

AL AHLEIA INSURANCE

Al Ahleia Insurance Co. S.A.K.P.

Board of Directors' Report

Submitted to the esteemed shareholders at the convening of the Sixty-Second Ordinary General Assembly at the Company's Headquarter

On Sunday, corresponding to 29 March 2026 at 12:30 PM

Esteemed Shareholders and Investors,

With the conclusion of the financial year ended 31 December 2025, I am pleased to review with you what Al Ahleia Insurance Co. has achieved in terms of progress in its performance and financial results and the strength of its financial position, reflecting its continued commitment to growth and excellence.

The year 2025 carried within it a mixture of challenges and opportunities at both the regional and global levels. Nevertheless, Al Ahleia Insurance maintained a cohesive performance and a strong financial position, supported by underwriting discipline, the conservative management of investments, and the continuous progress in digital transformation and institutional development. This performance adds to the Company's record full of achievements, thereby strengthening the confidence of shareholders and investors in its journey and strategy.

Financial Performance During the Year 2025

Al Ahleia Insurance achieved net profits amounting to KWD 25,183,469, with earnings per share amounting to 108.54 fils, for the financial year ended 31 December 2025, compared to net profits amounting to KWD 22,652,553 in 2024. The total assets of the Company also amounted to KWD 497,165,517 at the end of 2025, compared to KWD 431,971,525 in the previous year.



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This performance reflects the continued implementation of the Company's strategy aimed at:

- Enhancing shareholder value.
- Maintaining strong financial strength and a sound capital base.
- Providing high-quality insurance services.
- Maintaining asset quality and diversifying sources of revenue.

The Company's key financial indicators have remained within comfortable levels, confirming the strength of its business model and its ability to adapt to the various changes in the business environment.

A Milestone in the Growth Journey: "Excellent A" Rating

Credit ratings are among the most important indicators for any insurance company, as they provide an independent assessment of financial strength and the ability to meet obligations under various economic conditions. During 2025, AM Best upgraded the Financial Strength Rating of Al Ahleia Insurance from "A- Excellent" to "A Excellent", in a step that represents a milestone in the Company's development journey. This upgrade reflects the strength of the Company's capital position, the stability and quality of its earnings, and the robustness of its balance sheet, in addition to the efficiency of its risk management framework and the adopted governance practices.

For Al Ahleia Insurance, this rating is not merely a recognition of past performance; it also represents a strategic asset for the future. It contributes to strengthening the confidence of policyholders, brokers, and corporate clients when selecting Al Ahleia as their insurance partner. It also enhances the Company's position in its negotiations with reinsurers and other financial counterparties, supporting its ability to access reinsurance capacity on more competitive terms. Furthermore, the updated rating strengthens the Company's standing with regulatory authorities and business partners and supports its ability to participate more effectively in large and complex projects that require insurance companies with strong credit ratings.



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Looking ahead, maintaining the “A Excellent” rating and building upon it will remain a key priority for the executive management, as it constitutes a fundamental pillar for Al Ahleia Insurance’s ability to achieve sustainable growth, develop new products, support national development projects, and continue creating long-term value for shareholders and stakeholders.

Digital Progress and the Development of Electronic Services

Digital transformation continued to be at the forefront of the Company’s strategic priorities during 2025, as investments in systems, processes, and technological infrastructure continued with the aim of providing more efficient and seamless services to individual and corporate clients. The Company’s objective is not limited to digitizing existing services; it also extends to redesigning operational mechanisms so that speed, accuracy, and ease of use become an integral part of the customer experience at all its stages.

Integration with the Public Authority for Civil Information (PACI) represented one of the most prominent milestones in this path, as this integration contributed to enhancing the accuracy and reliability of customer data and accelerating registration procedures and policy issuance in a more seamless and secure manner. Direct connectivity with a trusted national source has also strengthened verification and security procedures, contributing to reducing manual data entry and the risks of errors, and providing a more consistent digital experience across various channels.

This integration represents a fundamental pillar in the Company’s digital roadmap, as it supports the development of more user-friendly electronic services and contributes to the automation of more internal processes, starting from underwriting, passing through policy administration, and ending with claims procedures. At the same time, the Company continues to evaluate the potential of emerging technologies, including artificial intelligence, within its long-term vision for digital transformation, with a focus on enhancing efficiency, improving the quality of decision-making, and enriching the customer experience within a responsible and disciplined framework. These developments will enable the Company to respond more quickly to customer needs,



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enhance collaboration with partners, and launch new digital products and partnerships in line with market requirements and regulatory developments.

Development of the Internal Structure and Enhancement of Institutional Efficiency

In support of the Company's strategy, Al Ahleia Insurance implemented during 2025 a number of internal restructuring measures aimed at enhancing coordination between departments, clarifying responsibilities and reporting lines, and improving the speed and quality of decision-making and execution. The new structure was designed to align more closely with the Company's digital ambitions and growth plans, ensuring that the organizational framework is consistent with the strategic direction of the business.

These changes were implemented in a studied and gradual manner, with careful attention to maintaining operational stability and safeguarding the interests of clients. Although this initiative is still in the development stages, it lays the foundation for strengthening internal collaboration and building a more integrated operating model, which will in the future contribute to raising efficiency levels and service quality, and enhancing the ability to respond to market changes and regulatory requirements.

The Adopted Approach to Sustainability (Sustainability Report)

The year 2025 witnessed a pivotal step with the Company issuing its first Sustainability Report. From the perspective of the executive management, this report is not merely a new disclosure commitment; rather, it represents the first comprehensive framework that systematically consolidates the Company's efforts in the areas of sustainability, human resources, and governance. The report was the result of joint work that extended for several months between various departments, with the objective of measuring and explaining how the Company creates value, not only through its financial results, but also through the management of its environmental impact, the working environment of its employees, and its approach to managing its business.



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Key Financial Indicators

This report presents in detail the Company's figures and financial results for the financial year 2025. The following is a brief overview of some of the main indicators, which will be presented in full in the financial statements:

First: Insurance Revenues

Total insurance revenues during 2025 amounted to approximately KWD 139,768,984, compared to approximately KWD 132,145,171 in 2024, representing an increase of KWD 7,623,813, with a percentage of 6%. The Company continued to strengthen its approach in managing the insurance portfolio across the various lines of business, with a continued focus on underwriting discipline and taking risk considerations into account.

Second: Kuwait Reinsurance Company (Subsidiary)

Kuwait Reinsurance Company, a subsidiary of the Group, continued its pivotal role in supporting the consolidated results of Al Ahleia insurance Co. The Company achieved net profits of approximately KWD 19,908,594 during 2025, with earnings per share amounting to 64.54 fils, compared to net profits of KWD 14,127,585 in 2024.

Operating revenues also amounted to approximately KWD 102,032,855 in 2025, compared to approximately KWD in the previous year, while shareholders' equity increased to reach KWD 108,755,639 at the end of 2025.

These results confirm the success of the growth strategy adopted by Kuwait Reinsurance Company and the efficiency of its risk management, thereby supporting the diversification and strength of the Group's overall financial position.

Conclusion and Acknowledgment

In conclusion, we extend our sincere appreciation and respect to His Highness the Amir of the State of Kuwait, Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, may Allah preserve and protect him, and to His Highness the Crown Prince, Sheikh Sabah Khaled Al-Hamad Al-



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Sabah. We pray to Almighty Allah to grant them abundant health and well-being and to guide them in leading our nation toward further progress and prosperity.

I would also like to express my gratitude to our shareholders and investors for their trust, and to our clients and partners for their cooperation. I extend special thanks to all employees of Al Ahleia Insurance Co. for their dedication and continuous efforts, as their contributions represent the fundamental pillar behind the achievements realized at the financial, digital, institutional, and sustainability levels.

We look forward to continuing to work together to strengthen the position of Al Ahleia Insurance as a leading, trusted, and sustainable insurance company in the State of Kuwait, thereby contributing to supporting and developing the insurance sector at the regional level.

Peace, mercy, and blessings of Allah be upon you.

(Signed)

Ayman Abdullatif Al-Shaya

Chairman of the Board of Directors



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