



# ANNUAL REPORT

# 20 25



**orient**  
orient insurance pjsc



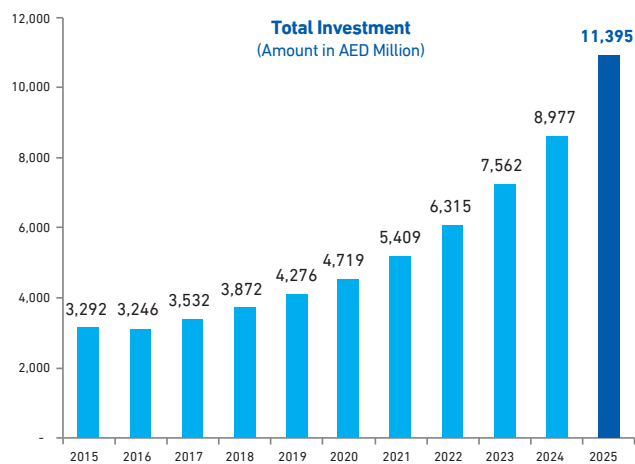
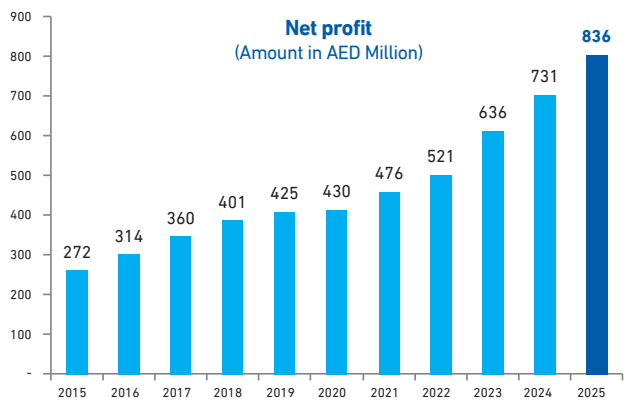
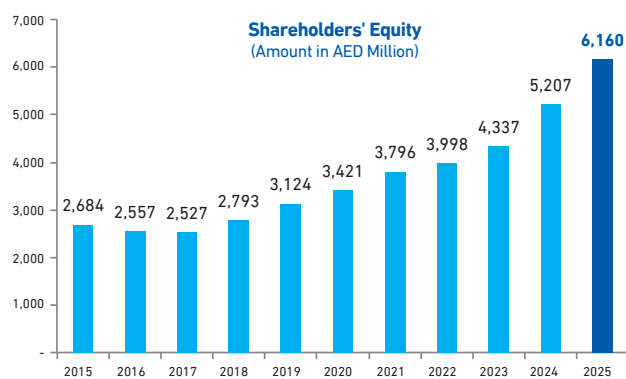
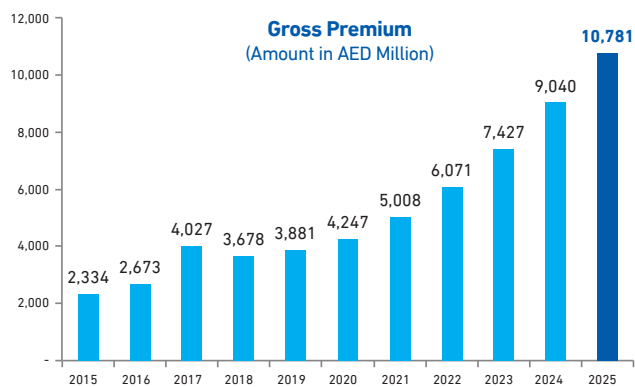


His Highness  
**SHEIKH MOHAMED BIN ZAYED AL NAHYAN**  
President of the United Arab Emirates,  
Ruler of Abu Dhabi



His Highness  
**SHEIKH MOHAMMED BIN RASHID AL MAKTOUM**  
Vice President and Prime Minister  
of the United Arab Emirates, Ruler of Dubai









# CONTENTS

4	Directors
5	Senior Management
6-7	Branches
9-10	Directors' Report
11-14	Auditors' Report
15	Consolidated statement of Financial Position
16	Consolidated Statement of Profit or Loss
17	Consolidated Statement of Comprehensive Income
18-19	Consolidated Statement of Changes in Equity
20	Consolidated Statement of Cash Flows
21-92	Notes to the Consolidated Financial Statements

**Registration No. 14**

Dated 29 December 1984  
Under the provisions of  
Federal Law No [6] of 2007

**Head Office**

Orient building  
Al Badia Business Park  
Dubai Festival City  
P. O. Box 27966, Dubai, UAE  
Tel: [04] 253 1300, Fax: [04] 253 1500

**Auditors**

Ernst & Young Middle East



# DIRECTORS

## BOARD OF DIRECTORS

**Abdulla Hamad Al-Futtaim**

**Chairman**

**Omar Abdulla Al-Futtaim**

**Vice Chairman**

**Mira Omar Abdulla Hamad Al-Futtaim**

**Director**

**Shamsa Ali Abdulla AL Futtaim**

**Director**

**Dr. Abdulla Mohamed Abdulrahman Mohamed Al Karam**

**Director**

**Anthony David Harris**

**Director**

**Chirstopher John Pleasant**

**Director**

## MANAGEMENT

**Omer Elamin**

**President Orient Group**



## SENIOR MANAGEMENT

**Vamshidhar Vanama - MBA, FCII, CPCU, ANZIIF (Fellow) CIP**

**CEO - Technical & Operations - UAE**

**Mohamed Moustafa Abdel Rasoul**

**CEO - International Markets**

**Wissam Khalifeh - F.L.M.I., Diploma in Actuarial Sciences**

**Chief Health Insurance Officer**

**Fadi Awni Al Ahmadi - P.I.C, A.C.I.**

**Chief Marketing Officer**

**Mono Mathew – F.C.A, D. I .S.A**

**Group Chief Finance Officer**

**Rohana Alagiyage – F.C.I.I**

**Chief Technical Officer**

**Aqil Al Lawati – M.B.A , A.C.I.I**

**Country Head - Oman**

**Sivaramakrishnan Sundaram – M. Com, F.I.I.I**

**Country Head – Bahrain**

**Turki Al Shahrani – MSc, ACII, CIP, CBSC, CKPI, PMP®, FCMI, RCA, IGCAP**

**Chief Executive Officer – Orient KSA**



## UNITED ARAB EMIRATES

### 1 JEBEL ALI

Jithin Roy - Vice President

P.O. Box 17292

JAFZA View 19, Ground Floor LB190002, LB190003 & LB190004, Jebel Ali

Tel: (04) 884 7471, Fax: (04) 884 7449

### 2 SHARJAH

Shalabh Gupta - Vice President

P.O. Box 6654, Al Jazeera Bldg 1,

Office 301 & 302, 3rd floor, 702

Al Majaz 3, Al Khan Road, Near Safeer Market or, Buhaira Corniche ,Next to Canal Al Qasba

Behind Hotel Hilton, Sharjah

Tel: (06) 5682045, Fax: (06) 5681334

### 3 ABU DHABI

Munir Abdulghani – Executive Vice President

P.O. Box 37035, Office No. 101,102,103, 202 & 804

First Floor, Business Avenue Tower,

Salam Street, Abu Dhabi

Tel: (02) 6763222, Fax: (02) 6722236

### 4 AL AIN

Samer Husain - Vice President

P.O. Box 18800,

AL Ain, Main Street – Near Clock Signal

Bank Melli Iran Building, M2 Floor MZ203, MZ204

Tel: (03) 7377012, Fax: (03) 7377013

### 5

### RAS AL-KHAIMAH

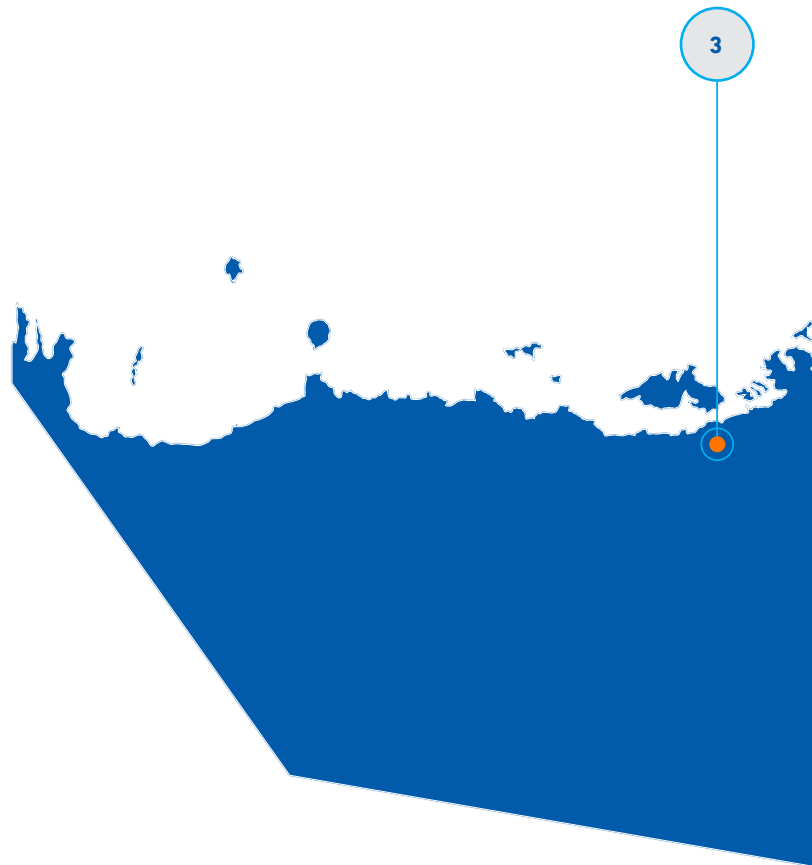
Tariq Al-Shanti - Vice President

P.O Box 33217, Office 204

Al Naeem Twin Tower, Qawasim Corniche

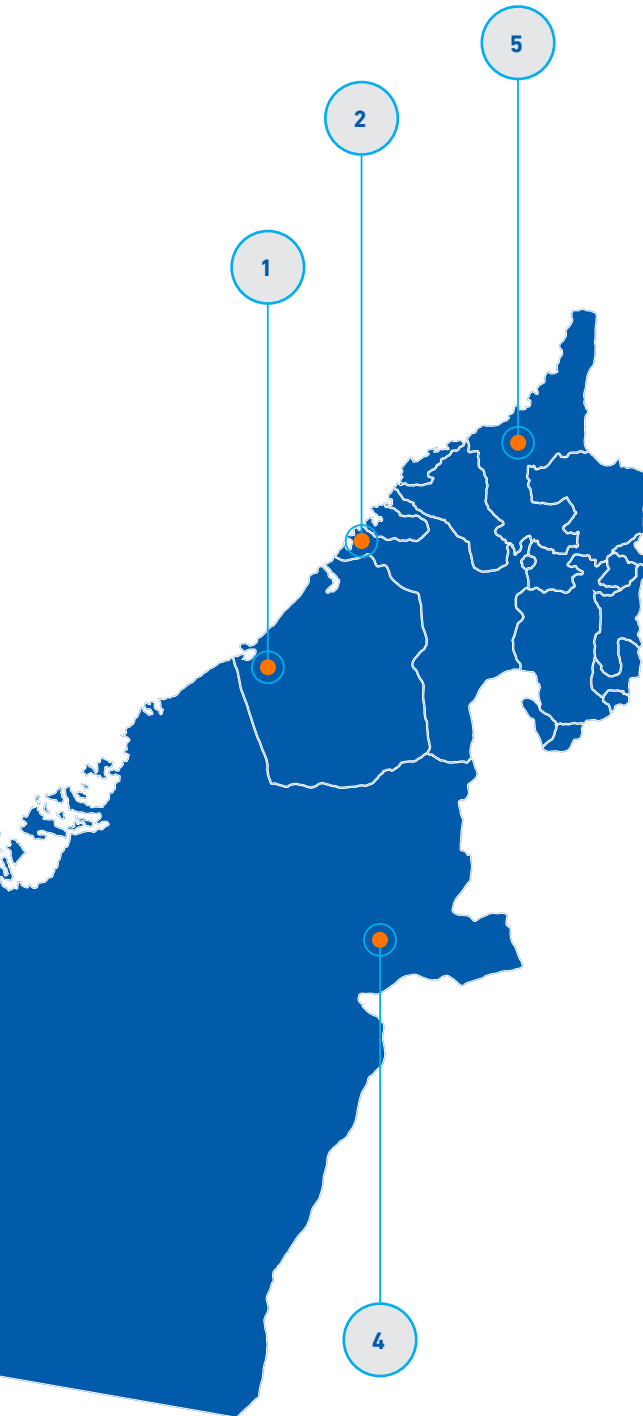
Ras Al-Khaimah

Tel: (07) 2260540, Fax: (07) 2264296





## GCC



### MUSCAT

Aqil Al Lawati - Country Head  
P.O. Box 1534, Postal Code 133-110,  
1<sup>st</sup> Floor, Al Nawras Commercial Center  
Al-Khuwair Service Road  
Muscat - Sultanate of Oman  
Tel: (+968) 24475410, Fax (+968) 24475262

### BAHRAIN

Sivaramakrishnan Sundaram – Country Head  
P.O. Box: 11440,  
Office 503, The Address Tower Bldg 655,  
Road 3614, Block 436, Al Seef  
Kingdom of Bahrain.  
Tel: (+973) 17563999, Fax: (+973) 17563888

### KINGDOM OF SAUDI ARABIA

Turki Al Shahrani - Chief Executive Officer  
P.O. Box: 13311, Al Ghadeer,  
Building No –3366  
Northern Ring Branch,  
Riyadh, Kingdom of Saudi Arabia  
Tel: (+966) 555665077





## INSURANCE MARKET

The past year has been transformative for the UAE, with economic growth driven by diversification beyond the oil sector, significant infrastructure development, strategic investments in AI, and an active real estate construction. This has reaffirmed the UAE's status as a strong economic powerhouse. Capitalizing on this momentum, Orient has made substantial progress in both revenue and profit, while also effectively reducing operational costs due to the substantial premium growth.

The heavy rains and subsequent flooding in April 2024 and the heavy loss originated from it has been left behind us. The loss has led to an increase in motor insurance and property claims, prompting us to reevaluate risk models and coverage strategies. We have adjusted our rates accordingly and as a result we had to let go some underrated risks. Additionally, the implementation of an additional top up corporate income tax impacted our net results.

## ORIENT GROUP PERFORMANCE

Despite these obstacles, Orient's performance was outstanding. We achieved a 19% growth in Gross Written Premiums, surpassing AED 10.8 billion, building on an already impressive base of AED 9 billion. Our net profit increased to AED 836 Million which is an increase of 14% over previous year, and shareholders' equity crossed the AED 6 billion mark, reaching AED 6.16 billion with an 18% increase over the previous year.

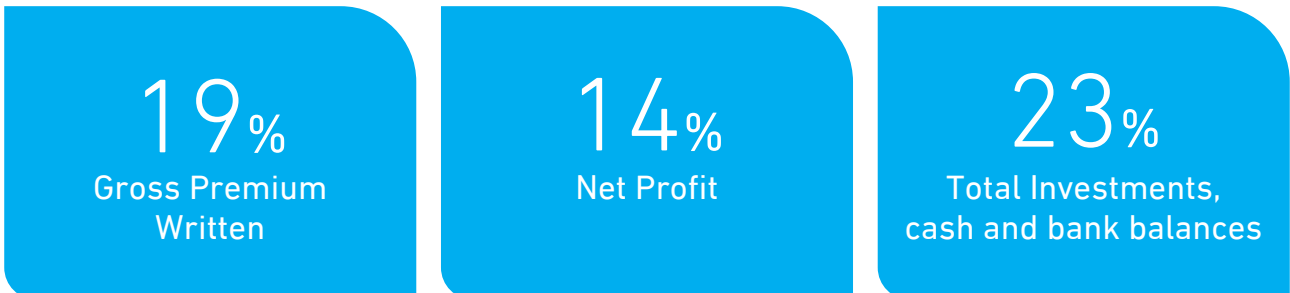
Our Takaful subsidiaries have made exceptional growth in both revenue and profitability, while our other overseas entities maintained good performances. We commenced our operation in KSA in the last quarter of 2025. Our discussions are continuing with the regulator in Australia where significant progress has been made towards launching our Takaful operations. We also have received an initial approval from the Regulator in Kuwait to establish a branch and have submitted the necessary requirements to the regulator and to the Kuwaiti Direct Investment Promotion Authority. These initiatives which marks a significant step forward in our journey towards broader geographical expansion across the GCC and Australia further strengthening Orient's global presence.

## ORIENT INTERACTIVE RATING

We remain the sole company in the region to hold an A+ rating from S&P and an "a+" rating from AM Best, which extends also to our Takaful operations in the UAE, Egypt, and our branches in Saudi Arabia, Oman and Bahrain. This strong rating will also benefit us as we establish our Takaful branch in Australia and expand into new markets.

## OUR REINSURANCE PROGRAM

Our reinsurance program, supported by highly rated reinsurers, provides substantial automatic capacity, enabling us to respond swiftly to market demands. This agility and high-volume capacity are crucial for securing business and will be vital for our operations in all new markets. We greatly appreciate the support and collaboration from QBE and our Reinsurance market partners.





## 2026 OUTLOOK

Looking ahead to 2026, we foresee significant growth opportunities due to increased infrastructure investments, UAE's international trade agreements, and the expansion of the real estate and retail sectors. Orient is well-positioned to capitalize on these opportunities, driving growth in revenue and profit and enhancing customer satisfaction. We are optimistic and enthusiastic about the prospects for 2026.

Moreover having started our digitalization journey, Orient is now incorporating automation through Artificial Intelligence into various aspects of our operations. This includes underwriting, high-speed documentation, claims management, personalized customer experiences, improved risk assessment, fraud detection, operational efficiency, and customer engagement. These initiatives will elevate the customer experience with Orient to an entirely new level.

## FINANCIAL HIGHLIGHTS

Financial Highlights	2025	2024	Growth %
	AED '000	AED '000	
Gross Written Premium	10,780,992	9,040,179	19%
Insurance Revenue	9,225,618	7,596,370	21%
Net Insurance and Investment result	989,477	856,102	16%
Net Profit after tax	836,252	731,223	14%
Total Assets	17,273,983	15,671,267	10%
Shareholders' Equity	6,159,709	5,207,329	18%
Total Investments, Bank Deposits, cash and bank balances	11,986,627	9,711,066	23%

## APPRECIATION

The trust of our business partners continue to support our growth, and we are indeed grateful to our parent company Al Futtaim for their guidance. We also extend our appreciation to our intermediaries, reinsurers, third-party administrators, loss adjusters and all our business partners for making us where we are today. Our sincere appreciation goes to our dedicated staff, whose commitment plays a vital role in the continued growth of Orient.

**Omar Al Futtaim**

Vice Chairman

02 March 2026

# INDEPENDENT AUDITORS' REPORT

## To the Shareholders of Orient Insurance P.J.S.C and Its Subsidiaries



### Report on the audit of the consolidated financial statements

#### OPINION

We have audited the consolidated financial statements of Orient Insurance P.J.S.C and its subsidiaries (together referred as the " Group" ), which comprise the consolidated statement of financial position as at 31 December 2025, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of 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 as issued by the International Accounting Standards Board (IASB).

#### 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 are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA), as applicable to audits of financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of Orient Insurance P.J.S.C and Its Subsidiaries

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities, reinsurance contracts assets, insurance contracts assets, reinsurance contract liabilities.</p> <p>As at 31 December 2025, insurance contract liabilities, reinsurance contract liabilities, insurance contracts assets, reinsurance contracts assets amounted to AED 8,567,544 million, 521,288 million, 55,905 million, 5,049,195 million respectively.</p> <p>The Group adopted the PAA model to value its general insurance and short-term life contracts. The Group adopted the GMM and VFA models to value its long-term life contracts.</p> <p>Misstatement that occurs in relation to valuation of insurance contract liabilities and assets, reinsurance contract liabilities and assets would affect the assets and liabilities under insurance and reinsurance contracts and related income statement accounts.</p> <p>Based on the above factors which involves significant judgements and estimation, this is to be considered as a key audit matter.</p> <p>Valuation of insurance contract liabilities, reinsurance contracts assets, insurance contracts assets, reinsurance contract liabilities specifically the actuarial assumptions and methodology, actuarial modelling and policyholder data as these involve complex and significant judgements about future events (both internal and external) to the business for which small changes can result in a material impact to the resultant valuation.</p>	<p>The work that we performed to address this key audit matter, included the following procedures:</p> <ul style="list-style-type: none"><li>• We obtained an understanding and reviewed the Group's process for determining the key actuarial assumptions and checked their reasonability against external data and industry trends where possible.</li><li>• Performed risk assessment on the assumptions (economic and non-economic) to determine the key assumptions and assessed the reasonableness of management's approach to deriving these assumptions.</li><li>• We engaged our EY actuarial specialists to review the methodology, assumptions and other key inputs and to audit a sample of the actuarial balances.</li><li>• Evaluated the skills, qualifications, and competence of the Group's appointed actuary to assess if actuary's conclusions are sufficient for audit purposes.</li><li>• Challenged the method used by management in deriving the key assumptions and considered the reasonableness of assumptions derived by procedures that may include benchmarking to other market data, assessing the rationale for changes to key assumptions over time.</li><li>• Performed claims testing on incurred claims to supporting documents such as reports from loss adjusters, confirmations obtained from lawyers, reinsurance contracts.</li><li>• Assessed the reasonableness of expense assumptions including management's determination of the split of expenses between qualifying and non-qualifying expenses.</li><li>• Gained an understanding of management's process and governance over model change and tested the design, implementation, and operating effectiveness of key controls over that process.</li><li>• Reviewed management's analysis of changes in the reserves and challenged and tested the rationale given for key changes year on year.</li><li>• Obtained an understanding of management's approach to determining the risk adjustment and considered the reasonableness of the approach and derived risk adjustment.</li><li>• Tested the application of the risk adjustment in management's models.</li><li>• Evaluated the appropriateness of the methodology applied based on facts and circumstances.</li><li>• On a sample basis, developed a point estimate or range based on our understanding of the Group's business, and evaluated the differences between management's point estimate and our point estimate or range.</li></ul>



### Other information

Other information consists of the information included in the Board of Directors' Report and in the Group's 2025 Annual Report, other than the consolidated financial statements and our auditor's report thereon. We obtained the Board of Directors' Report prior to the date of our auditor's report, and we expect to obtain the Group's 2025 Annual Report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, 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.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Group's Articles of Association and the UAE Federal Law No. 32 of 2021, as amended and the UAE Federal Decree Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies and for such internal control as management determines 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, management is 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 management either intends to liquidate the Group or to cease operations, or has 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We are 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 management.
- Conclude on the appropriateness of management's 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 any 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 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

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 Law No. 32 of 2021, we report that for the year ended 31 December 2025:

- i) the Group has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Group's Articles of Association and the UAE Federal Law No. 32 of 2021 as amended;
- iv) the consolidated financial information included in the Directors' report is consistent with the books of account of the Group;
- v) investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 17 to the consolidated financial statements;
- vi) note 22 reflects material related party transactions and the terms under which they were conducted;
- 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 financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended, or of its Articles of Association which would have a material impact on its activities or its financial position; and
- viii) note 35 reflects the social contributions made during the year.

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 information and explanations we considered necessary for the purpose of our audit.

Ernst & Young Middle East (Dubai Branch)

Thodla Hari Gopal  
Registration No.: 689

2 March 2026  
Dubai, United Arab Emirates

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AT 31 December 2025



	Notes	31 December 2025 AED'000	31 December 2024 AED'000
<b>ASSETS</b>			
Property and equipment	8	95,155	89,251
Intangible asset		6,482	4,996
Investments held at amortised cost	9	329,576	254,315
Investments carried at FVOCI	9	3,230,017	2,641,293
Investments carried at FVTPL	9	1,926,925	1,408,759
Insurance contract assets	16	55,905	159,223
Reinsurance contract assets	16	5,049,195	5,598,667
Other receivables and prepayments	12	70,993	99,696
Statutory deposits	10	288,301	148,396
Bank deposits	11	5,499,172	4,491,927
Cash and cash equivalents	11	712,636	766,376
Deferred tax asset	32	9,626	8,368
<b>TOTAL ASSETS</b>		<b>17,273,983</b>	<b>15,671,267</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	500,000	500,000
Statutory reserve	18	125,000	125,000
Legal reserve	18	271,981	250,000
Exceptional loss reserve	18	431,790	388,258
General reserve	18	2,004,121	1,888,255
Fair value investments reserve	18	1,830,094	1,311,534
Foreign currency translation reserve	18	(328,984)	(323,633)
Retained earnings		1,101,639	894,893
Reinsurance risk reserve	18	136,690	103,831
Capital reserve	18	17,910	17,910
Equity attributable to equity holders of the Company		6,090,241	5,156,048
Non-Controlling interests	33	69,468	51,281
<b>Total equity</b>		<b>6,159,709</b>	<b>5,207,329</b>
<b>Liabilities</b>			
Employees' end of service benefits	13	46,755	39,442
Other payables	14	340,999	280,275
Investment contract liabilities	15	1,430,175	1,008,155
Income tax payable	32	103,868	59,786
Deferred tax liability	32	103,645	51,769
<b>Total other liabilities</b>		<b>2,025,442</b>	<b>1,439,427</b>
Insurance contract liabilities	16	8,567,544	8,263,762
Reinsurance contract liabilities	16	521,288	760,749
<b>Total insurance contract liabilities</b>		<b>9,088,832</b>	<b>9,024,511</b>
<b>Total liabilities</b>		<b>11,114,274</b>	<b>10,463,938</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,273,983</b>	<b>15,671,267</b>

The consolidated financial statements were authorised for issue and approved by the Board of Directors on 2 March 2026 and signed on their behalf by:

**ABDULLA HAMAD AL-FUTTAIM**  
Chairman

**OMAR ABDULLA AL-FUTTAIM**  
Vice Chairman



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER

		31 December 2025	31 December 2024
	Notes	AED'000	AED'000
Insurance revenue	23	9,225,618	7,596,370
Insurance service expenses	24	(5,693,007)	(7,338,080)
Net (expenses)/income from reinsurance contracts held	16	(3,016,571)	106,328
<b>INSURANCE SERVICE RESULT</b>		<b>516,040</b>	<b>364,618</b>
Net gain on fair value of ULIP investments (asset)	9.1	256,198	176,825
Change in fair value of investment contract liabilities	15	(187,690)	(89,142)
Interest income on investments not measured under FVTPL		364,942	355,080
Other investment income	26	140,500	157,694
<b>NET INVESTMENT RESULT</b>		<b>573,950</b>	<b>600,457</b>
Insurance finance expense for insurance contracts issued	25	(215,045)	(163,446)
Reinsurance finance income for reinsurance contracts held	25	114,532	54,473
<b>NET INSURANCE FINANCE EXPENSE</b>		<b>(100,513)</b>	<b>(108,973)</b>
<b>NET INSURANCE AND INVESTMENT RESULT</b>		<b>989,477</b>	<b>856,102</b>
Other operating income	27	51,845	28,756
Other operating expenses	28	(106,526)	(87,072)
<b>NET PROFIT BEFORE TAX</b>		<b>934,796</b>	<b>797,786</b>
Income tax for the year	32	(98,160)	(66,563)
Deferred Tax	32	(384)	-
<b>NET PROFIT AFTER TAX</b>		<b>836,252</b>	<b>731,223</b>
Attributable to:			
Shareholders		820,984	710,818
Non-controlling interests	33	15,268	20,405
		<b>836,252</b>	<b>731,223</b>
Basic and diluted earnings per share attributable to			
Equity shareholders of the Company (AED)	19	164.20	142.16

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## AT 31 December 2024



	31 December 2025 AED'000	31 December 2024 AED'000
<b>Net profit after tax</b>	<b>836,252</b>	731,223
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>		
Other comprehensive expense that will be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations	(2,995)	(92,974)
Deferred tax asset on exchange differences on translation of foreign operations	270	8,368
<b>Other comprehensive expense that will be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>(2,725)</b>	(84,606)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods		
Net changes in fair value of investments at fair value through other comprehensive income (FVOCI)	570,168	575,209
Deferred tax liability on unrealized net gain on equity and debt investments designated at FVOCI	(51,315)	(51,769)
<b>Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>518,853</b>	523,440
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>	<b>1,352,380</b>	1,170,057
<b>Attributable to:</b>		
Shareholders	1,334,193	1,166,330
Non-controlling interests	18,187	3,727
	<b>1,352,380</b>	1,170,057

The attached notes 1 to 38 form part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Equity Attributable to equity holders of the Company												
	Share capital AED '000	Statutory reserve AED '000	Legal reserve AED '000	Exceptional loss reserve AED '000	General reserve AED '000	Reinsurance risk reserve AED '000	Fair value investments reserve AED '000	Foreign	Capital reserve AED '000	Retained earnings AED '000	Total AED '000	Non- controlling interests AED '000	Total AED '000
								currency					
								translation reserve AED '000					
As at 1 January 2025	500,000	125,000	250,000	388,258	1,888,255	103,831	1,311,534	(323,633)	17,910	894,893	5,156,048	51,281	5,207,329
Profit for the year	-	-	-	-	-	-	-	-	-	820,984	820,984	15,268	836,252
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	518,560	(5,351)	-	-	513,209	2,919	516,128
Other Changes in Equity	-	-	21,981	43,532	115,866	32,859	-	-	-	(214,238)	-	-	-
Dividends paid (Note 20)	-	-	-	-	-	-	-	-	-	(400,000)	(400,000)	-	(400,000)
<b>Balance as at 31 December 2025</b>	<b>500,000</b>	<b>125,000</b>	<b>271,981</b>	<b>431,790</b>	<b>2,004,121</b>	<b>136,690</b>	<b>1,830,094</b>	<b>(328,984)</b>	<b>17,910</b>	<b>1,101,639</b>	<b>6,090,241</b>	<b>69,468</b>	<b>6,159,709</b>

The attached notes 1 to 38 form part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024



### Equity Attributable to equity holders of the Company

	Share capital	Statutory reserve	Legal reserve	Exceptional loss reserve	General reserve	Reinsurance risk reserve	Fair value investments reserve	Foreign currency translation reserve	Capital reserve	Retained earnings	Total	Non- controlling interests	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
As at 1 January 2024	500,000	125,000	250,000	361,608	1,798,041	73,704	788,100	(255,705)	17,910	631,066	4,289,724	47,556	4,337,280
Profit for the year	-	-	-	-	-	-	-	-	-	710,818	710,818	20,405	731,223
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	523,434	(67,928)	-	-	455,506	(16,680)	438,826
Transfer to reserves	-	-	-	26,650	90,214	30,127	-	-	-	(146,991)	-	-	-
Dividends paid (Note 20)	-	-	-	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
<b>Balance as at 31 December 2024</b>	<b>500,000</b>	<b>125,000</b>	<b>250,000</b>	<b>388,258</b>	<b>1,888,255</b>	<b>103,831</b>	<b>1,311,534</b>	<b>(323,633)</b>	<b>17,910</b>	<b>894,893</b>	<b>5,156,048</b>	<b>51,281</b>	<b>5,207,329</b>

The attached notes 1 to 38 form part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	31 December 2025 AED '000	31 December 2024 AED '000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax for the year	934,796	797,786
Adjustment for:		
Depreciation of fixed assets	14,536	6,487
Lease asset depreciation	3,784	2,834
Amortisation of intangible assets	2,097	1,945
Gain on sale of property and equipment	(31)	12
Provision for employees end of service benefits	11,142	6,043
Gain/(loss) on sale of investments - Investments carried at FVTPL	(1,570)	(5,032)
Finance costs	2,164	421
Unrealized foreign exchange gain	(5,610)	(44,095)
Unrealised (Gain)/loss on AFS	1,118	2,913
Interest income	(364,943)	(326,050)
Dividend income	(141,934)	(124,024)
Impairment	7,044	10,425
Cash flows from operating activities	<b>462,593</b>	<b>329,665</b>
Changes in insurance contract assets	103,323	60,954
Changes in reinsurance contract assets	549,476	(2,076,542)
Changes in other receivable and prepayments	31,634	(22,412)
Changes in insurance Contract liabilities	303,775	2,578,508
Changes in reinsurance contract liabilities	(239,470)	(176,566)
Retirement benefit obligation	(3,829)	(3,013)
Changes in other Payables	57,254	104,364
Changes in investment Contract liabilities	422,020	278,893
Income tax paid	(56,282)	(17,807)
Changes in investment contract liabilities	(518,167)	(381,995)
Net cash generated from operating activities	<b>1,112,327</b>	<b>674,049</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and equipment	(18,809)	(11,687)
Lease asset	(5,962)	(6,256)
Amortisation of Intangible asset	(3,589)	(3,892)
Interest income	362,011	326,050
Dividend Income	141,934	124,024
Proceeds from Sale of Property and equipment	580	7,144
Movement in deposits with banks – Purchase	(5,558,427)	(4,325,673)
Movement in deposits with banks – Maturity	4,409,842	3,839,294
Purchase of investments held at amortised cost	(293,108)	(152,265)
Purchase of investments held at FVOCI	(156,547)	(138,131)
Sale of held to maturity investments	269,723	229,873
Proceeds from sale of investments held at FVOCI	87,074	95,758
Net cash used in investing activities	<b>(765,278)</b>	<b>(15,761)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment of lease liabilities	1,895	7,650
Dividend paid	(400,000)	(300,000)
Net cash used in financing activities	<b>(398,105)</b>	<b>(292,350)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(51,056)</b>	<b>365,938</b>
Cash and cash equivalents as at 1 January	766,376	493,414
Movement in foreign currency translation reserve	(2,684)	(92,976)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 11)</b>	<b>712,636</b>	<b>766,376</b>



## 1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Orient Insurance PJSC (the “Company”) was incorporated with limited liability on 22 July 1980 in the Emirate of Dubai by a decree of His Highness The Ruler of Dubai and commenced operations on 1 January 1982. The Company was registered in accordance with the UAE Federal Law No. 9 of 1984, as amended, (“The Insurance Companies Law”) on 29 December 1984 with registration No. 14 in the Insurance Companies Register of the Central Bank of UAE (CBUAE), formerly Insurance Authority (IA). On 2 May 1988 the Company was converted into a public shareholding company in accordance with the requirements of the Insurance Companies Law and has been registered under UAE Federal Law No. (32) of 2021, relating to commercial companies. The shares of the Company are listed on the Dubai Financial Market. The Group is subject to the regulations of UAE Federal Decree Law No:48 of 2024 regarding the Regulation of Insurance Activities. The registered address of the Company is P.O. Box 27966, Dubai, United Arab Emirates.

The Group engages in the business of issuing short term insurance contracts in connection with Property, Engineering, Motor, Marine, Miscellaneous Accidents and Medical (collectively referred to as General Insurance) and Group Life and Individual Life classes (collectively referred to as Life Insurance). The Group also invests its funds in investment securities and deposits with financial institutions.

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (collectively referred to as “the Group”). Details of the subsidiaries are as follows:

Subsidiary	Principal activity	Country of incorporation	Ownership	
			2025	2024
Arab Orient Insurance Company	General and life insurance	Syria	40%	40%
Orient Takaful Insurance Company (S.A.E)	General insurance	Egypt	80%	80%
Orient Insurance Limited	General insurance	Sri lanka	100%	100%
Orient Sigorta Anomin Sirketi	General insurance	Turkey	100%	100%
Orient Takaful PJSC	General insurance	UAE	95.78%	95.78%

The holding company of the Group is Al Futtaim Development Services Company, which is based in Dubai, United Arab Emirates and has control over the Group. The ultimate holding company of the Group is Al Futtaim Group LLC, which is based in Dubai, United Arab Emirates.

During the year, the Group’s subsidiary, Orient Takaful Insurance Company (S.A.E.), obtained regulatory approval from the Financial Regulatory Authority (FRA) in Egypt on 19 October 2025 to convert its operations from Takaful to conventional insurance. Following this approval, the subsidiary changed its name to Orient Insurance – Egypt S.A.E.

### Arab Orient Insurance Company

Although the Company owns 40% of Arab Orient Insurance Company, the Company maintains control over the entity as it has power over the investee, exposure or rights to its variable returns and the power to affect the investor’s returns due to additional share holding by the ultimate holding company. Accordingly, management has determined that the Group controls the entity.



## **2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**

### **2.1 New and amended standards and interpretations**

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRS Accounting Standards, did not have any material impact on the amounts reported for the current and prior periods.

#### **Amendments to IAS 21- Lack of exchangeability**

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its consolidated financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments had no impact on the Group's financial statements.

### **2.2 Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements

#### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Group's equity instruments are listed on Dubai Financial Market, it is not eligible to elect to apply IFRS 19.



### **Amendments to the Classification and Measurement of Financial Instruments— Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The Group does not anticipate that the amendments will have a material effect on the Group's financial statements.

### **Annual Improvements to IFRS Accounting Standards - Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in

IFRS 1 First-time Adoption of International Financial Reporting Standards,

IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7,

IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements

### **Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7**

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature- dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity; the amendments:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments will take effect for annual reporting periods starting on or after 1 January 2026. Early adoption is allowed, but it must be disclosed. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures.

The Group does not expect that the amendments will have a material impact on its financial statements.



### **3. BASIS OF PREPARATION**

#### **a) Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") and interpretation issued by the IFRS Interpretation Committee ("IFRSIC") applicable to companies under IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the applicable requirements of the United Arab Emirates (U.A.E.) Federal Law No. 32 of 2021, as amended, the UAE Federal Decree-Law No. (6) of 2025 and the Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies. The consolidated financial statements comply with IFRS Accounting Standards.

#### **b) Basis of measurement**

The consolidated financial information has been prepared on the historical cost basis except for the following which are measured at fair value:

- i) Financial assets at fair value through other comprehensive income ("FVOCI"); and
- ii) Financial assets at fair value through profit or loss ("FVTPL").
- iii) Financial liabilities at fair value through profit or loss ("FVTPL")
- iv) Financial assets at amortised cost.
- v) Insurance and reinsurance contracts, which are measured as a sum of the fulfilment cash flows, which represent the risk-adjusted present value of estimates of expected cash flows, and the contractual service margin (CSM), which represents the unearned profit that the entity will recognise as it provides services over the coverage period. The Group also elects to measure short term and group life insurance contracts under the premium allocation approach PAA and long-term life products are measured under GMM and VFA as applicable. The details of the Group's material accounting policies information and measurement approach are included in note 3 of these consolidated financial statements.

#### **c) Functional and presentation currency**

This consolidated financial information are presented in U.A.E. Dirhams ("AED") rounded to the nearest thousand, since that is the currency in which the majority of the Group's transactions are denominated.

#### **d) Use of estimates and judgments**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

In preparing this consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and estimation of key sources of uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2024, with the exception of changes in life insurance related assumptions and of those relating to the measurement of insurance contracts issued and reinsurance contracts held. With the company's growth, the experience of the life insurance products issued after the BOD 49 decision (since October 2020) has improved. Therefore, assumptions have been updated to reflect the actual experience of these policies.

#### **e) Basis of consolidation**

##### **Subsidiaries**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. The Group consolidates its Takaful subsidiaries on a conventional basis.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- a. Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee
- c. The ability to use its power over the investee to affect its returns



Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. The contractual arrangement(s) with the other vote holders of the investee
- b. Rights arising from other contractual arrangements
- c. The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value

Non-controlling interest in the equity and results of the entities that are controlled by the Group are shown separately as a part of consolidated statements of changes in equity in the Group's consolidated financial statements.

Any contribution or discounts on subsequent acquisition, after control is obtained, of equity instruments from (or sale of equity instruments to) non-controlling interest is recognised directly in consolidated statement of changes in equity.

#### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the Group's consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated, wherever practicable, to the extent of the Group's interest in the enterprise. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### **Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments depending on the level of influence retained.



#### **4. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a) Taxes**

###### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

###### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.



The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**b) Value added tax (VAT)**

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

**c) Foreign currencies**

The Group's consolidated financial statements are presented in UAE Dirhams, which is also the Group's functional currency. For each entity the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or consolidated statement of profit or loss are also recognised in other comprehensive income or consolidated statement of profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

**Group companies**

On consolidation, the assets and liabilities of foreign operations are translated into UAE Dirham at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated statement of other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or are 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 the consolidated statement of profit or loss during the financial period in which they are incurred.

Freehold land and fixed assets not commissioned are not depreciated. The estimated useful life of fixed assets for the Group is as follows:

Building	25 years
Furniture and fixtures	4 to 7 years
Office equipment	3 to 5 years
Motor vehicles	5 years
Right-of-use of asset	3 to 5 years

Assets are depreciated on a straight-line basis over their estimated useful lives as given above.

Fixed assets not commissioned are stated at cost. When commissioned, they are transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policies.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of profit or loss.

### e) Financial assets

#### 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 financial asset 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 financial assets 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.



### **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

### **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.

The Group's financial assets at amortised cost includes investment in government bond and treasury bills.

### **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.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under investments carried at FVOCI.

### **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 in the 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.

### **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.

This category includes listed equity securities and unit linked investments comprised of quoted securities which the Group had not irrevocably elected to classify at fair value through OCI.

### **Unit linked investments**

Unit linked investments are assets backing liabilities arising from contracts, where the liabilities are contractually linked to the fair value of the financial assets within the policyholder's unit linked funds and are classified as 'held for trading' assets and are designated at fair value through statement of income. Investments classified as trading are acquired principally for the purpose of selling or repurchasing in short term and are recorded in the statement of financial position at fair value. Any change in fair value is recognised in statement of profit and loss.

### **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.



### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

### **Impairment**

The Group recognises an allowance for expected credit losses (ECLs) for all debt and equity instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For debt instruments and equity instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt and equity instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group's debt and equity instruments at fair value through OCI comprise solely of quoted equity securities that are graded in the top investment category, and therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the external verified sources to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For insurance and reinsurance contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### **Fair value measurement**

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 in the principal or, in its absence, the most advantageous market to which the group has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and



volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

**f) Financial liabilities**

**Initial recognition, measurement and presentation**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or Loss, payables.

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Group's financial liabilities include other payables,

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**g) 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.

**h) Bank deposits**

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.



**i) Employees' end of service benefits**

The Group provides end of service benefits to its employees employed in the UAE in accordance with the UAE Labour Law and for employees employed in the foreign branches of the Group and subsidiary companies in accordance with the respective region's labour Law. The entitlement of these benefits is based upon employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to a pension or social security fund established by the respective countries, calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

**j) Investment contract Liabilities**

Investment contract liabilities are recognized when contracts are issued, and significant insurance risk is not transferred to the Group .

These liabilities are initially recognized at fair value, being the transaction price excluding any transaction costs directly attributable to the issue of the contract. Subsequent to initial recognition, investment contract liabilities are measured at fair value through profit or loss. Deposits and withdrawals are recorded directly as an adjustment to the investment contract liabilities recorded in the Statement of Financial Position and are recognised in the Statement of Comprehensive income as change in fair value of investments contract liabilities.

**k) Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows, at a pre-tax rate, that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

**l) Segment reporting**

The Group's segmental reporting is based on the following operating segments: General insurance and Life insurance.

- The general insurance segment comprises both general insurance and health insurance to individuals and businesses. General insurance products include property, motor, marine, medical, engineering and miscellaneous. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident. Non-life healthcare contracts provide medical cover to policyholders. Revenue in this segment is derived primarily from insurance premiums and commission income.
- The life insurance segment offers individual and group life insurance. Revenue from this segment is derived primarily from insurance premium and commission income.

**m) Interest income**

Interest income is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

**n) Other income**

Dividend income is accounted for when the right to receive payment is established.

**o) Insurance Contracts**

An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance



contracts can also transfer financial risk. The Group issues life and non-life insurance to individuals and businesses.

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 of 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 information apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

### **Level of Aggregation**

IFRS 17 requires a Group to determine the level of aggregation for applying its requirements. 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.

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.

### **Recognition**

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

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

### **Combination of insurance contracts**

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- a) The Group is unable to measure one contract without considering the other
- b) The rights and obligations are different when looked at together compared to when looked at individually

### **Separating components from insurance and reinsurance contracts**

The Group assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract.



**Contract boundaries**

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

- The Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
  - a) The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
  - b) The pricing of the premiums up to the date when the risks are reassessed does not consider the risks that relate to periods after the reassessment date

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts.

**Measurement**

IFRS 17 establishes new principles for the measurement of Insurance revenues, assets and liabilities arising from Insurance Contracts. Below are the measurement models under IFRS 17:

- 1 General Measurement Model - Default Model based on Best estimate of Future Cash Flows and Risk adjustment
- 2 Variable Fee Approach - a modification to GMM or contracts with direct participation features (DPF)
- 3 Premium Allocation Approach - a simplified approach as an option for contracts with shorter duration. (<= 12 months)

The Group uses different measurement approaches, depending on the type of contracts as follows :

Nature of Contracts	Product classification	Measurement model
Property & Casualty Contracts	Insurance contracts	PAA
Health Insurance	Insurance contracts	PAA
Short term life insurance contracts	Insurance contracts	PAA
Term and Endowment life insurance contracts	Insurance contracts	GMM
Direct participating contracts	Insurance contracts with direct participation features	VFA
All reinsurance contracts held other than long term individual life	Reinsurance contracts held	PAA
Long term individual life reinsurance contracts held	Reinsurance contracts held	GMM
Investment contracts without discretionary participation features (DPF)	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9



	<b>IFRS 17 options</b>	<b>Adopted approach</b>
Insurance acquisition cash flows for Insurance Contract issued	For contracts measured under PAA, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cashflows when incurred or amortizing them over the contract's coverage period.	Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortized over the coverage period of the related group.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	For contracts measured under PAA, where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For contracts measured under the PAA, there is no allowance as the premiums are expected to be received within one year of the coverage period.
Liability for Incurred Claims ("LIC") adjusted for time value of money	For contracts measured under PAA, where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For all contracts, the Group discounts the LIC for the time value of money.
Insurance finance income and expenses	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the P&L or OCI option) is applied on a portfolio basis.	The Group includes all insurance finance income or expenses for the period in profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.
Presentation of income / (expense) from reinsurance contracts held	IFRS 17 allows an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	The Group has elected to present a single net amount in net expenses from reinsurance contracts held.



### **Insurance revenue**

For group of contracts measured not under PAA, it comprises of

- Insurance claims and expenses incurred in the period as expected at the start of the period, excluding amounts related to the loss component, repayments of investment components and insurance acquisition expenses;
- Changes in the RA, excluding changes that relate to future coverage which adjusts the CSM and amounts allocated to the loss component;
- Amounts of the CSM recognised in profit and loss for the services provided in the period;
- Actual vs expected premiums (or other premium-related cash flows such as commission) that relate to past or current services; and
- The recovery of the insurance acquisition cash flows which is determined by allocating a portion of the premiums related to the recovery of these cashflows on the basis of the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under the PAA, the Group recognises insurance revenue based on the passage of time (after adjustment of the bad debt) 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.

### **Insurance service expenses**

For group of contracts measured not under PAA, it comprises of

- Claims incurred in the period (excluding investment components) and other directly attributable insurance service expenses incurred in the period;
- The amortisation of insurance acquisition cash flows;
- Changes that relate to past service (specifically changes in the estimate of the LIC at the start of the period including the change in the RA on the LIC); and
- Losses on onerous groups of contracts (i.e. the loss on setting up a loss component) and reversals of such losses which represent changes that relate to future service.
- For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.
- For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the pattern of revenue recognition under the PAA.
- Other expenses not meeting the above categories are included in other operating expenses in the consolidated statement of profit or loss.

### **Net income (expenses) from reinsurance contracts held**

The Group presents the income from reinsurance contracts held and the expenses for reinsurance contracts held on a net basis.

Reinsurance income will consist of:

- Actual claims and other expenses recovered during the period;
- The effect of changes in the risk of reinsurers non-performance;
- Losses recovered on underlying contracts and reversal of such recoveries;
- Changes that relate to past service adjustments co incurred claims component; and
- Other incurred directly attributable expenses.

For contracts measured under the PAA, reinsurance expenses will consist of:

- PAA premiums recognised as revenue in the period ceded to the reinsurer; and
- Ceding commission earned in the period.



For contracts measured under the GMM, reinsurance expenses will consist of:

- Expected claims and other expenses recovery;
- Changes in the RA recognised for the risk expired;
- CSM recognised for the services received; and
- Premium (and other related cash flows) experience adjustments relating to current service.

#### **Insurance finance income or expenses**

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

- Interest accreted on the CSM;
- Interest accreted on the PAA LIC adjusted for the financing effect
- The financing effect on the LIC measured under the PAA (if adjusted for the financing effect);
- The effect of changes in FCFs at current rates, when the corresponding CSM unlocking is measured at the locked-in rates;
- Any interest charged to or added to insurance / reinsurance asset or liability balances; and
- The effect of changes in interest rates and other financial assumptions.

For all groups of contracts, the Group recognize insurance finance income or expenses for the period in profit or loss. The finance income and expenses from insurance contracts issued recognised in the consolidated statement of profit or loss reflects the unwind of the liabilities at the locked-in rates.

#### **a) Insurance Contract measured under PAA-Initial and subsequent measurement**

The Group applies the premium allocation approach (PAA) to the insurance contracts that it issues and reinsurance contracts that it holds, as:

- i) The coverage period of each contract in the group is one year or less, including insurance contract services arising from all premiums within the contract boundary or
- ii) For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

For a group of contracts that is not onerous at initial recognition, the Group measures the liability for remaining coverage as:

- a) The premiums, if any, received at initial recognition
- b) Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- c) Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- d) Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Group performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Group recognized a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognized



**b) Insurance contracts measured other than PAA - Initial and Subsequent Measurement**

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time.

**Subsequent measurement:**

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition



The changes in fulfilment cash flows relating to future service, except to the extent that:

- Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
- Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:

- A decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
- An increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses).

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable
- Changes in the risk adjustment for non-financial risk that relate to future service.

For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Group comprising the fulfilment cash flows related to past service allocated to the group at that date.



### **Reinsurance contracts held**

Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

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

A group of reinsurance contracts held is recognised as follows:

If the reinsurance contracts provide proportionate coverage, the date the Group initially recognizes any underlying insurance contracts (onerous or not).

In all other cases, at the beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer shall end when the reinsurer has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or has a substantive right to terminate the coverage. The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

### **Modification and derecognition**

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); or
- The contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract

When a modification is not treated as a derecognition, the Group recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.



**Insurance acquisition cash flows**

The Group includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. The Group estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Group then allocates them to the group of newly written and renewed contracts on a systematic and rational basis.

**Discount rates**

The Group uses the bottom-up approach for the groups of contracts measured under PAA and GMM and VFA.

**Risk adjustment for non-financial risk**

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

**Contractual service margin (CSM)**

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future.

An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future.

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period.

For groups of unit linked life insurance contracts, the coverage unit is the unit reserve while for other long term life groups of contracts, the coverage unit is the cumulative in force sum insured. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.



## **5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ASSUMPTIONS AND ESTIMATES**

The preparation of consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

### **Assessment of significance of insurance risk**

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

### **Onerosity determination**

IFRS 17 does not provide any specific guidance about which facts and circumstances should be considered, to indicate that a group of contracts is onerous on initial recognition or subsequently. The Group assesses the Onerosity considering the factors such as:

- a) The expected ratio of claims to premiums (or any other measurement of expected profitability) compared with the actual ratio over the coverage period.
- b) Economic or regulatory changes that can cause significant revisions in the expected cash flows; or
- c) Significant changes to the costs involved in fulfilling contracts: e.g., as a result of internal reorganizations or changes to the prices of services or products used to fulfil its insurance obligations.

### **Amortisation of the Contractual Service Margin**

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of life insurance contracts, the quantity of benefits is the contractually agreed sum insured over the period of the contracts. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force. The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.



For reinsurance contracts held, the CSM amortisation is similar to the insurance contracts issued and reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in-force.

### Discounting

For cash flows that do not vary based on the returns on underlying items, an entity may determine the discount rate based on a liquid risk-free yield curve. This is adjusted to eliminate differences between the liquidity characteristics of the financial instruments that underlie the chosen curve and those of the insurance contract. The Group has elected to use the Bottom-up approach in determining the discount rates based on liquid risk-free yield curve.

### Time value of money

The Group adjusts the carrying amount of the insurance contracts liabilities and reinsurance contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free curve itself will either be derived by the Group from risk free assets in the market, or the Group may choose to apply a published risk-free yield curve. The top-down approach starts with the determination of a reference portfolio. The reference portfolio yield will be taken as the yield on the underlying items to which the liability cashflows are linked.

The following yield curves are used for contracts under PAA, GMM and VFA entity wise

### 2025

Year	Entity							
	UAE	Oman	Sri Lanka*	Egypt*	Bahrain	Turkey	Syria	Saudi Arabia
1	3.59%	4.14%	7.95%	17.00%	5.21%	34.89%	18.97%	3.63%
5	3.63%	4.18%	9.88%	13.00%	5.25%	30.4%	19.00%	3.66%
10	4.00%	4.55%	10.71%	13.00%	5.62%	27.95%	19.37%	4.03%
20	4.44%	4.99%	NA	13.00%	6.06%	NA	19.82%	4.48%
30	4.39%	4.94%	NA	13.00%	6.01%	NA	19.77%	4.43%

### 2024

Year	Entity						
	UAE	Oman	Sri Lanka*	Egypt*	Bahrain	Turkey	Syria
1	4.3%	4.9%	8.7%	13.0%	5.8%	41.7%	18.6%
5	4.2%	4.8%	10.7%	17.0%	5.7%	30.1%	18.4%
10	4.2%	4.8%	11.3%	17.0%	5.7%	23.7%	18.5%
20	4.3%	4.9%	NA	17.0%	5.8%	17.9%	18.5%
30	4.0%	4.6%	NA	17.0%	5.5%	14.4%	18.2%

- Yield curve for Egypt and Sri Lanka are provided by their respective regulators.



### **Liability for Incurred Claims**

The Group will calculate the LIC as follows:

- a. Best Estimate (BEL) of the fulfilment cash flows relating to incurred claims including outstanding claims, IBNR and IBNER.
- b. Expenses already incurred but not yet paid as well as expenses not incurred (unallocated loss adjustment expenses (ULAE)) in relation to claims and the cost of handling incurred claims at that date.
- c. Adjustment for the time value of money.
- d. Risk adjustment for non-financial risks.

### **Measurement of the expected credit loss (“ECL”) allowance**

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- a. Determining the criteria for significant increase in credit risk;
- b. Determining the criteria and definition of default;
- c. Choosing appropriate models and assumptions for the measurement of ECL; and
- d. Establishing groups of similar financial assets for the purposes of measuring ECL.

The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

When measuring ECL 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, taking into account cash flows from collateral and integral credit enhancements.

## **6 RISK MANAGEMENT**

### **6.1 Insurance risk**

The Group follows a rigorous process to manage risks in line with the groupwide risk appetite. The Enterprise Risk Management (ERM) department oversees the Executive Risk Committee and the Risk Management Framework. The Executive Risk Committee acts as a second line of defense, but also has the authority to take immediate executive actions to address the risk issues. The Executive Risk Committee meets at least once every quarter.

The Group strives to maintain an effective risk culture, which is essential for the Group’s success in developing and maintaining an effective risk management system. Individual executives are accountable for the implementation and oversight of specific risks. The risk owners are responsible for ensuring adequate level of review and confirmation of the risk evaluations and the effectiveness of control.

The Group evaluates the exposure to climate change risk by using scenario analysis and stress testing based on the results of the modeling of natural catastrophic events exposure and by assessing the impact on the Group’s profitability and solvency. The scenario analysis covers different lines of businesses, countries, perils and return period data. The results show that the Group has sufficient capital to withstand most of the shocks from the various scenarios included in the stress test.

Insurance risk is the risk arising from the uncertainty around the actual experience and/or policyholder behavior being materially different than expected at the inception of an insurance contract. These uncertainties include the amount and timing of cash flows from premiums, commissions, expenses, claims and claim settlement expenses paid or received under a contract.



For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the estimated amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than the estimate. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy 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.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

#### **6.1.1 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 has the right not to renew individual policies, to re-price the risk, to impose deductibles and 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). Furthermore, the Group's strategy limits the total exposure to any one territory and the exposure to any one line of business.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses more than the limit defined in the Risk appetite statement in any one event. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are frequently reviewed individually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

#### **6.1.2 Sources of uncertainty in the estimation of future claim payments**

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time and element of the claims provision include incurred but not reported claims (IBNR).

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities and changing situation during the claim evaluation. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established. The amount of insurance claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.



Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and claims inflation.

### **6.1.3 Process used to decide on assumptions**

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group's claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group has reviewed the individual contracts and in particular, the line of business in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The three methods more commonly used are the Chain Ladder, Expected Loss Ratio and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the 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.

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business or involves significant deal of changes in terms of process.

Expected Loss Ratio method (ELR) is used to determine the projected amount of claims, relative to earned premiums. ELR method is used for line of businesses that lack past data, while the chain ladder method is used for stable businesses. In certain instances, such as new lines of business, the ELR method may be the only possible way to figure out the appropriate level of loss reserves required.

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 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 (recent accident years or new classes of business).

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

The Group uses standard actuarial techniques to estimate its loss provisions as mentioned above. Actuarial techniques and/or methodologies used to estimate the loss provisions could vary based on the specific nature of the lines of business. The general excluding motor and group life business typically have a lower frequency and higher severity of claims while



the medical and motor business are more attritional in nature i.e., higher frequency and lower severity. For the attritional lines, any inconsistencies in the claims processes could impact the loss development experience assumed in the technical provisions calculation and hence is one of the key assumptions in the estimation of the technical provisions. For the less attritional lines, typically the loss ratio assumptions under the Bornhuetter-Ferguson technique is a key assumption in the estimation of the technical provisions. The Group monitors closely and validates the key assumptions in the estimation of the technical provisions on a periodic basis.

#### **6.1.4 Key risks arising from contracts issued**

The Group issues insurance contracts, investment contracts and contracts that provide investors with interests in collective investment schemes managed by the Group. The nature and extent of the underwriting and financial risks arising from these contracts are determined by the contract design. The risks are evaluated for risk management purposes in conjunction with the risks mitigated by related reinsurance contracts and the risks arising from financial assets held to fund the settlement of the liabilities. The extent to which profit or loss and equity in any period are sensitive to financial risks depends on the extent to which they are economically hedged or borne by contract holders and the extent of any mismatches inherent in the accounting policies adopted by the Group.

<b>Product</b>	<b>Key risks</b>	<b>Risk mitigation</b>
Life risk	Mortality risk: death of policyholder earlier than expected	Reinsurance with financially strong reinsurers
Term assurance and critical illness	Morbidity risk: diagnosis of critical illness earlier than expected	Reinsurance with financially strong reinsurers
Endowment	Mortality risk	Reinsurance with financially strong reinsurers
Unit Linked contracts	Mortality risk: death of policyholder earlier than expected Policyholder behaviour risk	Not significant but mitigated with financially strong reinsurers Surrender Penalties

All life risk and life savings contracts expose the Group to significant insurance risk. Although mortality and morbidity experience may be affected by unexpected events (e.g. epidemics), the most significant changes to insurance risk factors (e.g. lifestyle changes, medical advances and improvements in social conditions) tend to occur over a long period of time. The longer the coverage period, the greater the Group's exposure to insurance risk.

Term assurance and endowment contracts provide policyholders with a fixed lump sum payable on death. Term assurance contracts provide coverage over a fixed term. The premiums for non-participating savings contracts are level throughout the duration of the contracts. Critical illness contracts are similar to term assurance but pay out a lump sum if the policyholder is diagnosed with an illness specified in the contract.

Term plans do not have a significant interest rate risk since there is no investment guarantee. Endowment plans have some guarantees payable on maturity and the payment is credited to policyholder's account is set at the Group's discretion based on prevailing market rates.

Unit linked insurance producers do not have a significant interest rate risk since the investment risk is transferred to the policyholder.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025

Non-life contracts product	Key risks	Risk mitigation
Property and casualty	Extreme weather events	Diversification of types of risk, industries and geographic locations in which risks are written
	Natural catastrophes	Extensive analysis of data to enhance risk selection, segmentation and profitability
	Legislative changes giving rise to increased claims Emergence of long-tailed claims: e.g. latent disease type claims	Reinsurance with financially strong reinsurers, including excess of loss catastrophe cover

The key risks arising from non-life contracts are the unknown frequency and severity of claims, which are influenced by the nature of the risks covered and the geographic location in which the risks are written. For property, the frequency and severity of claims are affected by the occurrence of extreme weather events (e.g. floods, wildfires and hurricanes) and other natural catastrophes (e.g. earthquakes). In particular, the cost of rebuilding or repairing a property, together with the cost of business interruption, is a significant feature in the overall value of claims in this portfolio. In addition, increasing climate risk could potentially introduce material uncertainty in assumptions and result in inaccurate pricing of insurance risk. For retail casualty, motor insurance contracts are subject to legislative and regulatory changes. For example, where compensation for future loss of earnings or nursing care is settled by paying a single lump sum, the assumed rate of investment return on the lump sum is a key sensitivity and the rate applicable in certain jurisdictions is determined by legislation.

For commercial casualty, the severity of claims is significantly affected by increases in the value of settlements awarded for latent diseases and inflation. The nature and frequency of claims may be affected by emerging trends and changes in legislation. For example, risk exposure for intangible assets has grown while our customers' business is increasingly conducted online and more data is collected and stored through the cloud. Although this portfolio does not contain a large number of individually significant claims, a high frequency of claims can be a risk, particularly where generic trends impact many individuals – e.g. poor housing design, negligent professional advice and cyber threats.

### 6.2 Financial risk

The Group is exposed to credit risk on investments held on following securities issued by counterparties with an acceptable rating provided by reputable rating agencies.

The credit ratings of investment securities, deposits and bank balances are as follows:

	Credit ratings			Total AED '000
	A+ to A- AED '000	BBB+ to BBB- AED '000	Below BBB- or not rated AED '000	
<b>31 December 2025</b>				
<b>Assets (excluding impairment)</b>				
Investments held at amortized cost	-	-	333,647	333,647
Investments carried at FVTPL	21,325	-	1,905,600	1,926,925
Investments carried at FVOCI	3,024,871	7,793	201,168	3,233,832
Statutory deposits	84,079	20,265	183,957	288,301
Bank deposits	4,442,023	742,618	338,400	5,523,041
Cash and Cash equivalents	309,366	298,965	104,305	712,636
Less: Impairment	-	-	-	(31,755)
<b>Total</b>	<b>7,881,664</b>	<b>1,069,641</b>	<b>3,067,077</b>	<b>11,986,627</b>



	Credit ratings			Total AED '000
	A+ to A- AED '000	BBB+ to BBB- AED '000	Below BBB- or not rated AED '000	
31 December 2024				
Assets (excluding impairment)				
Investments held at amortized cost	-	-	255,593	255,593
Investments carried at FVTPL	-	-	1,408,759	1,408,759
Investments carried at FVOCI	2,443,630	-	201,981	2,645,611
Statutory deposits	34,623	59,103	54,670	148,396
Bank deposits	3,112,555	1,225,465	179,173	4,517,193
Cash and Cash equivalents	213,694	30,406	522,276	766,376
Less: Impairment	-	-	-	(30,862)
<b>Total</b>	<b>5,804,502</b>	<b>1,314,974</b>	<b>2,622,452</b>	<b>9,711,066</b>

The Group has exposure to the following primary risks from its use of financial instruments and operations:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk
- iv) Operational risk
- v) Underwriting risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

#### **i) Credit risk**

##### **Consolidated financial statements**

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- a. The Group only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Group's exposure to bad debts.
- b. The Group seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- c. The Group's bank balances are maintained with a range of local banks in accordance with limits set by the board of directors.
- d. There are no significant concentrations of credit risk within the Group.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position.

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Investments held at amortised cost	329,576	254,315
Investments carried at FVOCI	3,230,017	2,641,293
Investments carried at FVTPL	1,926,925	1,408,759
Insurance contract assets	55,905	159,223
Reinsurance contract assets	5,049,195	5,598,667
Other receivables and prepayments	70,993	99,696
Statutory deposits	288,301	148,396
Bank deposits	5,499,172	4,491,927
Cash and cash equivalents	712,636	766,376
<b>Total</b>	<b>17,162,720</b>	<b>15,568,652</b>

Where financial instruments are recorded at fair value the amounts shown above represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

For more detail on the maximum exposure to credit risk for each class of financial instrument, references have been made to the specific notes. The table below provides information regarding the credit risk exposure of the Group by classifying assets according to the Group's credit rating of counterparties.

	<b>Neither past due nor impaired</b>			<b>Total AED'000</b>
	<b>Investment grade AED'000</b>	<b>Non-investment grade AED'000</b>	<b>Past due or impaired AED'000</b>	
<b>At 31 December 2025</b>				
Investments held at amortised cost	333,647	-	-	333,647
Investments carried at FVOCI	3,233,832	-	-	3,233,832
Investments carried at FVTPL	1,926,925	-	-	1,926,925
Statutory deposits	288,301	-	-	288,301
Cash and cash equivalents	712,636	-	-	712,636
Bank deposits	5,523,041	-	-	5,523,041
	<b>12,018,382</b>	<b>-</b>	<b>-</b>	<b>12,018,382</b>
Less: Impairment	-	-	-	(31,755)
<b>Total</b>	<b>12,018,382</b>	<b>-</b>	<b>-</b>	<b>11,986,627</b>



At 31 December 2024

	Neither past due nor impaired		Past due or impaired AED'000	Total AED'000
	Investment	Non-investment		
	grade AED'000	grade AED'000		
Investments held at amortised cost	255,593	-	-	255,593
Investments carried at FVOCI	2,645,611	-	-	2,645,611
Investments carried at FVTPL	1,408,759	-	-	1,408,759
Statutory deposits	148,396	-	-	148,396
Bank deposits	4,517,193	-	-	4,517,193
Cash and Cash equivalents	766,376	-	-	766,376
	9,741,928	-	-	9,741,928
Less: Impairment	-	-	-	(30,862)
<b>Total</b>	<b>9,741,928</b>	<b>-</b>	<b>-</b>	<b>9,711,066</b>

The Group provides credit facilities up to 120 days. For assets to be classified as 'past due and impaired' contractual payments in arrears are more than 120 days and an impairment adjustment is recorded in the consolidated statement of profit or loss for this. When the credit exposure is adequately secured, arrears more than 120 days might still be classified as 'past due but not impaired', with no impairment adjustment recorded.

The Group issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk on the assets held in the unit-linked funds, as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Group has no material credit risk on unit-linked financial assets.

Reinsurance credit risk is managed through placement with approved reinsurers, which are generally international reputed companies with acceptable credit ratings. Reinsurance agreements are placed by the Group with an "A" or above rated company.

To minimise its exposure to significant losses from reinsurance company insolvencies, the Group regularly evaluates the financial condition of its reinsurance companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurance companies.

## ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with insurance contracts and financial liabilities as they fall due.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise. The table below shows the maturity of the assets and liabilities of the Group based on remaining undiscounted contractual obligations. As the Group does not have any interest-bearing liabilities, the totals in the table match the consolidated statement of financial position.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

	Less than one year AED'000	More than one year AED'000	No term AED'000	Total AED'000
<b>31 December 2025</b>				
<b>Assets</b>				
Investments held at amortised cost	274,833	58,814	-	333,647
Investments carried at FVOCI	15,122	764,769	2,453,941	3,233,832
Investments carried at FVTPL	-	-	1,926,925	1,926,925
Statutory deposits	258,036	30,265	-	288,301
Bank deposits	5,223,228	299,813	-	5,523,041
Cash and bank balances	-	-	712,636	712,636
Less: Impairment	-	-	-	(31,755)
<b>Total assets</b>	<b>5,771,219</b>	<b>1,153,661</b>	<b>5,093,502</b>	<b>11,986,627</b>
<b>Liabilities</b>				
Lease liability (Other payables)	8,403	7,711	-	16,114
<b>Total liabilities</b>	<b>8,403</b>	<b>7,711</b>	<b>-</b>	<b>16,114</b>
	Less than one year AED'000	More than one year AED'000	No term AED'000	Total AED'000
<b>31 December 2024</b>				
<b>Assets</b>				
Investments held at amortised cost	198,758	56,835	-	255,593
Investments carried at FVOCI	12,748	734,471	1,898,393	2,645,612
Investments carried at FVTPL	-	-	1,408,759	1,408,759
Statutory deposits	80,022	68,374	-	148,396
Cash and bank balances including				
Bank deposits	4,248,457	301,467	733,644	5,283,568
	4,539,985	1,161,147	4,040,796	9,741,928
Less: Impairment	-	-	-	(30,862)
<b>Total assets</b>	<b>4,539,985</b>	<b>1,161,147</b>	<b>4,040,796</b>	<b>9,711,066</b>
<b>Liabilities</b>				
Lease liability (Other payables)	5,995	6,060	-	12,055
<b>Total liabilities</b>	<b>5,995</b>	<b>6,060</b>	<b>-</b>	<b>12,055</b>



**iii) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. Market risk comprises three types of risk: interest rate risk, currency risk and equity risk.

**Interest rate risk**

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Group to interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group's exposure to interest rate risk is on account of its investment in floating rate bonds included under available for sale investments. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its investment is denominated.

Details of financial assets carrying interest rate risk as at 31 December are as follows:

**Consolidated financial statements**

	Less than 1 year AED'000	1 to 5 years AED'000	Non-interest bearing items AED'000	Total AED'000
<b>31 December 2025</b>				
Investments held at amortised cost	274,833	58,814	-	333,647
Investments carried at FVOCI	15,122	764,769	2,453,941	3,233,832
Investments carried at FVTPL	-	-	1,926,925	1,926,925
Statutory deposits	258,036	30,265	-	288,301
Cash and cash equivalents	121,467	-	591,169	712,636
Bank deposits	5,223,227	299,814	-	5,523,041
Less: Impairment	-	-	-	(31,755)
	<b>5,892,685</b>	<b>1,153,662</b>	<b>4,972,035</b>	<b>11,986,627</b>

	Less than 1 year AED'000	1 to 5 years AED'000	Non-interest bearing items AED'000	Total AED'000
<b>31 December 2024</b>				
Investments held at amortised cost	198,758	56,835	-	255,593
Investments carried at FVOCI	12,748	734,470	1,898,393	2,645,611
Investments carried at FVTPL	-	-	1,408,759	1,408,759
Statutory deposits	80,022	68,374	-	148,396
Cash and cash equivalents	32,732	-	733,644	766,376
Deposits with banks	4,215,728	301,465	-	4,517,193
	4,539,988	1,161,144	4,040,796	9,741,928
Less: Impairment	-	-	-	(30,862)
	<b>4,539,988</b>	<b>1,161,144</b>	<b>4,040,796</b>	<b>9,711,066</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

Bank Deposits held in UAE Contribute to 91% of the total deposits for the group on which fixed interest rate range from 2.00% to 6.25% (2024: 2.00% to 6.55%)

The sensitivity of the Group's consolidated statement of profit or loss to reasonably possible changes in interest rates, with all other variables constant is considered insignificant.

Non-interest-bearing Investments carried at FVOCI includes equity investment in a single counterparty amounting to AED 2,446,185 (YE 2024 AED 1,894,671).

### Insurance contract balances

	Within 1 Year	1-2 years	2-5 years	More than 5 years	Total
<b>31 December 2025</b>					
<b>Contracts measured under PAA</b>					
Insurance contract assets	62,941	(3,677)	(4,763)	(53)	54,448
Insurance contract liabilities	(5,622,337)	(1,275,512)	(669,935)	(16,088)	(7,583,872)
Reinsurance contract assets	3,397,084	1,089,607	525,205	4,623	5,016,519
Reinsurance contract liabilities	(480,089)	(15,314)	(10,189)	(7,122)	(512,714)
	Within 1 Year	1-2 years	2-5 years	More than 5 years	Total
<b>31 December 2024</b>					
<b>Contracts measured under PAA</b>					
Insurance contract assets	134,379	17,183	(6,369)	(7)	145,186
Insurance contract liabilities	(5,142,194)	(1,070,558)	(1,126,604)	(24,913)	(7,364,269)
Reinsurance contract assets	3,669,626	898,929	966,355	20,024	5,554,934
Reinsurance contract liabilities	(774,632)	16,523	29,845	1,115	(727,149)

### CSM recognition in profit or loss

The disclosure of when the CSM is expected to be in profit or loss in future years is presented below:

	31 December 2025			
	Within 1 Year	2-5 years	More than 5 years	Total
	AED'000	AED'000	AED'000	AED'000
<b>Insurance contracts issued</b>				
Life insurance unit	12,815	77,377	27,490	117,682
	12,815	77,377	27,490	117,682
<b>Reinsurance contracts held</b>				
Life insurance unit	(2,544)	(9,792)	(9,642)	(21,978)
	(2,544)	(9,792)	(9,642)	(21,978)



	31 December 2024			
	Within 1		More than	Total
	Year	2-5 years	5 years	
	AED'000	AED'000	AED'000	AED'000
<b>Insurance contracts issued</b>				
Life insurance unit	15,204	61,308	23,742	100,254
	<b>15,204</b>	<b>61,308</b>	<b>23,742</b>	<b>100,254</b>
<b>Reinsurance contracts held</b>				
Life insurance unit	(1,756)	(7,185)	(8,197)	(17,138)
	<b>(1,756)</b>	<b>(7,185)</b>	<b>(8,197)</b>	<b>(17,138)</b>

### Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The following table demonstrates the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant, of the Group's profit. The effect of decreases in exchange rates is expected to be equal and opposite to the effect of the increases shown. There is no other effect on equity.

		Effect on consolidated increase in other exchange rate comprehensive income	
		31 December	31 December
		2025	2024
		AED'000	AED'000
Egyptian Pounds	+5%	12,451	8,569
Syrian Pounds	+5%	57	213
Sri Lankan Rupees	+5%	895	1,510
Turkish Lira	+5%	5,997	3,666

### Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's equity price risk exposure relates to financial assets whose values will fluctuate as a result of changes in market prices. The Group's equity investments comprise securities quoted on the Stock Exchanges in United Arab Emirates.

The effect on equity as a result of a change in the fair values of available for sale investments at 31 December 2025, due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

	<b>Change in equity price</b>	<b>Effect on equity</b>	<b>Effect on profit or loss</b>
<b>31 December 2025</b>	<b>%</b>	<b>AED '000</b>	<b>AED '000</b>
All investments - (Mainly Dubai Financial Market)	10	244,619	2,133
<hr/>			
<b>31 December 2024</b>			
All investments - (Mainly Dubai Financial Market and Abu Dhabi Stock Market)	10	189,839	1,667

#### **iv) Operational risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a 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, authorisation and reconciliation procedures, staff education and assessment processes.

#### **v) Underwriting risk**

Underwriting risk refers to the potential loss to the Group emanating from the perils covered and the processes used in the conduct of business.

Underwriting risk is mitigated by the Group by diversification across a large portfolio of insurance contracts. The variability of risks is also managed by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Group regularly reviews its management of risk in the context of relevant internal and external factors and changes in these factors.

### **6.3 Claims development process**

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.



**Gross claims development**

<b>Accident year</b>	<b>Before</b>					<b>Total</b>
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	
<b>For the contracts issued under PAA</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
At the end of each reporting year	3,035,093	3,175,785	3,922,461	6,801,819	<b>5,545,450</b>	<b>5,545,450</b>
One year later	2,903,730	3,053,482	3,654,522	6,016,070	-	<b>6,016,070</b>
Two years later	2,859,978	3,066,547	3,661,579	-	-	<b>3,661,579</b>
Three years later	2,851,204	2,956,049	-	-	-	<b>2,956,049</b>
Four years later	2,844,191	-	-	-	-	<b>2,844,191</b>
<b>Gross estimates of the Undiscounted amount of the claims</b>	2,844,191	2,956,049	3,661,579	6,016,070	<b>5,545,450</b>	<b>21,023,339</b>
Cumulative payments to date	(2,727,819)	(2,644,663)	(3,395,947)	(4,400,261)	<b>(3,488,908)</b>	<b>(16,657,598)</b>
<b>Gross undiscounted liabilities for incurred claims</b>	116,373	311,386	265,632	1,615,809	<b>2,056,542</b>	<b>4,365,742</b>
<b>Prior 2020</b>						<b>182,509</b>
Effect of discounting						<b>(214,172)</b>
Effect of risk adjustment for non-financial risk						<b>218,167</b>
Others*						<b>480,298</b>
<b>Total gross liabilities for incurred claims</b>						<b>5,032,544</b>

\* Others includes Gross Unallocated loss adjustment expenses reserve and Insurance claims payable.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### Net claims development

Accident year	Before					Total
	2021	2022	2023	2024	2025	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
At the end of each reporting year	808,787	726,422	893,882	1,125,620	<b>1,322,353</b>	<b>1,322,353</b>
One year later	701,161	690,685	826,478	1,036,338	-	<b>1,036,338</b>
Two years later	681,924	683,452	824,627	-	-	<b>824,627</b>
Three years later	683,526	664,756	-	-	-	<b>664,756</b>
Fours years later	676,885	-	-	-	-	<b>676,885</b>
<b>Net estimates of the undiscounted amount of the claims</b>	676,885	664,756	824,627	1,036,338	<b>1,322,353</b>	<b>4,524,959</b>
<b>Cumulative payments to date</b>	(648,071)	(633,432)	(782,149)	(974,298)	<b>(856,344)</b>	<b>(3,894,294)</b>
<b>Net undiscounted liabilities for incurred claims</b>	28,814	31,324	42,478	62,040	<b>466,009</b>	<b>630,665</b>
<b>Prior 2020</b>						<b>25,224</b>
Effect of discounting						<b>(38,415)</b>
Effect of risk adjustment for non financial risk						<b>36,790</b>
Others*						<b>362,605</b>
<b>Total net liabilities for incurred claims</b>						<b>1,016,869</b>

\* Others includes Net Unallocated loss adjustment expenses reserve, Non-performance risks and Net (re)insurance claims payable.

### 6.4 Sensitivity analysis

#### Sensitivity analysis for contracts measured under PAA

	For the year ended 31 December 2025 Impact on		For the year ended 31 December 2024 Impact on	
	LIC	LIC	LIC	LIC
	AED'000	AED'000	AED'000	AED'000
Insurance contract liabilities - LIC	(5,032,544)	-	(5,130,675)	-
Reinsurance contract assets - LIC	4,015,675	-	4,230,554	-
<b>Net insurance contract liabilities</b>	<b>(1,016,869)</b>	<b>-</b>	<b>(900,121)</b>	<b>-</b>
<b>0.5 % increase - Discount rate</b>				
Insurance contract liabilities - LIC	(5,012,105)	(20,439)	(5,102,439)	(28,236)
Reinsurance contract assets - LIC	3,998,704	16,971	4,205,340	25,214
<b>Net insurance contract liabilities</b>	<b>(1,013,401)</b>	<b>(3,468)</b>	<b>(897,099)</b>	<b>(3,022)</b>
<b>0.5% decrease - Discount rate</b>				
Insurance contract liabilities - LIC	(5,059,009)	26,465	(5,159,346)	28,671
Reinsurance contract assets - LIC	4,038,621	(22,946)	4,256,159	(25,605)
<b>Net insurance contract liabilities</b>	<b>(1,020,388)</b>	<b>3,519</b>	<b>(903,187)</b>	<b>3,066</b>



**Sensitivity analysis for contracts measured under PAA**

	For the year ended 31 December 2025 Impact on		For the year ended 31 December 2024 Impact on	
	LIC	LIC	LIC	LIC
	AED'000	AED'000	AED'000	AED'000
<b>5% decrease - Risk adjustment</b>				
Insurance contract liabilities - LIC	(5,021,606)	(10,938)	(5,119,350)	(11,325)
Reinsurance contract assets - LIC	4,006,588	9,087	4,220,932	9,622
<b>Net insurance contract liabilities</b>	<b>(1,015,018)</b>	<b>(1,851)</b>	<b>(898,418)</b>	<b>(1,703)</b>
<b>5% increase - Risk adjustment</b>				
Insurance contract liabilities - LIC	(5,043,488)	10,944	(5,142,000)	11,325
Reinsurance contract assets - LIC	4,024,768	(9,093)	4,240,176	(9,622)
<b>Net insurance contract liabilities</b>	<b>(1,018,720)</b>	<b>1,851</b>	<b>(901,824)</b>	<b>1,703</b>
<b>5% increase - Loss reserves</b>				
Insurance contract liabilities - LIC	(5,250,647)	218,103	(5,388,415)	257,740
Reinsurance contract assets - LIC	4,197,022	(181,347)	4,443,287	(212,733)
<b>Net insurance contract liabilities</b>	<b>(1,053,625)</b>	<b>36,756</b>	<b>(945,128)</b>	<b>45,007</b>
<b>5% decrease - Loss reserves</b>				
Insurance contract liabilities - LIC	(4,814,447)	(218,097)	(4,872,935)	(257,740)
Reinsurance contract assets - LIC	3,834,334	181,341	4,017,821	212,733
<b>Net insurance contract liabilities</b>	<b>(980,113)</b>	<b>(36,756)</b>	<b>(855,114)</b>	<b>(45,007)</b>

**Sensitivity analysis for contracts not measured under PAA**

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Net Insurance contract liabilities AED'000	Impact on Insurance contract liabilities AED'000	Net Insurance contract liabilities AED'000	Impact on Insurance contract liabilities AED'000
	Insurance contract liabilities	(982,215)	-	(885,446)
Reinsurance contract assets	24,101	-	10,133	-
<b>Net insurance contract liabilities</b>	<b>(958,114)</b>	<b>-</b>	<b>(875,313)</b>	<b>-</b>
<b>5% increase - Expenses</b>				
Insurance contract liabilities	(982,423)	208	(885,855)	404
Reinsurance contract assets	24,101	0	10,180	(47)
<b>Net insurance contract liabilities</b>	<b>(958,322)</b>	<b>208</b>	<b>(875,675)</b>	<b>357</b>
<b>10% increase - Lapses</b>				
Insurance contract liabilities	(982,432)	217	(885,518)	68
Reinsurance contract assets	24,888	(787)	10,960	(827)
<b>Net insurance contract liabilities</b>	<b>(957,544)</b>	<b>(570)</b>	<b>(874,558)</b>	<b>(759)</b>
<b>1% increase - Mortality</b>				
Insurance contract liabilities	(982,245)	30	(885,579)	128
Reinsurance contract assets	24,131	(30)	10,261	(128)
<b>Net insurance contract liabilities</b>	<b>(958,114)</b>	<b>-</b>	<b>(875,318)</b>	<b>-</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 6.5 Concentration of insurance risk

The Group's underwriting business is mainly based within GCC countries.

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

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. Reinsurance ceded 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 Group's Insurance contract liabilities classified based on business segment is noted below.

	31 December 2025			31 December 2024		
	Non-Life	Life	Total	Non-Life	Life	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Insurance contract liabilities - net	(7,248,938)	(1,262,701)	(8,511,639)	(7,049,949)	(1,054,580)	(8,104,529)
Reinsurance contract assets - net	4,268,269	259,638	4,527,907	4,629,823	208,095	4,837,918

## 7. FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2025 and 31 December 2024, all financial assets listed below are classified as Level 1 within the fair value hierarchy. The fair values of the financial assets and liabilities at amortised cost are not materially different from their carrying value at the reporting date.

### 31 December 2025

Financial assets	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at FVTPL:				
Quoted equity securities in UAE	21,327	-	-	21,327
Quoted equity securities in UAE held on behalf of policyholders' unit linked products	-	-	-	-
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	1,905,598	-	-	1,905,598
<b>Total</b>	<b>1,926,925</b>	<b>-</b>	<b>-</b>	<b>1,926,925</b>
Financial assets measured at FVOCI:				
Quoted equity securities in UAE	2,446,185	-	-	2,446,185
Quoted debt security in UAE	761,337	-	-	761,337
Quoted equity securities outside UAE	7,756	-	-	7,756
Other invested assets	18,554	-	-	18,554
Less: Impairment	(3,815)	-	-	(3,815)
<b>Total</b>	<b>3,230,017</b>	<b>-</b>	<b>-</b>	<b>3,230,017</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025



31 December 2024

Financial assets	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at FVTPL:				
Quoted equity securities in UAE	16,674	-	-	16,674
Quoted equity securities in UAE held on behalf of policyholders' unit linked products	77,902	-	-	77,902
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products	1,314,183	-	-	1,314,183
<b>Total</b>	<b>1,408,759</b>	<b>-</b>	<b>-</b>	<b>1,408,759</b>
Financial assets measured at FVOCI:				
Quoted equity securities in UAE	1,898,394	-	-	1,898,394
Quoted debt security in UAE	734,093	-	-	734,093
Quoted equity securities outside UAE	1	-	-	1
Other invested assets	13,124	-	-	13,124
Less: Impairment	(4,319)	-	-	(4,319)
<b>Total</b>	<b>2,641,293</b>	<b>-</b>	<b>-</b>	<b>2,641,293</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 8. PROPERTY AND EQUIPMENT

	Land AED '000	Building AED '000	Office equipments, furnitures and fixtures AED '000	Motor vehicles AED '000	Right of use assets AED '000	Total AED '000
<b>Cost</b>						
At 1 January 2024	20,000	96,830	31,758	2,862	13,002	164,452
Additions	-	-	5,463	838	11,642	17,943
Disposal	-	-	(697)	(224)	(6,223)	(7,144)
Foreign exchange differences	-	-	(2,875)	(40)	(830)	(3,745)
At 31 December 2024	20,000	96,830	33,649	3,436	17,591	171,506
At 1 January 2025	20,000	96,830	33,649	3,436	17,591	171,506
Additions	-	-	17,958	851	5,962	24,771
Disposal	-	-	(311)	(249)	(20)	(580)
Foreign exchange differences	-	-	(443)	2	(65)	(506)
<b>At 31 December 2025</b>	<b>20,000</b>	<b>96,830</b>	<b>50,853</b>	<b>4,040</b>	<b>23,468</b>	<b>195,191</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	-	46,746	23,011	1,979	8,832	80,568
Charge for the year	-	3,859	2,297	332	2,834	9,322
On disposals	-	-	(637)	(206)	(5,198)	(6,041)
Foreign exchange differences	-	-	(1,176)	(54)	(364)	(1,594)
At 31 December 2024	-	50,605	23,495	2,051	6,104	82,255
<b>At 1 January 2025</b>	<b>-</b>	<b>50,605</b>	<b>23,495</b>	<b>2,086</b>	<b>6,104</b>	<b>82,290</b>
Charge for the year	-	3,858	10,303	375	3,784	18,320
On disposals	-	-	(272)	(84)	(20)	(376)
Foreign exchange differences	-	-	(60)	(8)	(130)	(198)
<b>At 31 December 2025</b>	<b>-</b>	<b>54,463</b>	<b>33,466</b>	<b>2,369</b>	<b>9,738</b>	<b>100,036</b>
<b>Net carrying amount</b>						
At 31 December 2024	20,000	46,225	10,154	1,385	11,487	89,251
<b>Net carrying amount At 31 December 2025</b>	<b>20,000</b>	<b>42,367</b>	<b>17,387</b>	<b>1,671</b>	<b>13,730</b>	<b>95,155</b>



**9. INVESTMENT SECURITIES**

	Amortised cost AED'000	Fair value through OCI AED'000	Fair value through profit and loss AED'000	Total AED'000
<b>At 31 December 2025</b>				
Quoted equity securities in UAE *	-	2,446,185	21,327	2,467,512
Quoted debt security in UAE	-	769,092	-	769,092
Quoted equity securities outside UAE	-	1	-	1
Quoted equity securities in UAE held on behalf of policyholders' unit linked products (Note 9.1)	-	-	-	-
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products (Note 9.1)	-	-	1,905,598	1,905,598
<b>Total equity and debt securities</b>	<b>-</b>	<b>3,215,278</b>	<b>1,926,925</b>	<b>5,142,203</b>
Total other invested assets	333,647	18,554	-	352,201
Impairment	(4,071)	(3,815)	-	(7,886)
<b>Total</b>	<b>329,576</b>	<b>3,230,017</b>	<b>1,926,925</b>	<b>5,486,518</b>

**At 31 December 2024**

	Amortised cost AED'000	Fair value through OCI AED'000	Fair value through profit and loss AED'000	Total AED'000
Quoted equity securities in UAE	-	1,898,394	16,674	1,915,068
Quoted debt security in UAE	-	734,093	-	734,093
Quoted equity securities outside UAE	-	1	-	1
Quoted equity securities in UAE held on behalf of policyholders' unit linked products (Note 9.1)	-	-	77,902	77,902
Quoted equity securities outside UAE held on behalf of policyholders' unit linked products (Note 9.1)	-	-	1,314,183	1,314,183
<b>Total equity and debt securities</b>	<b>-</b>	<b>2,632,488</b>	<b>1,408,759</b>	<b>4,041,247</b>
Total other invested assets	255,593	13,124	-	268,717
Total invested assets	255,593	2,645,612	1,408,759	4,309,964
Impairment	(1,278)	(4,319)	-	(5,597)
<b>Total</b>	<b>254,315</b>	<b>2,641,293</b>	<b>1,408,759</b>	<b>4,304,367</b>

\*Investments measured under FVTPL amounting to AED 21.3 million (2024: AED 16.3 million) are held by related party on behalf of the Group.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 9.1 UNIT LINKED INVESTMENTS HELD ON BEHALF OF POLICYHOLDERS

	31 December 2025 AED'000	31 December 2024 AED'000
Balance as at 1 January	1,392,085	1,010,091
Deposits received	1,042,134	799,276
Surrenders and maturity payments	(709,473)	(538,030)
Policy and charges deducted	(75,346)	(56,077)
Change in fair value of unit linked assets	256,198	176,825
	<b>1,905,598</b>	<b>1,392,085</b>

### 10. STATUTORY DEPOSITS

	31 December 2025 AED'000	31 December 2024 AED'000
a) Statutory deposit that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with Article 42 of Federal Law No.6 of 2007	10,000	10,000
b) Amounts under lien with Capital Market Authority, Sultanate of Oman	63,808	58,374
c) Amounts under lien with Insurance Authority Syria	8	7
d) Amounts under lien with Egyptian Financial Supervisory Authority	34,063	30,813
e) Amounts under lien with Turkish Treasury	109,020	44,662
f) Amounts under lien with Central Bank of UAE on behalf of Orient Takaful PJSC	11,676	3,811
g) Amounts under lien with Central Bank of Bahrain	979	729
h) Amounts under lien with Insurance Authority, Saudi Arabia		58,747
<b>Total</b>	<b>288,301</b>	<b>148,396</b>



**11. CASH AND BANK BALANCES**

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Bank balances and cash	<b>591,169</b>	733,644
Deposits with banks maturing within three months	<b>121,467</b>	32,732
<b>Cash and cash equivalents</b>	<b>712,636</b>	766,376

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Bank deposits maturing after three months	<b>5,523,041</b>	4,517,192
Impairment	<b>(23,869)</b>	(25,265)
	<b>5,499,172</b>	4,491,927

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Cash and bank balances (including Bank Deposits):		
Inside UAE:	<b>5,591,586</b>	4,946,098
Outside UAE:	<b>620,222</b>	312,205
<b>Total</b>	<b>6,211,808</b>	5,258,303

Bank balances include AED 29,045 thousand (31 December 2024: AED 16,815 thousand) under lien against the bank guarantees.

Bank Deposits held in UAE Contribute to 91% of the total deposits for the group on which fixed interest rate range from 2.00% to 6.25% ( 2024: 2.00% to 6.55%)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 12. OTHER RECEIVABLES AND PREPAYMENTS

	31 December 2025 AED'000	31 December 2024 AED'000
Prepayments	20,359	55,238
Refundable deposits	6,402	11,525
Accrued interest	11,134	7,513
Receivable from employees	1,719	265
Deferred acquisition costs	31,379	25,155
<b>Total</b>	<b>70,993</b>	<b>99,696</b>

Acquisition costs are those costs that are primarily related to the acquisition of new investment contracts with investment management services, particularly for single premium contracts. These costs comprise of commissions and other incremental expenses directly related to the issuance of each new contract. These costs are initially recognized as an asset in the statement of financial position and are amortized over the period of the underlying contract in the consolidated statement of profit or loss. An impairment review is performed at each reporting date, when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognized in the consolidated statement of profit or loss.

### 13. EMPLOYEES'S END OF SERVICE BENIFITS

	31 December 2025 AED'000	31 December 2024 AED'000
At 1 January	39,442	36,412
Charge for the year	11,142	6,043
Paid during the year	(4,111)	(1,926)
Exchange differences	282	(1,087)
<b>Total</b>	<b>46,755</b>	<b>39,442</b>

### 14. OTHER PAYABLES

	31 December 2025 AED'000	31 December 2024 AED'000
Payable to employees	41,006	35,365
Expired Risk Liability	7,646	17,133
Lease Liability	16,114	12,055
Advance from policyholders	68,966	33,310
FISP Surrender payable	27,949	15,794
Other payables	179,318	166,618
<b>Total</b>	<b>340,999</b>	<b>280,275</b>



## 15. LIABILITIES FOR INVESTMENT CONTRACTS

	<b>31 December 2025</b>	31 December 2024
	<b>AED'000</b>	AED'000
Balance as at 1 January	<b>1,008,155</b>	729,262
Deposits received	<b>818,813</b>	658,540
Surrenders and maturity payments	<b>(534,567)</b>	(440,033)
Policy and charges deducted	<b>(49,916)</b>	(28,756)
Net change in fair value of investment contract liabilities	<b>187,690</b>	89,142
<b>Total</b>	<b>1,430,175</b>	1,008,155

## 16. INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

	31 December 2025			31 December 2024		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Insurance contracts issued</b>						
General and medical	<b>54,448</b>	<b>(7,303,386)</b>	<b>(7,248,938)</b>	113,548	(7,163,507)	(7,049,959)
Life (Group and individual life)	<b>1,457</b>	<b>(1,264,158)</b>	<b>(1,262,701)</b>	45,675	(1,100,255)	(1,054,580)
<b>Total insurance contracts issued</b>	<b>55,905</b>	<b>(8,567,544)</b>	<b>(8,511,639)</b>	159,223	(8,263,762)	(8,104,539)
<b>Reinsurance contracts held</b>						
General and medical	<b>4,780,815</b>	<b>(512,546)</b>	<b>4,268,269</b>	5,356,972	(727,149)	4,629,823
Life (Group and individual life)	<b>268,380</b>	<b>(8,742)</b>	<b>259,638</b>	241,695	(33,600)	208,095
<b>Total reinsurance contracts issued</b>	<b>5,049,195</b>	<b>(521,288)</b>	<b>4,527,907</b>	5,598,667	(760,749)	4,837,918



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims (LIC) for insurance contracts as on 31 December 2025

31 December 2025

Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non- financial risk	
Opening Balance of Insurance										
Contract Assets	145,186	-	1,021	-	13,026	-	-	-	-	159,223
Opening Balance of Insurance										
Contract Liabilities	(2,227,598)	(5,996)	(530,119)	(2,460)	(304,947)	(12,668)	(49,299)	(4,904,186)	(226,489)	(8,263,762)
<b>Net opening position of Insurance contracts as on 1 January 2025</b>	<b>(2,082,412)</b>	<b>(5,996)</b>	<b>(529,098)</b>	<b>(2,460)</b>	<b>(291,921)</b>	<b>(12,668)</b>	<b>(49,299)</b>	<b>(4,904,186)</b>	<b>(226,489)</b>	<b>(8,104,529)</b>
Insurance Revenue	9,144,744	-	72,220	-	8,654	-	-	-	-	9,225,618
Incurred Claims and other expense	(61,910)	-	-	722	-	1,014	(182,283)	(5,243,737)	(89,889)	(5,576,083)
Amortisation of insurance acquisition Cash Flows	(1,068,552)	-	(16,351)	-	(513)	-	-	-	-	(1,085,416)
Changes related to past service										
- adjustment to LIC	-	-	-	-	-	-	145,935	751,535	97,245	994,715
Changes in Onerous Liability and reversal of such losses	-	(24,924)	-	(4)	-	(1,295)	-	-	-	(26,223)
<b>Insurance Service Expenses</b>	<b>(1,130,462)</b>	<b>(24,924)</b>	<b>(16,351)</b>	<b>718</b>	<b>(513)</b>	<b>(281)</b>	<b>(36,348)</b>	<b>(4,492,202)</b>	<b>7,356</b>	<b>(5,693,007)</b>
<b>Insurance Service Result</b>	<b>8,014,282</b>	<b>(24,924)</b>	<b>55,869</b>	<b>718</b>	<b>8,141</b>	<b>(281)</b>	<b>(36,348)</b>	<b>(4,492,202)</b>	<b>7,356</b>	<b>3,532,611</b>
Insurance finance expenses recognized in profit and loss	-	-	(70,457)	(77)	(15,269)	(500)	-	(129,243)	501	(215,045)
Total changes to statement of Profit and loss	8,014,282	(24,924)	(14,588)	641	(7,128)	(781)	(36,348)	(4,621,445)	7,857	3,317,566

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025



31 December 2025  
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non- financial risk	
Investment Components	-	-	112,459	-	72,842	-	(185,301)	-	-	-
<b>Cash flows</b>										
Premium Received	(9,710,362)	-	(224,085)	-	(36,350)	-	-	-	-	(9,970,797)
Claims & Other Expenses Paid	440,559	-	-	-	-	-	183,792	4,703,899	-	5,328,250
Acquisition Cash Flows Paid	874,169	-	36,544	-	1,534	-	-	-	-	912,247
<b>Total Cash Flows</b>	<b>(8,395,634)</b>	<b>-</b>	<b>(187,541)</b>	<b>-</b>	<b>(34,816)</b>	<b>-</b>	<b>183,792</b>	<b>4,703,899</b>	<b>-</b>	<b>(3,730,300)</b>
Foreign Currency Translation difference	(3,425)	1,229	-	-	-	-	-	7,355	465	5,624
<b>Net Balance as at 31 December 2025</b>	<b>(2,467,189)</b>	<b>(29,691)</b>	<b>(618,768)</b>	<b>(1,819)</b>	<b>(261,023)</b>	<b>(13,449)</b>	<b>(87,156)</b>	<b>(4,814,377)</b>	<b>(218,167)</b>	<b>(8,511,639)</b>
Closing Insurance of Contract Assets	70,858	(23)	-	-	8,302	(6,281)	(564)	(15,386)	(1,001)	55,905
Closing Insurance of Contract Liabilities	(2,538,047)	(29,668)	(618,768)	(1,819)	(269,325)	(7,168)	(86,592)	(4,798,991)	(217,166)	(8,567,544)
<b>Net Insurance contract liabilities</b>										
<b>Balance as at 31 December 2025</b>	<b>(2,467,189)</b>	<b>(29,691)</b>	<b>(618,768)</b>	<b>(1,819)</b>	<b>(261,023)</b>	<b>(13,449)</b>	<b>(87,156)</b>	<b>(4,814,377)</b>	<b>(218,167)</b>	<b>(8,511,639)</b>

Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims (LIC) for insurance contracts as on 31 December 2024



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025

31 December 2024  
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Opening Balance of Insurance Contract Assets	207,434	-	207	-	12,542	-	-	-	-	220,183
Opening Balance of Insurance Contract Liabilities	(2,001,487)	(1,357)	(428,266)	(206)	(334,966)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,685,252)
Net opening position of Insurance contracts as on 1 January 2024	(1,794,053)	(1,357)	(428,059)	(206)	(322,424)	(11,114)	(36,593)	(2,738,335)	(132,928)	(5,465,069)
Insurance Revenue	7,511,826	-	74,639	-	9,905	-	-	-	-	7,596,370
Incurred Claims and other expense	-	-	-	-	-	2,209	(195,657)	(6,885,420)	(66,124)	(7,144,992)
Amortisation of insurance acquisition Cash Flows	(714,405)	-	(10,980)	-	(463)	-	-	-	-	(725,848)
Changes in liabilities for Incurred Claims	-	-	-	-	-	-	164,997	410,752	(32,300)	543,449
Changes in Onerous Liability and reversal of such losses	-	(5,076)	-	(2,254)	-	(3,359)	-	-	-	(10,689)
Insurance Service Expenses	(714,405)	(5,076)	(10,980)	(2,254)	(463)	(1,150)	(30,660)	(6,474,668)	(98,424)	(7,338,080)
Insurance Service Result	6,797,421	(5,076)	63,659	(2,254)	9,442	(1,150)	(30,660)	(6,474,668)	(98,424)	258,290
Insurance finance expenses recognized in profit and loss	-	-	(93,652)	-	3,031	(404)	-	(72,577)	156	(163,446)
Total changes to statement of Profit and loss	6,797,421	(5,076)	(29,993)	(2,254)	12,473	(1,554)	(30,660)	(6,547,245)	(98,268)	94,844

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025



Reconciliation of the Insurance liability of remaining coverage (LRC) & liability for incurred claims for insurance contracts (LIC) as on 31 December 2024 (continued)

31 December 2024

Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Investment Components	-	-	106,284	-	53,466	-	(159,750)	-	-	-
Cash flows										
Premium Received	(7,797,187)	-	(213,792)	-	(37,798)	-	-	-	-	(8,048,777)
Claims & Other Expenses Paid	-	-	-	-	-	-	177,704	4,314,493	-	4,492,197
Acquisition Cash Flows Paid	636,160	-	36,462	-	2,362	-	-	-	-	674,984
<b>Total Cash Flows</b>	<b>(7,161,027)</b>	<b>-</b>	<b>(177,330)</b>	<b>-</b>	<b>(35,436)</b>	<b>-</b>	<b>177,704</b>	<b>4,314,493</b>	<b>-</b>	<b>(2,881,596)</b>
Foreign Currency										
Translation difference	75,247	437	-	-	-	-	-	66,901	4,707	147,292
<b>Net Balance as at 31 December 2024</b>	<b>(2,082,412)</b>	<b>(5,996)</b>	<b>(529,098)</b>	<b>(2,460)</b>	<b>(291,921)</b>	<b>(12,668)</b>	<b>(49,299)</b>	<b>(4,904,186)</b>	<b>(226,489)</b>	<b>(8,104,529)</b>
Closing Insurance of Contract Assets	145,186	-	1,021	-	13,026	-	-	-	-	159,233
Closing Insurance of Contract Liabilities	(2,227,598)	(5,996)	(530,119)	(2,460)	(304,947)	(12,668)	(49,299)	(4,904,186)	(226,489)	(8,263,762)
<b>Net Insurance contract liabilities</b>										
<b>Balance as at 31 December 2024</b>	<b>(2,082,412)</b>	<b>(5,996)</b>	<b>(529,098)</b>	<b>(2,460)</b>	<b>(291,921)</b>	<b>(12,668)</b>	<b>(49,299)</b>	<b>(4,904,186)</b>	<b>(226,489)</b>	<b>(8,104,529)</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### Reconciliation of measurement component of insurance contract balances not measured under the PAA

31 December 2025

	Present value of future cashflows AED '000	Risk adj. for non-financial risk AED '000	CSM AED '000	Total AED '000
Opening insurance contract assets	14,047	-	-	14,047
Opening insurance contract liabilities	(789,942)	(9,297)	(100,254)	(899,493)
<b>Net balance as at 1 January 2025</b>	<b>(775,895)</b>	<b>(9,297)</b>	<b>(100,254)</b>	<b>(885,446)</b>
Changes that relate to current service				
CSM recognised for the services provided	-	-	23,379	23,379
Change in the risk adjustment for non-financial risk for the risk expired	-	2,394	-	2,394
Experience adjustments—premium and associated cashflows	41,784	-	-	41,784
	41,784	2,394	23,379	67,557
<b>Changes that relate to future service</b>				
Contracts initially recognised in the period	48,722	(1,279)	(47,544)	(101)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Changes in estimates that adjust the CSM	(8,146)	(1,119)	7,760	(1,505)
	40,576	(2,398)	(39,784)	(1,606)
<b>Changes that relate to past service</b>				
Adjustments to liabilities for incurred claims	(37,852)	-	-	(37,852)
	(37,852)	-	-	(37,852)
<b>Insurance service result</b>	<b>44,508</b>	<b>(4)</b>	<b>(16,405)</b>	<b>28,099</b>
Finance expenses from insurance contracts issued	(85,134)	(146)	(1,023)	(86,303)
<b>Total amounts recognised in PL</b>	<b>(40,626)</b>	<b>(150)</b>	<b>(17,428)</b>	<b>(58,204)</b>
<b>Cash flows</b>				
Premiums received	(260,435)	-	-	(260,435)
Claims and other directly attributable expenses paid	183,792	-	-	183,792
Insurance acquisition cash flows	38,078	-	-	38,078
Total cash flows	(38,565)	-	-	(38,565)
<b>Net balance as at 31 December 2025</b>	<b>(855,086)</b>	<b>(9,447)</b>	<b>(117,682)</b>	<b>(982,215)</b>
Closing insurance contract assets	1,457	-	-	1,457
Closing insurance contract liabilities	(856,543)	(9,447)	(117,682)	(983,672)
<b>Net balance as at 31 December 2025</b>	<b>(855,086)</b>	<b>(9,447)</b>	<b>(117,682)</b>	<b>(982,215)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025



Reconciliation of measurement component of insurance contract balances not measured under the PAA

31 December 2024

	Present value of future cashflows AED '000	Risk adj. for non-financial risk AED '000	CSM AED '000	Total AED '000
Opening insurance contract assets	12,749	-	-	12,749
Opening insurance contract liabilities	(732,199)	(9,283)	(69,663)	(811,145)
Net balance as at 1 January 2024	(719,450)	(9,283)	(69,663)	(798,396)
Changes that relate to current service				
CSM recognised for the services provided	-	-	22,249	22,249
Change in the risk adjustment for non-financial risk for the risk expired	-	2,526	-	2,526
Experience adjustments-premium and associated cashflows	32,717	-	-	32,717
	32,717	2,526	22,249	57,492
Changes that relate to future service				
Contracts initially recognised in the period	21,250	(1,363)	(20,382)	(495)
Changes in estimates that results in onerous contract losses or reversals of such losses	-	-	-	-
Changes in estimates that adjust the CSM	27,300	(1,017)	(31,537)	(5,254)
	48,550	(2,380)	(51,919)	(5,749)
Changes that relate to past service				
Adjustments to liabilities for incurred claims	(12,706)	-	-	(12,706)
	(12,706)	-	-	(12,706)
Insurance service result	68,561	148	(29,670)	39,039
Finance expenses from insurance contracts issued	(89,944)	(162)	(921)	(91,027)
Total amounts recognised in PL	(21,383)	(14)	(30,591)	(51,988)
Cash flows				
Premiums received	(251,590)	-	-	(251,590)
Claims and other directly attributable expenses paid	177,704	-	-	177,704
Insurance acquisition cash flows	38,824	-	-	38,824
Total cash flows	(35,062)	-	-	(35,062)
Net balance as at 31 December 2024	(775,895)	(9,297)	(100,254)	(885,446)
Closing insurance contract assets	14,047	-	-	14,047
Closing insurance contract liabilities	(789,942)	(9,297)	(100,254)	(899,493)
Net balance as at 31 December 2024	(775,895)	(9,297)	(100,254)	(885,446)



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

Reconciliation of the Reinsurance contracts for remaining (ARC) coverage & asset for incurred claims (AIC) for reinsurance contracts as on 31 December 2025

31 December 2025

Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non- financial risk	
Opening Balance of Reinsurance										
Contract Assets	1,320,342	4,038	3,534	8,771	9,882	6,476	15,070	4,038,113	192,441	5,598,667
Opening Balance Reinsurance										
Contract Liabilities	(727,149)	-	(12,707)	-	(20,893)	-	-	-	-	(760,749)
<b>Net opening position of reinsurance contracts assets on 1 January 2025</b>	<b>593,193</b>	<b>4,038</b>	<b>(9,173)</b>	<b>8,771</b>	<b>(11,011)</b>	<b>6,476</b>	<b>15,070</b>	<b>4,038,113</b>	<b>192,441</b>	<b>4,837,918</b>
Reinsurance Expenses	(6,712,624)	-	(5,933)	-	(4,621)	-	-	-	-	(6,723,178)
Incurred Claims and other directly attributable expense	-	-	-	-	-	(1,010)	9,107	3,909,113	107,825	4,025,035
Amortisation of Insurance										
Acquisition Cash Flows	410,080	-	-	-	-	-	-	-	-	410,080
Changes related to past service										
- adjustment to LIC	-	-	-	-	-	(36)	(2,713)	(617,848)	(118,199)	(738,796)
Claims Recovered (Loss Recovery)	-	8,007	(113)	2,012	(116)	498	-	-	-	10,288
<b>Net (expenses)/ income from reinsurance contracts held</b>	<b>(6,302,544)</b>	<b>8,007</b>	<b>(6,046)</b>	<b>2,012</b>	<b>(4,737)</b>	<b>(548)</b>	<b>6,394</b>	<b>3,291,265</b>	<b>(10,374)</b>	<b>(3,016,571)</b>
Finance income from Reinsurance Contracts held (PL)	-	-	52	-	104	486	-	114,226	(336)	114,532
Total changes to statement of Profit and loss	<b>(6,302,544)</b>	<b>8,007</b>	<b>(5,994)</b>	<b>2,012</b>	<b>(4,633)</b>	<b>(62)</b>	<b>6,394</b>	<b>3,405,491</b>	<b>(10,710)</b>	<b>(2,902,039)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025



31 December 2025

Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		Liability for incurred claims -PAA			Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component	LIC for Contracts not under PAA	Present value for future cashflows	Risk adj for non- financial risk	
<b>Cash flows</b>										
Premiums paid	6,644,379	-	7,556	-	13,248	-	-	-	-	6,665,183
Claims & Other Expenses Recovered	964	-	-	-	-	-	(4,553)	(3,601,536)	-	(3,605,125)
Acquisition Cash flows received	(459,137)	-	-	-	-	-	-	-	-	(459,137)
<b>Total Cash Flows</b>	<b>6,186,206</b>	<b>-</b>	<b>7,556</b>	<b>-</b>	<b>13,248</b>	<b>-</b>	<b>(4,553)</b>	<b>(3,601,536)</b>	<b>-</b>	<b>2,600,921</b>
Foreign Currency Translation Difference	284	(1,053)	-	-	-	-	-	(7,770)	(354)	(8,893)
<b>Net Balance as at 31 December 2025</b>	<b>477,139</b>	<b>10,992</b>	<b>(7,611)</b>	<b>10,783</b>	<b>(2,396)</b>	<b>6,414</b>	<b>16,911</b>	<b>3,834,298</b>	<b>181,377</b>	<b>4,527,907</b>
Closing Reinsurance of Contract Assets	1,111,653	10,992	(7,609)	10,783	9,575	5,087	14,839	3,718,858	175,017	5,049,195
Closing Reinsurance of Contract Liabilities	(634,514)	-	(2)	-	(11,971)	1,327	2,072	115,440	6,360	(521,288)
<b>Net Balance of Reinsurance Contract assets as at 31 December 2025</b>	<b>477,139</b>	<b>10,992</b>	<b>(7,611)</b>	<b>10,783</b>	<b>(2,396)</b>	<b>6,414</b>	<b>16,911</b>	<b>3,834,298</b>	<b>181,377</b>	<b>4,527,907</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

31 December 2024  
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		LIC for Contracts not under PAA	Liability for incurred claims -PAA		Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component		Present value for future cashflows	Risk adj for non-financial risk	
Opening Balance of Reinsurance Contract Assets	1,407,979	652	2,399	3,718	7,998	3,468	13,360	1,986,539	96,011	3,522,124
Opening Balance Reinsurance Contract Liabilities	(905,895)	-	(10,322)	-	(21,098)	-	-	-	-	(937,315)
Net opening position of reinsurance contracts assets on 1 January 2024	502,084	652	(7,923)	3,718	(13,100)	3,468	13,360	1,986,539	96,011	2,584,809
Reinsurance Expenses	(5,558,893)	(652)	(5,551)	-	(4,511)	-	-	-	-	(5,569,607)
Incurred Claims and other directly attributable expense	-	-	-	-	-	(641)	12,780	5,489,579	135,295	5,637,013
Amortisation of Insurance Acquisition Cash Flows	315,218	-	-	-	-	-	-	-	-	315,218
Changes related to past service - adjustment to LIC	-	-	-	-	-	(7)	(4,679)	(245,801)	(37,950)	(288,437)
Claims Recovered (Loss Recovery)	-	4,347	(230)	5,053	(211)	3,182	-	-	-	12,141
Net (expenses)/ income from reinsurance contracts held	(5,243,675)	3,695	(5,781)	5,053	(4,722)	2,534	8,101	5,243,778	97,345	106,328
Finance income from Reinsurance Contracts held (PL)	-	-	(118)	-	156	474	-	54,094	(133)	54,473
Total changes to statement of Profit and loss	(5,243,675)	3,695	(5,899)	5,053	(4,566)	3,008	8,101	5,297,872	97,212	160,801

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## AT 31 DECEMBER 2025



31 December 2024  
Amounts in AED'000

	Remaining coverage - PAA		Remaining Coverage - VFA		Remaining coverage - GMM		Liability for incurred claims -PAA			Total
	Excl. loss component	Loss component	Excl. loss component	Loss component	Excl. loss component	Loss component	LIC for Contracts not under PAA	Present value for future cashflows	Risk adj for non-financial risk	
Cash flows										
Premiums paid	5,705,157	-	4,649	-	6,655	-	-	-	-	5,716,461
Claims & Other Expenses Recovered	-	-	-	-	-	-	(6,391)	(3,212,596)	-	(3,218,987)
Acquisition Cash Flows received	(355,167)	-	-	-	-	-	-	-	-	(355,167)
<b>Total Cash Flows</b>	<b>5,349,990</b>	<b>-</b>	<b>4,649</b>	<b>-</b>	<b>6,655</b>	<b>-</b>	<b>(6,391)</b>	<b>(3,212,596)</b>	<b>-</b>	<b>2,142,307</b>
Foreign Currency										
Translation Difference	15,206	309	-	-	-	-	-	33,702	782	49,999
Net Balance as at 31 December 2024	593,193	4,038	(9,173)	8,771	(11,011)	6,476	15,070	4,038,113	192,441	4,837,918
Closing Reinsurance of Contract Assets	1,320,342	4,038	3,534	8,771	9,882	6,476	15,070	4,038,113	192,441	5,598,667
Closing Reinsurance of Contract Liabilities	(727,149)	-	(12,707)	-	(20,893)	-	-	-	-	(760,749)
<b>Net Balance of Reinsurance Contract assets as at 31 December 2024</b>	<b>593,193</b>	<b>4,038</b>	<b>(9,173)</b>	<b>8,771</b>	<b>(11,011)</b>	<b>6,476</b>	<b>15,070</b>	<b>4,038,113</b>	<b>192,441</b>	<b>4,837,918</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### Reconciliation of measurement component of Reinsurance contract balances not measured under the PAA

31 December 2025	Present value of future cashflows AED '000	Risk adj. for non-financial risk AED '000	CSM AED '000	Total AED '000
Opening Reinsurance contract liabilities	(33,600)	-	-	(33,600)
Opening Reinsurance contract assets	25,663	932	17,138	43,733
<b>Net balance as at 1 January 2025</b>	<b>(7,937)</b>	<b>932</b>	<b>17,138</b>	<b>10,133</b>
<b>Changes that relate to current service</b>				
CSM recognised for the services provided	-	-	(3,787)	(3,787)
Change in the risk adjustment for non-financial risk for the risk expired	-	(202)	-	(202)
Experience adjustments-relating to insurance service expenses	(3,057)	-	-	(3,057)
	<b>(3,057)</b>	<b>(202)</b>	<b>(3,787)</b>	<b>(7,046)</b>
<b>Changes that relate to future service</b>				
Contracts initially recognised in the period	(2,330)	234	3,000	904
Changes in estimates that adjust the CSM	(3,415)	(94)	4,886	1,377
	<b>(5,745)</b>	<b>140</b>	<b>7,886</b>	<b>2,281</b>
<b>Changes that relate to past service</b>				
Adjustments to liabilities for incurred claims	1,840	-	-	1,840
	<b>1,840</b>	<b>-</b>	<b>-</b>	<b>1,840</b>
<b>Net (expense)/ income from reinsurance contracts held</b>	<b>(6,962)</b>	<b>(62)</b>	<b>4,099</b>	<b>(2,925)</b>
Finance income/ (expenses) from reinsurance contracts held	(150)	51	741	642
<b>Total amounts recognised in PL</b>	<b>(7,112)</b>	<b>(11)</b>	<b>4,840</b>	<b>(2,283)</b>
<b>Cash flows</b>				
Premiums paid net of ceding commissions	20,804	-	-	20,804
Recoveries from reinsurance	(4,553)	-	-	(4,553)
<b>Total cash flows</b>	<b>16,251</b>	<b>-</b>	<b>-</b>	<b>16,251</b>
<b>Net balance as at 31 December 2025</b>	<b>1,202</b>	<b>921</b>	<b>21,978</b>	<b>24,101</b>
Closing Reinsurance Contract Assets	32,675	-	-	32,675
Closing Reinsurance Contract Liabilities	(31,473)	921	21,978	(8,574)
<b>Net balance as at 31 December 2025</b>	<b>1,202</b>	<b>921</b>	<b>21,978</b>	<b>24,101</b>



**Reconciliation of measurement component of Reinsurance contract balances not measured under the PAA**

31 December 2024	Present value of future cashflows AED '000	Risk adj. for non-financial risk AED '000	CSM AED '000	Total AED '000
Opening Reinsurance contract assets	(31,420)	-	-	(31,420)
Opening Reinsurance contract liabilities	16,466	333	14,143	30,942
<b>Net balance as at 1 January 2024</b>	<b>(14,954)</b>	<b>333</b>	<b>14,143</b>	<b>(478)</b>
<b>Changes that relate to current service</b>				
CSM recognised for the services provided	-	-	(2,607)	(2,607)
Change in the risk adjustment for non-financial risk for the risk expired	-	(70)	-	(70)
Experience adjustments-relating to insurance service expenses	(1,642)	-	-	(1,642)
	(1,642)	(70)	(2,607)	(4,319)
<b>Changes that relate to future service</b>				
Contracts initially recognised in the period	(2,185)	72	3,105	992
Changes in estimates that adjust the CSM	4,348	577	1,877	6,802
	2,163	649	4,982	7,794
<b>Changes that relate to past service</b>				
Adjustments to liabilities for incurred claims	1,711	-	-	1,711
	1,711	-	-	1,711
<b>Net (expense)/ income from reinsurance contracts held</b>	<b>2,232</b>	<b>579</b>	<b>2,375</b>	<b>5,186</b>
Finance income/ (expenses) from reinsurance contracts held	(127)	19	620	512
Total amounts recognised in PL	2,105	598	2,995	5,698
<b>Cash flows</b>				
Premiums paid net of ceding commissions	11,303	-	-	11,303
Recoveries from reinsurance	(6,389)	-	-	(6,389)
Total cash flows	4,914	-	-	4,914
<b>Net balance as at 31 December 2024</b>	<b>(7,935)</b>	<b>931</b>	<b>17,138</b>	<b>10,134</b>
Closing Reinsurance Contract Assets	25,665	931	17,138	43,734
Closing Reinsurance Contract Liabilities	(33,600)	-	-	(33,600)
<b>Net balance as at 31 December 2024</b>	<b>(7,935)</b>	<b>931</b>	<b>17,138</b>	<b>10,134</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

## 17. SHARE CAPITAL

	31 December 2025 AED'000	31 December 2024 AED'000
Issued and fully paid 5,000,000 shares of AED 100 each (2024: 5,000,000 shares of AED 100 each)	500,000	500,000

## 18. RESERVES

### Nature and purpose of reserves

#### Statutory reserve

In accordance with the Group's Articles of Association, the Group has resolved not to increase the statutory above an amount equal to 25% of its paid up capital. Accordingly, no transfer to statutory reserve has been made during the period. The reserve can be used for any purpose to be decided by the shareholders upon the recommendation of the Board of Directors.

#### Legal reserve

'In accordance with the Federal Law no. (2) of 2015 ("the Law") and the Group's Articles of Association, 10% of the profit for the year is required to be transferred to the legal reserve. The Group may resolve to discontinue such transfers when the reserve totals 50% of the paid-up share capital which occurred in 2016. The reserve is not available for distribution except in the circumstances stipulated by the law.

#### Exceptional loss reserve

'For UAE operations, an amount equal to 10% of the net underwriting income for the year is to be transferred to an exceptional loss reserve to ensure that the Group has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years.

'For Oman operations, an amount equal to 10% of the outstanding claims (non-life) for the year and 1% of gross premiums for life assurance is transferred to a contingency loss reserve to ensure that the Group has sufficient solvency to meet exceptional, non-recurring claims which may arise in future years for the Oman branch.

During the year 2025, an amount of AED 43,532 thousand (YE 2024: AED 26,650 thousand) has been transferred to exceptional loss reserve.

#### General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

#### Reinsurance risk reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Insurance Authority 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 Director General. The Director General may agree to cease these allocations when the accumulated amount reaches an acceptable limit. Accordingly, an amount of AED 32,859 thousand (YE 2024 AED 30,127 thousand) has been recorded in equity as a reinsurance risk reserve during the year ended 31 December 2025

#### Fair value investments reserve

This reserve records fair value changes on financial assets measured at FVOCI.



**Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of financial statements of foreign subsidiaries.

**Capital reserve**

The capital reserve has been created against additional shares of Orient Takaful, Egypt and Orient Takaful, UAE purchased at a price lower than the book value.

**19. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY**

	31 December	
	2025	2024
	AED'000	AED'000
Net profit after tax	836,252	731,223
Less: Attributable to non- controlling interests	(15,268)	(20,405)
<b>Profit attributable to shareholders</b>	<b>820,984</b>	<b>710,818</b>

	31 December	
	2025	2024
	AED'000	AED'000
Weighted average number of shares outstanding during the year	5,000,000	5,000,000
<b>Basic and diluted earnings per share attributable to Equity shareholders of the Company (AED)</b>	<b>164.20</b>	<b>142.16</b>

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the number of weighted average shares outstanding at the end of the reporting period. Diluted earnings per share is equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

**20. DIVIDEND PAYABLE**

Dividend of AED 80 per share (totaling AED 400 million) relating to the year 2024 was declared upon approval of the shareholders at the Annual General Meeting held on 8th April 2025. This was paid during April 2025.

For the year ended 31 December 2025, the Board of directors has proposed a cash dividend of AED 100 per share amounting to AED 500 million (2024: AED 400 million). This is subject to the shareholders' approval at the Annual General Meeting to be held during 2026

**21. CONTINGENT LIABILITIES**

At 31 December 2025, guarantees, other than those relating to claims for which provisions are held, amounting to AED 29,649 thousand (31 December 2024: AED 26,815 thousand), had been issued on behalf of the Group by its banker in the ordinary course of business.

The Group, in common with the majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, management does not believe that the outcome of these court cases will have an impact on the Group's profit or financial condition.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 22. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the consolidated statement of profit or loss are as follows:

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Gross written premium (Insurance revenue)	329,222	331,492
Administrative expenses (Insurance service expenses)	89,416	57,337
Cost of repair of vehicles related to claims (Insurance service expenses)	174,209	83,974
Interest income	11,860	48,341
<b>Dividends received (other investment income)</b>	<b>140,691</b>	<b>123,667</b>

Balances with related parties included in the consolidated statement of financial position are as follows:

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Investment Securities	2,647,353	2,080,685
Deposits with Banks	4,411	154,661
Amounts due from related parties	110,757	109,981
Amounts due to related parties	56,680	74,843
<b>Related party cash at bank</b>	<b>138</b>	<b>3,421</b>

#### Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Short term benefits	47,844	44,595
Employees' end of service benefits	2,315	1,599
<b>Total</b>	<b>50,159</b>	<b>46,194</b>

As at 31 December 2025 and 31 December 2024, amounts due from related parties were not impaired. The impairment assessment is undertaken each financial year through examining the financial position of the related parties and the market in which the related party operates.



## 23. INSURANCE REVENUE

### For the year ended 31 December 2025

	General AED'000	Life AED'000	Total AED'000
Contracts not measured under PAA			
Expected incurred claims and other expenses after loss component allocation	-	38,256	38,256
Changes in risk adjustment for non-financial risk	-	2,373	2,373
CSM recognised in the year for the service provided	-	23,379	23,379
Insurance acquisition cashflow recovery	-	16,866	16,866
	-	80,874	80,874
<b>Contracts measured under PAA</b>			
Insurance revenue	8,842,952	301,792	9,144,744
<b>Total insurance revenue</b>	<b>8,842,952</b>	<b>382,666</b>	<b>9,225,618</b>

### For the year ended 31 December 2024

	General AED'000	Life AED'000	Total AED'000
Contracts not measured under PAA			
Expected incurred claims and other expenses after loss component allocation	-	48,481	48,481
Changes in risk adjustment for non-financial risk	-	2,372	2,372
CSM recognised in the year for the service provided	-	22,249	22,249
Insurance acquisition cashflow recovery	-	11,442	11,442
	-	84,544	84,544
<b>Contracts measured under PAA</b>			
Insurance revenue	7,260,457	251,369	7,511,826
<b>Total insurance revenue</b>	<b>7,260,457</b>	<b>335,913</b>	<b>7,596,370</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 24. INSURANCE SERVICE EXPENSES

For the year ended 31 December 2025

	Contracts measured Under PAA AED'000'	Contracts measured (VFA and GMM) AED'000'	Total AED'000'
Incurred claims and other directly attributable expense	(5,395,536)	(180,547)	(5,576,083)
Amortisation of insurance acquisition cash flows	(1,068,552)	(16,864)	(1,085,416)
Changes that relate to past service -adjustments to the LIC	848,780	145,935	994,715
Changes in Onerous Liability and reversal of such losses	(24,924)	(1,299)	(26,223)
	<b>(5,640,232)</b>	<b>(52,775)</b>	<b>(5,693,007)</b>

For the year ended 31 December 2024

	Contracts measured Under PAA AED'000	Contracts measured (VFA and GMM) AED'000	Total AED'000
Incurred claims and other directly attributable expense	(6,951,544)	(193,448)	(7,144,992)
Amortisation of insurance acquisition cash flows	(714,405)	(11,443)	(725,848)
Changes that relate to past service -adjustments to the LIC	378,452	164,997	543,449
Changes in Onerous Liability and reversal of such losses	(5,076)	(5,613)	(10,689)
	<b>(7,292,573)</b>	<b>(45,507)</b>	<b>(7,338,080)</b>

### 25. NET INSURANCE FINANCE RESULTS

	31 December 2025 AED'000	31 December 2024 AED'000
Insurance Finance Expense		
Interest accreted to insurance contracts using current financial assumptions	(146,016)	(78,804)
Due to changes in interest rates and other financial assumptions	(1,022)	2,885
Difference in increase in liability for incurred claims RA	501	156
Fair value movement of Unit link product measured under VFA	(68,508)	(87,683)
<b>Total</b>	<b>(215,045)</b>	<b>(163,446)</b>



	<b>31 December</b>	31 December
	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Reinsurance Finance Income		
Interest accreted to insurance contracts using current financial assumptions	<b>114,128</b>	57,145
Due to changes in interest rates and other financial assumptions	<b>741</b>	(2,540)
Difference in increase in liability for incurred claims RA	<b>(337)</b>	(132)
<b>Total</b>	<b>114,532</b>	54,473

## 26. OTHER INVESTMENT INCOME

	<b>31 December</b>	31 December
	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Dividend income	<b>141,934</b>	124,024
Foreign exchange gain or loss	<b>5,610</b>	44,095
Movement in impairment on bank deposits and investment securities	<b>(7,044)</b>	(10,425)
<b>Total</b>	<b>140,500</b>	157,694

## 27. OTHER OPERATING INCOME

	<b>31 December</b>	31 December
	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Unit linked management fees	<b>43,846</b>	24,512
Unit linked surrender charges	<b>6,070</b>	4,244
Other operating income	<b>1,929</b>	-
<b>Total</b>	<b>51,845</b>	28,756

The Group charges management fees from its customers for the initial set-up of the investment contract and the on-going management services at an agreed percentage of premium on timely basis, particularly for single premium contracts and are recognized in the statement of profit or loss.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 28. OTHER OPERATING EXPENSES

	<b>31 December 2025</b>	31 December 2024
	<b>AED'000</b>	AED'000
Staff cost	<b>39,266</b>	37,801
Depreciation	<b>20,417</b>	9,322
Amortization of deferred acquisition costs (note 12)	<b>27,734</b>	19,757
Others	<b>19,109</b>	20,192
<b>Total</b>	<b>106,526</b>	87,072

### 29. CAPITAL RISK MANAGEMENT

The solvency regulations identify the required Solvency Margin to be held on consolidated basis in addition to insurance liabilities.

As per Article (8) of Section 2 of the financial regulations issued for insurance companies issued by the CBUAE (formerly the "Insurance Authority"), the Group has to maintain a solvency margin. The Group has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these solvency margins as defined in the Regulations and Circular No. CBUAE/BIS/2025/6143 of CBUAE dated 12 November 2025.

	<b>31 December 2025</b>	31 December 2024
	<b>AED'000</b>	AED'000
Minimum Capital Requirement (MCR)	<b>100,000</b>	100,000
Solvency Capital Requirement (SCR)	<b>1,319,930</b>	1,061,126
Minimum Guarantee Fund (MGF)	<b>612,611</b>	456,716
Basic Own Funds	<b>3,556,969</b>	2,828,471
MCR Solvency Margin Surplus	<b>3,456,969</b>	2,728,471
SCR Solvency Margin Surplus	<b>2,237,039</b>	1,767,345
<b>MGF Solvency Margin Surplus</b>	<b>2,944,359</b>	2,371,756

Above numbers are based on eforms and are unaudited and unreviewed.

In accordance with Circular No. CBUAE/BIS/2025/6143 dated 12 November 2025, the assets which are not in the Group's name should not be considered as admissible in regulatory statement of financial position. In the reported solvency figures as at 31 December 2025, mentioned above, investments amounting to AED 21.3 million, which are not held in the name of the company have not been considered in calculating the admissible assets.



**30. SEGMENT INFORMATION**

	General insurance		Life insurance		Total	
	For the year		For the year		For the year	
	ended 31 December		ended 31 December		ended 31 December	
	2025	2024	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Insurance service result from insurance contracts issued (Insurance revenue less insurance service expenses)	<b>3,447,215</b>	172,687	<b>85,396</b>	85,604	<b>3,532,611</b>	258,291
Net (expense)/income from reinsurance contracts held	<b>(2,977,679)</b>	127,470	<b>(38,892)</b>	(21,143)	<b>(3,016,571)</b>	106,327
Insurance service result	<b>469,536</b>	300,157	<b>46,504</b>	64,461	<b>516,040</b>	364,618
Net investment result					<b>573,950</b>	600,457
Net insurance finance expense					<b>(100,513)</b>	(108,973)
Other operating income					<b>51,845</b>	28,756
Other operating expenses					<b>(106,526)</b>	(87,072)
Profit before tax					<b>934,796</b>	797,786
Income tax expense					<b>(98,160)</b>	(66,563)
Deferred tax					<b>(384)</b>	-
<b>Profit after tax</b>					<b>836,252</b>	731,223

Geographical disclosure is not presented as majority of the revenue is earned from UAE.

31 December 2025	Non-Life	Life	Total
	insurance	insurance	
	AED '000	AED '000	
Segment assets	<b>13,970,196</b>	<b>3,303,787</b>	<b>17,273,983</b>
Segment liabilities	<b>8,239,328</b>	<b>2,874,946</b>	<b>11,114,274</b>

31 December 2024	Non-Life	Life	Total
	insurance	insurance	
	AED '000	AED '000	
Segment assets	13,068,076	2,603,191	15,671,267
Segment liabilities	8,183,285	2,280,653	10,463,938



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 31. GROSS INSURANCE PREMIUM

As per the Central Bank of UAE reporting requirements, the following disclosures are provided which are not prepared under IFRS 17.

#### 31 December 2025

Amounts in AED '000

Description	Life Insurance			Property &	All Types of Business Combined AED'000 (E)=(A)+(B)+(C)+(D)
	(Without			Liability	
	Medical & Fund	Fund	Medical	(Without	
	Accumulation)	Accumulation	Insurance	Medical)	
AED'000	AED'000	AED'000	AED'000		
(A)	(B)	(C)	(D)		
Direct Written Premiums	1,302,603	-	4,784,841	3,652,428	9,739,872
Assumed Business	-	-	-	-	-
Foreign	-	-	-	66,928	66,928
Local	24,986	-	46,086	903,120	974,192
<b>Total Assumed Business</b>	<b>24,986</b>	<b>-</b>	<b>46,086</b>	<b>970,048</b>	<b>1,041,120</b>
<b>Gross Written Premiums</b>	<b>1,327,589</b>	<b>-</b>	<b>4,830,927</b>	<b>4,622,476</b>	<b>10,780,992</b>

#### 31 December 2024

Description	Life Insurance			Property &	All Types of Business Combined AED'000 (E)=(A)+(B)+(C)+(D)
	(Without			Liability	
	Medical & Fund	Fund	Medical	(Without	
	Accumulation)	Accumulation	Insurance	Medical)	
AED'000	AED'000	AED'000	AED'000		
(A)	(B)	(C)	(D)		
Direct Written Premiums	1,021,899	-	4,057,262	3,114,504	8,193,665
Assumed Business	-	-	-	-	-
Foreign	-	-	-	23,012	23,012
Local	39,058	-	81,662	702,782	823,502
<b>Total Assumed Business</b>	<b>39,058</b>	<b>-</b>	<b>81,662</b>	<b>725,794</b>	<b>846,514</b>
<b>Gross Written Premiums</b>	<b>1,060,957</b>	<b>-</b>	<b>4,138,924</b>	<b>3,840,298</b>	<b>9,040,179</b>



### 32. CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2025.

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two). Various countries have either enacted or are in the process of enacting tax legislation to fully or partially comply with Pillar Two. The United Arab Emirates, where the Group's Ultimate Parent Entity is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises. The Group falls within the scope of these rules from 1 January 2025 and is currently assessing its exposure to these rules.

There is uncertainty regarding whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes. In response to this uncertainty, the IASB and AASB issued amendments to IAS 12 'Income Taxes' on 23 May 2023 and 27 June 2023, respectively. These amendments introduce a mandatory temporary exception to the requirements of IAS 12, under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules. The Group applied this temporary exception as of 31 December 2025.

As the Group's consolidated revenues is more than EUR 750 million, it is within the scope of the Pillar Two model rules. The Group has performed an assessment of its potential exposure to Pillar Two income taxes based on financial information for the constituent entities in the Group. The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

**Amount recognised in the consolidated statement of profit and loss and other comprehensive income:**

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Current income tax expense	98,160	66,563
Deferred taxes	384	-
<b>Total</b>	<b>98,544</b>	<b>66,563</b>

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Current income tax expense	67,871	66,563
Domestic minimum top up tax	30,289	-
<b>Total</b>	<b>98,160</b>	<b>66,563</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### Statement of financial position

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Income tax payable	<b>103,868</b>	59,786
Deferred tax liabilities	<b>103,645</b>	51,769
Deferred tax asset	<b>9,626</b>	8,368

### Tax reconciliation

	<b>31 December 2025 AED'000</b>	31 December 2024 AED'000
Profit before tax	<b>934,796</b>	797,786
At United Arab Emirates' statutory income tax rate of 9%	<b>78,657</b>	77,152
Domestic minimum top up tax	<b>30,289</b>	-
Effect of standard exemption	<b>(68)</b> <b>(68)</b>	
Income not subject to tax	<b>(12,054)</b>	(10,572)
Other Non UAE tax adjustments	<b>1,336</b>	51
Current tax charge	<b>98,160</b>	66,563
Movement in deferred tax	<b>384</b>	-
<b>Total tax expenses recognized in profit and loss</b>	<b>98,544</b>	<b>66,563</b>
Effective tax rate	<b>11.28%</b>	8.34%

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected annual earnings. The Group entities operate in the Sultanate of Oman, Egypt, Syria, Turkey and Sri Lanka and are subject to income tax in these countries. Effective tax rate represents average tax rate for Group.



### 33. NON-CONTROLLING INTERESTS

Subsidiary	Country of incorporation	2025	2024
Arab Orient, Syria	Syria	60%	60%
Orient Takaful, Egypt	Egypt	20%	20%
Orient Takaful, UAE	Emirates	4.22%	4.22%

#### Accumulated balances of material non-controlling interest

Subsidiary	Country of incorporation	2025	2024
		AED'000	AED'000
Arab Orient, Syria	Syria	(179)	134
Orient Takaful, Egypt	Egypt	52,070	36,815
Orient Takaful, UAE	Emirates	17,577	14,332
<b>Total</b>		<b>69,468</b>	<b>51,281</b>

#### Profit allocated to material non-controlling interest

Subsidiary	Country of incorporation	2025	2024
		AED'000	AED'000
Arab Orient, Syria	Syria	(501)	(409)
Orient Takaful, Egypt	Egypt	12,523	18,056
Orient Takaful, UAE	Emirates	3,246	2,758
<b>Total</b>		<b>15,268</b>	<b>20,405</b>

### 34. AUDIT FEES

	2025	2024
	AED'000	AED'000
Audit of the Group	2,419	1,984
<b>Total</b>	<b>2,419</b>	<b>1,984</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2025

### 35. SOCIAL CONTRIBUTIONS

There are no social contributions made during the year that needs to be disclosed in the Consolidated financial statements.

### 36. SUBSEQUENT EVENTS

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these consolidated financial statements.

### 37. COMPARITIVES

Comparative figures have been reclassified in order to conform to current period's presentation and improve the quality of information presented. However, there is no material effect on previously reported total assets, total equity, total liabilities and profit for the year.

	31 December 2024 AED'000 (Audited) Previously reported	31 December 2024 AED'000 Reclassified	31 December 2024 AED'000 (Audited) After reclassification
Other operating income	2,684	26,072	28,756
Other operating expenses	(61,000)	(26,072)	(87,072)

Above balances reflects reclassification of unit linked management fees and surrender fees as other operating income and commission expenses as other operating expenses in relation to single premium contracts, which were previously netted off and presented under other operating income.

### 38. APPROVALS OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by Board of Directors and authorized for issue on 2 March 2026.