishing a self-financed investment fund - creating and managing an investment fund focusing on various assets and financial markets - implementing investment strategies to achieve positive returns for investors. (2018 - Present). • Director at RDK Group of Companies (2018 – March 2020). • Creating an investment portfolio in the U.S. market through an entrepreneurial experience (2012 - Present).
Mr. Salem Mohamed Omar Salem Baobaid	Independent	Chairman of the risk committee and member of the Board of Directors	College of Business Administration, Bachelor's degree in business administration (Finance), Chartered Financial Analyst (CFA)	• Investment Analyst, Al Dhabi Investment Company, Abu Dhabi (2017 - Present). • Internal Audit, Bank of Sharjah, Abu Dhabi (Internship) 2016. • Teaching Assistant (Volunteer), Zayed University, Abu Dhabi 2014.
Mariam Omran Sultan Matar Al-Hilami	Non-Independent	Member of the Board of Directors and Risk committee	Masters of Arts in Leadership - University of London	• Acting Executive Director. • Early education sector, previously Education advisor at the Department of Education and Knowledge. • Holder of Doctorate of Education and both Masters of philosophy and Master of Arts in leadership.



Board Committees

We have established a robust Board committee structure to support effective governance, oversight, and decision-making across key areas of our operations. The Board has constituted five specialised committees, each operating under clearly defined mandates and regularly evaluated by the Board to ensure accountability, effectiveness, and alignment with the Company's strategic and regulatory requirements.

Audit Committee

We support the Board in overseeing financial reporting integrity, audit effectiveness, and internal control systems. Our focus remains on strengthening assurance mechanisms, promoting transparency, and ensuring timely and effective engagement with internal and external auditors.

Nomination & Remuneration Committee

We oversee Board and senior management nominations and remuneration frameworks, ensuring independence, fairness, and alignment with the Company's performance and governance requirements, while also guiding succession planning and human capital oversight.

Insiders' Dealing Committee

We supervise insider trading activities to ensure compliance with applicable regulations, safeguard confidential information, and maintain market integrity through structured controls, disclosures, and monitoring mechanisms.

Investment Committee

We assist the Board in overseeing investment-related matters by guiding strategy, monitoring investment activities, and supporting the evaluation of investment policies and governance practices.

Risk Committee

We support the Board in overseeing the Company's risk management framework by reviewing key risk exposures, internal controls, and regulatory compliance, while enhancing preparedness for emerging risks and crisis situations.

Committee	Establishment	Key Roles and Responsibilities
Audit Committee	Established as a Board-derived committee to support the Board in fulfilling its oversight responsibilities.	• Oversee internal audit effectiveness and external auditor independence • Monitor integrity of financial statements and regulatory compliance • Review internal controls, risk management, and audit findings
Nomination & Remuneration Committee	Constituted as a committee of the Board and restructured on April 23, 2024.	• Oversee nomination and remuneration frameworks for Board and management • Review HR, training, and remuneration policies • Regulate Board nomination procedures in line with governance regulations
Insiders' Dealing Committee	Established on October 22, 2019, in compliance with applicable corporate governance and securities regulations.	• Regulate and monitor insider transactions and disclosures • Maintain and oversee the insiders' register • Safeguard confidentiality of material non-public information
Investment Committee	Formed as a Board-derived committee and restructured on April 23, 2024.	• Develop investment strategy and guidelines for Board approval • Review and monitor investment activities • Support evaluation of investment policies and regulatory systems
Risk Committee	Established as a Board-derived committee on April 23, 2024.	• Oversee risk management policies and key risk exposures • Review internal controls and risk reports • Support regulatory compliance and crisis preparedness

More details on the Board can be found in the appended Corporate Governance Report

Regulatory compliance

We comply with all applicable laws and regulations governing our operations as a public joint stock company listed on the Abu Dhabi Securities Exchange and as an insurance service provider in the UAE. This includes adherence to requirements issued by the Securities and Commodities Authority, Abu Dhabi Securities Exchange, the Central Bank of the United Arab Emirates (formerly the Insurance Authority), the Department of Health – Abu Dhabi, the Dubai Health Authority, and applicable labour laws, along with other relevant UAE regulations. Through this approach, we ensure our business activities are conducted in line with statutory, regulatory, and supervisory expectations.



Enterprise Risk Management



Risk Management

We aim to proactively identify, assess, and mitigate risks that may affect our financial stability, operational efficiency, and reputation. Our approach ensures compliance with regulatory requirements while supporting long-term value creation for stakeholders. We focus on safeguarding solvency, profitability, and capital adequacy, strengthening operational resilience, and protecting policyholder interests through prudent risk oversight. At the same time, we also integrate risk considerations into strategic decision-making, manage reputational and ESG-related risks, and use technology and data to enhance risk identification, monitoring, and protection of sensitive information.

To achieve this mission, our risk management approach focuses on:

01 Identifying and evaluating risks that may hinder the achievement of our strategic objectives and targets

02 Implementing appropriate risk mitigation measures aligned with our defined risk appetite and tolerance levels

03 Ensuring effective monitoring and reporting of risks to support timely decisions and actions

04 Building a risk-aware culture across the organisation through training and awareness programs for employees and stakeholders

05 Overseeing the execution of our Enterprise Risk Management framework through the Risk Management Committee, which is responsible for risk identification, assessment, mitigation strategies, and monitoring effectiveness

Approach to Risk Management

Risk Management Policy

We have established a formal Risk Management Policy that applies across the organisation and defines the principles, guidelines, and processes for managing risk. The policy outlines company-wide risk management processes, specifies key risk categories, and guides divisions in identifying and managing risks. It is approved by the Management and the Board, aligned with the annual business plan and three-year strategy, and reviewed annually. Through this policy, we acknowledge and manage risks inherent to our strategy to achieve our objectives and deliver operational excellence.

Risk Management Framework

We follow a unified, formalised, and systematic risk management framework that emphasises proactive risk identification and management to minimise disruptions to business operations. The framework promotes transparency in divisional risk profiles, supports informed business decision-making, and encourages the adoption of best practices across operational areas. Our approach enables us to manage risks within the Board-approved risk appetite while proactively evaluating, mitigating, and monitoring risks that may impact the organisation.

Risk Management Process

Assessing the likelihood and impact of identified risks.

Risk Assessment

Reporting significant risks and deviations for timely review.

Exception Reporting

Implementing controls to mitigate risks or capitalise on opportunities.

Control / Exploit Risk



Risk Identification

Identifying risks that may affect strategic, operational, financial, and IT objectives.

Risk Prioritisation & Measurement

Ranking risks based on significance to focus management attention.

Monitoring & Decision-Making

Ongoing monitoring to support informed decisions and actions.

We approach risk management at an enterprise level to ensure that risks across all functions, divisions, and decision-making processes are identified, assessed, and managed in a coordinated and consistent manner. Our Enterprise Risk Management (ERM) approach enables us to align risk oversight with our strategic objectives, strengthen accountability, and maintain transparency across the organisation.

Board Oversight and Accountability

Risk governance is embedded within our Enterprise Risk Management framework to align risk oversight with strategic objectives and long-term priorities. Our Board of Directors, supported by the Audit Committee, provides overall oversight of the risk management process.

Risk Area	Risks We Seek to Avoid
Safety	Risks that could negatively affect the safety of all relevant stakeholders
Compliance	Risks that could lead to breaches of laws or regulations
Financial Sustainability	Risks that could endanger sustainable profit
Reputation	Risks that could negatively affect our reputation
Business Continuity	Risks that could endanger the future existence of the Company

Risk Governance

We have clearly defined roles and responsibilities for all stakeholders involved in the risk management process, including executive management, risk committees, division managers, and employees. Management at appropriate organisational levels establishes and updates risk responses within defined risk tolerance limits, as documented in the risk register. Our governance framework is supported by comprehensive risk policies and procedures, robust reporting and monitoring systems, and regular reviews of risk data. Through ongoing training and awareness programs, we promote a strong risk-aware culture and ensure timely identification, reporting, and mitigation of risks across the organisation.

Risk Analysis

Risk Area	Key Risk Measures Identified
Underwriting	Motor Underwriting KRMs; Technical Underwriting KRMs
Claims	Motor Claims KRMs; Technical Claims KRMs
Operations	Operational KRMs
Investments	Investments KRMs
Finance	Finance KRMs
Credit	Credit Control KRMs
Human Resources	Human Resource KRMs
Marketing & Business	Marketing & Business KRMs
Reinsurance	Reinsurance KRMs
Information Technology	IT KRMs
Regulatory & Legal	Regulatory Compliance and Legal KRMs
Compliance	AML KRMs

Risk Mitigation

We apply defined risk response strategies to address identified risks in line with their nature, impact, and alignment with our risk appetite. These responses enable us to manage risks proactively while supporting informed decision-making across the organisation.

Risk Avoidance:

Avoiding activities or decisions that may expose the Company to risks beyond acceptable levels.

Risk Sharing:

Sharing risk exposure through appropriate arrangements to reduce the potential impact on the Company.

Risk Reduction:

Implementing controls and actions to reduce the likelihood or impact of identified risks.

Risk Acceptance:

Accepting risks that remain within approved risk appetite and tolerance levels.

Risk Response Mechanism

Risk Identification and Reporting

Identified risks are measured and reported to management and the Board, along with responses from division managers and review committees.

Committee Review

Relevant subcommittees review identified risks, identify opportunities, and recommend appropriate response strategies.

Advisory and Measurement Support

The Internal Controls department advises on emerging risks and recommends suitable risk measurement approaches.

Monitoring and Review

Management information systems and IT support the monitoring of implemented risk response strategies throughout the period.

Assurance and Follow-up

Internal audits and actuarial reviews are conducted to ensure execution of agreed risk management recommendations.

GRI and ADX Index



Statement of Use	AWNIC has reported the information cited in this GRI Content Index for the period January 1st to December 31st 2025, with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	ADX Disclosure	Section	Page
GRI 2: General	2-1 Organisational details		AWNIC at a glance	13
	2-2 Entities included in the organisation's sustainability reporting		About the Report	7
	2-3 Reporting period, frequency and contact point		About the Report	7
	2-4 Restatements of information		About the Report	7
	2-5 External assurance		About the Report	7
GRI 2: Activities & Workers	2-6 Activities, value chain and other business relationships	G2: Business Description	AWNIC at a glance	13
	2-7 Employees	S1: Workforce Composition	Human Capital	50
	2-8 Workers who are not employees			NA
GRI 2: Governance	2-9 Governance structure and composition	G1: Board Diversity G2: Board Independence	Corporate Governance	84,85
	2-10 Nomination and selection of the highest governance body		Corporate Governance	86,88
	2-11 Chair of the highest governance body		Corporate Governance	83
	2-12 Role of the highest governance body in overseeing impacts	E8. Environmental Oversight	Corporate Governance	86,88
	2-13 Delegation of responsibility for managing impacts		Corporate Governance	88,89
	2-14 Role of the highest governance body in sustainability reporting		Corporate Governance	88,89
	2-15 Conflicts of interest		Corporate Governance	86

GRI Standard	Disclosure	ADX Disclosure	Section	Page
	2-16 Communication of critical concerns		Corporate Governance	86
	2-17 Collective knowledge of the highest governance body		Corporate Governance	84,85
	2-18 Evaluation of the performance of the highest governance body		Corporate Governance	86
	2-19 Remuneration policies		Corporate Governance	86
	2-20 Process to determine remuneration		Corporate Governance	86
GRI 2: GRI 2: Strategy, policies and practices	2-22 Statements that present views of the highest governance body		Leadership Message	11
	2-23 Policy commitments		AWNIC's Operating environment	34
	2-24 Embedding policy commitments		Various sections	34, 66,74
	2-25 Processes to remediate negative impacts		Materiality Assessment	30
	2-26 Mechanisms for seeking advice and raising concerns		Human Capital	8, 53
	2-27 Compliance with laws and regulations		AWNIC's Operating environment	33, 34
	2-28 Membership associations		AWNIC's Operating environment	35
GRI 2: Stakeholder engagement	2-29 Approach to stakeholder engagement		Stakeholder Engagement	29
GRI 3: Material Topics	3-1 Process to determine material topics		Materiality Assessment	30
	3-2 List of material topics		Materiality Assessment	30
	3-3 Management of material topics		Materiality Assessment	30
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures		Training Programs Delivered in 2025	55

GRI Standard	Disclosure	ADX Disclosure	Section	Page
GRI 302: Energy	302-1 Energy consumption within the organisation	E3. Energy Usage	Natural Capital	77
	302-2 Energy consumption outside the organisation	E3. Energy Usage	Natural Capital	77
	302-3 Energy intensity	E4. Energy Intensity	Natural Capital	77
	302-4 Reduction of energy consumption	E2: Energy Consumption	Natural Capital	77
GRI 303: Water and Effluents	303-1: Interactions with water as a shared resource	E6: Water Consumption	Natural Capital	78
	303-5: Water consumption	E6: Water Consumption	Natural Capital	78
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	E1: GHG Emissions E2: Emissions intensity	Natural Capital	76
	305-2 Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions E2: Emissions intensity	Natural Capital	76
	305-4: GHG emissions intensity	E2: Emissions intensity	Natural Capital	76
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	E4: Waste Generated	Natural Capital	79
	306-2 Waste-related impacts in the supply chain	E4: Waste Generated	Natural Capital	79
	306-3 Waste generated	E4: Waste Generated	Natural Capital	79
GRI 401: Employment	401-1 New employee hires and employee turnover	S3: Workforce Composition & Turnover	Human Capital	27
GRI 404: Training	404-1 Average hours of training per year per employee	S4: Training & Development	Human Capital	55
	404-2 Programs for upgrading employee skills and transition assistance programs	S4: Training & Development	Human Capital	55
GRI 403 Occupational Health and Safety	403-9 Work related Injury	S7 Injury Rate	Human Capital	51

GRI Standard	Disclosure	ADX Disclosure	Section	Page
GRI 405: Diversity	405-1 Diversity of governance bodies and employees	G1: Board Diversity G2: Board Independence S1: Workforce Diversity S4 Gender Diversity S11 Nationalisation	Human Capital, Corporate Governance	50, 84, 85
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	S6: Non-Discrimination Policy	Human Capital	51
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	S12: Community Investment	Social and Relationship Capital	72,73
		E7 Environmental Operations	Natural Capital	75
		E10. Climate Risk Mitigation		NA
		S1: CEO Pay Ration		NA
		S2: Gender Pay Ratio		NA
		S5 Temporary worker ratio		NA
		S8. Global Health & Safety		NA
		S9. Child & Forced Labor	Social	29
		S10. Human Rights	Social	29
		G3 Incentivised Pay	Corporate Governance	86
		G4 Supplier code of conduct	Human Capital	56
		G5 Ethics	Social and Relationship Capital	69
		G6 Data Privacy	AWNIC Operating Environment Intellectual Capital and Digitisation	37,38, 62, 63, 65
		G8 Disclosure Practices	Does your company publish a GRI/SASB, IIRC or UNGC based report?	Yes, GRI aligned reporting
		G9 External Assurance	Are your disclosures assured/verified by a third party	No



03
CORPORATE GOVERNANCE REPORT

الوثبة للتأمين
AL WATHBA INSURANCE

Corporate Governance Report

for The Year (2025)



AL WATHBA NATIONAL INSURANCE CO. P.J.S.C. شركة الوثبة الوطنية للتأمين ش.م.ع.

Table of Contents

Introduction 1
1. Procedures to complete Corporate Governance system 1
2. Transactions in the Company's Securities 4
3. Board of Directors 5
3A. Composition of the Board of Directors 5
3B. Women's Representation 10
3C. Board of Directors' remuneration and Allowances 10
3D. Board of Directors' allowances 10
3E. Board of Directors' meetings 11
3F. Delegation of Executive Management by the Board of Directors. 11
3G. Related Parties Transactions 14
3H. Board Evaluation 14
3I. Executive Management Details 16
4. External Auditor 17
4A. About the External Auditor: 17
4B. Fees for the audit and other services 17
5. Audit Committee 18
5A. Audit Committee Members and Their Responsibilities 18
5B. Audit Committee meetings 20
5C. Audit Committee report: 20
6. Nominations & Remunerations Committee 22
6A. Nominations & Remunerations Committee Members & Functions 22
6B. Nominations & Remunerations committee meetings 22
7. Insiders Dealing Committee 23
7A. Insiders Transactions Committee Members and Their Duties. 23
7B. Committee's Summary report 24
8. Investment Committee 24
8A. Investment Committee Members & Functions 24

رأس المال المدفوع و المصرح به (٢٠٧) مليون درهم شركة خاضعة لأحكام القانون الإتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين و تنظيم أعماله و مقيدة بسجل شركات التأمين الرقم (١٠)
المكتب الرئيسي : ص. ب. : ٤٥١٥٤ ، أبوظبي ، أ.ع.م ، هـاتف : ٤١٨٥٣٠٠ (٢) ٩٧١+ ، فاكس : ٦٧٧٦٦٢٨ (٢) ٩٧١+
Head Office : P.O. Box : 45154, Abu Dhabi, U.A.E. Tel : +971 (2) 4185300, Fax : +971 (2) 6776628
E-mail: alwathba@awnic.com Web : www.awnic.com

8B. Investment committee meetings 25
9. Risk Committee 25
9A. Risk Committee Members and Their Responsibilities 25
9B. Risk Committee Meetings 25
10. Internal Control System 27
9. causes, how to address them and avoid their recurrence in the future. 27
11. A statement of the details of violations 28
12. Statement of Cash and In-Kind Contributions 29
13. General Information 29
13A. The Company's Share Price on the Abu Dhabi Securities Exchange 29
13B. Comparative performance of the company's shares 30
13C. Company’s Shareholding Distribution 30
13D. Shareholders Holding 5% or More of the Company's Capital 31
13E. Shareholder Distribution According to Ownership Size 31
13F. Controls of Investors’ Relations 32
13G. Implications of the Special Resolutions 33
13H. Board of Directors’ meetings Secretary 34
13I. Significant events 34
13J. Emiratization percentage in the Company 35
13K. Innovative Projects and Awards 35

Introduction

Al Wathba National Insurance Company PJSC (the “Company”) was established by Emiri Decree No. 3/78 on 10/2/1978 and it is a public joint-stock company, registered with the Central Bank (previously Insurance Authority) with registration number 10. The Company’s principal activity is transaction of general insurance and re-insurance business of all classes. The Company is listed on Abu Dhabi securities exchange and has its head office in Abu Dhabi with the current capital at AED 207 million.

The company’s primary activity consists of general insurance transactions and reinsurance of all types. The company is also listed on the Abu Dhabi Securities Exchange, and its headquarters are located in the Emirate of Abu Dhabi.

1. Procedures to complete Corporate Governance system.

Procedures taken to complete the Corporate Governance system during 2025, and how they are applied:

The company was keen to abide by and work in accordance with Federal Law No. (32) of 2021 regarding commercial companies and the Chairman of the Board of Directors’ Decision No. (03/R.M) of 2020, amended by Decision No. (02/R.M) of 2024 regarding the standards of institutional discipline and governance of public shareholding companies.

The company has set its sights on the relentless pursuit of applying policies derived from the rules and standards of institutional discipline in force in the country, believing that this will contribute to the company achieving its goals and in line with the interest of shareholders and increasing sustainable value for them, as well as the interest of customers and employees in it to enhance the elements of the control environment and ensure compliance with transparency standards Accountability, responsibility and disclosure, in order to preserve the integrity of the work, as this is what the Board of Directors and the Executive Management both do and are keen to implement.

The Board of Directors, through its sub committees, also pays great attention to the issue of corporate governance and discipline by supervising the management of the company and its implementation of the responsibilities and duties entrusted to it through the powers granted to it and supervising the implementation and development of the company's policies and procedures to ensure the efficiency and effectiveness of the company's internal controls.

The company is also committed to applying the rules of governance for insurance companies issued by the Central Bank of the United Arab Emirates under Circular No. (24/2022), which began to be applied as of 15/12/2022. The Central Bank is provided with a quarterly report regarding the implementation of the corporate governance regulations and standards.

The company has completed the amendment of its Articles of Association to align its status with the Corporate Governance Regulations for Insurance Companies, Federal Decree-Law No. (48) of 2023 concerning the regulation of insurance business, and the resolution of the Board of the Securities and Commodities Authority and its amendments.

The Company has taken several steps to enhance corporate governance through the following:

1.1 Audit Committee:

- The Audit Committee meets with the Internal Audit Department to assess operational effectiveness and evaluate controls, ensuring the ongoing effectiveness of the Company’s Internal Audit System.

- The Board Audit Committee recommended appointing the external auditor, PricewaterhouseCoopers Limited (PwC), for the year 2025. The General Assembly meeting held on 23/04/2025 approved the appointment of the external auditor, PricewaterhouseCoopers Limited (PwC), and determined its fees.
- The Audit Committee meets with the Company's External Auditor and has Appointed Actuary twice annually.
- The Audit Committee has sent the minutes of the meetings to the Board of Directors for review and discussion at the Board meetings.
- The Audit Committee carried out the following responsibilities through the Internal Audit Department, which submits its reports periodically and regularly to the Committee:

  A. Monitoring and reviewing the integrity of the Company's financial statements and reports (annually and quarterly).

  B. Review & evaluation of performance of the company's internal audit function and effectiveness of internal controls, risk management and governance systems.

  C. Ensure the Company's compliance with legal & regulatory requirements and the rules of professional conduct.

1.2 Risk Management:

The internal audit department identifies the risks and their significance, as they audit the internal divisions and internal departments of the company based on the annual plan projected. The internal audit function makes recommendations through the internal audit reports to discuss with the Audit and Senior Management Committee for managing these risks.

Moreover, the company's data is analyzed, and detailed reports are issued. In these reports, specific risks are recognized throughout, as well as what should be avoided and ways to address these issues identified.

The risk management department manages risks through its underwriting strategy, reinsurance strategy, and accident strategy. The strategy aims at covering all types of risks that will be insured in terms of risk type and value, as well as type of insured sector and geographic boundaries. Biannual Enterprise Risk Management (ERM) reports are submitted to the Risk Committee, providing an overview of the Company's performance in relation to the risk landscape and highlighting emerging risks.

1.3 Report of any potential violations:

The company has Whistleblowing and Safe Disclosure Policy in place that provides a safe and transparent mechanism for employees and other stakeholders to raise genuine concerns about suspected misconduct, unethical practices, breaches of laws and regulations or violations of Company policies, without fear of retaliation, and to establish steps to ensure independent investigations of such violations through the formation of an independent committee to consider such violations (If any).

1.4 Compliance with laws and regulations:

The company is committed to complying with the laws and regulations issued by the Securities and Commodities Authority, the Abu Dhabi Securities Exchange, the Central Bank of the United Arab Emirates (previously the Insurance Authority), the Department of Health – Abu Dhabi, the Dubai Health Authority, Ministry of Human Resources & Emiratisation, and other laws and regulations in the UAE due to the company's status as a public joint stock company listed in Abu Dhabi Security's Market and carries out its insurance business practice.

1.5 Board of Directors:

- The Board of Directors discusses the reports of the Internal Audit, Risk Management and Compliance Department.
- The Board of Directors oversees the Audit Committee, Risk Committee, Investment Committee and Nomination & Remuneration Committees in line with the governance regulations.
- Ensure shareholders' rights by maximizing the profitability of the company.

1.6 Governance Report:

The company is committed to making the corporate governance report available to all shareholders by publishing it through the usual means of distribution and on the company's website. This will be done sufficiently before issuing the general assembly invitation, allowing enough time for shareholders to review it.

2. Transactions in the Company's Securities

The ownership and dealings of the members of the Board of Directors and their first-degree relatives in the company's securities during the year 2025:

According to the disclosure system and pursuant to the provisions of Article (36) of the disclosure and transparency system issued by the Securities and Commodities Authority and in accordance with what is established in the Abu Dhabi Securities Market, the ownership and trading operations of the company's shares of the members of the Board of Directors or their first-degree relatives for the year 2025 are as follows:

Name	Position/Relationship	Shares Held as at 31/12/2025	Total Sale	Total Purchase
Sheikh/ Saif Bin Mohamed Bin Butti Al Hamed	Chairman of the Board of Directors	–	–	–
H.E. Rashed Darwish Ahmed Al Ketbi	Vice Chairman of the Board of Directors	16,983,861	–	399,128
Sheikh Zayed Butti Suhail Butti Al Maktoum	Board Member	–	–	–
Mr. Shukri Salem Musabah Humaid Almheiri (**)	Board Member	–	–	–
Mr. Rasheed Ali Al Omaira	Board Member	34,500	–	–
Mr. Khalifa Saif Darwish Al Ketbi	Board Member	–	–	–
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	Board Member	251,136	-	–
Mr. Salem Mohamed Omar Salem Baobaid	Board Member	–	–	–
H.E. Mariam Omran Sultan Mattar Al Hallami	Board Member	–	–	–
Mr. Ali Rasheed Nasir Al Omaira	A first-degree relative (father) of a Board Member	20,246,722.00	–	–

** On 17/09/2025, Mr. Shukri Salem Musabah Humaid Al Mheiri submitted his resignation from the Board of Directors following his appointment as the Company's Chief Executive Officer.

3. Board of Directors

3A. Composition of the Board of Directors

The Board of Directors of Al Wathba National Insurance Company is the primary body responsible for overseeing the management of the company and ensuring the adequacy and effectiveness of compliance programs, internal auditing, and corporate governance, in a way that effectively implements the company's strategies. The Board is also committed to providing shareholders with accurate, relevant information in a timely manner.

The committees derived from the Board contribute to supporting its supervisory functions and enhancing its effectiveness. The responsibilities of the Board include protecting the rights of the company's shareholders, approving strategic plans, budgets, and investments, overseeing the company's financial status, and making important decisions to ensure the achievement of its objectives

The current Board of Directors of the company consists of nine members, all of whom are non-executives, elected during the General Assembly held on 23/04/2024. They are as follows:

Name	Date of Election / Appointment	Category	Board of Directors	AC	IC	NRC	RC
Sheikh Saif Bin Mohammed Bin Butti	29/04/2000	Non-Independent	Δ				
H.E. Rashed Darwish Ahmed Al Ketbi	29/04/2000	Non-Independent	O		Δ		
Sheikh Zayed Butti Suhail Butti Al Maktoum	23/04/2024	Independent	☐	☐		☐	
Mr. Shukri Salem Musabah Humaid Al Mheiri	15/10/1997	Non-Independent	☐		☐	Δ	
Mr. Rasheed Ali Al Omaira	25/03/2003	Non-Independent	☐	☐	☐		
Mr. Khalifa Saif Darwish Al Ketbi	10/03/2013	Non-Independent	☐	Δ			
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	25/03/2003	Non-Independent	☐			☐	☐
Mr. Salem Mohamed Omar Salem Baobaid	23/04/2024	Independent	☐				Δ
H.E. .Mariam Omran Sultan Mattar Al Hallami	06/02/2025	Independent	☐				☐

On 17/09/2025, Mr. Shukri Salem Musabah Humaid Al Mheiri submitted his resignation from the Board of Directors following his appointment as the Company's Chief Executive Officer. Subsequently, Mr. Mubarak Khaled Mubarak Abdulla Al Kindi was appointed to fill the resulting vacancy, with his appointment approved by the Central Bank of the UAE (CBUAE) on 23/02/2026.

Δ = Chairman of the Board of Directors / Chairman of the Committees

O = Vice Chairman of the Board of Directors

☐ = Member of the Board of Directors or its committees

The experiences and qualifications of the members of the Board of Directors:

Name	Experiences	Qualifications
Sheikh Saif Bin Mohammed bin Butti Al Hamed	▪ CEO and Deputy Owner of United Al Saqer 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. ▪ Vice Chairman of the Board of Directors of the Bank of Sharjah from 1999 to date.	▪ Bachelor's degree in political science / economics
H.E. Rashed Darwish Al Ketbi	▪ Chairman of the Board of Directors 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's degree in business administration ▪ Master of Business Administration
Sheikh Zayed Butti Suhail Butti Al Maktoum	▪ Head of the Sales Department at Emirates National Oil Company (April 2019 - Present). ▪ Head of the Sales Team, overseeing the department's financial budget, including revenue forecasting, expense management, and profitability goals. Collaborating with the finance department to ensure budget accuracy and reporting sales-related expenses.	▪ Bachelor's Degree with Honors in Business Administration, University of Roehampton, London, United Kingdom (2014-2017)
Mr. Shukri Salem Musabah Humaid Almheiri	▪ Freelancer ▪ General Manager of Dubai Industrial Investment Company from 2006 to 2014 ▪ Business Development Manager at Dubai Investments from 2001 to 2006 ▪ Executive Director at Abu Dhabi Investment Company and Oman Emirates Holding (UAE branch) from 1995 to 2006 ▪ Financial Manager at Tawam Hospital - Ministry of Health from 1992 to 1995 ▪ Marketing Officer at Abu Dhabi National Oil Company (ADNOC) from 1985 to 1990	▪ Master's degree in public administration ▪ Bachelor's degree in economics

Mr. Khalifa Saif Darwish Al Ketbi	▪ Executive Director with 20 years of experience in marketing and sales ▪ Experience in business management ▪ Experience in services and investment in a private company specializing in heavy equipment and spare parts ▪ Managing Director of Darwish Bin Ahmed & Sons Group of Companies since (January 1998 to present)	▪ Bachelor's degree in business administration.
Mr. Rasheed Ali Al Omaira	▪ Chief Executive Officer at BILDCO Company during the period 2018-2021. ▪ Freelancer from 2010 - 2017. ▪ Chief Executive Officer and Board Member of Al-Ru'ya Capital from 2006 to 2010. ▪ Employee at the Abu Dhabi Securities Exchange from 2000 to 2006. ▪ Freelancer from 1996 to 2000. ▪ Employee at Ras Al Khaimah Bank from 1991 to 1996. ▪ Employee at United Arab Bank from 1988 to 1991.	
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	▪ Establishing a self-financed investment fund - creating and managing an investment fund focusing on various assets and financial markets - implementing investment strategies to achieve positive returns for investors. (April 2018 - Present) ▪ Director at RDK Group of Companies (March 2018 – March 2020) ▪ Creating an investment portfolio in the U.S. market through an entrepreneurial experience (July 2012 - Present)	▪ Bachelor's degree in human resource management from Zayed University.
Mr. Salem Mohamed Omar Salem Baobaid	▪ Investment Analyst, Al Dhabi Investment Company, Abu Dhabi (2017 - Present) ▪ Internal Audit, Al Hilal Bank , Abu Dhabi (Internship) 2016 ▪ Teaching Assistant (Volunteer), Zayed University, Abu Dhabi 2014	▪ College of Business Administration, bachelor's degree in business administration (Finance), Chartered Financial Analyst (CFA)
H.E. Mariam Omran Sultan Mattar Al Hallami	▪ Acting Executive Director of the Early Education Sector at the Abu Dhabi Department of Education and Knowledge (ADEK) since June 2024. ▪ Director of the Early Childhood Affairs Department at the Abu Dhabi Department of Education and Knowledge.	▪ PhD in Education, 2021 – In progress University of Bath ▪ Master of Philosophy, 2020 – University College London (UCL) ▪ Master of Arts in Leadership and Policy, 2013 – University College London (UCL) ▪ Bachelor of Science in Business Administration, major in Finance, 2011 – Zayed University, Abu Dhabi.

Positions of the Board of Directors in other Public Joint-Stock Companies (PJSC):

Name	Name of the Public joint stock or any important Position (Regulatory, government)	Designation
Sheikh Saif Bin Mohammed Bin Butti Al Hamed	▪ Bank of Sharjah	▪ Vice Chairman
H.E. Rashed Darwish Al Ketbi	---	---
Sheikh Zayed Butti Suhail Butti Al Maktoum	---	---
Mr. Shukri Salem Musabah Humaid Almheiri	▪ Hily Holding	▪ Member of the BOD
Mr. Khalifa Saif Darwish Al Ketbi	---	---
Mr. Rasheed Ali Al Omaira	▪ Abu Dhabi National Company for Building Materials – BILDCO ▪ Waha Capital	▪ Vice Chairman ▪ Member of the BOD
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	▪ Hily Holding	▪ Member of the BOD
Mr. Salem Mohamed Omar Salem Baobaid	---	---
Ms. Mariam Omran Sultan Mattar Al Hallami	---	---

On 17/09/2025, Mr. Shukri Salem Musabah Humaid Al Mheiri submitted his resignation from the Board of Directors following his appointment as the Company's Chief Executive Officer. Subsequently, Mr. Mubarak Khaled Mubarak Abdulla Al Kindi was appointed to fill the resulting vacancy, with his appointment approved by the Central Bank of the UAE (CBUAE) on 23/02/2026.

3B. Women's Representation

Statement of women's representation in the Board of Directors in 2025:

The Board is dedicated to promoting gender diversity. As of December 31, 2025, women constitute 11% of the Company's Board of Directors.

3C. Board of Directors' remuneration and Allowances

Total remunerations paid to the members of the Board of Directors for the year 2024 & total remunerations proposed to be paid for the year 2025, which shall be presented in the General Assembly for approval:

The Board of Directors met on 13/03/2026 to discuss and approve the annual financial statements as of 31/12/2025. Additionally, they discussed the proposal for the distribution of dividends to shareholders and the proposed remuneration for the Board members, which will be approved at the General Assembly meeting scheduled for 20/04/2026 and ratified by the shareholders in accordance with Federal Law No. (32) of 2021 and its amendments.

Statement of the Board of Directors' remuneration

Statement	*Paid Remuneration*	*Proposed Remuneration*
Year	2024	2025
Amount (AED)	4,100,000	5,650,000

3D. Board of Directors' allowances

Allowances for attending meetings of the Board of Directors and its committees for the fiscal year 2025:

a. **Board meetings allowances.**

There are no attendance allowances for members of the Board of Directors.

b. **Board Committee meetings allowances.**

1. **Audit Committee**

Name	*Allowance (AED)*
Mr. Khalifa Saif Darwish Al Ketbi	Nil
Sheikh Zayed Butti Suhail Butti Al Maktoum	Nil
Mr. Rasheed Ali Al Omaira	Nil

2. **Nominations & Remunerations Committee**

Name	*Allowance (AED)*
Mr. Shukri Salem Musabah Almheiri	Nil
Sheikh Zayed Butti Suhail Butti Al Maktoum	Nil
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	Nil

3. **Risk Committee**

Name	*Allowance (AED)*
Mr. Salem Mohamed Omar Salem Baobaid	Nil
H.E. Mariam Omran Sultan Mattar Al Hallami	Nil
Mr. Mohammed Rashed Darwish Al Ketbi	Nil

4. **Investment Committee**

Name	*Allowance (AED)*
H.E. Rashed Darwish Al Ketbi	Nil
Mr. Shukri Musabah Almheiri	Nil
Mr. Rasheed Ali Al Omaira	Nil

AL WATHBA NATIONAL INSURANCE CO. P.J.S.C. شركة الوثبة الوطنية للتأمين ش.م.ع.

3E. Board of Directors' meetings

The total number of Board of Directors meetings convened during the 2025 fiscal year, including the meeting dates and the count of in-person attendances by all Board members, along with details of members attending by proxy:

The Board of Directors meeting was held 06 times during the year 2025.

1. The total number of Board of Directors meetings held, along with their respective dates.

Meeting	*Date of the Meeting*	*Number of attendees*
First Meeting	12/02/2025	7
Second Meeting	20/03/2025	9
Third Meeting	23/04/2025	8
Fourth Meeting	14/05/2025	7
Fifth Meeting	13/08/2025	7
Sixth Meeting	13/11/2025	8

2. The number of personal attendances of Board members

Name	*Number of Attendances*
Sheikh Saif Bin Mohammed Bin Butti Al Hamed	5
H.E. Rashed Darwish Al Ketbi	6
Mr. Shukri Salem Musabah Humaid Almheiri	5
Mr. Rasheed Ali Al Omaira	5
Mr. Khalifa Saif Darwish Al Ketbi	6
Sheikh Zayed Butti Suhail Butti Al Maktoum	6
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	4
Mr. Salem Mohamed Omar Salem Baobaid	5
H.E. Mariam Omran Sultan Mattar Al Hallami	4

3F. Delegation of Executive Management by the Board of Directors.

BOD's tasks and functions which were performed by the Executive Management pursuant to an authorization by the BOD to the Management, stating the period and validity of the delegation:

رأس المال المدفوع و المصرح به (٢،٧) مليون درهم شركة خاضعة لأحكام القانون الإتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين و تنظيم أعماله و مقيدة بسجل شركات التأمين الرقم (١٠)
المكتب الرئيسي : ص. ب. : ٤٥١٥٤ ، أبوظبي ، أ.ع.م ، هـاتف : ٤١٨٥٣٠٠ (٢) ٩٧١+ ، فاكس : ٦٧٧٦٦٢٨ (٢) ٩٧١+
Head Office : P.O. Box : 45154, Abu Dhabi, U.A.E. Tel : +971 (2) 4185300, Fax : +971 (2) 6776628
E-mail: alwathba@awnic.com Web : www.awnic.com

Authorized Person	Delegation Authority	Duration of Delegation
H.E. Rashed Darwish Al Ketbi - (Vice Chairman of the Board of Directors)	• To manage the company's investments, funds and contracts under its name and represent the company in its relations with others. • Right to sign the incorporation contracts of various types of companies on behalf of the company. • The right to trade shares and bonds, including buying, selling, pledging, and releasing the pledge. • The right to manage real estate and lands owned by the company and sell, mortgage, release, and purchase them. • The right to open, manage, or close current accounts, and deposit or withdraw the company's funds with 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 United Arab Emirates or abroad. • The right to delegate to others, including the company's managers or employees, in all or some of the aforementioned matters.	The delegation was renewed on 27/06/2024 and is valid until 10/06/2027. (The renewal of the delegation should be considered before the expiration date).
Mr. Shukri Salem Musabah Humaid Al Mheiri (Chief Executive Officer)	• To sign on behalf of the Company in all transactions, records, and documents with ministries, courts, municipalities, public authorities, the Chamber of Commerce and Industry, and the departments of residency, passports, traffic, labor, and immigration at airports. This also includes the authority to sell, register, renew, and deregister vehicles owned by the Company with traffic and licensing authorities, as well as to purchase vehicles in the Company's name. • The right to appoint, remove, and authorize lawyers, arbitrators, and experts to represent and defend the Company in all courts within the United Arab Emirates of all types and levels, including courts of first instance, appeal, cassation, and supreme courts, at all stages of litigation, as well as federal courts of all levels, the Federal Supreme Court, and Sharia courts of all levels, including cassation and supreme appeal. The authority to delegate all or part of the above powers to others.	The delegation was granted on 30/09/2025 and is valid until 10/06/2027.
Mr. Murali Krishnan (Chief Financial Officer)	• The right to sign on behalf of the company in all transactions, records, and documents related to it with ministries, courts, municipalities, public authorities, chambers of commerce and industry, residency and passports departments, traffic, labor, and immigration offices at airports. Additionally, the authority to sell, register, renew, and deregister vehicles owned by the company with traffic and licensing departments, as well as the authority to purchase vehicles in its name. • He has the right to dismiss, appoint, and delegate lawyers, arbitrators, and experts to represent the company in all legal matters before any courts in the United Arab Emirates, at all levels and stages of litigation, including trial, appeals, cassation, and distinction proceedings, in both federal and local courts, including the Federal Supreme Court and Sharia courts.	The delegation was granted on 27/06/2024 and is valid until 10/06/2027.

Authorized Person	Delegation Authority	Duration of Delegation
	• He has the right to delegate others to perform all or some of the above-mentioned actions.	
Mr. 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, register, renew, and deregister vehicles owned by the company with traffic and licensing departments, as well as the authority to purchase them in the 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.	The delegation was renewed on 02/07/2024 until 08/06/2027. (The renewal of the delegation should be considered before the expiration date.)

3G. Related Parties Transactions

The details of transactions made with the related parties:

Related Party Name	*Position*	*Insurance/reinsurance premiums*	*Claims*
Sheikh Saif Bin Mohammed Bin Butti Al Hamed and his affiliated companies.	Chairman of the Board of Directors.	51,437,207	36,147,309
H.E. Rashed Darwish Ahmed Al Ketbi and his affiliated companies.	Board Member	28,154,159	4,762,264
Mr. Shukri Salem Musabah Humaid Almheiri and his affiliated companies.	Board Member	60,666	-
Hily Holding Company	Associate company	659,209	923,737
UR International Insurance	Associate company	-	-

- Throughout 2025, the company did not engage in any transactions with related parties that fall outside the scope of its ordinary business operations and exceed 5% of the company's capital.

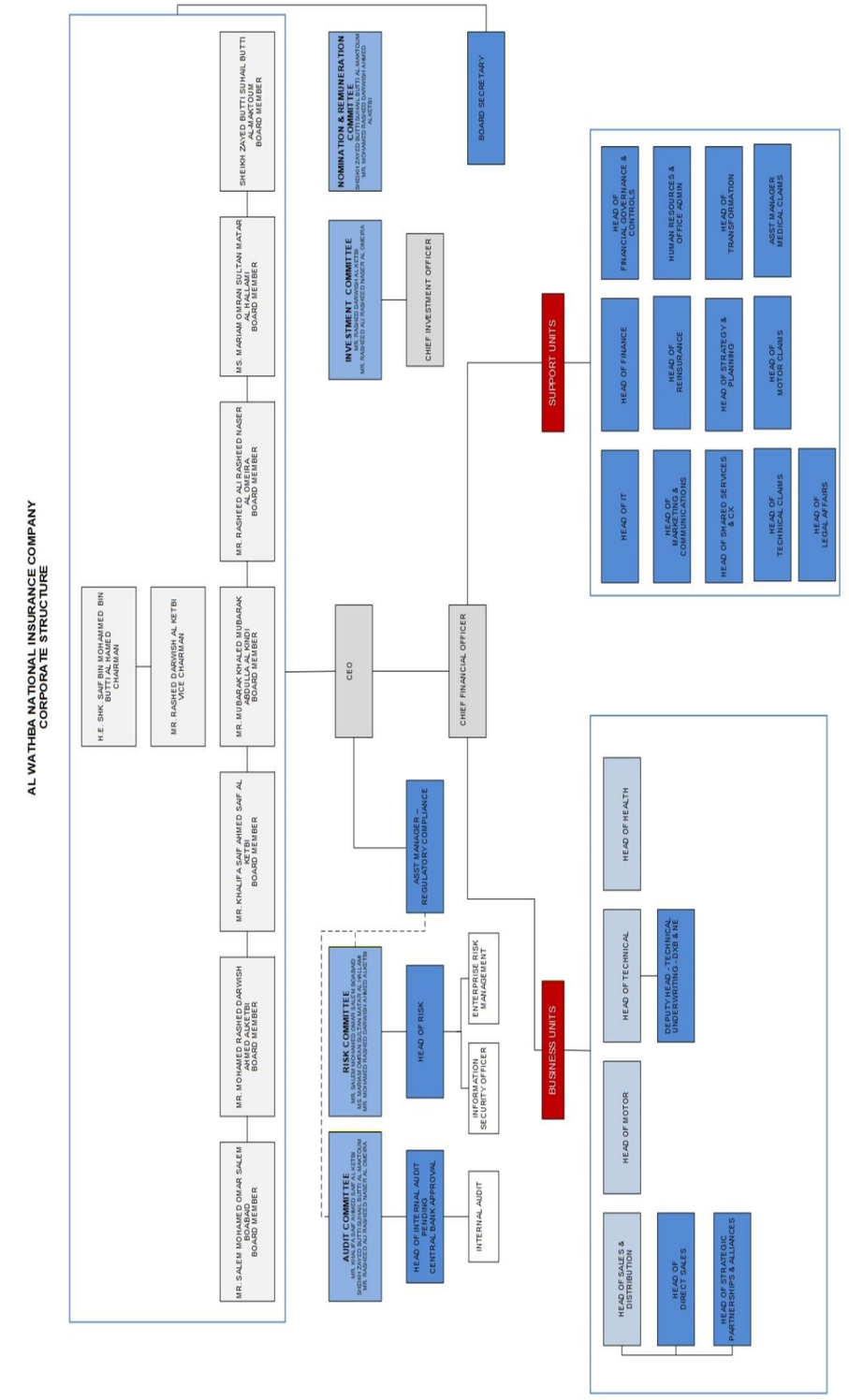
3H. Board Evaluation

a. A new Board of Directors was elected during the General Assembly meeting held on 23/04/2024. It is important to note that the previous Board members underwent an internal evaluation conducted by the Nomination and Remuneration Committee in March 2024.

b. Al Wathba National Insurance Company engaged independent external consultant to conduct the Board of Directors' external assessment for the year 2024, in alignment with regulatory requirements and industry's best practices. The independent review was completed successfully, with results confirming that the Company is largely compliant with applicable governance regulations. The assessment highlighted the Board's strong governance culture, effective oversight mechanisms, and continued commitment to upholding robust regulatory and corporate governance standards.

c. As for the year 2025, an internal evaluation of the Board of Directors and its committees is currently under process.

Updated as of date 23/02/2026



3I. Executive Management Details

A detailed statement of the senior executive employees in the first and second level, as outlined in the company's organizational structure, including their positions, appointment dates, and a summary of the total salaries and bonuses paid to them.

SL No.	Position	Date of Appointment
1	Chief Executive Officer (CEO)	17/09/2025
2	Chief Financial Officer (CFO)	05/02/2018
3	Head of Investment and Shareholder Affairs	29/05/1985
4	Head of Distribution / Operations	15/01/2024
5	Head of Technical Lines Department	08/01/2024
6	Head of Motor Insurance Department	15/01/2024
7	Head of Health	01/03/2024
8	Head of Legal Affairs	12/08/2019
9	Head of Strategic Planning Department	04/12/2024

Description	Number of Employees	Total Salaries and Allowances Paid from January 1, 2025, to December 31, 2025 (in AED)	Total Bonuses Paid in 2025 in AED)	Any Other Cash/In-Kind Benefits for 2025
Executive Management	9	5,264,993	1,010,000	TBD

Note: Mr. Shukri Salem Musabah Humaid Almheiri was appointed as the Chief Executive Officer of the company on 17/09/2025.

4. External Auditor

4A. About the External Auditor:

PricewaterhouseCoopers Limited (PwC) is responsible for auditing the company's accounts for the year 2025. They were appointed by the General Assembly held on April 23, 2025, based on the recommendation of the Audit Committee. PricewaterhouseCoopers Limited (PwC) is considered one of the largest professional firms in the world and is one of the 'Big Four' accounting firms.

4B. Fees for the audit and other services

Fees for the audit and other services provided by the company's external auditor during 2025, along with the number of years they have served as the company's external auditor, are detailed in the schedule below.

Name of Auditing Firm/Name of the partner auditor	*PWC / Shireen Sakr*
Number of years served as an auditing firm: Number of years served as an external auditor:	From 2025 From 2025
Audit Fees for the 2025 Financial Statements (AED): Review of the consolidated financial statements for general purposes, including the translation of financial statements into Arabic.	650,104
Details and Nature of Other Services Provided in 2025(AED): • Review of the interim condensed consolidated financial statements on a quarterly basis, including the translation of the consolidated financial statements into Arabic. • Procedures related to quarterly regulatory reports. • Procedures related to year-end regulatory reports.	380,397
A statement of the other services performed by an external auditor other than the Company's auditor in 2025.	None
The qualified opinions made by the company's external auditor in the interim and annual financial statements for 2025.	None

Board of Directors Committees

The Board of Directors shall supervise the work of the following committees: (The Audit Committee, the Nomination and Remuneration Committee, the Insider Transactions Committee, Investment Committee and the Risk Committee). 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.

5. Audit Committee

It is a committee formed by the Board of Directors. It was reconstructed on 23/04/2024, and the Board periodically evaluates it and ensures its compliance with the tasks assigned to it

Mr. Khalifa Saif Darwish Al Ketbi, Chairman of the Audit Committee, acknowledges his responsibility for the committee's system within the company, as well as for reviewing its operating mechanism and ensuring its effectiveness.

5A. Audit Committee Members and Their Responsibilities

The names of members of the Audit Committee, and a statement of its functions and the duties assigned thereto.

✓ **Committee Formation:**

Name	*Designation*
Mr. Khalifa Saif Darwish Al Ketbi	Chairman of the Committee
Mr. Rasheed Ali Al Omaira	Committee Member
Sheikh Zayed Butti Suhail Butti Al Maktoum	Committee Member

✓ **Audit Committee Responsibilities:**

- Monitor and review the integrity of the Company's financial statements (annual and quarterly) and the committee shall particularly focus on the following:
  - A. Any changes in accounting policies and practices.
  - B. The aspects that are subject to the management's discretion.
  - C. Substantial amendments resulting from auditing.
  - D. Assumptions of business continuity.
  - E. Compliance with accounting standards.
  - F. Compliance with listing & disclosure rules, legal requirements, and regulations as relevant to the preparation of financial reports.
  - G. Major issues as to the adequacy of the company's internal controls and any specific measures adopted in the light of material control deficiencies; and
  - H. Any other material written communications between the external auditor and the company's management.
- Review and discuss any significant and unusual matters contained or to be contained in such financial reports and accounts and give due consideration of any issues raised by the Chief Financial Officer, the compliance officer or internal / external auditors.
- Ensuring a timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.
- Submitting reports and recommendations to the Board of Directors as per the functions listed herein.
- Review any significant disagreement between management and the external auditors or the internal auditing department in connection with the preparation of the financial statements and management's response to these matters.
- Examine any instances of misconduct where fictitious or fraudulent or misleading figures appear in the financial statements and lay down strict control procedures to ensure the application of accounting policies and principles that show a true and fair financial position of the Company.
- Oversee the selection and periodic rotation process of external auditors as per the regulatory requirements and recommend to the Board the appointment, reappointment, dismissal, and fees of the external auditor.
- Ensuring the independence of the external auditor, reviewing their communications and work plan, and assessing their objectivity.
- Meeting of the Audit Committee with the External Auditor and appointed actuary twice annually.
- Review the external auditor's engagement to provide non-audit services and fees, considering ethical guidelines on independence and other considerations in the provision of such services.
- Review the co-ordination of the audit activities between external and internal audit.
- Review the external auditor findings including but not limited to significant issues that arise during audit, material errors, effectiveness of internal controls over financial reporting, accounting and audit judgements, internal control deficiencies and others.
- Review the senior management response to the external auditor's findings and recommendations and ensure that senior management is taking required corrective measures in timely manner.
- Ensuring the adequacy of resources for the Internal Audit Department, reviewing its effectiveness, and approving its annual audit plan.
- Review and approve the Internal Audit Policies and Procedures at least annually.
- Review appointment, performance, compensation, and replacement of the head of internal audit function and monitor the effectiveness of the internal audit function.
- Review reports from the internal auditors on audit findings, management responses and action plans in relation to those findings and follow up on the implementation of those action plans.
- Review the reports of any investigations or special projects as assigned & carried out by the Internal Audit function.
- Meet at least annually with the head of internal audit, without management being present.
- Review the adequacy and effectiveness of the company's internal control system, governance and risk management framework including information technology security and financial controls.
- Review and address any internal control weakness / deficiencies in the design or operation, any fraud, misconduct, non-compliance with policies & procedures and laws & regulations.
- Discussing the internal control system with the Board of Directors and Senior Management and ensuring the latter's establishment of an efficient and effective system for internal control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Studying internal control reports and following up the implementation of corrective measures for the comments arising from such reports.
- Ensure that the Internal Audit Department and Risk Management Department addresses issues that could endanger the achievement of critical objectives.

AL WATHBA NATIONAL INSURANCE CO. P.J.S.C. شركة الوثبة الوطنية للتأمين ش.م.ع
رأس المال المدفوع و المصرح به (٢٠٧) مليون درهم شركة خاضعة لأحكام القانون الإتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين و تنظيم أعماله و مقيدة بسجل شركات التأمين الرقم (١٠)
المكتب الرئيسي : ص. ب. : ٤٥١٥٤ ، أبوظبي ، أ.ع.م ، هـاتف : ٤١٨٥٣٠٠ (٢) ٩٧١+ ، فاكس : ٦٧٧٦٦٢٨ (٢) ٩٧١+
Head Office : P.O. Box : 45154, Abu Dhabi, U.A.E. Tel : +971 (2) 4185300, Fax : +971 (2) 6776628
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- Review of Related Party transactions with the Company, investigation reports relating to any misconduct, related party transactions, conflict of interest, and fraud and make necessary recommendations to the Board.
- Ensure that the Staff within the Compliance department are sufficiently competent and collectively have the appropriate experience within the Company to ensure that compliance risks within the Company are managed effectively.
- Review and approve the Compliance Policies and Procedures at least annually.
- Obtain regular updates from Senior management, Legal & compliance teams, regarding legal & compliance matters.
- Ensuring implementation and reviewing the process for communicating the code of conduct to the company's personnel and monitoring compliance.
- Review the effectiveness of the Company's AML/CFT compliance programs, including ML/FT risk assessment and mitigation measures.
- Review the effectiveness of whistle blower mechanism and controls for prevention & detection of fraud and bribery.
- Review the findings of any inspections by regulatory authorities and observations of the auditors.
- Review any issues raised by the Risk Committee or the Executive Committees.
- Considering any other issues determined by the Board of Directors.

5B. Audit Committee meetings

The number and dates of the meetings held by the audit committee and the attendance frequency:

- The Audit Committee held six (6) meetings during the year 2025 to fulfill its assigned duties and discuss the meeting agenda items.

Meeting	*Date of the Meeting*
First Meeting	11/02/2025
Second Meeting	20/03/2025
Third Meeting	13/05/2025
Fourth meeting	25/06/2025
Fifth meeting	12/08/2025
Sixth meeting	11/11/2025

Attendance Record for Each Committee Member:

Name	*Number of Attendances*
Mr. Khalifa Saif Darwish Al Ketbi	6
Mr. Rasheed Ali Al Omaira	5
Sheikh Zayed Butti Suhail Butti Al Maktoum	5

5C. Audit Committee report:

The Annual Audit Committee report to the Board ensures oversight of financial integrity, regulatory compliance and internal & external auditor performance. It evaluates internal controls, risk management and governance systems, while also fulfilling other duties as outlined in its terms of reference.

Key Areas

Financial Reporting Oversight:

- Reviewed interim and annual financial reports and recommended for Board approval.
- Reviewed annual integrated report (including sustainability & corporate governance) and recommended for Board approval.

Internal Audit Oversight:

- Discussed the internal audit reports, with periodic review on status of action points.
- Reviewed and approved Annual Internal Audit Plan.
- Reviewed changes to Internal Audit Policies & Procedures and recommended for Board approval.
- Periodic review of Internal Audit Performance and independence.

External Audit Oversight:

- Reviewed the proposals for external audit service for 2025 and recommended External Auditor (PwC) further for Board review and approval in General Assembly.
- Reviewed the scope of work and performance of External Auditor (PwC) over the past year. Assessed the independence of the external audit firm by review of the audit and audit related service fees.
- Board of Directors may reject the Audit Committee recommendation due to concerns over Auditor independence, performance, reputational and legal issues.

Committee Meetings:

- Six meetings were held during 2025, including periodic meetings with Senior Management, Internal Auditor, External Auditor and Actuary.

Internal Controls, Governance, and Risk Management:

- Discussed the investigations performed by internal auditor and recommended presentation to the Board.
- Reviewed and approved the recommendation on governance documentation review & update by external consultant in line with new regulations from Central Bank for Insurance Companies.
- Reviewed all related party transactions.

The Audit Committee believes it has discharged its responsibilities effectively and contributed to the enhancement of governance, risk management, and internal control within the Company.

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6. Nominations & Remunerations Committee

It is a committee formed by the Board of Directors and was restructured on April 23, 2024. The Board periodically evaluates its performance to ensure compliance with the assigned responsibilities.

- Mr. Shukri Salem Al Mheiri, Chairman of the Nomination & Remuneration Committee, acknowledges his responsibility for the committee's system in the company, review of its work mechanism and ensuring its effectiveness.

6A. Nominations & Remunerations Committee Members & Functions

The names of members of the Nominations & Remunerations Committee, and a statement of its functions and the duties assigned thereto.

- Committee Formation:

Name	*Designation*
Mr. Shukri Salem Al Mheiri	Chairman of the Committee
Sheikh Zayed Butti Suhail Butti Al Maktoum	Committee Member
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	Committee Member

- Nominations & Remunerations Committee Functions:

- Constantly verifying independence of independent Board members.
- Setting the policy for granting bonus, privileges, incentives, and remuneration to the Company's Board members and staff. Reviewing such policy annually and ensuring that the bonus and privileges offered to Senior Executive Management are reasonable and in line with the Company's performance.
- Reviewing the company's human resources and training policy and monitoring its implementation.
- Determining the Company's needs of qualifications at 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.

6B. Nominations & Remunerations committee meetings

The number and dates of the meetings held by the Nominations & Remunerations committee and the attendance frequency:

- The Nomination and Remuneration Committee held one meeting during 2025.

Meeting	*Date of the Meeting*
Meeting date	02/03/2025

- The attendance frequency in person by the committee's members.

Name	*Attendance Frequency*
Mr. Shukri Salem Musabah Humaid Almheiri	1
Sheikh Zayed Butti Suhail Butti Al Maktoum	1
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	1

7. Insiders Dealing Committee

In compliance with the provisions of Article (33) of the Chairman's decision No. 3 of 2020 concerning corporate governance guide of public shareholding companies and the provisions of Article (14) of the Board of Directors Resolution No. (2) for the year 2001 regarding the system of dealing, clearing, and transferring ownership and custody of securities, where a committee was formed on 22/10/2019 which is responsible for the management, follow-up, and supervision of insider transactions of the following names:

Mr. Awni Manna, Chairman of the Insiders' Dealing Committee, acknowledges his responsibility for the committee's system within the company, reviews its working mechanism, and ensures its effectiveness.

7A. Insiders Transactions Committee Members and Their Duties.

Names of the Insiders Transactions Committee members, their competencies, and assigned duties:

Name	*Department*	*Designation*
Mr. Awni Manna	Investments & Shareholders Affairs	Committee Chairman
Mr. Murali Krishnan	Finance Department	Committee Member
Mr. Hassan Hadid	Legal Affairs	Committee Member

The Functions and duties assigned to the Insiders Dealing Committee are as follows:

- 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 dedicated and comprehensive register of all insiders, including those who may be considered temporary insiders with access to the company's internal information before its publication. The register also includes both prior and post-disclosures of insiders.
- Managing, monitoring, and overseeing insider transactions and ownerships, while maintaining their dedicated register and submitting 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 with access to internal data and customer information maintain strict confidentiality and do not misuse, transfer, or directly or indirectly disclose such data to third parties.
- Require all insiders to sign official declarations acknowledging their possession of internal data and information related to the company and its clients and accepting full legal responsibility in the event of any leakage or unauthorized disclosure of such information, or if they provide advice based on the information they possess. Additionally, they must commit to notifying the company of any trades they conduct on the securities of the parent or subsidiary company before and after executing such transactions.
- To confirm the prohibition of trading the securities of the company itself or the subsidiaries, associates, and associates of the company to the Chairman and members of the Board of Directors and the Director General and employees who are aware of the essential data

himself or for his account by third parties or as another account for the other during the following periods:

- Ten days before the announcement of any material information that may affect the stock price either positively or negatively, unless the information results from unforeseen and sudden events.

- Fifteen days before the end of the quarterly, semi-annual or annual financial period and until the disclosure of the financial statements.

7B. Committee's Summary report

Summary of the Committee's Activities Report for the Year 2025:

- 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 assigned tasks in the best possible manner and in accordance with applicable regulations.

8. Investment Committee

- **It is a committee derived from the Board of Directors and was restructured on 23/04/2024. The Board periodically evaluates its performance and ensures its adherence to the assigned tasks.**
- Mr. Rashed Darwish Ahmed Al Ketbi, Chairman of the Investment Committee, acknowledges his responsibility for the committee's system in the company, review of its work mechanism and ensuring its effectiveness.

8A. Investment Committee Members & Functions

The names of members of the Investment Committee, and a statement of its functions and the duties assigned thereto.

- **Committee Composition:**

Name	*Designation*
H.E. Rashed Darwish Ahmed Al Ketbi	Committee Chairman
Mr. Shukri Salem Musabah Humaid Almheiri	Committee Member
Mr. Rasheed Ali Al Omaira	Committee Member

- **Investment Committee Functions:**

- Prepare and periodically review the investment policy, ensuring alignment with the Company's objectives and risk tolerance.
- Conduct an annual review of the performance of the Company's assets, evaluating their contribution to the overall investment objectives.
- Identify areas for improvement or reallocation of assets based on performance metrics and market conditions.
- Ensure compliance with regulatory requirements and internal policies governing investment activities.
- Monitor and manage risks associated with the Company's investment portfolio, including market, credit, liquidity, and operational risks.
- Implement risk mitigation strategies and recommend adjustments to the investment approach as needed to preserve capital and achieve targeted returns.
- Assist the Board of Directors in evaluating the efficiency and effectiveness of investment policies, procedures, practices, and regulatory systems that are applied in daily administrative work.

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8B. Investment committee meetings

The number and dates of the meetings held by the Investment committee:

- The Investment Committee held three meetings during 2025.

Meeting	Date
The first meeting	03/02/2025
The second meeting	01/05/2025
The third meeting	10/10/2025

Number of in-person attendances for each committee member.

Name	Number of Attendances
H.E. Rashed Darwish Ahmed Al Ketbi	3
Mr. Shukri Salem Musabah Humaid Almheiri	2
Mr. Rasheed Ali Al Omaira	3

9. Risk Committee

- It is a committee derived from the Board of Directors and was formed on 23/04/2024. The Board periodically evaluates it to ensure its compliance with the assigned tasks.

- Mr. Salem Mohamed Omar Salem Baobaid Chairman of the Risk Committee acknowledges his responsibility for the committee's system within the company, as well as for reviewing its operating mechanism and ensuring its effectiveness.

9A. Risk Committee Members and Their Responsibilities

Names of the Risk Committee members, their specializations, and assigned responsibilities.

Committee Composition:

Name	Position
Mr. Salem Mohamed Omar Salem Baobaid	Committee Chairman
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	Committee Member
H.E. Mariam Omran Sultan Mattar Al Hallami	Committee Member

Responsibilities of the Risk Committee

- Proposing the Company's risk management policies, risk tolerance and Risk Appetite to the Board for approval, and to follow up on their implementation and update them on an annual basis.
- Ensure that risk assessments are performed regularly, monitor the whole risk management process, and receive assurance from internal and external assurance providers regarding the effectiveness of the risk management process.
- Provide guidance to Senior Management, as needed, to assist them in improving the Company's risk management practices and/or mitigating certain risks.
- Periodically review and recommend the revisions to the Company's Risk Governance Framework.

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- Review and assess the adequacy of the solvency positions given in the Own Risk and Solvency Assessment (ORSA) Report.
- The Committee shall review and approve all material outsourcing arrangements and material modifications thereof from a risk perspective.
- Ensure that the Company's stress testing program addresses credit, market, and operational and any other material risks given the nature of its business (including, but not limited to, concentration risk, interest rate risk in the book, liquidity risk, currency risk, reputation and compliance risk, contagion risk, country and transfer risk, legal risks and strategic risks).
- Review and approve Senior Management's strategies and plans for mitigation of material risks faced by the business units of the Company.
- Review the Company's procedures for detecting fraud or prevention of bribery.
- Review appointment, performance, compensation, and replacement of the Head of Risk function and monitor the effectiveness of the risk management function in general.
- Review the Company's compliance with applicable laws and regulations relating to risk management systems and procedures, including the Company's preparedness for development and advances in the regulatory framework for risk management and capital adequacy in the markets in which it operates.
- Providing recommendations to the Board of Directors regarding necessary actions to mitigate risks.
- Review any issues raised by the Audit Committee or the Executive Committees or the Company's internal audit department that may impact on the Company's risk management framework.
- Perform any other activities consistent with these Terms of Reference, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.
- Ensuring the implementation of regulatory authorities' recommendations related to risk management.
- Assessing the company's ability to sustain its operations during crises.

9B. Risk Committee Meetings

Number of Risk Committee Meetings and their Dates of Occurrence:

- The Risk Committee held 3 meetings during the year 2025.

Meeting	Date of Occurrence
First Meeting	25/06/2025
Second Meeting	29/09/2025
Third Meeting	08/10/2025

Number of In-Person Attendances for Each Committee Member.

Name	Number of Attendances
Mr. Salem Mohamed Omar Salem Baobaid	3
Mr. Mohammed Rashed Darwish Ahmed Al Ketbi	3
H.E. Mariam Omran Sultan Mattar Al Hallami	2

10. Internal Control System

10A. The Council's Acknowledgment of Its Responsibility

The Board of Directors acknowledges its responsibility for the company's internal control system, including its review of the operational mechanism and ensuring its effectiveness.

The Internal Audit Department reviews the effectiveness of the company's internal control system and reports the findings and recommendations to the Board of Directors through direct submission of its reports. The Board, in turn, is responsible for the internal control system, its review, and ensuring its effectiveness on an ongoing basis.

The Internal Audit Department performs its duties as follows:

- Review the adequacy and effectiveness of the company's internal control system, governance and risk management framework including information technology security and financial controls.
- Establishing an effective monitoring system to ensure employee compliance with the internal policies and procedures that govern the company's operations.
- Review and address any internal control weakness/deficiencies in the design or operation, any fraud, misconduct, non-compliance with policies & procedures and laws & regulations.
- Investigating any instances of conflicts of interest.
- Providing recommendations to Management and the Audit Committee on identified internal control weaknesses or deficiencies to enhance the overall effectiveness of the control system.
- Review the Company's internal policies and procedures to align with business requirements and ensure the provision of an effective oversight environment.
- Performing any other tasks assigned by the Board of Directors.
- Working to enhance and strengthen the internal control system to align with the requirements of the Securities and Commodities Authority, as well as the Insurance Authority and CBUAE, through the following:
  - Ensuring the existence of the robust decision-making framework.
  - Warranting the defined authorities and responsibilities.
  - Reviewing and evaluation of the policies and procedures.
  - In addition to the above, the Internal Audit Department meets annually with the Audit Committee to coordinate the development of the annual oversight and audit plan.

10.B Internal Audit Department

Name of the Internal Audit Manager and his Qualifications:

❖ The Head of the Internal Audit Department, **Ms. Geetika Anand**, joined the company on 16/06/2025. She has over 16 years of experience in internal auditing, risk management, financial services and insurance.

She has the following qualifications:

- Bachelor of Commerce (B. Com)
- Chartered Accountant from the Institute of Chartered Accountants of India

**** Ms. Geetika Anand submitted her resignation from her position, with her last working day being 31/10/2025.***

❖ **Mr. Ali Raza Zardari,** who joined the company on 08/11/2022, is currently overseeing the department. He has over 11 years of experience in internal auditing, risk management, and compliance in the insurance and financial services sectors.

He has the following qualifications:

- Bachelor of Commerce (B. Com)
- Bachelor of Science (Honors) in Applied Accounting from Oxford Brookes University (United Kingdom)
- Fellow of the Association of Chartered Certified Accountants (FCCA)
- Certified Internal Auditor (CIA)

Name of the Compliance Officer and his Qualifications:

❖ The Compliance Officer, **Mr. Mahmoud Farag Gaber**, joined the company on 28/01/2018 and possesses extensive expertise in compliance, corporate governance, and accounting and banking expertise, with over 17 years of experience in leading companies in the United Arab Emirates.

He has the following qualifications:

- Bachelor's degree in accounting from Zagazig University – Arab Republic of Egypt.
- The International Compliance Association (ICA) Certificate in Compliance

10.C Challenges Faced by Management

How the Internal Audit Department Handles Any Significant Challenges within the Company or Those Disclosed in the Annual Reports and Accounts:

The company did not face any challenges during the year 2025.

10.D Number of Reports Issued by the Internal Audit Department to the Board of Directors

A total of 10 reports were issued by the Internal Audit Department to the Audit Committee, a subcommittee of the Board of Directors, during the year 2025.

11. A statement of the details of violations committed during the year 2025, including their causes, how they were addressed, and the measures taken to prevent their recurrence in the future.

The company did not commit any regulatory violations during the year 2025.

12. Statement of Cash and In-Kind Contributions

Statement of Cash and In-Kind Contributions Made by the Company During the Year 2025 for Community Development and Environmental Preservation:

The company aims to serve the local community, and based on this, the following actions were taken:

- Contribution to institutions for the rehabilitation of children with special needs.
- Contribution to the Iftar project for fasting individuals during Ramadan 2025.
- Financial contributions/assistance.

13. General Information

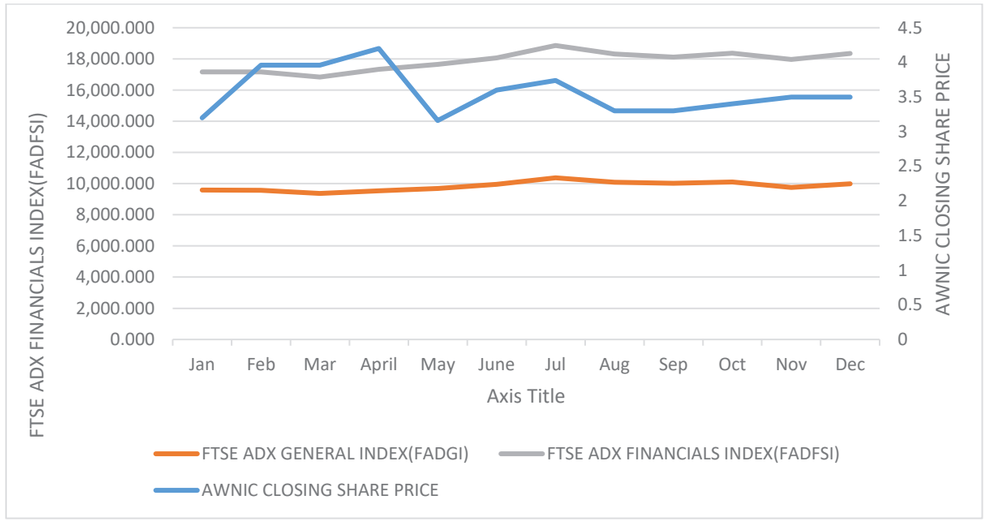
13A. The Company's Share Price on the Abu Dhabi Securities Exchange

Statement of the Company's Share Price on the Abu Dhabi Securities Exchange (Highest Price, Lowest Price, Closing Price) at the end of each month during the fiscal year 2025:

Month	Highest Price	Lowest Price	Closing Price	Month	Highest Price	Lowest Price	Closing Price
January	3.20	3.20	3.20	July	3.74	3.74	3.74
February	3.96	3.96	3.96	August	3.30	3.30	3.30
March	3.96	3.96	3.96	September	3.30	3.30	3.30
April	4.20	4.20	4.20	October	3.40	3.40	3.40
May	3.16	3.16	3.16	November	3.50	3.50	3.50
June	3.60	3.60	3.60	December	3.50	3.50	3.50

13B. Comparative performance of the company's shares

A statement of the comparative performance of the company's shares with the market index and the sector index to which the company belongs during the year 2025:



13C. Company's Shareholding Distribution

A statement of shareholding distribution as of 31/12/2025:

Shareholders	Individuals		Companies		Government		Total
Category	Shares Held	%	Shares Held	%	Shares Held	%	
Local	80,789,487	39.03	126,210,513	60.97	0.00	0.00	207,000,000
Foreign	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	80,789,487	39.03	126,210,513	60.97	0.00	0.00	207,000,000

13D. Shareholders Holding 5% or More of the Company's Capital

Statement of Shareholders Holding 5% or More of the Company's Capital as of 31/12/2025:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital
1.	Darwish Bin Ahmed & Sons Co	64,049,145	30.94
2.	United Al Saqer Group LLC	27,375,018	13.22
3.	Ali Rashed Naser Al Omaira	20,246,722	9.78
4.	Rashed Darwish Al-Ketbi	16,983,861	8.20
5.	Al Dhabi Investments PJSC	15,332,000	7.41
6.	Mohammed Ahmed Saeed Al Qasimi	13,487,556	6.52
7.	ABK investments LLC	10,877,505	5.25

13E. Shareholder Distribution According to Ownership Size

A statement of shareholders distribution by the size of equity as of 31/12/2025

S/N	Share(s) Owned	Number of Shareholders	Number of Shares Held	% of the Shares Held of the Capital
1	Less than 50,000	172	1,186,304	0.57
2	From 50,000 to less than 500,000	62	9,152,041	4.42
3	From 500,000 to less than 5,000,000	12	25,477,654	12.31
4	More than 5,000,000	8	171,184,001	82.70

13F. Controls of Investors' Relations

A statement of the procedures taken with respect to the controls of investors' relations:

In compliance with the provisions of Article (51) of the Chairman of the Authority's Decision No. 3 of 2020 regarding the adoption of the Corporate Governance Manual, specifically in relation to investor relations, the following measures have been taken in this regard.

S/N	Requirement	Action Taken
1	Appointment of a Dedicated Officer for Investor Relations Management.	The Head of the Investment and Shareholders Affairs Department, Mr. Awni Manna, has been appointed as the Investor Relations Officer since 2015. His details are as follows: • Name: Mr. Awni Manna • Telephone (Direct): 02-4185450 • E-mail: a_manna@awnic.com • The investor relations officer information has been published on the company's website
2	Establish a special investor relations section on the company's website.	The company's website features a dedicated Investor Relations section, which includes contact details such as the phone number and dedicated email address, in addition to financial data, significant material events, corporate governance information, and details disclosed to regulatory authorities or the markets. Web Link: https://awnic.com/eng/investor-relations

13G. Implications of the Special Resolutions

A statement of the special resolutions presented to the General Assembly held in 2025 and the procedures taken with respect thereto:

1. Approve of the Board of Directors' recommendation to renew the General Assembly's approval, issued on 23/04/2024, for amending the Company's Articles of Association in accordance with the Corporate Governance Regulation for Insurance Companies, Federal Decree-Law No. 48 of 2023 on Regulating Insurance Business, and the Resolution of the Board of Directors of the Securities and Commodities Authority and its amendments. The proposed amendments remain subject to approval by the CBUAE and SCA. **Proposed Articles for Amendment**: (Preamble, 1, 15, 18, 20, 21, 22, 24, 25, 26, 28, 30, 31, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 47, 48, 57, 59, 60, 61, 62, 64, 66, 67, 72, 73, 76).	The General Assembly approved the resolution, and the company's Articles of Association were amended.
2. Approve the proposal of giving social contributions during 2025 and authorize the Board of Directors to determine the beneficiaries, subject that such contributions not to exceed 2% of the average net profits of the Company during the two prior financial years (2023 & 2024) and such contributions shall be used for the purposes of serving the society pursuant to the Federal Law No. 32 of 2021 concerning Commercial Companies.	The General Assembly approved the resolution, and the company's management complied with the provisions of the resolution.
3. The Board of Directors is hereby authorized and empowered to take all necessary actions regarding the proposed transfer of certain financial and investment assets owned by Al-Wathba National Insurance Company to a (under establishment) company under the ownership of the existing shareholders, including all required procedures to facilitate this transfer.	The General Assembly approved the resolution.

13H. Board of Directors' meetings Secretary

The name of the board secretary and the date of his/her appointment:

- The Board of Directors of the company, in its meeting held on 13/05/2024, appointed Ms. Sara Ghazal as the Secretary of the Board of Directors' Meetings.

13I. Significant events

The significant events that took place in the Company in 2025:

- From general meetings to related events and celebrations of national and international days, Al Wathba National Insurance Company (AWNIC) was part of several important events throughout 2025, including:
  - Participation in the '20th Annual Gulf Insurance Forum' in Dubai, where the company's CFO participated in one of the panel discussions.
  - Participation in 'InsurTek Middle East' and 'Digital Insurance MENA Conference' in Dubai, where both the Head of Transformation and the Head of Marketing & Communications participated in discussion panels.
  - Organized a 'Vocal Mastery' training for leadership team
  - Organized on-premises 'Flu Vaccination' drive for employees
  - Celebrated the 'Cultural Diversity Day'
  - Celebrated 'Beat the Heat' event with employees during summer
  - Celebrated 'Diwali'
  - Celebrated 'Onam'
  - Marked Breast Cancer Awareness Month by hosting multiple activities to raise awareness among employees
  - Celebrated 'Flag Day'
  - Celebrated 'National Day'
  - Celebrated 'Christmas'
  - Hosted an off-site for the leadership team
  - Hosted a town-hall for all employees
- We maintain a Sustainability-Linked Loan (SLL) from HSBC Bank. This achievement marks a significant milestone for the company, demonstrating our commitment to the ADX initiative to promote sustainability, in alignment with the UAE Vision 2021, the Abu Dhabi Economic Vision 2030, and national and global efforts to adopt the Sustainable Development Goals (SDGs) through all activities in the insurance value chain.
- Our company continues to strive to enhance and strengthen corporate governance, ensuring operational transparency, accountability, and maximizing long-term value for all our stakeholders, while making a positive contribution to society.
- The global rating agency "STANDARD & POOR'S" upgraded the company's financial strength and credit rating to (BBB-) with a positive outlook for the company.

AL WATHBA NATIONAL INSURANCE CO. P.J.S.C. شركة الوثبة الوطنية للتأمين ش.م.ع.

13J. Emiratization percentage in the Company

A statement of the company's Emiratization at the end of the last three years is as follows:

The year	2023	2024	2025
Emiratizations Rate	14%	13%	24%

- The company is working to support its Emiratization efforts by creating a conducive environment that increases the number of citizens. It is worth noting that the necessary mentoring and career guidance programs, as well as training and development opportunities, have been provided to all citizens.

13K. Innovative Projects and Awards

A statement of the innovative projects and initiatives undertaken by the company or under development, and the awards received:

- Won the 'Best Use of AI in Marketing' Award at the World AI Series held In Dubai
- Won the 'Best Use of AI in CX' Award at the Customer Centricity World Series held in Dubai
- Won the 'CX in Financial Services' Award at the Customer Centricity World Series held in Dubai
- Won the 'CX Innovation – Insurance' Award from Genesys
- We enhanced our Loyalty Program by partnering with multiple vendors to offer exclusive discounts to our customers.
- The company made further progress in its digital initiatives, including:
  - Redesigning and developing a new, modern website for potential customers, existing clients, and stakeholders. The website will features ease of use, enhanced user experience (UI & UX), and fast responsiveness across various devices.
  - Redesigning and developing a new mobile application, to provide customers and prospects with a seamless digital experience, such as tracking claim statuses and renewing insurance policies, along with many other features.
  - Redesigning and developing a renewed First Notice of Loss (FNOL) to ease the claims submission for our motor customers.
  - Revolutionizing the customer experience by providing a seamless process for purchasing insurance policies, reducing the number of steps required to issue a new policy.
  - Deploying an advanced generative AI-powered chatbot to provide smart, 24/7 support, enhancing overall customer satisfaction.
  - Upgrading the Interactive Voice Response (IVR) system by adding AI-powered smart routing to address inquiries instantly.
  - Implementing online portals for corporate clients and brokers, providing unified access to all AWNIC offerings in the market, along with the ability to access account statements, manage payments, control user access, submit service requests, and review insurance policies.

رأس المال المدفوع و المصرح به (٢٠٧) مليون درهم شركة خاضعة لأحكام القانون الإتحادي رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين و تنظيم أعماله و مقيدة بسجل شركات التأمين الرقم (١٠)
المكتب الرئيسي : ص. ب. ٤٥١٥٤ ، أبوظبي ، أ.ع.م ، هاتف : ٤١٨٥٣٠٠ (٢) ٩٧١+ ، فاكس : ٦٧٧٦٦٢٨ (٢) ٩٧١+
Head Office : P.O. Box : 45154, Abu Dhabi, U.A.E. Tel : +971 (2) 4185300, Fax : +971 (2) 6776628
E-mail: alwathba@awnic.com Web : www.awnic.com

- All systems that have been implemented support the company's sustainability initiatives by minimizing paper and printing consumption. We've also started using recycled paper at our branches.

Sheikh Zayed Butti Butti Al Maktoum

(Chairman of the Audit Committee)

Date: 27/03/2026

Mr. Khalifa Saif Darwish Al Ketbi

(Chairman of the Nominations and Remuneration Committee)

Date: 27/03/2026

Mr. Ali Raza Zardari

(Acting Head of Internal Audit Department)

Date: 27/03/2026

Sheikh Saif Bin Mohamed Bin Butti Al Hamed

Chairman of the Board of Directors

Date: 27/03/2026



04
FINANCIAL STATEMENTS

Al Wathba National Insurance Company PJSC

Board of Directors' report and consolidated financial statements

For the year ended 31 December 2025

Principal business address:
Al Wathba National Insurance Company PJSC
P.O. Box: 45154
Abu Dhabi
UAE

Al Wathba National Insurance Company PJSC

Board of Directors' report and consolidated financial statements for the year ended 31 December 2025

Contents **Pages**

Board of Directors' report	**1**
Independent auditors' report	**2 - 11**
Consolidated statement of financial position	**12**
Consolidated statement of profit or loss	**13**
Consolidated statement of profit or loss and other comprehensive income	**14**
Consolidated statement of changes in shareholders' equity	**15**
Consolidated statement of cash flows	**16 - 17**
Notes to the consolidated financial statements	**18 - 94**

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الوثبة للتأمين
AL WATHBA INSURANCE

Head Office Address: Al Wathba Tower,
Mohammed Bin Butti Al Hamed St.
P.O. Box: 45154, Abu Dhabi,
United Arab Emirates

العنوان الرئيسي: مبنى الوثبة،
شارع محمد بن بطي آل حامد،
عنوان البريد 45154، ابوظبي،
الامارات العربية المتحدة

Board of Directors Report

For the Financial Year Ended 31/12/2025

The Board of Directors of Al Wathba National Insurance Company is pleased to present the Annual Report for the fiscal year 2025, encompassing an overview of the company's business operations and activities. This report is accompanied by the audited financial statements for the financial year ended on December 31, 2025, providing stakeholders with comprehensive insights into our performance, achievements, and strategic initiatives undertaken during the reporting period.

The Company delivered an exceptional performance during the year, achieving a significant increase in insurance revenue. Insurance revenue for the year reached AED 781 million, compared to AED 376 million in 2024, representing more than a twofold increase. This strong growth reflects the successful execution of the Company's strategic initiatives, strengthened underwriting capabilities, and the continued confidence of clients and partners in the Company's insurance solutions.

The year 2025 also marked a major turnaround in the Company's core insurance operations. The Company reported a net insurance service result of AED 24 million, compared to a loss of AED 24 million in the previous year. This improvement reflects enhanced underwriting discipline, improved risk selection, effective pricing strategies, and better portfolio management across key lines of business.

The Company's overall financial performance showed a substantial improvement. Net profit before tax reached AED 100.8 million, compared to AED 39.1 million in 2024. The strong financial results were driven by the combined effect of improved underwriting performance, continued premium growth, and positive investment performance, supported by prudent financial and risk management practices.

As the insurance market continues to evolve in an increasingly competitive environment, the Company remains committed to sustaining its growth momentum while maintaining disciplined underwriting and strong risk management. Strategic initiatives focused on digital transformation, operational efficiency, enhanced customer experience, and optimized reinsurance arrangements will continue to play a key role in strengthening the Company's market position and long-term profitability.

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

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

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

Sheikh Saif Bin Mohammed Bin Butti Al Hamed
Chairman

pwc

Independent auditor's report

To the Shareholders of Al Wathba National Insurance Company PJSC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Al Wathba National Insurance Company PJSC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in shareholders' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Basis for opinion (continued)

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code") as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

Key Audit Matters	• Valuation of the liability for incurred claims ("LIC") within insurance contract liabilities
	• Valuation of investment properties

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of the liability for incurred claims ("LIC") within insurance contract liabilities	
As at 31 December 2025, the liability for incurred claims amounted to AED'000 434,185 (31 December 2024: AED'000 410,858) which comprises of the estimate of present value of cashflows and the risk adjustment for non-financial risk, as disclosed in Note 22.1 of the consolidated financial statements. The present value of future cashflows is based on the best estimate of the ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with the directly attributable expenses. The risk adjustment for non-financial risk is applied to the present value of future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils its insurance contracts. The measurement process involves a number of actuarial estimation methods and assumptions which are subjective in nature. The estimation of the present value of future cash flows is derived from historical claims experience and is sensitive to external factors, such as claims costs and inflation, as well as to the actuarial techniques applied and the assumptions made regarding current and future claims development.	We performed the following procedures: • Understood, assessed the design and implementation and tested the operating effectiveness of key controls around claims handling and actuarial reserving processes; • Evaluated the competence, capabilities and objectivity of management's appointed actuary based on their professional qualifications and experience and assessed their independence; • Assessed the integrity of data used as inputs into the actuarial valuations by testing on sample basis, the accuracy of underlying claims data used by management's appointed actuary in estimating the present value of the future cash flows and risk adjustment for non-financial risk by tracing it to the supporting evidence and other accounting records; • Performed substantive procedures, on a sample basis, on the amounts recorded for claims notified and unpaid; including comparing the outstanding claims amount to loss adjustor reports and / or other supporting evidence to evaluate the valuation of the ultimate expected claims; • Compared on a sample basis, the outstanding claims reserves with the subsequent payments, if settled, or subsequent reserve amounts, if unsettled; • Obtained legal confirmations and checked on a sample basis the outstanding claims reserves as per the legal confirmation against the accounting records and other supporting evidence and inquired with management about the reason for long outstanding cases;

Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of the liability for incurred claims ("LIC") within insurance contract liabilities (continued)	
Given the inherent estimation uncertainty and significant judgement involved in measuring the LIC, including assumptions relating to claims frequency, severity and settlement patterns, and considering the materiality of these balances, this area was determined to be a key audit matter. Refer to Notes 2.5 and 3.10 for the use of judgements and estimates and material accounting policies applied by the Group in measuring the LIC.	• Engaged our internal actuarial specialists, to evaluate the Group's actuarial practices and provisions established, including the actuarial report issued by management's appointed actuary, by performing the following: i) Evaluated whether the Group's actuarial methodologies were consistent with generally accepted actuarial practices; ii) Assessed the appropriateness of key judgements and actuarial assumptions including expected loss ratios and claims development. We tested these assumptions by comparing them with the Group's historical experience, and our own industry knowledge and investigated any unusual variances; iii) Performed independent reprojections of the present value of future cash flows and risk adjustment for non-financial risk for significant portfolios of insurance contracts based on the actuarial assumptions and methods and compared them with the amounts recorded by management; iv) Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements.

Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties	
As at 31 December 2025, the Group's investment properties constitute a significant proportion of the Group's total assets and are measured at fair value. As at 31 December 2025, the fair value of investment properties amounted to AED'000 661,848 (31 December 2024: AED'000 583,215) as disclosed in Note 10 of the consolidated financial statements. The Group engaged with independent real estate valuation experts to determine the fair value of the investment properties in accordance with RICS Valuation - Global Standards ("Red Book") and IFRS 13 - Fair Value Measurement, through the application of valuation techniques such as market approach, income approach and residual method. These valuations often involve the exercise of judgment, use of certain assumptions as it relates to future rental rates, capitalisation rates, discount rates and comparable sales prices. Due to the financial significance, subjectivity, estimation uncertainty and complexity involved for the level 3 valuation methodologies, we have considered the valuation of investment properties as a key audit matter. Refer to Notes 2.5, 3.3 and 26 for the use of judgements and estimates, material accounting policies and fair value hierarchy of the investment properties.	We performed the following procedures: • Understood, assessed the design and implementation and tested the operating effectiveness of key controls around the valuation of investment properties; • Evaluated the competence, capabilities and objectivity of management's appointed external real estate valuation experts based on their professional qualifications and experience and assessed their independence. We read their terms of engagement with the Group to determine if the scope of their work was sufficient for audit purpose and to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work; • Assessed the accuracy of the key inputs, on a sample basis, used for the valuation of investment properties by the Group's external real estate valuation experts by tracing it to the supporting evidence; • Obtained the external valuation reports for all the investment properties, checked their mathematical accuracy and assessed for properties above AED 30 million, whether management has taken an average of the two valuations for investment properties where two valuers were involved; • Engaged our internal real estate valuation experts to review the assumptions and methodology used by management's real estate valuation experts and to review the fair values of investment properties;

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties (continued)	• Performed substantive procedures, on a sample basis, on the additions and disposals of investment properties recorded during the year and checked those against the supporting evidence and other accounting records; • Assessed the adequacy and appropriateness of the related disclosures in the consolidated financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Group's 2025 Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Other information (continued)

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's 2025 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, the UAE Federal Decree-Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, as amended, we report that:

i) we have obtained all the information we considered necessary for the purposes of our audit;

ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended;

iii) the Group has maintained proper books of account;

iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;

v) as disclosed in notes 2.1, 6 and 7 to the consolidated financial statements the Group has purchased or invested in shares during the year ended 31 December 2025;

vi) note 18 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

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Independent auditor's report (continued)

To the Shareholders of Al Wathba National Insurance Company PJSC

Report on other legal and regulatory requirements (continued)

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and

viii) note 31 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2025.

Further, as required by the UAE Federal Decree-Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies, we report that we have obtained all the required information and explanations we considered necessary for the purpose of our audit.

PricewaterhouseCoopers Limited Partnership - Abu Dhabi
18 March 2026

Shireen Sakr
Registered Auditor Number 5591
Abu Dhabi, United Arab Emirates

Al Wathba National Insurance Company PJSC

Consolidated statement of financial position

	Note	As at 31 December 2025 AED'000	2024* AED'000
ASSETS			
Property and equipment	12	**2,254**	2,532
Investment in associates	11	**135,320**	142,569
Investment properties	10,29(e)	**661,848**	583,215
Financial assets at fair value through other comprehensive income	6	**167,548**	186,548
Financial assets at fair value through profit or loss	7, 29(d)	**655,026**	646,102
Statutory deposits	5	**6,000**	6,000
Reinsurance contract assets	22.2,29(c)	**238,229**	247,502
Prepayments and other receivables	9	**10,361**	7,603
Funds at Lloyds	30	49,155	-
Term deposits	5	**28,870**	3,902
Assets classified as held for sale	8	**17,400**	-
Cash and cash equivalents	5	**74,391**	78,161
Total assets		**2,046,402**	1,904,134
Equity and liabilities			
EQUITY			
Share capital	14	**207,000**	207,000
Legal reserve	13	**103,500**	103,500
Statutory reserve	13	**51,750**	51,750
General reserve	13	**88,753**	88,753
Capital reserve	13	**9,474**	9,474
Reinsurance risk reserve	13	**5,308**	3,237
Fair value reserve	13	**1,510**	14,495
Retained earnings		**769,205**	719,269
Total equity		**1,236,500**	1,197,478
LIABILITIES			
Deferred tax liabilities	28	**7,503**	2,687
Borrowings	15	**127,962**	105,695
Employees' end of service benefits	16	**8,075**	6,138
Insurance contract liabilities	22.1	**629,560**	540,357
Reinsurance contract liabilities	22.2,29(d)	**-**	1,259
Accrued expenses and other payables	17	**36,802**	50,520
Total liabilities		**809,902**	706,656
Total equity and liabilities		**2,046,402**	1,904,134

*Refer to Note 29 for the changes in the comparative information.

The consolidated financial statements were approved for issue by the Board of Directors on 13 March 2026 and sign on their behalf by:

Sheikh Saif Bin Mohamed Bin Butti Al Hamed	Shukri Salem Almheiri	Muralikrishnan Raman Pillai
Chairman of the Board of Directors	Chief Executive Officer	Chief Financial Officer

The notes set out on pages 18 to 94 form an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 to 11.

Al Wathba National Insurance Company PJSC

Consolidated statement of profit or loss

	Note	For the year ended 31 December 2025 AED'000	2024* AED'000
Insurance revenue	22.1, 23	**781,141**	376,325
Insurance service expenses	22.1, 23	**(634,229)**	(515,294)
Amounts recoverable from reinsurers for incurred claims	22.2, 23	**204,877**	253,288
Allocation of reinsurance premiums	22.2, 23	**(327,769)**	(138,431)
Insurance service results		**24,020**	(24,112)
Interest income from financial assets at amortised cost	29(a)	**1,076**	2,229
Changes in fair value of investment properties, net	10,29(a)	**38,912**	76,946
Income from investment properties (rental income), *net*		**5,546**	5,155
Gain on disposal of investment properties		**5,250**	-
Other income from investments, *net*	19,29(a)	**91,217**	18,854
Other investment expenses	29(a)	**(3,767)**	(5,253)
Net investment income	29(a)	**138,234**	97,931
Finance expenses from insurance contracts issued	22.1	**(14,351)**	(9,008)
Finance income from reinsurance contracts held	22.2	**9,190**	4,981
Net insurance finance expenses	23	**(5,161)**	(4,027)
Net insurance and investment results		**157,093**	69,792
Other income		**132**	993
Other operating expenses	20	**(38,391)**	(21,568)
Other finance costs		**(6,726)**	(8,147)
Share of profit of equity-accounted investees	11,29(b)	**8,784**	6,112
Impairment loss of equity-accounted investees	11,29(b)	**(20,009)**	(8,000)
Profit for the year before tax		**100,883**	39,182
Income tax credit	28	**(6,604)**	(2,383)
Profit for the year after tax		**94,279**	36,799
Earnings per share:			
Basic and diluted earnings per share (AED)	21	**0.46**	0.18

* Refer to Note 29 for the changes in the comparative information.

Al Wathba National Insurance Company PJSC

Consolidated statement of profit or loss and other comprehensive income

	Note	For the year ended 31 December 2025 AED'000	2024 AED'000
Profit for the year after tax		**94,279**	36,799
Other comprehensive (loss) / income			
Items that will not be reclassified to the consolidated statement of profit or loss in subsequent periods			
Share of other comprehensive gain / (loss) of associates	11	**4,227**	(317)
Remeasurement of defined benefit obligations	16	**(872)**	-
Loss on sale of financial assets at fair value through other comprehensive income, *net*		**-**	(21,693)
Change in fair value of financial assets at fair value through other comprehensive income, *net*	6	**(19,000)**	(35,574)
Related income tax impact	28	**1,788**	(304)
Other comprehensive loss for the year		**(13,857)**	(57,888)
Total comprehensive income / (loss) for the year		**80,422**	(21,089)

Al Wathba National Insurance Company PJSC

Consolidated statement of changes in shareholders' equity

	Note	Share capital AED'000	Legal reserve AED'000	Statutory reserve AED'000	General reserve AED'000	Capital reserve AED'000	Reinsurance risk reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2024		207,000	103,500	51,750	88,753	9,474	1,991	101,887	705,962	1,270,317
Total comprehensive income										
Profit for the year		-	-	-	-	-	-	-	36,799	36,799
Other comprehensive loss for the year		-	-	-	-	-	-	(57,888)	-	(57,888)
Total comprehensive loss for the year		-	-	-	-	-	-	(57,888)	36,799	(21,089)
Transfer to retained earnings on disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	-	(29,504)	29,504	-
Dividend paid	14	-	-	-	-	-	-	-	(51,750)	(51,750)
Transfer from retained earnings to reinsurance risk reserve	13	-	-	-	-	-	1,246	-	(1,246)	-
Balance at 31 December 2024		207,000	103,500	51,750	88,753	9,474	3,237	14,495	719,269	1,197,478
Balance at 1 January 2025		**207,000**	**103,500**	**51,750**	**88,753**	**9,474**	**3,237**	**14,495**	**719,269**	**1,197,478**
Total comprehensive income										
Profit for the year		-	-	-	-	-	-	-	94,279	94,279
Other comprehensive loss for the year		-	-	-	-	-	-	(12,985)	(872)	(13,857)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(12,985)**	**93,407**	**80,422**
Dividend paid	14	-	-	-	-	-	-	-	(41,400)	(41,400)
Transfer from retained earnings to reinsurance risk reserve	13	-	-	-	-	-	2,071	-	(2,071)	-
Balance at 31 December 2025		**207,000**	**103,500**	**51,750**	**88,753**	**9,474**	**5,308**	**1,510**	**769,205**	**1,236,500**

The notes set out on pages 18 to 94 form an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 to 11.

Al Wathba National Insurance Company PJSC

Consolidated statement of cash flows

	Note	For the year ended 31 December 2025 AED'000	2024* AED'000
Cash flow from operating activities			
Profit for the year before tax		**100,883**	39,182
Adjustments for:			
Changes in fair value of financial assets at fair value through profit or loss, *net*	7	**(38,280)**	28,456
Gain on disposal of financial assets at fair value through profit or loss, *net*	19	**(14,730)**	(13,726)
Gain on disposal of property and equipment		**-**	(85)
Gain on disposal of investment property		**(5,250)**	-
Provision for employees' end of service benefits	16	**1,419**	774
Depreciation of property and equipment	12	**1,403**	1,565
Share of profit of associates	11	**(8,784)**	(6,112)
Impairment loss on investment in associates	11	**20,009**	8,000
Allowance of impairment of financial assets at amortised cost		**-**	1,265
Changes in fair value of investment properties	10	**(38,912)**	(76,946)
Finance costs		**6,726**	8,147
Dividend income	19	**(38,207)**	(33,584)
Interest income	29(a)	**(1,076)**	(2,229)
Net cash used in operations before changes in operating assets and liabilities		**(14,799)**	(45,293)
Changes in:			
Reinsurance contract assets	23	**9,273**	(147,059)
Prepayments and other receivables	9	**(2,738)**	(1,691)
Insurance contract liabilities	23	**89,203**	219,726
Reinsurance contract liabilities	23	**(1,259)**	1,259
Accrued expenses and other payables	17	**(13,718)**	10,972
Cash generated from operations		**65,962**	37,914
Employees' end of service benefits paid	16	**(354)**	(107)
Net cash generated from operating activities		**65,608**	37,807

The notes set out on pages 18 to 94 form an integral part of these consolidated financial statements.
The independent auditor's report on the consolidated financial statements is set out on pages 2 to 11.

Consolidated statement of cash flows (continued)

	Note	For the year ended 31 December 2025 AED'000	2024* AED'000
Cash flow from investing activities			
Purchase of property and equipment	12	**(1,125)**	(765)
Additions to investment properties	10	**(72,871)**	(85,080)
Purchase of financial assets at fair value through profit or loss	7	**(6,534)**	(212,405)
Purchase of financial assets at fair value through other comprehensive income	6	**-**	(1,818)
Proceeds from sale of property and equipment	12	**-**	147
Proceeds from disposal of financial assets at fair value through other comprehensive income	6	**-**	120,185
Proceeds from disposal of financial assets at fair value through profit or loss	7	**50,620**	113,347
Proceeds from disposal of investment property	10	**21,000**	-
Placement of term deposits	5	**(24,968)**	-
Maturity of term deposits	5	**-**	29,811
Placement of funds at Lloyds	30	**(49,155)**	-
Interest received		**1,056**	1,996
Dividends received from associates	11	**251**	231
Dividends received from other investments	19	**38,207**	33,584
Net cash used in investing activities		**(43,519)**	(767)
Cash flow from financing activities			
Finance cost paid		**(6,726)**	(8,147)
Repayment of borrowings	15	**(47,733)**	(167,846)
Term loan received	15	**70,000**	185,000
Dividends paid	14	**(41,400)**	(51,750)
Net cash used in financing activities		**(25,859)**	(42,743)
Net decrease in cash and cash equivalents		**(3,770)**	(5,703)
Cash and cash equivalents at 1 January		**78,161**	83,864
Cash and cash equivalents at 31 December	5	**74,391**	78,161

*Refer to Note 29 for the changes in the comparative information.

There are no non-cash transactions for the years ended 31 December 2025 and 2024.

Notes to the consolidated financial statements for the year ended 31 December 2025

1 Legal status and principal activities

Al Wathba National Insurance Company PJSC (the "Company"), incorporated in Abu Dhabi is registered as a public shareholding Company in accordance with the UAE Federal Law No. (8) of 1984 (as amended) and is governed by the provisions of Federal Decree Law No. (6) of 2025 regarding the Central Bank Regulation of Financial Institutions and Activities, and Insurance Business which was issued and became effective on 15 September 2025 which repealed the UAE Federal Law No. (48) of 2023 on the Organisation of Insurance Operations (insurance companies are given one year from the date of the enforcement of its provisions from 15 September 2025 ("the transitional period") to comply with the provisions of Federal Decree Law No. (6) of 2025), Federal Decree Law No. (32) of 2021, as amended concerning the Commercial Companies, Central Bank of UAE Board of Directors' Decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Central Bank of UAE Board of Directors' Decision No. (23) of 2019 concerning Instructions Organising Reinsurance Operations.

The Company's principal activity is the writing of general insurance business of all classes. The Company operates through its registered head office in Abu Dhabi and branch offices in Dubai, Al Ain, and Sharjah. The Company is domiciled in the United Arab Emirates, P.O. Box 45154, Abu Dhabi, United Arab Emirates. The Company's shares are listed on Abu Dhabi Securities Exchange (ADX).

2 Basis of preparation

2.1 Basis of consolidation

The consolidated financial statements comprise the financial results of the Company and its following subsidiaries (together "the Group"):

Subsidiary	Principal activity	Country of incorporation	Ownership
AWNIC Investment Limited	Investment Management	Cayman Islands	100%
Al Wathba Real Estate Development LLC*	Real Estate	United Arab Emirates	100%
Wathba Integrated Business Solutions Limited**	Office administrative service activities	United Arab Emirates	100%
Centurion 11D LLC	Real Estate	United States	100%
Centurion 14B LLC	Real Estate	United States	100%
56th Street Concepts LLC	Real Estate	United States	100%
Protected Cell 27***	Reinsurance	England and Wales	100%

* During the year 2022, the Group has formed a Limited Liability Company as its subsidiary named as "Al Wathba Real Estate Development L.L.C.", registered on 28 October 2022 in accordance with the provisions of the Federal Decree Law No. 32 of 2021, as amended concerning the Commercial Companies with its registered office established in Dubai. Al Wathba Real Estate Development L.L.C. was not operational as at and for the year ended 31 December 2025.

** During the year 2025, the Group formed a Private Company as its subsidiary named as "Wathba Integrated Business Solutions Limited", registered on 27 August 2025 in Abu Dhabi Global Market (ADGM) as an unregulated company.

*** During the year 2025, the Group created a protected cell company "Protected Cell 27" within L2B PCC Ltd, which is a Protected Cell Company domiciled in the UK providing the legal framework for such arrangements. Protected Cell 27 will fund participation in Lloyd's through a corporate member and will enable the Group to gain access to the Lloyd's Market in order to achieve the Group's revenue diversification strategy for the year ending 31 December 2026.

2 Basis of preparation (continued)

2.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Federal Decree Law No. (6) of 2025 regarding the Central Bank Regulation of Financial Institutions and Activities, and Insurance Business, the Federal Law Decree No. (32) of 2021, as amended concerning the Commercial Companies and Central Bank of UAE Board of Directors' Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Central Bank of UAE Board of Directors Decision No. (23) of 2019 concerning Instructions Organising Reinsurance Operations.

The Group's consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, term deposits, prepayments and other receivables, accrued expenses and other payables and. The following balances would generally be classified as non-current: property and equipment, financial assets at amortised cost, investment in associates, investment properties and deferred tax asset / liability. The following balances include both current and non-current portions: statutory deposits, employees' end of service benefits, reinsurance contract assets, insurance contract liabilities, financial assets at fair value through other comprehensive income, financial assets at fair value through profit of loss, and borrowings.

2.3 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following.

- Investment properties, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are carried at fair value and employees' end of service benefits which are measured using the projected unit credit method under IAS19.
- Groups of insurance and reinsurance contracts, which are measured under the premium allocation approach. The details of the Group's Material accounting policy information and measurement approach are included in note 3 of the consolidated financial statements.

2.4 Functional and reporting currency

These consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional and presentation currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

2.5 Use of judgements and estimates

While applying the accounting policies as stated below, management has made certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected. Estimates and judgements in relation to recognition and measurement of IFRS 17 insurance and reinsurance contracts are described below.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 Basis of preparation (continued)

2.5 Use of judgements and estimates (continued)

(a) Significant estimates

The significant judgments and estimates made by management that have the most significant effects on the amounts recognised in the consolidated financial statements are set out below.

Measurement of the expected credit losses

When measuring Expected Credit Losses ("ECL") on financial assets, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, considering cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation consultants using either of the following approaches: Income Capitalisation Approach, Sales Comparable Approach or Residual method of valuation. The income method / capitalisation approach analyses potential rental income from the property taking into account expected rental growth and deducts the expenses incurred in the operation of the asset. Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual values realised. Refer to Note 26.

(b) Areas of significant judgements

The following are key judgements and estimates which the Group applied as a result of IFRS 17. Significant judgement in relation to onerous contracts is included under note 3.12 (d) above. The Group has elected to determine cumulative results for each interim reporting period, and estimates made by the Group in previous condensed consolidated interim financial information will not be considered when applying IFRS 17 in subsequent interim periods or in the annual consolidated financial statements

Best Estimate of Liabilities

The best estimate liability (BEL) represents the explicit, unbiased and probability weighted best estimate (expected value) of the future cash outflows minus the future cash inflows that arise when the Group fulfils its obligations with respect to the insurance contracts. The BEL thus includes the effects of discounting, allowing for financial risks (to the extent not included in the estimate of the cash flows).

The Group will make use of the following assumptions to project the cash flows for the non-life business where required:

- Expected premium receipts pattern;
- Expected claims ratio;
- Expected attributable expense ratio;
- Expected bad debt;
- Expected incidence of risk; and
- Expected claims payment pattern.

2 Basis of preparation (continued)

2.5 Use of judgements and estimates (continued)

(b) Areas of significant judgements (continued)

Best Estimate of Liabilities (continued)

For the measurement of the liability for incurred claims (LIC), the Group selects the IBNR estimation methodology based on the nature, variability and credibility of the underlying portfolio. Depending on portfolio characteristics and the availability of historical claims data, the estimation approach may include the chain-ladder, Bornhuetter-Ferguson or expected loss ratio techniques, or a blended application of these methods, with different cohorts within the same line of business potentially measured using different approaches. In general, commercial lines are predominantly estimated using the expected loss ratio method, reflecting higher variability arising from lower claim frequency and higher claim severity, as well as lower volumes in certain portfolios, whereas retail lines typically apply a blended approach supported by higher claim frequency and more credible and granular claims experience.

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed, to produce an estimated ultimate claims cost for each accident year. The chain-ladder technique is the most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. The chain-ladder technique is less suitable in cases in which the Group does not have a developed claims history for a particular type of claim.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure, such as gross or reinsurance premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined, using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (that is, in relation to recent accident years or new products).

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Group has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Discount rate

Discount rates are primarily used to adjust the estimates of future cash flows to reflect the time value of money and to accrete interest on the best estimate liability and risk adjustment. After estimating the future cash flows arising from the insurance contracts, discounting shall be used to calculate the present value of these cash flows, in order to reflect the time value of money and the financial risks associated with these cash flows. This is done to the extent that the financial risks are not already included in the cash flow estimates.

Al Wathba National Insurance Company PJSC
Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 Basis of preparation (continued)

2.5 Use of judgements and estimates (continued)

(b) Areas of significant judgements (continued)

Discount rate (continued)

The discount rates applied to the estimates of the future cash flows in discounting shall:
(i) Reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;
(ii) Be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, in terms of, for example, timing, currency and liquidity; and
(iii) Exclude the effect of factors that influence observable market prices but do not affect the future cash flows of the insurance contracts.

The bottom-up approach was used to derive the discount rate for all insurance and reinsurance contracts. Under this approach, risk-free yield curves published by the European Insurance and Occupational Pensions Authority (EIOPA) are used as the base risk-free rates. These yield curves are applied without a volatility adjustment, as they represent an appropriate risk-free benchmark that is consistent with IFRS 17 principles.

To reflect country-specific market conditions, a UAE country risk premium is added to the EIOPA risk-free yield curves to derive UAE-specific discount rates. The country risk premium incorporates a volatility component, which implicitly reflects market uncertainty and any residual illiquidity considerations. As a result, no separate explicit illiquidity premium is applied. The Group's non-life insurance and reinsurance contracts are predominantly short-tailed in nature and do not generally exhibit significant illiquid characteristics, and therefore this approach is considered appropriate and consistent with IFRS 17.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Financial Year	**1 Year**	**3 Years**	**5 Years**	**10 Years**	**20 Years**
31 December 2025	**4.07%**	**3.98%**	**4.11%**	**4.48%**	**4.92%**
31 December 2024	4.84%	4.72%	4.68%	4.73%	4.76%

Risk Adjustment

The Risk Adjustment (RA) for non-financial risk represents the compensation the Group requires for bearing the uncertainty in the amount and timing of future cash flows arising from non-financial risks as the Group fulfils its insurance contracts. For the liability for incurred claims, the Group determines the Risk Adjustment using regulatory reserve risk factors. The estimation is based on reserve risk factors prescribed by the Central Bank of the UAE (CBUAE) for regulatory capital modelling, calibrated to a 75% confidence level. Accordingly, the Risk Adjustment represents the difference between the value at risk at the 75th percentile and the expected present value of the future cash flows. The Group has assessed the implied confidence level of the combined liability for incurred claims and the Risk Adjustment for its portfolio, which broadly falls within the range of 65% to 75%, thereby supporting the appropriateness of the selected calibration for disclosure purposes. The Group applies the IFRS 17 Premium Allocation Approach (PAA) following an eligibility assessment. Under this approach, a Risk Adjustment for the Liability for Remaining Coverage (LRC) is recognized only where a group of contracts is identified as onerous.

2 Basis of preparation (continued)

2.5 Use of judgements and estimates (continued)

Onerous Contract – loss component

The Group assumes that no contract in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. The Group assesses whether contacts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group shall calculate the difference between:

- The carrying amount of the liability for remaining coverage; and
- The fulfillment cash flow that is related to the remaining coverage of the group.

Measurement of expenses

The Group has defined acquisition expenses as the costs of selling, underwriting and started issuing a group of insurance contracts as per IFRS 17 requirements. The Group has defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts (as opposed to new business in general).

Insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

Under IFRS 17, attributable costs refer to costs that are either fully or partially related to insurance operations. These costs are allocated to the group of insurance contracts level, while non-allocable expenses are recognised directly in the consolidated statement of profit and loss.

The allocation of expenses must be made in a systematic and rational manner that reflects the transfer of services provided by the insurer over the coverage period. All general and management expenses incurred by the Group in a particular year will be allocated to groups of contract cohorts for the same year, based on a systematic and rational basis.

Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

3 Material accounting policy information

The Material accounting policy information applied in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

3.1 Leases

At inception of a contract, the Group assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset of time in exchange for consideration.

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.1 Leases (continued)

(a) As a lessee (continued)

However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located, less any lease incentives received. Subsequently, the right of use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. The Group has applied a judgement to determine the lease term for some lease contracts in which it is a lessee that includes renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Short-term leases and leases of low-value assets

(b) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

3 Material accounting policy information (continued)

3.1 Leases (continued)

(b) As a lessor (continued)

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'income from investment properties'.

3.2 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to profit or loss in the period they are incurred.

Depreciation is calculated so as to write off the cost of property and equipment less their estimated residual values, on a straight-line basis over their expected useful economic lives. The useful lives used for this purpose are:

Assets	Useful lives in years
Building	20
Furniture and fixtures	2 - 4
Motor vehicles	4
Computer equipment	4

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.2 Property and equipment (continued)

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.3 Investment properties

Investment properties which are properties held to earn rentals and / or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at fair value with any change therein recognised in operating income in the consolidated statement of profit or loss. When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. The Company holds investment properties which are disclosed in Note 10.

3.4 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

3 Material accounting policy information (continued)

3.4 Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

3.5 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.6 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent qualified actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (if any, excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in “staff cost” in consolidated statement of profit or loss.

3.7 Defined contribution plan

The Group pays its obligations for UAE citizens into a Social Security and UAE Pension Fund in accordance with the Federal Law No. (57) of 2023 for Pension and Social Security. The Group also has a separate pension scheme for the expatriate employees. The Group’s obligations are limited to these contributions, which are expensed when due.

3.8 Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL, which are initially measured at fair value. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

3 Material accounting policy information (continued)

3.8 Financial assets (continued)

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. In order for a debt instrument to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing debt instruments refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:.

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

(c) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(d) Financial assets at fair value through OCI (debt instruments))

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

3 Material accounting policy information (continued)

3.8 Financial assets (continued)

(e) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group has elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI. The classification is determined on an instrument-by-instrument basis in accordance with IFRS 9.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income / (loss) from investments, net in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify irrevocably its listed equity investments under this category.

(f) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

(g) Other financial assets

Other non-derivative financial assets, such as cash and cash equivalents, statutory deposits, and other receivables are measured at amortised cost using the effective interest method, less any expected credit losses.

(h) Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Term deposits

Term deposits held with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost. Deposits held with banks are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

Al Wathba National Insurance Company PJSC
Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.8 Financial assets (continued)

(j) Impairment of financial assets at amortised cost

The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost, insurance balances receivable, reinsurance receivables, other receivables and bank balances including term deposits. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECL for bank balances, term deposits and debt instruments at amortised cost are determined under the general model using the low credit risk expedient, and therefore recognised a 12-month ECL, as they are held with reputable financial institutions. The Group considers a financial asset to have a low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

The Group always recognises lifetime ECL for insurance, reinsurance and other receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument.

(k) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3 Material accounting policy information (continued)

3.8 Financial assets (continued)

(l) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of insurance and reinsurance balances receivable, when the amounts are long past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

(m) Measurement and recognition of expected credit losses:

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. There is no discounting effect on the insurance and reinsurance balances receivable as these are interest free and have a lifetime of less than one year.

(n) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

(o) Dividend distribution

Dividend distribution to the Group's Shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.8 Financial assets (continued)

(p) Dividend income

Dividend income is recognised when the Group's right to receive the payment has been established.

(q) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

3.9 Foreign currencies

For the purpose of these consolidated financial statements, UAE Dirhams (AED) is the functional and the presentation currency of the Group. Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the consolidated statement of profit or loss in the period in which they arise.

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts

(a) Definition and classification

The Group issues contracts that transfer only insurance risks. The Group does not issue contracts that transfer only financial risks or both insurance and financial risks.

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights, and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Group uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in the consolidated financial statements apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

The Group does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features.

(b) Unit of account

The Group manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment. The Group does not hold any participating product lines.

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts (continued)

(b) Unit of account (continued)

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of: (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Group tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently. The Group does not hold any reinsurance contracts with embedded derivatives or those with investment components.

The Group applies IFRS 17 to all remaining components of the contract. The Group does not have any contracts that require further separation or combination of insurance contracts.

(c) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Group determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
  - i. the beginning of the coverage period of the group; and
  - ii. the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts (continued)

(c) Recognition and derecognition (continued)

Accounting for contract modification and derecognition

An insurance contract is derecognised when it is:

- extinguished (that is, when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- the contract is modified and additional criteria discussed below are met.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Group derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

a) if the modified terms had been included at contract inception and the Group would have concluded that the modified contract:
   i. is not within the scope of IFRS 17;
   ii. results in different separable components;
   iii. results in a different contract boundary; or
   iv. belongs to a different group of contracts;
b) the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, component separation requirements and contract aggregation requirements.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

a) if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;
b) if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party; or
c) if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(d) Measurement

Fulfilment cash flows ("FCF") within contract boundary

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Group expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

Al Wathba National Insurance Company PJSC
Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts (continued)

(d) Measurement (continued)

Fulfilment cash flows ("FCF") within contract boundary (continued)

The estimates of future cash flows:

a) are based on a probability-weighted mean of the full range of possible outcomes;
b) are determined from the perspective of the Group, provided that the estimates are consistent with observable market prices for market variables; and
c) reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation which are disclosed under Note 2.5.

Risk of the Group's non-performance is not included in the measurement of groups of insurance contracts issued. In the measurement of reinsurance contracts held, the probability-weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Group estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

Contract boundary

The Group uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

a) the Group has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b) both of the following criteria are satisfied:
   i. the Group has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts (continued)

(d) Measurement (continued)

Contract boundary (continued)

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

The contract boundary is reassessed at each reporting date and, therefore, may change over time. Judgement might be required to assess the Group's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

The excess of loss reinsurance contracts held provides coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held. Some of these contracts might include mandatory or voluntary reinstatement reinsurance premiums, which are guaranteed per the contractual arrangements and are thus within the respective reinsurance contracts' boundaries.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

Insurance acquisition cost

The Group defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

a) to that group; and
b) to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Group to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in Note 2.5.

Al Wathba National Insurance Company PJSC
Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts (continued)

(e) Net income (expenses) from reinsurance contracts held

The Group presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

a) reinsurance expenses;
b) for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
c) incurred claims recovery, excluding investment components reduced by loss-recovery component allocations (if any);
d) other incurred directly attributable expenses;
e) changes that relate to past service – changes in the FCF relating to incurred claims recovery;
f) effect of changes in the risk of reinsurers' non-performance; and
g) income on initial recognition of onerous underlying contracts;

Reinsurance expenses are recognised similarly to insurance revenue. The amount of reinsurance expenses recognised in the reporting period depicts the transfer of received insurance contract services at an amount that reflects the portion of ceding premiums that the Group expects to pay in exchange for those services. Additionally, for reinsurance contracts held measured under the PAA, broker fees are included in reinsurance expenses.

For groups of reinsurance contracts held measured under the PAA, the Group recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts. Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

a) the effect of the time value of money and changes in the time value of money; and
b) the effect of financial risk and changes in financial risk.

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:

a) interest accreted on the LIC; and
b) the effect of changes in interest rates and other financial assumptions.

The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.

3 Material accounting policy information (continued)

3.10 Insurance and reinsurance contracts (continued)

(f) Measurement approach

The Group applies the premium allocation approach (PAA) to simplify the measurement of contracts for all groups. When measuring liabilities for remaining coverage, the PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Contracts written by the Group that have a coverage period of one year or less are automatically eligible for the PAA. The Group does write some contracts that have a coverage period exceeding one year and which are not automatically eligible. These are the Property, Casualty and Engineering portfolios and their related reinsurance contracts / treaties. For all the groups of contracts within the portfolio, the LRC measured under the PAA and the general measurement model (GMM) were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Group has found that for all these contracts, the PAA provided a reasonable approximation of the GMM and were thus eligible for measurement under the PAA.

In addition to the contracts with coverage of less than one year, the PAA can be used for measurement of groups of contracts where the entity reasonably expects that such a simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced by applying the GMM or VFA.

Insurance revenue and insurance service expenses are recognised in the consolidated statement of profit or loss based on the concept of services provided during the period. The standard requires losses to be recognised immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise.

(g) Onerous Contract – loss component

A contract measured using the PAA is onerous if the fulfillment cash flow exceeds the PAA liability for remaining coverage. The Group will therefore use a combined ratio as a proxy for fulfillment cash flows, determined on the following basis (to ensure consistency with fulfillment cash flows):

- Based on expected claims and expenses rather than incurred amounts;
- Includes the impact of the time value of money at locked-in rates;
- Includes an allowance for risk adjustment;
- Includes an allowance for directly attributable expenses (which includes a portion of overheads) as required by IFRS 17; and
- Is calculated at the most granular segmentation for which such assessments are available, which is currently at the group of contract level.

The key indicator that the Group will use for the purpose of this assessment is the forward-looking combined ratio derived as per the above points. Should this ratio exceed 100% for a given segment, this group shall be classified as onerous.

3.11 Insurance revenue and insurance service expenses

As the Group provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Group expects to be entitled to in exchange for those services.

3 Material accounting policy information (continued)

3.11 Insurance revenue and insurance service expenses (continued)

Expected premium receipts are allocated to insurance revenue based on the passage of time over the coverage period of a group of contracts with the exception of Engineering (all risk) and Construction (all risk) contracts where revenue is recognised using an increasing risk pattern and Marine Cargo where it is assumed that 25% of premium is unearned at the valuation date. IFRS 17 requires losses to be recognised immediately on contracts that are expected to be onerous.

Insurance service expenses include incurred claims and benefits, other incurred directly attributable expenses, insurance acquisition cash flows amortisation, changes that relate to past service i.e., changes in the fulfilment cash flows ("FCF") relating to the liability for incurred claims ("LIC"), changes that relate to future service (i.e., changes in the FCF that result in onerous contract losses or reversals of those losses) and insurance acquisition cash flows assets impairment.

Amortisation of insurance acquisition cash flows is based on the systematic approach based on the earning patterns of the underlying contracts and follows the same pattern as insurance revenue. Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

3.12 Asset classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and groups of contracts within the scope of IFRS 17 Insurance Contracts, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the consolidated statement of financial position.

4 New and revised IFRS Accounting Standards and interpretations

(a) New and revised IFRS Accounting Standards and interpretations applied in these consolidated financial statements

The following new and revised IFRS Accounting standards, which became effective for annual periods beginning on 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRS Accounting standards has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangement.

New standards or amendments	Effective date
Amendments to IAS 21 – Lack of exchangeability sale or contribution of asset between an investor and its Associates or joint venture	1 January 2025

4 New and revised IFRS Accounting Standards and interpretations (continued)

(b) New and revised IFRS Accounting Standards and interpretations issued but not yet effective and not early adopted

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2026 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these consolidated financial statements.

New standards or amendments

- Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026 (early adoption is available));
- Annual improvements to IFRS – Volume 11 (effective for annual periods beginning on or after 1 January 2026 (early adoption is available));
- IFRS 18 - Presentation and Disclosures in Financial Statements (effective for annual periods beginning on or after 1 January 2027 (early adoption is available)); and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027 (early adoption is available)).

Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026 (early adoption is available))

These amendments change the 'own use' and hedge accounting requirements of IFRS 9 and include targeted disclosure requirements to IFRS 7. These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as the weather). These are described as 'contracts referencing nature-dependent electricity'.

The Group's management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable, and the Group is in the process of assessing the impact on adoption of these new standards, interpretations and amendments on the consolidated financial statements of the Group in the period of initial application.

There are no other relevant applicable new standards and amendments to published standards or IFRIC interpretations that have been issued but are not effective for the first time for the Group's financial year beginning on or after 1 January 2025 that would be expected to have a material impact on these consolidated financial statements.

5 Cash and cash equivalents

	As at 31 December	
	2025	2024
	AED'000	AED'000
Bank balances and cash	**64,265**	73,229
Statutory deposit	**6,000**	6,000
Term deposits	**39,035**	8,895
Less: allowances for expected credit losses	**(39)**	(61)
Total bank balances, deposits and cash	**109,261**	88,063
Less: deposits with original maturity of three months or more	**(28,870)**	(3,902)
Less: statutory deposits	**(6,000)**	(6,000)
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	**74,391**	78,161

5 Cash and cash equivalents (continued)

Geographical concentration of cash and cash equivalents, statutory deposits and deposits with original maturities of three months or more is as follows:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Within UAE	**109,261**	88,063

Deposits are held with financial institutions in UAE, with an original maturity period of one to twelve months from the date of placement. Interest is receivable at annual rates ranging from 0.15% to 3.45% per annum *(31 December 2024: 3.75% to 3.95% per annum).*

In accordance with the requirements of UAE Federal Decree Law No. (6) of 2025, the Group maintains a bank deposit of AED 6,000 thousand which is held against a bank guarantee issued in favor of the CBUAE (note 24) *(31 December 2024: AED 6,000 thousand which is held against a bank guarantee issued in favor of the CBUAE)* which cannot be utilised without the consent of the Central Bank of UAE.

6 Financial assets at fair value through other comprehensive income

	As at 31 December	
	2025	2024
	AED'000	AED'000
Quoted equity securities	**167,204**	186,110
Unquoted equity securities	**344**	438
	167,548	186,548

The movement in the financial assets at fair value through other comprehensive income (FVOCI) is as follows:

	As at 31 December	
	2025	2024
	AED'000	AED'000
At beginning of the year	**186,548**	362,182
Additions	**-**	1,818
Disposals	**-**	(141,878)
Change in fair value	**(19,000)**	(35,574)
Balance at end of the year	**167,548**	186,548

The geographical distribution of financial assets at FVOCI is as follows:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Within UAE	**165,688**	186,336
Outside UAE	**1,860**	212
	167,548	186,548

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

7 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of quoted equity investments and Tier 1 capital certificates in local securities. The movement in financial assets at fair value through profit or loss is as follows:

	As at 31 December	
	2025	2024
	AED'000	AED'000
At beginning of the year (Note 29(d))	**646,102**	561,774
Additions	**6,534**	212,405
Disposals	**(35,890)**	(99,621)
Change in fair value (note 19)	**38,280**	(28,456)
Balance at end of the year	**655,026**	646,102

8 Asset classified as held for sale

	As at 31 December	
	2025	2024
	AED'000	AED'000
Non-current asset held for sale		
Investment property (Note 10)	**17,400**	-

During the year, one villa situated in Dubai was reclassified from investment properties to assets classified as held for sale following management's commitment to a plan to dispose of the property. The fair value of this property is estimated by an external RICS certified appraiser at AED 17,400 thousand *(31 December 2024: AED 15,250 thousand).* The sale is considered highly probable and was completed subsequent to 31 December 2025.

9 Prepayments and other receivables

	As at 31 December	
	2025	2024
	AED'000	AED'000
Prepayments	**4,719**	3,070
Accrued income	**126**	106
Other receivables (i)	**5,516**	4,427
	10,361	7,603

(i) Based on the assessment performed by management under IFRS 9, the expected credit loss is considered immaterial for the years ended 31 December 2025 and 2024.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

10 Investment properties

	Investment property under development AED'000	**Buildings AED'000**	**Total AED'000**
At 1 January 2025	**283,900**	**299,315**	**583,215**
Additions during the year	**72,871**	**-**	**72,871**
Assets classified as held for sale (Note 8)	**-**	**(17,400)**	**(17,400)**
Disposal	**-**	**(15,750)**	**(15,750)**
Changes in fair value	**19,604**	**19,308**	**38,912**
31 December 2025	**376,375**	**285,473**	**661,848**
At 1 January 2024	121,630	299,559	421,189
Additions during the year	85,080	-	85,080
Changes in fair value	77,190	(244)	76,946
31 December 2024	283,900	299,315	583,215

Investment property under development includes land and building under construction located in Barsha Heights, Dubai. The freehold land in Dubai was purchased in 2004. Additions during the year include the construction cost incurred for the building. As at 31 December 2025, the fair value of the property was estimated by an external RICS certified appraiser at AED 376,375 thousand (31 December 2024: AED 283,900 thousand).

Buildings include:

(a) Abu Dhabi Head Office building

This property is located in Abu Dhabi, and part of the building is available for letting to third parties. The fair value of this property is estimated by an external RICS certified appraiser at AED 146,950 thousand *(31 December 2024: AED 137,765 thousand).* The property has been pledged as collateral against a term loan with a bank.

(b) Al Jumeirah Island commercial villas

This property consists of three villas in Dubai available for letting to third parties. The fair value of this property is estimated by an external RICS certified appraiser at AED 62,100 thousand *(31 December 2024: with five villas AED 78,100 thousand).* The property has been pledged as collateral against a term loan with a bank.

(c) Al Nakheel flat

This property is located at Al Nakheel building, The Greens Dubai, and is available for letting to third parties. The fair value of this property is estimated by an external RICS certified appraiser at AED *2,500* thousand *(31 December 2024: AED 2,100 thousand).*

(d) New York residential condominium units

Three condominium units, being unit numbers 11D, 14A and 14B located in New York, United States of America. The fair value of these properties are estimated by an external RICS certified appraiser at AED 35,623 thousand *(31 December 2024: AED 45,888 thousand).*

10 Investment properties (continued)

(e) Marina Sunset Bay Villa

The Group acquired a Villa Located in Marina Sunset Bay in Abu Dhabi which is available for letting to third parties. The fair value of this property is estimated by an external RICS certified appraiser at AED 17,300 thousand *(31 December 2024: AED 16,500 thousand).*

(f) Two tower flats, Dubai

The Group acquired 12 residential apartments situated within Tecom Two Towers, Barsha Heights (Tecom), Dubai during 2023 which is available for letting to third parties. The fair value of this property is estimated by an external RICS certified appraiser at AED 21,000 thousand *(31 December 2024: AED 18,962 thousand).*

11 Investment in associates

Details of the Group's associates as of 31 December are as follows:

			As at 31 December	
			2025	2024
Name of the associate	**Principal activities**	**Place of incorporation**	**Ownership interest %**	Ownership interest %
UR International Insurance	Insurance business	Iraq	**40.00%**	40.00%
Hily Holding PJSC	Import and distribution of food stuff	United Arab Emirates	**22.82%**	22.82%

The movement in investment in associates during the year is as follows:

	As at 31 December	
	2025	2024
	AED'000	AED'000
At 1 January	**142,569**	145,005
Share of profit for the year	**8,784**	6,112
Share of other comprehensive income / (loss) of associates	**4,227**	(317)
Less: impairment charged for the year	**(20,009)**	(8,000)
Less: cash dividend received	**(251)**	(231)
At 31 December	**135,320**	142,569

11 Investment in associates (continued)

Details of material associates	**Hily Holding* PJSC AED'000**	**UR International Insurance AED'000**	**Total AED'000**
As at 31 December 2025			
Statement of financial position			
Current assets			
- cash and cash equivalents	**45,498**	**8,550**	**54,048**
- others	**256,565**	**20,649**	**277,214**
Non-Current assets	**833,974**	**10,450**	**844,424**
Current liabilities	**(256,983)**	**(22,674)**	**(279,657)**
Non-current liabilities	**(193,080)**	**-**	**(193,080)**
Net assets of the associates	**685,974**	**16,975**	**702,949**
Proportion of the Group's ownership interest	**22.82%**	**40%**	**-**
Group's share of associates' net assets	**156,539**	**6,790**	**163,329**
Other impairment adjustment (i)	**(28,009)**	**-**	**(28,009)**
Carrying amount of associates	**128,530**	**6,790**	**135,320**

	Hily Holding* PJSC AED'000	**UR International Insurance AED'000**	**Total AED'000**
For the year ended 31 December 2025			
Statement of profit or loss			
Revenue	**119,839**	**10,963**	**130,802**
Expenses - net	**(85,937)**	**(9,799)**	**(95,736)**
Depreciation and amortisation	**(4,400)**	**(297)**	**(4,697)**
Net finance cost	**(34,843)**	**(171)**	**(35,014)**
Share of profit of associates	**40,117**	**-**	**40,117**
Income tax expenses	**3,395**	**(324)**	**3,071**
Profit for the year	**38,171**	**372**	**38,543**
Other comprehensive income	**18,523**	**-**	**18,523**
Total comprehensive income	**56,694**	**372**	**57,066**
Group's share of associates' total comprehensive income for the year	**12,938**	**65**	**13,003**

* *The fair value of investment in associate was AED 68.46 million as of 31 December 2025. The market price per share of this associate was AED 2.50 as of 31 December 2025.*

(i) During the year, the Group has assessed its investment in associates for indicators of impairment. The determination of whether the investment in associate is impaired entails management's evaluation of the net asset value (including the application of relevant discounts) with the carrying value of the investment. The impairment charge from investment in associate is recognised in the consolidated statement of profit or loss. The Group has recognised impairment adjustment of AED'000 20,009 for the year ended 31 December 2025.

11 Investment in associates (continued)

Details of material associates	Hily Holding* PJSC AED'000	UR International Insurance AED'000	Total AED'000
As at 31 December 2024			
Statement of financial position			
Current assets			
- cash and cash equivalents	85,988	3,556	89,544
- others	244,283	17,558	261,841
Non-Current assets	883,428	10,618	894,046
Current liabilities	(326,931)	(14,291)	(341,222)
Non-current liabilities	(257,487)	-	(257,487)
Net assets of the associates	629,281	17,441	646,722
Proportion of the Group's ownership interest	22.82%	40%	-
Group's share of associates' net assets	143,602	6,976	150,578
Other impairment adjustment (i)	(8,009)	-	(8,009)
Carrying amount of associates	135,593	6,976	142,569

	Hily Holding* t PJSC AED'000	UR International Insurance AED'000	Total AED'000
For the year ended 31 December 2024			
Statement of profit or loss			
Revenue	110,990	9,125	120,115
Expenses - net	(53,139)	(7,143)	(60,282)
Depreciation and amortisation	(3,449)	(272)	(3,721)
Interest expenses	(31,327)	(209)	(31,536)
Income tax expenses	1,903	(251)	1,652
Profit for the year	24,978	1,250	26,228
Other comprehensive loss	(337)	-	(337)
Total comprehensive income	24,641	1,250	25,891
Group's share of associates' total comprehensive income for the year	5,618	177	5,795

* The fair value of investment in associate was AED 64.62 million as of 31 December 2024. The market price per share of this associate was AED 2.36 per share as of 31 December 2024.

(i) During the year, the Group had assessed its investment in associates for indicators of impairment. The determination of whether the investment in associate is impaired entails management's evaluation of the net asset value (including the application of relevant discounts) with the carrying value of the investment. The impairment charge from investment in associate is recognised in the consolidated statement of profit or loss. The Group has recognised an impairment adjustment of AED'000 8,000 for the year ended 31 December 2024.

12 Property and equipment

	Building AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Computer equipment AED'000	Total AED'000
Cost					
1 January 2024	4,741	3,647	1,927	4,677	14,992
Additions	-	88	22	655	765
Disposals	-	-	(369)	-	(369)
At 31 December 2024	4,741	3,735	1,580	5,332	15,388
Additions	-	17	250	858	1125
Disposals	-	-	-	-	-
At 31 December 2025	**4,741**	**3,752**	**1,830**	**6,190**	**16,513**
Accumulated depreciation					
1 January 2024	4,108	3,310	726	3,454	11,598
Charge for the year (Note 20)	316	170	308	771	1,565
Disposals	-	-	(307)	-	(307)
At 31 December 2024	4,424	3,480	727	4,225	12,856
Charge for the year (Note 20)	316	**160**	**328**	**599**	**1,403**
Disposals	-	-	-	-	-
At 31 December 2025	**4,740**	**3,640**	**1,055**	**4,824**	**14,259**
Net carrying amount					
At 31 December 2025	**1**	**112**	**775**	**1,366**	**2,254**
At 31 December 2024	317	255	853	1,107	2,532

13 Reserves

(a) Legal reserve

In accordance with the Federal Decree Law No. (32) of 2021, as amended Concerning the Commercial Companies and the Group's Articles of Association, 10% of net profit were to be transferred to a non-distributable legal reserve until the balance of the legal reserve equals 50% of the Group's paid up share capital. Since the legal reserve of the Group is equal to 50% of the paid-up share capital, therefore, there are no further transfers during the years ended 31 December 2025 and 2024. This reserve is not available for any distribution to the shareholders.

(b) Statutory reserve

As required by the Group's Articles of Association, 10% of the profit for the year is required to be transferred to the statutory reserve until the balance of the statutory reserve equals 25% of the Group's paid-up share capital. This reserve is not available for distribution. The Group has resolved to discontinue such annual transfers since the reserve has reached 25% of the paid-up share capital.

13 Reserves (continued)

(c) General reserve

Transfers to and from the general reserve are made at the discretion of the Board of Directors as per the authority granted to them in the Group's Articles of Association. This reserve may be used for such purposes as they deem fit. There is no transfer during the year from retained earnings to general reserve *(31 December 2024: AED Nil).*

(d) Capital reserve

In accordance with the Board of Directors' resolution which was adopted by the Shareholders in their Annual General Meeting held on 19 May 1999, this reserve is earmarked for the settlement of any claims with respect to compensating the previous non-national shareholders of the Group. No payment was made to these shareholders during the year ended 31 December 2025 *(31 December 2024: AED Nil).*

(e) Fair value reserve

The fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI.

(f) Reinsurance risk reserve

In accordance with Article (34) to Central Bank of UAE's Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of UAE shall bind in the preparation of its annual consolidated financial statements and its final accounts to allocate an amount equal to 0.5% (five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Group deals to pay what is due to the Group or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and may not be disposed of without the written approval of the Central Bank of UAE. The decision is effective from 1 December 2020. Accordingly, an amount of AED 5,308 thousand *(31 December 2024: AED 3,237 thousand)* has been recorded in equity as a reinsurance risk reserve as at 31 December 2025.

Movements in the reinsurance risk reserve:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Balance as at the beginning of the year	**3,237**	1,991
Transfer to the reinsurance risk reserve	**2,071**	1,246
Balance at the end of the year	**5,308**	3,237

14 Share capital

	As at 31 December	
	2025	2024
	AED'000	AED'000
Authorised, issued and fully paid		
207,000,000 *(31 December 2024: 207,000,000)* ordinary shares of AED 1 each	**207,000**	207,000

At the Annual General Meeting held on 23 April 2025 the shareholders approved the distribution of cash dividend of AED 0.20 per share amounting to AED 41,400 thousand (31 December 2024: Annual General Meeting held on 23 April 2024, the shareholders approved the distribution of cash dividend of AED 0.25 per share amounting to AED 51,750 thousand). In respect of the current year, the Board of Directors in their meeting held on 13 March 2026 proposed a cash dividend of AED 0.25 per share amounting to AED 51,750 thousand. The cash dividend is subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

15 Borrowings

	As at 31 December	
	2025	2024
	AED'000	AED'000
Term loan 1	**52,962**	70,689
Term loan 2	**75,000**	35,006
	127,962	105,695

The movement in the borrowing facilities of the Group is as follows:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Term loan facilities		
Opening balance	**105,695**	88,541
Add: received during the year	**70,000**	185,000
Add: finance cost incurred during the year	**6,726**	8,147
Repayments made during the year	**(54,459)**	(175,993)
Ending Balance	**127,962**	105,695

Term loan 1

During 2022, the Group obtained a bank loan of AED 100,000 thousand for investment activities. The loan bears interest at three-month EIBOR plus a margin, charged quarterly, and is repayable in twenty-four quarterly instalments from 12 April 2023 to 12 October 2028. The loan is secured by the Group's investment properties, comprising the head office building and three villas. As at 31 December 2025, the outstanding loan balance was AED 52,962 thousand *(31 December 2024: AED 70,689 thousand).* The Group has complied with the financial covenants of its term loan 1 for the years ended 31 December 2024 and 2025.

Term loan 2

During 2023, the Group obtained a revolving credit facility of AED 75,000 thousand to meet short-term funding requirements, bearing interest at three-month EIBOR plus a margin, charged quarterly, and structured as a single bullet repayment at the end of each one-year term. During 2025, AED 70,000 thousand was utilised and AED 30,000 thousand repaid, with the bullet repayment originally due in December 2025 extended to March 2026. The facility is secured against the same investment properties as Term Loan 1, serving as collateral for the Group's combined banking facilities. As at 31 December 2025, the carrying amount, including accrued finance costs, was AED 75,000 thousand (31 December 2024: AED 35,006 thousand). The Group has complied with the financial covenants of its term loan 2 for the years ended 31 December 2024 and 2025.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

15 Borrowings (continued)

Loan covenants
Under the terms of the Group's term loans, the Group is required to comply with specific financial covenants at each quarterly reporting date. As at 31 December 2025, the carrying amounts were AED'000 52,962 (31 December 2024: AED'000 70,689) for Term Loan 1 and AED'000 75,000 (31 December 2024: AED'000 35,006) for Term Loan 2. The covenants applicable to each facility are as follows:

- Term Loan 1 (Total facility limit: AED 100 million): The Group must maintain a tangible net worth of not less than AED 700 million at all times, and the total external debt to equity ratio must not exceed 0.5:1.
- Term Loan 2 (Revolving facility with multiple drawdowns; total available facility limit: AED 75 million): The Group must maintain a tangible net worth of not less than AED 700 million and the total external debt to equity ratio must not exceed 0.5:1.

The Group complied with all financial covenants throughout the years ended 31 December 2025 and 2024. There are no indicators of noncompliance when these covenants will be next tested as at 31 March 2026 interim reporting date.

16 Employees' end of service benefits

The Group provides end-of-service benefits for its eligible employees. An actuarial valuation has been carried out as at 31 December 2025 to ascertain present value of the defined benefit obligation. A registered actuary in the UAE was appointed to evaluate the same. The present value of the defined benefit obligation, and the related current and past service cost, were measured using the Projected Unit Credit Method.

Defined benefit obligation

	As at 31 December	
	2025	2024
	AED'000	AED'000
Present value of defined benefit obligation - opening	**6,138**	5,471
Service cost and net interest cost	**1,419**	774
Benefits paid	**(354)**	(107)
Actuarial loss on the obligation	**872**	-
Balance at 31 December	**8,075**	6,138

The following key assumptions (weighted average rates) were used to value the liabilities

	As at 31 December	
	2025	2024
Discount rate	**4.55%**	4.95%
Salary increase rate (p.a.)	**4.55%**	4.95%

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan. Because of the nature of the benefit, which is a lump sum payable on exit due to any cause, a combined single decrement rate has been used.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

16 Employees' end of service benefits (continued)

Amounts recognised in the consolidated statement of profit or loss:

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
Service cost	**1,133**	774
Net interest cost	**286**	-
Expenses for the year	**1,419**	774

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
Actuarial loss on obligation	**872**	-
Other comprehensive expense for the year	**872**	-

17 Accrued expenses and other payables

	As at 31 December	
	2025	2024
	AED'000	AED'000
Accrued expenses	**25,628**	24,377
Board remuneration	**5,650**	4,100
Other payable	**5,524**	22,043
	36,802	50,520

18 Related parties

Identity of related parties

Related parties comprise major shareholders, associated companies, Directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The Group maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates.

Directors are expected to avoid any action, position or interest that conflict with an interest of the Company. Details of all transactions in which a Director and / or related parties might have actual or potential conflicts are provided to the Board of Directors for their review and approval. When a potential conflict of interest arises, the Directors concerned neither participate in the discussions nor exercise any influence over other members of the Board. If a major shareholder or a Director has any conflict of interests with any matter to be considered by the Board of Directors and the Board of Directors determines that such a matter is significant, the decision thereon by the Board of Directors shall be made in the presence of all directors and in the absence of the interested director's vote.

18 Related parties (continued)

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, being the Directors, chief executive officer and his direct reports.

The Group maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates as follows.

18.1 Related parties as per requirement of local regulations:

Balance with related parties:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Due from policy holders (Directors' affiliates) *(included in insurance contract liabilities)*	**20,522**	35,046
Due to policy holders (Directors' affiliates) *(included in insurance contract liabilities)*	**(8,979)**	(20,103)

During the year, the Group entered into the following transactions with related parties:

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
Insurance revenue from Directors' affiliates	**78,728**	93,050
Insurance service expenses to Directors, affiliates	**(41,833)**	(63,694)

18.2 Related parties as per requirement of IAS 24:

Balance with related parties:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Due from equity accounted investee (i)	**10**	78
Prepaid rent expenses related to Director	**133**	383

(i) Detailed disclosures for investment in equity accounted investee is included in Note 11.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

18 Related parties (continued)

18.2 Related parties as per requirement of IAS 24: (continued)

Balance with related parties: (continued)

During the year, the Group entered into the following transactions with related parties:

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
Insurance revenue from equity accounted investee	**1,583**	483
Insurance expenses from equity accounted investee	**-**	-
Rent expenses related to Director	**(963)**	(459)
Other expenses related to Director	**(4,953)**	(3,096)
Directors' remuneration	**(5,000)**	(4,100)

Remuneration of key management personnel:

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
Short term benefits	**5,005**	3,456
Post employment benefits	**309**	54
	5,314	3,510

The above figures exclude the impact of risk adjustments and discount rate since the Group does not apply these elements at a counterparty level.

19 Other income / (loss) from investments, net

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
Changes in fair value of financial assets carried at fair value through profit or loss, *net* (Note 7)	**38,280**	(28,456)
Gain on disposal of financial assets at fair value through profit or loss, *net*	**14,730**	13,726
Dividend income	**38,207**	33,584
	91,217	18,854

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

20 Other operating expenses

	Expenses attributable to insurance acquisition cash flow* AED'000	Other directly attributable expenses* AED'000	Other operating expenses AED'000
For the year ended 31 December 2025			
Commission expenses	**112,483**	-	-
Staff cost	**15,663**	**13,524**	**12,241**
Depreciation	**-**	-	**1,403**
Fees and licenses	**12,306**	**2,453**	**-**
Maintenance expenses	**2,178**	**2,178**	**4,132**
Other expenses	**21,302**	**974**	**14,965**
Board of directors' remuneration	**-**	**-**	**5,650**
Short term lease expense	**1,321**	**1,321**	-
	165,253	**20,450**	**38,391**
For the year ended 31 December 2024			
Commission expenses	66,611	11,558	-
Staff cost	-	24,222	6,325
Depreciation	-	-	1,565
Fees and licenses	-	3,272	796
Maintenance expenses	-	2,554	1,703
Other expenses	-	8,899	6,375
Board of directors' remuneration	-	-	4,100
Short term lease expense	-	1,056	704
	66,611	51,561	21,568

* Expenses attributed to insurance acquisition cash flows and other directly attributable expenses comprise expenses incurred by the Group in the reporting period that relate directly to the fulfilment of contracts issued within IFRS 17's scope and reinsurance contracts held. These expenses are recognised in the consolidated statement of profit or loss and other comprehensive income based on IFRS 17 measurement requirements. The Group has reclassified certain expenses during the year ended 31 December 2025. These reclassifications had no impact on the reported results of the Group for the year ended 31 December 2024.

21 Earnings per share

Earnings per share are calculated by dividing profit for the year by the weighted average number of ordinary shares outstanding during the year.
The following reflects the income and share data used in the earnings per share computations:

	For the year ended 31 December	
	2025 AED'000	2024 AED'000
Profit for the year	**94,279**	36,799
Ordinary shares outstanding during the year (shares in 000)	**207,000**	207,000
Earnings per share (AED)	**0.46**	0.18

There is no dilution effect to the basic earnings per share.

22 Insurance and reinsurance contract assets and liabilities

22.1 Insurance contracts issued

As at 31 December 2025	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss component AED'000	Loss component - onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Insurance contract liabilities - opening	122,896	6,603	392,088	18,770	540,357
Insurance contract assets - opening	-	-	-	-	-
Net opening balance	122,896	6,603	392,088	18,770	540,357
Insurance revenue	(781,141)	-	-	-	(781,141)
Insurance service expense					
Incurred claims and other directly attributable expenses	-	-	545,241	7,352	552,593
Changes that relate to past service - adjustment to the LIC	-	-	(41,177)	(11,786)	(52,963)
Insurance acquisition cashflow amortisation	130,903				130,903
Losses on onerous contracts and (reversal) of the losses	-	3,696	-	-	3,696
Total insurance service expenses	130,903	3,696	504,064	(4,434)	634,229
Insurance service results	(650,238)	3,696	504,064	(4,434)	(146,912)
Finance expenses from insurance contracts issued	-	-	13,690	661	14,351
Total changes in the consolidated statement of profit or loss and other comprehensive income	(650,238)	3,696	517,754	(3,773)	(132,561)
Cash flows	878,187	-	-	-	878,187
Premiums received	-	-	(490,654)	-	(490,654)
Claims and other directly attributable expenses paid	(165,769)	-	-	-	(165,769)
Insurance acquisition cashflows paid	712,418	-	(490,654)	-	221,764
Total cash inflows / (outflows)					
Insurance contract liabilities - closing	185,076	10,299	419,188	14,997	629,560
Insurance contract assets - closing	-	-	-	-	-
Closing balance - *net*	185,076	10,299	419,188	14,997	629,560

22 Insurance and reinsurance contract assets and liabilities (continued)

22.1 Insurance contracts issued (continued)

	As at 31 December 2024				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component AED'000	Loss component - onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Insurance contract liabilities - opening	81,826	12,553	215,893	10,359	320,631
Insurance contract assets - opening	-	-	-	-	-
Net opening balance	81,826	12,553	215,893	10,359	320,631
Insurance revenue	(376,325)	-	-	-	(376,325)
Insurance service expense:					
Incurred claims and other directly attributable expenses	-	-	471,194	7,707	478,901
Changes that relate to past service - adjustment to the LIC	-	-	(5,510)	704	(4,806)
Insurance acquisition cashflow amortisation	47,149	-	-	-	47,149
Losses on onerous contracts and (reversal) of the losses	-	(5,950)	-	-	(5,950)
Total insurance service expenses	47,149	(5,950)	465,684	8,411	515,294
Insurance service results	(329,176)	(5,950)	465,684	8,411	138,969
Finance expenses from insurance contracts issued	-	-	9,008	-	9,008
Total changes in the consolidated statement of profit or loss and other comprehensive income	(329,176)	(5,950)	474,692	8,411	147,977
Cash flows					
Premiums received	419,859	-	-	-	419,859
Claims and other directly attributable expenses paid	-	-	(298,497)	-	(298,497)
Insurance acquisition cashflows paid	(49,613)	-	-	-	(49,613)
Total cash inflows / (outflows)	370,246	-	(298,497)	-	71,749
Insurance contract liabilities - closing	122,896	6,603	392,088	18,770	540,357
Insurance contract assets - closing	-	-	-	-	-
Closing balance - net	122,896	6,603	392,088	18,770	540,357

22 Insurance and reinsurance contract assets and liabilities (continued)

22.2 Reinsurance contracts held

	As at 31 December 2025				
	Asset for remaining coverage (ARC)		**Asset for incurred claims (AIC)**		
	Excluding loss recovery component AED'000	**Loss recovery component - onerous contracts AED'000**	**Estimates of present value of future cashflows AED'000**	**Risk adjustment for non-financial risk AED'000**	**Total AED'000**
Reinsurance contract liabilities - opening	**1,259**	**-**	**-**	**-**	**1,259**
Reinsurance contract assets - opening	**16,744**	**-**	**(250,066)**	**(14,180)**	**(247,502)**
Net opening balance (Restated refer to note 29(c))	**18,003**	**-**	**(250,066)**	**(14,180)**	**(246,243)**
Allocation of reinsurance premiums paid	**327,769**	**-**	**-**	**-**	**327,769**
Amount recoverable from reinsurers					
Incurred claims recovered and other directly attributable expenses	**-**	**-**	**(220,954)**	**(5,824)**	**(226,778)**
Changes that relate to past service - adjustment to the AIC	**-**	**-**	**19,615**	**8,482**	**28,097**
Losses Recovery on onerous contracts		**(6,911)**	**-**	**-**	**(6,911)**
Effect of changes in the risk of reinsurers' non-performance	**-**	**-**	**715**	**-**	**715**
Total amount recoverable from reinsurers - *net*		**(6,911)**	**(200,624)**	**2,658**	**(204,877)**
Finance income from reinsurance contracts held	**-**	**-**	**(8,691)**	**(499)**	**(9,190)**
Total changes in the consolidated statement of profit or loss and other comprehensive income	**327,769**	**(6,911)**	**(209,315)**	**2,159**	**113,702**
Cash flows					
Premiums ceded paid	**(268,178)**	**-**	**-**	**-**	**(268,178)**
Recoveries from reinsurers	**-**	**-**	**162,490**	**-**	**162,490**
Total cash (outflows) / inflows	**(268,178)**		**162,490**		**(105,688)**
Reinsurance contract liabilities - closing	**-**	**-**	**-**	**-**	**-**
Reinsurance contract assets - closing	**77,594**	**(6,911)**	**(296,891)**	**(12,021)**	**(238,229)**
Closing balance - net	**77,594**	**(6,911)**	**(296,891)**	**(12,021)**	**(238,229)**

212 Insurance and reinsurance contract assets and liabilities (continued)

22.2 Reinsurance contracts held (continued)

	As at 31 December 2024				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss recovery component AED'000	Loss recovery component – onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Reinsurance contract liabilities - opening	-	-	-	-	-
Reinsurance contract assets - opening	35,442	-	(128,710)	(7,175)	(100,443)
Net opening balance (Restated refer to note 29(c))	35,442	-	(128,710)	(7,175)	(100,443)
Allocation of reinsurance premiums paid	138,431	-	-	-	138,431
Recoverable amount from reinsurers					
Incurred claims recovered and other directly attributable expenses	-	-	(272,794)	(5,739)	(278,533)
Changes that relate to past service - adjustment to the AIC	-	-	26,126	(1,266)	24,860
Effect of changes in the risk of reinsurers' non-performance	-	-	385	-	385
Total amount recoverable from reinsurers - net	-	-	(246,283)	(7,005)	(253,288)
Finance income from reinsurance contracts held	-	-	(4,981)	-	(4,981)
Total changes in the consolidated statement of profit or loss and other comprehensive income	138,431	-	(251,264)	(7,005)	(119,838)
Cash flows					
Premiums ceded paid	(155,870)	-	-	-	(155,870)
Recoveries from reinsurers	-	-	129,908	-	129,908
Total cash (outflows) / inflows	(155,870)	-	129,908	-	(25,962)
Reinsurance contract liabilities - closing	1,259	-	-	-	1,259
Reinsurance contract assets - closing	16,744	-	(250,066)	(14,180)	(247,502)
Closing balance – net (Restated refer to note 29(c))	18,003	-	(250,066)	(14,180)	(246,243)

23 Segment information

For management purposes the Group is organised into departments based on the classes of insured risks. The reportable operating segments of the Group are Motor, Health and General Accident Insurance (which comprises of property, fire, engineering, energy, liability, marine cargo and marine hull) and Investments.

Management monitors the underwriting results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on underwriting profit. The following table presents disclosure of segment revenues, measurement of segment profit for the year and their reconciliation to the Group's income and profit for the year.

Balances for segment assets and liabilities as follows:

	As at 31 December 2025				
	Motor AED'000	**Health AED'000**	**General Insurance AED'000**	**Investments AED'000**	**Total AED'000**
Reinsurance contract assets	**9,872**	**73,898**	**154,459**	**-**	**238,229**
Segment assets*	**-**	**-**	**-**	**1,637,142**	**1,637,142**
Unallocated assets	**-**	**-**	**-**	**-**	**171,031**
Total assets	**9,872**	**73,898**	**154,459**	**1,637,142**	**2,046,402**
Insurance contract liabilities	**297,202**	**90,490**	**241,868**	**-**	**629,560**
Segment liabilities*	**-**	**-**	**-**	**127,962**	**127,962**
Unallocated liabilities	**-**	**-**	**-**	**-**	**52,380**
Total liabilities	**297,202**	**90,490**	**241,868**	**127,962**	**809,902**

	As at 31 December 2024 (Audited)				
	Motor AED'000	Health AED'000	General Insurance AED'000	Investments AED'000	Total AED'000
Reinsurance contract assets	44,440	14,189	188,873	-	247,502
Segment assets*	-	-	-	1,558,434	1,558,434
Unallocated assets	-	-	-	-	98,198
Total assets	44,440	14,189	188,873	1,558,434	1,904,134
Insurance contract liabilities	262,497	18,398	259,462	-	540,357
Reinsurance contract liabilities	-	-	1,259	-	1,259
Segment liabilities*	-	-	-	105,695	105,695
Unallocated liabilities	-	-	-	-	59,345
Total liabilities	262,497	18,398	260,721	105,695	706,656

23 Segment information *(continued)*

Balances for insurance and reinsurance revenue and insurance service result are as follows:

	For the year ended 31 December 2025				
	Motor AED'000	**Health AED'000**	**General Insurance AED'000**	**Investments AED'000**	**Total AED'000**
Insurance revenue					
Insurance revenue from contracts measured under PAA	**412,765**	**162,177**	**206,199**	**-**	**781,141**
Total insurance revenue	**412,765**	**162,177**	**206,199**	**-**	**781,141**
Insurance service expenses					
Incurred claim and other directly attributable expenses	**(319,551)**	**(159,488)**	**(73,554)**	**-**	**(552,593)**
Changes that relate to past service - adjustments to the LIC	**21,658**	**(248)**	**31,553**	**-**	**52,963**
Reversal of losses / (losses) on onerous contracts	**5,435**	**(9,131)**	**-**	**-**	**(3,696)**
Insurance acquisition cash flows amortisation	**(73,767)**	**(23,920)**	**(33,216)**	**-**	**(130,903)**
Total Insurance service expenses	**(366,225)**	**(192,787)**	**(75,217)**	**-**	**(634,229)**
Amounts recoverable from reinsurers for incurred claims					
Incurred claims recovered	**46,691**	**124,672**	**55,415**	**-**	**226,778**
Changes that relate to past service - adjustments to AIC	**132**	**210**	**(28,439)**	**-**	**(28,097)**
Losses Recovery on onerous contracts	**-**	**6,911**	**-**		**6,911**
Effect of changes in the risk of reinsurers non-performance	**(274)**	**(41)**	**(400)**	**-**	**(715)**
Total amounts recoverable from reinsurers for incurred claims	**46,549**	**131,752**	**26,576**	**-**	**204,877**
Reinsurance expenses					
Allocation of reinsurance premiums	**(71,046)**	**(109,261)**	**(147,462)**		**(327,769)**
Total net income from reinsurance contracts held	**(24,497)**	**22,491**	**(120,886)**	**-**	**(122,892)**
Total insurance service result	**22,043**	**(8,119)**	**10,096**		**24,020**
Net insurance and reinsurance finance expenses				**(5,161)**	**(5,161)**
Net investment income				**138,234**	**138,234**
Other income				**132**	**132**
Other operating expenses				**(38,391)**	**(38,391)**
Other finance costs				**(6,726)**	**(6,726)**
Share of profit of equity-accounted investees				**8,784**	**8,784**
Impairment loss of equity- accounted investees				**(20,009)**	**(20,009)**
Profit / (loss) for the year	**22,043**	**(8,119)**	**10,096**	**76,863**	**100,883**

23 Segment information *(continued)*

	For the year ended 31 December 2024				
	Motor AED'000	Health AED'000	General Insurance AED'000	Investments AED'000	Total AED'000
Insurance revenue					
Insurance revenue from contracts measured under PAA	217,507	16,047	142,771	-	376,325
Total insurance revenue	217,507	16,047	142,771	-	376,325
Insurance service expenses					
Incurred claim and other directly attributable expenses	(266,178)	(16,259)	(196,464)	-	(478,901)
Changes that relate to past service - adjustments to the LIC	(15,048)	(2,676)	22,530	-	4,806
Losses on onerous contracts	9,620	(3,670)	-	-	5,950
Insurance acquisition cash flows' amortisation	(25,215)	(1,798)	(20,136)	-	(47,149)
Total insurance service expenses	(296,821)	(24,403)	(194,070)	-	(515,294)
Amounts recoverable from reinsurers for incurred claims					
Incurred claims recovered	87,098	15,290	176,145	-	278,533
Changes that relate to past service - adjustments to AIC	(4,794)	28	(20,094)	-	(24,860)
Effect of changes in the risk of reinsurers non-performance	(4)	(1)	(380)	-	(385)
Total amounts recoverable from reinsurers for incurred claims	82,300	15,317	155,671	-	253,288
Reinsurance expenses					
Allocation of reinsurance premiums	(41,265)	(12,127)	(85,039)	-	(138,431)
Total net income from reinsurance contracts held	41,035	3,190	70,632	-	114,857
Total insurance service results	(38,279)	(5,166)	19,333	-	(24,112)
Net insurance and reinsurance finance expenses	-	-	-	(4,027)	(4,027)
Net investment income	-	-	-	97,931	97,931
Other expenses	-	-	-	993	993
Other operating expenses	-	-	-	(21,568)	(21,568)
Other finance costs	-	-	-	(8,147)	(8,147)
Share of profit of equity-accounted investees	-	-	-	6,112	6,112
Impairment loss of equity- accounted investees	-	-	-	(8,000)	(8,000)
(Loss) / profit for the year	(38,279)	(5,166)	19,333	63,294	39,182

24 Risk and capital management

24.1 Governance framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that could hinder the sustainable achievement of the set financial performance objectives, and to ensure insurance benefits are available to policyholders as and when needed. Management recognises the critical importance of having an efficient and effective enterprise risk management framework embedded in the Group. The Group manages its assets and liabilities in an integrated manner to ensure that sufficient funds are available to meet insurance obligations as they fall due.

AWNIC's Audit Committee assists the Board of Directors in discharging its responsibilities with regard to the financial reporting, external audit, internal audit and compliance functions. The responsibility includes, reviewing and monitoring the integrity of annual consolidated financial statements and condensed consolidated interim financial information, corporate governance report, advising on the appointment of external auditors, supervise their independence, reviewing the effectiveness of the external audit process, reviewing the effectiveness of internal audit and compliance functions, review the effectiveness of AWNIC's risk management framework, along with assessment and responses to key business risks, and compliance with the applicable laws and regulations. The Board Risk Committee also oversees Climate-related Financial Risks in compliance with CBUAE Circular No. 8/2025.

The Board has oversight responsibilities for operational risk management in the Group. These responsibilities are exercised through the Board Risk Committee with an established framework of policies and procedures to identify, assess, monitor, control, manage and report risks. The Board Risk Committee employs clear internal policies and procedures to reduce the likelihood of any operational losses. Where appropriate, risk is mitigated by way of insurance. The framework also provides for the interrelation with other risk categories.

24.2 Capital management objectives, policies and approach

The Group has established the following capital management objectives, policies and approach to manage the risks that affect its capital position.

The capital management objectives are:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders;
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders;
- To retain financial flexibility by maintaining strong liquidity;
- To align the profile of assets and liabilities taking account of risks inherent in the business;
- To hold sufficient capital to cover the statutory requirements;
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders; and
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

The operations of the Group are also subject to regulatory requirements within the United Arab Emirates where it operates.

24 Risk and capital management (continued)

24.2 Capital management objectives, policies and approach (continued)

(a) Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders.

The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Group in light of changes in economic conditions and risk characteristics.

The primary source of capital used by the Group is equity funds provided by shareholders and borrowings from commercial banks. The Group has had no significant changes in its policies and processes relating to its capital structure during the past year from previous years.

No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024. Equity comprises share capital, legal reserve, statutory reserve, general reserve, capital reserve, fair value reserve, reinsurance risk reserve and retained earnings, and is measured at AED 1,245,922 thousand as at 31 December 2025 *(31 December 2024: AED 1,197,478 thousand)*.

The Group is subject to local insurance solvency regulations. The Group has incorporated in its policies and procedures the necessary tests to ensure compliance with such regulations.

As per the Federal Decree Law No. (6) of 2025 concerning the Establishment of the Central Bank of UAE and Organisation of the Insurance Operations, the minimum capital requirement is set at AED 100,000 thousand for insurance companies.

The table below summarises the Minimum Capital Requirement of the Group and the total capital held by the Group:

	As at 31 December 2025 AED'000	As at 31 December 2024 AED'000
Total capital held by the Group	**207,000**	207,000
Minimum regulatory capital	**100,000**	100,000

(b) Capital risk management

The Group's objectives when managing capital is to ensure ongoing and future compliance with the insurance capital requirements set by the Federal Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business.

24 Risk and capital management (continued)

24.2 Capital management objectives, policies and approach (continued)

(b) Capital risk management (continued)

In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the Group in addition to its ties. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

In UAE, all insurance companies are required to comply with Financial Regulations for Insurance Companies that came into force on 29 January 2015. The Group is subject to local insurance solvency regulations with which it has complied with during the year ended 31 December 2025 and 2024. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

As per the UAE Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the minimum capital requirement remains at AED 100 million for insurance companies. The Group has complied with the externally imposed capital requirements by the CBUAE. The table below summarises the Minimum Capital Requirement of the Group and the total capital held by the Group.

	As at 31 December	
	2025[(i)]	2024[(i)]
	AED'000	AED'000
Total capital held by the Group	**207,000**	207,000
Minimum regulatory capital for an insurance Group	**100,000**	100,000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**394,278**	334,021
Minimum Guarantee Fund (MGF)	**131,426**	111,340
Own funds		
Basic Own Funds	**680,197**	679,981
MCR Solvency Margin - Surplus	**580,197**	579,981
SCR Solvency Margin - Surplus	**285,920**	345,960
MGF Solvency Margin - Surplus	**548,771**	568,641

(i) This includes the impact of proposed dividend of AED 51,750 (31 December 2024: AED 41,400 thousand). The above figures are not based on any IFRS Accounting Standards and represent the CBUAE reporting requirements for insurance companies in the UAE. The above figures are unaudited.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 Insurance and financial risk

25.1 Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimise the risk of default and insolvency on the part of insurance companies to meet unforeseen liabilities as these arise.

The chairman of the Central Bank of UAE vide Board of Directors' Decision No. (25) of 2014 dated 28 December 2014, issued Financial Regulation for Insurance Companies (FRIC) applicable to insurance companies incorporated in the UAE and the foreign insurance companies licensed to practice the activity in the UAE.

The major highlights of the regulations are summarised in the below table:

Regulation

1) Basis of investing the rights of the policyholders;
2) Solvency margin and minimum guarantee fund;
3) Basis of calculating the technical reserves;
4) Determining the Group's assets that meet the accrued insurance liabilities;
5) Records which the Group shall be obligated to organise and maintain as well as the data and documents that shall be made available to the Central Bank of UAE;
6) Principles of organising accounting books and records of the Group, agents and brokers and determining data to be maintained in these books and records; and
7) Accounting policies to be adopted and the necessary forms needed to be prepared and present reports and consolidated financial statements.

25.2 Insurance risk

The Group accepts insurance risk through its written insurance and reinsurance contracts. The principal risk the Group faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

The above risk exposure is mitigated by diversification across a portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements in use.

Reinsurance contracts do not relieve the Group from its obligations to policyholders. The Group remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements. The reinsurance strategy of the Group is designed to protect exposures to individual risks and events based in current risk exposures through cost effective insurance agreements.

(a) Frequency and severity of claims

The Group manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, line of business and geography. Underwriting limits are in place to enforce appropriate risk selection criteria. The Group underwrites mainly fire and general accident, motor, marine, and medical risks. These are regarded as short-term insurance contracts as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate insurance risk.

The Group writes the following types of insurance contracts:

(i) Property

For property insurance contracts, the main risks are fire and business interruption. These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties, obtaining replacement contents, and the time required to restart operations, which may result in business interruption, are the principal factors influencing the level of claims.

The Group has obtained appropriate reinsurance covers to limit its net exposure to losses arising from both individual claims and natural events involving multiple claims. The reinsurance programme includes proportional and non-proportional arrangements that provide protection on a per-risk basis, while the Group's retention is further protected under a Whole Account Excess of Loss treaty designed to mitigate exposure under adverse scenarios.

(ii) Motor

For motor contracts, the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The level of court awards for deaths and to injured parties and the replacement costs of, and repairs to motor vehicles are the key factors that influence the level of claims. The Group has excess of loss protection to limit losses from individual claims, in addition to a reinsurance treaty arrangement of 65% for high value vehicles.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

(a) Frequency and severity of claims (continued)

(iii) Medical

For medical insurance, the main risks are claims for in-patient which includes the non-excluded cases of medical conditions or bodily injuries requiring hospitalisation and claims for out-patient which includes physician consultation, diagnostic procedures, pharmaceuticals, therapies and minor day care surgery. The Group resumed its medical segment operations in June 2024. To mitigate losses, the policy is supported by multiple quota share treaties under which the retention of Group ranges between 20% to 40%.

(iv) Liabilities and general accidents

For liability and general accident insurance contracts, the main risks arise from claims for bodily injury, property damage, and legal liabilities to third parties. The level of claims is influenced by the frequency of incidents, the severity of injuries or damages, legal costs, and court-awarded compensation. The Group manages these risks through prudent underwriting, policy limits, deductibles, and appropriate reinsurance arrangements to limit exposure to large individual claims or the adverse accumulation of claims arising out of one event where the loss is attributed to the same cause

(v) Engineering

For engineering insurance contracts, the main risks relate to material damage and business interruption arising from construction and erection activities, machinery breakdown, and operational failures. Claims severity is influenced by project size, construction complexity, duration, and replacement or repair costs of insured assets. The Group mitigates these risks through risk-based underwriting, technical assessments, and reinsurance arrangements designed to limit its net exposure to losses whether from individual claims or natural events involving multiple claims.

(vi) Marine

For marine and aviation insurance, the main risks are loss or damage to marine hull, aviation craft and accidents resulting in the total or partial loss of cargos. The underwriting strategy for the marine and aviation class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered. The Group has obtained necessary reinsurance covers to limit its net exposure to losses whether from individual claims or natural events involving multiple claims.

25 Insurance and financial risk (continued)

25.2.1 Concentration of insurance risk

Substantially all of the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purpose. The segmental concentration of insurance risk is set out below.

The reportable operating segments of the Group are Motor, Health and General Insurance (which comprises of property, fire, engineering, energy, liability, marine cargo and marine hull) and Investments.

	2025 AED'000	2024 AED'000
Insurance contract liabilities - net		
Motor	**297,202**	262,497
General insurance	**241,868**	259,462
Health	**90,490**	18,398
	629,560	540,357
Reinsurance contract assets - net		
Motor	**9,872**	44,440
General insurance	**154,459**	187,614
Health	**73,898**	14,189
	238,229	246,243

The contribution by the insurance operations to the profit of the Group amounts to AED 24,020 thousand for the year ended 31 December 2025 *(31 December 2024: AED 24,112 thousand loss for the year)*. The Group does not foresee any major impact from insurance operations due to the following reasons:

The Group has an overall risk retention level of 54% *(31 December 2024: 53%)*, broadly diversified across the portfolio. Retention levels, however, vary by line of business. Motor insurance represents a higher retained segment, while medical insurance is relatively lower retained. However, motor and general insurance lines of business' liabilities are adequately covered by excess of loss reinsurance programs to guard against major financial impact.

46% of the Group's business (*31 December 2024: 44%)* is characterised by low-risk retention. The Group's exposure to high-retention segments, such as motor insurance, remains limited. While motor represents a higher retained line, its performance has improved compared to the prior year, supported by industry-wide pricing increases. In addition, the Group maintains adequate catastrophe protection to cover non-attritional losses. Accordingly, the Group does not anticipate any material adverse financial impact on insurance net profit.

The insurance risk arising from insurance contracts is primarily concentrated in the United Arab Emirates. The geographical concentration of risks is similar to the year ended 31 December 2024.

There were no significant changes in the Group 's objectives, policies and processes for managing risk and the methods used to measure risk compared to the previous year.

Two key elements of the Group's insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed below.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 Insurance and financial risk (continued)

25.2.1 (a) Underwriting strategy

The Group's underwriting strategy is to build balanced portfolios based on a large number of similar risks to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The underwriting strategy is set out by the Group and aims to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The strategy establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Group is prepared to underwrite.

This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio. Generally, all general insurance contracts are annual in nature and the Group has the right to refuse renewal or to change the terms and conditions of the contract at renewal as well as to reject the payment of a fraudulent claim.

Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

Products are reviewed by the business units on an annual basis to confirm, or otherwise, that pricing assumptions remain appropriate. Analysis is performed on earnings and liability movements to understand the source of any material variation in actual results from what was expected. This confirms the appropriateness of assumptions used in underwriting and pricing.

25.2.1 (b) Managing reinsurance risk

In common with other insurance companies, the Group engages in reinsurance agreements with external parties as a standard business practice to reduce financial risks associated with significant insurance claims. These arrangements promote business diversification, enable management to manage exposure to potential losses from major risks, and offer additional room for expansion. The Group primarily utilises treaty, facultative, and excess of loss reinsurance contracts for a substantial portion of its reinsurance needs.
To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

25.2.2 Claims development

25.2.2 (a) Claims development table gross

The following tables show the estimates of cumulative undiscounted account of incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group provides information on the gross and net claims development for the current report period and five years historically and considers that there's no significant uncertainty with regards to the claims that were incurred more than 5 years before the reporting period

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.2 Claims development *(*continued)

25.2.2 (a) Claims development table gross

Accident year	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED'000	Total AED'000
General Insurance Gross:							
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)							
At the end of each accident year	875,925	43,538	74,194	58,491	191,046	66,726	66,726
1 year later	871,007	36,274	59,506	47,617	174,214		174,214
2 years later	520,753	33,845	57,891	50,231			50,231
3 years later	506,890	31,679	56,050				56,050
4 years later	495,245	30,745					30,745
5 years later	495,190						495,190
Cumulative gross claims and other directly attributable expenses paid	(483,115)	(23,141)	(41,049)	(28,727)	(95,221)	(4,873)	(676,126)
Gross cumulative claims liabilities – accident years from 2020 to 2025	12,075	7,604	15,001	21,504	78,993	61,853	197,030
Gross cumulative claims liabilities – prior accident years							-
Effect of discounting							(9,096)
Effect of risk adjustment for non-financial risk							10,140
Others*							21,974
Total gross liabilities for incurred claims – General Insurance							220,048

* Others include gross unallocated loss adjustment expenses reserve and insurance claims payable.

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.2 Claims development *(*continued)

25.2.2 (a) Claims development table gross

Accident year	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED'000	Total AED'000
Motor Gross:							
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)							
At the end of each accident year	1,250,333	134,451	141,600	144,611	241,874	307,214	307,214
1 year later	1,230,275	136,326	149,056	147,129	243,723		243,723
2 years later	1,212,981	143,489	152,313	147,095			147,095
3 years later	1,217,980	144,910	147,362				147,362
4 years later	1,213,006	138,737					138,737
5 years later	1,206,733						1,206,733
Cumulative gross claims and other directly attributable expenses paid	(1,203,486)	(137,296)	(145,458)	(137,284)	(218,115)	(231,468)	2,073,107
Gross cumulative claims liabilities – accident years from 2020 to 2025	3,247	1,441	1,904	9,811	25,608	75,746	117,757
Gross cumulative claims liabilities – prior accident years							-
Effect of discounting							(4,616)
Effect of risk adjustment for non-financial risk							4,112
Others*							28,481
Total gross liabilities for incurred claims – Motor							145,734

* Others include Gross unallocated loss adjustment expenses reserve and insurance claims payable

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.2 Claims development (continued)

25.2.2 (a) Claims development table gross

Accident year	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED'000	Total AED'000
Medical Gross:							
Estimate of ultimate claim costs (gross of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)							
At the end of each accident year	-	-	-	-	17,577	154,853	154,853
1 year later	-	-	-	-	17,698	-	17,698
2 years later	-	-	-	-	-		-
3 years later	-	-	-	-			-
4 years later	-	-	-				-
5 years later	-	-					-
Cumulative gross claims and other directly attributable expenses paid	-				(17,698)	(119,683)	(137,381)
Gross cumulative claims liabilities – accident years from 2020 to 2025	-	-	-	-	-	35,170	35,170
Gross cumulative claims liabilities – prior accident years							-
Effect of discounting							(2,090)
Effect of risk adjustment for non-financial risk							745
Others*							34,578
Total gross liabilities for incurred claims – Medical							68,403

* Others include gross unallocated loss adjustment expenses reserve and insurance claims payable

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.2 Claims development (continued)

25.2.2 (b) Claims development table net

Accident year Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024) AED'000	2025 AED'000	Total AED'000
General Insurance net:							
At end of accident year	82,129	8,480	8,057	7,491	15,488	11,029	11,029
1 year later	78,470	5,900	6,853	6,532	13,578		13,578
2 years later	64,801	5,614	6,870	8,179			8,179
3 years later	64,395	5,513	7,934				7,934
4 years later	61,226	5,143					5,143
5 years later	59,772						59,772
Cumulative net claims and other directly attributable expenses paid	(56,326)	(3,775)	(5,525)	(4,514)	(9,778)	(1,325)	(81,243)
Net cumulative claims liabilities – accident years from 2020 to 2025	3,446	1,368	2,409	3,665	3,800	9,704	24,392
Net cumulative claims liabilities – prior accident years							-
Effect of discounting							(858)
Effect of risk adjustment for non-financial risk							762
Others*							(3,470)
Total net liabilities for incurred claims			-				20,826

* Others include net unallocated loss adjustment expenses reserve, non-performance risks and net (re)insurance claims payable.

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.2 Claims development *(*continued)

25.2.2 (b) Claims development table net

Accident year Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024) AED'000	2025 AED'000	Total AED'000
Motor net:							
At end of accident year	1,049,268	129,014	124,046	109,736	159,928	260,520	260,520
1 year later	1,030,424	129,157	128,023	110,146	159,834		159,834
2 years later	1,014,505	135,177	131,204	108,361			108,361
3 years later	1,015,643	137,218	127,488				127,488
4 years later	1,012,129	131,356					131,356
5 years later	1,006,560						1,006,560
Cumulative net claims and other directly attributable expenses paid	(1,003,327)	(130,803)	(126,173)	(102,319)	(144,218)	(193,591)	(1,700,431)
Net cumulative claims liabilities – accident years from 2020 to 2025	3,233	553	1,315	6,042	15,616	66,929	93,688
Net cumulative claims liabilities – prior accident years							
Effect of discounting							(3,408)
Effect of risk adjustment for non-financial risk							3,246
Others*							24,068
Total net liabilities for incurred claims							117,594

* Others include net unallocated loss adjustment expenses reserve, non-performance risks and net (re)insurance claims payable.

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.2 Claims development *(*continued)

25.2.2 (b) Claims development table net

Accident year Estimate of ultimate claim costs (net of reinsurance, undiscounted, inclusive of other directly attributable expenses related to claims management)	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED'000	Total AED'000
Medical net:							
At end of accident year	-	-	-	-	3,515	30,978	30,978
1 year later	-	-	-	-	3,540		3,540
2 years later	-	-	-	-			
3 years later	-	-	-				
4 years later	-	-					
5 years later	-						
Cumulative net claims and other directly attributable expenses paid	-				(3,540)	(23,942)	(27,482)
Net cumulative claims liabilities – accident years from 2020 to 2025	-	-	-	-	-	7,036	7,036
Net cumulative claims liabilities – prior accident years							-
Effect of discounting							673
Effect of risk adjustment for non-financial risk							(1,032)
Others*							(19,824)
Total net liabilities for incurred claims							(13,147)

* Others include net unallocated loss adjustment expenses reserve, non-performance risks and net (re)insurance claims payable.

25.2.3 Sensitivity of underwriting profit and losses

The underlying risk of any agreed insurance contract is the possibility that the insured event occurs and the level of certainty the insurer can project on any resulting claim. By the nature of an insurance contract, this risk is often random and the amount of payable claims is even more unpredictable. Therefore, the Group applies the principle of probability across all pricing and provisioning. Despite this principle the risk that actual claims payments exceed the estimated amount of the insurance liabilities is still ever present due to the uncertainty of the frequency or severity of claims being greater than estimated.

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.3 Sensitivity of underwriting profit and losses (continued)

The following tables present information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact the insurance liabilities, profit or loss and equity before and after risk mitigation by reinsurance contracts held. These contracts are measured under the PAA and thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

(a) Sensitivity analysis for contracts measured under PAA

	31 December 2025			
	LIC /AIC as at 31 December AED'000	**Impact on LIC/AIC AED'000**	**Impact on profit before income tax AED'000**	**Impact on equity AED'000**
Insurance contract liabilities	**434,185**			
Reinsurance contract assets, *net*	**(308,912)**			
Net insurance contract liabilities	**125,273**			
Discount rate + 0.5%				
Insurance contract liabilities	**432,343**	**(1,842)**	**1,842**	**1,842**
Reinsurance contract asset	**(307,548)**	**1,364**	**(1,364)**	**(1,364)**
Net insurance contract liabilities	**124,795**	**(478)**	**478**	**478**
Discount rate - 0.5%				
Insurance contract liabilities	**436,027**	**1,842**	**(1,842)**	**(1,842)**
Reinsurance contract asset	**(310,276)**	**(1,364)**	**1,364**	**1,364**
Net insurance contract liabilities	**125,751**	**478**	**(478)**	**(478)**
Risk adjustment + 5%				
Insurance contract liabilities	**438,202**	**4,017**	**(4,017)**	**(4,017)**
Reinsurance contract asset	**(312,161)**	**(3,249)**	**3,249**	**3,249**
Net insurance contract liabilities	**126,041**	**768**	**(768)**	**(768)**
Risk adjustment - 5%				
Insurance contract liabilities	**430,615**	**(3,570)**	**3,570**	**3,570**
Reinsurance contract asset	**(306,028)**	**2,884**	**(2,884)**	**(2,884)**
Net insurance contract liabilities	**124,587**	**(686)**	**686**	**686**

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 Insurance and financial risk (continued)

25.2 Insurance risk (continued)

25.2.3 Sensitivity of underwriting profit and losses (continued)

(a) Sensitivity analysis for contracts measured under PAA (continued)

	31 December 2024			
	LIC / AIC as at 31 December AED'000	Impact on LIC / AIC AED'000	Impact on profit before tax AED'000	Impact on equity AED'000
Insurance contract liabilities	410,858			
Reinsurance contract assets	(264,246)			
Net insurance contract liabilities	146,612			
Discount rate + 0.5%				
Insurance contract liabilities	409,222	(1,636)	1,636	1,636
Reinsurance contract asset	(263,190)	1,056	(1,056)	(1,056)
Net insurance contract liabilities	146,032	(580)	580	580
Discount rate - 0.5%				
Insurance contract liabilities	412,494	1,636	(1,636)	(1,636)
Reinsurance contract asset	(265,302)	(1,056)	1,056	1,056
Net insurance contract liabilities	147,192	580	(580)	(580)
Risk adjustment + 5%				
Insurance contract liabilities	415,918	5,060	(5,060)	(5,060)
Reinsurance contract asset	(268,137)	(3,891)	3,891	3,891
Net insurance contract liabilities	147,781	1,169	(1,169)	(1,169)
Risk adjustment - 5%				
Insurance contract liabilities	406,366	(4,492)	4,492	4,492
Reinsurance contract asset	(260,800)	3,446	(3,446)	(3,446)
Net insurance contract liabilities	145,566	(1,046)	1,046	1,046

25 Insurance and financial risk (continued)

25.3 Financial risk

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are credit risk, market risk (which includes equity price risk, interest rate risk and foreign currency exchange risk) and liquidity risk.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Key areas where the Group is exposed to credit risk are:

	As at 31 December	
	2025	2024
	AED'000	AED'000
Reinsurance contract assets	**238,229**	247,502
Other receivables	**5,516**	4,427
Funds at Lloyds	**49,155**	-
Term deposits	**28,870**	3,902
Statutory deposit	**6,000**	6,000
Cash and cash equivalents	**74,391**	78,161
	402,161	339,992

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk for such receivables and liquid funds.

A summary of the Group's exposure to credit risk for cash and cash equivalents, term deposit and statutory deposit are as follows.

	As at 31 December	
	2025	2024
	AED'000	AED'000
Cash and cash equivalents, statutory deposit and term deposits		
(Based on AM best, S&P, Moody's and fitch ratings)		
AA	**33,906**	62,822
A	**114,472**	15,386
BBB	**10,037**	6,023
Unrated	**1**	3,832
Total	**158,416**	88,063

Other financial assets are equity instruments and therefore do not carry external credit ratings; accordingly, they are classified as unrated.

25 Insurance and financial risk (continued)

25.3 Financial risk (continued)

(a) Credit risk (continued)

Management of credit risk

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

There is no significant concentration of credit risk with respect to cash at banks, as the Group holds cash accounts in a number of financial institutions. The credit risk on deposits with term deposit, statutory deposits and cash and cash equivalents is limited because the counterparties are licensed banks with sound financial positions.

Reinsurance is used to manage insurance risk. This, does not however, discharge the Group's liability as the primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholders. The reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year by the Board of Directors and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment.

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. Exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of expected credit losses on insurance receivable and subsequent write-offs. Exposure to individual policy holders and groups of policy holders are collected within the ongoing monitoring of controls.

(b) Market risk

Market risk quantifies the adverse impact due to broad, systemic movements in one or more market risk drivers. Market risk drivers include equity prices, credit spreads, foreign exchange rates and interest rates. The Group limits market risk by maintaining a diversified portfolio, within asset allocation guidelines, and by continuous monitoring of developments in local equity, real estate and debt markets. In addition, the Group actively monitors the key factors that affect market movements, including analysis of the operational and financial performance of investees and properties.

Management of market risk

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Group actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees and properties.

(i) Equity price risk

Equity price risk is the risk that the fair values of equities change as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

25 Insurance and financial risk (continued)

25.3 Financial risk (continued)

(b) Market risk (continued)

(i) Equity price risk (continued)

The following table estimates the sensitivity to a possible change in equity markets on the Group's total comprehensive income for the year, with all other variables held constant. The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.

Market index	**Change in variables**	**Impact on net profit AED'000**	**Impact on other comprehensive income AED'000**
31 December 2025			
Abu Dhabi Securities Exchange	**5%**	**32,090**	**5,522**
Dubai Financial Market	**5%**	**-**	**2,812**
Other Markets	**5%**	**-**	**26**

Market index	Change in variables	Impact on net profit AED'000	Impact on other comprehensive income AED'000
31 December 2024			
Abu Dhabi Securities Exchange	5%	30,969	6,194
Dubai Financial Market	5%	694	3,102
Other Markets	5%	-	9

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Group is not excessively exposed to interest rate risk as its interest sensitive assets are repriced frequently.

Term deposits with banks are carried at fixed interest rates, however these are not subject to fair value interest rate risk, as these have a maximum maturity of 12 months and are frequently repriced.

Sensitivity analysis

At 31 December 2025, if market interest rate had been 100 basis points higher/lower and all the other variables were held constant, the Group's profit for the year before tax would decrease/increase by AED 882 thousand (31 December 2024: AED 89 thousand), as a result of change in the interest rate on term deposits.

At 31 December 2025 and 2024, considering interest rate had been 50 basis points higher/lower and all the other variances were held constant, would not result in a material difference on the Group's profit for the year before tax as a result of change in the interest rate on borrowings.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 Insurance and financial risk (continued)

25.3 Financial risk (continued)

(b) Market risk (continued)

(iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Group's functional currency is the UAE Dirham.

The Group's major transactions in foreign currencies are in US Dollars. As the exchange rates of the UAE Dirham is pegged to the US Dollar, the Group is not subject to significant currency risk.

(c) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. Bank facilities, policyholders and the reinsurers, are the major sources for the Group and the liquidity risk for the Group is assessed to be low. The Group manages the liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profile of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities with maturities determined on the basis of the remaining period from the end of the reporting period to the contractual maturity/repayment date. The LIC for insurance contracts issued and the remaining coverage for reinsurance contracts held measured under the PAA are not included in the tables. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The expected maturity profile of the liabilities at 31 December 2025 and 2024 is as follows:

	0-180 days AED'000	**181-365 days AED'000**	**More than 1 year up to 3 years AED'000**	**Total of undiscounted cashflows AED'000**
As at 31 December 2025				
Borrowings	**86,716**	**9,977**	**36,974**	**133,667**
Board remuneration and other payables	**11,174**	**-**	**-**	**11,174**

	0-180 days AED'000	181-365 days AED'000	More than 1 year up to 3 years AED'000	Total of undiscounted cashflows AED'000
As at 31 December 2024				
Borrowings	11,983	45,760	57,971	115,714
Board remuneration and other payables	26,143	-	-	26,143

25 Insurance and financial risk (continued)

25.3 Financial risk (continued)

(c) Liquidity risk (continued)

Maturity profile for insurance and reinsurance liabilities based on the present value of the future cashflows:

	Up to 1 year AED'000	1 - 2 years AED'000	2 - 3 years AED'000	3 – 4 years AED'000	4 – 5 years AED'000	More than 5 years AED'000	Total AED'000
As at 31 December 2025							
Insurance contract liabilities	**457,983**	**121,467**	**36,203**	**10,291**	**2,450**	**1,166**	**629,560**
Reinsurance contract assets	**131,661**	**73,649**	**24,406**	**6,184**	**1,614**	**715**	**238,229**

	Up to 1 year AED'000	1 - 2 years AED'000	2 - 3 years AED'000	3 – 4 years AED'000	4 – 5 years AED'000	More than 5 years AED'000	Total AED'000
As at 31 December 2024							
Insurance contract liabilities	412,566	87,844	28,310	10,598	933	106	540,357
Reinsurance contract liabilities	1,259	-	-	-	-	-	1,259
Reinsurance contract assets	166,378	56,019	19,029	5,273	733	70	247,502

25.4 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's people, processes and systems, or from external factors (including legal, reputational, cyber and regulatory risks). Operational risks arise from all of the Group's operations.

The Group cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes.

26 Fair value of financial instruments and non-financial assets

Financial instruments comprise of financial assets and financial liabilities.

(a) Valuation models

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Fair value hierarchy

The following table analyses financial instruments measured at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
As at 31 December 2025				
Financial assets				
Financial assets at fair value through profit or loss	**641,797**	**13,229**	**-**	**655,026**
Financial assets at fair value through other comprehensive income	**167,203**	**-**	**345****	**167,548**
Other assets requiring fair value assessment				
Investment properties	**-**	**-**	**661,848**	**661,848**
	809,000	**13,229**	**662,193**	**1,484,422**

26 Fair value of financial instruments and non-financial assets (continued)

(b) Fair value hierarchy (continued)

	Level 1 AED'000	Level 2* AED'000	Level 3 AED'000	Total AED'000
As at 31 December 2024				
Financial assets				
Financial assets at fair value through profit or loss	600,980	45,122	-	646,102
Financial assets at fair value through other comprehensive income	181,079	5,031	438**	186,548
Other assets requiring fair value assessment				
Investment properties	-	-	583,215	583,215
	782,059	50,153	583,653	1,415,865

During the year ended 31 December 2025, certain investments were transferred from Level 2 to Level 1 within the fair value hierarchy as quoted market prices became available on the stock exchange.

FVTPL investments: Financial assets measured at fair value through profit or loss (FVTPL) amounting to AED 34,589 thousand were reclassified from Level 2 to Level 1 due to the availability of observable market trading prices in an active market (there were no transfers between levels of the fair value hierarchy during the year ended 31 December 2024).

FVOCI investments: Financial assets measured at fair value through other comprehensive income (FVOCI) amounting to AED 4,994 thousand were reclassified from Level 2 to Level 1 following the availability of quoted prices in an active market (there were no transfers between levels of the fair value hierarchy during the year ended 31 December 2024).

* These investments are valued using the quoted prices, however, due to inactive market classified under Level 2.

** For Investments under level 3, the fair values are based on Net Assets Values (NAV).

The fair value for the investment properties was determined using either of the following approaches: Income Capitalisation Approach, Sales Comparable Approach and Residual method of valuation. The main assumptions in the Income Capitalisation Approach are the Capitalisation rates ranging from 7% to 8% (31 December 2024: 7% to 9%) and the rental rates.

Rental rates have been obtained based on capitalisation approach, market comparable approach, term and revision approach and tenancy information. In estimating the fair value of the properties, the highest and best use of the properties is considered as their current use.

There has been no change in the valuation techniques used during the years ended 31 December 2025 and 2024. The inputs used in the valuation are not based on observable market data and thus the valuation techniques are considered as Level 3 fair value measurements.

Al Wathba National Insurance Company PJSC

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

26 Fair value of financial instruments and non-financial assets (continued)

(c) Reconciliation of level 3 fair value measurement

Movement in level 3 for financial assets at fair value through other comprehensive income is as follows:

	As at 31 December	
	2025 AED'000	2024 AED'000
Balance as at 1 January	**438**	708
Disposal		-
Change in fair value	**(93)**	(270)
Balance as at 31 December	**345**	438

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

(d) Sensitivity analysis for investments under Level 3

For the fair values of equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Total comprehensive income	
Equity securities	**Increase AED'000**	**Decrease AED'000**
31 December 2025		
Adjusted net asset value (5% movement)	**17**	**(17)**
31 December 2024		
Adjusted net asset value (5% movement)	22	(22)

(e) Fair value of financial instruments that are not measured at fair value (but fair value disclosure is required):

Due to short term nature of cash and cash equivalent, term deposit, other payables and other receivables, their carrying amount is considered to be a reasonable approximation of their fair values.

For statutory deposit and borrowings, their fair values are also not significantly different from their carrying amounts.

27 Commitments and contingencies

(a) Contingent liabilities

At 31 December 2025, the Group had contingent liabilities in respect of outstanding letters of guarantee issued in the normal course of business, amounting to AED 6,505 thousand *(31 December 2024: AED6,505thousand)*. Out of these outstanding letters of guarantee, AED 6,000 thousand is held against a bank guarantee issued in favor of the CBUAE (note 9) *(31 December 2024: AED 6,000 thousand is held against a bank guarantee issued in favor of the CBUAE)*.

In addition, the Group has issued a bank guarantee amounting to GBP 10,000 thousand as part of its Funds at Lloyd's (FAL) requirement on behalf of its corporate member, in favour of "The Society and Council of Lloyd's".

At 31 December 2025, the Group's share in contingent liabilities and commitments in respect of its associates amounted to AED 357 thousand *(31 December 2024: AED 2,435 thousand*) and AED 18,263 thousand *(31 December 2024: AED 1,674 thousand)* respectively.

(b) Legal claims

The Group, commonly with the significant majority of insurers, is subject to litigation in the normal course of the business. Management, based on advice from independent loss adjusters and internal legal counsel, has made a provision of AED 12,470 thousand *(31 December 2024: AED 4,028 thousand)* representing amounts expected to result in a probable outflow of economic resources.

28 Corporate tax

On December 9, 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% applies to taxable income exceeding AED 375,000. A rate of 0% applies to taxable income not exceeding AED 375,000. In December 2024, the UAE's Ministry of Finance issued Cabinet Decision No (142) of 2024 that implements a Domestic Minimum Top-up Tax ("DMTT" or "DMTT Law") in the UAE. The DMTT is effective for financial years starting on or after 1 January 2025. The DMTT applies to Multinational Enterprises ("MNEs") that are within scope of Pillar Two based on the OECD Global Anti-Base Erosion ("GloBE") Model Rules and is imposed in cases where the MNE's effective tax rate ("ETR") in the UAE is below 15%. The DMTT applies to MNEs with global consolidated revenues (in at least two of the preceding four fiscal years) of at least EUR 750m, including MNEs headquartered in and outside the UAE. The Group is not subject to Pillar Two as it does not meet the global consolidated revenue threshold of EUR 750 million.

28 Corporate tax (continued)

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
(a) Amount recognised in the consolidated statement of financial position:		
Deferred tax liability	**(7,503)**	(2,687)
(b) Amount recognised in the consolidated statement of profit or loss		
Current income tax expense:		
Current tax (expenses) / credit	**-**	-
Deferred tax expense:		
Deferred income tax expense relating to origination and reversal of temporary differences	**(7,394)**	(6,988)
Tax loss carries forward	**790**	4,605
Total income tax expenses	**(6,604)**	(2,383)

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
(c) Amount recognised in the consolidated statement of profit or loss and other comprehensive income		
Loss on sale of financial assets at fair value through other comprehensive income, net	**-**	293
Deferred income tax expense relating to origination and reversal of temporary differences	**(1,788)**	11
Total income tax (expenses) / credits	**(1,788)**	304

	For the year ended 31 December	
	2025	2024
	AED'000	AED'000
(d) Reconciliation of taxable income / (loss)		
Profit before tax	**100,883**	39,182
Adjustment for non aggregated financial statements	**11,780**	-
Adjusted profit before tax	**112,663**	39,182
Effect of items that are not considered in determining taxable income-net		
Tax-exempt income	**(55,483)**	(33,803)
Realisation basis adjustments	**(82,153)**	(48,491)
Share of profit of equity accounted investees reported, *net of tax*	**(8,775)**	(6,112)
Participating loss on sale of financial assets	**-**	(21,693)
Non-deductible expenses	**4,713**	2,545
Impairment and other adjustments	**20,251**	20,472
Taxable losses	**(8,784)**	(47,900)

As the Group does not have any taxable income for the years ended 31 December 2025 and 2024, there is no resulting income tax expenses relating to those years.

28 Corporate tax (continued)

(e) Movement in deferred tax balances

	Net balance as at 1 January AED'000	Recognised in profit or loss (see b) AED'000	Recognised in OCI (see c) AED'000	Deferred tax assets AED'000	Deferred tax liabilities AED'000	Net Deferred tax AED'000
As at 31 December 2025						
Investment properties	**(6,925)**	**(4,319)**	**-**	**-**	**(11,244)**	**(11,244)**
Financial assets at fair value through profit or loss	**(63)**	**(3,075)**	**-**	**-**	**(3,138)**	**(3,138)**
Financial assets at fair value through OCI	**(11)**	**-**	**1,710**	**1,699**	**-**	**1,699**
Remeasurement of defined benefit obligations	**-**	**-**	**78**	**78**		**78**
Tax loss carry forward	**4,312**	**790**	**-**	**5,102**	**-**	**5,102**
Tax (liabilities) / assets	**(2,687)**	**(6,604)**	**1,788**	**6,879**	**(14,382)**	**(7,503)**

(f) Movement in deferred tax balances (continued)

	Net balance as at 1 January AED'000	Recognised in profit or loss (see b) AED'000	Recognised in OCI (see c) AED'000	Deferred tax assets AED'000	Deferred tax liabilities AED'000	Net deferred tax AED'000
As at 31December 2024						
Investment properties	-	(6,925)	-	-	(6,925)	(6,925)
Financial assets at fair value through profit or loss	-	(63)	-	-	(63)	(63)
Financial assets at fair value through OCI			(11)	-	(11)	(11)
Tax loss carry forward	-	4,605	(293)	4,312	-	4,312
Tax (liabilities) / assets	-	(2,383)	(304)	4,312	(6,999)	(2,687)

29 Comparative financial information

The change in the comparative information for matters a), b) and e) do not have a material qualitative impact on the consolidated financial statements as a whole, accordingly a third balance sheet is not presented.

a) Reclassification of line items previously included within "Income from investments, net"

In the prior year, the line items interest income from financial assets at amortised cost, changes in fair value of investment properties, net and other investment expenses were presented within "Net investment income / loss" on the face of the consolidated statement of profit or loss.

During the current year, management disaggregated "Interest income from financial assets at amortised cost", "Other income / (loss) from investments, net", "changes in fair value of investment properties, net" and "Other investment expenses" on the face of the consolidated statement of profit or loss instead of presenting them as one line item. This disaggregation provides more relevant and reliable information to the users, by presenting the related income or expense by nature as separate line items.

There is no effect on the consolidated statements of financial position, profit or loss and other comprehensive income, changes in shareholders' equity and cashflows. Further, the above disaggregation does not have any effect on the total assets or net assets of the Group as at 31 December 2024.

Accordingly, the above adjustment is merely a disaggregation of one line item within the income from investments, net and does not have a material qualitative impact on the consolidated statement of profit or loss as a whole.

b) Re-presentation of "Share of profit of equity-accounted investees" and "Impairment loss of equity-accounted investees" after the line item of finance cost

In the prior year, the line items "Share of profit of equity-accounted investees" and "Impairment loss of equity-accounted investees" were presented within the "Other income from investments, net" section on the face of the consolidated statement of profit or loss.

During the current year, management re-presented these line items on the face of the consolidated statement of profit or loss after the finance cost line item. This is because these items do not form part of the investment results, and the new presentation contributes to a clearer understanding of the Group's financial performance to its users in respect of its equity-accounted investees. This re-presentation was done in accordance with IAS 1 requirements.

There is no effect on the consolidated statements of financial position, profit or loss and other comprehensive income, changes in shareholders' equity or cashflows. Further, the above re-presentation, does not have any effect on the total assets and net assets of the Group as at 31 December 2024.

Financial Statement Line Item (extract)	For the year ended 31 December 2024 As previously presented AED'000	Adjustment (a) AED'000	Adjustment (b) AED'000	For the year ended 31 December 2024 As represented AED'000
Changes in fair value of investment properties	-	76,946		76,946
Interest income from financial assets at amortised cost	-	2,229		2,229
Other income / (loss) from investments, net	92,776	(73,922)		18,854
Other investment expenses	-	(5,253)		(5,253)
Net investment income / (loss)	96,043		1,888	97,931

29 Comparative financial information (continued)

c) Presentation of "Reinsurance contract assets" and "Reinsurance contract liabilities"

In the prior year, the line items "Reinsurance contract assets" included Asset for Incurred Claims ("AIC") and "Reinsurance contract liabilities" included Asset for Remaining Coverage ("ARC") that were presented separately on the face of the consolidated statement of financial position. .

During the current year, management reassessed the presentation based on the portfolio of contracts. The presentation of Asset for Remaining Coverage ("ARC") and Asset for Incurred Claims ("AIC") positions was corrected to combine them on a net basis at a portfolio level as either an asset or a liability.

Financial Statement Line Item (extract)	As at 31 December 2024 As previously presented AED'000	Adjustment AED'000	As at 31 December 2024 As represented AED'000
Reinsurance contract assets	(264,246)	16,744	(247,502)
Reinsurance contract liabilities	18,003	(16,744)	1,259

Financial Statement Line Item (extract)	As at 1 January 2024 As previously presented AED'000	Adjustment AED'000	As at 1 January 2024 As represented AED'000
Reinsurance contract assets	(135,885)	35,442	(100,443)
Reinsurance contract liabilities	35,442	(35,442)	-

Cash flows (extract)	For the year ended 31 December 2024 As previously presented AED'000	Adjustment AED'000	For the year ended 31 December 2024 As represented AED'000
Reinsurance contract assets	(128,361)	(18,698)	(147,059)
Reinsurance contract liabilities	(17,439)	18,698	1,259

There is no effect on the consolidated statements of profit or loss, profit or loss and other comprehensive income and changes in shareholders' equity for the year ended 31 December 2024.

d) Reclassification of "financial assets at amortised cost" to "financial assets at fair value through profit or loss"

In the prior year, the line items "financial assets at amortised cost" included Tier 1 capital instruments (sukuks and bonds) previously measured as debt instruments at amortised cost. These Tier 1 sukuks and bonds are equity instruments from the issuers' perspective and therefore do not meet the amortised cost classification criteria under IFRS 9 (Financial Instruments) on initial recognition. As such, management has revised the classification of these instruments and reclassified those instruments within the FSLI "financial assets at fair value through profit or loss" in the consolidated statement of financial position.

29 Comparative financial information (continued)

d) Reclassification of "financial assets at amortised cost" to "financial assets at fair value through profit or loss" (continued)

Financial Statements Line Item (extract)	As at 31 December 2024 As previously presented AED'000	Adjustment AED'000	As at 31 December 2024 As represented AED'000
Financial assets at amortised cost	12,833	(12,833)	-
Financial assets at fair value through profit or loss (FVTPL)	633,269	12,833	646,102

Financial Statements Line Item (extract)	As at 1 January 2024 As previously presented AED'000	Adjustment AED'000	As at 1 January 2024 As represented AED'000
Financial assets at amortised cost	14,098	(14,098)	-
Financial assets at fair value through profit or loss (FVTPL)	548,941	14,098	563,039

There is no material effect on the consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cashflows for the year ended 31 December 2024.

e) Aggregation of "Investment properties" and "Investment properties under development"

In the prior year, the line items "Investment properties" and "Investment properties under development" were presented separately on the face of the consolidated statement of financial position.

During the current year, management aggregated "Investment properties under development" with "Investment properties" on the face of the consolidated statement of financial position instead of presenting them as separate line items. This aggregation provides more relevant and reliable information, as the property under development is aggregated with the related land and presented in the same financial statement line item. The breakdown of "Investment properties" is provided in the Note 10.

There is no effect on the condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cashflows. Further, the above aggregation, does not have any effect on the total assets and net assets of the Group as at 31 December 2024.

Financial Statements Line Item (extract)	As at 31 December 2024 As previously presented AED'000	Adjustment AED'000	As at 31 December 2024 As represented AED'000
Investment properties	457,857	125,358	583,215
Investment property under development	125,358	(125,358)	-

Accordingly, considering the above adjustment is an aggregation of two lines items within total assets, and does not have a material qualitative impact on the consolidated financial statements as a whole, a third balance sheet is not presented.

30 Funds at Lloyds

During the year the Group placed funds with Lloyds in relation to the operations of Cell 27 amounting to AED 49,155 thousand (31 December 2024: Nil) which are restricted with the intention of issuing reinsurance contracts in the future.

31 Social contributions

The social contribution (including donations and charity) made during the year amounted to AED 58 thousand *(31 December 2024: AED 93 thousand)*.

32 Audit fees

The audit and non-audit fee charged during the year amounted to AED 1,031 thousand *(31 December 2024: AED 867 thousand)*.

33 Gross written premiums

In reference to notice CBUAE/BIS/2025/6143 by Central Bank of UAE on reporting requirements, the insurance companies are required to include a disclosure on the details of gross written premiums as per INFO-7 of the eForms.

	Life Insurance AED'000	**Fund Accumulation AED'000**	**Medical Insurance AED'000**	**Property & Liability AED'000**	**All type of Business Combined AED'000**
For the year ended 31 December 2025					
Direct Written Premiums	**-**	**-**	**185,058**	**688,202**	**873,260**
Assumed Business					
Foreign	-	-	-	-	-
Local	**-**	**-**	**-**	**35,578**	**35,578**
Total Assumed Business	**-**	**-**	**-**	**35,578**	**35,578**
Total Gross Written Premium*	**-**	**-**	**185,058**	**723,780**	**908,838**

	Life Insurance AED'000	Fund Accumulation AED'000	Medical Insurance AED'000	Property & Liability AED'000	All type of Business Combined AED'000
For the year ended 31 December 2024					
Direct Written Premiums	-	-	57,501	447,878	505,379
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	-	24,934	24,934
Total Assumed Business	-	-	-	24,934	24,934
Total Gross Written Premium*	-	-	57,501	472,812	530,313

* Gross Written premium is a measure of the total premium that an insurer bills its customers.

34 General

The consolidated financial statements of the Group were approved for issuance by the Board of Directors on 13 March 2026.

35 Subsequent events

Subsequent to the reporting date, the Group completed the sale of one villa located in Dubai, which had been classified as an asset held for sale in accordance with IFRS 5. The transaction does not have a material impact on the consolidated financial position or results of the Group as at 31 December 2025.

Subsequent to the reporting date, geopolitical tensions in the Middle East have increased. Based on the nature of the Company's insurance coverage, war-related risks are generally excluded under the policies issued by the Company. Accordingly, management does not expect the current conflict to have a material impact on the Company's financial position or results of operations.

Except for the matters described above, there have been no other events subsequent to the reporting date that would significantly affect the amounts or disclosures reported in these consolidated financial statements.

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