



2025

INTEGRATED REPORT

**W**atania  
International Holding

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# INTRODUCTION AND STRATEGY

# CHAIRMAN'S LETTER

Dear Shareholders,

2025 was a year of consolidation, discipline, and renewed strategic clarity for Watania International Holding (WIH). Building on the structural transformation initiated following the 2022 merger and the momentum achieved in prior years, the Group continued to strengthen its foundations for sustainable, long-term value creation.

The operating environment remained dynamic. Regional and global geopolitical developments continued to influence market sentiment, while the insurance sector faced persistent pricing competition and margin pressures. However, the UAE economy once again demonstrated resilience and forward momentum, supported by ambitious national development plans, continued infrastructure investment, and strong regulatory oversight. These macroeconomic fundamentals reinforce the long-term growth trajectory of the Takaful and insurance markets in the UAE.

Against this backdrop, WIH maintained a disciplined focus on operational excellence and profitability. The Group continued to optimise underwriting quality, strengthen risk controls, and enhance cost discipline across its operating subsidiaries. While revenue levels reflected ongoing portfolio optimisation and a deliberate move away from lower-margin product structures, profitability remained stable, demonstrating the effectiveness of our disciplined execution strategy.



**DR. ALI SAEED BIN HARMAL ALDHAHERI**

The events of prior years, including large-scale weather-related claims across the market, reinforced the importance of robust capital strength and risk mitigation infrastructure. Our ability to respond efficiently to claims, support customers during challenging periods, and absorb market volatility reflects the maturity of our operational controls and the resilience of our governance framework.

Throughout 2025, WIH operated firmly within its structure as a pure investment holding company, with its subsidiaries focused exclusively on delivering Takaful solutions. Combined, the Watania Takaful entities remain among the leading providers in the UAE market and continue to strengthen their competitive position through disciplined underwriting, improved customer experience, and enhanced operational efficiency.

Strategically, 2025 marked a refined emphasis on customer experience as the primary differentiator in an increasingly competitive market. While technology remains an enabler of efficiency and service quality, the Group has adopted a pragmatic approach — prioritising high-impact digital improvements over large-scale exploratory investments. This ensures that capital allocation remains aligned with measurable performance outcomes and shareholder value.

Capital strength and governance oversight remain central to our strategy. The enhancements undertaken in previous years to strengthen subsidiary capital bases continue to support operational expansion and underwriting stability. Our Board and committees maintain active oversight across risk management, compliance, Emiratisation, ESG performance, and operational metrics, ensuring accountability at all levels.

Supported by strong economic fundamentals and the continued rollout of major national development initiatives, the UAE maintained a stable and growth-oriented environment for businesses. Against this backdrop, Watania International Holding delivered a strong financial performance:

in AED Million	FY 2025	FY 2024
Shareholders' Equity	262.02	229.26
Net Profit	34.36	9.77
ROE	14.00%	4.30%

Beyond financial performance, we remain committed to our broader responsibilities. In 2025, we further advanced our Emiratisation initiatives, significantly increasing the representation of UAE Nationals within the workforce.

We strengthened training and development programs, particularly for national talent, and continued to embed environmental awareness and data governance practices across operations.

Customer protection, ethical conduct, and regulatory compliance remain foundational pillars of our governance approach. The Takaful sector in the GCC continues to present meaningful growth opportunities, driven by increasing insurance awareness, regulatory reforms, and preference for Shari'ah-compliant financial solutions. WIH is well positioned to benefit from these trends through disciplined execution, portfolio diversification, and continued operational refinement.

**Looking ahead, our focus remains clear:**

- Strengthening underwriting discipline and profitability
- Enhancing customer experience and retention
- Maintaining strong risk governance and regulatory compliance
- Supporting sustainable growth through prudent capital management

On behalf of the Board, I extend my sincere appreciation to our shareholders for their continued trust and support. I also thank our executive leadership team and employees for their dedication and professionalism, and our customers for their confidence in Watania.

We approach 2026 with confidence, discipline, and a steadfast commitment to delivering sustainable long-term value.

**Yours sincerely,**  
**Dr. Ali Saeed Bin Harmal Aldhaheri**

# CHIEF EXECUTIVE OFFICER'S MESSAGE

The year 2025 marked a decisive phase in Watania International Holding's journey of transformation—one defined not merely by recovery, but by disciplined execution, operational strengthening, and a clear repositioning towards sustainable profitability.

Operating in an increasingly competitive and evolving UAE insurance and Takaful landscape, we remained focused on what matters most: underwriting discipline, financial resilience, and delivering meaningful value to our policyholders. Rather than pursuing growth for its own sake, we continued to prioritise quality of earnings, risk-adjusted returns, and long-term sustainability.

This disciplined approach is reflected in our financial performance. Takaful service revenue increased to AED 918.4 million, while profitability improved significantly with profit after tax reaching AED 34.4 million. These results demonstrate the strength of our core business model and the tangible outcomes of the strategic actions taken over recent years.

At the operating level, Watania Takaful Family continued its strong performance with net profit of AED 40.0mn, Watania Takaful General delivered a notable turnaround, with net profit after tax of AED 14.5 million compared to a loss in the previous year, driven primarily by a recovery in motor underwriting performance and improved claims experience.



**GAUTAM DATTA**

Across the portfolio, we continued to rebalance our mix—strengthening technical lines and maintaining stability in medical and family Takaful while applying corrective measures in motor and other segments to enhance overall profitability.

Investment income remained a strong contributor, supported by disciplined asset allocation and favourable market conditions. Our diversified portfolio—spanning equities, sukuk, real estate, and wakala deposits—generated resilient returns, reinforcing the strength of our balance sheet and supporting overall earnings stability.

Operational excellence continued to be a key focus area. We advanced cost optimisation initiatives, improved receivables management, and enhanced underwriting controls. These efforts are reflected in improved efficiency ratios, reduced outstanding days, and a stronger capital position, with shareholders' equity increasing during the year.

However, beyond financial metrics, 2025 was a year in which we sharpened our most important differentiator—customer experience.

In a market where products are increasingly commoditised and pricing transparency is high, the true test of a Takaful provider lies in how it serves its policyholders—especially at the moment that matters most: the time of claim. We have therefore intensified our focus on claims efficiency, turnaround times, transparency, and communication, ensuring that our customers experience reliability, fairness, and trust when they need us most.

Technology continues to support this journey—not through large-scale disruption, but through targeted, high-impact enhancements. Improvements in data quality, digital workflows, and reporting capabilities have strengthened decision-making, risk management, and customer service delivery.

At the same time, we have reinforced our foundations through strong governance, regulatory alignment, and capital discipline. Our solvency position and capital enhancements provide a robust platform to support controlled growth while maintaining resilience against market volatility.

We have also continued to advance our ESG agenda. Our commitment to Emiratisation, talent development, ethical conduct, and responsible business practices remains integral to how we operate. We believe that sustainable value creation must balance financial performance with social responsibility and strong governance.

## Looking Ahead

As we look forward, the outlook for the UAE and regional Takaful sector remains compelling. Economic growth, regulatory evolution, and increasing awareness of Shari'ah-compliant financial solutions provide strong structural tailwinds.

Against this backdrop, our ambition is clear:

**To build Watania into a best-in-class Takaful company in the UAE and the wider region—defined by excellence in service, strength in financial performance, and a brand synonymous with trust.**

We aspire to be an organisation where:

- Policyholders have complete confidence that **Watania will stand by them when they need us the most—at the time of claim**
- Shareholders benefit from **consistent, disciplined returns driven by strong underwriting and prudent investment management**
- Our people take pride in being part of a company that **sets industry benchmarks in professionalism, integrity, and customer care**

To deliver on this vision, we will remain focused on five strategic priorities:

- Sustained underwriting discipline and portfolio optimisation
- Customer experience as a core competitive differentiator
- Cost efficiency and operational excellence
- Strong governance and regulatory alignment
- Targeted technology enablement

We will also remain open to value-accretive growth opportunities, including partnerships and consolidation, where these align with our strategic and financial objectives.

I would like to extend my sincere appreciation to our Board of Directors for their continued guidance, to our shareholders for their trust, and to our employees whose dedication and professionalism underpin everything we have achieved. We enter 2026 with confidence, clarity of purpose, and a strong foundation to deliver sustainable growth and long-term value.

**Our journey is clear—disciplined, customer-focused, and anchored in trust.**

**Yours sincerely,  
Gautam Datta**

# ABOUT US

## WATANIA INTERNATIONAL HOLDING PJSC

is a publicly listed investment holding company traded on the Dubai Financial Market.

WIH operates as a regional investment and asset management platform, managing a diversified portfolio that includes established Takaful operators and forward-looking strategic investments. The Company is guided by a value-oriented philosophy centred on responsible capital allocation and the creation of long-term, sustainable impact across the sectors in which it participates.

Following its 2022 merger, WIH has strengthened its market position and expanded its operational scale. Its growth strategy builds on its heritage in the Takaful industry while leveraging the expertise of a solutions-driven leadership team. The Company integrates technology, data analytics, and market intelligence to identify and capitalise on both organic expansion and strategic acquisition opportunities across the UAE and the wider region. Through this approach, WIH aims to deliver consistent shareholder returns while generating enduring value for a broad range of stakeholders.

# ABOUT WATANIA TAKAFUL GENERAL

Watania Takaful General (WTG) offers a full range of motor and technical or general Takaful products to both individuals and companies in the UAE. It is a fully owned subsidiary of WIH, a DFM-listed investment holding company, focused on growth opportunities across the Takaful industry.

The Watania Takaful group of companies are leading Takaful providers, positioned as the second largest Takaful provider with 25% of the UAE Takaful market share and one of the top 10 insurers in the UAE, with approximately 3% of overall UAE insurance market share.

The two companies operate full-services offices located in Abu Dhabi, Sharjah, and in Al Gurg and Business Point buildings in Deira and in Jebel Ali in Dubai.



## WATANIA TAKAFUL GENERAL - PRODUCT PORTFOLIO

Watania Takaful General delivers a diversified portfolio of Shari'ah-compliant General Takaful solutions designed to protect individuals, SMEs, and corporates across the UAE. The portfolio combines disciplined underwriting, responsive claims management, and customer-focused service delivery to meet evolving risk protection needs.

## TECHNICAL & GENERAL TAKAFUL

WTG provides a comprehensive range of Technical and General Takaful products tailored to both corporate and individual clients. These solutions support asset protection, liability management, and operational continuity across multiple sectors.

### CORPORATE SOLUTIONS

- Engineering
- Casualty and Liability
- Warranty
- Property
- Office
- General Accident
- SME Protection

These products are structured to address commercial risk exposures while maintaining Shari'ah compliance and prudent risk-sharing principles.

### INDIVIDUAL SOLUTIONS

- Home
- Personal Accident
- Travel
- Marine

WTG's individual offerings are designed to provide accessible, reliable protection that aligns with customers' lifestyle and financial security needs.

## MOTOR TAKAFUL

Motor Takaful remains a core component of WTG's portfolio, serving both individual and corporate customers.

## INDIVIDUAL MOTOR

WTG provides flexible motor Takaful solutions offering coverage against loss or damage, supported by streamlined claims processes and responsive customer service. The focus is on providing clarity, affordability, and efficient claims handling to enhance customer confidence.

## CORPORATE FLEET

The corporate fleet offering enables organizations to insure multiple vehicles under a unified Takaful certificate. This structure supports administrative efficiency and group-based benefits, while maintaining underwriting discipline.



## CUSTOMER- CENTRIC FOCUS

### ACROSS ALL PRODUCT LINES, WTG PRIORITIZES

- Transparent product structures
- Efficient underwriting and pricing discipline
- Responsive claims handling
- Clear communication and simplified processes

The portfolio is continuously reviewed and refined to ensure alignment with market conditions, regulatory developments, and customer expectations.

# WTG BOARD OF DIRECTORS



Dr. Ali Saeed Bin Harmal Al Dhaheri

Non-Executive Non-Independent Chairman

Dr. Ali Saeed Sultan Bin Harmal Aldhaheri is a non-executive, non-independent member, and Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Dr. Aldhaheri is a seasoned business professional with over two decades of exemplary experience and a proven track record of success. Graduating with distinction from the American University in Washington DC with an MBA, Dr. Aldhaheri embarked on a journey of entrepreneurship, founding, launching, and adeptly managing numerous thriving enterprises across diverse sectors including IT, finance, education, tourism, and real estate.

Driven by a steadfast commitment to lifelong learning, Dr. Aldhaheri recently completed his doctoral studies at Durham University, further enriching his expertise and insights in the realm of business and academia.

Throughout his illustrious career, Dr. Aldhaheri has actively engaged at a high level with governmental initiatives pertaining to tourism and development strategy. He has also made significant contributions to the fields of MICE (Meetings, Incentives, Conferences, and Exhibitions) and education management, showcasing his strategic acumen and leadership prowess. With a keen eye for innovation and a passion for fostering growth, Dr. Ali Aldhaheri continues to be a driving force in shaping the landscape of business and education, leaving an indelible mark on industries worldwide.

## OTHER POSITIONS

- Chairman and Founder of Abu Dhabi University
- Chairman of NEMA Holding
- Managing Director of Bin Harmal Group
- Chairman of Liwa Education
- Chairman of Magna Investment
- Board member of Amanat Holding
- First Vice Chairman of the Abu Dhabi Chamber of Commerce
- Board of Directors and a member of the Economic Cooperation Committee for Government and Private Sectors in Abu Dhabi
- Board member of Sandoog Al Watan

Aldhaheri leverages his extensive expertise and strategic vision to drive impactful initiatives, foster collaboration, and contribute to the advancement of various economic, educational, and governmental endeavors in the region.



Eng. Usama Mohamed Ali Al Barwani

Non-Executive Independent Director

Usama Mohamed Ali Al Barwani is a distinguished professional with a diverse background and extensive experience in the energy, finance, and maritime industries. Mr. Barwani is a graduate of the prestigious Executive Leadership Program at Harvard Business School, delivered through the YPO-Harvard Program, underscoring his enduring commitment to continuous learning and leadership excellence. He holds a Master of Science in Energy, Trade and Finance from Cass Business School, City, University of London, and a Bachelor of Science in Petroleum Engineering from The University of Tulsa, USA. These academic credentials provide a strong analytical and strategic foundation that complements his extensive professional accomplishments.

Mr. Barwani is a distinguished executive and seasoned board director whose career reflects sustained leadership across the energy, engineering, finance, and marine manufacturing sectors. He is widely recognised for his strategic acumen, disciplined governance, and proven ability to guide complex multinational organisations through periods of transformation and cross-border expansion.

Currently, Mr. Al Barwani serves as Vice Chairman of MB Holding Company, a leading family-owned conglomerate with a strong presence across the Middle East, Europe, and Africa. The Group operates in key sectors including oil and gas, engineering, and tourism, where he contributes to strategic direction, governance, and long-term growth.

Other Board and Committee Memberships:  
Managing Director, Petrogas E&P  
Board Member, Turquoise Yachts (Turkey)  
Board Member, ARCAPITA (Bahrain)



Mr. Mohammed Salem Omair Al Shamsi

Non-Executive Independent Director

Mohammed Salem Omair Al Shamsi possesses a wealth of knowledge in the distribution industry including strategic guidance. He has held a variety of senior positions at Al Ain Distribution Company (AADC), the sole distributor and supplier of water and electricity in the Eastern Region of the Emirate of Abu Dhabi, since joining the company in 1996.

In his current role as advisor to AADC he provides strategic insights and consultancy services to support ongoing projects. Previously as General Manager his experience included spearheading overall operations and strategic initiatives, launching an initiative for consultations aimed at optimizing water and electricity consumption, and updating customer service systems.

Mr. Al Shamsi has held Board Directorships at companies including Masaar Company (previously known as Al Wathba Company), Abu Dhabi Transmission and Despatch Company (TRANSCO), Fujairah Asia Energy Company, and First Energy Bank, Bahrain. His awards include the Social Responsibility Award, Al Ain, and the Abu Dhabi Excellence in Government Performance Awards, Al Ain, for his activities at AADC.

He holds a BA degree from Pacific Christian College, US, Al Ain, majoring in Management.



Mr. Faisal Nasser Al Shamsi

Non-Executive Independent Director

Faisal Nasser Al Shamsi is a seasoned executive with a strong background in finance, leadership development, and talent management. Known for his exceptional budgetary, organizational, and motivational skills, Faisal has held significant roles in various prestigious institutions, contributing to their success through strategic expertise and innovative leadership.

With a Bachelor of Science in Business Administration from Gwynedd-Mercy College in the US and advanced studies in Human Resource Management, Faisal brings a wealth of knowledge and experience to every endeavor.

He is an active Board Member at Belvedere International School and GNRC Abu Dhabi University.

Also, he was a board member at Al Etihad Biwater Waste Water PJSC and Shuweihat Asia Power Plant S2.



Ms. Badreya Al Dashti

Non-Executive Independent Director

Badreya Al Dashti is an accomplished banking executive with 23 years experience in the management and growth of large corporate portfolios as well as leadership and motivational activities. Her Cass Business School background has helped develop her strategic thinking and relationship skills.

She has built, grown and managed a portfolio of top Government entities, publicly listed corporates and large multinational and local companies across a broad spectrum of disciplines and industries with total lending of more than AED 25 billion. Her experience includes a portfolio of RERA Escrow balances in excess of AED 4 billion and large bilateral and syndication deals including bilateral financing of AED 1.7 billion for a real-estate developer and an MLA role in a syndication financing of USD 1.45 billion for a luxury hospitality player.

Ms. Al Dashti is currently Regional Head of Islamic Finance, Corporate and Commercial banking at HSBC, UAE. Previous experience includes Executive Director of Investment Banking at First Abu Dhabi Bank. Earlier she was a founding member of Noor Bank in 2007 where her roles included Head of Public Sector & Contracting Finance, Head of Public Sector, and Head of SME Department. She previously held roles at Mashreq Bank and Emirates Islamic Bank.

In addition to holding an Executive MBA at Cass Business School in the UK, she holds a Bachelor of Engineering (Architecture) from UAE University.



Mr. Yusuf Alami

Non-Executive Independent Director

Yusuf Alami has over 40 years' experience in corporate finance and global capital markets, including leading roles and considerable experience in private placements and public offerings in the Middle East, Europe, Asia and the US. He has led and supported a broad range of strategic mergers and acquisitions, investment banking and private equity activities.

Mr. Alami has held several senior posts in large financial institutions in the UAE and worldwide. He was Chief Operating Officer and then Chief Executive of Abu Dhabi Investment House and later served as Chief Executive of National Investor in the UAE. Prior to that, he was the Head of Marketable Securities at Kuwait Foreign Trading Contracting and Investment Company, an Executive Director at Blyth Eastman Paine Webber, and a Senior Vice President at The First Boston Corporation in New York, London and Athens.

Currently he serves as a financial advisor to a Board of Directors and as a Board member of a number of regional investment entities.

Mr. Alami holds a Master's degree in Business Administration from Indiana University in the U.S., and a Bachelor's degree in Economics from the American University of Beirut.



Mr. Abdulaziz Al-Hemaidi

Non-Executive Independent Director

Al-Hemaidi joined Abu Dhabi Water and Electricity Authority (ADWEA) in 1997 and has held a number of key positions, including Managing Director at Abu Dhabi Distribution Company (ADDC) and Abu Dhabi Water and Electricity Company (ADWEC).

He was involved in several IPP projects and served as a Chairman of Shuweihat Asia Power Company (SAPCO), member of the Board of Directors for Taweelah Asia Power Company (TAPCO), member of the board of directors of Abu Dhabi Transmission and Dispatch Company (TRANSCO), Al Ain Distribution Company (AADC), as well as Chairman of ADWEA Capital Projects Committee, and member of ADWEA Executive Committee.

From 2011 to 2019, Mr. Al-Hemaidi served as a member of the Board of Directors of Abu Dhabi National Energy Company (TAQA), the President of the Supervisory Board of TAQA-Morocco, and a member of the Board of Directors of Sohar Aluminium Company.

Also he served as a member of the Board of Directors of Abu Dhabi Airports Company (ADAC) and Abu Dhabi General Services Company (Musanada).

He holds a Bachelor of Science in Civil Engineering from United Arab Emirates University (1997) and a Postgraduate Diploma in Airport Engineering from SAA/Nanyang Technological University-Singapore (2001).

# ABOUT WATANIA TAKAFUL FAMILY

Watania Takaful Family (WTF) is a fully owned subsidiary of Watania International Holding PJSC, a company listed on the Dubai Financial Market. WTF provides a comprehensive range of Family (Life) and Medical Takaful solutions to individuals, families, SMEs, and corporate clients across the UAE.

Its portfolio includes Shari'ah-compliant protection, savings, investment-linked, and medical coverage plans designed to meet evolving customer needs while maintaining disciplined underwriting and strong service standards. The company focuses on delivering sustainable growth through product innovation, data-informed pricing, and customer-centric engagement.

As part of the Watania Takaful group, WTF contributes to the Group's position as the second largest Takaful provider in the UAE, representing approximately 25% of the national Takaful market, and ranking among the Top 10 insurers in the country, with approximately 3% share of the overall UAE insurance market.



WTF operates through a national network of full-service offices located in Abu Dhabi,, Deira (Al Gurg and Business Point buildings), and Jebel Ali in Dubai, ensuring strong accessibility and proximity to customers and partners.

## PRODUCT PORTFOLIO OVERVIEW

Watania Takaful Family delivers Shari’ah-compliant Family (Life) and Medical Takaful solutions designed to provide financial protection, long-term savings, and healthcare security to individuals, families, and corporate clients across the UAE.

Our product strategy is centered on flexibility, accessibility, and disciplined risk management, ensuring that solutions address evolving customer needs while supporting sustainable profitability.

## FAMILY (LIFE) TAKAFUL

WTF’s Family Takaful portfolio combines protection, savings, and wealth accumulation solutions tailored to different life stages and financial objectives. These products are structured to provide financial resilience against unforeseen events while supporting long-term financial planning.

## CORE PRODUCT SEGMENTS

### PROTECTION SOLUTIONS

- Level-term protection plans offering coverage for defined periods
- Assignable to banks for mortgage and credit facility protection

### WHOLE-OF-LIFE COVERAGE

- Lifetime protection plans extending coverage up to age 99
- Designed to provide long-term financial security and capital preservation

### REGULAR SAVINGS & WEALTH ACCUMULATION

- Structured contribution-based savings plans
- Options to invest in Shari’ah-compliant global funds
- Designed for retirement planning, children’s education, and long-term wealth enhancement

### PROTECTION WITH CASH-BACK FEATURES

- Term protection with maturity benefits
- Built-in terminal illness and repatriation benefits

The Family Takaful portfolio is available to both UAE residents and eligible non-residents, reinforcing the Group’s inclusive customer approach.

## MEDICAL TAKAFUL

WTF’s Medical Takaful solutions provide comprehensive, flexible healthcare coverage aligned with regulatory requirements across the UAE, including DHA and DOH frameworks.

The portfolio addresses both corporate and individual segments:

### CORPORATE MEDICAL SOLUTIONS

- SME medical plans with defined benefits and digital fulfillment
- Customized medical programs for large corporates
- Solutions structured to balance cost efficiency with comprehensive coverage

### INDIVIDUAL MEDICAL SOLUTIONS

- Self and dependent plans
- Domestic worker medical coverage
- Parents and visitor medical plans

These offerings are designed to provide accessible healthcare protection while maintaining underwriting discipline and sustainable claims management practices.

### STRATEGIC PRODUCT POSITIONING

WTF’s product development approach is guided by:

- Shari’ah compliance and governance oversight
- Data-driven underwriting and pricing discipline
- Digital enablement for improved customer experience
- Balanced portfolio diversification across protection and savings

By maintaining a diversified mix of protection, savings, and medical coverage, Watania Takaful Family supports stable contribution income streams while addressing rising demand for Shari’ah-compliant financial and healthcare solutions in the UAE.



# WTF BOARD OF DIRECTORS



Mr. Matar Hamdan Sultan Al Ameri  
Non-Executive Independent Director

Matar Hamdan Al Ameri is a non-executive, independent member, and Vice Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Prominent UAE corporate leader, with extensive experience in top-level executive roles in public and private enterprises. His expertise spans over 30 years in upstream and downstream petroleum sectors, banking, and agriculture. Supported by deep relationships at the most senior level in UAE public and government entities.

As Chairman of Dar Al Takaful PJSC, Mr. Matar played a pivotal role in its successful merger with National Takaful Company (Watania) PJSC.

Mr. Al Ameri currently serves as Deputy Manager Director of Private Department Sheikh Mohammed Bin Khalid Al Nahyan Vice Chairman of Eshraq Investment PJSC and a Board Member of Wise Fintech Network LLC. He previously served as Deputy Managing Director of Saas Daari Poultry Trading LLC, a company with international agricultural business interests. He also served as the lead liquidator of Bank of Credit and Commerce International for the Abu Dhabi government. His prior board directorships include First Abu Dhabi Bank, Aafaq Islamic Finance, and the Abu Dhabi National Exhibition Center. Mr. Al Ameri holds a Bachelor of Science degree in Accounting and Information Systems from the United Arab Emirates University and is a Certified Public Accountant (CPA) in the United States of America.



Mr. Mohammed Al Ghussein  
Non-Executive Independent Director

Mohammed Al Ghussein is an experienced corporate leader and strategist with diverse expertise including board governance, stakeholder engagement, and risk management across various industries such as construction, manufacturing, real estate, waste and education.

He has been the Chief Executive of Bin Harmal Group since 2020, driving the Group's long-term growth strategy. Since 2012, he has served as Chairman of Stella Stays and Managing Director of Stella Investments.

Mr. Al Ghussein was formerly the Chairman of Al Ain English Speaking School, overseeing the institution's operations and growth. He also serves as a Board Director at Al Ain College and Abu Dhabi University. He holds a Bachelor of Science degree in Civil Engineering.



Ms. Rehab Mohamed Lootah  
Non-Executive Independent Director

Rehab Lootah brings over 20 years of experience in the UAE's finance and government sectors. She currently serves as the Group Deputy Chief Executive Officer at National Bonds, where she plays a pivotal role in steering the company toward creating innovative investment and savings solutions.

She is passionate about driving a culture of saving and promoting financial literacy, and is dedicated to empowering individuals across society to achieve financial independence and prosperity.

Lootah has created a remarkable legacy of multiple successful projects and commercial ventures, with the most recent venture being the Ghaf Sukuk Al Waqf, a pioneering program that supports the development of sustainable endowment projects, and "Second Salary," the first of its kind customized savings solution created for the UAE's national and expatriate population to help individuals generate supplementary income.

In addition to her role at National Bonds, Lootah is on the executive board for several key entities in the UAE.



Dr. Ghuwaya M. Al Neyadi  
Non-Executive Non-Independent Director

Dr. Al Neyadi brings more than 25 years of distinguished experience across management, organizational development, and healthcare services. A consultant in family medicine, she seamlessly integrates deep clinical expertise with strategic leadership roles across major institutions.

Throughout her career, Dr. Al Neyadi has been instrumental in advancing healthcare delivery systems, enhancing operational performance, and embedding robust governance frameworks. Her leadership has consistently driven institutional transformation, strengthened service quality, and supported the implementation of forward-looking strategies that elevate organizational excellence.

She currently serves as the Senior Vice President of National Identity, Wellbeing, and Corporate Social Responsibility at the ADNOC Group. In this capacity, she leads transformative strategies that enhance organizational resilience and excellence, strengthen national identity rooted in the values and heritage of the UAE, and elevate ADNOC's global standing in community responsibility, community engagement, sustainability, and workplace wellbeing and quality of life.

Dr. Al Neyadi holds a PhD in Family Medicine & Public Health and an Executive Master's in Healthcare Management, complemented by numerous advanced leadership programs. This academic and professional combination equips her with the strategic insight needed to lead human-centred and community-focused initiatives with precision and impact. Alongside her executive role, she serves on the boards of several entities, including Watania International Holding, Manzil Healthcare Services, and the UAE-Japan Friendship Committee for Women (FCW). She has also held previous board memberships at Burjeel Holdings and Response Plus Holding. Within ADNOC, she chairs the ADNOC Group Medical Committee, the Gender Balance Committee, and the People of Determination Committee.

Her areas of expertise span corporate governance, operational excellence, strategic partnerships, medical and occupational health management, wellbeing, and the design of integrated programs that strengthen both institutional performance and societal impact.



Mr. Ammar Abdullah Al-Ali

Non-Executive Independent Director

Ammar Abdullah Al-Ali is a seasoned private equity specialist with nearly 20 years of experience in projects involving investment banking, asset management, and finance as well as overseeing high-talent teams. He is Chief Commercial Officer at MB LLC, where he leads commercial operations, drives business sustainability, and manages the company's hydrocarbon sector. His expertise includes maximizing shareholder value and reviving and executing significant transactions.

Earlier Mr. Al-Ali held key positions at MB Holding including Director of Corporate Finance with responsibilities including financial reporting, liaising with auditors, managing compliance, and spearheading investment analysis. His strategic leadership in financial consolidation and navigation of complex tax regulations helped optimize the financial health of the company.

His earlier career included significant roles such as CEO of Al Madina Investment, where he managed the company's investments and subsidiaries, and Director of Business Development at the company, structuring deals in healthcare and real estate.

Mr. Al-Ali has earned several professional qualifications, enhancing his expertise in Islamic finance, investment banking, and customer service. He holds a Bachelor's degree in Business Administration in Finance & Banking from the American University in Dubai.



Mr. Abdallah Malek Osseiran

Non-Executive Independent Director

Abdallah Malek Osseiran has extensive financial and business experience. He has been the Managing Director of Magna Investment in Abu Dhabi since 2006, managing hospitality, takaful, financial services, real estate, private equity, and venture capital.

He was previously a Director of Dar Al Takaful PJSC. Prior to that he served in several financial and managerial roles with Arab Bank over 16 years, where he acquired deep expertise in private equity, strategic finance, corporate banking, private equity, strategic planning, and business development. From 2001 he was the financial advisor to a royal family member in the UAE, overseeing large investment portfolios and negotiating strategic investments in real estate, fixed income, equities, and private equity.

Mr. Osseiran is a non-executive independent Board Director of WTF. He is also a Board Director of several established and socially active organizations. He holds a BBA from Lebanese American University and a Banking Diploma from the Institute of Banking Studies, Jordan.

**Other Positions:**

- Managing Director, Magna Investment LLC, Abu Dhabi
- Board Member, NEMA Holding
- Board Member, NEMA Education
- Board Member, Abu Dhabi University (ADU)
- Board Member, Liwa University (LU)
- Board Member, Watania Takaful Family Company
- Chairman, ADU Audit Committee
- Vice Chairman, ADU Finance Committee
- Member, Watania Executive & Investment Committee
- Member, Liwa Education Board of Trustees
- Member, Liwa University Board of Trustees



Mr. Mahomed Akoob

Non-Executive Independent Director

Mahomed Akoob has extensive international experience in financial services particularly insurance and reinsurance with in-depth expertise in technical underwriting, Takaful & Retakaful, risk management, and strategic investment management.

Previously he was Managing Director at Hannover ReTakaful B.S.C (C), Bahrain, and Executive Director of Hannover Reinsurance Group Africa. He also served as General Manager and Executive Director of Munich Reinsurance Company of Africa handling the non-life business, finance, business development, and strategy.

Mr. Akoob has held directorships on numerous Boards including Noor Takaful and Dar Al Takaful and is currently Director of the Credit Guarantee Insurance Corporation in South Africa and a Director of Chedid Capital Holdings.

He has been recognized as one of the Top 50 Most Influential Leaders in the region by the MENA Insurance Review. Past appointments include serving on the Financial Services Board's Advisory Committee on Short-Term Insurance in South Africa.

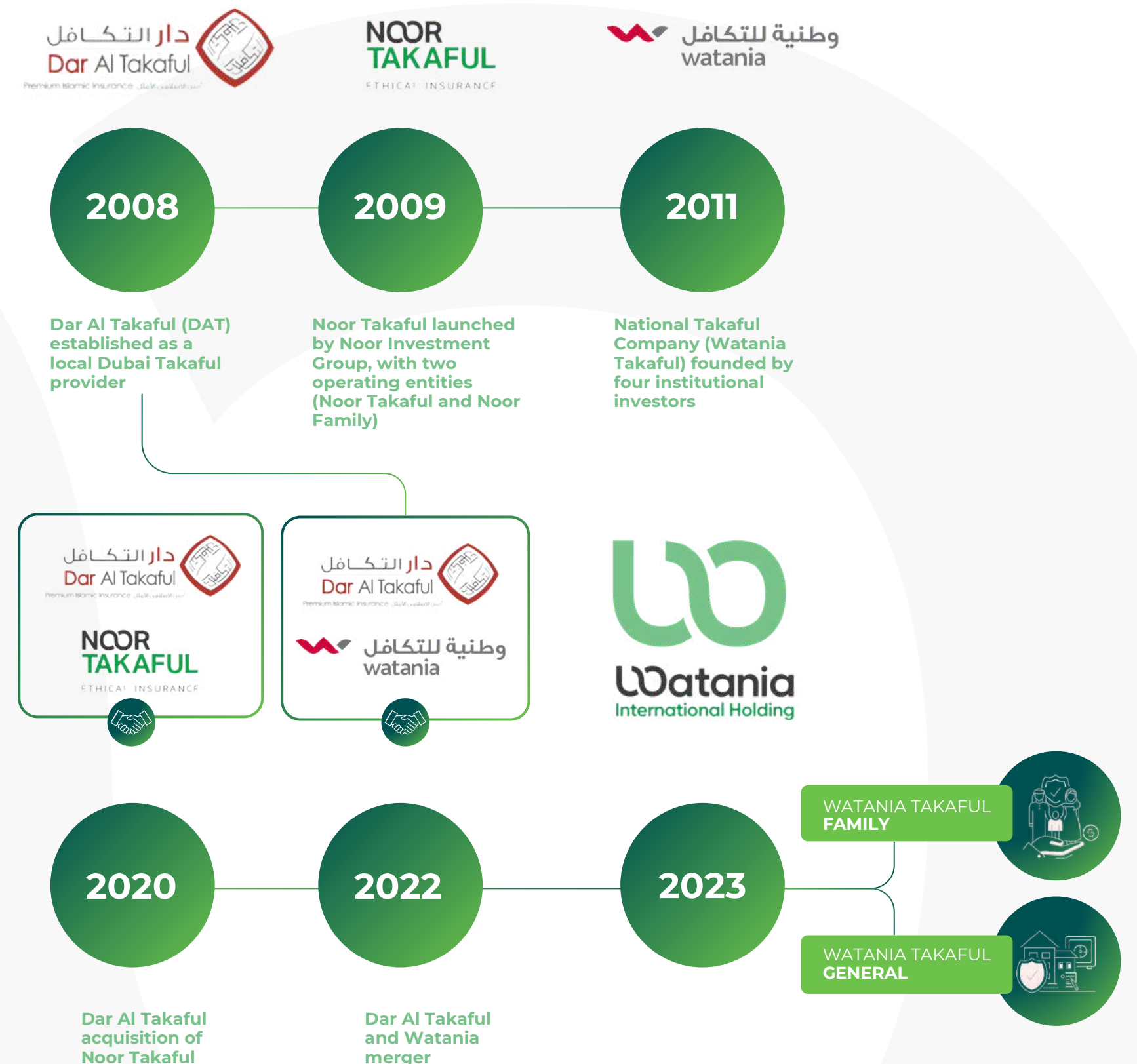
Mr. Akoob is a Fellow of the Insurance Institute of South Africa and an Executive Development Program Graduate from the School of Business Administration at the University of the Witwatersrand.

# OUR HISTORY

Following a sustained period of growth and operational strengthening, Dar Al Takaful expanded its market presence in 2020 through the acquisition of Noor Takaful. This milestone significantly enhanced the Company's portfolio and reinforced its strategic ambition to scale and deepen its influence within the Takaful sector.

Building on this momentum, a transformative merger was completed in July 2022 between Dar Al Takaful and National Takaful Company (Watania). The combination created one of the largest Takaful platforms in the UAE, strengthening market positioning, operational capabilities, and long-term growth potential.

In March 2023, the holding company underwent a strategic evolution, rebranding as Watania International Holding PJSC. This transition marked more than a change in name; it reflected a deliberate repositioning of the business model and long-term vision. As part of this transformation, the Company relinquished its insurance license and formally transitioned into an investment holding structure. This shift enables WIH to pursue broader opportunities across the UAE and regional Takaful and Islamic financial services landscape, leveraging its scale, expertise, and capital to drive sustainable expansion and value creation.



# WIH BOARD OF DIRECTORS



**Dr. Ali Saeed Sultan  
Bin Harmal Aldhaheri**

Non-Executive  
Non-Independent Chairman



**Mr. Matar Hamdan Sultan Al  
Ameri**

Non-Executive  
Independent Vice Chairman



**Dr. Mohammed Al Barwani**

Non-Executive  
Independent Director



**Eng. Usama Mohamed li Al  
Barwani**

Non-Executive  
Independent Director



**Mr. Mohammed Nayel  
Rashed Al Nayeli Al Shamsi**

Non-Executive  
Independent Director



**Mr. Abdallah Malek  
Osseiran**

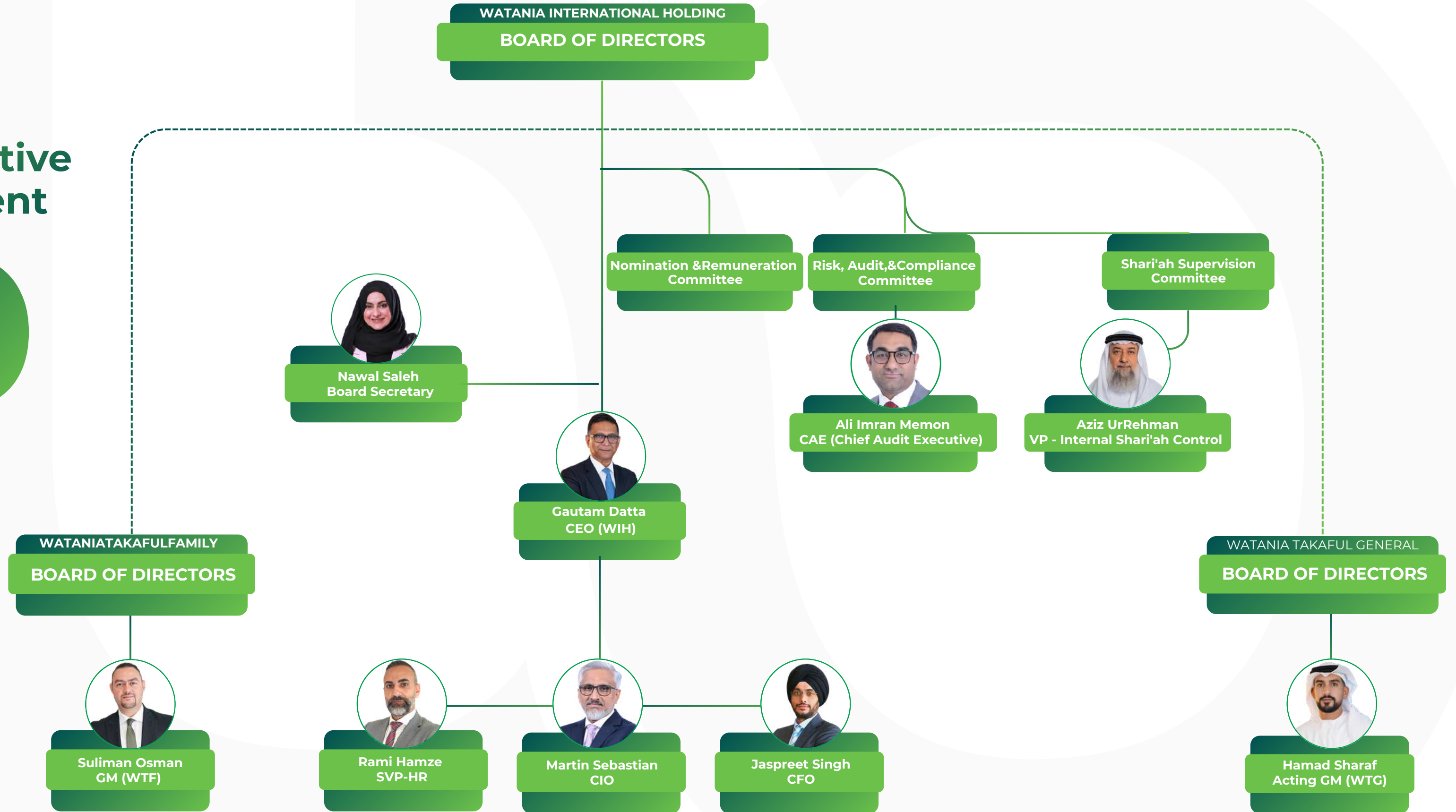
Non-Executive  
Independent Director



**Dr. Ghuwaya M. Al Neyadi**

Non-Executive  
Non-Independent Director

# WIH Executive Management



# INTERNAL SHARI'AH SUPERVISION COMMITTEE

Watania Takaful General PJSC and Watania Takaful Family PJSC operate in full compliance with Islamic Shari'ah principles, the provisions of UAE Federal Law No. 6 of 2007 governing Takaful companies and agents, and their respective Memorandum and Articles of Association.

The companies' Shari'ah governance framework is supported by an experienced internal Senior Vice President – Shari'ah and is subject to the independent oversight of an Internal Shari'ah Supervision Committee (ISSC). The ISSC comprises distinguished Islamic finance scholars with deep expertise in Shari'ah, banking, and regulatory matters, ensuring that all products, investments, and operational practices adhere to established Islamic jurisprudence.



# SHARI'AH SUPERVISION COMMITTEE

## CHAIRMAN

Sheikh Prof. Dr Muhammad Abdul Rahim Sultan Al Olama is a recognised authority in Islamic finance and previously served as Professor at the School of Shari'ah at the United Arab Emirates University. He currently heads the Shari'ah Board of the UAE Zakat Fund and serves on the Shari'ah boards of several leading Islamic financial institutions and Takaful operators, including Dubai Islamic Bank, Abu Dhabi Islamic Bank, Emirates Islamic Bank, and others.

He is widely published in the field of contemporary Islamic finance and has presented research at numerous international forums. Dr. Al Olama holds a PhD in Comparative Islamic Law from Umm Al-Qura University in Makkah, Saudi Arabia.





Dr. Salim Ali Al Ali

Member

Dr. Al Ali is an established Islamic finance scholar and academic. He currently serves as Chairman of the Internal Shari'ah Supervisory Committee at First Abu Dhabi Bank and HSBC Middle East, and sits on the Shari'ah boards of several Islamic financial institutions.

He is an Assistant Professor in the Department of Shari'ah and Islamic Studies at the College of Law, United Arab Emirates University, and has also lectured in the LLM programme at BPP University in London. Dr. Al Ali is a frequent contributor to international Islamic finance conferences, including academic forums at Harvard University and the University of Cambridge. He holds a PhD in Islamic Financial Law from the University of London.



Prof. Dr Ashraf Hashim (Vice Chairman)

Member

Prof. Dr Ashraf bin Md Hashem is an internationally recognised Shari'ah adviser with extensive experience in Islamic finance governance. He serves as Chairman of the Shari'ah Advisory Council of the Central Bank of Malaysia and is a member of the Shari'ah Advisory Council of the Securities Commission Malaysia. He also holds leadership roles within the Shari'ah committees of Bursa Malaysia and the International Islamic Liquidity Management Corporation.

In addition, Dr. Hashem serves on the Shari'ah boards of several regional financial institutions, including Abu Dhabi Islamic Bank and Standard Chartered Saadiq (UAE). He holds a PhD in Islamic Law from the University of Birmingham, United Kingdom, and a Master's degree in Fiqh and Usul al-Fiqh from the University of Jordan.



# FORWARD LOOKING STRATEGY

## GOVERNANCE STRENGTH

Through the combined expertise of its Internal Shari'ah Supervision Committee and internal Shari'ah leadership, Watania ensures:

- Ongoing Shari'ah compliance across all products and contracts
- Independent review of investments and underwriting structures
- Continuous monitoring of operational practices
- Alignment with evolving regulatory and jurisprudential standards

This governance structure reinforces Watania's commitment to transparency, integrity, and strict adherence to Islamic financial principles.

Watania International Holding (WIH) has established a clear pathway toward sustainable growth and long-term shareholder value, building on the scale and capabilities created through the 2022 merger and the progress achieved since. The Company operates in a market supported by strong economic fundamentals, favourable demographic trends, and growing demand for Shari'ah-compliant financial solutions. With the GCC Takaful market projected to expand at a double-digit growth rate over the coming years, WIH is well positioned to strengthen its market leadership and capture emerging opportunities.

At the heart of WIH's strategy is a disciplined focus on scalable growth, operational excellence, and enhanced customer value. This strategy is delivered through three integrated pillars: technological leadership, expansion of the Takaful operating platform, and the continued evolution of WIH as a dynamic investment holding company.

### GROWTH AND STRENGTHENING OF TAKAFUL OPERATIONS (WTF & WTG)

Watania Takaful Family and Watania Takaful General will continue to expand their market presence and profitability in the UAE through disciplined underwriting, product innovation, and distribution optimisation.

#### The subsidiaries will:

- Enhance underwriting discipline and risk selection
- Introduce innovative, customer-focused solutions
- Optimise pricing through data-driven insights
- Expand distribution partnerships and digital channels
- Drive operational efficiency and cost management

Customer centricity remains central to this growth agenda. WTF and WTG will prioritise service excellence by investing in enhanced digital platforms, clear product communication, and responsive support channels. Websites, mobile interfaces, call centres, and claims platforms will be continuously upgraded to ensure transparency, ease of access, and consistent engagement.

The planned capital injection (subject to regulatory approval) will strengthen underwriting capacity, technology infrastructure, human capital, and claims settlement capabilities, enabling the subsidiaries to consolidate their leadership position in the UAE Takaful market.

Strategically, WTF will focus on expanding its presence in the growing Family (Life) Takaful segment and improving the profitability of its medical portfolio. WTG will concentrate on high-potential areas including motor, property, SME, and technical lines, responding to evolving regulatory requirements and increased demand for comprehensive coverage solutions.

### EXPANSION OF WIH AS A STRATEGIC INVESTMENT PLATFORM

As an investment holding company, WIH's long-term ambition extends beyond organic growth. The Company seeks to capitalise on consolidation opportunities within the fragmented Takaful market across the UAE and GCC, where scale can unlock operational efficiencies and competitive advantages.

WIH will pursue selective inorganic opportunities that offer strong strategic fit, revenue diversification, and enhanced shareholder returns. In parallel, the Group will explore opportunities across the broader Islamic finance ecosystem, leveraging the expertise of its leadership team and Internal Shari'ah Supervision Committee.

This dual-track approach, strengthening existing subsidiaries while evaluating accretive acquisitions, positions WIH for scalable, sustainable expansion.

### RISK MANAGEMENT AND CAPITAL STRENGTH

Robust risk governance underpins the Group's strategy. WIH and its subsidiaries continuously refine risk management frameworks to address climate-related risks, extreme weather events, regulatory changes, and other high-impact developments.

ReTakaful arrangements remain a critical component of the Group's risk mitigation strategy, with careful selection of partners and optimal structuring of coverage to maintain financial resilience.

The Group is committed to maintaining strong capital adequacy across all entities, ensuring the ability to withstand unforeseen events while continuing to invest in growth, innovation, and customer value.

### STRATEGIC OUTLOOK

Through disciplined execution, technological leadership, capital strength, and an unwavering commitment to customer excellence, WIH aims to deliver sustainable returns to shareholders while reinforcing its position as a leading Shari'ah-compliant financial services platform in the region.





# STRATEGIC PROGRESS AND OPERATIONAL PERFORMANCE IN 2025

In 2025, Watania International Holding entered a new phase of strengthened performance, building on the structural transformation of recent years and translating strategic discipline into measurable financial outcomes.

The Group delivered a significant uplift in profitability during the year. Net profit increased to AED 35.5 million, compared to AED 13.3 million in 2024, while earnings per share rose to AED 0.136, reflecting enhanced value creation for shareholders.

Takaful revenue grew to AED 918.4 million, supported by improved underwriting quality and portfolio optimization across both operating subsidiaries.

This performance was underpinned by a substantial improvement in net Takaful results and other income, alongside continued stability in investment returns. Net investment income reached AED 37.7 million, demonstrating disciplined asset allocation within Shari'ah-compliant parameters

## STRENGTHENED CAPITAL POSITION

The Group's financial resilience further strengthened during the year. Shareholders' equity increased to AED 263.1 million, while total assets expanded to AED 1.39 billion, reinforcing WIH's capital base and strategic flexibility.

**This strengthened capital position enhances the Group's ability to**

- Absorb market volatility
- Support disciplined underwriting growth
- Invest in technology and operational improvements
- Pursue selective expansion opportunities within the Islamic insurance ecosystem

The progress achieved reflects the cumulative benefits of post-merger integration, improved risk management frameworks, and operational streamlining initiatives implemented across the Group.

# CUSTOMER-FOCUSED EXECUTION

## OPERATIONAL EXCELLENCE AND RISK DISCIPLINE

Throughout 2025, both Watania Takaful Family and Watania Takaful General continued to enhance underwriting discipline, pricing governance, and claims efficiency. The focus remained firmly on sustainable profitability rather than top-line expansion.

Medical and life portfolios benefited from improved pricing normalization and data-driven risk selection, while motor and technical lines maintained stronger underwriting controls. Operational cost efficiencies continued to be realized through process optimization and integration synergies.

This disciplined approach has positioned the Group on a structurally stronger footing, transitioning from turnaround stabilization to performance acceleration.

## MARKET POSITIONING AND LONG-TERM OUTLOOK

As a listed investment holding company on the Dubai Financial Market, WIH remains committed to transparent reporting, prudent capital allocation, and sustainable value creation.

The performance delivered in 2025 marks a clear strengthening of the Group's earnings capacity and capital resilience. With an expanding UAE Takaful market, ongoing regulatory enhancement, and increasing demand for Shari'ah-compliant financial solutions, WIH is well positioned to capitalize on organic growth opportunities while maintaining financial discipline.

The year's results reflect not only improved financial metrics, but the successful execution of a long-term strategy built on governance strength, operational efficiency, and responsible growth.

In 2025, Watania Takaful Family and Watania Takaful General continued to reinforce their leadership and governance structures with a clear priority: delivering consistent, high-quality outcomes for customers.

Operating under their seven-member Boards, established in September 2024, both subsidiaries focused on strengthening oversight, accountability, and decision-making frameworks that support service excellence, financial resilience, and sustainable growth.

WTF is chaired by Mr. Matar Hamdan Al Ameri, and WTG by Dr. Ali Saeed bin Harmal Aldhaheri. Under their guidance, both companies continued to enhance governance practices while ensuring that strategy and operational priorities remain closely aligned with customer needs and expectations.

At the executive level, Mr. Hamad Sharaf, Acting General Manager of WTG, continued to lead operational performance and portfolio management, drawing on over two decades of insurance experience. His leadership supported ongoing improvements in underwriting discipline, claims oversight, and operational responsiveness—core drivers of customer trust.

The Internal Shari'ah Supervision Committee, chaired by Sheikh Dr. M. Abdul Rahim Sultan Al Olama, continued to provide independent oversight to ensure all products, contracts, and investments remain fully aligned with Shari'ah principles. The expertise of Dr. Ashraf bin Md Hashem and Dr. Salim Ali Al Ali further strengthens governance and reinforces stakeholder confidence in the integrity of the Group's offerings.

## **OUR PEOPLE** Empowering Service Excellence

At Watania, our people are the foundation of our ability to serve customers effectively. In 2025, the Group continued to invest in structured performance management, capability development, and targeted training to enhance both technical expertise and service quality.

Training initiatives focused on underwriting, claims management, digital systems, product knowledge, and data analytics—ensuring employees are equipped to respond efficiently and professionally to customer needs in an evolving Takaful environment.

Employee engagement initiatives, including regular knowledge-sharing sessions and cross-functional forums, strengthened collaboration and reinforced a culture centered on responsiveness, accountability, and respect.

## **EMIRATIZATION** Building Future Customer-Focused Leaders

Emiratization remains central to Watania's long-term strategy. As a UAE-based Takaful provider, we are committed to developing national talent capable of leading the next generation of Islamic insurance professionals.

In 2025, we continued active engagement with universities and career platforms to attract Emirati graduates and young professionals. Through structured mentorship, accelerated development pathways, and performance-based progression, we aim to cultivate leaders who combine technical expertise with a strong commitment to customer service.

By strengthening our national talent pipeline, Watania not only contributes to the UAE's economic development agenda but also ensures continuity of customer-focused leadership within the Group.

# VISION, MISSION & VALUES

## VISION

To be the most trusted and customer-focused Takaful provider in the UAE, recognized for service excellence, financial strength, and Shari'ah integrity.



## MISSION

To deliver high-quality, Shari'ah-compliant Takaful solutions that protect our customers, support their long-term security, and create sustainable value for all stakeholders.

## PURPOSE

To empower individuals, families, and businesses with confidence and financial protection — enabling them to move forward with certainty in an evolving world.



# OUR CORE VALUES

## EMPATHY

*We put our customers first.*

We listen, understand, and act with compassion. Every product and service is designed from the perspective of those we serve.

## INTEGRITY

*We act with honesty and transparency.*

We honour our commitments, uphold Shari'ah principles, and safeguard the trust placed in us by our customers and stakeholders.

## RESPONSIVENESS

*We act swiftly and responsibly.*

We anticipate needs, resolve issues efficiently, and deliver timely solutions, especially when our customers need us most.

## SIMPLICITY

*We make Takaful clear and accessible.*

We simplify products, processes, and communication to create seamless and meaningful customer experiences.

# SECTOR GROWTH DRIVERS

## POSITIONED FOR SUSTAINABLE TAKAFUL EXPANSION

Watania International Holding, through Watania Takaful Family and Watania Takaful General, remains strategically positioned to capture long-term growth opportunities within the UAE and GCC Takaful markets.

### Our portfolio spans:

- Family (Life) Takaful
- Medical Takaful
- Motor Takaful
- Technical and General Takaful

This diversified product base enables the Group to serve individual, corporate, and institutional clients while balancing risk exposure across business lines.

## MARKET POSITION

**Through its operating subsidiaries, WIH continues to maintain a strong competitive presence:**

- Top 10 insurance provider in the UAE
- 2nd largest Takaful provider nationally
- Approximately 3% share of the overall UAE insurance market
- Approximately 25% share of the UAE Takaful market

Our national footprint, supported by multiple full-service offices and points of sale, reinforces proximity to customers and operational accessibility across key Emirates.

## GCC TAKAFUL MARKET OUTLOOK

The GCC Takaful sector is projected to grow at a compound annual growth rate (CAGR) of approximately 11.6% through 2030, driven by structural, regulatory, and demographic factors.

### Key growth drivers include:

#### 1. REGULATORY EVOLUTION AND GOVERNMENT SUPPORT

Ongoing regulatory enhancement across the UAE and GCC is strengthening solvency standards, governance frameworks, and product transparency. These reforms are fostering consolidation, professionalism, and long-term sector stability.

#### 2. ACCELERATION OF DIGITAL TRANSFORMATION

Digital adoption across underwriting, claims processing, distribution, and customer engagement continues to reshape the insurance landscape. Customers increasingly expect seamless, digitally integrated experiences across the entire policy lifecycle.

#### 3. RISING DEMAND FOR SHARI'AH-COMPLIANT FINANCIAL SOLUTIONS

Growing awareness of Islamic finance principles, coupled with expanding middle-class demographics, is driving increased demand for Family (Life) Takaful, medical coverage, and structured protection products.

#### 4. INCREASING PREFERENCE FOR CONSOLIDATED PROVIDERS

Customers are demonstrating a stronger preference for trusted, multi-line Takaful providers capable of delivering comprehensive, one-stop solutions across protection, savings, and general coverage needs.

#### 5. STRENGTHENING TALENT PIPELINE

Government-backed localization initiatives and increased graduate interest in financial services are improving the talent pool entering the Takaful sector, supporting innovation and operational excellence.



## STRATEGIC IMPLICATIONS FOR WIH

Given its strengthened capital base, disciplined underwriting approach, and diversified portfolio, WIH is well positioned to:

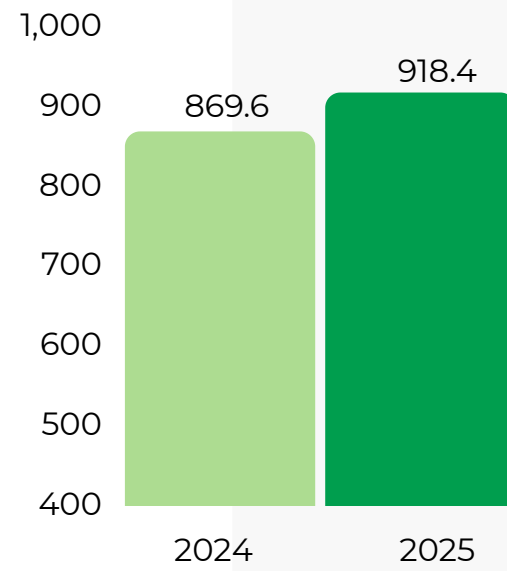
- Expand organically within high-growth segments such as medical and life Takaful
- Leverage operational efficiencies to enhance margins
- Capitalize on sector consolidation opportunities
- Deepen digital enablement across the customer journey
- Strengthen cross-selling between Family and General Takaful lines

The combination of favorable macroeconomic conditions, regulatory maturation, and rising demand for Shari'ah-compliant financial services creates a supportive environment for sustained sector growth.

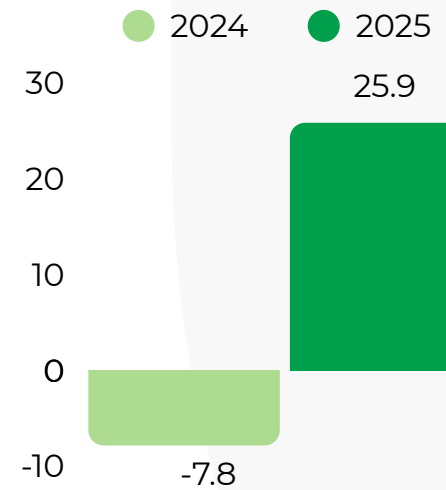
WIH enters 2026 with improved financial performance and enhanced strategic clarity, positioned to participate actively in the next phase of GCC Takaful expansion.

# FINANCIAL PERFORMANCE HIGHLIGHTS

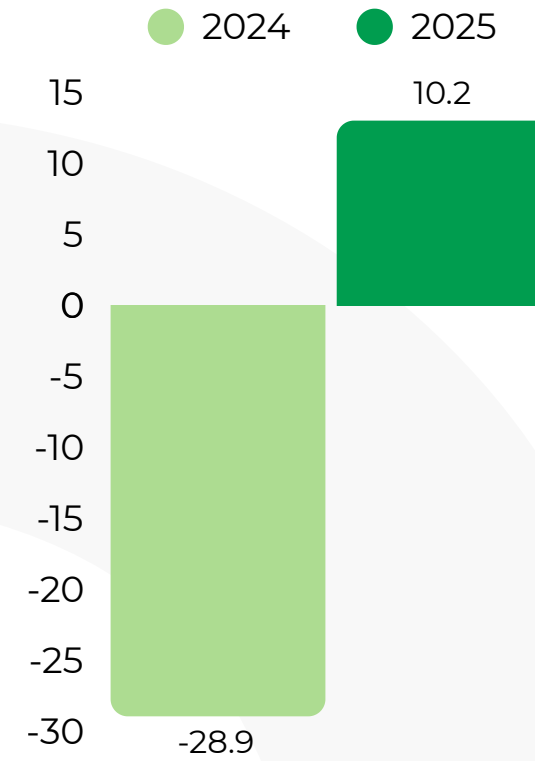
**TAKAFUL SERVICE REVENUE (AED MILLION)**



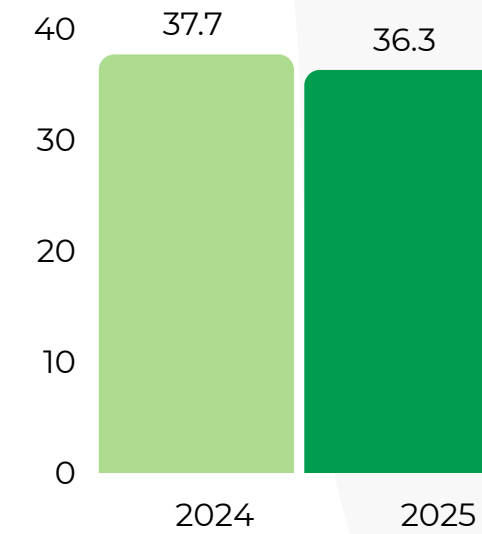
**TAKAFUL SERVICE RESULTS (AED MILLION)**



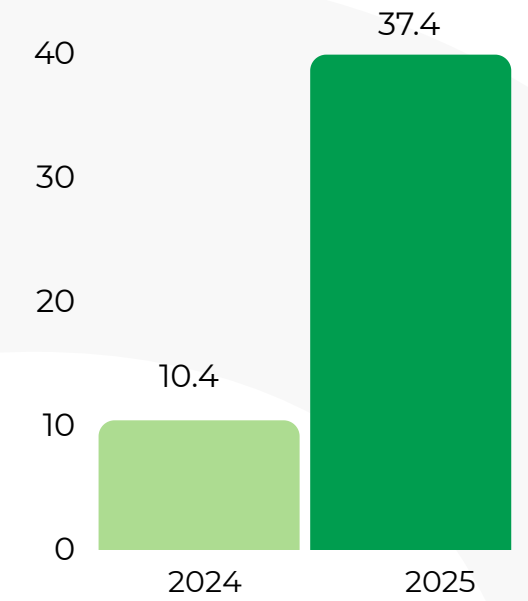
**NET TAKAFUL INCOME (AED MILLION)**



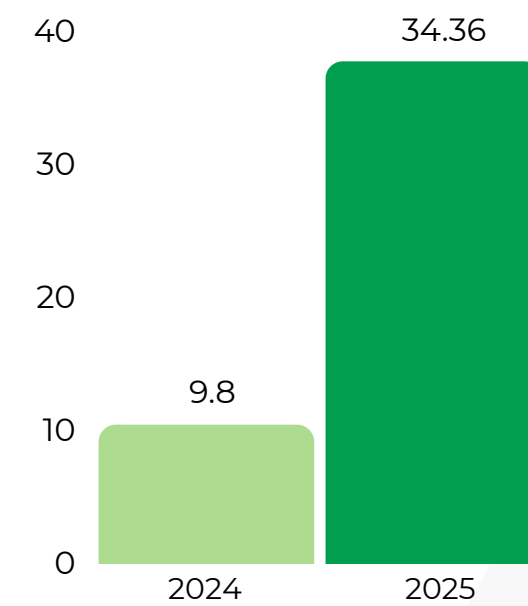
**INVESTMENT INCOME (AED MILLION)**



**PROFIT BEFORE TAX (AED MILLION)**



**PROFIT AFTER TAX (AED MILLION)**



# CORPORATE GOVERNANCE REPORT



## 1. The measures taken to adhere to corporate governance standards in 2025

The Board of Directors of Watania International Holding (PJSC) demonstrates steadfast commitment to upholding the principles of corporate governance in accordance with the Chairman's Decision No. (03 R/M) of 2020 and its subsequent amendments governing standards of institutional discipline and governance for public joint stock companies. The Company continues to adopt leading governance practices and guidelines aimed at reinforcing transparency, integrity, and accountability across all operations, while ensuring the robustness and effectiveness of its internal audit framework to support sound business conduct.



In line with these commitments, the key governance procedures undertaken during the year 2025 are summarized as follows -

The Company has strengthened its internal audit framework by instituting procedures that involve crossreferencing and validating internally generated data and reports against information reviewed and confirmed by the external auditor. This approach reinforces the Audit, Risk & Compliance Committee's (ARCC) oversight functions and contributes to the effective fulfilment of its supervisory responsibilities.

The Company's Board of Directors and senior executive management remain committed to the continuous enhancement of the corporate governance framework. This commitment is reflected in the regular deliberations held during Board meetings and executive management meetings, where governance related matters are consistently reviewed, evaluated, and advanced.

The Company has updated its corporate governance policies to ensure compliance with the requirements stipulated in Governance Regulations No. (3 R/M) of 2020, and its amendments.

The Board of Directors ensures that the Company upholds a high standard of transparency by adhering to all prescribed timelines and disclosure requirements for its financial statements, in full compliance with the regulations and directives of the Securities and Commodities Authority and the Dubai Financial Market.

The Board of Directors maintains continuous oversight of the Company's operations, both directly and through its committees, in line with the provisions and requirements of applicable corporate governance regulations.

The Company's Investment and Strategic Committee oversees the implementation of the investment policy in line with applicable regulations and best practices and conducts regular reviews of the investment portfolio to strengthen diversification and optimize returns.

The Company ensures the timely disclosure of its Corporate Governance Report and annual financial statements ahead of the General Assembly, thereby enabling shareholders to review the information in advance of the meeting.

## 2. Ownership and transactions of Board members with their spouses and children in the Company's securities during 2025.

No	Name	Position	Total Sale	Total Purchase	Owned Shares as of 31/12/2025
1	Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman	-	38,450	31,291,370
2	Mr. Matar Hamdan Sultan Hamad Al Ameri	Vice -Chairman	316,861	-	1,683,139
3	Dr. Mohamed Ali Mohamed Al Barwani	Director	-	-	-
4	Eng. Usama Mohamed Barwani	Director	-	-	-
5	Mr. Mohamed Nael Al Shamsi	Director	-	-	-
6	Dr. Ghuwaya Mohammed Khuwaidem Al Neyadi	Director	-	-	-
7	Mr. Abdallah Malek Osseiran	Director	-	-	-
8	Mr. Sultan Ali Saeed Bin Harmal Aldhaheri	The Chairman's son	-	-	135,191
9	Mr. Mohammed Ali Saeed Bin Harmal Aldhaheri	The Chairman's son	-	-	134,999
10	Ms. Mouza Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	142,826
11	Ms. Maha Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	120,000
12	Ms, Maitha Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	194,617



### 3. Board Formation

The Board of Directors comprises seven members, including five independent non-executive directors and two non-independent non-executive directors. The current Board was re-elected at the General Meeting convened on 23 April 2025, having been originally elected in 2022, and continues to serve a three-year term.

Collectively, the Board Members embodies a broad spectrum of competencies and deep expertise across the financial sector and related domains, enabling rigorous oversight, robust analysis, and informed interpretation of the Company's financial statements, as well as prudent and effective decision making across the organization. The directors' diverse academic backgrounds and extensive professional experience have been instrumental in shaping, guiding, and advancing the Company's strategic direction, ensuring that governance practices remain aligned with leading standards and responsive to evolving market conditions.



## Board Members Experience and Qualifications

### Dr. Ali Saeed Sultan Bin Harmal Aldhaheri

#### Non-Executive Non- Independent Chairman

Dr. Ali Saeed Sultan Bin Harmal Aldhaheri is a non-executive, Non-independent member, and Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Dr. Aldhaheri is a seasoned business professional with over two decades of exemplary experience and a proven track record of success. Graduating with distinction from the American University in Washington DC with an MBA, Dr. Aldhaheri embarked on a journey of entrepreneurship, founding, launching, and adeptly managing numerous thriving enterprises across diverse sectors including IT, finance, education, tourism, and real estate.

Driven by a steadfast commitment to lifelong learning, Dr. Aldhaheri recently completed his doctoral studies at Durham University, further enriching his expertise and insights in the realm of business and academia.

Throughout his illustrious career, Dr. Aldhaheri has actively engaged at a high level with governmental initiatives pertaining to tourism and development strategy. He has also made significant contributions to the fields of MICE (Meetings, Incentives, Conferences, and Exhibitions) and education management, showcasing his strategic acumen and leadership prowess. With a keen eye for innovation and a passion for fostering growth, Dr. Ali Aldhaheri continues to be a driving force in shaping the landscape of business and education, leaving an indelible mark on industries worldwide.

#### Other Board and Committee Memberships:

- Chairman and Founder of Abu Dhabi University.
- Chairman of NEMA Holding.
- Managing Director of Bin Harmal Group.
- Chairman of Liwa Education.
- Chairman of Magna Investment.
- Board member of Amanat Holding.
- First Vice Chairman of the Abu Dhabi Chamber of Commerce.
- Board of Directors and a member of the Economic Cooperation Committee for Government and Private Sectors in Abu Dhabi.
- Board member of Sandooq Al Watan.

Aldhaheri leverages his extensive expertise and strategic vision to drive impactful initiatives, foster collaboration, and contribute to the advancement of various economic, educational, and governmental endeavors in the region.

**Election Date:** 2022  
**Term of Membership:**  
3 years 8 months





Mr. Matar Hamdan Sultan Al Ameri

Non-Executive Independent Vice Chairman

Matar Hamdan Al Ameri is a non-executive, independent member, and Vice Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Prominent UAE corporate leader, with extensive experience in top-level executive roles in public and private enterprises. His expertise spans over 30 years in upstream and downstream petroleum sectors, banking, and agriculture. Supported by deep relationships at the most senior level in UAE public and government entities.

As Chairman of Dar Al Takaful PJSC, Mr. Matar played a pivotal role in its successful merger with National Takaful Company (Watania) PJSC.

During his long tenure at ADNOC, he transformed the onshore finance function, oversaw the placement and financing of a USD 6 billion corporate loan, and led the partial privatization of ADNOC Distribution. His roles included serving as ADNOC's Director of Finance and Investments.

Mr. Al Ameri currently serves as Deputy Manager Director of Private Department Sheikh Mohammed Bin Khalid Al Nahyan Vice Chairman of Eshraq Investment PJSC and a Board Member of Wise Fintech Network LLC.

He previously served as Deputy Managing Director of Saas Daari Poultry Trading LLC, a company with international agricultural business interests. He also served as the lead liquidator of Bank of Credit and Commerce International for the Abu Dhabi government. His prior board directorships include First Abu Dhabi Bank, Aafaq Islamic Finance, and the Abu Dhabi National Exhibition Center. Mr. Al Ameri holds a Bachelor of Science degree in Accounting and Information Systems from the United Arab Emirates University and is a Certified Public Accountant (CPA) in the United States of America

**Election Date: 2020**  
**Term of Membership:**  
**5 years 8 months**



Dr. Mohammed Al Barwani

Non-Executive Non- Independent Director

Dr. Mohammed Al Barwani is a non-executive, independent member of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

The founder and chairman of MB LLC, which has wide ranging interests in oilfield services, oil and gas exploration and production, mining, marine, and engineering services. MB also invests in financial services, hotels, and resorts, operating in more than 20 countries.

As an independent non-executive Director of Watania International Holding PJSC, Dr. Barwani brings exceptional experience and diverse business skills. He previously served as a Director of National Takaful Company (Watania) PJSC. He is a non-executive Director of several listed companies, including Al Madina Insurance. He was formerly a director of the Board for various companies including National Bank of Oman, Nautilus Minerals (Toronto Stock Exchange), and UCL Resources (Australian Stock Exchange).

Dr. Barwani received the Royal Order of Commendation - Second Class from His Majesty Sultan Haitham bin Tariq Al Said for his contributions to society. He holds a bachelor's degree in science from Miami University, USA, and a master's degree and Honorary PhD in Petroleum Engineering from Herriot-Watt University, UK.

**Election Date: 2022**  
**Term of Membership:**  
**3 year and 8 Months**





Eng. Usama Mohamed Ali Al Barwani

Non-Executive Independent Director

Usama Mohamed Ali Al Barwani serves as a Non-Executive, Independent Member of the Board of Directors of Watania International Holding, a publicly listed investment holding company on the Dubai Financial Market (DFM: WATANIA).

Mr. Barwani is a distinguished executive and seasoned board director whose career reflects sustained leadership across the energy, engineering, finance, and marine manufacturing sectors. He is widely recognised for his strategic acumen, disciplined governance, and proven ability to guide complex multinational organisations through periods of transformation and cross-border expansion.

Mr. Barwani is a graduate of the prestigious Executive Leadership Program at Harvard Business School, delivered through the YPO–Harvard Program, underscoring his enduring commitment to continuous learning and leadership excellence. He holds a Master of Science in Energy, Trade and Finance from Cass Business School, City, University of London, and a Bachelor of Science in Petroleum Engineering from The University of Tulsa, USA. These academic credentials provide a strong analytical and strategic foundation that complements his extensive professional accomplishments.

Currently, Usama Barwani currently serves as Vice Chairman of MB Holding Company, a leading familyowned conglomerate with a strong presence across the Middle East, Europe, and Africa. The Group operates in key sectors including oil and gas, engineering, and tourism, where he contributes to strategic direction, governance, and longterm growth.

**Other Board and Committee Memberships**

- Managing Director, Petrogas E&P
- Board Member, Turquoise Yachts (Turkey)
- Board Member, ARCAPITA (Bahrain)

**Election Date: 2022**  
**Term of Membership:**  
**3 year and 8 Months**



Mr. Mohammed Nayel Rashed Al Nayeli Alshamsi

Non-Executive Independent Director

Mohammed Nayel Rashed Al Nayeli Al Shamsi serves as a non-executive, independent director on the Board of Watania International Holding, a listed investment holding company (DFM: WATANIA).

The General Manager of Nael & Bin Harmal Group, comprising more than 60 companies in sectors including construction, manufacturing, engineering, medical facilities, education, real estate, IT, travel, and tourism, shopping malls, and insurance.

Mr. Alshamsi served as a Director of National Takaful Company (Watania) PJSC.

He has extensive strategic business and financial experience, covering contract negotiation, project management, new business development, cost control, risk management and mitigation, and strategy development and execution.

Holds an honorary BA in Business Administration from UAE University, Al Ain.

**Election Date: 2022**  
**Term of Membership:**  
**3 year and 8 Months**





Dr. Ghuwaya M. Al Neyadi

Non-Executive Independent Director

Dr. Al Neyadi brings more than 25 years of distinguished experience across management, organizational development, and healthcare services. A consultant in family medicine, she seamlessly integrates deep clinical expertise with strategic leadership roles across major institutions.

Throughout her career, Dr. Al Neyadi has been instrumental in advancing healthcare delivery systems, enhancing operational performance, and embedding robust governance frameworks. Her leadership has consistently driven institutional transformation, strengthened service quality, and supported the implementation of forward-looking strategies that elevate organizational excellence.

She currently serves as the Senior Vice President of National Identity, Wellbeing, and Corporate Social Responsibility at the ADNOC Group. In this capacity, she leads transformative strategies that enhance organizational resilience and excellence, strengthen national identity rooted in the values and heritage of the UAE, and elevate ADNOC's global standing in community responsibility, community engagement, sustainability, and workplace wellbeing and quality of life.

Dr. Al Neyadi holds a PhD in Family Medicine & Public Health and an Executive Master's in Healthcare Management, complemented by numerous advanced leadership programs. This academic and professional combination equips her with the strategic insight needed to lead human-centred and community-focused initiatives with precision and impact.

Alongside her executive role, she serves on the boards of several entities, including Watania International Holding, Manzil Healthcare Services, and the UAE-Japan Friendship Committee for Women (FCW). She has also held previous board memberships at Burjeel Holdings and Response Plus Holding. Within ADNOC, she chairs the ADNOC Group Medical Committee, the Gender Balance Committee, and the People of Determination Committee.

Her areas of expertise span corporate governance, operational excellence, strategic partnerships, medical and occupational health management, wellbeing, and the design of integrated programs that strengthen both institutional performance and societal impact.

**Election Date: 2025**  
**Term of Membership:**  
**8 Months**



Abdallah Malek Osseiran

Non-Executive Independent Director

Abdallah Malek Osseiran is a non-executive, independent member of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Mr. Osseiran is a seasoned investment and finance executive with extensive expertise across investment management, banking, corporate finance, M&A and strategic business development. He has served as Managing Director of Magna Investment LLC (Abu Dhabi) since 2006, leading and overseeing diversified investments across multiple sectors, including education, hospitality, takaful, financial services, real estate, private equity, and venture capital.

Prior to joining Magna Investment, he spent 16 years at Arab Bank, holding several leadership roles where he developed strong capabilities in corporate banking, corporate finance, and building organizational growth and expansion. In 2001, he relocated to the UAE to act as a financial advisor to a prominent UAE royal family office, overseeing a significant investment portfolio and supporting strategic investment decisions across real estate, fixed income, equities, and private equity. Mr. Osseiran previously served as a Director of Dar Al Takaful PJSC and currently holds several board and committee positions across reputable institutions. He holds a Bachelor of Business Administration (BBA) from Lebanese American University (LAU).

**Other Board and Committee Memberships**

Mr. Osseiran currently serves as:

- Managing Director, Magna Investment LLC, Abu Dhabi
- Board Member, NEMA Holding
- Board Member, NEMA Education
- Board Member, Abu Dhabi University (ADU)
- Board Member, Liwa University (LU)
- Board Member, Watania Takaful Family Company
- Chairman, ADU Audit Committee
- Vice Chairman, ADU Finance Committee
- Member, Watania Executive & Investment Committee
- Member, Liwa Education Board of Trustees
- Member, Liwa University Board of Trustees

**Election Data: 2020**  
**Term of Membership:**  
**5 Year & 8 Months**



**The Board of Directors of Watania International Holding (PJSC) hereby acknowledges the validity of the information presented in clauses 2 and 3 above.**

#### 4. The percentage of female representation on the Board in 2025

At the General Meeting held on 23 April 2025, Dr. Ghuwaya M. Al Neyadi was elected to serve as a member of the Board of Directors in accordance with the applicable requirements of the Securities and Commodities Authority (SCA).

#### 5. The total remuneration paid to the Board members for the year 2024

The Board of Directors was awarded remuneration of AED 1,331,250.00 (one million three hundred thirty-one thousand two hundred fifty dirhams) for the financial year ended 31 December 2024, in accordance with the approval of the General Meeting convened on 23 April 2025.

#### 6. The total remuneration proposed for the Board members for the year 2025

The remuneration of the Board of Directors for the financial year 2025 will be presented for consideration and approval at the forthcoming General Meeting. The resolution adopted in this regard will be communicated to the relevant authorities in a timely and official form.

#### 7. Allowances are allocated for members of the Board attending committee meetings during the fiscal year 2025.

Names of members	Investment & Strategic Committee	Audit Risk & Compliance Committee	Nomination & Remuneration Committee	Number of attended meetings	Amount paid in AED
Dr. Ali Saeed Bin Harmal Aldhaheri	2	-	-	2	20,000
Mr. Matar Hamdan Sultan Al Ameri	2	5	1	8	80,000
Dr. Mohamed Ali Al Barwani	-	-	-	-	-
Mr. Usama Mohamed Al Barwani	1	2	1	4	40,000
Mr. Mohamed Nael Al Shamsi	-	-	1	1	10,000
Dr. Ghuwaya M. Al Neyadi	-	3	1	4	40,000
Mr. Abdallah Malek Osseiran	2	5	-	7	70,000
Mr. Youssef Sami Alami (Advisor)	2	-	-	2	20,000

**For the financial year 2025, the Board of Directors did not receive any additional allowances, salaries, or fees.**

## Number of Board Meetings

No	Meeting date	Number of Attending Members	Number of Members Represented by Proxy	Absentee Members
1	12/03/2025	7	None	None
2	29/04/2025	6	None	Mr. Usama Mohamed Al Barwani
3	14/05/2025	7	None	None
4	12/08/2025	5	None	Mr. Usama Mohamed Al Barwani Mr. Mohamed Nael Al Shamsi
5	12/11/2025	6	None	Mr. Usama Mohamed Al Barwani

## Number of Board resolutions passed during the fiscal year 2025

On 29 December 2025, the Board of Directors, by way of a duly passed resolution, approved the Company's budget for the financial year 2026.

## 8. Audit Risk & Compliance Committee (ARCC)

### Acknowledgment from the Chairman of the ARCC of his responsibility for the committee's system in the company and for reviewing its operations and ensuring its effectiveness.

The Chairman of the ARCC acknowledges his responsibility for overseeing the committee's system within the company. This includes ensuring that the committee operates in accordance with the regulations set forth by the Securities and Commodities Authority (SCA) of the United Arab Emirates, as well as the company's internal policies and governance framework.

*"I am committed to reviewing the operations of the ARCC to ensure its effectiveness in fulfilling its duties. This includes, but is not limited to, monitoring the integrity of financial reporting, assessing the effectiveness of internal controls and risk management systems, overseeing the internal and external audit processes, and ensuring compliance with applicable laws and regulations."*

*"I will strive to ensure that the ARCC maintains its independence, objectivity, and professionalism in executing its responsibilities, thereby contributing to the overall governance and sustainability of the company."*



In accordance with the governance framework set by the Central Bank of the UAE (CBUAE), the Chairman of the ARCC holds a key leadership role in overseeing the committee's functions and ensuring its effectiveness in maintaining transparency, accountability, and regulatory compliance.

As per regulatory guidelines, the primary powers and responsibilities of the ARCC Chairman include:

**Leadership & Oversight**

Leading the committee in fulfilling its mandate, setting the agenda, and ensuring alignment with governance and regulatory requirements.

**Financial & Risk Supervision**

Reviewing financial reports, monitoring risk management practices, and ensuring adherence to internal control frameworks.

**Audit & Compliance Review**

Overseeing internal and external audit activities, ensuring independence, and evaluating audit findings for corrective actions.

**Regulatory Compliance**

Ensuring the company's adherence to CBUAE regulations, corporate governance policies, and ethical standards.

**Whistleblower & Fraud Monitoring**

Supervising mechanisms for reporting misconduct, addressing concerns related to fraud, and recommending necessary actions.

**Reporting to the Board**

Communicating key audit and compliance matters to the Board of Directors, providing insights and recommendations for governance improvements.

The ARCC Chairman plays a crucial role in reinforcing strong governance practices within the organization.

**Names of the ARCC members**

The ARCC consists of the following Board members:

#	Name	Capacity
1	Mr. Matar Hamdan Sultan Al Ameri	Chairman
2	Mr. Abdallah Malek Osseiran	Member
3	Mr. Usama Mohamed Al Barwani	Member
4	Dr. Ghuwaya M. Al Neyadi	Member

Note: Dr. Ghuwaya Al Neyadi was appointed the ARCC as a member effective 29 April 2025, following the formation of the newly constituted Board and its committees.

The ARCC demonstrates its persistence in interacting with the external auditors, fostering a productive relationship with them, as well as reviewing the financial statements. As part of its responsibilities, the committee supervises the Internal Control Department and plays an active role in ensuring that the company adheres to competent regulatory requirements while also ensuring that accounting practices are efficient.



## Duties of the ARCC

Review the Company's financial and accounting policies and procedures.

Monitor the integrity of the company's financial statements; its (annual, semi-annual, and quarterly) reports, its control systems, and review them as part of its normal work during the year, with particular attention being provided to the following:

Monitor the integrity of the company's financial statements; its (annual, semi-annual, and quarterly) reports, its control systems, and review them as part of its normal work during the year, with particular attention being provided to the following:

- Any changes in the accounting policies and practices.
- Highlighting aspects which are subject to management discretion.
- Ensure that the company updates its policies, procedures, and control systems annually or whenever required.
- Substantive amendments resulting from the audit.
- Ensure the continuity of the company's business.
- Assumption of business continuity.
- Compliance with accounting standards established by the competent Authorities.
- Compliance with listing and disclosure regulations and the relevant legal requirements related to financial reporting.

Coordinate with the Company Board, the senior executive management and the financial manager or the manager delegated the same tasks in the company to perform its assigned duties

Consider any significant and unusual terms contained or to be contained in such reports and accounts and shall give due consideration to any matters raised by the Company Chief Financial Officer, or the manager performing the same duties, the compliance officer, or the auditor.

Raise recommendations to the Board regarding the selection, resignation, or dismissal of the auditor. In case the Board does not approve the ARCC recommendations in this regard, the Board shall attach to the governance report a statement explaining the ARCC recommendations and the reasons why the Board has not followed them.

Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.

Ensure that the auditor meets the conditions stated in the applicable laws, regulations, and decisions and in the company's articles of association, along with following up and monitoring its independence.

Meet the auditor of the company without the presence of any senior executive management personnel or its representatives and discuss with regards nature and scope of the audit process and its effectiveness in accordance with the audited standards.

Approve any additional works made by an external auditor and the fees received in consideration for that works.

Examine all matters related to the auditor's work, his work plan, correspondence with the company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the senior executive management regarding the accounting records, financial accounts or control systems, in addition to following up the response of the company management and provision of the necessary facilities to do his work.

Ensure that the Board responds in a timely manner to the clarifications and substantive issues raised in the external auditor's letters.

Review and evaluate the company internal audit and risk management systems.

Discuss the internal audit system with the Board and ensure that it performs its duty of establishing an effective internal audit system.

Consider the results of the main investigations regarding the internal auditing matters mandated by the Board or at the initiative of the Committee and the approval of the Board.

Review the external auditor's evaluation of the internal control procedures and ensure coordination between the internal and external auditors.

Ensure the availability of necessary resources for the internal auditing department, and review and monitor the effectiveness of such department.

Examine the internal auditing reports and follow up on the implementation of corrective actions for the observations contained therein.



Establish controls to enable company employees to report confidentially on any potential violations in financial reporting, internal audit or other matters and steps to ensure that such violations are independently and fairly investigated.

Monitor the Company's compliance with the code of conduct.

Review related party transactions with the company, ensure there is no conflict of interest and raise related recommendations to the Board before concluding them.

Ensure the implementation of the business rules of its functions and powers entrusted in it by the Board.

Ensure that all the matters mentioned above are reported to the Board with relevant recommendations.

**Number of meetings held by the ARCC during 2025 and their dates to discuss issues related to the financial statements and any other matters, and a statement of the number of personal attendance times of the members in the held meetings.**

The committee held five meetings during 2025 as follows

#	Name	03/03/25	11/03/25	09/05/25	06/08/25	07/11/25
1	Mr. Matar Hamdan Sultan Al Ameri	✓	✓	✓	✓	✓
2	Mr. Abdallah Malek Osseiran	✓	✓	✓	✓	✓
3	Mr. Usama Mohamed Al Barwani	✓	✓	✓	✓	✓
4	Dr. Ghuwaya M. Al Neyadi	✗	✗	✓	✓	✓

Number of individual attendances for all ARCC members

#	Name	Number of personal attendances
1	Mr. Matar Hamdan Sultan Al Ameri	5/5
2	Mr. Abdallah Malek Osseiran	5/5
3	Mr. Usama Mohamed Al Barwani	2/5
4	Dr. Ghuwaya M. Al Neyadi	3/5

**Annual ARCC Report**

**Significant matters reviewed by the committee concerning the financial statements and the manner in which these matters were addressed.**

The ARCC has reviewed significant audit matters related to the financial statements, focusing on key areas that could impact the company's financial reporting and compliance. These matters include valuation of financial instruments, impairment assessments, revenue recognition, provisions for doubtful debts, and compliance with IFRS standards. The committee engaged in detailed discussions with the external auditors and finance team to assess the appropriateness of accounting treatments, key judgments, and underlying assumptions.

To address these matters, the committee ensured that adequate disclosures were made in the financial statements, internal controls were strengthened to mitigate risks, and necessary adjustments were incorporated where required. Any material misstatements identified by the external auditor were promptly rectified, and action plans were developed to enhance financial accuracy. Additionally, periodic follow-ups were conducted to ensure continuous improvement in financial reporting processes, reinforcing the company's commitment to transparency, accuracy, and regulatory compliance.

**An explanation of how the committee assessed the independence and effectiveness of the external audit process, the approach taken for appointing or reappointing the external auditor, and information on the tenure of the current audit firm.**

The ARCC assesses the independence and effectiveness of the external audit process through a structured evaluation. Auditor independence is reviewed regularly, ensuring compliance with regulatory and ethical standards, with auditors required to provide independence confirmations. The effectiveness of the audit process is assessed based on audit quality, reports, and a risk-based approach, along with feedback from management and a review of significant audit findings and corrective actions. The appointment or reappointment of the external auditor follows a rigorous selection process, considering expertise, industry experience, and past performance, with recommendations made to the Board and shareholders. Additionally, the tenure of the current audit firm is disclosed, ensuring adherence to audit rotation policies to maintain objectivity. This approach aligns with corporate governance best practices, reinforcing transparency and accountability in financial reporting.

**A statement outlining the committee’s recommendation regarding the appointment, reappointment, or dismissal of the external auditor, along with reasons why the Board of Directors may reject this recommendation.**

The ARCC recommends the external auditor based on a comprehensive evaluation of their independence, audit quality, technical expertise, and adherence to regulatory requirements. The recommendation considers the auditor’s performance, industry experience, and effectiveness in identifying financial risks and ensuring compliance with corporate governance standards.

However, the Board of Directors may choose to reject this recommendation if there are concerns about factors such as the auditor’s ability to meet the organization’s evolving business needs, cost considerations, potential conflicts of interest, or any issues related to regulatory compliance. In such cases, the Board will provide a clear rationale and may propose an alternative course of action in the best interest of the company and its stakeholders.

**An explanation of how the independence of the external auditor is maintained when providing non-audit services to the company.**

The independence of the external auditor is maintained when providing non-audit services through strict governance policies and regulatory compliance. The ARCC ensures that non-audit services do not create conflicts of interest or impair the auditor’s objectivity. A pre-approval process is followed, where the nature and scope of non-audit services are reviewed to confirm they are permissible and do not compromise independence.

Additionally, the total fees for non-audit services are monitored to ensure they remain proportionate and do not exceed established thresholds. The external auditor is required to provide periodic declarations affirming their independence, and any potential risks are addressed through appropriate safeguards. This structured approach ensures that the auditor’s impartiality and ability to conduct an unbiased financial audit remain intact.

**Actions taken or planned by the committee to address any deficiencies or weaknesses in the event of failures in internal control or risk management.**

In the event of failures in internal control or risk management, the ARCC takes immediate corrective actions, including root cause analysis, development of action plans with clear timelines. Policies and procedures are updated to align with UAE Central Bank regulations and Sharia principles, while staff receive regular training on these updates. Enhanced monitoring mechanisms, including internal audits and key risk indicator tracking, ensure continuous oversight, with regular reporting to the Board and Watania International Holding. The Enterprise Risk Management framework is strengthened through risk mapping, scenario analysis, and stress testing, while a risk-aware culture is promoted via training and whistleblower mechanisms. Follow-up audits and periodic reviews verify the effectiveness of corrective actions, ensuring a robust governance framework and regulatory compliance.

**An evidence that the committee has reviewed all internal audit reports with medium and high risks, issued from the internal audit, to determine whether they stem from significant violations or weaknesses in internal controls.**

The ARCC confirms that it has reviewed all internal audit reports categorized with medium and high risks to assess whether they arise from significant violations or weaknesses in internal controls. This review process includes a detailed examination of audit findings, discussions with the Internal Audit Department, and follow-up on management’s action plans to address identified risks. The committee ensures that all critical issues are escalated appropriately and that corrective measures are effectively implemented. Additionally, regular meetings are held where internal audit reports are presented, and key risk areas are analysed to strengthen the company’s governance framework. The committee’s review and oversight demonstrate its commitment to maintaining a robust internal control environment and ensuring compliance with corporate policies and regulatory requirements.

**Comprehensive information about the corrective action plan to address substantial deficiencies in risk management and internal control systems.**

The company has implemented a Corrective Action Plan to address substantial deficiencies in risk management and internal control systems, ensuring timely and effective remediation. This plan involves identifying and analysing deficiencies, prioritizing risks based on their impact, and developing targeted corrective measures with clear responsibilities and implementation timelines.

The Internal Audit Department and Risk Management function closely monitor execution, with periodic progress reports submitted to the ARCC and senior management. Completed actions undergo validation and effectiveness testing, while continuous improvements are made to strengthen governance and compliance. Additionally, regular follow-ups are conducted to ensure sustained resolution of identified deficiencies and to prevent their recurrence.

**Documentation demonstrating that the committee has audited all transactions made with related parties, the observations or results thereof, and the extent of compliance with applicable laws in this regard.**

The ARCC confirms that it has reviewed all transactions with related parties to ensure transparency, fairness, and compliance with applicable laws and corporate governance policies.

**9. Nomination and Remuneration Committee**

In fulfillment of its responsibilities, the Nomination and Remuneration Committee is entrusted with formulating and reviewing the remuneration policy for the Board of Directors and executive management and determining total compensation in accordance with the approved remuneration frameworks. The Committee is also responsible for developing and assessing the human resources policy to ensure compliance with applicable laws and regulations, overseeing the nomination process for candidates to the Board of Directors, and conducting the annual assessment of the Board’s performance.

### Acknowledgment from the Chairman of the Nominations and Remuneration Committee regarding his responsibility for overseeing the committee system within the company and for reviewing its operations and ensuring its effectiveness.

The Chairman of the Nomination and Remuneration Committee acknowledges responsibility for ensuring the effective implementation of the Committee's mandate within the Company. The Chairman further undertakes to conduct periodic reviews of the Committee's performance and effectiveness in accordance with Securities and Commodities Authority Board Decision No. (03/R.M) of 2020 and its amended, concerning the application of governance standards, institutional discipline, and the governance framework for public joint stock companies.

### Members of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of the following Board members:

#	Name	Capacity
1	Mr. Usama Mohamed Barwani	Chairman
2	Mr. Matar Hamdan Sultan Al Ameri	Member
3	Mr. Mohamed Nael Al Shamsi	Member
4	Dr. Ghuwaya M. Al-Neyadi	Member

### The Terms of Reference of the Nomination and Remuneration Committee comprise the following duties and responsibilities:

- Establish a nomination policy governing the composition of the Board of Directors and executive management, with due emphasis on promoting gender diversity. The policy shall actively support the inclusion of female candidates through the implementation of appropriate benefits, incentives, and comprehensive training and development programs.
- Coordinate and oversee the implementation of procedures for nominating candidates for membership of the Board of Directors, ensuring full compliance with the directives issued by the Securities and Commodities Authority pursuant to Board Decision No. (03/R.M) of 2020, as amended. Ensure the consistent adherence to the membership criteria on the Board on an annual basis.
- Develop and implement a policy governing the procedures for remuneration, benefits, incentives, and salaries of executive management and employees, and conduct an annual review of this policy. The Committee shall ensure that the remuneration and benefits awarded to senior executive management are fair, competitive, and aligned with the Company's performance.
- Conduct an annual review of the performance of the Board of Directors and its committees, and establish a policy defining the qualifications, skills, and competencies required for Board membership.
- Identify the Company's competency requirements at the senior executive management level and establish clear criteria governing their selection.
- Develop and oversee the implementation of the Company's human resources and training policy and conduct an annual review to ensure its continued alignment with the Company's objectives and applicable regulatory requirements.

### Number of Meetings Held by the Committee in 2025

Meeting date	Name
01/05/2025	Mr. Usama Mohamed Barwani
	Mr. Matar Hamdan Sultan Al Ameri
	Mr. Mohamed Nael Al Shamsi
	Dr. Ghuwaya M. Al-Neyadi

### Number of individual attendances for all nomination and remuneration members

#	Name	Number of individual attendances
1	Mr. Usama Mohamed Barwani	1/1
2	Mr. Matar Hamdan Sultan Al Ameri	1/1
3	Mr. Mohamed Nael Al Shamsi	1/1
4	Dr. Ghuwaya M. Al-Neyadi	1/1

## 10. Insider Trading Supervision Committee

**A declaration by the Chair confirming responsibility for the Committee’s operating framework, review of its procedures, and assurance of its effectiveness.**

The Chairman of the Committee acknowledges his responsibility for the Committee’s governance framework within the Company, including oversight of its operational mechanisms and ensuring their effectiveness, integrity, and proper implementation.

### Members’ Insider Trading Supervision Committee

The Committee consists of the following Board members:

#	Name	Capacity
1	Mr. Ali Magram <i>Head of Compliance</i>	Chairman
2	Mr. Jaspreet Singh Chhabra <i>Chief Financial Officer</i>	Member
3	Mr. Ali Imran Memon <i>Chief Internal Audit Executive</i>	Member

**A summary of the activities undertaken during 2025. Where the Committee was not established, the reasons must be disclosed.**

During 2025, the Share Trading Compliance Committee remained operational and performed ongoing oversight of insider trading compliance in accordance with the approved Insider Trading Policy and Share Trading Committee Charter.

The Committee conducted periodic monitoring of insider trading activities, maintained and reviewed the insider register, monitored trading during open and blackout periods. Quarterly submissions relating to insider trading were submitted to DFM during the year, copies of which are attached for reference.

## 11. The Investment and Strategic Committee

### Composition of the Investment and Strategic Committee

#	Name	Capacity
1	Dr. Ali Saeed Bin Harmal Aldhaheeri	Chairman
2	Mr. Matar Hamdan Sultan Al Ameri	Member
3	Mr. Usama Mohamed Al Barwani	Member
4	Mr. Abdallah Malek Osseiran	Member
5	Mr. Youssef Sami Alami	Advisor

### The Terms of Reference of the Investment and Strategic Committee

Review and evaluate the Company’s investment strategy, investment policies, risk thresholds, and associated risk exposures to ensure their continued alignment with the Company’s strategic objectives and prevailing market conditions.

Assess prospective strategic investment proposals requiring Board approval prior to their submission and provide informed recommendations to the Board to support effective decision-making.

Oversee the performance of the Company’s investment portfolio by conducting regular assessments of returns, risks, and overall effectiveness, and recommend portfolio adjustments or asset reallocations, as appropriate, to enhance long-term value and support revenue optimization.

### Number of Meetings Held by the Committee in 2025

#	Name	3/10/25	14/11/25
1	Dr. Ali Saeed Bin Harmal Aldhaheeri	✓	✓
2	Mr. Matar Hamdan Sultan Al Ameri	✓	✓
3	Mr. Usama Mohamed Al Barwani	✗	✓
4	Mr. Abdallah Malek Osseiran	✓	✓
5	Mr. Youssef Sami Alami (Advisor)	✓	✓

### Number of individual attendances for Investment and Strategic Committee members

#	Name	Number of individual attendances
1	Dr. Ali Saeed Bin Harmal Aldhaheri	2/2
2	Mr. Matar Hamdan Sultan Al Ameri	2/2
3	Mr. Usama Mohamed Al Barwani	1/2
4	Mr. Abdallah Malek Osseiran	2/2
5	Mr. Youssef Sami Alami (Advisor)	2/2



### 12. Duties and responsibilities of the Board members or executive management throughout the year 2025, in alignment with the authorization granted by the Board. This statement shall include details regarding the duration and validity of the authorization.

Name and position	Delegated Authority	Delegation period
<b>Mr. Gautam Datta</b> Chief Executive Officer	On March 21, 2022, Mr. Gautam Datta was appointed as the Chief Executive Officer, with the responsibility of overseeing business operations and management within the Company. His duties include the following:	The executive management exercises the duties and authorities conferred upon it pursuant to a duly authorized delegation by the Board. Such delegated powers remain subject to review by the Board and shall continue in force unless and until expressly rescinded or revoked.

- Signing all transactions and correspondence related to the Company's activities within the United Arab Emirates.
- Representing the Company's Board of Directors before local government departments throughout the Emirates, including, but not limited to, the Departments of Economic Development, Municipalities, Health Authorities, Police, Courts (including Arbitration Courts), Notary Public, and other relevant governmental entities.
- Conducting any business activities consistent with the Company's stated objectives and in compliance with all applicable laws and regulations. These activities must be directly related to, affiliated with, or complementary to the Company's purposes, funds, assets, and properties.
- Signing of any necessary legal documents or procedures that are required to be filed with the relevant authorities.
- Delegating authority, in whole or in part, to legal counsel and other individuals, commensurate with assigned responsibilities, and having the authority to revoke, amend, or otherwise alter such delegated powers.
- Appointing and terminating the employment of staff and consultants and establishing their respective roles and compensation.
- Supervising the planning and management of the Company's budget.

**13. A statement detailing transactions conducted with related parties during 2025, using the table below**

in AED 000	FY 2025		
<b>Transactions with related parties</b>	<b>WIH Consol</b>		
Takaful revenue/ (expenses)	29,628		
GWC Own Policy	6,736		
GWC Associated with BOD	35,335		
Claims related to policies associated with BOD	(12,443)		
Expenses recharged to related parties	23,583		
BOD remuneration fees	3,330		
2024 BOD remuneration fees paid	2,265		
2025 BOD remuneration fees accrued	1,065		
Compensation of key management personnel	7,885		
Short-term benefits	6,998		
Employees' end of service benefits	887		
	<b>Total</b>	<b>WTF</b>	<b>WTG</b>
Expenses recharged from related parties	23,583	25,892	(2,309)
Gross contributions in respect of takaful contracts	6,736	6,729	7
	<b>Total</b>	<b>WTF</b>	<b>WTG</b>
GWC Associated with BOD	35,335	34,536	799
Claims related to policies associated with BOD	(12,443)	(12,443)	-

## 14. Assessment of the Board of Directors

### Internal Evaluation

The Board of Directors' performance is critically assessed to evaluate its effectiveness, governance practices, and overall fulfilment of its responsibilities. The Board, through the Nomination and Remuneration Committee (NRC), conducts an annual internal evaluation to systematically review and assess its performance.

These assessments encompass, but are not limited to, the following areas:

**Structure and Composition:** An evaluation of the Board's and its committees' overall structure, size, and composition is conducted to ensure adherence to best practices in corporate governance.

**Board Governance:** A review of the efficacy of existing governance procedures is undertaken, including the identification of areas requiring enhancement and the subsequent implementation of necessary improvements.

**Board Member Performance:** The Board members' competence is subject to ongoing evaluation to ensure optimal performance. This assessment considers adherence to fit and proper criteria, individual contributions, and overall effectiveness in fulfilling their responsibilities.

These regular evaluations facilitate continuous improvement, enhanced accountability, and alignment with the organization's strategic objectives and regulatory requirements.

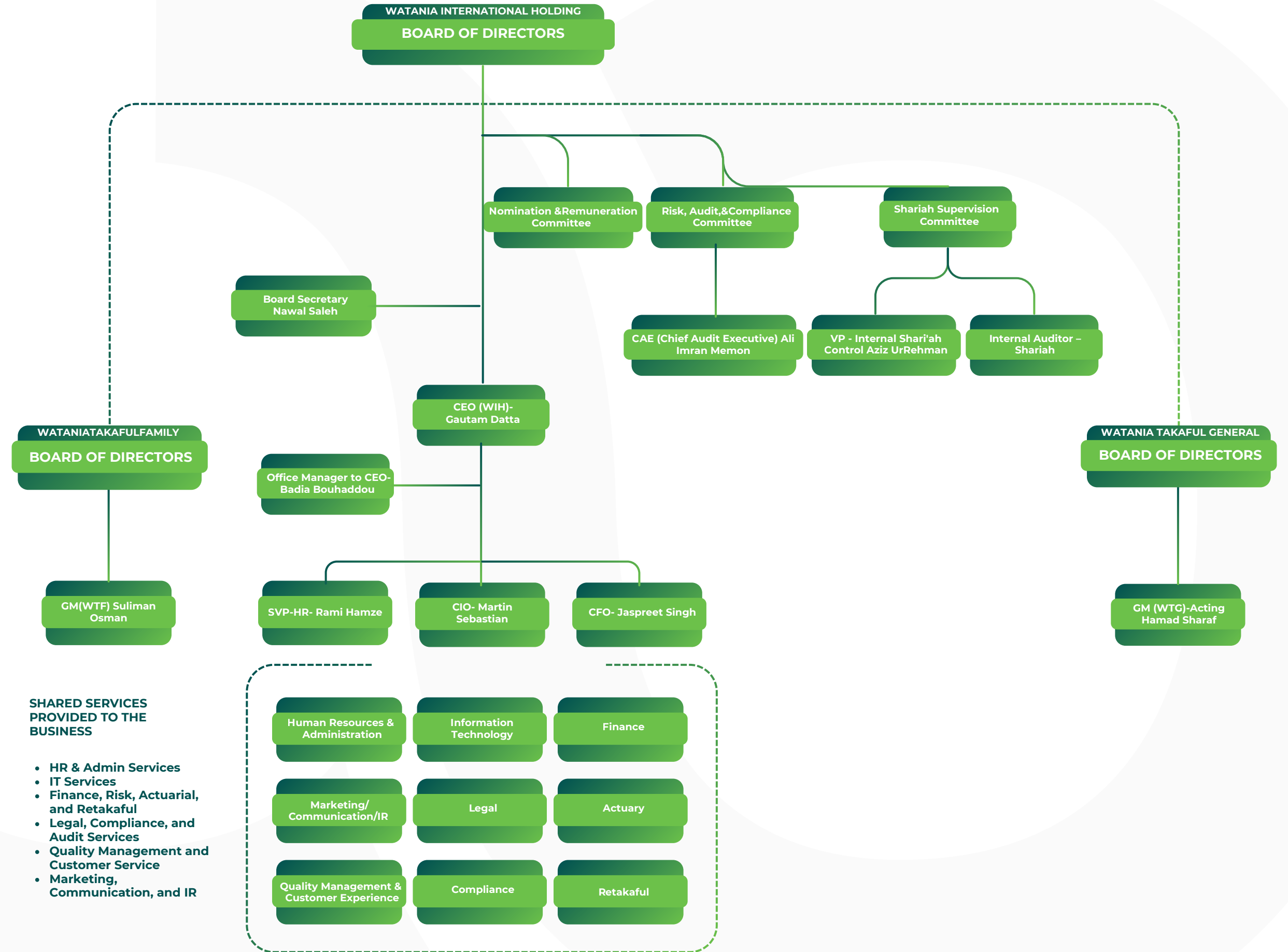
### External Evaluation

Following the election of the Board of Directors on 23 April 2025, and in compliance with Securities and Commodities Authority Board Decision No. (03/R.M) of 2020, as amended, concerning the standards of institutional discipline and governance for joint stock companies, the Company intends to appoint an independent external firm to undertake a comprehensive evaluation of the newly elected Board of Directors.



15. Organizational structure of the Company and the experience and qualifications of its first and second-ranking senior executives

# Organizational structure



**SHARED SERVICES PROVIDED TO THE BUSINESS**

- HR & Admin Services
- IT Services
- Finance, Risk, Actuarial, and Retakaful
- Legal, Compliance, and Audit Services
- Quality Management and Customer Service
- Marketing, Communication, and IR

**SHARED SERVICES**

**Comprehensive report of first and second rank senior executives, as per the Company's organizational structure, incorporates their respective roles, dates of appointment, and offers a breakdown of total salaries and bonuses allocated to each individual**

Sr.	Position	Date of Appointment	Total salaries and allowances paid in 2025	Total Bonuses paid in 2025	Any other Cash/In-Kind Reward for 2025 or payable in the future
1	Chief Executive Officer	21/03/2022	2,645,394	-	-
2	Chief Financial Officer	01/07/2022	1,080,000	-	-
3	General Manager – Watania Takaful Family	01/07/2022	1,047,000	-	-
4	Acting General Manager – Watania Takaful General (formerly Chief Strategic Partnership)	20/11/2011	648,000	-	-
5	Senior Vice President - Human Resources	27/04/2022	828,000	-	-
6	Chief Information Officer	01/07/2022	1,027,150	-	-
7	Chief Audit Executive	18/08/2025	284,838	-	-
8	Vice President – Corporate Communications & Investor Relations (resigned 23 April 2025)	01/04/2023	215,806	-	-
9	General Manager – Watania Takaful General (resigned on 24 June 2025)	17/10/ 2024	806,588	-	-
10	Chief Audit Executive (resigned on 31 October 2025)	01/07/2022	551,220	-	-

## 16. External Auditor of the Company

### Overview of the external auditor

The Board of Directors submitted its recommendations regarding the appointment of the external auditor, which were duly reviewed by the General Assembly. At its meeting held on 23 April 2025, the General Assembly approved the appointment of Deloitte Middle East (DME) as the Company's external auditor.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Their network of member firms in more than 150 countries and approximately 457,000 people make an impact that matters at [www.deloitte.com](http://www.deloitte.com). Deloitte Middle East (DME) is a leading professional services organization established in the Middle established through its affiliated independent legal entities, which are licensed to operate and to and related entities cannot oblige each other and/or DME, and when providing services, each affiliate and related entity engages directly and independently with its own clients and shall only be liable for its own acts or omissions and not those of any other affiliate.

DME provides services through 23 offices across 15 countries with more than 7,000 partners, directors and staff. It has also received numerous awards in the last few years such as the 2022 & 2023 Great Place to Work® in the UAE, the 2023 Great Place to Work® in the KSA, and the Middle East Tax Firm of the year.

### Statement outlining the fees and costs associated with the audit or services rendered by the external auditor

Sr	The name of the audit firm	Deloitte & Touche (M.E.)
1	The name of the partner auditor	Firas Anabtawi
2	Number of years spent as the company's external auditor	1
3	Number of years the partner auditor spent auditing the company's accounts	1
4	Total value of audit fees for 2025 (in AED)	496,100
5	Details and the nature of other services	Nil
6	The value of fees and costs incurred for other special services other than auditing the financial statements for 2025 (in AED),	Nil
7	Statement of other services that an external auditor other than the company auditor provided during 2025.	Nil

### A statement of reservations included by the Company's external auditor in the interim and annual financial statements for the year 2025.

A statement of reservations included by the Company's external auditor in the interim and annual financial statements for the year 2025.

In the opinion of Deloitte's, the consolidated financial statements fairly present the Group's consolidated financial position in all material respects as of December 31, 2025.

Furthermore, the consolidated financial performance of the Company and its cash flows for the year ended on the same date have been prepared in accordance with International Financial Reporting Standards.

## 17. Internal Control System

### Acknowledgment by the Board of Directors for the company's internal control system and for reviewing its operations and ensuring its effectiveness.

The Board acknowledges its responsibility for establishing and maintaining the company's internal control system. It is committed to regularly reviewing its operations to ensure effectiveness, mitigate risks, and uphold compliance with regulatory and corporate governance standards.

## Internal Control Management Framework

### 1. Establishment and Governance

The Internal Control Management function was established in July 2022 and operates under the direct responsibility of the Board of Directors. The function is founded on principles of absolute transparency, ensuring that periodic written reports are submitted to the Board detailing the organization's procedures, findings, and recommendations.

### 2. Internal Control Management Mechanism

The Internal Control Management Framework is structured to monitor the control environment in collaboration with the ARCC on behalf of the Board of Directors. The management team meets with the committee approximately every three months to review reports, recommendations, and compliance with organizational objectives and policies set by the Board.

### 3. Key Responsibilities of Internal Control Management

- **Risk Management Evaluation** – Assessing and overseeing the company's risk management procedures.
- **Governance Compliance** – Ensuring the effective implementation of governance rules.
- **Regulatory and Policy Compliance** – Monitoring adherence to applicable laws, regulations, internal policies, and procedures.

- **Internal Committee Oversight** – Evaluating the efficiency of internal committees in mitigating risks and recommending corrective measures.
- **Financial Data Review** – Assessing financial information provided to senior management for the preparation of financial statements.
- **Financial Performance Analysis** – Comparing actual financial results with forecasts, analyzing variances, and providing solutions and recommendations.
- **Coordination with External Auditors** – Facilitating collaboration with external auditors and regulatory bodies, addressing their queries, and ensuring compliance with their recommendations.
- **Periodic Reporting** – Preparing periodic and on-demand reports on control and audit processes for Board review and decision-making.
- **Enhanced Departmental Oversight** – Implementing additional controls over key business functions, including:
  - Operational efficiency and effectiveness.
  - Financial transaction safeguards (payments, transfers, deductions, etc.).
  - Accuracy and integrity of accounting records.
  - Secure data management and IT system controls.
  - Reconciliation of internal data with external sources.

- Verification of financial results with recorded accounts.
- Asset protection and records management.
- Immediate response to significant control issues.

This structured approach ensures a robust internal control environment, fostering transparency, accountability, and regulatory compliance while safeguarding the company's operational and financial integrity.

### The name, qualifications, and date of appointment of the department director.

Mr. Ali Imran Memon joined Watania International Holding as Chief Audit Executive on 18-08-2025.

A seasoned finance and insurance professional, he brings nearly two decades of experience in the financial sector across the UAE & Pakistan.

In his role as Chief Audit Executive, he is responsible for overseeing internal audit function, ensuring the effectiveness of internal controls, risk management, and governance frameworks, as well as compliance with regulatory requirements.

His extensive experience in the insurance sector covers all classes of insurance, including General and Life insurance with leading organizations in the Middle East.

He has the following qualifications:

- Master's degree in economics
- Bachelor's degree in Commerce
- Certified Internal Auditor (CIA)
- Certified Information Systems Auditor (CISA)
- ICAP certification from the Institute of Chartered Accountants of Pakistan

### The name, qualifications, and date of appointment of the compliance officer.

Mr. Ali bin Magram assumed leadership of the Compliance Department at WIH 15th May 2022. He holds a bachelor's degree in business administration (Financial Management) and has completed several specialist courses in Anti-Money Laundering and Countering the Financing of Terrorism, Managing Sanctions Risk, Corporate Governance, and Islamic Banking. He brings 20 years of experience in the financial industry, specializing in financial compliance and risk management, operations and relationship management.

Mr. Ali has previously held roles at HSBC, Mashreq Bank, Dubai Islamic Bank, and Abu Dhabi Commercial Bank, where he developed a strong understanding of financial institutions' regulatory frameworks.

### How the Internal Control Department deals with any major company issues or those disclosed in the annual reports and accounts. (If no major problems have occurred, this should also be stated).

No major issues have occurred or been reported by the External Auditor or Internal Control Department. The department continues to monitor and assess internal controls to ensure compliance and operational efficiency, with no significant deficiencies disclosed in the annual reports or accounts.

**Number of reports issued by the Internal Control Department to the Board of Directors.**

The Internal Control Department has issued periodic reports covering key areas such as Underwriting, Claims, Compliance (including AML & CFT), and Internal Control over Financial Reporting. These reports have been presented to and thoroughly reviewed by the ARCC, ensuring that all critical issues are appropriately escalated and that corrective actions are effectively implemented.

Additionally, regular follow-ups are conducted to verify the sustained resolution of identified deficiencies and to mitigate the risk of recurrence, reinforcing the organization's commitment to strong governance and internal controls.



The Board of Directors is responsible for overseeing the company's internal control system, evaluating its effectiveness, and ensuring its role in preventing fraud. The Board acknowledges its responsibility for the internal control framework, regularly reviews its operational mechanisms, and ensures its continued efficiency in safeguarding the organization's interests.

**18. Details of violations incurred during the year 2025, their underlying causes, proposed remedies, and preventive measures to preclude their reoccurrence in the future.**

The Company remains fully committed to complying with all applicable regulatory requirements and continuously enhances its internal control procedures to prevent any potential breaches. Notably, no violations were recorded during 2025.



## 19. Statement of Cash and in-kind sustainability contributions made by the Company during 2025

Event	Description	Amount in AED
<b>QURAN MEMORIZATION COMPETITION</b>	<p>As part of its commitment to social responsibility and community engagement, the company sponsored the Sheikh Zayed bin Sultan (may he rest in peace) Quran Memorization Competition organized by the International Community School in Abu Dhabi. The competition featured multiple categories, including Quran memorization, Tajweed recitation, and a dedicated category for People of Determination, with 55 students recognized for their achievements. This sponsorship reflects Watania Takaful's ongoing support for educational and cultural initiatives that foster ethical values, inclusion, and personal development. The initiative aligns with the Company's corporate governance framework and sustainability objectives, reinforcing its contribution to longterm social development and positive community impact.</p>	<b>20,000</b>
<b>RAMADAN COMMUNITY ENGAGEMENT</b>	 <p>In alignment with the UAE's Year of Community, Watania International Holding and its subsidiaries "Watania Takaful Family and Watania Takaful General" implemented Ramadan initiatives in partnership with Emirates Red Crescent, providing donations and organizing employee volunteering to support the distribution of Iftar meals to underprivileged individuals, reinforcing the Group's commitment to social solidarity and meaningful community engagement.</p>	<b>15,000</b>
<b>SPONSORED THE ECONOMIST INTELLIGENCE CORPORATE NETWORK MENA EVENT</b>	<p>Watania International Holding, together with its subsidiaries—Watania Takaful Family and Watania Takaful General—served as sponsor of the Economist Intelligence Corporate Network MENA forum held in Dubai. Centered on the theme "Preparing for Climate Change and Extreme Weather Events," the event brought together regional decision-makers and thought leaders to engage in high-level discourse on climate resilience and sustainability. The Group's participation underscores its strategic commitment to fostering informed dialogue on emerging environmental risks, in alignment with its ESG priorities and overarching corporate governance framework.</p>	<b>82,631</b>
<b>COMMUNITY HEALTH INITIATIVES</b>	 <p>In collaboration with the Dubai Health Authority and Emirates Red Crescent, the Company organized a blood donation drive as part of its ongoing commitment to community health and social responsibility. This initiative reinforces the Company's dedication to fostering public well-being through strategic partnerships and impactful health-focused engagement.</p>	<b>4,394.52</b>

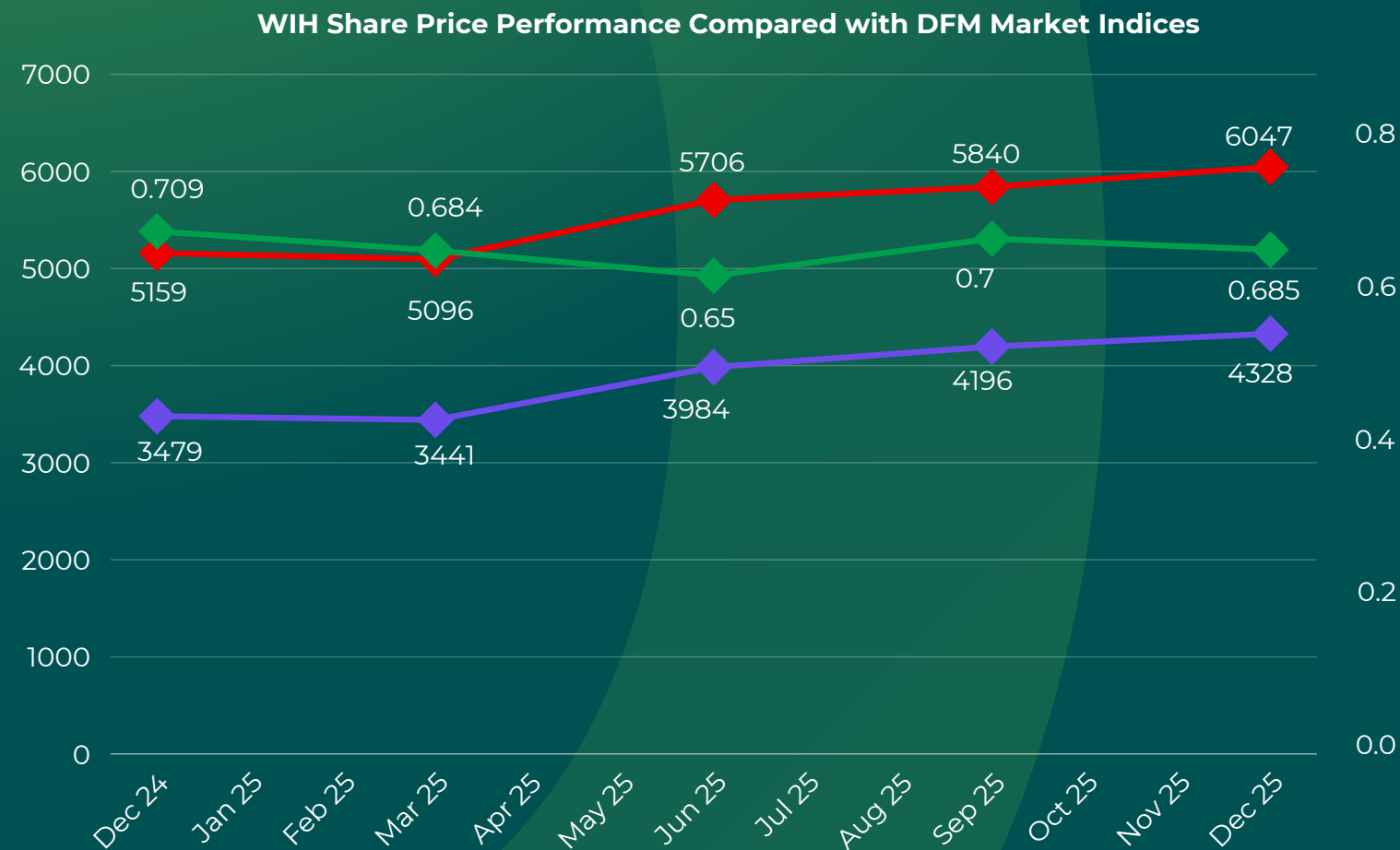
## 20. General information

### Monthly Statement of the Company's Share Price for Financial Year 2025, Including Closing, Highest, and Lowest Prices

Month	High (AED)	Low (AED)	Closing (AED)
Jan 2025	0.709	0.68	0.699
Feb 2025	0.767	0.67	0.67
Mar 2025	0.686	0.64	0.684
Apr 2025	0.69	0.599	0.659
May 2025	0.687	0.645	0.659
Jun 2025	0.676	0.63	0.65
Jul 2025	0.697	0.636	0.67
Aug 2025	0.75	0.65	0.75
Sep 2025	0.753	0.67	0.7
Oct 2025	0.713	0.683	0.696
Nov 2025	0.707	0.668	0.697
Dec 2025	0.777	0.665	0.685

### The Company's Share Performance Relative to the General Market and Sector Indices for Fiscal Year 2025.

Year	DFM Index	Financial Sector Index	WIH Share Price AED
Dec 2024	5159	3479	0.709
Mar 2025	5096	3441	0.684
Jun 2025	5706	3984	0.65
Sept 2025	5840	4196	0.7
Dec 2025	6047	4328	0.685





### Shareholder Ownership Distribution as of 31 December 2025

Shareholder's classification	Individuals (%)	Companies (%)	Government (%)	Total (%)
Local	34.727	53.394	0	88.121
Arab	5.269	5.275	—	10.544
Foreign	1.312	0.022	—	1.334
<b>Total</b>	<b>41.308</b>	<b>58.691</b>	<b>0</b>	<b>100</b>

### Statement detailing shareholders possessing 5% or more of the Company's capital as of December 31, 2025

Shareholders	Owned Quantity	Owned Quantity %
Magna Investment LLC	65,165,308	25.0485
MB UAE Investment	56,179,687	21.5946
Dr. Ali Saeed Sultan Bin Harmal Aldhaheri	31,291,370	12.0279
Mr. Mohammed Qusai Mohammed Al Ghussein	14,900,657	5.7276

### Statement of shareholders categories based on ownership as of December 31, 2025

Category	Number of Shareholders	Owned Quantity	Owned Quantity %
Less than 50,000	1,995	6,160,776.00	2.37
Between 50,000 and 500,000	114	16,835,731.00	6.47
Between 500,000 and 5,000,000	22	35,500,499.00	13.65
Greater than 5,000,000	8	201,659,244.00	77.51
<b>Total</b>	<b>2,139.00</b>	<b>260,156,250.00</b>	<b>100</b>

## Investor Relations Framework

Watania International Holding PJSC maintains a comprehensively enhanced investor relations website, meticulously structured in accordance with the regulatory directives issued by the Securities and Commodities Authority. This upgraded digital platform reflects the Company's steadfast commitment to transparency, regulatory integrity, and proactive stakeholder engagement. Serving as a centralized and accessible hub, it enables shareholders, investors, and market participants to obtain timely, accurate, and material disclosures through [www.watania.ae](http://www.watania.ae).

### Contact details for the Investor Relations Manager

- Mr. Hamad Sharaf.
- Email address: [ir@watania.ae](mailto:ir@watania.ae).
- Contact No. +971 55 888 8825
- [www.watania.ae/investors/company-profile](http://www.watania.ae/investors/company-profile)

### Statement of Special Resolutions Adopted at the 2025 General Assembly and Subsequent Implementation

No special resolutions were adopted at the 2025 General Assembly.

## Board Secretary

Mrs. Nawal Saleh Ahmad Ma'ally was appointed Board Secretary of Watania International Holding PJSC on 21 March 2022 and subsequently reappointed on 29 April 2025. She brings to the role a distinguished blend of governance expertise, underpinned by a steadfast commitment to regulatory compliance. Mrs. Ma'ally is a certified Board Secretary, holding professional accreditations from The Chartered Governance Institute (UK & Ireland) and the Hawkamah Institute for Corporate Governance (UAE). She is also a Fellow of the Arab British Academy. Her academic credentials include a bachelor's degree in business administration from the Swiss School of Management and a Diploma in English Literature from Al-Balqa Applied University in Jordan.

### Detailed statement of significant activities, events, and material disclosures encountered by the Company during the fiscal year 2025

During the fiscal year, the Company did not encounter any material events or disclosures requiring reporting under applicable governance and disclosure standards.

### A statement detailing related party transactions during 2025 amounting to 5% or more of the Company's share capital

No related-party transactions amounting to 5% or more of the Company's share capital were recorded during the reporting period.

### Statement on Emiratization Percentage as of 31 December 2025

No Emiratization requirement is applicable to Watania International Holding PJSC.

### Statement on Innovative Projects and Initiatives Implemented or Under Development During 2025

During the fiscal year 2025, the Company did not undertake or have any innovative projects or initiatives under development.

**Dr. Ali Saeed Bin Harmal Aldhaheri**

Chairman of the Board of Directors

**Eng. Usama Mohamed Al Barwani**

Chairman of Nomination and Remuneration Committee

**Mr. Matar Hamdan Sultan Al Ameri**

Chairman of ARCC

**DATE :** 30.03.2026

**Mr. Ali Imran Memon**

Chief Audit Executive

# SUSTAINABILITY OVERVIEW

# ABOUT THE ESG REPORT

Welcome to

## WATANIA INTERNATIONAL HOLDING'S 2025 ESG REPORT,

which presents an overview of our approach to sustainability and responsible business practices, alongside key developments achieved during the reporting period from 1 January 2025 to 31 December 2025. This report has been prepared in accordance with the Dubai Financial Market (DFM) ESG Reporting Guidelines and with reference to the Global Reporting Initiative (GRI) Standards.

Throughout this report, we outline how WIH's ESG priorities and initiatives align with relevant United Nations Sustainable Development Goals (UN SDGs), reflecting our commitment to supporting broader global sustainability objectives. The Board of Directors has reviewed and validated the information presented, providing assurance over the accuracy of the disclosures, performance data, and statements contained within this report.

The report provides a comprehensive overview of WIH's environmental, social, and governance performance and initiatives. A strong governance framework remains central to WIH's operations, underpinned by the principles of transparency, accountability, and ethical conduct. We remain committed to safeguarding stakeholder interests and embedding responsible decision-making across the organisation. This continued focus on governance excellence strengthens stakeholder confidence and reinforces WIH's position as a responsible and accountable corporate entity.

Sustainability is integral to the organisation's ability to deliver long-term value, maintain operational resilience and meet evolving regulatory and stakeholder expectations. As a financial services institution, the organisation recognises that its most significant sustainability impacts and risks arise not from asset-intensive operations, but from how it manages resources, people, customers, governance structures and systemic risks across its business activities.

The sustainability approach is therefore shaped by the organisation's business model, regulatory environment and operational footprint. Sustainability considerations are embedded within governance, operational oversight and risk management processes, supporting informed decision-making and responsible business conduct. This approach enables the organisation to identify and manage sustainability-related risks and opportunities in a manner that is proportionate, practical and aligned with its strategic priorities.

Material sustainability topics have been identified through internal management discussions, consideration of regulatory requirements and assessment of areas where environmental, social and governance factors have a direct influence on operational performance, financial resilience and stakeholder trust. These topics represent the sustainability matters most relevant to the organisation's activities and most likely to affect its long-term prospects.

The material sustainability topics are organised under three interconnected pillars: Environmental Stewardship, Social Empowerment and Ethical Governance. Together, these pillars reflect the areas where the organisation can most effectively manage risks, enhance resilience and uphold responsible business practices.

# OUR SUSTAINABILITY APPROACH

Sustainability is embedded at the core of WIH's long-term strategy and value creation model. The Group's strategic direction is built on three interconnected pillars, Environmental stewardship, Social responsibility, and robust Governance, which collectively guide decision-making, risk management, and performance oversight across the organisation.

Our sustainability approach seeks to balance financial performance with responsible environmental practices, strong social impact, and sound governance structures. By integrating ESG considerations into corporate strategy, operations, and stakeholder engagement, WIH ensures that value is created sustainably and responsibly for shareholders, regulators, employees, customers, business partners, and the wider community.

This approach is informed by internationally recognised frameworks, including the UN SDGs, while remaining closely aligned with national priorities, regulatory requirements, and market expectations in the UAE. We recognise the importance of operating within a dynamic regulatory environment and actively align our practices with guidance issued by relevant authorities, ensuring compliance, transparency, and accountability across our operations.

Sustainability considerations are embedded within the Holding's corporate culture and governance structures, guiding decision-making at both strategic and operational levels. Our approach reflects a commitment to ethical conduct, transparency, and sound oversight, supported by clear policies, internal controls, and risk management processes. This integration enables us to identify, assess, and manage ESG-related risks and opportunities in a structured and proactive manner.

From an environmental perspective, WIH focuses on responsible resource management, emissions reduction, and operational efficiency, recognising the importance of mitigating environmental impacts while supporting long-term business resilience. Socially, we place our customers at the centre of our operations, recognising that trust, service quality, and fair treatment are fundamental to sustainable value creation. Alongside this customer focus, we prioritise the development of our human capital and meaningful community engagement, fostering an inclusive and supportive environment that contributes positively to society.

Strong governance practices underpin these efforts, ensuring effective oversight, data integrity, regulatory compliance, and ethical business conduct. Through this integrated approach, we reinforce accountability, protect stakeholder interests, and sustain long-term confidence in our operations.

By embedding ESG principles into WIH's business strategy and daily operations, the Group aims to enhance resilience, strengthen stakeholder confidence, and support sustainable financial performance. As sustainability expectations continue to evolve, we remain committed to continuous improvement, adapting our practices to emerging risks, regulatory developments, and stakeholder priorities. Through this approach, the Group seeks to contribute to broader national and global sustainability objectives while ensuring long-term value creation and sustainable growth.



# MATERIAL TOPICS AND THEIR SIGNIFICANCE

The identified material topics address both current operational considerations and longer-term sustainability risks and opportunities. Their significance lies in their direct connection to cost efficiency, regulatory compliance, human capital effectiveness, customer confidence and governance integrity.

## Material Sustainability Pillars

### Environmental Stewardship

Environmental Stewardship addresses the organisation's responsibility to manage the environmental impacts associated with its operations. While the organisation's environmental footprint is primarily office-based, resource efficiency and waste management are material due to their impact on operational costs, environmental responsibility and regulatory expectations. Digitalisation initiatives further support efficiency and reduce reliance on physical resources, reinforcing operational resilience.

- Energy and emissions management
- Waste management
- Digitalisation and reduction of paper usage

### Social Empowerment

Social Empowerment reflects the organisation's reliance on skilled talent, trusted customer relationships and positive stakeholder engagement. Human capital development is material to sustain organisational capability and performance, while community engagement supports social value creation and stakeholder trust. Customer protection is critical in maintaining confidence, regulatory compliance and the integrity of financial services operations.

- Human capital development
- Community engagement
- Customer protection

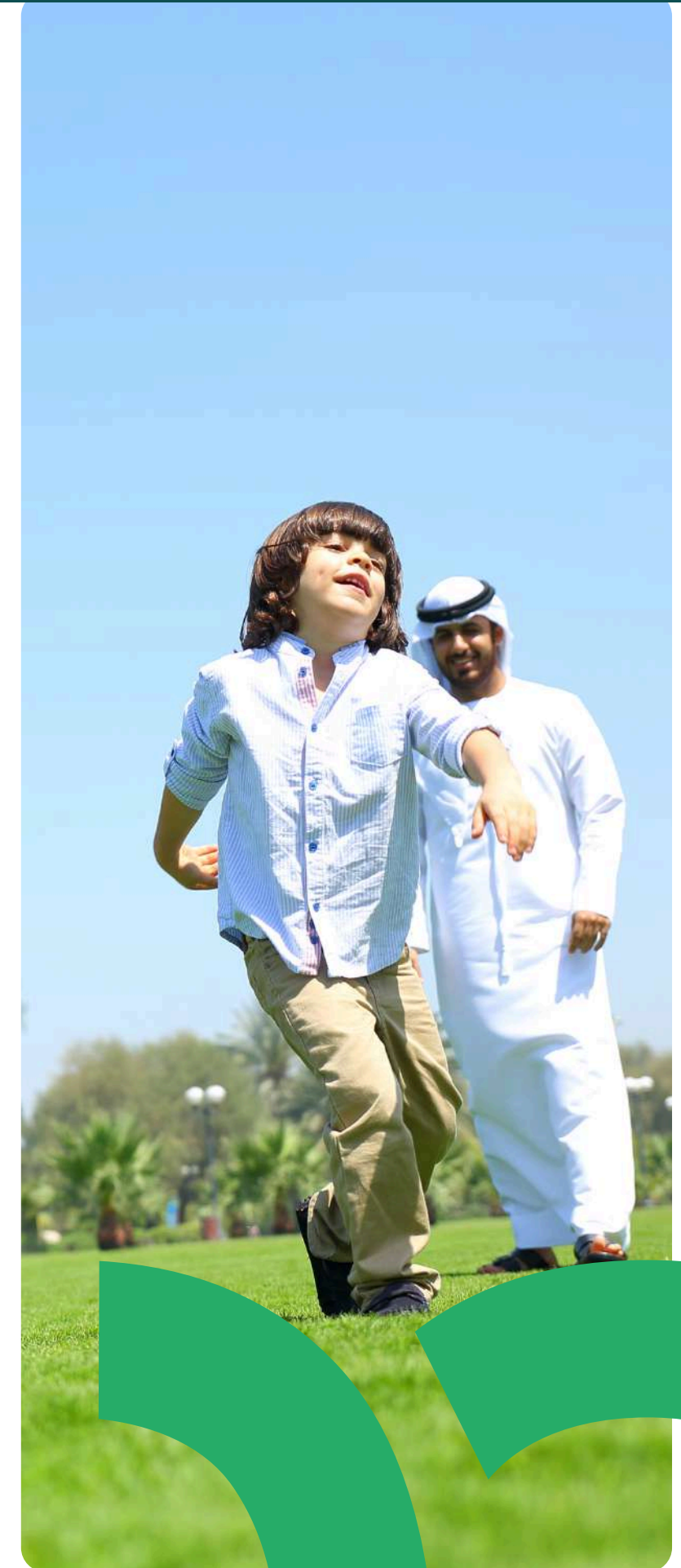


### Ethical Governance

Ethical Governance underpins all aspects of sustainability and is central to long-term value creation. A robust governance framework ensures accountability, ethical conduct and regulatory compliance. The organisation's business model and governance structures must remain adaptable to respond to market changes, regulatory developments and emerging risks. Systemic risk management is therefore material in safeguarding financial stability, operational continuity and stakeholder confidence.

- Robust governance framework
- Innovative business model
- Systemic risk management

These material sustainability topics form the foundation of the Sustainability section of this Integrated Report. The following chapters provide further detail on how each topic is managed, the practices in place to mitigate associated risks, and the organisation's ongoing efforts to strengthen sustainability performance in line with regulatory requirements and stakeholder expectations.



# NATIONAL AND INTERNATIONAL ALIGNMENT

Sustainability and ESG form a core pillar of the Group's long-term value creation strategy, rather than being treated as standalone ambitions. They play a critical role in supporting regulatory compliance, enabling sustainable revenue growth, strengthening stakeholder relationships, and shaping public trust. In an increasingly complex and evolving business environment, adherence to high ESG standards has become essential to maintaining competitiveness and long-term success. Our commitment to sustainability enhances organisational resilience, supports responsible growth, and reinforces stakeholder confidence, positioning the Group for sustained prosperity and long-term impact.

## International Alignments

### United Nations Sustainable Development Goals

Adopted in 2015 by all United Nations Member States, the 2030 Agenda for Sustainable Development established 17 Sustainable Development Goals (UN SDGs) aimed at advancing global peace, prosperity, and environmental sustainability. The SDGs provide a common framework for addressing pressing global challenges and encourage collective action across governments, businesses, civil society, and academia. These goals serve as an important reference for aligning sustainability efforts and contributing to a more inclusive and resilient global future.

## National Alignments

### UAE Centennial 2071

Launched in 2017 by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the UAE Centennial 2071 outlines a long-term strategic vision for the nation's development over the next fifty years. The initiative serves as a comprehensive framework aimed at strengthening the UAE's global standing, enhancing its reputation and soft power, and ensuring sustainable growth and long-term prosperity.

The UAE Centennial Plan 2071 is structured around four key pillars:

- Future-ready government
- High-quality education
- A diversified and knowledge-based economy
- A cohesive and thriving society

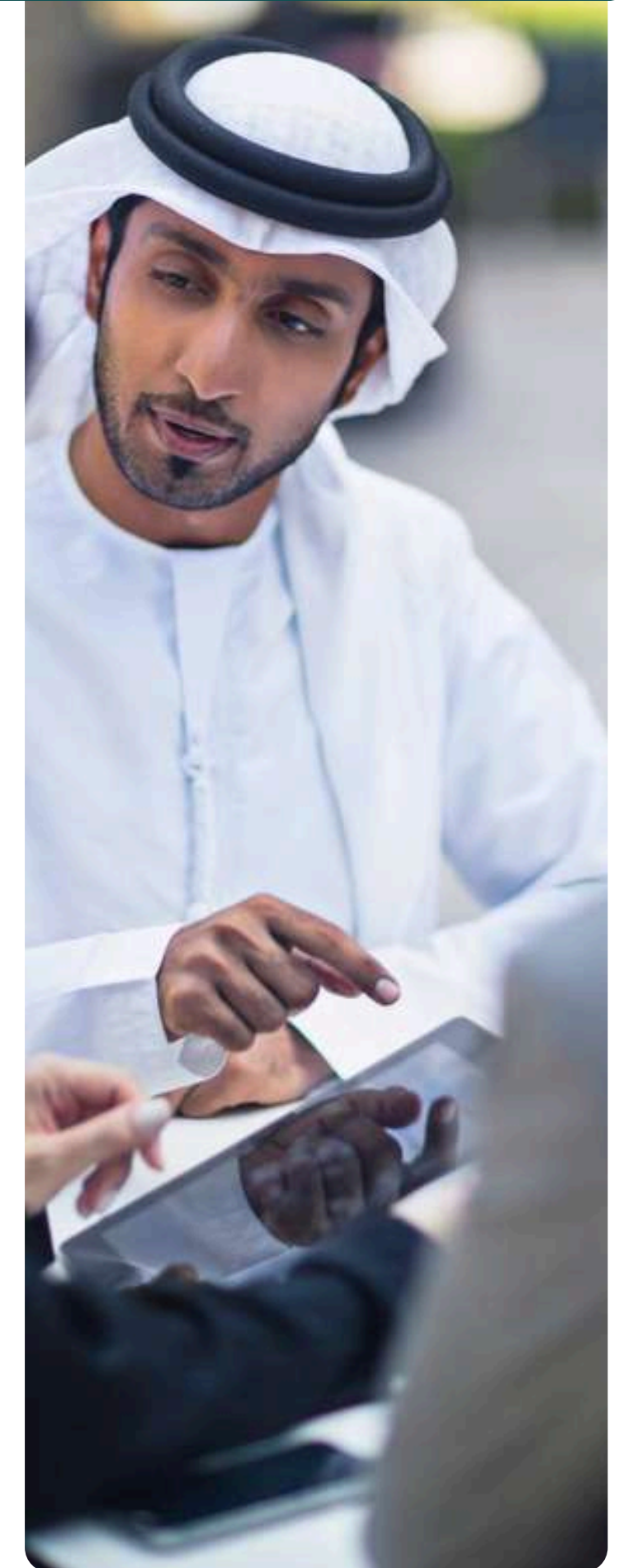
### UAE Green Growth Strategy

Introduced in 2012 by His Highness Sheikh Mohammed bin Rashid Al Maktoum, the UAE Green Growth Strategy was established to accelerate the country's transition towards a green and sustainable economy. The strategy focuses on fostering innovation, increasing investment in sustainable sectors, and creating new economic opportunities while supporting long-term environmental and economic resilience. Through this framework, the UAE aims to promote responsible resource management and the development of sustainable industries that contribute to national growth objectives.

## Framework Alignment

In today's rapidly evolving business landscape, alignment with national and international frameworks extends beyond regulatory compliance and represents a strategic imperative. During the reporting year, the Group refreshed its national sustainability commitments, building on UAE Vision 2021 and placing greater emphasis on the UAE Centennial 2071, the UAE Green Growth Strategy, the extended Year of Sustainability, and the UAE Net Zero by 2050 Strategic Initiative.

In parallel, the Group continues to align its sustainability efforts with the United Nations Sustainable Development Goals, ensuring that its ESG priorities support broader global sustainability objectives. By integrating carbon reduction initiatives and energy efficiency measures aligned with the UAE Net Zero by 2050 ambition, the Group reinforces its commitment to environmental responsibility and sustainable business practices. These efforts will culminate in the completion of an enhanced ESG strategy in 2024, further strengthening the Group's role as a responsible and forward-looking corporate entity within the UAE and beyond.



# FORE-WORD

Environmental stewardship is a core component of WIH's sustainability framework and reflects the Group's long-term commitment to safeguarding natural resources and addressing environmental risks in a responsible and forward-looking manner. We recognise the importance of integrating environmental considerations into our operations to

**support resilience,  
sustainable growth, and  
long-term value creation.**

As a signatory to the Dubai Declaration of Financial Institutions in the UAE on Sustainable Finance, WIH aligns its environmental approach with national and international climate objectives, including the UAE's commitment to the Paris Climate Agreement and the UN SDGs. This alignment reinforces our role in supporting the transition towards a more sustainable and low-carbon economy.

As an investment holding company with Takaful subsidiaries, WIH's environmental priorities are primarily focused on addressing climate-related risks and impacts, recognising climate change as one of the most significant global challenges facing businesses and communities today. Our approach emphasises the responsible management of environmental impacts across our operations while promoting awareness and accountability throughout the organisation.

Key initiatives aimed at reducing our environmental footprint include improving energy efficiency across our operations, reducing reliance on non-biodegradable materials, increasing the use of recycled and recyclable materials, and promoting environmental awareness among employees, stakeholders, and policyholders. These efforts are supported by ongoing engagement and continuous improvement practices.

By embedding environmental considerations into decision-making, the Group aims to support global conservation efforts while reinforcing its position as a responsible and

**sustainability-  
focused leader  
within the Takaful  
and financial  
services sector.**

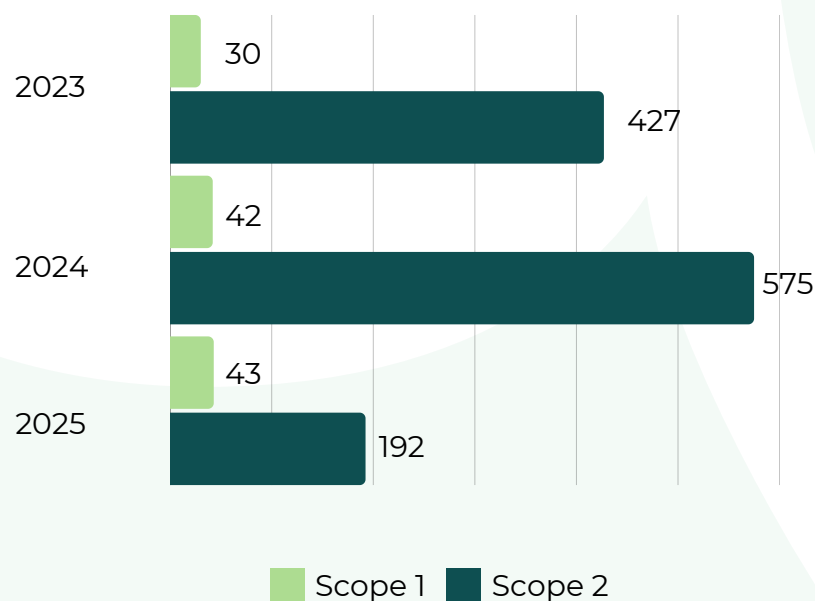
# ENERGY AND EMISSIONS

## Carbon Footprint and Emissions

WIH manages its carbon footprint by focusing on reducing operational emissions and integrating environmental considerations into everyday decision-making. Key efforts include improving energy efficiency through upgraded systems and advancing paperless processes, supported by waste reduction and recycling initiatives to lower overall resource use across office operations.

Sustainability principles are also embedded within procurement practices, with preference given to environmentally responsible products where feasible.

### Total amount of Scope 1 and 2 emissions in tonCO<sub>2</sub>eq



For emissions that cannot be immediately reduced, the Group considers appropriate carbon offsetting measures as part of its broader environmental management approach.

WIH's greenhouse gas emissions are primarily driven by indirect electricity consumption (Scope 2), reflecting the nature of its office-based operations. A significant increase in Scope 2 emissions was recorded in 2024, driven by changes in the Group's operational footprint. In 2025, total emissions decreased substantially following the closure of one office, resulting in reduced electricity consumption. Direct emissions (Scope 1) remained low and relatively stable across the reporting period. Scope 3 emissions are not currently reported due to data availability considerations. Scope 1 emissions for Watania International Holding primarily arise from direct fuel consumption associated with company-owned vehicles and limited operational activities. As an investment holding company with office-based operations, the Group does not operate energy-intensive facilities, and therefore direct emissions remain limited in scale.

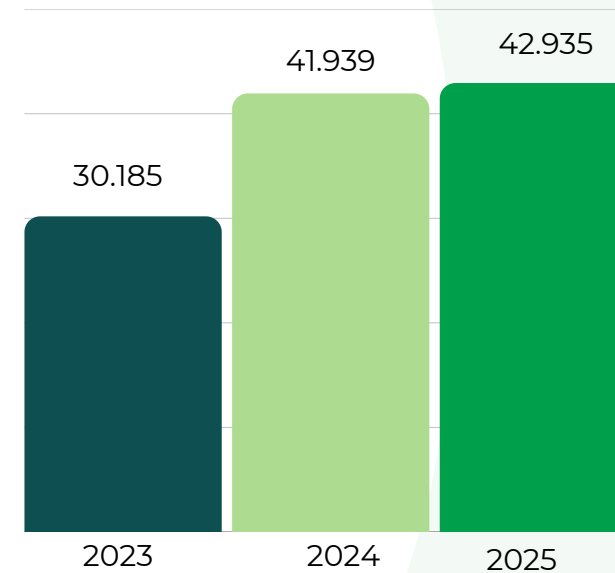
Environmental considerations are incorporated within existing administrative, operational and workplace health and safety practices. While a standalone environmental management system is not currently in place, environmental aspects are referenced within governance documentation and HSE-related policies, supporting oversight through management controls and internal procedures.

Environmental responsibility is promoted through operational culture and management practices, with accountability embedded across relevant functions rather than through a dedicated environmental function.

### Key focus areas include:

- Integration of environmental considerations within operational and administrative processes
- Incident reporting and access control measures supporting workplace safety and environmental compliance
- Contractor permitting and oversight prior to on-site activities

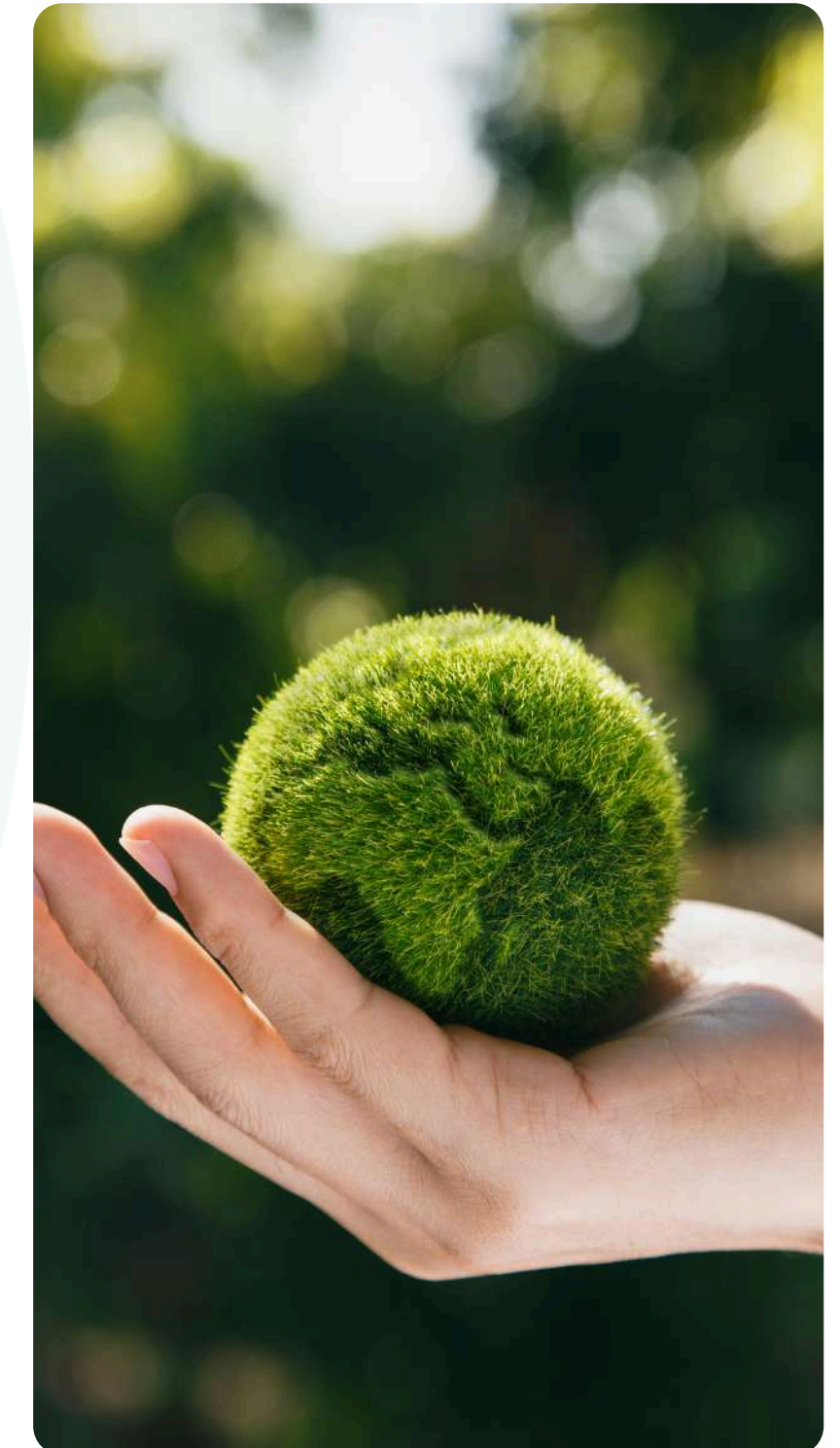
### Scope 1 Emissions in tonCO<sub>2</sub>eq



WIH's Scope 1 greenhouse gas emissions represent direct emissions from sources owned or controlled by the Group, primarily associated with fuel consumption linked to operational activities. In 2023, Scope 1 emissions totalled 30.185 tCO<sub>2</sub>e. This increased to 41.939 tCO<sub>2</sub>e in 2024, representing a 38.9% year-on-year increase, reflecting higher operational activity during the reporting period.

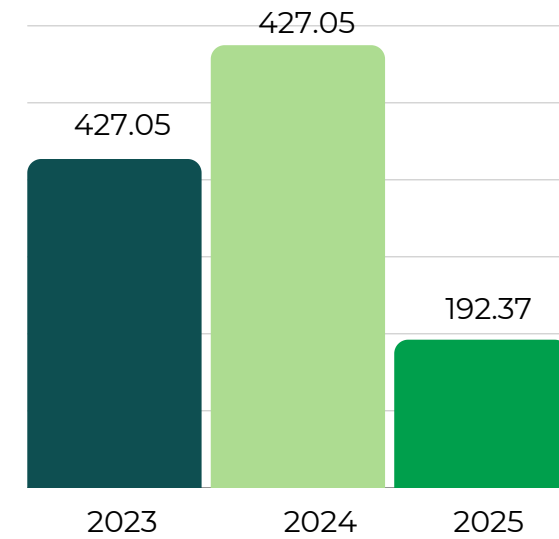
In 2025, Scope 1 emissions rose slightly to 42.935 tCO<sub>2</sub>e, marking a 2.4% increase compared to 2024, indicating relative stabilisation in direct emission sources.

Overall, while Scope 1 emissions increased over the three-year period, they remain modest in absolute terms, consistent with WIH's business model as an investment holding company with predominantly office-based operations.





### Scope 2 Emissions in tonCO<sub>2</sub>eq



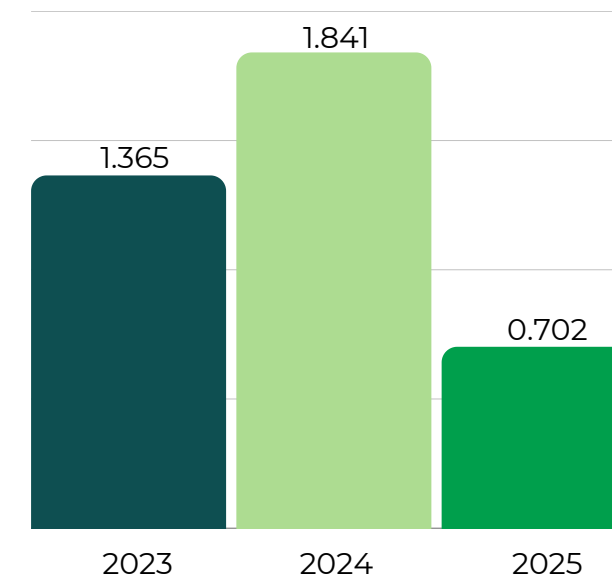
Scope 2 emissions, arising from indirect greenhouse gas emissions associated with purchased electricity, represent the largest component of WIH's overall emissions profile. In 2023, Scope 2 emissions totalled 427.05 tCO<sub>2</sub>e. This increased to 574.88 tCO<sub>2</sub>e in 2024, representing a 34.6% year-on-year increase, primarily reflecting higher electricity consumption across office locations during the reporting period.

In 2025, Scope 2 emissions decreased significantly to 192.37 tCO<sub>2</sub>e, marking a 66.5% reduction compared to 2024. This substantial decrease is attributable to the closure of one office during the year, resulting in lower electricity demand and a reduced operational footprint.

Overall, Scope 2 emissions declined by approximately 55.0% between 2023 and 2025, underscoring the sensitivity of indirect emissions to changes in office footprint, occupancy levels, and electricity consumption patterns rather than efficiency measures alone.

WIH continues to monitor electricity consumption across its operations and assess opportunities to enhance energy efficiency and improve the consistency of emissions data over time.

### Emissions Intensity in tonCO<sub>2</sub>eq per employee



WIH monitors greenhouse gas emissions intensity as an indicator of emissions performance relative to the scale of its workforce. Given the nature of the Group's insurance and office-based operations, emissions intensity is calculated as total greenhouse gas emissions per employee. This approach provides a more meaningful representation of operational efficiency by linking emissions to organisational size rather than production output.

Emissions intensity is calculated by dividing total Scope 1 and Scope 2 greenhouse gas emissions by the total number of employees (335). This metric enables the Group to assess how emissions evolve in relation to workforce scale and operational footprint.

Year-on-year variations in emissions intensity reflect changes in both total emissions and operational structure, including adjustments to office footprint and occupancy levels. As an office-based organisation, fluctuations in electricity consumption (Scope 2 emissions) remain a key driver of overall emissions intensity.

WIH continues to strengthen its emissions monitoring processes and improve data consistency to support more stable and meaningful intensity tracking over time. As sustainability data maturity improves, the Group will continue refining its performance indicators to enhance transparency and comparability.

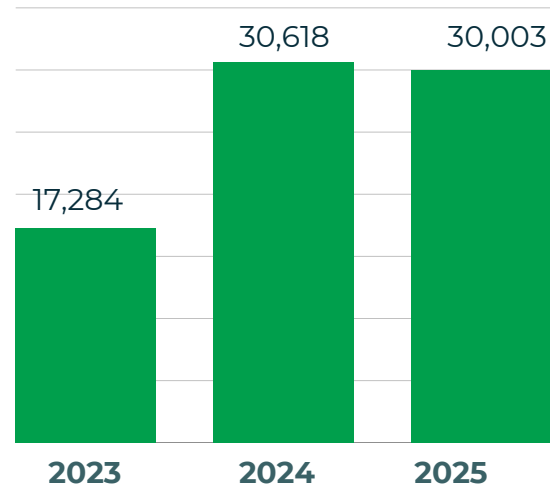
### Energy Efficiency

Several energy efficiency measures introduced in earlier reporting periods continued to deliver measurable benefits during 2024, supporting ongoing reductions in energy consumption and operational impact.

The expanded use of digital tools, particularly for document execution and internal workflows, reduced reliance on physical office supplies and contributed to lower energy use and waste generation. In parallel, office appliances and equipment were upgraded to more energy-efficient models, including the replacement of legacy air-conditioning units in non-centralised offices with ENERGY STAR-certified systems designed to optimise electricity consumption.

Lighting systems across office locations were enhanced through the transition from conventional lighting to energy-efficient LED alternatives. Motion-activated controls were installed in selected areas to automatically switch off lighting when spaces are unoccupied, further improving energy efficiency. Heating and cooling systems were also upgraded at key locations, including Galleries, Business Point, and Al Gurg, through the implementation of energy-efficient HVAC systems. Programmable thermostats were introduced to better regulate temperature settings based on occupancy patterns and time of use.

## Total Electricity Consumption (KWh)



Electricity consumption represents the primary source of energy use across WIH's office-based operations and is a key contributor to the Group's indirect (Scope 2) emissions profile.

In 2023, total electricity consumption amounted to 17,284 kWh. Consumption increased significantly in 2024 to 30,618 kWh, reflecting higher operational activity and electricity demand across office locations during the reporting period. In 2025, electricity consumption decreased marginally to 30,003 kWh, indicating a stabilisation in energy use following operational adjustments, including changes to the Group's office footprint.

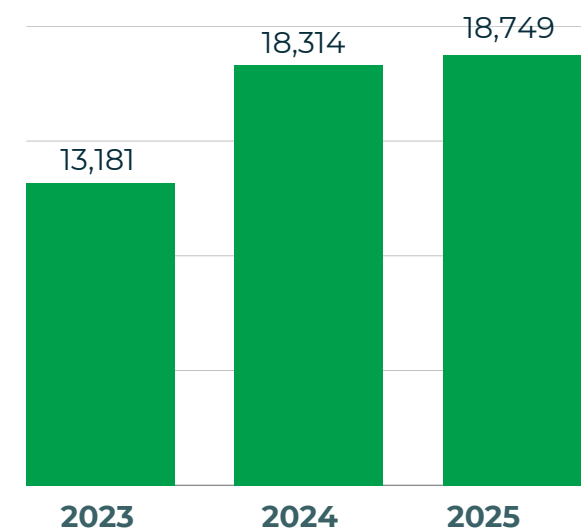
Year-on-year variations in electricity consumption are influenced by occupancy levels, operational scale, and facility usage patterns rather than energy-intensive production activities. WIH continues to promote responsible energy use and implement efficiency-focused measures across its offices to manage electricity demand and mitigate associated environmental impacts.

As part of its ongoing environmental management approach, the Group aims to strengthen electricity monitoring practices and assess opportunities to further enhance energy efficiency over time.

Energy is monitored primarily through utility bills and financial controls, enabling oversight of operational resource use. Year-on-year cost management serves as a key indicator of efficiency, supporting efforts to minimise unnecessary consumption while maintaining operational effectiveness.

Energy efficiency measures have been incorporated into office design and operations, including the installation of motion-sensor lighting in new office fit-outs. Preference is given to low-cost, high-impact initiatives that support efficiency gains without placing undue strain on operational budgets.

## Fuel Consumption in Liters



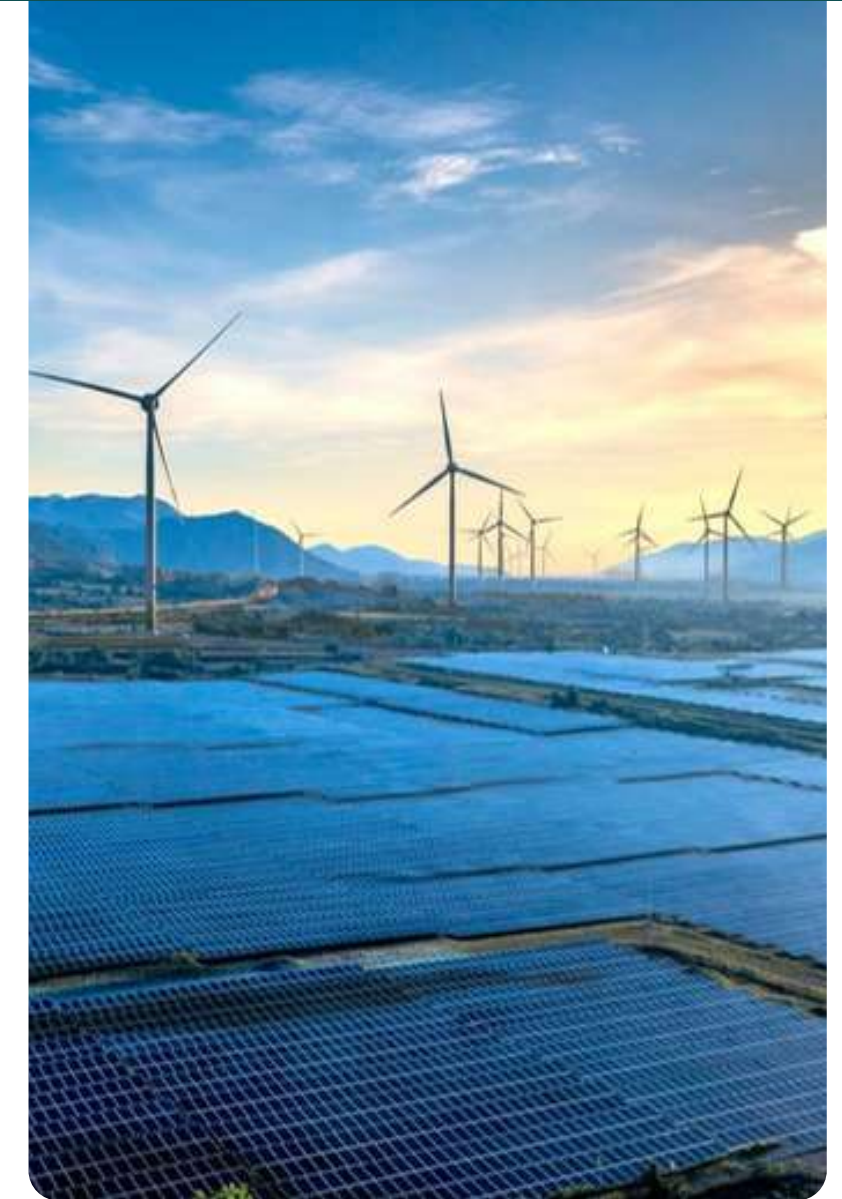
WIH tracks petrol consumption as part of its monitoring of direct resource use associated with operational activities, primarily relating to transportation requirements. Petrol consumption represents a component of the Group's direct environmental footprint and contributes to Scope 1 greenhouse gas emissions.

In 2023, total petrol consumption amounted to 13,181.19 litres. This increased to 18,314.05 litres in 2024, representing a 38.9% year-on-year increase, reflecting higher operational and transportation activity during the reporting period.

In the current reporting year, 2025, petrol consumption rose marginally to 18,749.09 litres, marking a 2.4% increase compared to 2024, indicating a stabilisation in fuel use. Overall, petrol consumption increased by approximately 42.2% between 2023 and 2025, with growth moderating in the most recent year.

Petrol consumption constitutes the primary source of WIH's Scope 1 greenhouse gas emissions, and the trend observed in fuel usage is directly reflected in the corresponding increase in reported direct emissions over the same period.

Year-on-year variations in petrol consumption are influenced by operational needs and mobility requirements rather than changes in core business activities. WIH continues to monitor fuel usage and assess opportunities to improve efficiency, including optimising travel patterns and promoting responsible vehicle use, where feasible.



Energy efficiency considerations have additionally been integrated into office design, with features such as double-glazed, tinted windows that reduce heat gain while maximising natural daylight. From a materials perspective, sustainability principles are reflected in the use of recycled paper for branded stationery and office supplies.

Collectively, these initiatives have strengthened WIH's efforts to reduce its environmental footprint while maintaining effective and efficient business operations, supporting the Group's broader environmental stewardship objectives.

# SUSTAINABLE PROCUREMENT AND ENVIRONMENTAL RISK MANAGEMENT

WIH integrates sustainability considerations into its procurement and supplier engagement processes to reduce environmental impact across its value chain. Our sourcing approach is guided by defined environmental principles that promote responsible material selection, efficient resource use, and environmentally conscious production practices.

When selecting materials and suppliers, preference is given to products that meet recognised environmental standards and certifications. The Group also encourages the use of recycled and recyclable materials where feasible, supports local sourcing to limit emissions associated with transportation, and considers the environmental performance of manufacturing processes as part of supplier evaluation.

Adherence to these procurement principles is monitored through internal review and assurance processes, enabling the Group to assess compliance and identify areas for continuous improvement.

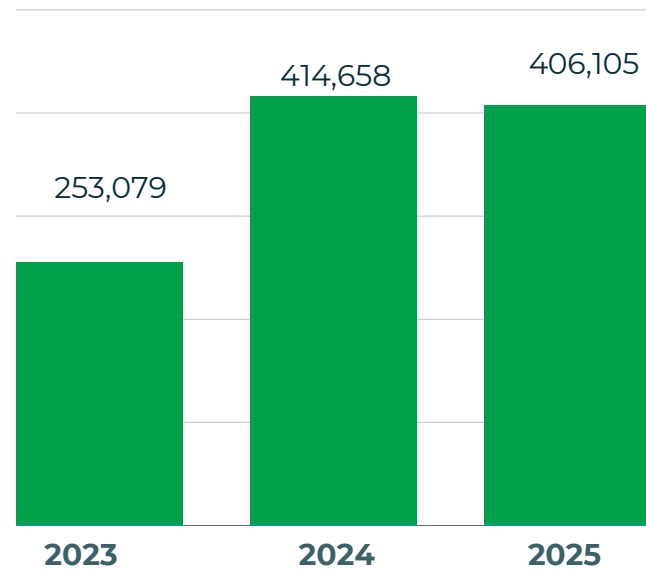
Environmental risk management is embedded within the Group's decision-making framework. Sustainability considerations are incorporated into operational planning by evaluating environmentally preferable alternatives, applying responsible procurement criteria, and taking stakeholder feedback into account. Risk mitigation measures focus on reducing waste, improving resource efficiency, and adopting environmentally friendly technologies to strengthen environmental performance.

Through this integrated approach, WIH seeks to minimise environmental risks associated with its operations while supporting more sustainable procurement practices across its supply chain.



# WATER MANAGEMENT

## Total water consumption in Liters



WIH monitors water consumption as part of its broader approach to responsible resource management across its operations. Water use is primarily associated with office-based activities, including sanitation and general facility use.

In 2023, total water consumption amounted to 253,079.26 litres. This increased to 414,658.74 litres in 2024, representing a 63.8% year-on-year increase, reflecting changes in operational activity and occupancy levels during the reporting period.

In the current reporting year, 2025, total water consumption decreased slightly to 406,105.76 litres, marking a 2.1% reduction compared to 2024, indicating a stabilisation in usage following operational adjustments.

The year-on-year variation in water consumption is influenced by changes in office occupancy, operational footprint, and usage patterns rather than water-intensive processes. WIH continues to encourage responsible water use across its facilities and remains focused on improving data consistency and monitoring practices to support more effective water management over time.

## Water and Effluent Management

WIH manages water consumption and wastewater discharge through a set of practical measures aimed at promoting efficient use, reducing avoidable losses, and ensuring compliance with applicable environmental requirements. These practices reflect the Group's commitment to responsible resource management across its office-based operations.

Efforts to improve water efficiency focus on the installation of water-saving fixtures and appliances in high-use areas such as restrooms and kitchen facilities. Where applicable, water-efficient technologies and controlled irrigation systems are utilised to minimise unnecessary water use and prevent overconsumption.

To support effective water management, the Group undertakes periodic reviews of water usage to identify inefficiencies and areas for improvement. Leak detection and timely maintenance form part of these efforts, helping to reduce water losses and maintain operational efficiency.

Wastewater is managed in accordance with relevant environmental regulations, with appropriate treatment and disposal practices in place to minimise environmental impact. Where feasible, opportunities to improve wastewater handling and recycling practices are considered as part of ongoing operational reviews.

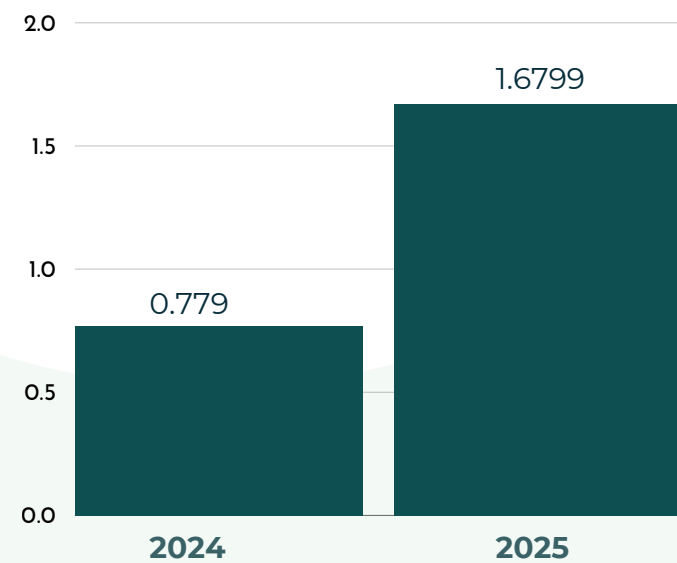
Opportunities for improvement have been identified in relation to enhanced energy utilisation and increased employee awareness of responsible resource consumption.

# WASTE MANAGEMENT & RECYCLING

Waste management practices focus on reducing paper use, encouraging recycling and ensuring responsible disposal of waste streams. Paper recycling is actively promoted across offices, supported by monthly collection and certified shredding services provided by licensed third-party contractors. Certificates of destruction are retained to evidence compliance.

Electronic waste is similarly managed through approved service providers, ensuring appropriate handling and disposal. Recyclable stationery materials are used where feasible, and operational practices such as double-sided printing are encouraged to reduce paper consumption.

## Total Waste Generated in Tons

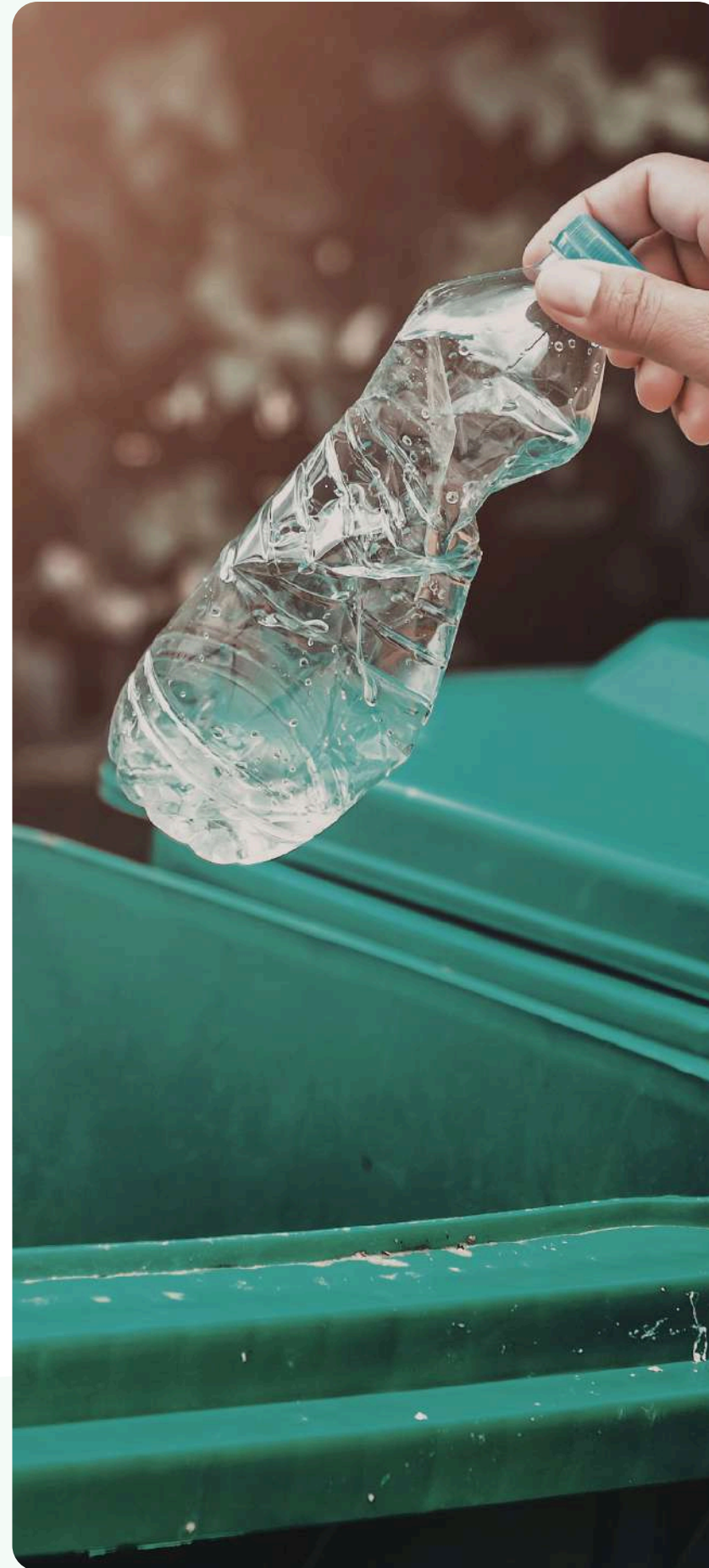


WIH monitors waste generation as part of its broader environmental management approach, recognising the importance of responsible resource use and waste reduction across its operations. Due to data availability limitations, waste generation data for 2023 is not reported. Waste tracking was introduced in 2024, establishing a baseline for future measurement and analysis.

In 2024, total waste generated amounted to 0.77946 tonnes. In 2025, total waste increased to 1.6799 tonnes. The increase in reported waste reflects changes in operational activity and improved data capture rather than a deterioration in waste management practices. As waste monitoring processes continue to mature, year-on-year comparisons will become more meaningful.

The Group's waste profile is primarily associated with office-based activities, including paper waste and general non-hazardous waste. WIH continues to implement waste reduction initiatives, such as promoting digital workflows, encouraging responsible use of office materials, and supporting recycling practices where feasible.

WIH recognises the importance of strengthening waste data management and intends to enhance waste categorisation, tracking, and reporting in future periods. These efforts will support improved transparency, enable more targeted waste reduction initiatives, and contribute to the Group's ongoing environmental stewardship objectives.



# Climate-Related Risks, Resilience & Opportunities

Climate-related risks are considered within the broader risk management and operational planning framework, with oversight exercised at management level. While no formal climate scenario analysis is currently conducted, environmental and energy-related costs are recognised as operational risks that may affect financial performance.

The organisation experienced no natural disaster-related operational disruptions during 2025. Learnings from extreme weather events in 2024 have been documented and integrated into operational resilience considerations, supporting preparedness and continuity planning.

Opportunities for strengthening environmental performance have been identified across:

- Energy efficiency improvements
- Resource optimisation measures
- Enhanced employee awareness and engagement on sustainability practices

# SOCIAL

## SOCIAL RESPONSIBILITY

remains a  
fundamental pillar of  
WIH's sustainability  
approach.

As the sole shareholder of leading Takaful operators, the Group occupies a distinctive position within the UAE's financial services landscape, enabling it to contribute meaningfully to the well-being of citizens and residents.

WIH recognises that diversity strengthens organisational performance and innovation. The Group is committed to fostering an inclusive workplace that values individuals from varied backgrounds and experiences, creating an environment where diverse perspectives are respected and leveraged to support sustainable growth.

Employee well-being is a priority, with continued focus on promoting both physical and mental health, while equipping employees with the capabilities required to succeed in a dynamic and evolving industry. Through ongoing development and engagement initiatives, WIH aims to build a resilient and future-ready workforce.

Beyond its internal operations, the Group actively engages with the wider community through structured corporate social responsibility initiatives. These programs are designed to address societal needs and generate positive impact beyond the insurance sector, aligning WIH's business activities with broader goals of social development and shared prosperity. Across its operating companies, Takaful products are structured with consideration for positive social outcomes, reinforcing the Group's commitment to responsible and inclusive financial services.

# WORKFORCE STRUCTURE & EMPLOYMENT MODEL

The organisation's workforce model is primarily based on direct employment, with clearly defined onboarding and employment processes governed by internal human resources procedures and national labour regulations. Recruitment follows a structured process from offer issuance and document collection through to visa coordination, IT access provisioning and administrative onboarding. This integrated approach ensures consistency, accountability and alignment across HR, IT and administrative functions.

Employment practices are aligned with applicable regulatory requirements, including Central Bank guidelines, and are designed to ensure transparency, fairness and operational continuity.

Where specialist expertise is required, a limited number of remote consultants are engaged under individual contractual arrangements and are managed directly through HR processes. All other third-party suppliers and service providers are managed through centralised administrative and procurement controls.

WIH continues to maintain a diverse workforce across its operations. In 2023, the workforce comprised 148 female and 234 male employees. In 2024, headcount increased to 180 female and 248 male employees, reflecting overall business growth during the year. In 2025, total workforce numbers moderated to 154 female and 181 male employees, following operational adjustments.

While male employees continue to represent the majority of the workforce, female representation remains significant and stable across the reporting period. The changes observed year-on-year are primarily linked to overall workforce size rather than structural shifts in gender representation.

WIH remains committed to fostering an inclusive work environment that supports equal opportunity, professional development, and merit-based advancement.

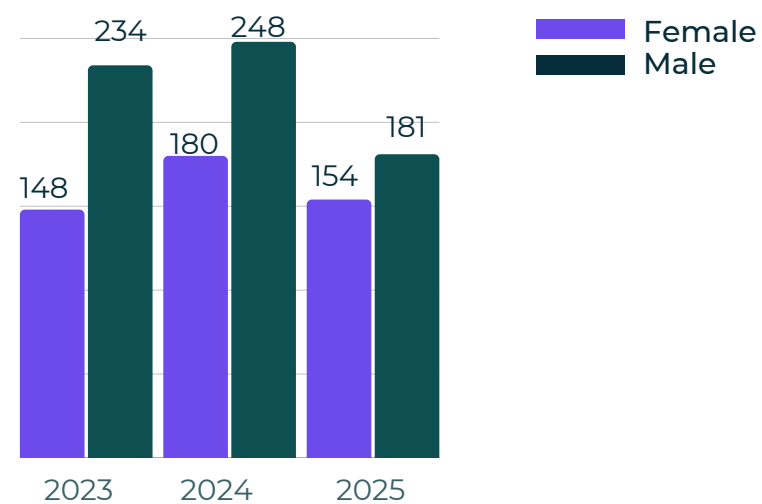
At the senior management level, representation remained relatively stable across the reporting period. In 2023 and 2024, senior management included 1 female and 9 male leaders. In 2025, senior management comprised 0 female and 8 male leaders, reflecting a slight reduction in overall senior leadership positions.

Although female representation at senior levels remains limited, WIH continues to promote inclusive leadership development and succession planning practices to support greater diversity in decision-making roles over time.

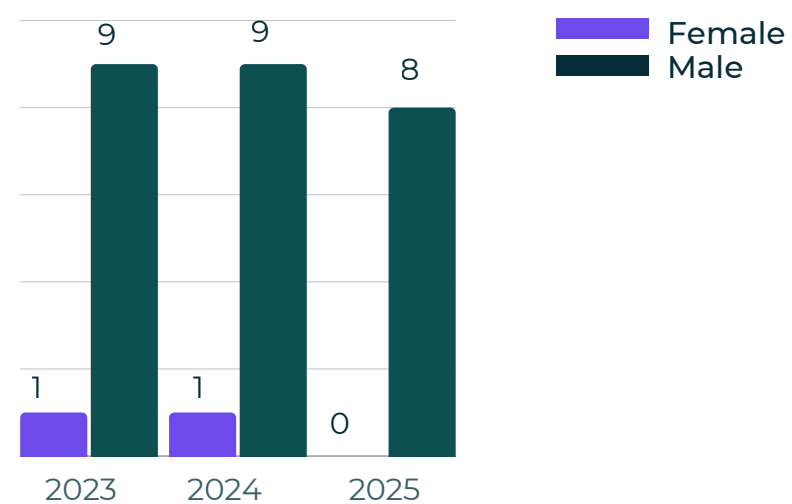
Gender distribution at the middle management level shows greater variation across the reporting period. In 2023, middle management included 9 female and 42 male employees. In 2024, female representation increased significantly to 40 employees, while male representation decreased to 11, reflecting structural adjustments in role classifications or internal promotions. In 2025, middle management comprised 9 female and 35 male employees.

These fluctuations reflect organisational restructuring and changes in workforce composition rather than shifts in policy. WIH continues to support balanced representation across mana

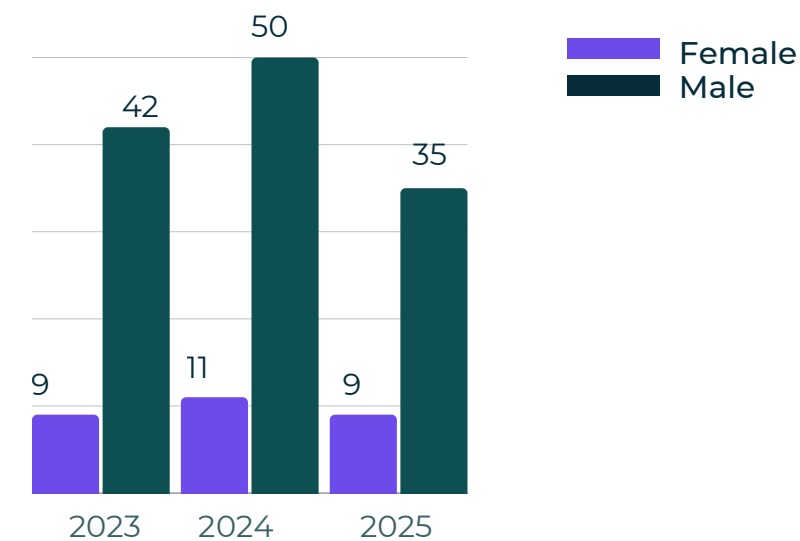
## Workforce Gender Breakdown



## Senior Management Employees



## Gender Representation in Middle Management



## Governance and Diversity Commitment

Diversity and inclusion remain integral to WIH's human capital strategy. The Group supports equitable recruitment, performance-based advancement, and professional development opportunities for all employees. While workforce composition reflects the broader labour market dynamics of the region and sector, WIH remains focused on fostering a workplace culture that values diversity of thought, experience, and perspective.

# RECRUITMENT & ONBOARDING AND WORKFORCE ADMINISTRATION

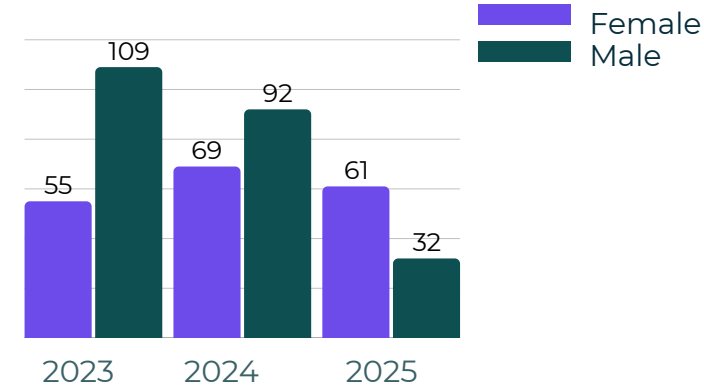
WIH maintains a structured and transparent recruitment and onboarding process designed to ensure consistency, regulatory compliance, and operational readiness. The recruitment framework covers all stages of the employee lifecycle, including candidate evaluation, offer issuance, acceptance, and completion of required documentation.

Once an offer is accepted, the Human Resources and Administration functions coordinate all pre-employment formalities, including documentation verification, contract processing, and joining date confirmation. Where applicable, the visa application process is initiated promptly following offer acceptance to ensure compliance with UAE labour and immigration requirements.

To support seamless integration, IT access and system credentials are established prior to the employee's start date, enabling new joiners to commence their roles with full operational access. A formal onboarding form is completed and approved through a multi-level process involving the Line Manager, Head of Department, Human Resources, and Administration. This structured approval framework ensures alignment across departments and confirms readiness from both operational and compliance perspectives.

Cross-functional coordination throughout the recruitment and onboarding process supports service continuity, operational efficiency, and quality assurance. By implementing clear procedures and defined responsibilities, WIH ensures that workforce integration is managed effectively and in accordance with corporate governance standards.

**Total New Hires**

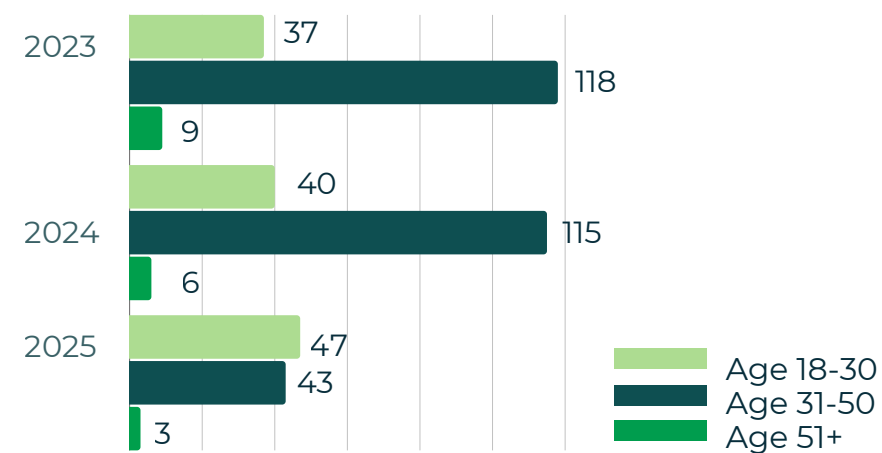


WIH continues to invest in workforce renewal and talent acquisition to support operational continuity and strategic growth. In 2023, total new hires comprised 55 female and 100 male employees. In 2024, hiring increased to 69 female and 92 male employees, reflecting expanded recruitment activity during the year.

In 2025, total new hires adjusted to 61 female and 32 male employees, indicating a moderation in recruitment levels following operational realignment.

While male hires represented the majority in 2023 and 2024, female recruitment remained strong and increased in 2024. In 2025, female hires exceeded male hires, reflecting a more balanced intake in the most recent reporting year.

**New Hires breakdown by age**



WIH maintains a multi-generational workforce and supports balanced age representation across recruitment activities.

Across the reporting period, the majority of new hires fell within the 31-50 age group, reflecting recruitment of experienced professionals aligned with business needs. However, 2025 saw a relative increase in younger hires (18-30), indicating strengthened early-career talent acquisition and succession pipeline development.

Recruitment across age groups reflects operational requirements rather than demographic preference, with hiring decisions based on merit, qualifications, and organisational fit.



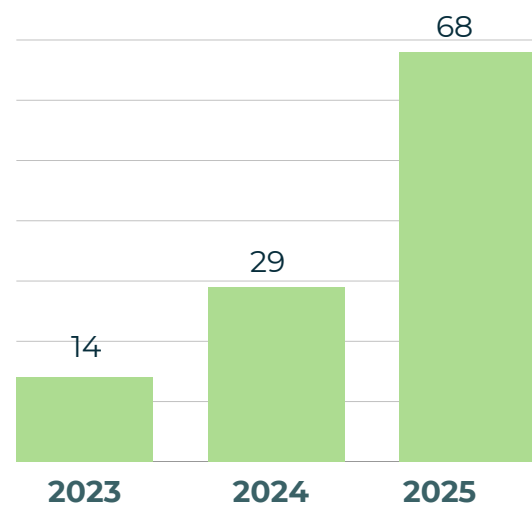
# EQUAL OPPORTUNITY, EMIRATIZATION & REGULATORY COMPLIANCE

## Emiratization and National Workforce Development

In line with its commitment to supporting the UAE's national development agenda, WIH continues to prioritise the recruitment, development, and retention of UAE Nationals. Emiratization remains a strategic focus area, reflecting both regulatory requirements and the Group's broader contribution to sustainable economic growth.

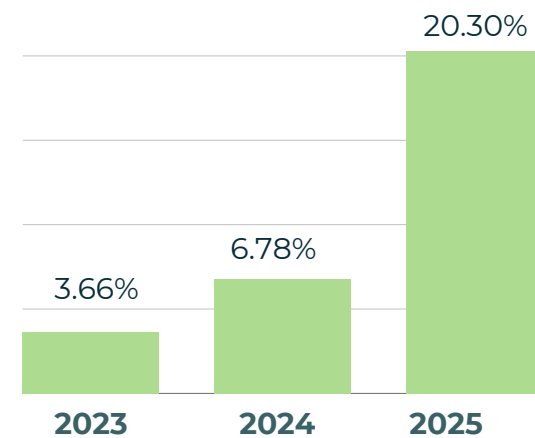
Supporting Emiratization remains a strategic priority for WIH and is closely aligned with the UAE's long-term national development agenda. The Group's commitment to increasing national workforce participation contributes directly to the objectives of UAE Centennial 2071, which emphasises human capital development, a diversified knowledge-based economy, and a future-ready workforce.

### Total Number of Emirati Employees



The total number of national employees has increased steadily over the reporting period. In 2023, WIH employed 14 UAE Nationals. This increased to 29 in 2024 and further rose to 68 in 2025, demonstrating sustained progress in national workforce integration.

### Nationalization amongst workforce



As a result, the percentage of nationalization within the total workforce has also improved significantly. National representation increased from 3.66% in 2023 to 6.78% in 2024, reaching 20.30% in 2025. The substantial increase in 2025 reflects targeted recruitment efforts, structured workforce planning, and alignment with national Emiratization objectives.

Beyond compliance, the Group views Emiratization as integral to long-term value creation. Strengthening national representation supports the UAE's broader ambitions under the Net Zero 2050 Strategic Initiative, which requires the development of domestic expertise across sectors, including financial services and sustainable finance. As a holding company overseeing Takaful operators, WIH recognises the importance of cultivating national talent capable of contributing to climate resilience, sustainable insurance solutions, and financial sector innovation.

Through structured career pathways, professional development programs, and leadership succession planning, WIH aims to build sustainable employment opportunities for UAE Nationals while supporting the country's objectives for economic diversification, financial sector localisation, and long-term social prosperity.

The organisation maintains policies on equal opportunity and non-discrimination, ensuring that recruitment, progression and promotion decisions are based on qualifications, performance and role requirements rather than gender or nationality. Diversity and inclusion principles are embedded within workforce practices, with a particular focus on Emiratisation in line with national priorities and regulatory quotas.

Emiratization efforts are guided by applicable Central Bank requirements, which define minimum thresholds and influence workforce planning. While these external targets shape hiring strategies, the organisation continues to promote a culture of inclusion and meritocracy, supporting the integration and development of national talent across business functions.

# DIVERSITY, INCLUSION & EMPLOYEE SUPPORT

WIH remains committed to fair and non-discriminatory hiring practices. Recruitment decisions are based on competency, experience, and business requirements, supporting workforce diversity across gender and age categories. WIH continues to align its hiring practices with UAE regulatory expectations and equal opportunity principles.

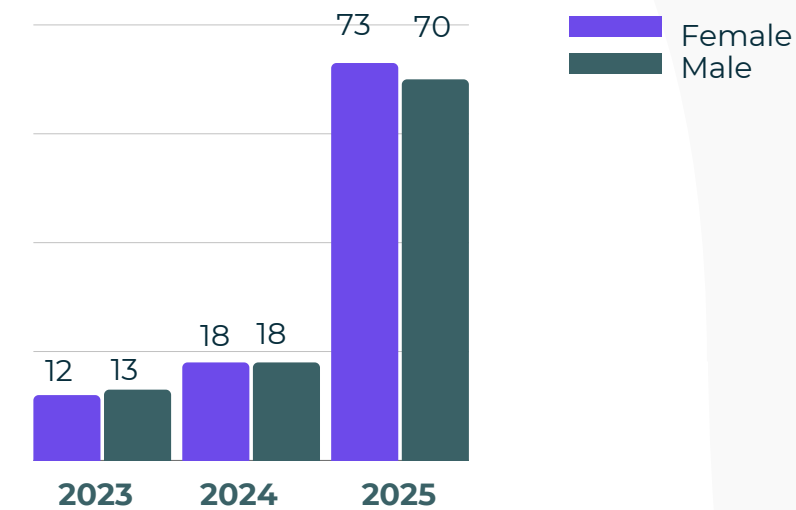
Gender equality is supported through equal opportunity policies that ensure fair access to roles and advancement based on competence and performance. Leadership progression is assessed against professional experience, skills and organisational needs, reinforcing a merit-based approach across all levels of the workforce, with a strong focus on employee retention and long-term engagement.

# TRAINING, LEARNING & DEVELOPMENT

Building on its commitment to equal opportunity and national workforce development, WIH recognises that sustainable growth depends not only on representation, but also on continuous capability building. Developing the skills, competencies, and leadership capacity of employees remains central to the Group's long-term value creation strategy.

As the financial services sector continues to evolve in response to regulatory, technological, and sustainability-driven changes, investment in employee development has become increasingly important. WIH therefore prioritises structured learning pathways that enhance professional expertise, strengthen industry-specific knowledge, and support career progression across all levels of the organisation.

**Average training hours per employee**



WIH continues to strengthen its investment in employee development, recognising that sustained performance in the financial services sector depends on continuous capability building and regulatory alignment.

Average training hours per employee increased steadily over the reporting period. In 2023, employees completed an average of 12 hours (female) and 13 hours (male). This increased to 18 hours for both genders in 2024. A significant rise was recorded in 2025, with average training hours reaching 73 hours for female employees and 70 hours for male employees. The substantial increase in 2025 was primarily driven by mandatory training programs for UAE Nationals, aligned with regulatory requirements and national workforce development objectives.

Training is delivered through a structured framework, including partnership programs with the Emirates Institute of Finance under the Central Bank of the UAE, ensuring alignment with financial sector standards and regulatory expectations. Programmes focus on core insurance and banking competencies, supporting both operational excellence and compliance.

**All employees are required to complete mandatory annual training, including:**

- Anti-Money Laundering (AML)
- Shari'ah compliance
- IT and information security

In addition, targeted training initiatives are implemented to support UAE Nationals, reinforcing the Group's Emiratization strategy and supporting national human capital development.

Monthly training plans are published through the HR system, enabling structured learning pathways while allowing employees to select preferred training programmes aligned with their roles and career progression goals. Participation and completion rates are monitored through the HR Management System (HRMS), ensuring transparency and accountability. While the Group does not impose a fixed minimum training hour requirement, learning and development participation is actively tracked and encouraged across all levels of the organisation.

Importantly, training access remains equitable across genders, with closely aligned participation levels throughout the reporting period. WIH remains committed to fostering a skilled, compliant, and future-ready workforce in support of long-term value creation.



Employee development is supported through structured learning and training initiatives aligned with sector requirements and regulatory expectations. Training programmes include both mandatory and elective learning, delivered through partnerships with accredited institutions and internal platforms. Employees are provided with access to sector-specific courses, compliance training and tailored development programmes, including initiatives targeted at national employees.

While training hours are not prescribed on a per-employee basis, learning participation is monitored through internal systems, enabling the organisation to track engagement and ensure coverage of key regulatory and professional competencies.

# HUMAN RIGHTS, LABOUR STANDARDS & ETHICS

WIH maintains a zero-tolerance approach to harassment, discrimination, and any form of unethical workplace behaviour. The Group is committed to fostering a professional, respectful, and inclusive working environment where all employees are treated with dignity and fairness, regardless of gender, nationality, age, or background.

All employment practices are conducted in full compliance with applicable UAE Ministry of Human Resources and Emiratization (MOHRE) regulations and relevant labour legislation. Employee rights are governed by UAE labour laws and reinforced through internal corporate values that emphasise integrity, equal opportunity, and responsible conduct. Employment contracts, compensation structures, and workplace practices are aligned with national legal requirements, ensuring transparency and regulatory adherence.

The organisation upholds employee rights through a comprehensive framework of internal policies addressing workplace conduct, equal treatment, anti-discrimination, and ethical behaviour. These policies set clear expectations for professional standards and outline disciplinary procedures in cases of non-compliance.

Formal mechanisms are in place to raise concerns and address potential violations. Employees have access to a structured grievance process managed by the Human Resources function, ensuring timely and impartial review of workplace concerns. In addition, WIH maintains a whistleblowing framework administered by an independent third party, allowing employees and stakeholders to report suspected misconduct confidentially or anonymously. These reporting channels are designed to protect individuals from retaliation and support a culture of accountability, transparency, and trust.

With respect to child labour and forced labour, WIH does not maintain a standalone policy, as its operations are conducted entirely within the UAE under strict labour regulations. All recruitment and employment practices adhere to Ministry of Labour requirements, including compliance with minimum age provisions and contractual protections. As an office-based organisation operating within a regulated financial services environment, the risk of child or forced labour within direct operations is assessed as low. Nonetheless, adherence to legal standards and ethical hiring practices remains mandatory across all business units.

Through these measures, WIH reinforces its commitment to protecting employee rights, maintaining ethical workplace standards, and upholding responsible employment practices in alignment with national regulatory frameworks and international principles of fair labour.





## GRIEVANCE MECHANISMS & WHISTLEBLOWING

WIH is committed to maintaining an open, transparent, and accountable workplace culture where employees feel empowered to raise concerns without fear of retaliation. The Group recognises that effective grievance and whistleblowing mechanisms are essential to upholding ethical standards, protecting employee rights, and reinforcing corporate integrity.

The organisation maintains an independent whistleblowing mechanism administered by KPMG, providing employees and stakeholders with a secure and confidential channel to report concerns related to ethics, misconduct, regulatory compliance, or breaches of internal policies. The platform allows for anonymous reporting, ensuring that individuals can raise concerns safely and without risk of reprisal. All reports are reviewed through a structured process to ensure appropriate investigation, oversight, and resolution.

In addition to the whistleblowing framework, employee relations matters may be raised through internal communication channels, including direct engagement with Human Resources or through formal email submissions. These mechanisms allow employees to address workplace concerns such as interpersonal issues, conduct matters, or policy-related queries in a timely and structured manner.

All reported concerns are managed by the HR function in coordination with relevant line management, ensuring that issues are assessed objectively and resolved in accordance with established policies and procedures. Where necessary, escalation protocols are followed to ensure appropriate governance oversight.

Through these structured grievance and reporting channels, WIH reinforces a culture of ethical conduct, transparency, and accountability, ensuring that employee voice remains an integral part of the organisation's governance framework.

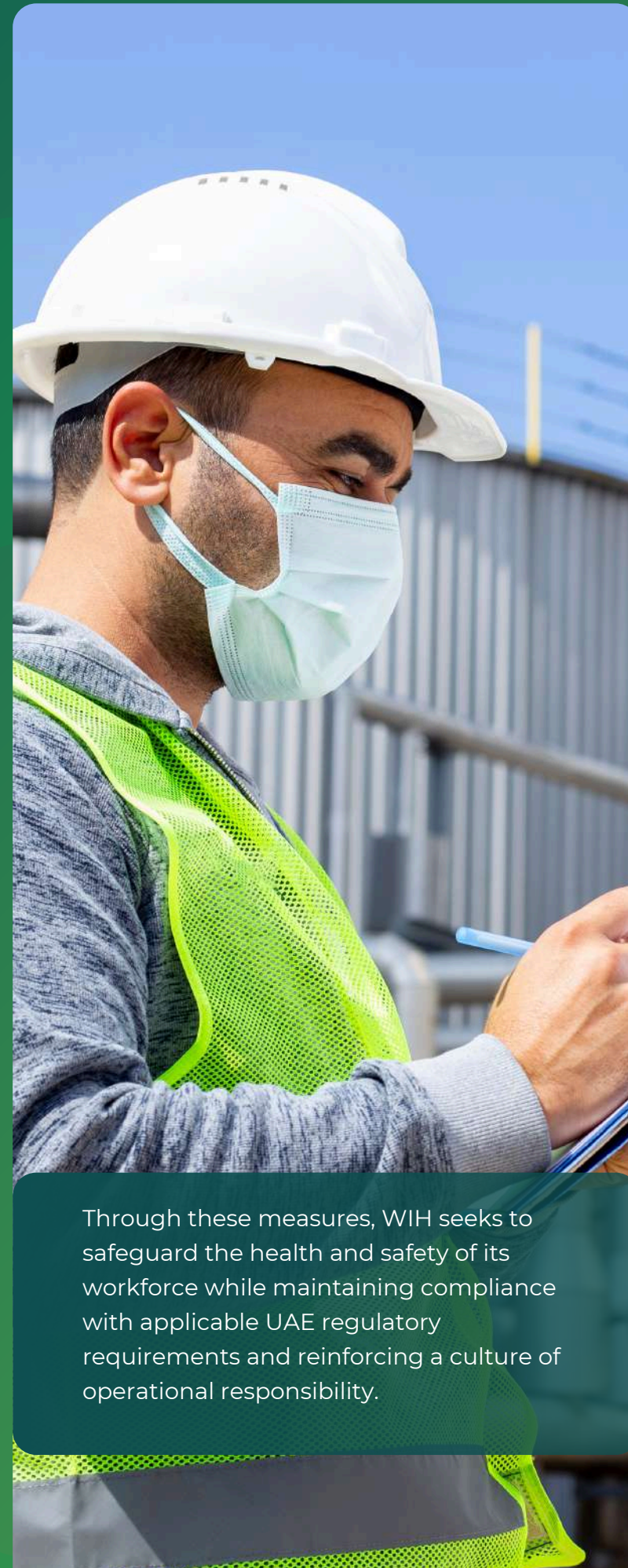
# HEALTH, SAFETY & WELLBEING

WIH is committed to providing a safe and healthy working environment for employees, contractors, and visitors across its operations. While the Group does not maintain a standalone, formal Health, Safety and Environment (HSE) management system, health and safety considerations are embedded within operational procedures and workplace policies.

An incident reporting policy is in place to ensure that workplace accidents, hazards, or near-miss events are documented, reviewed, and addressed in a timely manner. This process supports continuous monitoring and enables management to implement corrective actions where required. The Group encourages employees to report safety concerns promptly to help maintain a secure working environment.

Access to office premises is controlled through structured security protocols, including entry monitoring systems for employees, visitors, and contractors. These measures support workplace safety, data protection, and overall operational integrity. Contractors and vendors operating on-site are expected to adhere to applicable health and safety standards, and HSE considerations are incorporated into vendor engagement practices where relevant.

Although WIH operates primarily in an office-based environment with limited exposure to high-risk activities, the organisation promotes a culture of environmental awareness and safety responsibility across all functions. Employees are encouraged to maintain safe work practices, comply with internal procedures, and contribute to a workplace culture grounded in accountability and well-being.



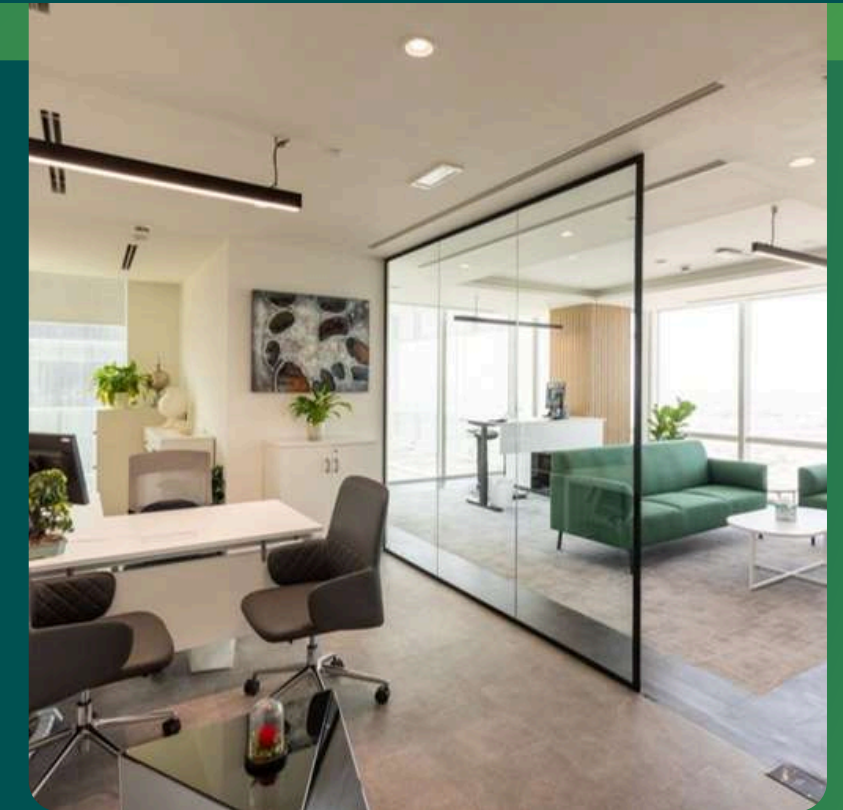
Through these measures, WIH seeks to safeguard the health and safety of its workforce while maintaining compliance with applicable UAE regulatory requirements and reinforcing a culture of operational responsibility.

# CUSTOMER EXPERIENCE, SERVICE QUALITY & FAIR TREATMENT

Delivering a high standard of customer experience remains central to WIH's operating philosophy and long-term value creation strategy. The Group defines customer experience as consistently exceeding expectations across all touchpoints, from initial engagement through to policy servicing and claims management.

WIH prioritises seamless service delivery and operational quality, recognising that service reliability and responsiveness are critical in the insurance sector. Particular emphasis is placed on after-sales service, with claims management identified as the most significant and sensitive customer touchpoint. Timely, fair, and transparent handling of claims is considered essential to maintaining trust and upholding the principles of Takaful.

The Group is committed to transparency and clarity in customer interactions. Policies, terms, and processes are communicated clearly to ensure customers are fully informed of their rights and obligations. Where issues arise, customers are protected through structured resolution mechanisms, including fair treatment practices and compensation where warranted in accordance with applicable regulations and internal policies.



Operational responsiveness is reinforced through defined service standards, including a call-back commitment within 15 minutes for abandoned calls. This approach supports service continuity and demonstrates accountability in customer engagement.

Customer satisfaction outcomes remain strong, with over 600 positive Google reviews recorded in 2025, reflecting consistent service quality and positive customer sentiment. High customer retention rates further indicate trust in the Group's products and service delivery standards.

Customer service excellence is viewed not only as an operational priority but also as a key contributor to WIH's reputation, competitive positioning, and sustainable long-term growth. By embedding fairness, transparency, and responsiveness into customer interactions, the Group reinforces its commitment to responsible market conduct and customer welfare.

## CUSTOMER FEEDBACK, ENGAGEMENT & MARKET INSIGHTS

WIH maintains structured and continuous engagement with customers and broker partners to ensure that service delivery remains responsive, competitive, and aligned with market expectations. Regular interaction across multiple touchpoints enables the Group to gather meaningful feedback and strengthen long-term relationships.

Customer and broker feedback is collected through a variety of channels, including call centres, direct service interactions, and intermediary networks. An annual broker survey, involving more than 200 participating brokers, forms a key component of this engagement framework. The survey provides structured insights into service quality, operational efficiency, communication standards, and overall satisfaction.

Feedback is analysed on a multi-year basis to identify recurring themes, emerging risks, and areas for improvement. Trend analysis supports informed decision-making and allows the Group to measure progress over time. In addition, benchmarking exercises are conducted against industry peers and competitors to assess relative performance and identify best practices within the market.

Importantly, feedback outcomes are communicated back to brokers to ensure transparency and demonstrate responsiveness. This closed-loop approach reinforces accountability and strengthens collaborative relationships within the distribution network.

Insights gathered from customers and brokers directly inform service enhancements, operational improvements, and strategic planning. By integrating stakeholder feedback into decision-making processes, WIH ensures that customer experience and market expectations remain central to product development and service delivery.

## Environmental Awareness & Behavioural Practices

Environmental responsibility is reinforced through everyday behavioural practices and internal awareness initiatives. Simple, practical measures are adopted to promote sustainable habits among employees, including mindful printing, energy use and waste segregation.

This approach reflects a commitment to continuous improvement within existing budgetary constraints, focusing on incremental actions that collectively contribute to reduced environmental impact.

# GOVERNANCE

WIH has implemented a comprehensive governance framework built on the principles of integrity, transparency, and accountability. These foundations guide decision-making across the organisation and reinforce responsible business conduct at all levels. Our governance practices are aligned with applicable regulatory requirements, including those issued by the UAE Securities and Commodities Authority (SCA), and reflect recognised international standards.

Through adherence to strong corporate governance principles, the Group supports sustainable growth, strengthens stakeholder trust, and ensures compliance with national regulations and Islamic Shari'ah requirements. This section outlines the structure and key components of WIH's governance framework, highlighting our approach to oversight, ESG integration, and our continued commitment to maintaining high standards of corporate governance.

## Strategic Direction

The Board of Directors is responsible for defining Watania's strategic objectives and ensuring alignment with the Group's mission, values, and long-term vision. Through regular performance evaluations and structured strategic planning processes, the Board guides sustainable growth and long-term value creation.

In line with regulatory requirements, company law, and international governance standards, Watania has established specialised Board committees and senior leadership forums to oversee key risk areas and operational priorities. These committees play a critical role in strengthening oversight, managing risk exposure, and ensuring effective governance across all core functions.

The principal Board committees include:

- Audit and Risk Committee
- Nomination and Remuneration Committee
- Investment and Strategic Committee
- Insider Trading Supervision Committee

These committees support disciplined governance, structured accountability, and independent oversight of strategic and operational matters.

## INTERNAL CONTROLS & COMPLIANCE FRAMEWORK

Watania's internal control framework plays a vital role in maintaining operational integrity, efficiency, and regulatory compliance at both the holding company and operating subsidiary levels. Key responsibilities include monitoring governance procedures, overseeing risk management practices, and ensuring adherence to legal and regulatory requirements.

Internal controls also involve evaluating committee effectiveness, reviewing financial information, and ensuring transparency and accuracy in reporting.

To reinforce compliance and governance discipline, the Group maintains a structured policy framework, including:

1. Anti-Money Laundering and Compliance Management Framework
2. Anti-Money Laundering Policies and Procedures
3. Authority Matrix
4. Credit Policy
5. Whistleblowing Policy
6. Conflict of Interest Policy
7. Insider Trading Policy
8. Stock Trading Policy
9. Code of Conduct

These policies collectively strengthen regulatory compliance, promote ethical conduct, and reinforce Watania's commitment to sound corporate governance.



## GOVERNANCE FRAMEWORK, ETHICS & CORPORATE VALUES

Watania maintains a structured governance framework designed to ensure accountability, transparency, and ethical conduct across all aspects of its operations. The Group's Governance Manual serves as a foundational reference document, outlining standards for corporate behaviour, internal controls, delegated authorities, and operational oversight. This framework supports effective decision-making and ensures that responsibilities are clearly defined across management and Board levels.

Corporate values form the cornerstone of Watania's organisational culture and guide conduct across human resources, administrative, and operational functions. These values promote integrity, fairness, professionalism, and respect, shaping workplace practices and reinforcing consistent standards of behaviour. Policies and procedures are aligned with these principles to ensure that ethical considerations remain embedded in day-to-day operations.

Compliance, legal review, and Shari'ah oversight are integrated into key decision-making processes to ensure alignment with regulatory requirements and Islamic principles. Material policies, product structures, and operational practices are subject to review to safeguard compliance with applicable laws and governance standards. This integrated approach ensures that risk management, ethical conduct, and regulatory adherence are embedded within the organisation's control environment.

Through this governance structure, Watania reinforces stakeholder confidence, supports sustainable growth, and upholds its commitment to responsible corporate conduct within the UAE's regulatory framework.



## BOARD & MANAGEMENT OVERSIGHT

Watania's Board of Directors maintains active oversight of key strategic, operational, and governance matters to ensure responsible leadership and sustainable value creation. The Board provides direction and supervision across priority areas including Emiratisation, equal opportunity, ethical conduct, and operational and service performance. Through this oversight, the Board ensures that workforce development, market conduct, and organisational integrity remain aligned with regulatory expectations and corporate objectives.

At the management level, ESG-related risks and performance indicators are regularly reviewed as part of structured reporting processes. Environmental, social, and governance considerations are integrated into operational discussions to support risk mitigation, regulatory compliance, and performance monitoring.

Board reporting is supported by quantitative data and defined performance metrics, enabling informed decision-making and transparent oversight. Presentations include workforce statistics, service performance indicators, compliance updates, and sustainability-related metrics, ensuring that oversight is grounded in measurable outcomes rather than narrative reporting alone.



This structured governance approach reinforces accountability across the organisation, strengthens internal controls, and ensures that strategic priorities are aligned with long-term sustainability objectives and stakeholder expectations.

## RISK MANAGEMENT, COMPLIANCE & PROFITABILITY

Watania maintains a comprehensive risk management framework designed to identify, assess, and mitigate risks across all areas of its operations. Risk management controls are embedded within business processes to ensure that operational, financial, and compliance-related exposures are proactively managed and monitored.

The Group applies channel-specific risk controls across its customer, broker, and underwriting functions. These controls are designed to safeguard service quality, ensure underwriting discipline, and maintain balanced portfolio management. Risk acceptance criteria and monitoring mechanisms are implemented to ensure that exposures are aligned with defined risk appetite parameters, with no tolerance for unmanaged or unintended risk accumulation.

Regulatory compliance remains a critical priority. Watania operates within a highly regulated financial services environment and maintains structured compliance processes to meet the requirements of the UAE Central Bank and other applicable authorities. Compliance monitoring, internal review mechanisms, and reporting structures are designed to minimise exposure to non-compliance risks, including regulatory penalties, operational disruption, and potential financial impact.

Operational excellence and disciplined risk management directly support profitability by protecting capital, maintaining underwriting quality, and ensuring business continuity. Through this integrated approach, Watania reinforces resilience, safeguards stakeholder interests, and sustains long-term financial performance.



## RESPONSIBLE SUPPLY CHAIN, VENDORS & CONSULTANTS

Watania maintains a structured and centralised procurement framework designed to promote transparency, accountability, and responsible supplier engagement. All procurement activities are coordinated through a centralised model to ensure consistency in vendor selection, contractual review, and compliance oversight.

Supplier and vendor selection processes incorporate environmental and social compliance considerations, including formal declarations where applicable. Prospective vendors are subject to validation and due diligence procedures prior to engagement to assess suitability, regulatory alignment, and reputational risk. This structured approach supports risk mitigation and reinforces responsible sourcing practices.

Conflict of interest controls are embedded within procurement policies, including clear requirements prohibiting undisclosed related-party relationships. These safeguards ensure independence, fairness, and objectivity in supplier selection and engagement decisions.

The Administration function oversees the management of all external consultants and vendors, ensuring contractual clarity, performance monitoring, and compliance adherence. In cases where offshore consultants are engaged to fulfil internal roles, oversight is managed by the Human Resources function to ensure alignment with workforce policies and regulatory requirements.

All vendor and consultant contracts are subject to review for legal, compliance, and Shari'ah requirements prior to execution. This multi-layered review process ensures that external engagements align with regulatory standards, internal governance principles, and Islamic financial guidelines.

Through this structured procurement and supplier governance framework, Watania reinforces operational integrity, mitigates supply chain risks, and upholds responsible business conduct across its value chain.



## Operational Excellence, Quality & ISO Certification

Operational excellence remains a core component of Watania's governance framework and performance strategy. The Group has maintained ISO 9001 certification for over 10 years, reflecting a sustained commitment to quality management, process discipline, and continuous improvement.

As part of Watania's commitment to the continuous improvement of its services, the company systematically measures and monitors feedback from both customers and partners throughout the year. This process is supported by strong senior management oversight, ensuring that feedback is actively reviewed and translated into meaningful service enhancements and the adoption of best practices.

To reinforce this commitment, Watania has obtained ISO 10004 certification through an independent third-party audit. Watania is proud to be among the few companies in the UAE to hold this certification, which reflects its structured approach to capturing and managing stakeholder feedback.

The standard supports Watania in systematically listening to the voice of its customers and partners, including the continuous measurement of the Net Promoter Score (NPS) throughout the year. This enables the company to track performance trends, establish internal benchmarks across different lines of business, and conduct year-on-year comparisons.

Insights generated through this process help identify areas for improvement and service innovation, ensuring that corrective and enhancement initiatives are implemented in a timely and effective manner. Through this structured framework, Watania continues to strengthen its customer-centric culture and commitment to service excellence.



## MONITORING, REPORTING & INTERNAL CONTROLS

Watania maintains a structured monitoring and reporting framework to ensure continuous oversight of financial, operational, and risk performance across the organisation. Performance indicators are tracked on an ongoing basis, enabling timely identification of emerging risks and operational trends.

Risk exposures are monitored daily through defined control mechanisms, ensuring that underwriting performance, service delivery standards, and compliance metrics remain within approved thresholds. This proactive approach supports disciplined risk management and reinforces operational resilience.

The organisation produces regular internal management reports on both a monthly and annual basis. These reports provide structured insights into financial results, operational performance, risk indicators, and strategic objectives. Quantitative data and performance metrics underpin reporting processes, ensuring transparency and accountability in decision-making.

Internal reporting mechanisms play a critical role in supporting executive oversight and informed management action. Through structured performance reviews and data-driven analysis, Watania is able to maintain strong operational control and respond effectively to changing market conditions.



Performance outcomes during the reporting period exceeded general market benchmarks and peer comparisons in key operational and financial areas, reinforcing the effectiveness of the Group's monitoring framework and internal control environment.



## TECHNOLOGY & PROCESS ENABLEMENT

Technology plays a supporting role in enhancing customer experience and strengthening operational efficiency across Watania's operations. Digital systems are implemented with a focus on measurable service improvements, process reliability, and data accuracy.

During the reporting period, a smart document upload system incorporating Optical Character Recognition (OCR) functionality was implemented for motor policy issuance. This system automates document capture and validation, reducing manual intervention, improving processing speed, and enhancing data accuracy. The improvement in workflow efficiency contributes directly to better customer experience outcomes and operational control.

Technology performance is monitored through structured IT reporting mechanisms, with quantitative indicators tracked and documented in the IT data collection framework. These metrics include system utilisation, service response efficiency, process automation levels, and operational support indicators. The structured tracking of IT performance ensures that technology investments are aligned with operational needs and service quality objectives.

At this stage, Watania has not prioritised large-scale artificial intelligence initiatives. Instead, the Group has adopted a disciplined approach, focusing on practical, high-impact digital enhancements that deliver measurable operational and customer-facing benefits.

Watania maintains a robust framework to safeguard customer data, ensure privacy protection, and uphold information security standards across its operations. Data governance remains a critical component of operational integrity and regulatory compliance within the financial services sector.

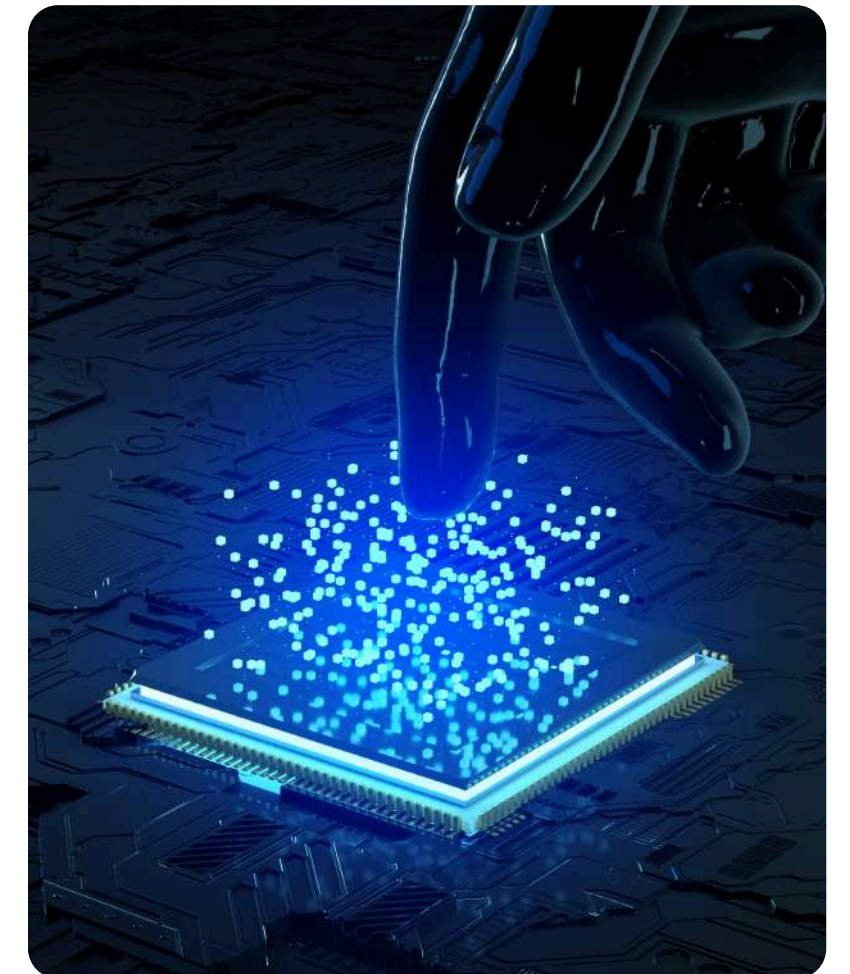
For the reporting period 2025, the Group recorded:

- Zero substantiated complaints concerning breaches of customer privacy
- Zero substantiated complaints relating to prior-year privacy events
- Zero data security breaches
- Zero identified leaks, thefts, or losses of customer data
- Zero breaches involving customers' personally identifiable information (PII)
- Zero account holders impacted by data security incidents

Accordingly, the percentage of data security breaches involving customers' personally identifiable information remained at 0% across all three reporting years.

These results reflect the effectiveness of Watania's internal controls, IT security infrastructure, and monitoring processes designed to prevent unauthorised access, data loss, or operational vulnerabilities.

These results reflect the effectiveness of Watania's internal controls, IT security infrastructure, and monitoring processes designed to prevent unauthorised access, data loss, or operational vulnerabilities.



Employee awareness plays a critical role in maintaining this performance. The Group achieved 100% completion of privacy and information security training among employees in 2023, 2024, and 2025. Mandatory annual training reinforces awareness of data protection obligations, cybersecurity risks, and regulatory requirements, supporting a strong culture of information security across all functions.

Through disciplined governance, structured monitoring, and comprehensive employee training, Watania continues to uphold high standards of customer data protection, reinforcing stakeholder trust and regulatory compliance.

## STRATEGY ALIGNMENT, BUDGET & FORWARD- LOOKING FOCUS

Watania's strategic planning integrates ESG priorities and operational objectives within defined budgetary frameworks to ensure disciplined execution and sustainable value creation. All initiatives are assessed against financial constraints and strategic relevance, with a preference for low-cost, high-impact actions that deliver measurable improvements without compromising operational resilience.

Key focus areas for continuous improvement include customer experience enhancement, operational efficiency optimisation, cost management discipline, and strengthened energy awareness across the organisation. These priorities reflect the Group's commitment to maintaining competitiveness while reinforcing responsible business practices.

Operational functions play a critical role in supporting long-term value creation. By delivering seamless customer experiences, maintaining disciplined risk management practices, and reinforcing profitability, operations contribute directly to financial stability and stakeholder confidence.

Through this balanced approach, Watania ensures that ESG considerations, financial discipline, and operational effectiveness remain closely aligned in support of long-term strategic objectives.

In 2025, the Group refined its strategic emphasis, shifting focus from exploratory investments in artificial intelligence and advanced technologies towards customer experience as the primary competitive differentiator. This strategic realignment reflects market conditions and organisational priorities, reinforcing the importance of service excellence, responsiveness, and trust as key drivers of sustainable growth.



# | APPENDICES

CATEGORY	METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
ENVIRONMENTAL	E1. GHG Emissions	E1.1) Total amount of Scope 1 emissions	GRI: 1-305	SDG 13	67-71
		E1.2) Total amount of Scope 2 emissions	GRI: 305 -2		
		E1.3) Total amount of Scope 3 emissions	GRI: 3- 305		
		E1.4) Please describe investments, initiatives and projects to reduce CO2 emissions			
	E2. Emissions Intensity	E2.1) GHG emissions intensity	GRI: 4- 305		
		E2.2) Non-GHG emissions intensity	GRI: 7-305		
	E3. Energy Usage	E3.1) Total amount of direct energy consumed	GRI: 1,2-302	SDG 12	
		E3.2) Total amount of indirect energy consumed	GRI: 1,2-302		
	E4. Energy Intensity	E4.1) Direct energy use intensity	GRI: 1-302	SDG 7, SDG 12	
		E4.2) Total indirect energy usage per output scaling factor	GRI: 2-302		
		E4.3) Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency	GRI: 1,2-302		
	E5. Energy Mix	E5.1) Renewable energy used	GRI: 1-302	SDG 7	
		E5.2) Non-renewable energy used	GRI: 2-302		
	E6. Water and Effluents	E6.1) Total amount of water withdrawn	GRI: 3-303	SDG 6, SDG 12	
		E6.2) Total amount of water discharged	GRI: 4-303		
		E6.3) Total amount of water consumed (if possible, a breakdown by source: surface water, groundwater, seawater, etc.)	GRI: 303-5		
		E6.4) Water intensity			
		E6.5) Water recycled (if applicable)			
	E7. Waste	E6.7) Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling		SDG 12, SDG 14, SDG 15	
		E7.1) Total amount of waste generated (if possible, broken down by Hazardous and Non-hazardous)	GRI: 3-306		
E7.2) Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Non-hazardous)		GRI: 4-306			
E7.3) Total amount of waste directed to disposal (if possible, broken down by Hazardous and Non-hazardous)		GRI: 306-5			
E7.4) Total number and volume of oil spills (if applicable)					
	E7.5) Please describe investments, initiatives and projects to reduce waste generation consumption and to increase waste recycling	GRI: 11 Oil and Gas Sector			

CATEGORY	METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
ENVIRONMENTAL	E8. Environmental Management	E8.1) Does your company follow a formal Environmental Policy?	GRI: 23-2	SDG 13	70=72
		E8.2) Does your company follow specific waste, water, energy, and/or recycling polices?	GRI: 24-2		
		E8.3) Does your company adopt a recognised environment and energy management systems such as ISO14001 and ISO50001?			
		E8.4) Does you company have targets in place with regards to environment, energy, water and waste?			
		E8.5) Please indicate if any fines received (> USD 10000) for non-compliance with laws and regulations regarding environmental management during the last reporting period	GRI 27-2 :2		
	E9. Climate Risk Management and Oversight	E9.1) Does your Board/Management Team oversee and/or manage climate-related risks and opportunities? If yes, describe.	GRI 12 :2	SDG 13	63,72
		E9.2) Please describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.			
		E9.3) Please describe the organisation's processes for identifying and assessing climate-related risks			
		E9.4) Please describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning			
		E9.5) Total amount invested, periodically, in climate-related infrastructure, resilience and product development			
		E9.6) Please describe the greenhouse gas emission targets (Scope1, Scope 2 and Scope3) and the related risks			
		E9.7) Please share your actions to align with UAE's Net Zero Commitment by 2050. Do you have a net zero emissions target in place?			
	E10. Biodiversity	E10.1) Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversitiy value.	GRI: 1-304	SDG 15	
E10.2) Please describe significant impacts of activities, products and services on biodiversity		GRI: 2-304			

CATEGORY	METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
SOCIAL	S1. CEO Pay Ratio	S1.1) Please share the ratio of total compensation to median full-time employee (FTE) total compensation	GRI 2: 21	SDG 10	
		S1.2) Does your company report this metric (above) in any regulatory filings?			
	S3. Breakdown with Staff	S2.1) Please share the total enterprise headcount held by full-time employees (broken down by: gender, age and seniority level)	GRI 2:7	SDG 5, SDG 8	
		S3.2) Please share the total enterprise headcount held by part-time employees (broken down by, gender, age and seniority level)	GRI 2:7		
		S3.3) Please share the total enterprise headcount held by contractors and/or consultants	GRI 2:8		
		S3.4) Please share the total of national employees (broken down by, gender, age and seniority level)	GRI: 202-2		
	S4. Employee Turnover and New Hires	S4.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level)	GRI: 401-1	SDG 5, SDG 8	74-77
		S4.2) Year-over-year change for part-time employees	GRI: 401-1		
		S4.3) Year-over-year change for contractors and/or consultants	GRI 2: 8		
		S4.4) Year-over-year of new hires (broken down by age, gender and seniority level)	GRI: 401-1		
	S5. Gender Diversity and Equality	S5.1) Total enterprise headcount held by men and women	GRI 2: 9 / GRI: 405-1	SDG 5	
		S5.2) Total entry and mid-level positions held by men and women	GRI 2: 9 / GRI: 405-1		
		S5.3) Total senior and executive-level positions held by men and women	GRI 2: 9 / GRI: 405-1		
		S5.4) The ratio of median male employee compensation to median female employee compensation	GRI: 405-1		
		S5.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions.	GRI: 2-19		
	S6. Human Rights	S6.1) Does your company follow a harassment and/or non-discrimination policy?	GRI 2: 23	SDG 10	78
		S6.2) Does your company have a formal grievance mechanism in place?	GRI 2: 23		
		S6.3) Does your company follow a child and/or forced labor policy?	GRI 2: 23		

CATEGORY	METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
SOCIAL	S6. Human Rights	S6.4) Does your company follow a human rights policy?	GRI 2: 23	SDG 10	
		S6.5) Does your company provide training on human rights and related internal policies for your employees?	GRI: 404-1		
	S7. Health and Safety	S7.1) Does your company follow an occupational health and safety policy?	GRI 2: 23 GRI: 403-9 GRI: 403-9	SDG 3	80
		S7.2) Does your company adopt a recognised health and safety management systems such as ISO45001?			
		S7.3) Please share the total employee and total contractors (if available) manhours	GRI: 403-9		
		S7.4) Please share the total employee fatalities	GRI: 403-9		
		S7.5) Please share the employee lost time injury (LTI)	GRI: 403-9		
		S7.6) Please share the lost time injury frequency (LTIF)	GRI: 403-9		
		S7.7) Please share the total health and safety training provided to employees	GRI: 403-5		
	S8. Community Engagement	S8.1) Please share the total amount invested in the community, including philanthropy, donations and sponsorships		SDG 8	NA
S8.2) Please share the total employee volunteering completed during the reporting period					

CATEGORY	METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
GOVERNANCE	G1. Board Diversity	G1.1) Total board seats occupied by men and women	GRI 405-1	SDG 10	9-18
		G1.2) Total committee chairs occupied by men and women	GRI 405-1		
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair?	GRI 405-1		
		G2.2) Please share the total board seats occupied by independents	GRI 405-1		
	G3. Collective Bargaining	*G3.1) Please share the total enterprise headcount covered by collective bargaining agreement(s) *Applicable to companies operating in countries in which collective bargaining is applicable by law "	GRI 2: 30		NA
	G4. Supply Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?			SDG 12
		G4.2) If yes, what percentage of your suppliers are formally certified and compliant with the Code?	GRI: 308-1		
	G4. Supply Chain Management	G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period	GRI: 414-1		SDG 12
		G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period	GRI: 308-1, 414-1		
		G4.5) Please share the new suppliers receiving warning due to the environmental/social screening	GRI: 2-19		
	G5. Ethics and Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti- Corruption policy?	GRI 2: 23		SDG 6
		G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy	GRI: 205-2		
		G5.3) Please share the confirmed incidents of corruption during the reporting period	GRI: 205-3		
		G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any)	GRI: 205-4		
G6. Data Security	G6.1) Does your company follow a Data Privacy policy?	GRI: 418-1		88	
	G6.2) Has your company taken steps to comply with GDPR rules or similar standards?				
	G6.3) Data security breaches during the reporting period (if any)	GRI: 418-1			

CATEGORY	METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
GOVERNANCE	G7. Sustainability Practices	G8.1) Does your company publish a sustainability report?			Yes
		G8.2) Does your company publish a GRI, WEF SCM, SASB, IIRC, UNGC or CDP based reporting?			
		G8.3) Does your company provide training to its employees regarding topics related to sustainability (environment, human rights, ethics etc.)?	GRI: 404-1		No
		G8.4) Please share the total sustainability related training provided to employees	GRI: 404-2		
	G9. External Assurance	G9.1) Are your sustainability disclosures assured or validated by a third party?	GRI 2: 5		No

## RESTATEMENT OF INFORMATION

In the 2024 Integrated Report, greenhouse gas emissions were disclosed in kg CO<sub>2</sub>e, while the corresponding heading referred to tCO<sub>2</sub>e. This has been corrected in the 2025 report to ensure consistency in units and clarity in emissions reporting.

Furthermore, electricity consumption, greenhouse gas emissions, and solar power generation data reported in the 2024 Integrated Report have been revised and restated in the 2025 Integrated Report following data validation. These revisions were made to improve accuracy and ensure consistency across reporting periods.

# CONSOLIDATED FINANCIAL STATEMENTS

# **Watania International Holding (PJSC)**

Consolidated financial statements  
For the year ended 31 December 2025

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## **Directors' report**

The directors submit their report on the audited consolidated financial statements for the year ended 31 December 2025.

### **Incorporation and registered offices**

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC)) (the "Company") was incorporated as a public joint stock company and obtained its commercial license on 23 July 2008 while commenced operations on 1 September 2008. The address of the Company's registered office is P.O. Box. 235353, Dubai, United Arab Emirates.

### **Principal activities**

The Company with its subsidiaries is collectively referred to as the "Group". The Group mainly issues long term and short term takaful contracts in connection with life and non-life takaful such as motor, marine, fire, engineering, medical and general accident risks (collectively known as general takaful). The Group also invests its funds in investment securities.

### **Financial position and results**

The financial position and results of the Group for the year ended 31 December 2025 are set out in the accompanying consolidated financial statements.

The Board of Directors have agreed to not to distribute dividends to its shareholders for the financial year ended on 31st December 2025. This decision is attributed to the following:

- Watania International Holding PJSC's earnings are primarily derived from its investment income and dividends received from its takaful operating subsidiaries, namely Watania Takaful General and Watania Takaful Family. During the year ended 31 December 2025, Watania Takaful Family continued its strong performance, while Watania Takaful General successfully turned around its financial performance and reported profits for the year. However, the payment of dividends to the holding company shareholders at this stage could place additional pressure on the solvency margins of the operating subsidiaries.
- The solvency position of the Group requires prudent capital allocation to support ongoing operations, strategic initiatives, and future growth plans. Accordingly, it is important to prioritize the retention of capital in order to strengthen financial resilience and ensure the long-term sustainability of the business.
- The decision regarding dividend distribution involves careful consideration of several factors, including regulatory requirements, operating conditions, financial liquidity, capital needs, and the overall economic environment. After evaluating these factors, the Board of Directors has concluded that declaring a dividend at this stage would not be prudent.
- The Board remains optimistic about the future prospects and performance of the Group and is committed to rewarding shareholders once the capital position and operating conditions allow for sustainable dividend distributions.

In light of the above considerations, the Board of Directors has decided to defer dividend distribution to the holding company shareholders for the current year, with the objective of preserving capital, strengthening the Group's financial position, and supporting its long-term growth strategy.

### Financial position and results (continued)

We assure you that this decision has been made after thorough deliberation and with utmost consideration for the interests of our shareholders and the long-term sustainability of our business. We remain committed to transparent communication and will continue to keep our shareholders informed of any developments pertinent to dividend distribution in the future.

### Directors

The following were the Directors of the Group for the year ended 31 December 2025:

Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman
Mr. Matar Hamdan Sultan Hamad Al Ameri	Vice Chairman
Dr. Mohamed Ali Al Barwani	Member
Eng. Usama Mohamed Al Barwani	Member
Mr. Abdallah Malek Osseiran	Member
Mr. Mohammed Nayel Rashed Al Nayeli Alshamsi	Member
Dr. Ghuwaya Mohammed Khuwaidem Al Neyadi	Member

### Auditors

The consolidated financial statements for the year ended 31 December 2025 have been audited by Deloitte & Touche (M.E.).

Approved by order of the Board of Directors on March 31, 2026.

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**Dr. Ali Saeed Bin Harmal Aldhaheri**  
Chairman

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**Mr. Gautam Datta**  
Chief Executive Officer

## INDEPENDENT AUDITOR'S REPORT

**To the shareholders of Watania International Holding (PJSC)  
Dubai  
United Arab Emirates**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of Watania International Holding (PJSC) (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the 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 ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current year. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

**INDEPENDENT AUDITOR’S REPORT**  
**To the shareholders of Watania International Holding (P.J.S.C) (continued)**

**Key audit matter (continued)**

Key audit matter	How our audit addressed the key audit matter
<p><b><i>Valuation of takaful contract liabilities</i></b></p> <p>As at 31 December 2025, takaful contract liabilities amounted to AED 889 million. AED 338 million of this amount is measured using the General Measurement Model (GMM) and AED 551 is measured using the Premium Allocation Approach (PAA).</p> <p>A key element of the valuation of takaful contract liabilities is the Present value of future cash flows (PVFCFs). The PVFCFs, a key element of which are the expected credit losses (ECL) on contribution receivables, are included in the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) for contracts measured under the General Measurement Model (GMM) and the LIC for contracts measured under the PAA. As at 31 December 2025 this amounted to a net liability of AED 689 million for takaful contracts issued.</p> <p>The determination of the PVFCFs represents the Group’s expectations regarding future cash outflows minus cash inflows that will arise as the entity fulfils takaful contracts and involves actuarial and ECL models and several assumptions made by management. Its accuracy is dependent on the input data being correct and requires management to apply significant judgements, make significant estimates and use actuarial models. The risk of error arises as a result of inappropriate choices of actuarial methodologies, techniques and assumptions. Management used an external actuary to assist them in the aforementioned determination.</p> <p>As a result of all the above factors, as well as the significant audit effort required, we consider the valuation of the PVFCFs included in the LRC and LIC for contracts measured under the GMM and the LIC for contracts measured under the PAA, as a key audit matter.</p>	<p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the process adopted by management to value the takaful contract liabilities;</li> <li>• Assessing the key controls related to the integrity of the data used in the process of valuation of the PVFCFs to determine if they had been appropriately designed and implemented;</li> <li>• Evaluating and testing the data used in the process of valuation of the PVFCFs;</li> <li>• Testing samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, re-takaful contracts etc;</li> <li>• Evaluating the objectivity, skills, qualifications and competence of the independent external actuary and reviewing the terms of the actuary’s engagement with the Group to determine if the scope of his work was sufficient for audit purposes.</li> <li>• With respect to the receivables’ impairment allowance, which is a component used in the determination of the PVFCFs, we: <ul style="list-style-type: none"> <li>- Evaluated and tested the data used in the impairment model calculations receivables for amounts due;</li> <li>- Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used with the assistance of our internal specialists; and</li> <li>- Evaluated and tested balances determined to be individually impaired</li> </ul> </li> </ul>

**INDEPENDENT AUDITOR’S REPORT**  
**To the shareholders of Watania International Holding (P.J.S.C) (continued)**

**Key audit matter (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Refer to the material accounting policy information note 3 for takaful contracts; note 4, which contains the disclosure of critical accounting judgements, estimates and assumptions relating to valuation of takaful contracts, note 9 which contains the disclosure of takaful contract liabilities and note 30 for takaful risk disclosures.</p>	<ul style="list-style-type: none"> <li>• With the assistance with our internal actuarial specialists, we:               <ul style="list-style-type: none"> <li>- Evaluated the Group’s actuarial practices and provisions established, including the actuarial report issued by management’s expert;</li> <li>- Assessed the calculation methods and the models applied in the valuation process;</li> <li>- Assessed the key actuarial assumptions such as loss ratios, claims development factors, mortality rates, lapse rates and discount rates;</li> <li>- Determined if the estimates applied in the current and prior year were consistent; and</li> <li>- Performed independent calculation of the present value of future cash flows for the Group’s contract liabilities portfolio and assessed management’s estimates.</li> </ul> </li> <li>• Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.</li> </ul>

**Other Matter**

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 19 March 2025.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Directors’ Report which we obtained prior to the date of this auditor’s report. The other information does not include the consolidated financial statements and our auditor’s report thereon.

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

**INDEPENDENT AUDITOR'S REPORT****To the shareholders of Watania International Holding (PJSC) (continued)****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 as issued by IASB and their preparation in compliance with UAE Federal Decree Law No. 32 of 2021, as amended, UAE federal decree law No. (6) 2025, and for such internal control as management determines is necessary to enable the preparation of 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 financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## INDEPENDENT AUDITOR'S REPORT

### To the shareholders of Watania International Holding (PJSC) (continued)

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the 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 consolidated financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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

Furthermore, as required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- i) We have obtained all the information we considered necessary for the purposes of our audit;
- ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended;
- iii) The Group has maintained proper books of account;
- iv) The financial information included in the Director's report is consistent with the books of account of the Group;
- v) Note 8 to the consolidated financial statements discloses the investments in securities as at 31 December 2025;
- vi) Note 23 to the consolidated financial statements discloses material related party transactions, and balances, and the terms under which they were conducted;
- vii) Note 21 to the consolidated financial statements discloses the social contributions made by the Group during the financial year ended 31 December 2025; and
- viii) 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 Federal Law No. 32 of 2021, as amended, or its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025.

## **INDEPENDENT AUDITOR'S REPORT** **To the shareholders of Watania International Holding (PJSC) (continued)**

### **Report On Other Legal And Regulatory Requirements (continued)**

Further, as required by 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.

**Deloitte & Touche (M.E.)**



**Firas Anabtawi**  
**Registration No.: 5482**  
**31 March 2026**  
**Dubai**  
**United Arab Emirates**

**Watania International Holding (PJSC)**  
**Consolidated statement of financial position**  
**As at 31 December 2025**

	Notes	2025 AED'000	Restated 2024 AED'000	Restated 2023 AED'000
<b>ASSETS</b>				
Investment properties	5	76,717	73,069	67,807
Property and equipment	6	10,706	14,676	15,131
Intangible assets	7	34,925	41,411	46,850
Investments at amortised cost	8	4,403	20,915	33,737
Investments at fair value through other comprehensive income (FVTOCI)	8	1,000	1,000	6,197
Investments at fair value through profit or loss (FVTPL)	8	563,695	476,205	427,521
Retakaful contract assets	9	247,356	298,256	103,519
Takaful contract assets	9	-	19	-
Trade and other receivables	10	47,835	52,924	65,153
Cash and cash equivalents	11	422,148	339,190	409,949
<b>TOTAL ASSETS</b>		<b>1,408,785</b>	<b>1,317,665</b>	<b>1,175,864</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	12	260,156	260,156	260,156
Statutory reserve	13	17,722	12,270	9,828
Restricted reserve	13	9,441	7,359	5,383
Cumulative change in fair value of securities		-	-	199
Accumulated losses		(18,430)	(45,256)	(50,609)
Treasury shares	13	(9,986)	(7,554)	-
Reserves for treasury shares	13	3,113	2,282	-
<b>TOTAL EQUITY</b>		<b>262,016</b>	<b>229,257</b>	<b>224,957</b>
<b>LIABILITIES</b>				
Employees' end of service benefits	14	17,377	20,025	19,893
Deferred tax liability	33	5,060	4,496	3,909
Lease liability		4,382	6,066	7,557
Takaful contract liabilities	9	888,824	915,716	719,128
Retakaful contract liabilities	9	79,969	51,833	53,171
Trade and other payables	15	48,737	41,374	72,499
Current tax liability	33	2,420	23	-
Borrowings	16	100,000	48,875	74,750
<b>TOTAL LIABILITIES</b>		<b>1,146,769</b>	<b>1,088,408</b>	<b>950,907</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,408,785</b>	<b>1,317,665</b>	<b>1,175,864</b>

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Group as off and for the periods presented therein.



**Dr. Ali Saeed Bin Harmal Aldhaheeri**  
**Chairman**



**Mr. Gautam Datta**  
**Chief Executive Officer**

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

**Watania International Holding (PJSC)**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2025**

	Notes	2025 AED'000	Restated 2024 AED'000
Takaful revenue	17	918,423	869,585
Takaful service expenses	18	(669,924)	(994,094)
<b>Takaful service result before retakaful contracts held</b>		<b>248,499</b>	<b>(124,509)</b>
Allocation of retakaful contributions	9	(373,336)	(358,251)
Amounts recoverable from retakaful for incurred claims	9	150,732	474,932
<b>Net (expense)/income from retakaful contracts held</b>		<b>(222,604)</b>	<b>116,681</b>
<b>Takaful service result</b>		<b>25,895</b>	<b>(7,828)</b>
Finance expenses for takaful contracts issued	19	(30,196)	(26,139)
Finance income for retakaful contracts held	19	14,532	5,030
<b>Takaful financial result</b>		<b>(15,664)</b>	<b>(21,109)</b>
<b>Net takaful income/(expense)</b>		<b>10,231</b>	<b>(28,937)</b>
Net fair value gain on assets held at FVTPL (unit-linked)		21,590	22,861
Investment income	20	37,670	36,293
<b>Total investment and other income</b>		<b>59,260</b>	<b>59,154</b>
<b>Net takaful and finance result</b>		<b>69,491</b>	<b>30,217</b>
General and administrative expenses	21	(23,164)	(19,880)
Amortisation of intangibles		(4,142)	(5,311)
Impairment of intangible assets		(1,276)	-
Finance cost		(5,931)	(4,680)
Other income		2,425	10,035
<b>Profit before tax for the year</b>		<b>37,403</b>	<b>10,381</b>
Income tax expense	33	(3,043)	(610)
<b>Profit after tax for the year</b>		<b>34,360</b>	<b>9,771</b>
<b>Other comprehensive loss</b>			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Unrealised loss on equity investments at FVTOCI		-	(199)
<b>Total comprehensive income for the year</b>		<b>34,360</b>	<b>9,572</b>
<b>Earnings per share (AED)</b>			
Basic and diluted	22	0.132	0.038

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

**Watania International Holding (PJSC)**  
**Consolidated statement of changes in equity**  
**For the year ended 31 December 2025**

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Cumulative change in fair value of securities AED'000	Accumulated losses AED'000	Reserve for treasury shares AED'000	Total AED'000
As at 1 January 2024 (As previously reported)	260,156	-	9,828	5,383	199	(45,972)	-	229,594
Prior year adjustment (note 34)	-	-	-	-	-	(4,637)	-	(4,637)
As at 1 January 2024 (restated)	260,156	-	9,828	5,383	199	(50,609)	-	224,957
Purchase of treasury shares (note 13)	-	(7,554)	-	-	-	-	2,282	(5,272)
Profit for the year (restated)	-	-	-	-	-	9,771	-	9,771
Other comprehensive loss for the year	-	-	-	-	(199)	-	-	(199)
Total comprehensive income for the year	-	-	-	-	(199)	9,771	-	9,572
Transfer to statutory reserve (note 13)	-	-	2,442	-	-	(2,442)	-	-
Transfer to restricted reserve (note 13)	-	-	-	1,976	-	(1,976)	-	-
Balance at 31 December 2024	260,156	(7,554)	12,270	7,359	-	(45,256)	2,282	229,257
As at 1 January 2025 (As previously reported)	260,156	(7,554)	12,621	7,359	-	(38,660)	2,282	236,204
Prior year adjustment (note 34)	-	-	(351)	-	-	(6,596)	-	(6,947)
As at 1 January 2025 (restated)	260,156	(7,554)	12,270	7,359	-	(45,256)	2,282	229,257
Purchase of treasury shares (note 13)	-	(2,432)	-	-	-	-	831	(1,601)
Profit for the year	-	-	-	-	-	34,360	-	34,360
Total comprehensive income for the year	-	-	-	-	-	34,360	-	34,360
Transfer to statutory reserve (note 13)	-	-	5,452	-	-	(5,452)	-	-
Transfer to restricted reserve (note 13)	-	-	-	2,082	-	(2,082)	-	-
<b>Balance at 31 December 2025</b>	<b>260,156</b>	<b>(9,986)</b>	<b>17,722</b>	<b>9,441</b>	<b>-</b>	<b>(18,430)</b>	<b>3,113</b>	<b>262,016</b>

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

**Watania International Holding (PJSC)**  
**Consolidated statement of cash flows**  
**For the year ended 31 December 2025**

	Notes	2025 AED'000	Restated 2024 AED'000
<b>Cash flows from operating activities</b>			
Profit for the year before tax		37,403	10,381
Adjustments for:			
Depreciation of property and equipment	6	2,949	3,444
Amortisation of intangible assets	7	6,839	8,095
Impairment of intangible assets		1,276	-
Write-off of fixed assets		488	(41)
Change in fair value of investment properties	5	(3,648)	(5,262)
Unrealised gain on sale of financial assets at FVTPL		(7,054)	(6,189)
Realised gain on sale of financial assets at FVTPL		(1,661)	(2,325)
Income from wakala deposits	19	(12,816)	(16,206)
Income from debt securities	19	(4,420)	(3,300)
Dividend income on securities	19	(3,571)	(1,915)
Rental income		(5,650)	(5,046)
Finance cost		5,931	4,680
Interest expense on lease liability		270	224
Allowance/(reversal) for expected credit losses	10	484	(1,469)
Provision for employees' end of service benefits	14	5,277	4,675
<b>Operating cash flows before changes in operating assets and liabilities</b>		<b>22,097</b>	<b>(10,254)</b>
Change in trade and other receivables		3,930	16,851
Change in retakaful contract assets and liabilities - net		79,036	(196,094)
Change in takaful contract assets and liabilities - net		(48,463)	173,727
Change in trade and other payables		7,363	(32,324)
<b>Net cash generated from/(used in) operations</b>		<b>63,963</b>	<b>(48,094)</b>
End of service benefits paid	14	(7,925)	(4,543)
Income tax paid	33	(82)	-
<b>Net cash generated from/(used in) operating activities</b>		<b>55,956</b>	<b>(52,637)</b>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	6	(891)	(3,030)
Proceeds from sale of fixed assets		-	82
Purchase of intangible assets	7	(205)	(2,656)
Purchase of investment securities	8	(220,852)	(146,187)
Proceeds from sale investment securities		163,666	128,872
IFRS 9 ECL impact		-	(16)
Proceeds from redemption of FVTOCI investments	8	-	4,998
Amortisation of premium for investments at amortized cost	8	-	(329)
Proceeds from redemption of investments at amortized cost		16,512	13,173
Income received on wakala deposits		13,321	17,729
Rental income received		3,007	2,112
Dividend received		5,198	1,907
Income received from sukuk		5,607	2,765
Change in investment in wakala deposits – net		(77,958)	115,520
<b>Net cash (used in)/generated from investing activities</b>		<b>(92,595)</b>	<b>134,940</b>

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

**Watania International Holding (PJSC)**  
**Consolidated statement of cash flows (continued)**  
**For the year ended 31 December 2025**

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	Notes	2025 AED'000	Restated 2024 AED'000
<b>Cash flows from financing activities</b>			
Repayment of lease liability		(1,684)	(1,491)
Payment of finance lease		(270)	(224)
Issuance of treasury shares	13	(1,601)	(5,272)
Finance costs paid		(5,931)	(4,680)
Net movement of borrowings	16	51,125	(25,875)
<b>Net cash generated from/(used in) financing activities</b>		<b>41,639</b>	<b>(37,542)</b>
<b>Net change in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of year		123,111	78,350
<b>Cash and cash equivalents at the end of the year</b>	11	<b>128,111</b>	<b>123,111</b>

The accompanying notes 1 to 36 form an integral part of these consolidated financial statements.

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**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025**

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**1. Legal status and activities**

Watania International Holding (PJSC) (the “Company”) was incorporated as a public joint stock company. During the year 2023, the Company’s insurance license has been cancelled as it will be an investment holding company and changed its name from Dar Al Takaful (PJSC) to Watania International Holding (PJSC). The address of the Company is P.O. Box 235353, Dubai, United Arab Emirates. The Company’s ordinary shares are listed on the Dubai Financial Market (“DFM”), United Arab Emirates.

The Company obtained its commercial license on 23 July 2008 and commenced operations on 1 September 2008.

The primary activity of the company includes investment in subsidiaries and securities such as agricultural, commercial, educational, energy, industrial, technological, and tourist enterprises & management, outer space projects, health care, sports, and water enterprises & development, oil & natural gas projects.

The Company with its subsidiaries is collectively referred to as the “Group” in these consolidated financial statements. At 31 December 2025, the Company had the following subsidiaries:

Name of subsidiary	Proportion of ownership interest		Principal activities
	2025	2024	
Watania Takaful Family (PJSC)	100%	100%	Family takaful and retakaful activities
Watania Takaful General (PJSC)	100%	100%	General takaful and retakaful activities

The consolidated financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021, as amended.

On 8 September 2025, the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business was issued and came into effect on 16 September 2025 which repealed the UAE Federal Law No. 14 of 2018 and UAE Federal Law No. 48 of 2023. The Group must within a period not exceeding one year from the date of the enforcement of its provisions from 16 September 2025 (“the transitional period”) comply with the provisions of the UAE Federal Decree Law No. (6) of 2025.

**2 Application of new and revised IFRS Accounting Standards (IFRSs)**

**2.1 New and revised IFRSs applied with no material effect on the financial statements**

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

**Amendment to IAS 21— Lack of Exchangeability**

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify 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 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.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**2 Application of new and revised IFRS Accounting Standards (IFRSs) (continued)**

**2.2 New and revised IFRS in issue but not yet effective and not early adopted**

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
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<i>IFRS 18 Presentation and Disclosures in Financial Statements</i>	1 January 2027
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IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the Notes to the condensed interim financial statements
- improve aggregation and disaggregation.

<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**2 Application of new and revised IFRS Accounting Standards (IFRSs) (continued)**

**2.2 New and revised IFRS in issue but not yet effective (continued)**

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
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*IFRS 19 Subsidiaries without Public Accountability: Disclosures* (continued)

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

*Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments* 1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.

*Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity* 1 January 2026

The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.

*Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)* 1 January 2027

The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**2 Application of new and revised IFRS Accounting Standards (IFRSs) (continued)**

**2.2 New and revised IFRS in issue but not yet effective (continued)**

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>Annual improvements to IFRS Accounting Standards — Volume 11</i>	1 January 2026

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a 'de facto agent'
- IAS 7: Cost method

***IFRS Sustainability Disclosure Standards***

<i>IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information</i>	Effective date not yet decided by the regulator in the United Arab Emirates
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IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

<i>IFRS S2 Climate-related Disclosures</i>	Effective date not yet decided by the regulator in the United Arab Emirates
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IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material Accounting Policy Information**

**Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of UAE Federal Law No. (32) of 2021, as amended, relating to commercial companies and the UAE Federal Decree-Law No. (6) of 2025. These consolidated financial statements are prepared in UAE Dirhams (“AED”).

**Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, financial assets carried at fair value through profit or loss and financial assets carried at fair value through other comprehensive income which are carried at fair value, takaful and retakaful contract assets and liabilities which are measured at the present value of their fulfilment cash flows and their contractual service margin (if any) and the provision for employees’ end of service indemnity which is measured in accordance with U.A.E labour laws.

The Group’s consolidated statement of financial position is not presented using a current/non-current classification. However, the following balances would generally be classified as current: Cash and cash equivalents, trade and other receivables, trade and other payables and current tax liability. The following balances would generally be classified as non-current: investment properties, property and equipment, intangible assets, investments at fair value through other comprehensive income, provision for employees’ end of service, deferred tax liability and. The following balances are of mixed nature (including both current and non-current portions): investments at fair value through profit or loss, investments at amortised cost, retakaful contract assets and liabilities, takaful contract assets and liabilities, lease liability, and borrowings.

**Basis of consolidation**

The consolidated financial statements comprise the consolidated financial statements of the Company and all of its subsidiaries as of 31 December 2025. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Changes in the group ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts**

IFRS 17 (the “Standard”) establishes principles for the recognition, measurement, presentation, and disclosure of takaful contracts, retakaful contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Group’s estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Under IFRS 17, takaful revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of contributions that relate to recovering takaful acquisition cash flows. In addition, investment components are no longer included in takaful revenue and takaful service expenses. The Group assesses whether takaful and retakaful contracts contain components that are required to be separated from the host takaful contract, including investment components, embedded derivatives or distinct service components. Investment components identified within contracts are excluded from takaful revenue and takaful service expenses. Based on this assessment, the Group has not identified any embedded derivatives or distinct service components requiring separation.

The Group applies PAA to simplify the measurement of contracts in the non-family and group family takaful segment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows and includes an explicit risk adjustment for non-financial risk. For individual life takaful contracts, the Group has applied the General Measurement Model (GMM) and Variable Fee Approach (VFA), as applicable.

**Recognition**

Recognition requirements are slightly different for issued takaful contracts and held Retakaful contracts. For groups of issued takaful contracts, a group should be recognised at the earliest of the following:

- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; or if there is no contractual due date, when it is received from the policyholder and
- For a group of onerous contracts when the group becomes onerous.

Retakaful contracts held by an entity are recognised on the earlier of:

- Beginning of the coverage period of the group of retakaful contracts held; and
- Date the entity recognises an onerous group of underlying takaful contracts provided the retakaful contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional retakaful contracts held shall be delayed until the recognition of the first underlying contract issued under that retakaful contract.

**Level of Aggregation**

Level of aggregation relates to the unit of account under IFRS 17. The unit of account under IFRS 17 is referred to as a ‘Group of Contracts’ and requirements relating to level of aggregation define how groups of contracts have to be determined.

The Standard has set out the following three requirements to determine a group of contracts:

- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped.
- Cohorts – contracts from 1<sup>st</sup> January to 31<sup>st</sup> December based on issue date are combined into annual cohorts.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Level of Aggregation (continued)**

For this purpose, the Standard has mandated at least the following three classifications however it is permitted to use more granular classifications:

- Contracts that are onerous at inception;
- Contracts that are not onerous and have no significant possibility of becoming onerous; and
- All other contracts.

Retakaful portfolios are divided into:

- Group of contracts on which there is a net gain on initial recognition
- Group of contracts that have no significant possibility of a net gain arising subsequent to initial recognition
- Group of the remaining contracts

**Cohorts**

Contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed. The Group has used this simplification while calculating the transition impact of its individual life contracts using fair value approach.

A unique combination of the above three requirements forms a group of contracts i.e., contracts with same portfolio, same expected profitability and issued in the same year can be grouped together. This grouping is permanent and cannot be changed once assigned, regardless of how the actual experience emerges after initial recognition. For instance, as experience emerges an entity may realise that a contract which was thought to be onerous at initial recognition is not onerous, but the grouping will not be changed.

The Group includes in the measurement of a group of takaful contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of a takaful 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 contributions, or in which the Group has a substantive obligation to provide the policyholder with takaful contract services. A substantive obligation to provide takaful 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:
  - The Group has the practical ability to reassess the risks of the portfolio of takaful 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
  - The pricing of the contributions up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

For retakaful contracts, 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 ends 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

**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Measurement Models (continued)**

Measurement model, in rudimentary terms, refers to the basis or a set of methodologies for the computation of takaful contract assets and liabilities and associated revenues and expenses. IFRS 17 has provided the following three measurement models:

**Premium Allocation Approach (“PAA”)**

PAA is an optional simplification that an entity can apply to contracts that have a coverage period of up to 12 months or to contracts for which it can demonstrate that the liability for remaining coverage will not be materially different under PAA and GMM. In terms of computations, the major simplification relates to LRC.

Under PAA, it is not required to consider each component of the contribution separately, instead, a single liability can be set up. The components of liability under PAA as at any valuation date can be summarised as follows:

Liability for Remaining Coverage (“LRC”)

- Excluding Loss Component
- Loss Component, if any

Liability for Incurred Claims (“LIC”)

- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows

All the Group’s short-term business is eligible for this simplification and the Group has adopted this simplification for the eligible business. Under PAA, loss component and claim reserves requires an explicit provision of risk adjustment, this would increase the liabilities whereas discounting will generally decrease the liabilities. Contracts with coverage of less than one year were automatically recognised under PAA. For contracts where the coverage period exceeds one year, the Group performed a PAA eligibility test.

**Initial measurement**

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

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

### **3 Material accounting policy information (continued)**

#### **Measurement Models (continued)**

##### **Premium Allocation Approach (“PAA”) (continued)**

The Company measures its retakaful assets for a group of retakaful contracts that it holds on the same basis as takaful contracts that it issues. However, they are adapted to reflect the features of retakaful contracts held that differ from takaful contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

##### **Subsequent measurement**

The Company measures the carrying amount of the liability for remaining coverage, under PAA, at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus contributions received in the period
- Minus takaful acquisition cash flows, with the exception of property takaful product line for which the entity chooses to expense takaful acquisition cash flows as they occur
- Plus any amounts relating to the amortisation of the takaful acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as takaful revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims ”
- The subsequent measurement of retakaful contracts held follows the same principles as those for takaful contracts issued and has been adapted to reflect the specific features of retakaful held.

##### **Contracts not measured under Premium Allocation Approach (“PAA”)**

GMM is the default measurement model and is applied to all contracts to which Premium Allocation Approach (“PAA”) and Variable Fee Approach (“VFA”) are not applied. GMM is based on the premise that contributions (or considerations) for takaful contracts comprises of certain components (such as claims, expenses, and profits) and that each component needs to be considered according to its nature. The liability under GMM as at any valuation date comprises of the following:

##### **Liability for Remaining Coverage (“LRC”)**

- Estimates of future cashflows;
- Risk adjustment;
- Discounting of estimates of future cashflows; and
- Contractual Service Margin (“CSM”).

##### **Liability for Incurred Claims (“LIC”)**

- Estimates of future cashflows;
- Risk adjustment; and
- Discounting of estimates of future cashflows.

VFA is a mandatory modification to contracts with direct participation features. A contract is a contract with direct participation feature if it meets all three of the following requirements:

- Contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Measurement Models (continued)**

**Contracts not measured under Premium Allocation Approach (“PAA”) (continued)**

The components of the liability under VFA are same as GMM and their calculations are quite similar too except for the computation of CSM. Under VFA, CSM calculations reflect the variability related to underlying items, but GMM does not reflect this variability. Similarly, there are some other aspects related to financial risk that impact the CSM under VFA but, not under GMM.

Above, the measurement models have been discussed in terms of takaful contract issued and associated liabilities, but same principles are applicable to retakaful contract held and associated assets (except for VFA). Similarly, both LRC and LIC components are mentioned, however, at initial recognition only LRC will be applicable.

Estimates of future cashflows, risk adjustment and discounting are collectively referred to as the Fulfilment Cashflows (“FCF”). In terms of revenues and expense GMM and VFA are quite similar, however, a significant difference exists between GMM/VFA and PAA.

The revenues under GMM and VFA show each component of the contribution separately (such as expected claims and expenses) whereas under PAA, the revenue shows just an aggregate amount.

Group’s unit-linked business is measured using VFA, all other long-term business is measured using GMM. There are fundamental differences between GMM/VFA and the current methodologies for the long-term business. The key differences are discussed below:

- Under IFRS 17 assets or liabilities will be determined using gross contribution calculations as opposed to risk contribution calculations. This implies that under IFRS 17 all components of assets or liabilities such as expenses or profits will be computed explicitly. This also implies that expenses or costs that occur only at the start will be deferred implicitly. The impact of this difference cannot be generalised as it depends on whether the implicit margins within risk-contribution based calculations are higher or lower than those required in gross-contribution based calculations.
- Similar to PAA, GMM and VFA also require an explicit risk adjustment. Risk adjustment is a new requirement, and it does not exist under the current standard. Risk adjustment will increase the liabilities for takaful contracts issued and increases the asset for the retakaful contracts held.
- IFRS 17 also introduces substantial changes to the pattern in which profits are recognised for long-term contracts it requires that the profits to be recognised in relation to the service provided. The new standard introduces a new measure, ‘coverage units’, to quantify the services provided in any period. Given that single contribution contracts recognise all expected profits at the start of the coverage whereas services are provided throughout that coverage period, it is expected that under IFRS 17 profit recognition for single contribution contracts will be delayed and therefore the net liabilities will increase because of this requirement. Similarly, for limited-payment plans, all expected profits are recognised by the end of the payment term and therefore the profits for these will also be relatively delayed in IFRS 17. The impact for regular payment plans will depend on how close the service pattern is to the one currently implied under the plans.
- The definition of revenue under GMM and VFA is quite different for long-term contracts. Under IFRS 17 revenue (or consideration) is more direct and separately includes each component of the contribution (i.e., expected claims and expenses and the portion of the profits relating to the period).

**Estimates of Future Cashflows**

The Standard requires that future cashflows should be estimated till the end of the contract boundary. End of contract boundary is defined as the point at which an entity can either reassess the risk or consideration i.e., contribution. The Standard does not provide the methodology for the estimation of future cashflows however, it does provide detailed guidance on the cashflows that are within and beyond the contract boundary. It also provides certain principles in relation to the estimates of future cashflows.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

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:

- Contributions and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of takaful 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 takaful contracts
- Transaction-based taxes

The measurement of retakaful contracts held follows the same principles as those for takaful contracts issued, with the exception of the measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes.

**Risk Adjustment**

Risk adjustment reflects the compensation that an entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. For retakaful contracts, the risk adjustment for non-financial risk represents the amount of risk being transferred to the reinsurer. Risk adjustment does not consider financial risk. The Standard does not set out the methodology for the computation of risk adjustment, but it has provided certain principles.

**Discounting**

The Standard requires the estimates of future cashflows should be discounted to reflect the effect of time value of money and financial risks. Similar to other provisions, it does not specify a methodology for discounting or the derivation of discount rates however, it sets out certain principles. The Standard recognises the following two approaches for the derivation of the discount rates:

- Bottom-Up: An approach where a risk-free rate or yield curve is used and an illiquidity contribution is added to reflect the characteristics of the cashflows.
- Top-Down: An approach where the expected yield on a reference portfolio is used and adjustments are applied to reflect the differences between the liability cashflow characteristics and the characteristics of the reference portfolio.

For cashflows that are linked to the underlying items for contracts with direct participation features, the discount rates must be consistent with other estimates used to measure takaful contracts. The above two approaches may have to be adjusted to reflect the variability in the underlying items for such cashflows. The Group has adopted the Bottom-Up approach.

**Contractual Service Margin ("CSM")**

Contractual Service Margin (CSM) represents the unearned profit the entity will recognise as it provides takaful contract services in the future.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Initial measurement**

“The Group measures the contractual service margin on initial recognition of a group of takaful contracts at an amount that results in no income or expenses arising from:

- i) The initial recognition of an amount for the fulfilment cashflows;
- ii) Any cash flows arising from the contracts in the group at that date;
- iii) The derecognition at the date of initial recognition of any asset for takaful acquisition cash flows or any other asset or liability previously recognised for cash flows relating to the group of contracts unless the group of contracts is onerous at initial recognition.

For retakaful contracts, an entity recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to statement of comprehensive income as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

**Subsequent measurement**

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

For a group of takaful 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
- 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 takaful revenue because of the transfer of takaful 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.

**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

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 contribution receipts (and any related cash flows such as takaful acquisition cash flows and takaful premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to contributions received (or due) related to current or past services are recognised immediately in statement of comprehensive income while differences related to contributions 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, except those relating to the time value of money and changes in financial risk (recognised in the statement of 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 takaful finance income or expenses related to that expected payment before it becomes payable. The same applies to a policyholder loan that becomes repayable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

The measurement of retakaful contracts held follows the same principles as those for takaful contracts issued, with the exception of changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in statement of comprehensive income. Alternatively, changes in the fulfilment cash flows adjust the CSM. A portion of CSM is released to profit and loss as revenue in every period using coverage units, which are determined based on the quantity of benefits provided under the contracts and the expected coverage period over which takaful services are provided.

**Onerous Contracts and Loss Components**

When a group of contracts, whether at initial recognition or subsequently, is or becomes onerous, a loss component liability must be maintained. Under GMM and VFA this liability is implicitly included in the FCFs for LRC but for PAA an explicit loss component over the base LRC must be computed and set aside.

Where the Group recognises a loss on initial recognition of an onerous group of underlying takaful contracts or when further onerous underlying takaful contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of retakaful contracts held depicting the recovery of losses. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Key Accounting Policy Choices**

The Group derecognises takaful 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, substantially changes the contract boundary, or requires the modified contract to be included in a different group. 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.

IFRS 17 requires Group to make various accounting policy choices. The key accounting policy choices made by the Group are described below:

Accounting Policy	Group Decision
Level of Aggregation – Adopting more granular profitability classification	<p>For short term contracts, the Group has decided profitability based on the following criteria:</p> <ul style="list-style-type: none"> <li>• If the normalised and risk adjusted combined ratio is greater than 100%, tag the cluster as “onerous”.</li> <li>• If the normalised and risk adjusted combined ratio is less than 95%, tag the cluster as “non-onerous”.</li> <li>• All other clusters will be tagged as “remaining”.</li> </ul> <p>For individual life long-term contracts, the following approach will be used to determine profitability:</p> <ul style="list-style-type: none"> <li>• If a LC is produced, the policy will be categorised as onerous.</li> <li>• If a CSM is produced, the following should be tested: <ul style="list-style-type: none"> <li>i. If CSM/PV(Contributions) is greater than or equal to the 5%, tag the policy as non-onerous.</li> <li>ii. If CSM/PV(Contributions) is less than 5%, tag the policy as remaining.</li> </ul> </li> </ul>
Level of Aggregation – Adopting more granular cohort	The Group has decided to use annual cohorts for all portfolios and define the year from 1st January to 31st December.
PAA – Deferring takaful acquisition cashflows	The Group has decided to continue deferring takaful acquisition cashflows under IFRS 17.
PAA – Discounting LIC	Since there are a significant number of claims that are expected to be paid in more than one year, the Group has decided to discount LIC for all its group of contracts.
Profit Accretion – OCI Option	The Group has decided to not disaggregate the difference between profit and loss and other comprehensive income.

**Assumptions**

While requirements relating to assumptions are within the requirements relating to measurement models, some aspects of the assumptions have been presented separately in this section due to their significance. IFRS 17, unlike IFRS 4, sets out detailed guidance on the basis to derive the assumptions (underlying the calculations of takaful and retakaful contract assets and liabilities and associated revenues and expenses).

The key assumptions are provided below:

- IFRS 17 requires separate estimation of a best estimate liability and an explicit risk adjustment.
- Financial variables (such as discount rates) must be market consistent.

**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Presentation and disclosures**

IFRS 17 also contains comprehensive requirements related to presentation and disclosures. One of the key requirements is the presentation of revenue. For contracts under GMM and VFA, contributions will not be presented as revenues instead each component of the contribution (such as expected claims and expenses) will be shown separately. Another key requirement relates to the presentation of retakaful contracts held.

In addition to the above requirements, the new standard also introduces various new disclosures related to the takaful and retakaful contract assets and liabilities and associated revenues and expenses including the disaggregation of takaful contract assets and liabilities and retakaful contract assets and liabilities.

**Takaful revenue**

For takaful contracts measured under the premium allocation approach, the takaful revenue for each period is the amount of expected contribution receipts for providing coverage in the period. The Group allocates the expected contribution receipts to each period on the passage of time for all groups of contracts, except for longer term policies. Such contracts were recognized to have a significant financing component and in line with IFRS 17 standard interest accretion was applied to these contracts, but the impact of earned interest was taken as part of the takaful finance expense. For such contracts the Group has included changes in discount rates and other financial changes in profit or loss.

For takaful contracts measured under the general measurement model and the variable fee approach, takaful revenue includes claims and other directly attributable expenses as expected at the beginning of the reporting period, changes in the risk adjustment for non-financial risk, amounts of the CSM recognized for the services provided in the period, experience adjustments arising from contributions received in the period other than those that relate to future service and other amounts, including any other pre-recognition cash flows assets derecognized at the date of initial recognition.

Takaful revenue is adjusted to allow for policyholders' default on future contributions. The default probability is derived from the expected loss model prescribed under IFRS 9.

**Takaful service expenses**

Takaful service expenses include the following:

1. incurred claims for the period.
2. other incurred directly attributable expenses.
3. Takaful acquisition cash flows amortization.
4. changes that relate to past service – changes in the FCF relating to the LIC.
5. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses.

For contracts measured under the PAA, amortization of takaful acquisition cash flows is based on the passage of time for all groups of contracts regardless of the total coverage period of the contracts.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Net expenses from retakaful contracts**

The Group recognizes retakaful expenses as it receives coverage or other services under groups of retakaful contracts. The Group presents financial performance of groups of retakaful contracts held separately between the amounts recoverable from reinsurers and allocation of the contributions for retakaful contracts held, comprising the following amounts:

1. retakaful expenses;
2. incurred claims recovery;
3. other incurred directly attributable retakaful service expenses;
4. effect of changes in risk of retakaful non-performance;
5. for contracts measured under the GMM, changes that relate to future service (i.e. changes in the FCF that do not adjust the CSM for the Group of underlying takaful contracts); and
6. changes relating to past service (i.e. adjustments to incurred claims).

Income and expenses from retakaful contracts are presented separately from income and expenses from takaful contracts. Income and expenses from retakaful contracts, other than takaful finance income or expenses, are also presented separately in the takaful service result.

For contracts measured under the PAA, the Group recognizes retakaful expenses based on the passage of time over the coverage period of a group of contracts except for longer term policies. For such contracts, the recognition of retakaful expense followed the same principles as presented for the underlying takaful revenue.

For contracts not measured under the PAA, retakaful expenses comprise the following amounts relating to changes in the remaining coverage:

1. Takaful claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
2. changes in the risk adjustment for non-financial risk, excluding: - changes included in finance income (expenses) from retakaful contracts held; and – changes that relate to future coverage (which adjust the CSM);
3. amounts of the CSM recognized in statement of income for the services received in the period;
4. ceded contribution experience adjustments relating to past and current service: and
5. interest accreted on the LIC;

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding contributions and are accounted for as part of retakaful expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

**Takaful finance income and expenses**

Takaful finance income and expenses comprise changes in the carrying amounts of groups of Takaful and retakaful contracts arising from the effects of the time value of money, financial risk, and changes therein.

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

- the effect of changes in interest rates and other financial assumptions.

For contracts measured under the GMM, the main amounts within takaful finance income or expenses are:

1. interest accreted on the FCF and the CSM;
2. the effect of changes in interest rates and other financial assumptions; and
3. foreign exchange differences arising from contracts denominated in a foreign currency.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 17 Insurance Contracts (continued)**

**Takaful finance income and expenses (continued)**

For contracts measured under the VFA, the main amounts within takaful finance income or expenses are:

1. changes in the fair value of underlying items;
2. interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
3. the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.

**IFRS 9 Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

**Financial instruments**

**Recognition, initial measurement and derecognition**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

**Classification and subsequent measurement of financial assets**

For the purposes of subsequent measurement, the Group classifies its financial assets into the following categories:

**i) Financial assets at amortised cost**

Financial assets at amortised cost are those financial assets for which:

- the Group's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective funding cost method, less provision for impairment. Discounting is omitted where the effect is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Financial assets at amortised cost comprise of investments at amortised cost, cash and cash equivalents, statutory deposits and most other receivables.

**ii) Financial assets at fair value through other comprehensive income ('FVTOCI')**

Investments in equity securities are classified as FVTOCI. At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to income statement but is reclassified to retained earnings.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**IFRS 9 Financial Instruments (continued)**

**iii) Financial assets at fair value through profit and loss ('FVTPL')**

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of income.

Dividend income on investments in equity instruments at FVTPL is recognised in statement of income when the Group's right to receive the dividends is established.

**Derecognition of financial assets**

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

**Financial assets for participants**

Financial assets for participants are designated at fair value through profit or loss at inception as these are held in external funds to match takaful and investment contract liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

**Business combinations and goodwill**

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

For common control transactions in which all the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory, the Group recognises the difference between purchase consideration and carrying amount of net assets of acquired entities or businesses as an adjustment to equity. This accounting treatment is also applied to later acquisition of some or all shares of the non-controlling interests in a subsidiary.

**Bonus reserve**

The Reserve for the up-front Bonus for applicable savings plans is based on two different vesting periods. A four-year vesting period applies on policies issued before October 2016. A maturity vesting period applies on policies issued after October 2016.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**Property and equipment**

Property and equipment, including owner-occupied property, is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Capital work-in-progress (CWIP) is not depreciated.

Depreciation is provided on a straight-line basis over the useful lives of the following classes of assets:

Building	40 years
Leasehold improvement	5-10 years
Furniture and fixtures	4-5 years
Office equipment	3-5 years
Vehicles	5 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate at each financial year end.

An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of income in the year the asset is derecognised.

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 replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenditure is recognised in the consolidated statement of income as the expense is incurred.

**Leases**

The right-to-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus as initial direct costs incurred. The right-to-use is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

The estimated useful life of the right-to-use asset is determined on the same basis as those of property and equipment. In addition, the right-to-use is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

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

The lease liability is measured at amortised cost using the effective funding cost method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the profit or loss if the carrying amount of the right-to-use asset has been reduced to zero. The Group presents right-to-use assets that do not meet the definition of investment property in 'Property and equipment' and the lease liabilities as a separate item in the statement of financial position.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income. The following estimated useful lives are applied:

Distribution network	15 years
Non-life takaful contracts	5 months
Customer relationships	4.5 – 5 years
Software	3 – 4 years

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

**Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by two independent surveyors annually.

**Revenue recognition (other than takaful income)**

**Investment income**

Profit income is recognised on an accrual basis taking into account effective funding cost rates on the instrument, on a time proportionate basis when it becomes receivable.

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

Dividend income is recognised when the right to receive payment is established.

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

**3. Material accounting policy information (continued)**

**Employee benefits**

**Short-term employee benefits**

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

**Provision for employees' end of service benefits**

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities. The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

**Foreign currency transactions**

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

**Impairment of non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

**Short term operating leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

**Segment reporting**

Under IFRS 8 “Operating Segments”, reported segments’ profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Group for segment reporting under IFRS 8 are the same as those used in its consolidated financial statements.

**Taxes**

**Tax Group and tax sharing mechanism**

The Group has been approved by the Federal Tax Authority (“FTA”) as a Corporate Tax Group. Accordingly, the Corporate Tax liability for the tax group is assessed on a consolidated basis. Where a member of the tax group incurs a taxable loss for a financial year, such loss may be offset against the taxable profits of other group members in accordance with UAE Corporate Tax legislation. The allocation of group tax benefits and liabilities among group entities is governed by a tax sharing arrangement, which inter alia provides the following:

- group tax losses and the basic exemption limit are allocated to profitable entities in proportion to their respective taxable incomes for the relevant period; and
- any unutilised losses remain with the loss making entity and are carried forward in accordance with applicable tax regulations.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**Taxes (continued)**

**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 profit or loss. 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**

As per IAS 12 - 'Income Taxes', deferred tax is the amount of taxes expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements (from applying IFRS Standards) and the corresponding amounts attributed to those assets and liabilities for tax purposes i.e. the tax bases used in the computation of taxable income.

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, associates 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 utilised.

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.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

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**3. Material accounting policy information (continued)**

**Taxes (continued)**

**Deferred tax (continued)**

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.

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.

**4. Critical accounting estimates and judgements in applying accounting policies**

In the application of the Group's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

*Coverage units and CSM amortisation*

The determination and application of coverage units used for the amortisation of the Contractual Service Margin (CSM) involves significant judgement. Management determines coverage units based on the quantity of benefits provided under the contracts and the expected coverage period over which takaful services are provided. The CSM is recognised in profit or loss in line with the pattern of takaful services provided.

*Liability for incurred claims*

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder, Bornheutter-Ferguson and per member per month cost methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios.

Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**4. Critical accounting estimates and judgements in applying accounting policies (continued)**

*Liability for incurred claims (continued)*

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g. to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in profit rates, delays in settlement and changes in foreign currency exchange rates.

*Discount rates*

The bottom-up approach is used to derive the discount rate for all contracts within the scope of IFRS 17, where applicable. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in the liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cashflows (known as an 'illiquidity premium'). Risk free rates are determined by reference to the USD risk free yield curves. The illiquidity premium is determined based on actuarial judgment and in line with market benchmarks.

Discount rates applied for discounting of future cash flows are listed below:

	<b>1 year</b>		<b>3 years</b>		<b>5 years</b>		<b>10 years</b>	
	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
Takaful contracts issued	<b>3.93%</b>	4.68%	<b>3.84%</b>	4.56%	<b>3.97%</b>	4.52%	<b>4.34%</b>	4.57%
Retakaful contracts issued	<b>3.93%</b>	4.68%	<b>3.84%</b>	4.56%	<b>3.97%</b>	4.52%	<b>4.34%</b>	4.57%

*Risk adjustment for non-financial risk*

For contracts measured under the PAA, the Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach (using Over Dispersed Poisson methodology) at the 65th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 65th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. 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.

For individual life business, the Group has used a cost of capital approach at the 75<sup>th</sup> percentile.

*Fair value judgement on investment properties*

Fair value of investment property is estimated by two independent professional valuers for disclosure purposes only, considering the rental yield (income approach). This estimate was made considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

*Fair value of unquoted financial assets at fair value through profit or loss*

The fair value of unquoted financial assets carried at fair value through profit or loss is based on the periodic valuations by fund managers and represents the net asset value of the funds at the date of valuation and the fair value of quoted financial assets securities carried at fair value through profit or loss is based on quoted prices in active markets. Fair value of unquoted securities has been determined by the management based on Net Assets Value techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees. Actual results may substantially be different.

**Watania International Holding (PJSC)**  
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**4. Critical accounting estimates and judgements in applying accounting policies (continued)**

*Expected credit losses*

Management reviews the provision for doubtful debts at each reporting date by assessing the recoverability of takaful and retakaful receivables. For non-takaful receivables the recoverability is assessed, and expected credit losses are created in compliance with the simplified approach under the IFRS 9 methodology.

*Classification of investments*

Management decides on acquisition of an investment whether it should be classified as FVTOCI, FVTPL or, Investments at amortised cost.

Equity instruments are classified as FVOCI securities when they are considered by management to be strategic equity investments that are not held to benefit from changes in their fair value and are not held for trading. Management is satisfied that the Group's investments in securities are appropriately classified.

*Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**5. Investment properties**

	2025 AED'000	2024 AED'000
Balance at 1 January	73,069	67,807
Gain on fair value during the year (note 20)	3,648	5,262
Balance at 31 December	<u>76,717</u>	<u>73,069</u>

The investment properties represent the fair value of the properties located in U.A.E.

The fair value of the Group's investment properties as at 31 December 2025 and 2024 has been arrived at on the basis of valuations carried on the respective dates by two independent valuers who are not related to the Group and have appropriate qualification and recent market experience in the valuation of properties in the United Arab Emirates. The fair value is mainly based on unobservable inputs (i.e. Level 3).

The fair value was determined based on the income capitalisation approach and market comparable approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

The property rental income earned by the Group from its investment properties which are leased under operating leases and the direct operating expenses arising in the management of investment properties were as follows:

	2025 AED'000	2024 AED'000
Rental income	5,650	5,046
Direct operating expenses	(756)	(2,372)
Income from investment property (note 20)	<u>4,894</u>	<u>2,674</u>

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**6. Property and equipment**

2025	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Vehicles AED'000	Capital work in progress AED'000	Right to use assets AED'000	Total AED'000
<b>Cost</b>							
At 1 January	7,773	8,860	9,343	1,162	2,396	7,161	36,695
Additions	-	8	8	-	875	-	891
Transfers	-	-	-	-	(1,424)	-	(1,424)
Disposal/ write-off	(201)	-	-	-	(350)	-	(551)
At 31 December	7,572	8,868	9,351	1,162	1,497	7,161	35,611
<b>Accumulated depreciation</b>							
At 1 January	2,113	8,340	8,700	1,162	26	1,678	22,019
Charge for the year	834	114	493	-	-	1,508	2,949
Disposal/ write-off	(63)	-	-	-	-	-	(63)
At 31 December	2,884	8,454	9,193	1,162	26	3,186	24,905
<b>Carrying amount</b>							
At 31 December 2025	4,688	414	158	-	1,471	3,975	10,706

**Watania International Holding (PJSC)**  
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**For the year ended 31 December 2025 (continued)**

**6. Property and equipment (continued)**

2024	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Vehicles AED'000	Capital work in progress AED'000	Right to use assets AED'000	Total AED'000
Cost							
At 1 January	6,983	8,719	8,918	1,162	908	7,161	33,851
Additions	309	124	310	-	2,823	-	3,566
Transfers	-	-	301	-	(837)	-	(536)
Transfer from capital work in progress	481	17	-	-	(498)	-	-
Disposal/ write-off	-	-	(186)	-	-	-	(186)
At 31 December	7,773	8,860	9,343	1,162	2,396	7,161	36,695
Accumulated depreciation							
At 1 January	1,263	8,220	7,950	1,162	26	99	18,720
Charge for the year	850	120	895	-	-	1,579	3,444
Disposal/ write-off	-	-	(145)	-	-	-	(145)
At 31 December	2,113	8,340	8,700	1,162	26	1,678	22,019
Carrying amount							
At 31 December 2024	5,660	520	643	-	2,370	5,483	14,676

**Watania International Holding (PJSC)**  
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**7. Intangible assets**

2025	Trade name AED'000	Distribution network AED'000	Life takaful contracts AED'000	Non-life takaful contracts AED'000	Customer relationships AED'000	Software AED'000	Total AED'000
<b>Cost</b>							
At 1 January, restated	6,092	30,437	-	3,339	25,514	23,401	88,783
Additions during the year	-	-	-	-	-	205	205
Transfers during the year	-	-	-	-	-	1,424	1,424
31 December	<b>6,092</b>	<b>30,437</b>	<b>-</b>	<b>3,339</b>	<b>25,514</b>	<b>25,030</b>	<b>90,412</b>
<b>Accumulated amortisation and impairment</b>							
At 1 January, restated	-	3,361	-	3,339	20,564	20,108	47,372
Charge for the year	-	2,029	-	-	2,113	2,697	6,839
Impairment loss	-	1,276	-	-	-	-	1,276
31 December	<b>-</b>	<b>6,666</b>	<b>-</b>	<b>3,339</b>	<b>22,677</b>	<b>22,805</b>	<b>55,487</b>
<b>Carrying amount</b>							
<b>31 December 2025</b>	<b>6,092</b>	<b>23,771</b>	<b>-</b>	<b>-</b>	<b>2,837</b>	<b>2,225</b>	<b>34,925</b>
2024							
<b>Cost</b>							
At 1 January	6,092	30,437	39,598	3,339	25,514	20,745	125,725
Prior year adjustment	-	-	(39,598)	-	-	-	(39,598)
At 1 January, restated	6,092	30,437	-	3,339	25,514	20,745	86,127
Additions during the year	-	-	-	-	-	2,656	2,656
31 December, restated	6,092	30,437	-	3,339	25,514	23,401	88,783
<b>Accumulated amortisation</b>							
At 1 January	-	2,600	3,382	3,339	16,014	17,324	42,659
Prior year adjustment	-	-	(3,382)	-	-	-	(3,382)
At 1 January, restated	-	2,600	-	3,339	16,014	17,324	39,277
Charge for the year	-	761	-	-	4,550	2,784	8,095
31 December	-	3,361	-	3,339	20,564	20,108	47,372
<b>Carrying amount</b>							
<b>31 December 2024, restated</b>	<b>6,092</b>	<b>27,076</b>	<b>-</b>	<b>-</b>	<b>4,950</b>	<b>3,293</b>	<b>41,411</b>

**Watania International Holding (PJSC)**  
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**For the year ended 31 December 2025 (continued)**

**8. Investment in securities**

**Investment at amortised cost**

Investment at amortised cost comprises the following:

	2025 AED'000	2024 AED'000
Quoted debt securities inside U.A.E.	4,403	20,915

The fair value of the investments at amortised cost amounted to AED 4.4 million as of 31 December 2025 (2024: AED 20.6 million).

Sukuk worth AED 4.4 million and Wakala deposit worth AED 16.7 million are held in margin accounts against a guarantee of AED 14.8 million to issue takaful business related performance and tender bonds (2024: Sukuk worth AED 17.2 million are held in margin accounts against a guarantee of AED 14.8 million).

**Investments at fair value through comprehensive income (FVTOCI)**

Investments at FVTOCI comprise the following:

	2025 AED'000	2024 AED'000
Unquoted debt securities in U.A.E.	1,000	1,000

**Investments at fair value through profit or loss (FVTPL)**

Investments at fair value through profit or loss comprises the following:

	2025 AED'000	2024 AED'000
Investment in mutual funds	363,399	339,011
Investment in debt securities	99,314	83,982
Investment in equity securities	100,982	53,212
	<b>563,695</b>	<b>476,205</b>
Quoted securities inside U.A.E.	200,296	137,194
Unquoted securities inside U.A.E.	16,243	15,321
Unquoted securities outside U.A.E.	347,156	323,690
	<b>563,695</b>	<b>476,205</b>

The movement in securities are as follows:

	Investments at amortised cost AED'000	Investments at FVTOCI AED'000	Investments at FVTPL AED'000	Total AED'000
<b>2025</b>				
At 1 January	20,915	1,000	476,205	498,120
Addition during the year	-	-	220,852	220,852
Maturity during the year	(16,512)	-	-	(16,512)
Disposal during the year	-	-	(163,666)	(163,666)
Fair value gain on financial assets at FVTPL - unit linked	-	-	21,590	21,590
Fair value gain on financial assets at FVTPL (note 20)	-	-	8,715	8,715
<b>At 31 December 2025</b>	<b>4,403</b>	<b>1,000</b>	<b>563,696</b>	<b>569,099</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**8. Investment in securities (continued)**

2024	Investments at amortised cost AED'000	Investments at FVTOCI AED'000	Investments at FVTPL AED'000	Total AED'000
At 1 January	33,737	6,197	427,521	467,455
Addition during the year	-	-	146,187	146,187
Maturity during the year	(13,173)	-	-	(13,173)
Disposal during the year	-	(4,998)	(128,873)	(133,871)
Amortisation of premiums	329	-	-	329
Expected credit losses	22	-	(5)	17
Fair value gain on financial assets at FVTPL - unit linked	-	-	22,861	22,861
Fair value gain on financial assets at FVTPL (note 20)	-	-	8,514	8,514
Fair value loss on financial assets at FVTOCI	-	(199)	-	(199)
At 31 December 2024	20,915	1,000	476,205	498,120

**9. Takaful and retakaful contracts**

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

**Takaful contracts issued**

	2025			2024 Restated		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General takaful	-	(314,398)	(314,398)	-	(389,570)	(389,570)
Medical takaful	-	(159,495)	(159,495)	-	(161,859)	(161,859)
Family takaful	-	(414,931)	(414,931)	19	(364,287)	(364,268)
<b>Total takaful contracts issued</b>	-	<b>(888,824)</b>	<b>(888,824)</b>	19	<b>(915,716)</b>	<b>(915,697)</b>

**Retakaful contracts held**

	2025			2024		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
General takaful	139,669	(6,144)	133,525	208,091	(3,307)	204,784
Medical takaful	98,931	(63)	98,868	85,087	(1,001)	84,086
Family takaful	8,756	(73,762)	(65,006)	5,078	(47,525)	(42,447)
<b>Total takaful contracts issued</b>	<b>247,356</b>	<b>(79,969)</b>	<b>167,387</b>	<b>298,256</b>	<b>(51,833)</b>	<b>246,423</b>

Watania International Holding (PJSC)  
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For the year ended 31 December 2025 (continued)

**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
2025					
Takaful contract liabilities as at 1 January 2025, restated	179,516	-	401,255	19,234	600,005
Takaful contract assets as at 1 January 2025	(22)	-	3	-	(19)
<b>Net takaful contract liabilities as at 1 January 2025, restated</b>	<b>179,494</b>	<b>-</b>	<b>401,258</b>	<b>19,234</b>	<b>599,986</b>
Takaful revenue	(902,850)	-	-	-	(902,850)
<b>Takaful service expenses</b>					
Incurred claims and other expenses	-	-	542,871	16,099	558,970
Net takaful acquisition costs	157,564	-	-	-	157,564
Losses on onerous contract and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(40,131)	(19,267)	(59,398)
<b>Takaful service result</b>	<b>(745,286)</b>	<b>-</b>	<b>502,740</b>	<b>(3,168)</b>	<b>(245,714)</b>
Takaful finance expenses	-	-	8,127	-	8,127
<b>Total changes in statement of comprehensive income</b>	<b>(745,286)</b>	<b>-</b>	<b>510,867</b>	<b>(3,168)</b>	<b>(237,587)</b>
<b>Cash flows</b>					
Contributions received	903,221	-	-	-	903,221
Claims and other expenses paid	-	-	(532,053)	-	(532,053)
Direct attributable expense	-	-	(12,292)	-	(12,292)
Takaful acquisition cash flows	(170,629)	-	-	-	(170,629)
<b>Total cash flows</b>	<b>732,592</b>	<b>-</b>	<b>(544,345)</b>	<b>-</b>	<b>188,247</b>
<b>Net takaful contract liabilities as at 31 December 2025</b>					
Takaful contract liabilities as at 31 December 2025	166,800	-	367,780	16,066	550,646
Less: Takaful contract assets as at 31 December 2025	-	-	-	-	-
<b>Net takaful contract liabilities as at 31 December 2025</b>	<b>166,800</b>	<b>-</b>	<b>367,780</b>	<b>16,066</b>	<b>550,646</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
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**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts measured under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
2024					
Takaful contract liabilities as at 1 January 2024, restated	171,786	297	236,325	9,577	417,985
Takaful revenue	(855,078)	-	-	-	(855,078)
Takaful service expenses					
Incurred claims and other expenses	-	-	700,503	25,582	726,085
Net takaful acquisition costs	151,338	-	-	-	151,338
Losses on onerous contract and reversals	-	(297)	-	-	(297)
Changes to liabilities for incurred claims			98,819	(15,925)	82,894
Takaful service result	(703,740)	(297)	799,322	9,657	104,942
Takaful finance expenses	-	-	3,263	-	3,263
Total changes in statement of comprehensive income	(703,740)	(297)	802,585	9,657	108,205
<i>Cash flows</i>					
Contributions received, restated	866,187	-	-	-	866,187
Claims and other expenses paid	-	-	(626,310)	-	(626,310)
Direct attributable expense	-	-	(11,342)	-	(11,342)
Takaful acquisition cash flows	(154,739)	-	-	-	(154,739)
Total cash flows, restated	711,448	-	(637,652)	-	73,796
Net takaful contract liabilities as at 31 December 2024					
Takaful contract liabilities as at 31 December 2024, restated	179,516	-	401,255	19,234	600,005
Less: Takaful contract assets as at 31 December 2024	(22)	-	3	-	(19)
Net takaful contract liabilities as at 31 December 2024, restated	179,494	-	401,258	19,234	599,986

Watania International Holding (PJSC)  
Notes to the consolidated financial statements  
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**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts not measured under the PAA

	Liability for remaining coverage		Liabilities for incurred claims	Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	
2025				
Net takaful contract liabilities as at 1 January 2025	249,117	61,418	5,176	315,711
Takaful revenue	(15,573)	-	-	(15,573)
<b>Takaful service expenses</b>				
Incurred claims and other expenses	-	-	2,740	2,740
Net takaful acquisition costs	8,325	-	-	8,325
Losses on onerous contract	-	1,644	-	1,644
Changes to liabilities for incurred claims	-	-	79	79
Investments component	(55,325)	-	55,325	-
<b>Takaful service result</b>	<b>(62,573)</b>	<b>1,644</b>	<b>58,144</b>	<b>(2,785)</b>
Takaful finance expenses	21,972	75	22	22,069
<b>Total changes in statement of comprehensive income</b>	<b>(40,601)</b>	<b>1,719</b>	<b>58,166</b>	<b>19,284</b>
<b>Cash flows</b>				
Contribution received	92,347	-	-	92,347
Claims and other expenses paid	-	-	(57,971)	(57,971)
Takaful acquisition cash flows	(31,193)	-	-	(31,193)
<b>Total cash flows</b>	<b>61,154</b>	<b>-</b>	<b>(57,971)</b>	<b>3,183</b>
<b>Net takaful contract liabilities as at 31 December 2025</b>	<b>269,670</b>	<b>63,137</b>	<b>5,371</b>	<b>338,178</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
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**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for takaful contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts not measured under the PAA (continued)

	Liability for remaining coverage		Liabilities for incurred claims	Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	
2024				
Net takaful contract liabilities as at 1 January 2025	262,094	35,689	3,360	301,143
Takaful revenue	(14,507)	-	-	(14,507)
Takaful service expenses				
Incurred claims and other expenses	-	-	3,925	3,925
Net takaful acquisition costs	7,328	-	-	7,328
Losses on onerous contract	-	25,763	-	25,763
Changes to liabilities for incurred claims	-	-	(2,942)	(2,942)
Investments component	(71,762)	-	71,762	-
Takaful service result	(78,941)	25,763	72,745	19,567
Takaful finance expenses	22,897	(34)	13	22,876
Total changes in statement of comprehensive income	(56,044)	25,729	72,758	42,443
Cash flows				
Contribution received	68,489	-	-	68,489
Claims and other expenses paid	-	-	(70,942)	(70,942)
Takaful acquisition cash flows	(25,422)	-	-	(25,422)
Total cash flows	43,067	-	(70,942)	(27,875)
Net takaful contract liabilities as at 31 December 2024	249,117	61,418	5,176	315,711

Watania International Holding (PJSC)  
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**9. Takaful and retakaful contracts (continued)**

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

2025	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM	
			Contractual service margin AED'000	Total AED'000
<b>Net takaful contract liabilities as at 1 January 2025</b>	<b>290,570</b>	<b>10,545</b>	<b>14,596</b>	<b>315,711</b>
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(1,631)	(1,631)
Change in risk adjustment for non- financial risk for risk expired	-	(9,350)	-	(9,350)
Experience adjustments	(4,780)	88	-	(4,692)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	(10,718)	200	10,545	27
Changes in estimates that adjust the CSM	8,255	(75)	(8,180)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	12,797	(15)	-	12,782
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	344	(265)	-	79
<b>Takaful service result</b>	<b>5,898</b>	<b>(9,417)</b>	<b>734</b>	<b>(2,785)</b>
Net finance expenses from takaful contracts	21,926	-	143	22,069
<b>Total changes in the statement of profit or loss</b>	<b>27,824</b>	<b>(9,417)</b>	<b>877</b>	<b>19,284</b>
<b>Cash flows</b>				
Contributions received	92,347	-	-	92,347
Claims and other directly attributable expenses paid	(57,971)	-	-	(57,971)
Takaful acquisition cash flows paid	(31,193)	-	-	(31,193)
Total cash flows	3,183	-	-	3,183
<b>Net takaful contract liabilities as at 31 December 2025</b>	<b>321,577</b>	<b>1,128</b>	<b>15,473</b>	<b>338,178</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Reconciliation of measurement component of takaful contract balances not measured under the PAA (continued)

2024	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM	
			Contractual service margin AED'000	Total AED'000
Net takaful contract liabilities as at 1 January 2024	277,660	9,319	14,164	301,143
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,990)	(1,990)
Change in risk adjustment for non-financial risk for risk expired	-	3,281	-	3,281
Experience adjustments	(8,516)	3,184	-	(5,332)
Changes that relate to future services				
Contracts initially recognised in the year	(13,014)	2,078	11,121	185
Changes in estimates that adjust the CSM	8,655	192	(8,846)	1
Changes in estimates that result in losses and reversals of losses on onerous contracts	30,765	(4,401)	-	26,364
Changes that relate to past services				
Adjustments to liabilities for incurred claims	166	(3,108)	-	(2,942)
Takaful service result	18,056	1,226	285	19,567
Net finance expenses from takaful contracts	22,729	-	147	22,876
Total changes in the statement of profit or loss	40,785	1,226	432	42,443
Cash flows				
Contributions received	68,489	-	-	68,489
Claims and other directly attributable expenses paid	(70,942)	-	-	(70,942)
Takaful acquisition cash flows paid	(25,422)	-	-	(25,422)
Total cash flows	(27,875)	-	-	(27,875)
Net takaful contract liabilities as at 31 December 2024	290,570	10,545	14,596	315,711

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

Contracts measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss recovery component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
2025					
Retakaful contract assets as at 1 January 2025	(422,533)	-	703,278	12,433	293,178
Less: Retakaful contract liabilities as at 1 January 2025	(202,644)	-	147,859	2,952	(51,833)
<b>Net retakaful contract (liabilities)/assets</b>	<b>(625,177)</b>	<b>-</b>	<b>851,137</b>	<b>15,385</b>	<b>241,345</b>
An allocation of retakaful contributions	(368,161)	-	-	-	(368,161)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	223,280	3,299	226,579
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	-	-	-
Expenses directly attributable to retakaful	-	-	(2,336)	-	(2,336)
Changes to amounts recoverable for incurred claims and other expenses	-	-	(70,405)	(7,062)	(77,467)
<b>Net income or expense from retakaful contracts held</b>	<b>(368,161)</b>	<b>-</b>	<b>150,539</b>	<b>(3,763)</b>	<b>(221,385)</b>
Retakaful finance income	-	-	14,571	-	14,571
<b>Total changes in the statement of comprehensive income</b>	<b>(368,161)</b>	<b>-</b>	<b>165,110</b>	<b>(3,763)</b>	<b>(206,814)</b>
<b>Cash flows</b>					
Retakaful Contributions and expenses paid	547,712	-	-	-	547,712
Directly attributable expenses paid	-	-	2,335	-	2,335
Amounts received	-	-	(425,947)	-	(425,947)
<b>Total cash flows</b>	<b>547,712</b>	<b>-</b>	<b>(423,612)</b>	<b>-</b>	<b>124,100</b>
<b>Net retakaful contract (liabilities)/assets as at 31 December 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Retakaful contract assets as at 31 December 2025	(242,226)	-	471,793	9,033	238,600
Less: Retakaful contract liabilities as at 31 December 2025	(203,400)	-	120,842	2,589	(79,969)
<b>Net retakaful contract (liabilities)/asset as at 31 December 2025</b>	<b>(445,626)</b>	<b>-</b>	<b>592,635</b>	<b>11,622</b>	<b>158,631</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED'000
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
2024					
Retakaful contract assets as at 1 January 2024	(194,941)	-	296,385	2,075	103,519
Less: Retakaful contract liabilities as at 1 January 2024	(200,253)	-	157,431	4,337	(38,485)
Net retakaful contract (liabilities)/assets	(395,194)	-	453,816	6,412	65,034
An allocation of retakaful contributions	(359,143)	-	-	-	(359,143)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	319,366	6,676	326,042
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	-	-	-
Expenses directly attributable to retakaful	-	-	(2,092)	-	(2,092)
Changes to amounts recoverable for incurred claims and other expenses	-	-	134,680	2,297	136,977
Net income or expense from retakaful contracts held	(359,143)	-	451,954	8,973	101,784
Retakaful finance income	-	-	5,380	-	5,380
Total changes in the statement of comprehensive income	(359,143)	-	457,334	8,973	107,164
Cash flows					
Retakaful Contributions and expenses paid	129,160	-	-	-	129,160
Directly attributable expenses paid	-	-	2,136	-	2,136
Amounts received	-	-	(62,149)	-	(62,149)
Total cash flows	129,160	-	(60,013)	-	69,147
Net retakaful contract (liabilities)/assets as at 31 December 2024					
Retakaful contract assets as at 31 December 2024	(422,533)	-	703,278	12,433	293,178
Less: Retakaful contract liabilities as at 31 December 2024	(202,644)	-	147,859	2,952	(51,833)
Net retakaful contract (liabilities)/asset as at 31 December 2024	(625,177)	-	851,137	15,385	241,345

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts not measured under the PAA

	<u>Assets for remaining coverage</u>		Amounts recoverable on incurred claims	Total AED'000
	Excluding loss recovery component AED'000	Loss recovery component AED'000	Estimates of the present value of future cash flows AED'000	
2025				
<b>Net retakaful contract (liabilities) / assets as at 1 January 2025</b>	<b>(10,521)</b>	<b>13,849</b>	<b>1,750</b>	<b>5,078</b>
An allocation of retakaful contributions	(5,175)	-	-	(5,175)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	(14)	(14)
Changes in fulfilment cash flows that do not adjust underlying CSM	-	2,714	-	2,714
Expenses directly attributable to retakaful	-	-	(802)	(802)
Changes that relate to past service	-	-	2,058	2,058
<b>Net income or expense from retakaful contracts held</b>	<b>(5,175)</b>	<b>2,714</b>	<b>1,242</b>	<b>(1,219)</b>
Retakaful finance income	(48)	-	9	(39)
Investment components	(29)	-	29	-
<b>Total changes in the statement of comprehensive income</b>	<b>(5,252)</b>	<b>2,714</b>	<b>1,280</b>	<b>(1,258)</b>
<b>Cash flows</b>				
Retakaful contribution and expenses paid	4,472	-	-	4,472
Directly attributable expenses paid	-	-	802	802
Amounts received	-	-	(338)	(338)
<b>Total cash flows</b>	<b>4,472</b>	<b>-</b>	<b>464</b>	<b>4,936</b>
<b>Net retakaful contract (liabilities) / assets as at 31 December 2025</b>	<b>(11,301)</b>	<b>16,563</b>	<b>3,494</b>	<b>8,756</b>
<b>Net retakaful contract (liabilities) / assets as at 31 December 2025</b>	<b>(11,301)</b>	<b>16,563</b>	<b>3,494</b>	<b>8,756</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Roll-forward of net asset or liability for retakaful contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts not measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims	Total AED'000
	Excluding loss recovery component AED'000	Loss recovery component AED'000	Estimates of the present value of future cash flows AED'000	
2024				
Net retakaful contract (liabilities) / assets as at 1 January 2024	(15,788)	192	910	(14,686)
An allocation of retakaful contributions	892	-	-	892
Amounts recoverable from reinsurers for incurred claims	-	-	936	936
Amounts recoverable for incurred claims and other expenses	-	-	-	-
Changes in fulfilment cash flows that do not adjust underlying CSM	-	13,657	-	13,657
Expenses directly attributable to retakaful	-	-	(637)	(637)
Changes that relate to past service	-	-	49	49
Net income or expense from retakaful contracts held	892	13,657	348	14,897
Retakaful finance income	(353)	-	3	(350)
Total changes in the statement of comprehensive income	539	13,657	351	14,547
<i>Cash flows</i>				
Retakaful contribution and expenses paid	4,728	-	-	4,728
Directly attributable expenses paid	-	-	639	639
Amounts received	-	-	(150)	(150)
Total cash flows	4,728	-	489	5,217
Net retakaful contract (liabilities) / assets as at 31 December 2024	(10,522)	13,849	1,751	5,078
	1	-	(1)	-
Net retakaful contract (liabilities) / assets as at 31 December 2024	(10,521)	13,849	1,750	5,078

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

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

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM	
			Contractual service margin AED'000	Total AED'000
2025				
<b>Net retakaful contract (liabilities) / assets as at 1 January 2025</b>	<b>(4,364)</b>	<b>4,592</b>	<b>4,850</b>	<b>5,078</b>
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	1,445	1,445
Change in risk adjustment for non-financial risk for risk expired	-	(3,971)	-	(3,971)
Experience adjustments	(3,452)	(14)	-	(3,466)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	(333)	19	315	1
Changes in estimates that adjust the CSM	305	(29)	(276)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	2,714	2,714
Changes that relate to past service - adjustments to LFIC	2,157	(99)	-	2,058
<b>Net expenses from retakaful contracts</b>	<b>(1,323)</b>	<b>(4,094)</b>	<b>4,198</b>	<b>(1,219)</b>
Net finance income from retakaful contracts	(231)	-	192	(39)
<b>Total changes in the statement of comprehensive income</b>	<b>(1,554)</b>	<b>(4,094)</b>	<b>4,390</b>	<b>(1,258)</b>
<b>Cash flows</b>				
Contributions received	4,472	-	-	4,472
Claims and other directly attributable expenses paid	802	-	-	802
Recoveries from retakaful	(338)	-	-	(338)
<b>Total cash flows</b>	<b>4,936</b>	<b>-</b>	<b>-</b>	<b>4,936</b>
<b>Net retakaful contract (liabilities) / assets as at 31 December 2025</b>	<b>(982)</b>	<b>498</b>	<b>9,240</b>	<b>8,756</b>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Reconciliation of measurement component of retakaful contract balances not measured under the PAA (continued)

	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM	
			Contractual service margin AED'000	Total AED'000
2024				
Net retakaful contract (liabilities) / assets as at 1 January 2024	(9,002)	3,423	(9,107)	(14,686)
Changes that relate to current services				
CSM recognised for services provided	-	-	1,519	1,519
Change in risk adjustment for non-financial risk for risk expired	-	983	-	983
Experience adjustments	(1,340)	30	-	(1,310)
Changes that relate to future services				
Contracts initially recognised in the period	(646)	76	570	-
Changes in estimates that adjust the CSM	1,638	25	(1,663)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	13,657	13,657
Changes that relate to past service	(7)	55	-	48
Net expenses from retakaful contracts	(355)	1,169	14,083	14,897
Net finance income from retakaful contracts	(224)	-	(126)	(350)
Total changes in the statement of comprehensive income	(579)	1,169	13,957	14,547
<i>Cash flows</i>				
Contributions received	4,728	-	-	4,728
Claims and other directly attributable expenses paid	639	-	-	639
Recoveries from retakaful	(150)	-	-	(150)
Total cash flows	5,217	-	-	5,217
Net retakaful contract (liabilities) / assets as at 31 December 2024	(4,364)	4,592	4,850	5,078

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**9. Takaful and retakaful contracts (continued)**

Reconciliation of the measurement components of takaful and retakaful contract balances measured under both PAA and Non-PAA as at:

2025	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	550,646	338,178	888,824
Less: Takaful contract assets	-	-	-
Less: Retakaful contract assets	(238,600)	(8,756)	(247,356)
Retakaful contract liabilities	79,969	-	79,969
Net contract liabilities	<u>392,015</u>	<u>329,422</u>	<u>721,437</u>
2024	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities - restated	600,005	315,711	915,716
Less: Takaful contract assets	(19)	-	(19)
Less: Retakaful contract assets	(293,178)	(5,078)	(298,256)
Retakaful contract liabilities	51,833	-	51,833
Net contract liabilities	<u>358,641</u>	<u>310,633</u>	<u>669,274</u>

**10. Trade and other receivables**

	2025 AED'000	2024 Restated AED'000
Trade receivables	36,880	37,999
Other receivables	36,911	40,397
	<u>73,791</u>	<u>78,396</u>
Less: Expected credit losses	(25,956)	(25,472)
	<u>47,835</u>	<u>52,924</u>

Movements in charge for expected losses is given below:

As at 1 January	25,472	26,941
Charge/(reversal) for the year	484	(1,469)
	<u>25,956</u>	<u>25,472</u>

	2025 AED'000	2024 AED'000
<b>Trade receivables - Inside UAE</b>		
Gross receivables	31,350	32,459
Less: Expected credit losses	(23,584)	(22,514)
	<u>7,766</u>	<u>9,945</u>
<b>Trade receivables - Outside UAE</b>		
Gross receivables	5,530	5,540
Less: Expected credit losses	(2,372)	(2,958)
	<u>3,158</u>	<u>2,582</u>
<b>Total trade receivables</b>	<u>10,924</u>	<u>12,527</u>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**10. Trade and other receivables (continued)**

Ageing of trade receivables is given below:

	2025 AED'000	2024 AED'000
<b>Trade receivables - inside UAE</b>		
30 - 90 days	-	-
91 - 180 days	-	-
181 - 360 days	-	6
More than 360 days	31,350	32,454
Less: Expected credit losses	(23,584)	(22,515)
	<u>7,766</u>	<u>9,945</u>
<b>Trade receivables - outside UAE</b>		
30 - 90 days	1,945	-
91 - 180 days	-	-
181 - 360 days	979	-
More than 360 days	2,606	5,540
Less: Expected credit losses	(2,372)	(2,958)
	<u>3,158</u>	<u>2,582</u>
<b>Total</b>	<u><u>10,924</u></u>	<u><u>12,527</u></u>

**11. Cash and cash equivalents**

	2025 AED'000	2024 AED'000
Cash and bank balances	99,811	111,484
Wakala deposits	322,337	227,706
	<u>422,148</u>	<u>339,190</u>
Less: Restricted deposit	(10,000)	(10,000)
Less: Deposits under lien	(21,781)	(7,473)
Less: Deposits pledged against parent company's Murabaha facility	(100,400)	(61,900)
Less: Deposits with original maturities of more than three months	(161,856)	(136,706)
Cash and cash equivalents for the purpose of cash flows	<u><u>128,111</u></u>	<u><u>123,111</u></u>

**Wakala deposits:**

Wakala deposits yield a profit rate of 3.2% p.a. to 5.2% p.a. (2024: 3.80% p.a. to 5.20%). Wakala deposits worth AED 100.0 million are hypothecated against Murabaha facility (note 16).

**Restricted deposits:**

Wakala deposits held as restricted deposits are maintained in accordance with the requirements of U.A.E Federal Law No. (6) of 2025 and are not available to finance the day-to-day operations of the Group.

These deposits have a fixed maturity of one year from the date of deposit and yield a profit rate of 3.2% p.a. to 5.2% p.a. (2024: 3.8% p.a. to 5.20% p.a.).

**Watania International Holding (PJSC)**  
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**For the year ended 31 December 2025**

**12. Share capital**

	2025 AED'000	2024 AED'000
Issued and fully paid:		
260,156,250 ordinary shares of AED 1 each (31 December 2024: 260,156,250 ordinary)	<u>260,156</u>	<u>260,156</u>

No dividend was declared and paid during the current year (2024: Nil).

**13. Reserves**

**Statutory reserve**

In accordance with U.A.E. Law No. (32) of 2021, as amended, the Group has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law.

For the year ended 31 December 2025, balance amounting to AED 5.4 million from the profit of Watania Takaful Family (subsidiary), Watania Takaful General (subsidiary) and Watania International Holding (Parent) was transferred to statutory reserve (2024: AED 2.8 million).

**Restricted reserve**

This reserve pertains to the subsidiaries which are takaful entities, and in accordance with article 34 of Central Bank of UAE' Board of Directors Decision No. 23 of 2019, concerning instructions organising retakaful operations, the reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of UAE.

For the year ended 31 December 2025, balance amounting to AED 2.1 million from the retained earnings of Watania Takaful Family (subsidiary) and Watania Takaful General (subsidiary) was transferred to retakaful reserve (2024: AED 1.9 million).

**Treasury shares**

The Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 December 2025, the Market Maker held 9,985,672 of Watania International Holding PJSC's shares on behalf of the Company, which are classified under equity as treasury shares at par value of AED 1 at 31 December 2025. During the year, the Company recorded Treasury Shares reserves of AED 3.1 million to reflect the discount on the acquisition of treasury shares.

At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

**14. Employees' end of service benefits**

	2025 AED'000	2024 AED'000
As at 1 January	20,025	19,893
Charged during the year	5,277	4,675
Paid during the year	(7,925)	(4,543)
As at 31 December	<u>17,377</u>	<u>20,025</u>

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025**

**15. Trade and other payables**

	<b>2025</b>	2024 Restated
	<b>AED'000</b>	AED'000
Trade payables	<b>10,283</b>	7,028
Other payables	<b>38,454</b>	34,346
	<b>48,737</b>	41,374

**16. Borrowings**

The Group obtained a Murabaha facility of AED 100 million with ENBD group (AED 34.7 million on 30 January 2025 and AED 65.3 million on 10 Feb 2025) held at amortised cost. The facility was arranged to settle the previous facility balloon payment of AED 34.7 million due in 2025 and intercompany balances of Watania Takaful General PJSC "WTG" and Watania Takaful Family PJSC "WTF".

Total facility of AED 100 million carrying flexible profit rate of 3 months EIBOR plus 1.75% having a maturity period of 4 years with one year moratorium.

Other Murabaha arrangements are as follows:

*Pledged collateral*

- Pledge over Wakala deposits valued up to AED 100 million;
- Pledge over the shares of target entities i.e. WTF and WTG;
- A profit service reserve account will be maintained by the Group with bank that holds 6 months of profit service for outstanding facility amount at all the times;
- All proceeds from the operating target entities shall be deposited into a dividend account that the Group maintains with the bank; and
- Pledge over profit service reserve account and dividend account maintained with the bank.

*Financial covenants*

- A minimum capital requirement of AED 200 million.
- A minimum solvency coverage ratio of 100%.
- A minimum special purpose Liquid Assets Cover (cash plus marketable securities) of 100%; and
- Compliance with minimum guaranteed fund and net admissible assets requirements.

The Group has complied with all covenants for the year ended 31 December 2025 and 31 December 2024.

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Opening balance as at 1 January	<b>48,875</b>	74,750
New murabaha facility	<b>100,000</b>	-
Repayments made during the year	<b>(48,875)</b>	(25,875)
As at 31 December	<b>100,000</b>	48,875

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
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**17. Takaful revenue**

2025	General and motor AED'000	Medical AED'000	Group family AED'000	Individual family AED'000	Total AED'000
<b>Contracts not measured under the PAA</b>					
CSM recognised for services provided	-	-	-	1,631	1,631
Change in risk adjustment for non-financial risk for risk expired	-	-	-	3,746	3,746
Expected incurred claims and other takaful service expenses	-	-	-	2,400	2,400
Experience adjustments	-	-	-	(529)	(529)
Recovery of takaful acquisition cash flows	-	-	-	8,325	8,325
<b>Contracts measured under the PAA</b>	<b>326,235</b>	<b>448,578</b>	<b>128,037</b>	<b>-</b>	<b>902,850</b>
	<b>326,235</b>	<b>448,578</b>	<b>128,037</b>	<b>15,573</b>	<b>918,423</b>

2024	General and motor AED'000	Medical AED'000	Group family AED'000	Individual family AED'000	Total AED'000
<b>Contracts not measured under the PAA</b>					
CSM recognised for services provided	-	-	-	1,990	1,990
Change in risk adjustment for non-financial risk for risk expired	-	-	-	(2,436)	(2,436)
Expected incurred claims and other takaful service expenses	-	-	-	6,179	6,179
Experience adjustments	-	-	-	1,445	1,445
Recovery of takaful acquisition cash flow	-	-	-	7,329	7,329
<b>Contracts measured under the PAA</b>	<b>334,646</b>	<b>389,753</b>	<b>130,679</b>	<b>-</b>	<b>855,078</b>
	<b>334,646</b>	<b>389,753</b>	<b>130,679</b>	<b>14,507</b>	<b>869,585</b>

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**18. Takaful service expense**

2025	General and motor	Medical	Group family	Individual family	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Incurring claims and other expenses	201,726	317,682	39,562	2,740	561,710
Net takaful acquisition costs	84,145	54,033	19,386	8,325	165,889
Losses on onerous contracts and reversals of those losses	-	-	-	1,644	1,644
Changes to liabilities for incurred claims	(76,689)	30,299	(13,008)	79	(59,319)
	<b>209,182</b>	<b>402,014</b>	<b>45,940</b>	<b>12,788</b>	<b>669,924</b>
2024	General and motor	Medical	Group family	Individual family	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Incurring claims and other expenses	383,717	281,663	60,706	3,924	730,010
Net takaful acquisition costs	78,696	55,776	16,865	7,329	158,666
Losses on onerous contracts and reversals of those losses	(296)	-	-	25,763	25,467
Changes to liabilities for incurred claims	87,947	2,558	(7,612)	(2,942)	79,951
	<b>550,064</b>	<b>339,997</b>	<b>69,959</b>	<b>34,074</b>	<b>994,094</b>

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**19. Net takaful financial result**

2025	General and motor AED'000	Medical AED'000	Group family AED'000	Individual family AED'000	Total AED'000
<b>Takaful finance</b>					
<b>(expense)/income from takaful contracts issued</b>					
Profit accreted to takaful contracts using current financial assumptions	(4,869)	(921)	(982)	(16,785)	(23,557)
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	-	-	(200)	(200)
Due to changes in profit rates and other financial assumptions	(960)	(125)	(270)	(5,084)	(6,439)
<b>Total takaful finance expenses from takaful contracts issued</b>	<b>(5,829)</b>	<b>(1,046)</b>	<b>(1,252)</b>	<b>(22,069)</b>	<b>(30,196)</b>
<b>Retakaful finance</b>					
<b>income/(expenses) from retakaful contracts held</b>					
Profit accreted to retakaful contracts using current financial assumptions	6,149	4,674	1,793	76	12,692
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	-	-	(111)	(111)
Due to changes in profit rates and other financial assumptions	1,008	558	389	(4)	1,951
<b>Retakaful finance income/(expenses) from retakaful contracts held</b>	<b>7,157</b>	<b>5,232</b>	<b>2,182</b>	<b>(39)</b>	<b>14,532</b>
<b>Net takaful financial result</b>	<b>1,328</b>	<b>4,186</b>	<b>930</b>	<b>(22,108)</b>	<b>(15,664)</b>

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**19. Net takaful financial result (continued)**

2024	General and motor AED'000	Medical AED'000	Group family AED'000	Individual family AED'000	Total AED'000
Takaful finance (expense)/income from takaful contracts issued					
Profit accreted to takaful contracts using current financial assumptions	(1,949)	(1,148)	(965)	(22,151)	(26,213)
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	-	-	(92)	(92)
Due to changes in profit rates and other financial assumptions	592	96	111	(633)	166
Total takaful finance expenses from takaful contracts issued	(1,357)	(1,052)	(854)	(22,876)	(26,139)
Retakaful finance income/(expenses) from retakaful contracts held					
Profit accreted to retakaful contracts using current financial assumptions	1,707	3,731	1,179	(429)	6,188
Effect of unlocking CSM at locked-in rates and FCF at current rates	-	-	-	(183)	(183)
Due to changes in profit rates and other financial assumptions	(709)	(364)	(164)	262	(975)
Retakaful finance income/(expenses) from retakaful contracts held	998	3,367	1,015	(350)	5,030
Net takaful financial result	(359)	2,315	161	(23,226)	(21,109)

**20. Investment income**

	2025 AED'000	2024 AED'000
<b>Fair value gain</b>		
Fair value gain on investment properties (note 5)	3,648	5,262
Fair value gain on financial assets at FVTPL (note 8)	8,715	8,514
<b>Other investment income</b>		
Income from wakala deposits	12,816	16,206
Dividend income	3,571	1,915
Income from debt securities	4,420	3,300
(Charges)/reversal for expected credit losses	(36)	139
Investment expenses	(358)	(1,717)
Rental income from investments properties - net (note 5)	4,894	2,674
	<b>37,670</b>	<b>36,293</b>

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**21. General and administrative expenses**

	2025 AED'000	2024 AED'000
Staff cost	11,785	10,187
Administrative expenses	6,227	4,603
Depreciation and amortisation	927	1,610
Marketing expenses	91	486
Other expenses	4,134	1,795
	<u>23,164</u>	<u>18,681</u>

The Group has made social contributions during the year amounting to AED 0.006 million (2024: AED 0.19 million).

**22. Earnings per share**

Earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	2025	Restated 2024
Profit for the year attributable to shareholders (in AED'000)	<u>34,360</u>	9,771
Weighted average number of shares outstanding at 31 December	<u>260,156,250</u>	260,156,250
Basic and diluted earnings per share (in AED)	<u>0.132</u>	0.038

**23. Related party transactions**

Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. The management decides on the terms and conditions of the transactions with related parties.

Related parties represent the 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**

Certain costs such as personnel costs, rent and utilities, advertising, legal and professional expenses, depreciation and other shared costs are incurred by Watania Takaful General (PJSC) (WTG), Watania Takaful Family (PJSC) (WTF) and Watania International Holding (PJSC) (WIH), which are shared on a mutually agreed basis. The shared service costs are allocated based on the approved allocation for the year, with different rates applied to certain expense categories (2024: 42.5% to WTG, 52.5% to WTF and 5% to WIH). During the year, the Group entered the following transactions with the related parties:

	2025 AED'000	2024 AED'000
Takaful revenue - net	29,628	10,349
Expenses recharged to related parties	23,583	23,720
BOD remuneration fees	3,330	1,199

**Compensation of key management personnel**

	2025 AED'000	2024 AED'000
Short-term benefits	6,998	7,245
Employees' end of service benefits	887	870
	<u>7,885</u>	<u>8,115</u>

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**24. Fatwa and Sharia'a supervisory board**

The Group's business activities are subject to the supervision of a Fatwa and Shari'a Supervisory Board (FSSB) consisting of three members appointed by the shareholders. FSSB performs a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Shari'a rules and principles.

According to the Group's FSSB, the Group is required to identify any income deemed to be derived from transactions not acceptable under Islamic Shari'a rules and principles, as interpreted by FSSB, and to set aside such amount in a separate account for Shareholders who may resolve to pay the same for local charitable causes and activities.

**25. Zakat**

This pertains to the subsidiaries, where Zakat is applicable. Zakat as approved by the Group's Sharia'a Supervisory Board amounted to AED 0.01153 per share (2024: AED 0.00890 per share).

The Management has opted to communicate the amount of Zakat payable to each shareholder, requiring them to pay their share of Zakat directly.

**26. Segmental information**

For management purposes the Group is organised into two business segments; general takaful management and investments. The general takaful segment comprises the takaful business undertaken by the Group on behalf of Policyholders. Investment comprises investment and cash management for the Group's own account. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements.

Except for Wakala fees, Mudarib's fees and Qard Hassan, no other inter-segment transactions occurred during the year. If any other transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results will include those transfers between business segments which will then be eliminated on consolidation as shown below:

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**26. Segmental information (continued)**

2025	Takaful		Investments		Total AED'000
	General takaful AED'000	Group family (employee benefits) AED'000	Family AED'000	AED'000	
Takaful revenue	774,813	128,037	15,573	-	918,423
Takaful service expenses	(611,196)	(45,940)	(12,788)	-	(669,924)
<b>Takaful service result before retakaful contracts held</b>	<b>163,617</b>	<b>82,097</b>	<b>2,785</b>	<b>-</b>	<b>248,499</b>
Allocation of retakaful contributions	(272,230)	(95,931)	(5,175)	-	(373,336)
Amounts recoverable from retakaful for incurred claims	123,905	22,871	3,956	-	150,732
<b>Net expenses from retakaful contracts held</b>	<b>(148,325)</b>	<b>(73,060)</b>	<b>(1,219)</b>	<b>-</b>	<b>(222,604)</b>
<b>Takaful service result</b>	<b>15,292</b>	<b>9,037</b>	<b>1,566</b>	<b>-</b>	<b>25,895</b>
Takaful finance expenses for takaful contracts issued	(6,875)	(1,252)	(22,069)	-	(30,196)
Retakaful finance Profit/(loss) for retakaful contracts held	12,389	2,182	(39)	-	14,532
<b>Takaful financial result</b>	<b>5,514</b>	<b>930</b>	<b>(22,108)</b>	<b>-</b>	<b>(15,664)</b>
<b>Net takaful Profit/(loss)</b>	<b>20,806</b>	<b>9,967</b>	<b>(20,542)</b>	<b>-</b>	<b>10,231</b>
Net fair value change in financial assets at FVTPL-Unit linked	-	-	21,590	-	21,590
Investment income	28,531	2,239	-	6,900	37,670
Total investment and other income	28,531	2,239	21,590	6,900	59,260
<b>Net operating income</b>	<b>49,337</b>	<b>12,206</b>	<b>1,048</b>	<b>6,900</b>	<b>69,491</b>

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**26. Segmental information (continued)**

2025	Takaful		Investments		Total AED'000
	General takaful AED'000	Group family (employee benefits) AED'000	Family AED'000	AED'000	
General and administrative expenses	-	-	-	(23,164)	(23,164)
Amortisation of intangibles	-	-	-	(4,142)	(4,142)
Impairment of intangible assets	-	-	-	(1,276)	(1,276)
Finance cost	-	-	-	(5,931)	(5,931)
Other income	-	-	-	2,425	2,425
<b>Profit/ (loss) before tax for the year</b>	<b>49,337</b>	<b>12,206</b>	<b>1,048</b>	<b>(25,188)</b>	<b>37,403</b>

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**26. Segmental information (continued)**

Restated 2024	Takaful		Investments		Total AED'000
	General takaful AED'000	Group family (employee benefits) AED'000	Family AED'000	AED'000	
Takaful revenue	724,399	130,679	14,507	-	869,585
Takaful service expenses	(890,061)	(69,959)	(34,074)	-	(994,094)
Takaful service result before retakaful contracts held	(165,662)	60,720	(19,567)	-	(124,509)
Allocation of retakaful contributions Amounts recoverable from retakaful for incurred claims	(254,667)	(104,476)	892	-	(358,251)
Net expenses from retakaful contracts held	159,489	(57,705)	14,897	-	116,681
Takaful service result	(6,173)	3,015	(4,670)	-	(7,828)
Takaful finance expenses for takaful contracts issued	(2,409)	(854)	(22,876)	-	(26,139)
Retakaful finance Profit/(loss) for retakaful contracts held	4,365	1,015	(350)	-	5,030
Takaful financial result	1,956	161	(23,226)	-	(21,109)
Net takaful Profit/(loss)	(4,217)	3,176	(27,896)	-	(28,937)
Net fair value change in financial assets at FVTPL- Unit linked	-	-	22,861	-	22,861
Investment income	26,641	2,265	-	7,387	36,293
Total Investment and other income	26,641	2,265	22,861	7,387	59,154
Net operating income/(losses)	22,424	5,441	(5,035)	7,387	30,217

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**26. Segmental information (continued)**

Restated 2024	Takaful		Investments		Total AED'000
	General takaful AED'000	Group family (employee benefits) AED'000	Family AED'000	AED'000	
General and administrative expenses	-	-	-	(19,880)	(19,880)
Amortisation of intangibles	-	-	-	(5,311)	(5,311)
Finance cost	-	-	-	(4,680)	(4,680)
Other income	-	-	-	10,035	10,035
Profit/ (loss) before tax for the year	22,424	5,441	(5,035)	(12,449)	10,381

The following tables demonstrate other information related to each business segments:

	Takaful AED'000	Investment AED'000	Total AED'000
<b>2025</b>			
<b>Total assets</b>	<b>1,128,913</b>	<b>279,872</b>	<b>1,408,785</b>
<b>Total liabilities</b>	<b>1,017,530</b>	<b>129,239</b>	<b>1,146,769</b>
<b>2024</b>			
Total assets, restated	1,085,487	232,178	1,317,665
Total liabilities, restated	988,783	99,625	1,088,408

**27. Capital management**

**Governance framework**

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

The Group's risk management function is carried out by the Board of Directors, with its associated committees. This is supplemented with a clear organisational structure with delegated authorities and responsibilities from the Board of Directors to the Managing Director.

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. The Management under the authority delegated from the Board of Directors defines the Group's risk and its interpretation, limits structure to ensure the appropriate quality and diversification of assets, aligns underwriting and retakaful strategy to the corporate goals, and specifies reporting requirements.

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**27. Capital management (continued)**

**Capital management framework**

The primary objective of the Group's capital management is to comply with the regulatory requirements in the U.A.E. and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group has fully complied with the externally imposed capital requirements. The Group's ability to comply with the solvency requirements depends on preparing and implementing an effective business plan subject to the approval of regulatory authorities.

**Regulatory framework**

Regulators are primarily interested in protecting the rights of the policyholders and monitor them closely to ensure that the Group is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that each subsidiary maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Group are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the takaful companies to meet unforeseen liabilities as these arise.

**28. Financial instruments**

**Material accounting policies**

Details of the Material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

**Categories of financial instruments**

	2025 AED'000	2024 Restated AED'000
<b>Financial assets</b>		
At amortised cost	474,386	413,029
At fair value	564,695	477,205
	<u>1,039,081</u>	<u>890,234</u>
<b>Financial liabilities</b>		
At amortised cost	<u>177,976</u>	<u>100,811</u>

**29. Capital risk management**

The Group's objectives when managing capital are:

- to comply with the takaful capital requirements required by UAE Federal Law No. 6 of 2007. The Group manages its capital on a basis of its minimum regulatory capital position;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing takaful contracts commensurately with the level of risk.

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**30. Risk management**

**Asset liability management (ALM) framework**

Financial risks arise from open positions in profit rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages these positions to achieve long-term investment returns in excess of its obligations under takaful contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from takaful contracts by reference to the type of benefits payable to contract holders.

The Managing Director actively monitors the ALM to ensure in each period sufficient cash flow is available to meet liabilities arising from takaful contracts.

The Managing Director regularly monitors the financial risks associated with the Group's other financial assets and liabilities not directly associated with takaful liabilities.

The risks faced by the Group and the way these risks are mitigated by management are summarised as follows:

**Takaful risk**

The principal risk the Group faces under takaful contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations.

This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The variability of risks is improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

**i) Frequency and amounts of claims**

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly property, motor, marine, fire and medical risks. These are regarded as short-term takaful contracts, as claims are mostly advised and settled within one year of the insured event taking place. This helps to mitigate Takaful risk.

*Motor*

Motor Takaful is designed to compensate contract holders for damage suffered to their vehicles or liability to third parties arising through accidents. Contract holders could also receive compensation for the fire or theft of their vehicles.

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

*Property*

Property takaful is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holders could also receive compensation for the actual loss caused by the inability to use the insured properties.

For property takaful contracts the main risks are fire and business interruption. The Group's policies aim careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims.

**30. Risk management (continued)**

**Takaful risk (continued)**

**i) Frequency and amounts of claims (continued)**

*Liability*

For miscellaneous accident classes of takaful such as loss of money, infidelity of employees, personal accident, workmen's compensation, travel, general third party liability and professional indemnity are underwritten.

*Medical*

Medical takaful is designed to compensate the contract holders for medical costs. Personal accident takaful entitles the contract holders or their beneficiaries to specified amounts in case of death or permanent or partial disability.

For medical takaful, the main risks are illness and related healthcare costs. The Group generally does not offer medical takaful to walk-in customers and is mainly offered to corporate customers with large population to be covered under the policy. The Group has retakaful to limit losses for any individual claim to 75%-80% of the claim amount.

*Marine*

Marine takaful is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes. For marine takaful the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

*Fire*

Fire takaful is designed to compensate contract holders for damage and liability arising through loss or damage to the insured assets.

The Group's policies aim careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

*Long term takaful contracts (life)*

For unit-linked contracts, the capital risk element of the takaful liabilities can be matched against the investment for policyholders and therefore any change in the variables used to calculate these liabilities does not have any impact on the net asset or profit of the Group. In respect of unit-linked contracts, there is no uncertainty as to the amount to be paid by the Group on mortality or disability, as these are normally the coverage amounts under the policy. Reserves for mortality risk under unit-linked contracts include the reasonable possibility of significant loss due to the uncertainty of deaths among policyholders and rates of disability among policyholders.

**30. Risk management (continued)**

**Takaful risk (continued)**

**ii) Sources of uncertainty in the estimation of future claim payments**

Claims on takaful 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, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty compared to 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 takaful Group until many years after the event that gave rise to the claims. For some takaful 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. 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 likely that the final outcome will prove to be different from the original liability established.

The amount of takaful claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Takaful contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of reporting period.

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.

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 contribution rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before retakaful) are analysed below by type of risk where the insured operates for current and prior year contribution earned.

The Group believes that the claim liabilities under takaful contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the consolidated financial statements. The takaful claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

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**30. Risk management (continued)**

**Takaful risk (continued)**

**ii) Sources of uncertainty in the estimation of future claim payments (continued)**

A hypothetical 1% change in the loss ratio, net of retakaful, would impact net underwriting income/(loss) as follow:

	2025 AED'000	2024 AED'000
<b>Impact of change in loss ratio by +/- 1%</b>		
Medical	2,973	2,482
Motor	1,320	1,495
Non-Motor	507	483
Group family	250	217
	<b>5,050</b>	<b>4,677</b>

**iii) Process used to decide on assumptions**

The risks associated with these takaful contracts are complex and subject to several variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Group's quarterly claims reports and screening of the actual takaful contracts carried out at the reporting date to derive data for the contracts held. The Group has reviewed the individual contracts and in particular the industries 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 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.

**iv) Concentration of risks**

The Takaful risk arising from Takaful contracts is concentrated mainly in the United Arab Emirates. The geographical concentration of risks is similar to prior year.

The table below sets out the concentration of contract liabilities by type of contract:

	Takaful Contract liabilities AED'000	Retakaful Contract liabilities AED'000	Retakaful Contract Assets AED'000	Net liabilities AED'000
<b>2025</b>				
Medical	159,495	63	(98,931)	60,627
Motor	93,193	1,255	(4,701)	89,747
Non-Motor	221,205	4,889	(134,968)	91,126
Group Family	76,753	73,762	-	150,515
Individual Family	338,178	-	(8,756)	329,422
<b>Total</b>	<b>888,824</b>	<b>79,969</b>	<b>(247,356)</b>	<b>721,437</b>
<b>2024 restated</b>				
Medical	161,859	1,001	(85,087)	77,773
Motor	112,270	-	(22,223)	90,047
Non-Motor	277,300	3,307	(185,887)	94,720
Group Family	48,576	47,525	-	96,101
Individual Family	315,711	-	(5,078)	310,633
<b>Total</b>	<b>915,716</b>	<b>51,833</b>	<b>(298,275)</b>	<b>669,274</b>

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**30. Risk management (continued)**

**Takaful risk (continued)**

**v) 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. The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

*Gross claims development*

Accident Year	Before				Total
	2023	2023	2024	2025	
	AED'000	AED'000	AED'000	AED'000	AED'000
At the end of each reporting year					
2024	2,528,433	591,766	754,736	-	3,874,935
2025	2,525,889	593,548	702,894	521,536	4,343,867
Gross estimates of Ultimate claims*					4,343,867
Gross estimates of the undiscounted claims and other attributable expenses payable					59,166
Gross estimates of the undiscounted amount of Ultimate claims* and payables					4,403,033
Cumulative payments to date					(4,026,424)
Gross undiscounted liabilities for incurred claims					376,609
Effect of discounting					(8,829)
Effect of risk adjustment for non-financial risk					16,065
Total gross liabilities for incurred claims					383,845

*Net claims development process*

Accident Year	Before				Total
	2023	2023	2024	2025	
	AED'000	AED'000	AED'000	AED'000	AED'000
At the end of each reporting year					
2024	1,608,190	402,442	278,516	-	2,289,148
2025	1,607,318	400,605	295,840	286,772	2,590,535
Gross estimates of Ultimate claims*					2,590,535
Gross estimates of the undiscounted claims and other attributable expenses payable					(334,530)
Gross estimates of the undiscounted amount of Ultimate claims* and payables					2,256,005
Cumulative payments to date					(2,484,296)
Gross undiscounted liabilities for incurred claims					(228,291)
Effect of discounting					3,436
Effect of risk adjustment for non-financial risk					4,443
Total net assets for incurred claims					(220,413)

\*Includes unallocated loss adjustment expense (ULAE) reserve

**30. Risk management (continued)**

**Takaful risk (continued)**

**vi) Retakaful risk**

As general industry practice and in order to minimise financial exposure arising from large Takaful claims, the Group, in the normal course of business, enters into arrangements with other parties for retakaful purposes. Such retakaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the retakaful is effected under treaty, facultative and excess of loss retakaful contracts.

To minimise its exposure to significant losses from retakaful insolvencies, the Group evaluates the financial condition of its retakaful and ensure diversification of retakaful providers. The Group deals with retakaful approved by the Board of Directors.

**vii) Sensitivities**

The liability for incurred claims is sensitive to the key assumptions in the table on the next page. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit, and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

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**30. Risk management (continued)**

Takaful risk (continued)

vii) Sensitivities (continued)

	Changes in assumption	Takaful contract liabilities AED'000	Retakaful contract assets AED'000	Net liabilities AED'000	Gross equity impact AED'000	Net equity impact AED'000	Gross SOCI impact AED'000	Net SOCI impact AED'000
<b>2025</b>								
Base		(888,824)	167,387	(721,437)	-	-	-	-
Discount Rate	1.0%	(886,219)	164,440	(721,779)	2,604	(343)	2,604	(343)
Discount Rate	-1.0%	(891,517)	170,358	(721,159)	(2,693)	278	(2,693)	278
Risk Adjustment	2.5%	(907,875)	173,240	(734,635)	(16,413)	(15,836)	(16,413)	(15,836)
Risk Adjustment	-2.5%	(880,531)	161,699	(718,832)	8,292	2,604	8,292	2,604
<b>2024</b>								
Base - restated		(915,697)	246,423	(669,274)	-	-	-	-
Discount Rate	1.0%	(913,554)	243,604	(669,950)	2,143	(676)	2,143	(676)
Discount Rate	-1.0%	(917,964)	249,268	(668,696)	(2,266)	578	(2,266)	578
Risk Adjustment	2.5%	(823,458)	251,725	(571,733)	92,239	97,540	92,239	97,540
Risk Adjustment	-2.5%	(899,390)	240,437	(658,953)	16,307	10,320	16,307	10,320

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**30. Risk management (continued)**

**Financial risk**

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk, profit risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

The Group does not enter into any derivative transactions.

**i) Credit risk**

Key areas where the Group is exposed to credit risk are:

- Retakaful contract assets;
- Amounts due from retakaful in respect of claims already paid;
- Amounts due from takaful contract holders; and
- Amounts due from takaful intermediaries.
- Investments in debt instruments;
- Cash and cash equivalents excluding cash in hand; and
- Fixed deposits.

The Group follows IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of takaful and other receivables. The Group applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected impairment provision by creating provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

Retakaful is used to manage takaful risk. This does not, however, discharge the Group's liability as primary policyholder. If a retakaful fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of retakaful Group is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the management includes details of provisions for impairment on takaful receivables and subsequent write-offs. Exposures to individual participants and groups of participants are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual participants, or homogenous groups of participants, a financial analysis equivalent to that conducted for retakaful is carried out by the Group.

Of the bank balances and fixed deposits balance at the end of year, AED 142 million (2024: AED 135 million) is placed with one bank. The credit risk on liquid funds is limited because the single largest counterparty is a UAE sovereign bank.

The table on the next page presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting period based on S&P's rating or its equivalent for the main banking relationships:

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**30. Risk management (continued)**

**Financial risk (continued)**

**i) Credit risk (continued)**

	2025 AED'000	2024 AED'000
AA	22,890	9,297
A	376,832	327,561
BBB	4,424	1,281
BB and others	18,002	1,051
	<u>422,148</u>	<u>339,190</u>

The Group's other financial assets are held across various countries. The table below presents an analysis of financial assets apart from bank balances and fixed deposits by rating agency designation at the end of the reporting period based on S&P's rating or its equivalent:

	2025 AED'000	2024 AED'000
AAA	-	1,150
AA	24,942	24,904
A	74,053	74,898
BBB	41,232	35,890
BB and others	65,472	22,267
	<u>205,699</u>	<u>159,109</u>

**ii) Collateral**

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Collateral is mainly obtained in the form of postdated cheques and guarantees.

*Financial instruments - investments*

Investments in financial assets represent investments in quoted and unquoted equity and debt instruments of companies incorporated in the United Arab Emirates, and outside United Arab Emirates (note 6).

*Cash and cash equivalents*

Cash and cash equivalents of the Group are with Banks and other financial institutions registered and operate in the United Arab Emirates.

**iii) Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with its financial liabilities when 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.

For VFA and GMM, Takaful and retakaful contract liabilities are measured using discounted cash flows.

The table below summarises the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements is given on the next page:

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**30. Risk management (continued)**

**Financial risk (continued)**

**iii) Liquidity risk (continued)**

2025	Less than one year AED'000	More than one year AED'000	No term AED'000	Total AED'000
<b>Assets</b>				
Investment securities	110,875	94,824	-	205,699
Cash and cash equivalents	99,811	-	-	99,811
Restricted deposits	10,000	-	-	10,000
Wakala deposits	312,337	-	-	312,337
Retakaful contract assets	247,356	-	-	247,356
Trade and other receivables (excluding prepayments)	18,538	8,000	-	26,538
	<b>798,917</b>	<b>102,824</b>	<b>-</b>	<b>901,741</b>
<b>Liabilities</b>				
Trade and other liabilities	51,156	21,760	-	72,916
Borrowings	33,333	66,667	-	100,000
Takafu contracts liabilities	888,824	-	-	888,824
Retakaful contract liabilities	79,969	-	-	79,969
	<b>1,053,282</b>	<b>88,427</b>	<b>-</b>	<b>1,141,709</b>
2024 restated				
<b>Assets</b>				
Investment securities	97,685	61,424	-	159,109
Cash and cash equivalents	111,484	-	-	111,484
Restricted deposits	10,000	-	-	10,000
Wakala deposits	217,706	-	-	217,706
Retakaful contract assets	298,256	-	-	298,256
Takaful contract assets	19	-	-	19
Trade and other receivables (excluding prepayments)	6,683	12,521	-	19,204
	<b>741,833</b>	<b>73,945</b>	<b>-</b>	<b>815,778</b>
<b>Liabilities</b>				
Trade and other liabilities	42,532	24,956	-	67,488
Borrowings	-	48,875	-	48,875
Takaful contracts liabilities	915,716	-	-	915,716
Retakaful contract liabilities	51,833	-	-	51,833
	<b>1,010,081</b>	<b>73,831</b>	<b>-</b>	<b>1,083,912</b>

**iv) Market risk**

Market risk arises from fluctuations in foreign exchange rates, profit rates and equity prices. The value of risk that may be accepted by the Group is monitored on a regular basis by management.

**v) Profit rate risk**

Profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Floating rate instruments expose the Group to cash flow risk.

The Group is exposed to profit rate risk on certain of its investments and bank balances and cash. The Group limits its risk by monitoring changes in such rates.

The sensitivity analysis on the next page has been determined based on the exposure to profit rates for profit-bearing financial assets assuming the amount of assets at the end of the reporting period were outstanding for the whole year:

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**30. Risk management (continued)**

**Financial risk (continued)**

**v) Profit rate risk (continued)**

	Increase in basis points	Effect on profit for the year AED'000
<b>2025</b>		
Profit bearing assets	+100	5,280
<b>2024</b>		
Profit bearing assets	+100	6,518

Any movement in profit rates in the opposite direction will produce exactly opposite results.

The impact of changes in profit rate risk is not expected to be significant for the Group, as all financial assets and financial liabilities bears fixed profit rates.

**vi) 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 profit 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 has no significant concentration of price risk. The price risk is managed by outsourcing the trading of securities held by the Group to professional brokers. However, the activities of brokers are also monitored and supervised by the management.

The following table shows the sensitivity of fair values to 20% increase or decrease as at 31 December:

	Reflected in profit or loss		Reflected in other comprehensive income	
	Favourable change AED'000	Unfavourable change AED'000	Favourable change AED'000	Unfavourable change AED'000
<b>2025</b>				
Equity securities	20,196	(20,196)	-	-
<b>2024</b>				
Equity securities	10,642	(10,642)	-	-

**vii) 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.

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**31. Fair value measurements**

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 policyholders at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

**Fair value of financial instruments carried at amortised cost**

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

**Valuation techniques and assumptions applied for the purposes of measuring fair value**

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2024.

**Fair value of the Group's financial assets that are measured at fair value on recurring basis**

Some of the Group's financial assets are measured at fair value at the end of the reporting period.

The table on the next page provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Group into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2025	31 December 2024				
	AED'000	AED'000				
<b>Investments at FVTOCI</b>						
Unquoted debt securities	<u>1,000</u>	<u>1,000</u>	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value
	<u>1,000</u>	<u>1,000</u>				

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**31. Fair value measurements (continued)**

Financial assets (continued)	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2025	31 December 2024				
	AED'000	AED'000				
<b>Investments at FVTPL</b>						
Quoted equity securities	200,296	137,194	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds units	363,399	339,011	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value
	<u>563,695</u>	<u>476,205</u>				

The management considers that the carrying amounts of financial assets held at amortised costs in the consolidated financial statements approximate their fair values. The fair value is mainly based on unobservable inputs (i.e. Level 3).

There were no changes during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

**32. Contingencies and commitments**

**Commitments**

The Group has capital commitments amounting to AED 0.14 million as at year end (2024: AED 0.87 million).

**Guarantees**

As at 31 December 2025, the Group has bank guarantees against labour and third-party commitments for AED 247,000 (2024: AED 267,000).

**Legal claims**

The Group is subject to litigation in the normal course of its business. Based on independent legal advice, except for the provisions already made as at 31 December 2025 the management does not believe that the outcome of these court cases will have a material impact on the Group's consolidated performance or consolidated statement of financial position.

**33. Corporate tax**

**UAE corporate tax regime**

On 9 December 2022, the United Arab Emirates issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, introducing a federal corporate tax regime in the UAE. The Corporate Tax Law applies to financial years beginning on or after 1 June 2023. As the Group's financial year ends on 31 December, the Group's current tax period commenced on 1 January 2025 and ends on 31 December 2025, with the corresponding tax return required to be filed by 30 September 2026.

Under the Corporate Tax Law, taxable income exceeding AED 375,000 is subject to corporate tax at a rate of 9%.

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**33. Corporate tax (continued)**

For the Group, current taxes shall be accounted for as appropriate in the consolidated financial statements for the period beginning 1 January 2024.

The Group has assessed the deferred tax implications and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), has recognised a deferred tax liability of AED 5.3 million in 2025.

Income tax expenses recognised in statement of comprehensive income are as follows:

	2025 AED'000	Restated 2024 AED'000
<b>Consolidated statement of comprehensive income</b>		
Current tax	2,479	23
Deferred tax	564	587
<b>Net income tax expense recognised in the consolidated SOCI</b>	<b>3,043</b>	<b>610</b>

Following is the analysis of current and deferred tax liabilities presented in the statement of financial position:

**Movement in current tax liabilities:**

	2025 AED'000	2024 AED'000
Balance at 1 January	23	-
Current tax charge for the year	2,479	23
Tax paid during the year	(82)	-
<b>Balance at 31 December</b>	<b>2,420</b>	<b>23</b>

**Movement in deferred tax liabilities:**

	2025 AED'000	Restated 2024 AED'000
Balance as of 1 January	4,496	3,909
Reversal of deferred tax liability on intangibles	(400)	(478)
Changes in fair value of investments	635	591
Changes in fair value real estate investments	329	474
<b>Balance as of 31 December</b>	<b>5,060</b>	<b>4,496</b>

The Effective Tax Rate (ETR) for the period ending 31 December 2025 is 8.14%.

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**33. Corporate tax (continued)**

**Reconciliation of effective tax rate**

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the UAE statutory tax rate as follows:

	2025 AED'000	2024 AED'000
<b>Profit before tax</b>	<b>37,403</b>	10,381
Tax calculated at statutory rate of 9%	<b>3,366</b>	934
<b>Effect of:</b>		
Tax impact of exempt income	<b>(321)</b>	(172)
Tax impact of disallowed expenses	<b>54</b>	132
Standard deduction	<b>(34)</b>	(34)
Prior period adjustment	<b>59</b>	-
Others	<b>(81)</b>	(250)
<b>Income tax expense</b>	<b>3,043</b>	610

**Pillar Two – Global Minimum Tax**

Recently, in order to align with OECD's Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025.

The management has assessed and concluded that the Group does not fall within the scope of UAE DMTT rules for the year ended 31 December 2025. Management will continue to assess the potential applicability of Pillar Two rules on an ongoing basis in accordance with the relevant legislation.

**34. Prior year adjustments and comparative information**

The comparative amounts as at 31 December 2024 and 1 January 2024 and for the year ended 31 December 2024 have been restated due to correction of prior period errors relating to the takaful portfolios acquired upon business combinations. The IFRS 4 intangible assets should have been derecognized and consolidation adjustments eliminating deferred acquisition costs should have been no longer required upon first-time adoption of IFRS 17 that came into effect on the 1st of January 2023. The inaccurate recording of the takaful portfolio resulted in the overstatement of the intangible assets by AED 36,215 thousand, understatement of the trade and other receivables by AED 32,437 thousand and overstatement of the deferred tax liabilities by AED 340 thousand as at 1 January 2024 and overstatement of the intangible assets by AED 35,225 thousand, understatement of the trade and other receivables by AED 28,909 thousand and overstatement of the deferred tax liabilities by AED 568 thousand as at 31 December 2024. Moreover, this inaccurate recording resulted in overstatement of the amortization expense and tax expense by AED 990 thousand and AED 228 thousand respectively.

The comparative amounts as at 1 January 2024 and 31 December 2024 have also been restated to correct prior period errors relating to the recording of BOD remuneration fees. BOD remuneration fees were charged through the statement of changes in equity rather than as expenses through the statement of comprehensive income. The inaccurate recording resulted in understatement of the trade and other payables and understatement of accumulated losses by AED 1,199 thousand as at 1 January 2024 and 31 December 2024. Moreover, this error resulted in understatement of general and administrative expenses and overstatement of profit before tax by AED 1,199 thousand for the year ended 31 December 2024.

In addition, the comparative amounts as at 1 January 2024 and 31 December 2024 have been restated to correct prior period errors relating to not eliminating intercompany balances. Certain intercompany balances classified as takaful contract liabilities, trade and other payables and trade and other receivables were not properly eliminated. The inaccurate recording resulted in overstatement of takaful contract liabilities and trade and other receivable by AED 3,285 thousand as at 1 January 2024 and understatement of takaful contract liabilities and overstatement trade and other payables by AED 20,140 thousand as at 1 January 2024.

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**34. Prior year adjustments and comparative information (continued)**

In accordance with the requirements of 'IAS 1 Presentation of Financial Statements' and 'IAS 8 Accounting policies, Changes in Estimates and Errors', the above items have been corrected retrospectively and accordingly balances in the financial statements as at 31 December 2024 and 1 January 2024 and for the year ended 31 December 2024 have been restated as follows:

Impact on the consolidated statement of financial position as at 31 December 2024:

	As previously reported	Adjustment	As restated
	AED'000	AED'000	AED'000
Intangible assets	76,636	(35,225)	41,411
Trade and other receivables	24,015	28,909	52,924
Total assets	1,323,981	(6,316)	1,317,665
Accumulated losses	(38,660)	(6,596)	(45,256)
Statutory reserve	12,621	(351)	12,270
Total equity	236,204	(6,947)	229,257
Takaful contract liabilities	895,576	20,140	915,716
Trade and other payable	60,315	(18,941)	41,374
Deferred tax liability	5,064	(568)	4,496
Total liabilities	1,087,777	631	1,088,408
Total equity and liabilities	1,323,981	(6,316)	1,317,665

Impact of the consolidated statement of financial position as at 1 January 2024:

	As previously reported	Adjustment	As restated
	AED'000	AED'000	AED'000
Intangible assets	83,065	(36,215)	46,850
Trade and other receivables	36,001	29,152	65,153
Total assets	1,182,927	(7,063)	1,175,864
Accumulated losses	(45,972)	(4,637)	(50,609)
Total equity	229,594	(4,637)	224,957
Takaful contract liabilities	722,413	(3,285)	719,128
Trade and other payable	71,300	1,199	72,499
Deferred tax liability	4,249	(340)	3,909
Total liabilities	953,333	(2,426)	950,907
Total equity and liabilities	1,182,927	(7,063)	1,175,864

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025**

**34. Prior year adjustments and comparative information (continued)**

Impact on the consolidated statement of comprehensive income for the year ended 31 December 2024:

	As previously reported AED'000	Adjustment AED'000	As restated AED'000
General and administrative expenses	(18,681)	(1,199)	(19,880)
Amortisation of intangibles	(6,301)	990	(5,311)
Other income	13,563	(3,528)	10,035
Profit for the year before tax	14,118	(3,737)	10,381
Income tax (expense)/credit	(838)	228	(610)
Profit for the year after tax	13,280	(3,509)	9,771
Total comprehensive income for the year	13,081	(3,509)	9,572
Earnings per share	0.052		0.038

Impact on the consolidated statement of changes in equity:

	As previously reported AED'000	Adjustment AED'000	As restated AED'000
Balance at 1 January 2024	229,594	(4,637)	224,957
Board of directors' remuneration fees	(1,199)	1,199	-
Balance at 31 December 2024	236,204	(6,947)	229,257

Impact on the consolidated statement of cash flows for the period ended 31 December 2024:

	As previously reported AED'000	Adjustment AED'000	As restated AED'000
Profit before tax for the year	14,118	(3,737)	10,381
Amortisation of intangibles	9,085	(990)	8,095
Operating cash flows before changes in assets and liabilities	(5,527)	(4,727)	(10,254)
Change in trade and other receivables	15,409	1,442	16,851
Change in takaful contract assets and liabilities - net	150,302	23,425	173,727
Change in trade and other payables	(10,985)	(21,339)	(32,324)
Board of directors' remuneration fees paid	(1,199)	1,199	-

**35. Subsequent Events**

Subsequent to the reporting date, geopolitical tensions in the Middle East have escalated. The Group's operations are primarily based in the UAE, which continues to demonstrate resilience. While the long-term economic impact remains uncertain, short-term impacts are not expected to be material, with any temporary interruption in business volumes anticipated to normalize in the near term.

The Group does not provide war cover and therefore has no direct exposure to war-related claims, while normal claims incidence is expected to remain stable or lower. In addition, investment-related risks have been partially mitigated through portfolio de-risking measures.

Based on this assessment, no material impact on the Group's financial position has been identified as at the date of approval of these financial statements. Management continues to monitor developments closely.

**Watania International Holding (PJSC)**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025**

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**36. Approval of the consolidated financial statements**

The consolidated financial information was approved and authorized for issue by the Board of Directors on 31 March 2026.

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THE GALLERIES BUILDING 2, LEVEL 13  
DOWNTOWN JEBEL ALI  
DUBAI, UAE

INTEGRATED REPORT 2025