فيدلتي المتحدة
Fidelity United
INSURANCE

The Board of Directors' Report – Period ended 31st Dec 2025

On behalf of the Board, I am pleased to present the Directors' Report for the financial year ended December 31, 2025.

I am delighted to announce that Fidelity United has achieved a definitive return to profitability during this period. This turnaround is the direct result of a disciplined strategic overhaul designed to transition the company from a volume-driven approach to a value-centric model.

Insurance revenue for the year ended December 31, 2025, was AED 563 million, compared to AED 607 million in 2024. While this represents a 7% reduction, it is a deliberate outcome of our "Profitability First" approach. By strategically de-risking our portfolio, we reduced exposure in the Commercial and Employee Benefit lines by 15% and 27% respectively. This allowed us to exit underperforming contracts and focus on preferred business segments.

Conversely, our Consumer business segment emerged as a primary growth engine, demonstrating exceptional resilience with a 21% increase over the prior year. This shift ensures a more diversified and sustainable foundation for future expansion.

Our commitment to technical excellence is reflected in the dramatic improvement of our core insurance metrics. Insurance service expenses were reduced by 51%. This rigorous cost management, underwriting discipline and claims optimization led to a 94% improvement in the Insurance Service Result.

The most significant highlight of the year is the total reversal of our bottom-line performance. Fidelity United reported a Net Profit Before Tax of AED 5.3 million, representing a 107% variance compared to the AED 71.8 million loss recorded in 2024.

Key Financial Parameters (in '000)	For the year ended 31 December		Variance
	2025	2024	
Insurance revenue	562,670	606,963	(7%)
Insurance service expenses	(448,681)	(919,446)	51%
Insurance service result	(5,660)	(88,599)	94%
Investment income	16,316	18,461	(12%)
Net profit/(loss) before tax	5,348	(71,817)	107%
Income tax	420	7,413	(94%)
Net profit/(loss) after tax	5,768	(64,404)	109%

Looking Ahead

These results are a testament to the effectiveness of our strategic initiatives and the dedication of our team. Having successfully stabilized the business and restored profitability, we are now positioned to build on this momentum.

Our focus for the coming year will be on selective growth in preferred business segments, digital transformation to enhance the customer experience, and continued underwriting discipline to protect our technical margins. By maintaining this rigorous approach to risk and operational efficiency, we remain committed to strengthening our market position and delivering sustainable, long-term value to our shareholders and stakeholders.

Chairman of the Board
Dated: March 12th, 2026