


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

Date	14/05/2026
Name of the Listed Company	Al Wathba National Insurance Company (PJSC)
The period of the financial statements covered by the report	Q1-2026
Overview of the main results during the financial period	<p>Insurance service results: AED 8.8 M</p> <p>Net Investment Income: AED (20.08) M</p> <p>Net insurance finance income /(expenses): AED (12.3) M</p> <p>(Loss) / profit for the period: AED (15.91) M</p>
Securities issued during the financial period	NA
Summary of the most important non-financial events and developments during the financial period	<p>During the financial period, Al Wathba Insurance demonstrated strong customer service performance. In March 2026, the call center optimized its operations and customer handling efficiency, sustaining a service level of 99% throughout the Quarter, reflecting a proactive approach to ensuring no customer enquiry goes unaddressed. These results underscore the Company's commitment to maintaining accessible, responsive, and high-quality customer service throughout the period, even as the portfolio continued to grow.</p>
Summary of operational performance during the financial period	<p>In 2026-Q1, we achieved an insurance revenue of AED 245 million (2025: AED 164 million) and recorded an insurance service result of AED 8.8 million (2025: AED 7.3 million). We reported a net profit (Loss) (after tax) of AED (15.91) million (2025: AED (16.05) million), reflecting an optimistic forecast for the company's performance in 2026 and a positive outlook for the rest of the year 2026.</p>

	AED Million	Q1-2026	Q1-2025	Var
Summary of profit and loss during the financial period	Net Insurance service result	8,861	7,336	1,525
	Net Investment Income	(20,087)	(19,429)	(658)
	Net Insurance finance income and expenses	(1,072)	(1,976)	904
	Total Income	(12,298)	(11,948)	(350)
	Other Operating income /expenses net	(3,616)	(4,103)	487
	Profit for the period	(15,914)	(16,051)	137
Summary of financial position as at the end of the financial period	<p>Total Deposits & Cash: AED 48.04 M</p> <p>Total Assets: AED 1.96 billion</p> <p>Total Shareholders' Equity: AED 1.22 billion</p>			
Summary of cash flows during the financial period	<p>Net Cash generated from operating Activities: AED 26.33 M</p> <p>Net Cash Used in Investing Activities: AED (2.01) M</p> <p>Net Cash used in Financing Activities: AED (80.81) M</p>			
Main performance indicators	Insurance service ratio 3.63%			
Expectations for the sector and the company's role in these expectations	<p>The Middle East Insurance Review has forecast that the UAE insurance market is likely to maintain double-digit growth in 2026, driven by the UAE's economic growth and increasing expatriate population.</p> <p>Al Wathba Insurance has embraced these heightened expectations as an integral part of its operating philosophy rather than a compliance obligation alone.</p> <p>The Company's governance and compliance framework has been designed and maintained to meet and exceed the evolving standards set by the CBUAE, reflecting a fundamental commitment to financial soundness, ethical market conduct, and the protection of policyholders.</p> <p>As the regulatory perimeter continues to widen and supervisory intensity deepens, Al Wathba Insurance enters this new phase from a position of strength, with the governance structures, risk controls, and institutional discipline required to thrive in the UAE's maturing and increasingly demanding insurance landscape.</p>			
Expectations regarding the economy and its impact on the company and the sector	<p>Looking ahead, UAE real GDP growth is projected to accelerate further to 5.7% in 2026, supported by the gradual lifting of OPEC+ oil production constraints.</p> <p>Al Wathba Insurance is well positioned to capture a disproportionate share of this expanding market. As evidenced by the Q1 2026 financial results, the Company recorded insurance revenue of a year-on-year increase, outpacing the sector's own strong growth rate and reinforcing the Company's track record of exceeding industry benchmarks. This performance reflects the consistent execution of Al Wathba</p>			

	Insurance's growth strategy, disciplined underwriting, and the continued deepening of its market presence across all business segments.
Future for growth and changes in operations in future periods	<p>Al Wathba Insurance enters the next phase of its development from a position of demonstrated momentum and with a clearly defined strategic agenda. The Company's forward-looking priorities Centre on four pillars: accelerated growth across all lines of business, technology-led operational transformation, deepening customer relationships, and full alignment with the evolving regulatory framework.</p> <p>Looking further ahead, the Company's focus on Emiratization alongside its employee capability development program, reflects a commitment to building an organization fit for sustained long-term growth in the UAE's maturing and increasingly sophisticated insurance landscape.</p>
The size and impact of current and projected capital expenditures on the company	Net Capital expenses for the period were AED 66 thousand.
The developments of the implementation of projects, plans and transactions and deals that were discussed by the company's board of directors in the report for the previous fiscal year	<p>During Q1 2026, the Board of Directors provided active oversight and direction across several significant strategic initiatives, operational programs, and commercial transactions that had been deliberated and mandated in prior periods. Following Board direction to future-proof the Company's operational and technological infrastructure. Reinsurance strategy was also actively reviewed, to support the Company's growing motor and electric vehicle book which the Board acknowledged as a potential source of reinsurance capacity.</p>


Shukri Salem Musabab Almheiri
 Chief Executive Officer



