

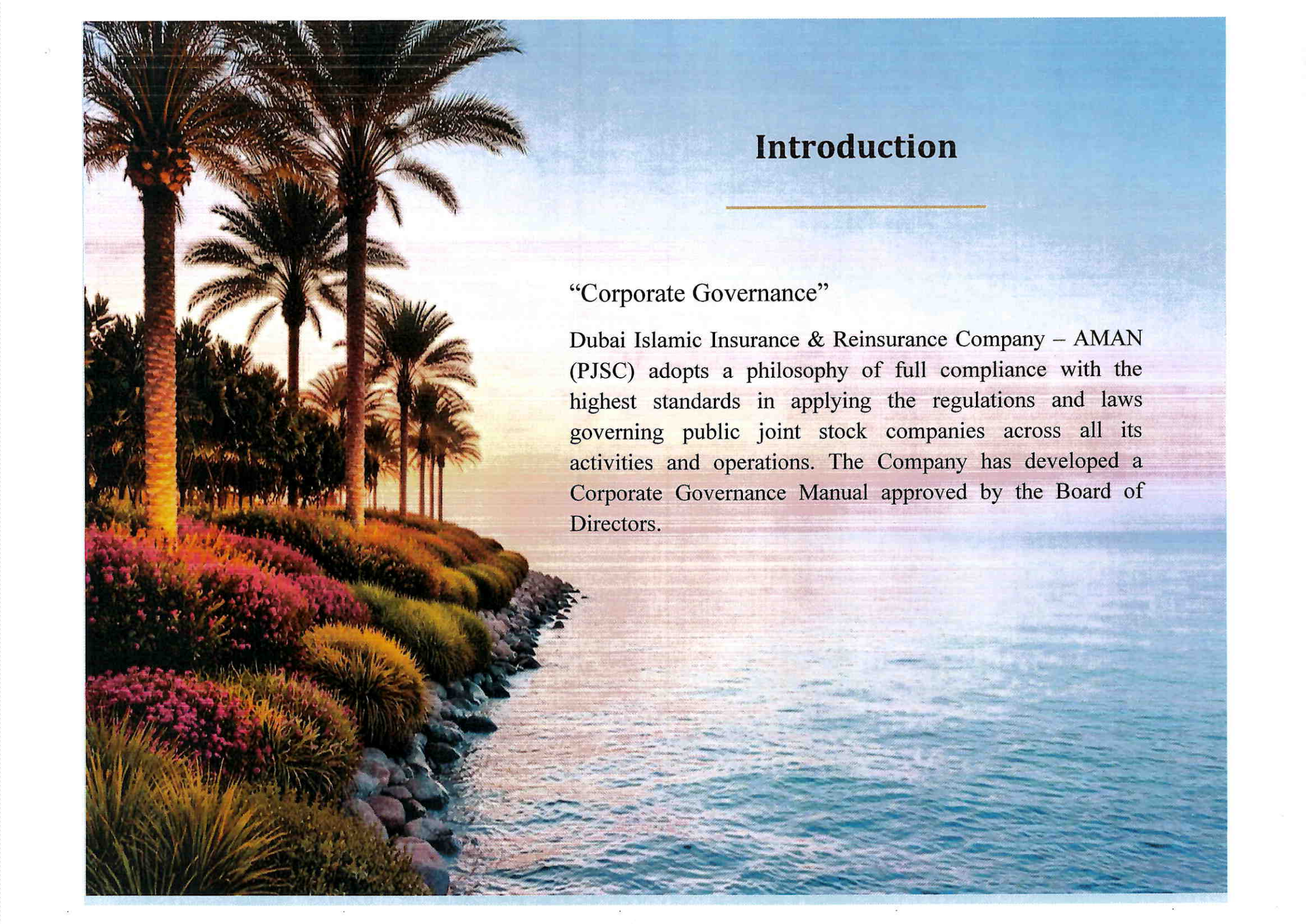
A wide-angle photograph of the Dubai skyline at sunset. The sky is a gradient of blue and orange, with the sun low on the horizon. The water in the foreground reflects the sky and the city lights. The skyline features several prominent skyscrapers, including the Burj Khalifa.

Corporate Governance Report 2025

A M A N

Dubai Islamic Insurance & Reinsurance Company (PJSC)

Dubai, United Arab Emirates | 31 December 2025



Introduction

“Corporate Governance”

Dubai Islamic Insurance & Reinsurance Company – AMAN (PJSC) adopts a philosophy of full compliance with the highest standards in applying the regulations and laws governing public joint stock companies across all its activities and operations. The Company has developed a Corporate Governance Manual approved by the Board of Directors.



1. Actions Taken to Complete the Corporate Governance System in 2025

The Company has been keen to update its systems and standards to align with corporate governance requirements, with the aim of reinforcing transparency and integrity in transactions, as well as ensuring the efficiency and effectiveness of the internal control system to enhance oversight across all business activities and to apply best professional practices.

2. Ownership and Transactions of Board Members

No transactions in the Company's securities by Board members or their relatives were identified during 2025.

No.	Name	Position/Relationship	Shares Held as at 31 December 2025	Total Sales	Total Purchases
1	Mr. Jamal Ahmad Mohamed Abdulrahim Aljassmi	Chairman	0	N/A	N/A
2	Mr. Ali Ahmad Abdullah Alnajjar	Vice Chairman	0	N/A	N/A
3	Dr. Ahmed Khalifa Saif AlQubaisi	Board Member	0	N/A	N/A
4	Mrs. Najla Ghuloom Ali Karam	Board Member	0	N/A	N/A
5	Mr. Ibrahim Hamad Taher Ali Al Ramsi	Board Member	0	N/A	N/A
6	Dr. Anis Samet	Board Member	0	N/A	N/A

Note:

The Board members were elected pursuant to the resolutions of the General Assembly Meeting No. (1) For the year 2025 held on 25/09/2025.

- Mr. Jamal Ahmed Mohammed Abdulrahim Al Jassmi was appointed as Chairman of the Board of Directors pursuant to Board Resolution No. (01/01/2025) issued at Meeting No. (1) For the year 2025 held on 08/10/2025.
- Mr. Ali Ahmed Abdullah Al Najjar was appointed as Vice Chairman of the Board of Directors pursuant to Board Resolution No. (02/01/2025) issued at Meeting No. (1) For the year 2025 held on 08/10/2025.



3. Board Composition

The Board ensures balance between shareholder value and protection of stakeholders' rights.

No.	Name	Category (Executive/Non-Executive/Independent)	Experience and Qualifications	Board Tenure (from the Date of First Election)	Memberships and Positions in Other Joint-Stock Companies	Other Significant Regulatory, Governmental, or Commercial Positions
1	Mr. Jamal Ahmad Mohamed Abdulrahim Aljassmi	Non-Executive/Independent	A distinguished leader in UAE financial services with extensive experience in banking, institutional development, and governance. Previously served as General Manager of the Emirates Institute for Banking and Financial Studies (EIBFS). Holds a degree from the University of Liverpool. Brings deep expertise in financial sector development, governance frameworks, and institutional leadership.	Five (5) Months	N/A	N/A



2	Mr. Ali Ahmad Abdullah Alnajjar	Non-Executive/Independent	A seasoned business leader with extensive experience in banking, investment, and corporate leadership. Currently a Partner at ADVTECH Group and Chairman of Gulf Hotel Co. Ltd in Oman. Previously held senior executive roles at Emirates NBD including Executive Vice President. Holds a degree in Economics.	Five (5) Months	Mar 2009 – Present – Chairman of the Board, Gulf Hotels (Oman) Co. Ltd. SAOG	* 2001 – Present – Board Member & Financial Controller, Zayed International Prize for the Environment * 2018 – Present – Chairman, Grain Industries Ltd (part of MJ Group Ltd), Mombasa, Kenya * 2017 – Present – CEO / Managing Director, AdvTech Pharma Drug Store LLC, Dubai. * 2015 – Present – Board Member, Crowne Plaza Hotel, Muscat, Oman
3	Dr. Ahmed Khalifa Saif AlQubaisi	Non-Executive/Independent	A distinguished executive leader with extensive experience across finance, investment, energy, and technology. Previously CEO of the	Five (5) Months	N/A	* 2024 - Present Vice Chairman, Harvard Business School Club of the GCC



			Abu Dhabi Chamber of Commerce and Industry, and senior roles within ADNOC Group and as Partner at EY. Holds a Doctorate from Durham University and Global Executive MBA from INSEAD. Recognised among Forbes' Top 100 CEOs in the Middle East.			
4	Mrs. Najla Ghuloom Ali Karam	Non-Executive/Independent	A highly experienced insurance professional with over 20 years across health, motor, property, and general insurance. Currently Group Head of Insurance at Emirates Transport. Holds ACII certification and is recognised as the first Emirati woman from Dubai to achieve this distinction. Previously held roles at AMAN and Emirates Insurance.	Five (5) Months	N/A	* 2025 – present Group Head of Insurance Emirates Transport, Dubai, UAE



5	Mr. Ibrahim Hamad Taher Ali Al Ramsi	Non-Executive/Independent	A seasoned banking professional with over 26 years of experience across retail and corporate banking. Currently VP – Director of Public Sector Cash Management at Mashreq Bank. Previously Senior Branch Manager at Commercial Bank of Dubai and senior management at Meraas. Holds a Diploma in Applied Business from Higher Colleges of Technology.	Five (5) Months	N/A	* 2022 - Present - Vice President – Director, Public Sector - Cash - Global Transaction Banking, CIBG Management - Mashreq Bank, UAE
6	Dr. Anis Samet	Non-Executive/Independent	A highly accomplished academic and finance professional. Currently Professor of Finance at the American University of Sharjah. Previously Risk Management Advisor at Caisse de dépôt et placement du Québec. Holds a Ph.D. in	Five (5) Months	N/A	* Full Professor of Finance, American University of Sharjah * Co- Director, UAE Chapter of the Global Association of Risk Professionals (GARP)



			Finance from HEC Montréal and FRM, SCR certifications. Has delivered executive training for SCA, ADX, and DME.			* Board Member - Campagne mediterraneenne d'Investissement Immobilier, Montreal. * Board Member - HyoTec Startup, Tunisia
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The Company's Board of Directors is committed to achieving a balance between maximizing shareholder value and profitability while safeguarding their rights, and providing distinguished insurance services to policyholders in a manner that ensures the protection of their interests, within the framework of the Company's adherence to the principles and provisions of Takaful insurance. The Board also places significant emphasis on enhancing the Company's corporate social responsibility and takes into consideration, in its decisions, the interests of various stakeholders, including the Company's customers and employees, thereby contributing to sustainability and strengthening confidence in the Company's operations.

B – Female Representation on the Board of Directors for the year 2025:

In line with the resolutions of the Board of Directors of the Securities and Commodities Authority, Ms. Najlaa Ghuloom Ali Karam was elected as a member of the Board of Directors pursuant to the resolutions of the General Assembly held on 25/09/2025.

C – Statement of the Following:

1. In accordance with the General Assembly resolution dated 25/09/2025, no remuneration was paid to the members of the Board of Directors.
2. An item will be included on the agenda of the General Assembly to consider approving remuneration for the Board of Directors for the financial year ended 2025, at an amount of AED 200,000 per member.
3. No attendance allowances were paid to members of the Board committees for the financial year ended 31 December 2025.
4. No additional amounts, allowances, or benefits were granted or paid to the members of the Board of Directors during the financial year ended 31 December 2025.



E - Board Meetings

Since the Board members assumed their duties on 25/09/2025, the Company's Board of Directors held three (3) meetings during the year 2025, as detailed below:

No.	Meeting Date	Number of Attendees	Number of Members Represented by Proxy	Names of Absent Members
1	08/10/2025	6	0	0
2	27/11/2025	6	0	0
3	25/12/2025	6	0	0

F – Number of Board resolutions passed by circulation during the financial year 2025, including their dates:

No resolutions were passed by circulation during the financial year ended 31 December 2025.

4. Board Committees

• Audit Committee:

Mr. Ibrahim Hamad Taher Ali Al Ramsi, Chairman of the Audit Committee, acknowledges his responsibility for the Committee's system within the Company, including reviewing its working mechanisms and ensuring its effectiveness.

A – Formation of the Committee:

Pursuant to Board Resolution No. (05/01/2025) issued at Meeting No. (1) For the year 2025 held on 08/10/2025, and in compliance with corporate governance requirements and institutional discipline standards, it was resolved to form the Audit Committee comprising the following members:

No.	Name	Position
1	Mr. Ibrahim Hamad Taher Ali Al Ramsi	Chairman
2	Dr. Anis Al Samet	Member

The Board further resolved to mandate the Executive Management and Board members to nominate an additional member whose expertise aligns with the Committee's requirements, with such nominations to be presented at the next meeting for final approval of the third member.

Subsequently, pursuant to Board Resolution No. (4/2/2025) dated 17/11/2025, the Board of Directors resolved to appoint Dr. Ahmed Khalifa Al Qubaisi as the third member of the Audit Committee, in order to ensure the continuity of the Committee's work pending completion of appointment procedures and obtaining the necessary approvals from the relevant regulatory authorities.



C – Audit Committee Meetings:

The Committee held three (3) meetings during the financial year 2025, as detailed below:

No.	Meeting Date	Attendance	Absent Members
1	21/10/2025	2	0
2	25/11/2025	3	0
3	18/12/2025	3	0

D – Audit Committee Annual Report for the year 2025

1. Key matters considered by the Committee in relation to the financial statements and how such matters were addressed:

The Audit Committee reviewed the annual financial statements for 2025 and noted that there were no changes in accounting policies. The external auditor's qualifications as stated in their report were discussed. The Committee also confirmed that the financial statements were prepared in accordance with IFRS and applicable regulatory requirements.

2. How the independence and effectiveness of the external audit process were assessed, and the approach adopted for the appointment or reappointment of the external auditor, including information on tenure:

AMAN's policy for engaging the external auditor is based on the Articles of Association, its amendments, and corporate governance regulations to ensure the auditor's independence. The policy prohibits the external auditor from performing certain services such as accounting, IT systems, internal audit, valuation, brokerage, and other related services that may impair independence.

3. Committee recommendation regarding the appointment, reappointment, or removal of the external auditor and reasons if not accepted by the Board:

At its meeting held on 26 March 2025, the Audit Committee recommended the appointment of Crowe MAK, which was approved by the Board of Directors.

4. Explanation of how the external auditor's independence is ensured when providing non-audit services:

The external auditor did not provide any additional services that conflict with its role as the Company's auditor. All advisory services fall within the permitted scope.

5. Actions taken or to be taken to address any deficiencies in internal controls or risk management:

Since its formation, the Committee has reviewed reports on the effectiveness of internal controls and risk management and concluded that such systems are effective.

6. Confirmation of reviewing all medium and high-risk internal audit reports:

No material deficiencies were identified in risk management or internal control systems.



7. Corrective action plans for any material weaknesses:

No material weaknesses were identified in risk management or internal control systems.

8. Review of related party transactions and compliance with applicable laws:

During 2025, no related party transactions were recorded, and full compliance with relevant governance regulations was confirmed.

• **Nomination and Remuneration Committee:**

A – Ms. Najlaa Ghuloom Ali Karam, Chairperson of the Nomination and Remuneration Committee, acknowledges her responsibility for the Committee's system within the Company, including reviewing its working mechanisms and ensuring its effectiveness.

B – Pursuant to Board Resolution No. (06/01/2025) issued at Meeting No. (1) for the year 2025 held on 08/10/2025, and in compliance with corporate governance requirements and institutional discipline standards, it was resolved to form the Nomination and Remuneration Committee comprising the following members:

No.	Name	Position
1	Ms. Najlaa Ghuloom Ali Karam	Chairperson
2	Mr. Ibrahim Hamad Taher Ali Al Ramsi	Member
3	Dr. Ahmed Khalifa Saif Al Qubaisi	Member

C – Committee Meetings:

The Committee held three (3) meetings during the year 2025, as detailed below:

No.	Meeting Date	Attendance	Absent Members
1	23/10/2025	3	0
2	10/11/2025	3	0
3	22/12/2025	3	0

• **Committee for Monitoring the Transactions of Insiders:**

The Committee for Monitoring and Supervising the Transactions of Insiders was not formed during the financial year under report, due to the absence of any trading or transactions in the Company's shares during that period. The Committee will be formed in accordance with regulatory requirements upon the resumption of trading of the Company's shares.



- **Investment Committee:**

Dr. Ahmed Khalifa Saif Al Qubaisi, Chairman of the Investment Committee, acknowledges his responsibility for the Committee's system within the Company, including reviewing its working mechanisms and ensuring its effectiveness.

Pursuant to Board Resolution No. (07/01/2025) issued at Meeting No. (1) for the year 2025 held on 08/10/2025, and in compliance with corporate governance requirements and institutional discipline standards, it was resolved to form the Investment Committee comprising the following members:

No.	Name	Position
1	Dr. Ahmed Khalifa Saif Al Qubaisi	Chairman
2	Mr. Ali Ahmed Abdullah Al Najjar	Member
3	Dr. Anis Al Samet	Member

D – Committee Meetings:

The Committee held one (1) meeting during the year 2025 on 08/12/2025, which was attended by all members.

- **Risk Committee:**

Dr. Anis Al Samet, Chairman of the Risk Committee, acknowledges his responsibility for the Committee's system within the Company, including reviewing its working mechanisms and ensuring its effectiveness.

Pursuant to Board Resolution No. (12/01/2025) issued at Meeting No. (1) for the year 2025 held on 08/10/2025, and in compliance with corporate governance requirements and institutional discipline standards, it was resolved to form the Risk Committee comprising the following members:

No.	Name	Position
1	Dr. Anis Al Samet	Chairman
2	Ms. Najlaa Ghuloom Ali Karam	Member
3	Mr. Ibrahim Hamad Taher Ali Al Ramsi	Member

The Committee held one (1) meeting during the year 2025 on 25/11/2025, which was attended by all members.

- **Executive Committee:**

Mr. Jamal Ahmed Mohammed Abdulrahim Al Jassmi, Chairman of the Executive Committee, acknowledges his responsibility for the Committee's system within the Company, including reviewing its working mechanisms and ensuring its effectiveness.

Pursuant to Board Resolution No. (08/01/2025) issued at Meeting No. (1) for the year 2025 held on 08/10/2025, and in compliance with corporate governance requirements and institutional discipline standards, it was resolved to form the Executive Committee comprising the following members:



No.	Name	Position
1	Mr. Jamal Ahmed Mohammed Abdulrahim Al Jassmi	Chairman
2	Dr. Ahmed Khalifa Saif Al Qubaisi	Member
3	Ms. Najlaa Ghuloom Ali Karam	Member
4	Mr. Ibrahim Hamad Taher Ali Al Ramsi	Member
5	Dr. Anis Al Samet	Member

C – Committee Meetings:

The Committee held two (2) meetings during the year 2025, as follows:

No.	Meeting Date	Attendance	Absent Members
1	23/10/2025	5	0
2	28/10/2025	4	Dr. Ahmed Khalifa Saif Al Qubaisi

5. Powers and Responsibilities Delegated by the Board of Directors to Executive Management:

Executive Management is responsible for implementing the visions, policies, and strategic plans approved by the Board of Directors, as well as managing the Company's daily operations in line with its approved objectives and strategy.

Pursuant to Article (29) of the Company's Articles of Association, the authority to sign on behalf of the Company is vested in the Chairman of the Board, the Vice Chairman, or any other Board member authorized by the Board. Accordingly, the Board has delegated to the Chairman the authority to grant the Chief Executive Officer a set of specific powers related to the management of the Company's day-to-day operations, in line with the nature of the Company's activities as stipulated in its Articles of Association.

These powers include representing the Company in its dealings with third parties, managing its operational affairs, representing it before all governmental, local, and federal authorities, appointing lawyers and experts, initiating and following up on legal proceedings and complaints, and defending the Company's interests, in a manner that achieves the Company's objectives and ensures the smooth conduct of its business within the granted authorities.

The Chief Executive Officer (Mr. Rashid Diab) has also been authorized to sign the Company's quarterly financial statements in accordance with the approved procedures and controls.

6. Related Party Transactions:

The Group did not enter into any transactions during the financial year ended 31/12/2025 with entities falling under the definition of related parties as per International Accounting Standard (IAS) 24 – Related Party Disclosures.



7. Board Evaluation:

Given that the current Board of Directors assumed its responsibilities on 25/09/2025 and has served for only a short period of approximately two months until the end of the financial year under report, and in light of the operational and regulatory circumstances surrounding the Company during that period, no annual evaluation of the Board, its members, its committees, or Executive Management was conducted.

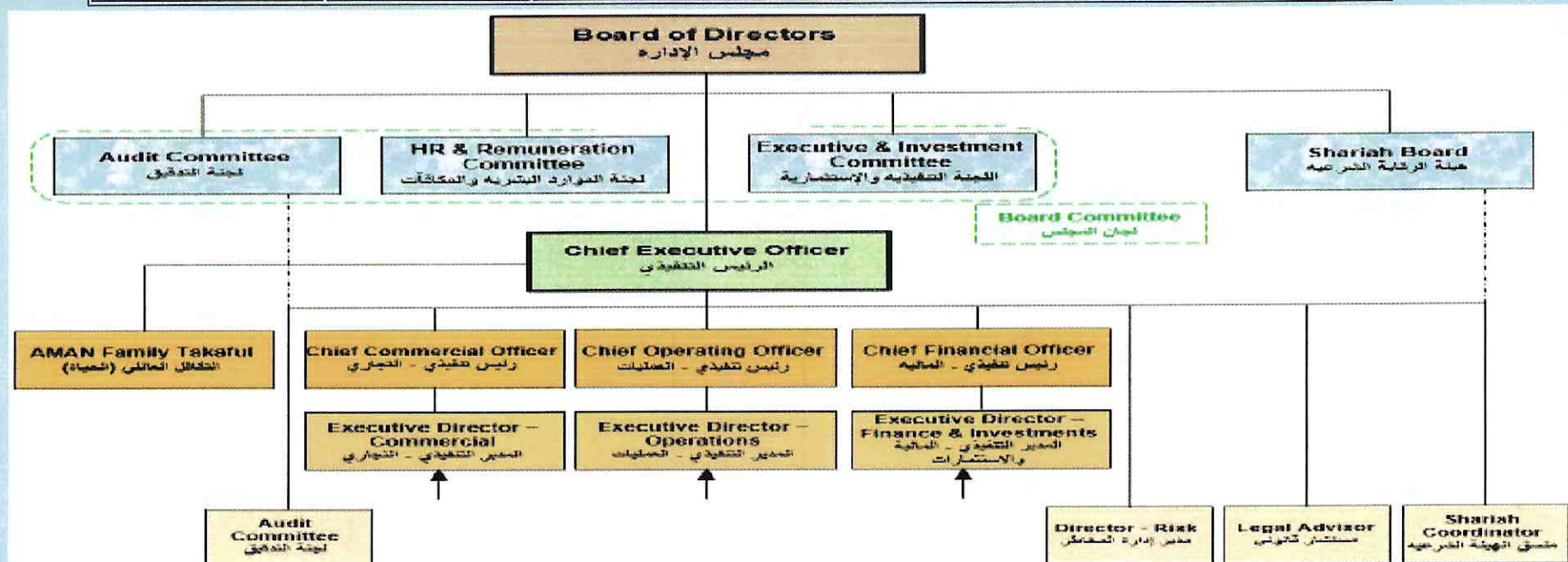
The Board will, in the coming periods, implement a periodic evaluation mechanism for its performance, its members, and its committees in line with best governance practices and applicable regulatory requirements. Such evaluation will be conducted through the Nomination and Remuneration Committee or other mechanisms approved by the Board.

The Board is also committed to appointing an independent professional firm to evaluate the performance of the Board, its members, and its committees every three years, in accordance with regulatory requirements and best corporate governance practices.

8. Organizational Structure and Executive Management:

A detailed statement of senior executive management (first and second tiers), as per the Company's organizational structure, including their positions, appointment dates, and total salaries and remuneration paid, is as follows:

Position	Appointment Date	Total Salaries & Allowances (2025)	Total Remuneration (2025)	Other Benefits
Chief Executive Officer	24/07/2005	AED 900,000	-	-
Chief Financial Officer	-	AED 240,000	-	-





9. External Auditor

The Company's external auditor is **Crowe MAK**, one of the leading professional services firms in the Middle East. The firm has experienced significant growth over the past five years, which has been recognized by the market and by a number of leading companies and institutions that have selected Crowe MAK to perform their external audit services in recent years.

Crowe MAK also has a strong presence and well-established roots in the United Arab Emirates, having operated in the country for approximately 55 years through its offices in the Emirates of Abu Dhabi, Dubai, and Sharjah. The firm provides audit, financial, and professional advisory services to a wide range of companies and institutions across various sectors.

Crowe MAK is a member of the international **Crowe Global** network, which is among the largest global networks of audit and professional advisory firms, enabling it to leverage international expertise and professional standards in delivering its services.

The Company's Audit Committee has evaluated the external auditor, confirmed its independence, and submitted its recommendation to the Board of Directors for appointment at the General Assembly meeting held on 25/09/2025, where the appointment was approved.

The Company confirms that it did not engage any other external auditor during the year 2025.

A – The following table shows the number of years served as external auditor for AMAN and the total audit fees for the financial year 2025:

Audit Firm	Audit Partner	Tenure	Total Audit Fees (2025)	Other Fees (Non-Audit Services)
Crowe MAK	Basel Naser	3 months	AED 720,000	AED 52,536.75 (XBRL & EFORM market disclosure supervision)

- There are other costs, the details of which are as follows:

31/12/2025 -

	Total	Audit	IFRS17	Corporate Tax	VAT	Refund Vat	Consultant Fee	IFRS9	AML	Actuary
Crowe Mak	720,000	720,000								
Crowe Mak	71,000	71,000								
Zamara Actuarial MENA Ltd	419,280		176,280							243,000



Morison MJS Tax Consultancy	127,000			28,000	25,000	74,000				
MBC Management Consultancies	12,500						12,500			
Ideal Solution LLC	55,000						55,000			
AJMS Global Consulting	20,000							20,000		
The First Check Consultants FZCO	40,000								40,000	
Refinitiv Limited	36,762								36,762	
TOTAL	1,501,542	791,000	176,280	28,000	25,000	74,000	67,500	20,000	76,762	243,000

C – External Auditor’s Qualifications for the Year 2025 (Interim and Annual Financial Statements):

- With reference to Note (8), the Group held unit-linked investments measured at fair value through profit or loss amounting to AED 625,402,468, along with related unit-linked liabilities amounting to AED 658,788,566, included Takaful contract liabilities (Note 7). These include investments in unlisted Sukuk amounting to AED 117,952,760. A portion of these unit-linked investments in unlisted Sukuk was issued by entities related to the third-party manager without obtaining prior approval from the Group’s management. Furthermore, these issuing entities are currently under liquidation. Management is unable to segregate the units issued by these entities, and accordingly, the value of these units may be adversely affected due to the liquidation status of the issuers, which may result in the Group’s Takaful contract liabilities exceeding the value of the underlying assets. We were unable to determine the necessary adjustments to the balances of these units and the related Takaful liabilities as at 31 December 2025.
- As disclosed in Note (2) to the consolidated financial statements, the Group’s accumulated losses amounted to AED 174,528,758 as at that date (31 December 2024: AED 181,408,876), representing 77.31% of the Group’s capital. In addition, as disclosed in Note (35), the Group had a solvency deficit in the Minimum Guarantee Fund and Solvency Capital Requirement as defined by the Central Bank of the United Arab Emirates, amounting to AED 58,720,723 as at 31 December 2025.



10 – Internal Control System:

In accordance with the Company's Articles of Association and its nature as a Takaful insurance company, which requires safeguarding the rights of both shareholders and policyholders, while maintaining full segregation between shareholders' accounts and policyholders' accounts in line with Takaful principles and provisions, the Internal Control Department plays a pivotal role in supporting the Company's corporate governance framework.

The Internal Control Department aims to assess the adequacy and effectiveness of the Company's internal control, risk management, and compliance systems, ensuring the integrity of operational and financial processes, efficient utilization of resources, and achievement of the Company's strategic objectives.

The Department performs its duties in accordance with the highest standards of professionalism and independence and operates under the supervision of the Audit Committee. It reviews and evaluates the Company's systems, procedures, and policies, and verifies compliance therewith, thereby enhancing an effective control environment that supports compliance with applicable laws and regulations.

In this context, the Internal Control Department seeks to achieve the following objectives:

- Supporting the Board of Directors and Executive Management in performing their duties by evaluating the effectiveness of internal control, risk management, and compliance systems.
- Reviewing and assessing the adequacy and effectiveness of the Company's policies and procedures and the extent of compliance with them.
- Verifying the accuracy and integrity of financial and operational processes and their alignment with the Company's strategic objectives.
- Assessing the reliability and accuracy of financial and management reports submitted to senior management and the Board.
- Contributing to the protection of the Company's assets and ensuring their proper management and utilization in the best interest of the Company and its stakeholders.
- Providing recommendations to enhance the efficiency of internal control systems and improve governance and risk management practices.

With regard to the risk management framework, the Company adopts an integrated risk management approach aimed at identifying, assessing, and monitoring various types of risks that may affect its operations, including operational, financial, insurance, and strategic risks. This framework includes the development of approved risk management policies and procedures, the determination of acceptable risk levels, and the implementation of periodic mechanisms to monitor and measure risks, as well as to report on them to executive management, relevant committees, and the Board of Directors, ensuring that appropriate decisions are taken in a timely manner. The risk management framework is applied in compliance with applicable regulatory requirements and relevant standards, thereby enhancing the Company's ability to achieve its strategic objectives and sustain its operations.



The Internal Control Department was headed during the year ended 31/12/2025 by Mr. Walid Mohammed Ahmed.

The Head of Internal Control holds a Bachelor's degree in Commerce and has been with the Company since 2005. He has prior experience in internal auditing at the Dubai Department of Health and Medical Services (1998–2005), Banque Indo Suez (1995–1997), and a Canadian oil company in the accounts department (1993–1994).

The Department has the authority to implement its control policies through the following:

- Full authority to audit records, correspondence, files, and any documents deemed necessary for carrying out control functions.
- The ability to retain copies of files, records, correspondence, and any audited information as deemed necessary.
- Full authority to investigate any entity or employee within the Company involved in any identified financial violation.

In line with corporate governance requirements and institutional discipline standards, the Board of Directors has acknowledged its responsibility for the Company's internal control system, its review, and ensuring its effectiveness pursuant to Board Resolution No. (1) dated 18/03/2020.

The Internal Control Department reports any significant issues to the Audit Committee, which takes the necessary actions to identify risks and implement appropriate solutions, with detailed reports submitted for review and escalation to the Board of Directors for decision-making. No material issues were encountered during 2025.

The Committee has prepared its annual report, which was presented to the Board of Directors.

Compliance Officer:

In 2016, Mr. Omar Magzoub (British national) was appointed as the Company's Compliance Officer and was entrusted with all duties and responsibilities prescribed by law for this role. Mr. Magzoub possesses the necessary skills and experience to perform his duties efficiently, contributing to strengthening a culture of discipline and compliance within the Company in line with applicable regulatory requirements.

He holds academic and professional qualifications in the fields of risk management, compliance, insurance, and accounting, including a Master's degree in Risk Management from the United Kingdom, as well as a specialized program in financial crime and compliance. He also holds a Diploma in Insurance, has international training experience in general insurance, and a Bachelor's degree in Accounting.

The Chief Compliance Officer reports administratively to the Chief Executive Officer and functionally to the Audit Committee in the performance of his duties, while remaining committed to reporting material matters and violations to the Board of Directors, thereby ensuring full compliance with applicable governance requirements.

11 - Violations:

The current Board of Directors is working to strengthen and activate the role of the Board and its committees to enable them to effectively perform their duties and responsibilities in overseeing all matters related to the Company's operations.

The Board ensures that its committees—particularly the Audit Committee and the Nomination and Remuneration Committee—operate independently in line with best governance practices and without interference from Executive Management.



In this context, the Board has reviewed the scope of authorities granted to Executive Management, particularly in relation to investment decisions, to enhance oversight over strategic and financial decisions. All material matters and challenges faced by the Company are presented to the Board for consideration and appropriate decision-making in the best interests of the Company and its stakeholders.

12 – Company Contributions to Community Development:

During 2025, AMAN was committed to enhancing transparency and effective communication with its shareholders and stakeholders through compliance with periodic disclosure requirements, ensuring timely availability of material information and strengthening investor confidence.

The Company also continues to develop its communication channels through its website, which is regularly updated with the latest news, developments, and achievements.

As part of its commitment to corporate social responsibility and sustainable development in the United Arab Emirates, the Company actively supports charitable, humanitarian, cultural, scientific, and academic initiatives in cooperation with several recognized organizations, including the Zakat Fund, Dar Al Ber Society, Beit Al Khair Society, and Friends of Cancer Patients Society, among others. This reflects the Company's commitment to contributing to the community and promoting the values of solidarity and social responsibility.

13 – General Information:

A – The following table shows the Company's share price in the market (highest and lowest) at the end of each month during the financial year 2025:

Month	Highest Price	Lowest Price	Closing Price
January 2025	0.365	0.320	0.350
February 2025	0.495	0.340	0.380
March 2025	0.420	0.343	0.357
April 2025	0.390	0.300	0.314
May 2025	0.315	0.300	0.300
June 2025	Trading Suspended	Trading Suspended	0.300



Month	Highest Price	Lowest Price	Closing Price
July 2025	Trading Suspended	Trading Suspended	0.300
August 2025	Trading Suspended	Trading Suspended	0.300
September 2025	Trading Suspended	Trading Suspended	0.300
October 2025	Trading Suspended	Trading Suspended	0.300
November 2025	Trading Suspended	Trading Suspended	0.300
December 2025	0.384	0.275	0.339

B – Comparative Share Performance for 2025:

Month	AMAN	DFMGI	Insurance Index
January 2025	0.350	5180.37	3597.35
February 2025	0.380	5317.63	3724.21
March 2025	0.357	5096.24	3441.05
April 2025	0.314	5307.15	3645.11
May 2025	0.300	5480.51	3806.57



Month	AMAN	DFMGI	Insurance Index
June 2025	0.300	5705.76	3984.16
July 2025	0.300	6159.15	4465.32
August 2025	0.300	6063.61	4305.85
September 2025	0.300	5839.64	4196.04
October 2025	0.300	6059.43	4377.01
November 2025	0.300	5836.89	4120.18
December 2025	0.339	6047.09	4327.88

C – Shareholding Distribution as at 31/12/2025 (Local, GCC, Arab, and Foreign):

Category	Arab	Foreign	GCC	Local	Total
Banks	-	-	-	2,434,858	2,434,858
Companies	657,414	7,251	393,344	16,770,353	17,828,362
Governments	-	-	-	1,000	1,000
Individuals	19,212,385	8,347,756	1,711,249	174,708,083	203,979,473



Category	Arab	Foreign	GCC	Local	Total
Sole Proprietorship	-	-	-	198,614	198,614
OMNIBUS Account	-	367,377	-	37,175	404,552
Others	-	-	-	903,141	903,141
Total	19,869,799	8,722,384	2,104,593	195,053,224	225,750,000

D - Shareholders Holding 5% or More of the Company's Capital:

Shareholder Name	Status	Category	Number of Shares	Percentage
Saleh Hashem Sayed Al Hashemi	Active	Individual	21,146,186	9.3671%
Mohammed bin Ahmed bin Saeed Al Qasimi	Active	Individual	15,536,166	6.8820%
Zayed Rashid Owaidha Rashid Al Qubaisi	Active	Individual	14,246,575	6.3108%

E - Distribution of Shareholders by Ownership Size as at 31/12/2025:

No.	Ownership Range	Number of Shareholders	Number of Shares	Percentage
1	Less than 50,000	2,164	19,716,182	8.7336%
2	50,000 to less than 500,000	406	63,701,905	28.2179%
3	500,000 to less than 5,000,000	73	80,401,143	35.6151%



No.	Ownership Range	Number of Shareholders	Number of Shares	Percentage
4	More than 5,000,000	5	61,930,770	27.4333%
Total	—	2,648	225,750,000	100%

F – Investor Relations Measures:

Based on the Board of Directors' recommendations, the Company issued an administrative decision appointing Mr. Belal Mohammed Ibrahim as Investor Relations Officer, in compliance with Resolution No. (7 R.M/2016).

- Name: Belal Mohammed Ibrahim
- Direct Phone: 04-3193170
- Email: Belal.Ibrahim@aman.ae

A dedicated Investor Relations section has been established on the Company's website, fulfilling all regulatory requirements:

<http://www.aman.ae/ar/investors.php>

G – Special Resolutions Presented at the General Assembly in 2025:

1. Approval of the Company's continuation of its operations in accordance with Article (309) of Federal Law No. (32) of 2021 on Commercial Companies.
2. Approval of updates related to the plan to address accumulated losses.

H – Key Events during 2025:

- Following receipt of a notice terminating the individual life insurance portfolio transfer agreement with Abu Dhabi National Takaful Company (ADNTC), the Company rejected the basis of termination and initiated legal الإجراءات اللازمة to protect its contractual and legal rights. The matter is currently under legal proceedings.
- Arab Islamic Insurance Company (SALAMA) also announced termination of the partial acquisition agreement. The Company rejected this termination and has taken the necessary legal actions to protect its rights. The matter remains under legal proceedings.



I – Board Secretary:

Pursuant to Board Resolution No. (03/01/2025) issued on 08/10/2025, Mr. Belal Mohammed Ibrahim continues as Board Secretary to ensure continuity, proper documentation, and effective governance.

He holds a **Certification of Board Secretary** from Hawkamah and the Dubai Financial Market (DFM).

J – Other Key Events:

The Company did not experience any additional material events during 2025.

K – Related Party Transactions (≥5%):

No such transactions were entered into during 2025.

L – Emiratization Ratio:

The Emiratization rate reached approximately 6.92% for the years 2022–2025.

M – Innovation Initiatives:

No innovation projects were developed during 2025.

Observations on Compliance with Governance Requirements during 2025:

During 2025, the Company underwent a transitional phase represented by the reconstitution of the Board of Directors and its committees, which was reflected in the number of meetings held and the formation of certain committees during specific periods of the year. In this context, the Board of Directors held three (3) meetings during the year, while the Risk Committee held one meeting. Additionally, the Audit Committee operated with only two members during the period from 08 October to 17 November 2025, due to the short tenure and restructuring procedures.

The Company confirms that the formation of all committees has since been completed in accordance with the applicable regulatory requirements, and that the necessary measures have been taken to ensure compliance with the prescribed number of periodic meetings, thereby enhancing full adherence to governance requirements in subsequent periods.



Compliance with Board Members' Induction Program Requirements:

In line with the Company's commitment to the requirements of Article (12) of the Corporate Governance Rules, an induction program was organized for the new Board members elected in September 2025. The program aimed to familiarize them with all aspects of the Company's operations and enhance their ability to perform their duties effectively.

The program included a comprehensive overview of the Company's position and objectives, as well as key financial and operational aspects, governance structure, and risk management and compliance frameworks. This ensured that Board members gained a sufficient understanding of their roles and responsibilities in accordance with best practices and approved standards.

The Company reaffirms its commitment to continuously developing induction and training programs to support the effective performance of both the Board of Directors and senior executive management.

Conclusion:

The Board of Directors of AMAN reaffirms its full and unwavering commitment to applying the highest standards of compliance with applicable laws, regulations, and frameworks in the United Arab Emirates, in line with international best practices.

The Board further confirms that the Company has implemented and adopted all necessary internal policies and procedures to ensure full compliance with the regulations and instructions issued by the Central Bank of the UAE and the Securities and Commodities Authority, as well as adherence to corporate governance, risk management, internal control, compliance, internal audit, financial reporting, and external audit standards, thereby enhancing institutional efficiency and safeguarding stakeholders' rights.

Mr. Jamal Ahmad Mohamed Abdulrahim Aljassmi
Chairman

Mr. Ibrahim Hamad Taher Ali Al Ramsi
Chairman of Audit Committee

Mrs. Najla Ghuloom Ali Karam
Chairman of Nomination and Remuneration Committee





Dubai Islamic Insurance & Reinsurance Company (AMAN)

Integrated Report 2025



SOCIETY



ENVIROMENT



ECONOMY

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CEO Message



Dear Stakeholders,

As we enter a new year at Dubai Islamic Insurance & Reinsurance Company (AMAN), we continue our journey toward sustainability, which has witnessed tangible achievements, fruitful collaboration, and a renewed spirit of innovation over the past period. We remain committed to developing new initiatives that prioritize employee well-being, promote the principles of social equity, and strengthen our ties with the community.

In light of global challenges related to climate change, the Company has adopted a number of innovative solutions in risk management and insurance to enhance society's resilience and ability to adapt to these challenges. We also continue to implement proactive initiatives aimed at mitigating environmental risks and reducing our carbon footprint, thereby supporting efforts toward a more sustainable future.

Our institutional approach is grounded in a robust governance framework that places our core values at the heart of all our operations and activities. AMAN places great importance on the principles of integrity, transparency, and accountability as fundamental pillars that guide our decisions and reinforce stakeholder trust, strengthening our institutional structure and responsiveness to evolving requirements.

As we look ahead, our vision remains ambitious in continuing to elevate institutional performance standards and lead in the adoption of best practices in Environmental, Social, and Governance (ESG). We are committed to aligning our initiatives with the directions of the UAE Government to enhance positive impact and contribute to addressing global challenges, foremost among them climate change..

Mr. Rached Diab
Chief Executive Officer

About AMAN

Established in 2002

(AMAN) Dubai Islamic Insurance & Reinsurance Company is a national shareholding company. It pioneered Islamic insurance in the UAE and was the first Takaful-certified company.

Our Product Portfolio

We offer a variety of insurance and investment products and services. They are all conducted according to Shariah guidelines and under the supervision of the Fatwa and Shariah Supervisory Board. The members of this board are experts in Islamic economic and Shariah transactions.



To learn more about Aman

Our Purpose

Vision

We strive to be the most trusted and secure Insurance Establishment for all of our stakeholders. We aim to continue a transformational journey that we have embarked on that finds its inspiration from the foundations of innovation and change.

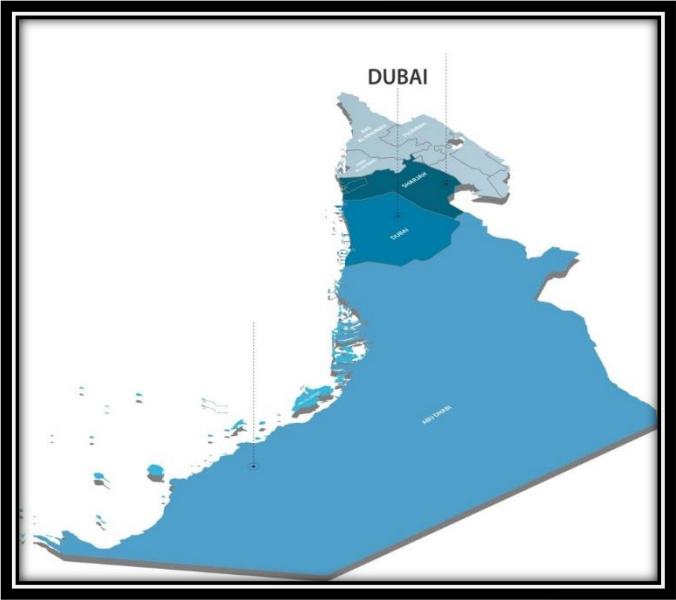


To learn more about our products

1

**Branch
DUBAI**

AMAN has one of the most comprehensive organization network for easy access



11

**E-Commerce
& Online Products**

AMAN offers the most diverse range of E-Commerce product solution with many of our services integrated directly with the UAE Government.

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Employees

AMAN employees the best talent in the region, with certified professionals at the very core of the organization.

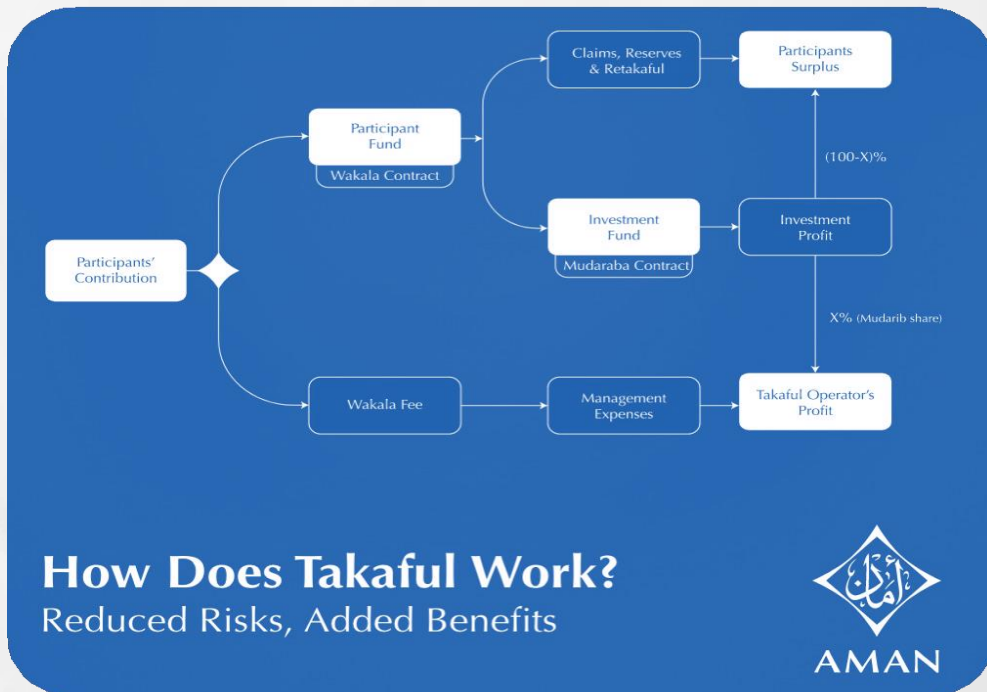
As policyholders' fund managers, AMAN invests (as a WAKEEL), the insurance premiums for them and distributes any profits. This Islamic finance product, named MUDARABA, keeps our policyholders protected and delivers to them investment services simultaneously.

MUDARABA

A contract between two parties by which one offers a certain capital whereas the other (the MUDAREB) offers his effort and experience to invest the specified capital. Profits are shared between the two parties based on a fixed agreement.

WAKALA

Agency is the act of one party delegating the other to act on its behalf in what can be subject matter of delegation



OUR WIDE RANGE OF ISLAMIC AND SHARIAH COMPLIANT INSURANCE PRODUCTS INCLUDE :

OUR PRODUCT PORTFOLIO



MOTOR

Against Loss, Damage
& Third-Party Liability -
Against Third Party
Liability -Fleet



MARINE

Marine Cargo -Marine Hull -
Pleasure Crafts and Yachts -
Freight Forwarder's Legal
Liability - Marine Liabilities -
Marina Operator's Legal
Liability - Aviation -
Shipbuilder's Liability



FIRE

Fire and Allied Perils -
Fire and Allied Perils
including Burglary -
Property All Risk -Loss of
Profits - Individual &
Commercial



ENGINEERING

Contractor's All Risk -Erection
All Risk - Machinery
Breakdown -Electronic
Equipment -Deterioration of
Stock -Contractors Plants or
Equipment - Machinery All
Risk -Loss of Profit



LIABILITY

Third Party - Product -
Workmen's - Professionals -
Project Professional
Indemnity - Directors' &
Officers Liability -Medical
Malpractice - Events Liability
- Freight -Tour Operators -
Airport Operator



GENERAL ACCIDENT

All Risk - Money - Travel -
Fidelity Guarantee - Group
Personal Accident - Plate
Glass - Bankers Blanket
Bond



LIFE

BancaTakaful - Group
Family Takaful - Group
CreditTakaful - Disability &
Personal Accidents - Credit
Takaful -Disability - Critical
Illness -Personal Loan -
Credit Shield



MEDICAL

Healthcare - Personal
Accident –International
- Regional - Local

About This Report

As part of AMAN's corporate governance practices, our commitment and respect for our stakeholders. we stand by to the rules and regulations of the Dubai Financial Market ("DFM") and of the UAE Securities and Commodities Authority ("SCA"), as well as national and international accounting and reporting standards.

In this report, we present our financial performance as a public company, along with "Hawkamah" governance reports that we post on our website regularly.

Sustainability reporting is something we are currently working toward as part of our efforts to institutionalize our Environmental, Social, and Governance (ESG) operations. We want to assess our organization's sustainability, create strategies, and implement ideas into practice. Both financial and non-financial results are visible to all stakeholders.

An overview of the operations in the UAE's Head office branche and for the year 2025 is given in the integrated report. It complies with the Global Reporting Initiative Standards (GRI), which are the initial global reporting guidelines for sustainability.

AMAN's Sustainability

Aman is proud of its adoption of advanced practices in governance and compliance, and its implementation of an integrated approach to sustainability. This approach enhances the Company's ability to achieve a balanced alignment across economic, social, and governance dimensions. It also reflects Aman's recognition of the critical importance of these pillars in supporting the sustainability of its operations and strengthening trust with all stakeholders.

In this context, the Company continues to expand the scope of its institutional practices in a manner that reinforces the principles of transparency and accountability. Aman works closely with its diverse stakeholders to create shared and sustainable value, while proactively addressing issues related to its operations in a way that serves mutual interests and supports sustainable long-term growth.



Stakeholder Engagement



CUSTOMERS

AMAN's website
Service Channels
Publicly shared reports
Media



STAKEHOLDERS

Annual General Meeting
Financial Reports
Hawkamah report



GOVERNMENT

Governmental partnerships
Hawkamah report
Audit Reports
Other required reports



EMPLOYEES

Internal communication channels
Code of Conduct
Employee Engagement activities



Environment

Energy suppliers
government resource providers



SUPPLIERS

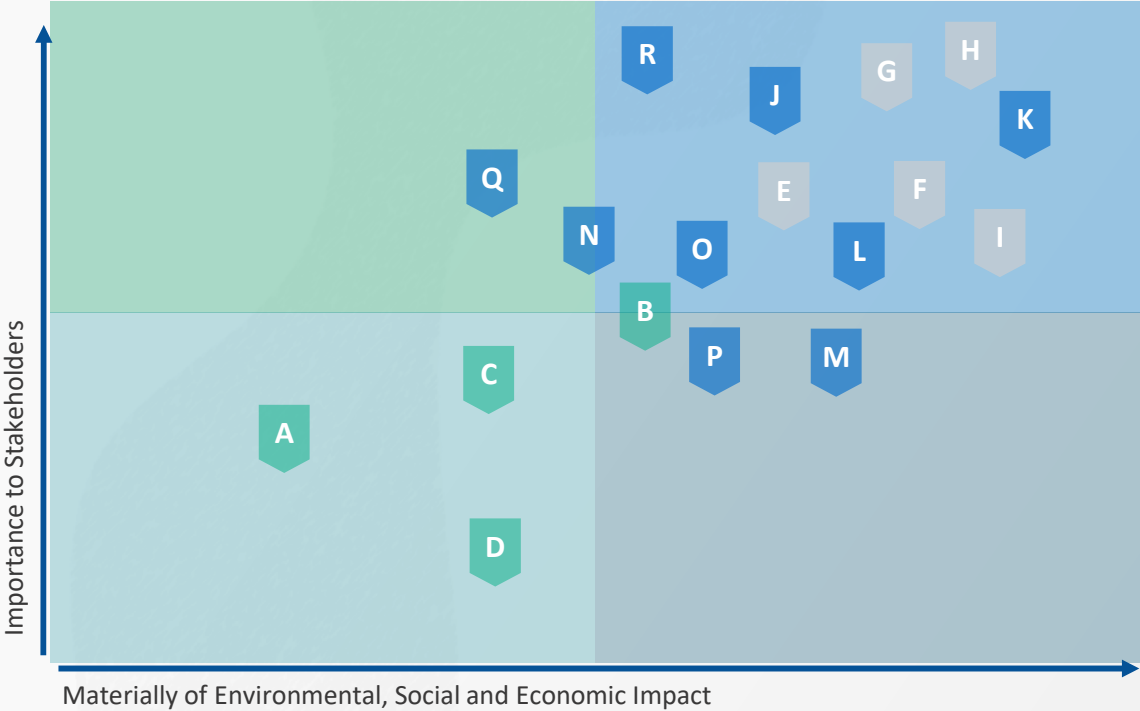
Partnerships
Meetings
Contracts



COMMUNITY

Media
Social and digital media
Annual reports
Social &CSR Initiatives

Materiality Assessment



- A Supplier Environmental Management
- B GHG Emission
- C Energy Consumption
- D Fuel Consumption
- E Customer Satisfaction & Retention
- F Non-Discrimination
- G Governance
- H Empowering Women

- J Anti-corruption
- K Data Privacy
- L Risk Management
- M Local Community
- N Diversity & Equal Opportunity
- O Human Rights Assessment
- P Training & Education
- Q Economic Performance
- R Socio-Economic Compliance

Our Reporting

As a publicly listed company, we publish our audited consolidated financial performance in accordance with International Financial Reporting Standards. As part of our Investor Relations activities, we publicly communicate all financial reports on our website

Since 2013 , we have been reporting on our governance and compliance practices through our annual HAWKAMAH reports.

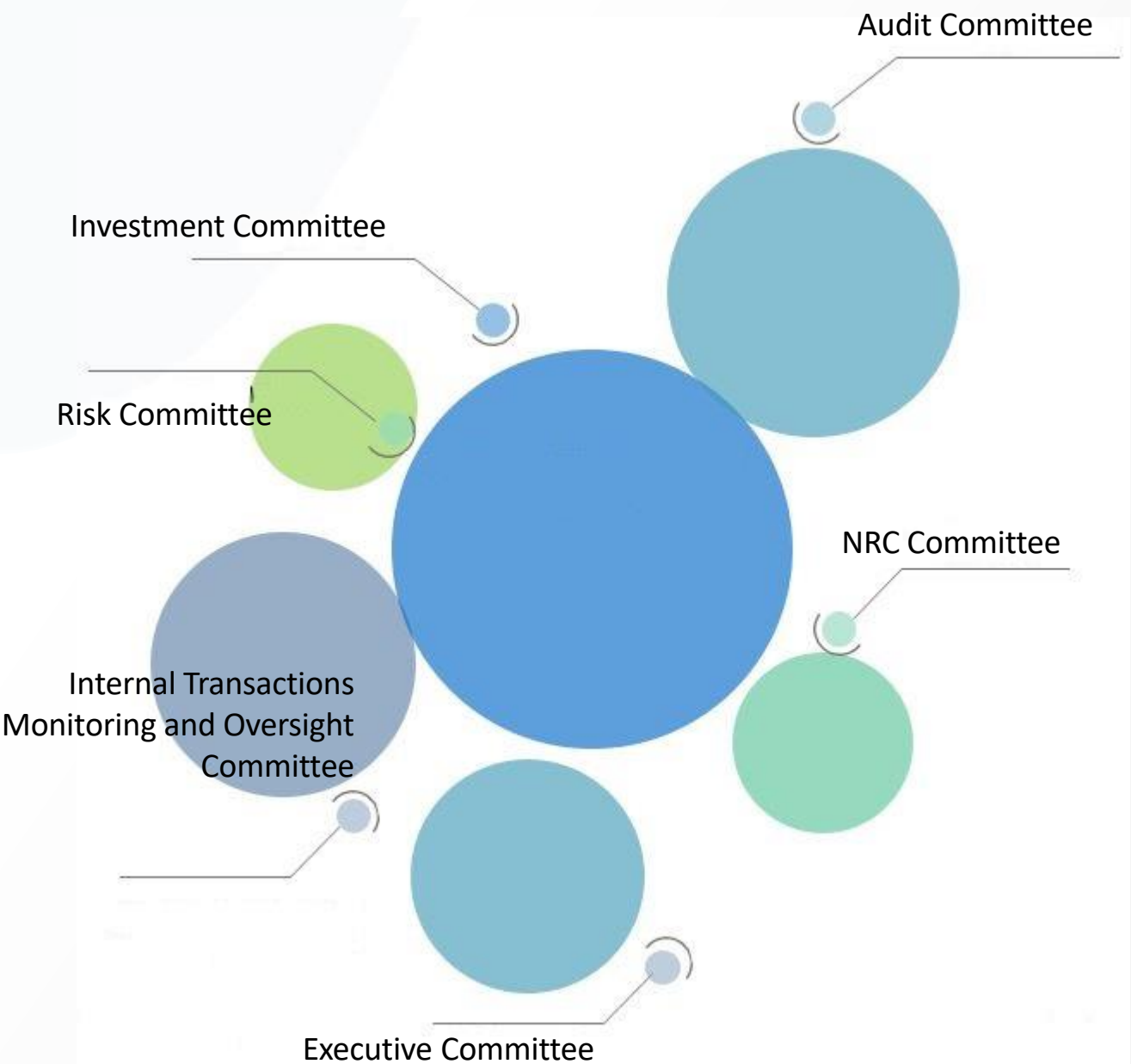
We also publish an Annual Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Compliance report transparently reviewing and disclosing compliance framework in accordance with supervisory laws, regulations and guidelines. This is reviewed by senior management.

In line with our vision to be a responsible citizen, we have voluntarily taken the first step in our sustainability reporting journey through this integrated report as we believe that our stakeholders' interests are interrelated and encompass both financial and non-financial aspects.



Our Committees

In tackling material issues, one of the most effective governance tools are high level committees that directly report to our Board of Directors. Below are the committees that help advance our governance, compliance and risk management efforts.



Our Auditing

The continuous monitoring of our governance practices is a core responsibility of the Compliance Officer, as well as the Internal Audit Department, which reports directly to the Audit Committee. These measures are designed to strengthen internal controls and support a culture of continuous improvement.

Furthermore, the Company is subject to an annual external audit of its financial performance conducted by Crowe MAK, one of the most reputable independent audit firms, which operates independently of Aman. The audit is performed in accordance with the International Code of Ethics for Professional Accountants (including the International Independence Standards) issued by the International Ethics Standards Board for Accountants, as well as the ethical requirements applicable in the United Arab Emirates.

The audit is conducted in accordance with the International Standards on Auditing, ensuring the integrity, transparency, and reliability of the Company's financial reporting.

AUDITING CODES & STANDARDS

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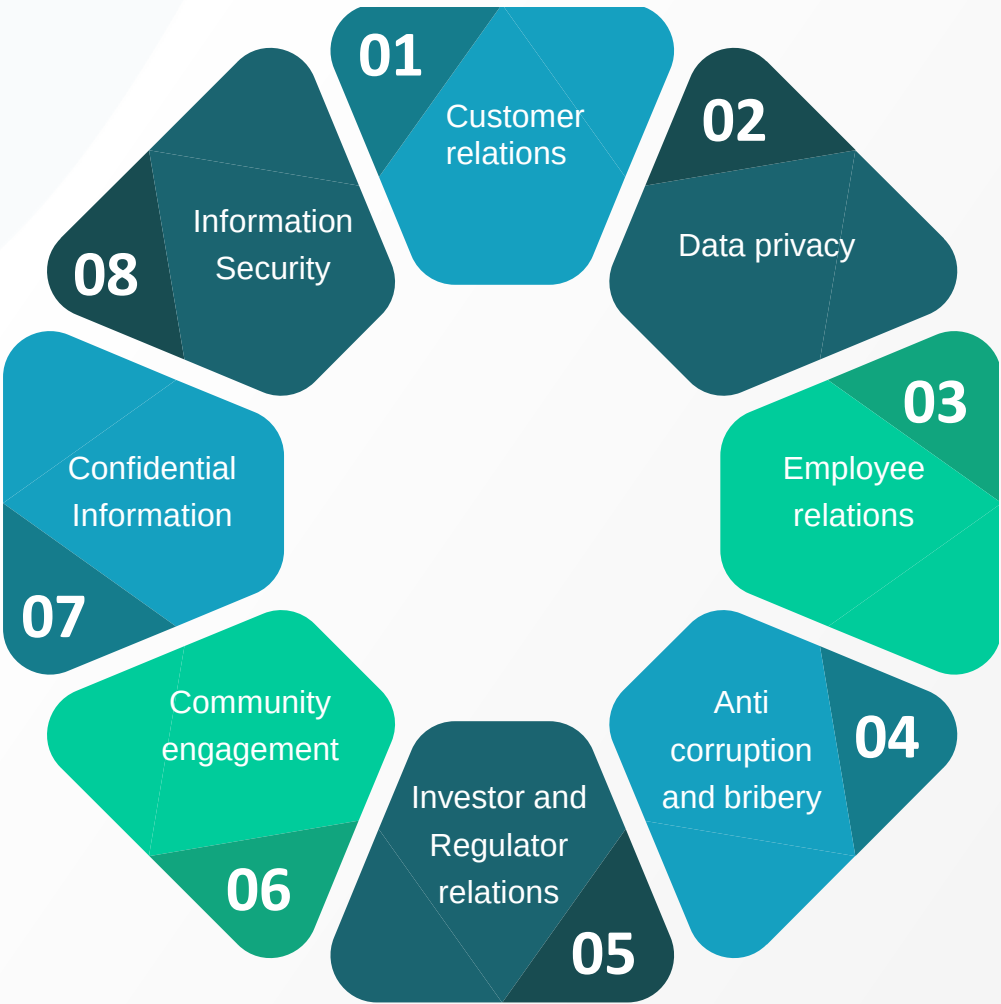
IAASB

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IESBA

Our Code of Conduct

In order to ensure ethical business practices across the board along to complying with national regulations, is our Code of Conduct, which outlines different principles and practices that guide our corporate DNA and daily operations, which is clearly communicated to all employees . It is also very broad touching upon numerous material topics related to different stakeholders



Our Customers

When it comes to our customers, we take our values of trust and quality as our approach that will ultimately ensure we meet their expectations while being responsible corporate citizens. Through this, we seek to nurture a sustainable relationship with our customers through our exceptional Takaful program that limits the risk exposure of our clients and ensuring our growth while constantly seeking ways to best leverage our organizational and technology resources.

Our products are tailor made to suit each customer's requirements to better meet their needs. Along with a high standard of service, we leverage our strategic partnerships to provide Policies that are backed by highly reputable Reinsurance providers in the world.

We also ensure that our employees comply with all Laws and Regulations including our "Confidential Information Policy" within the code of conduct that ensures avoiding conflict of interest and keeping the customers' best interest in mind through our policy offerings.

During 2024 our digital efforts were catalyzed and enhanced after the pandemic, where we ensured that our customers could complete the whole cycle of purchasing policies online. We also embedded a feedback/complaints mechanism to ensure we gauge their feedback in efforts to continually improve our offerings to meet their expectations.

Our Employees

We consider our employees as our most valued asset and seek to create a positive and highly motivating environment to help them achieve their ambitions while delivering value through our business. Therefore, we are keen on providing a fair and positive work environment which is strategically managed through our policies and procedures that are in full compliance with of the local labor laws of the United Arab Emirates. We also work on establishing a strong work ethic guided by our ethical code for our employees encouraging them to act socially responsible within their roles ensuring to avoid any conflict of interest and anti- competitive behavior which is clarified and clearly communicated to our employees.

Our material topics related to our employees include:



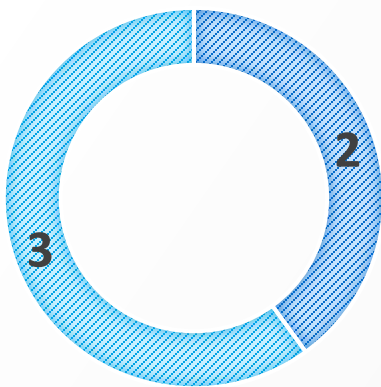
EMPLOYEE DIVERSITY & NON-DISCRIMINATION

Our employees are recruited based on clear competencies required by our business offering equal opportunities, free of discrimination and encourage diversity as we believe it enriches our organization culture. We also emphasize on transparently communicating clear criteria and current and future requirements for employment with priority for UAE nationals encouraging Emiratization which was a key performance indicator of Vision 2024.

It is imperative for us to build a positive relationship between our management and employees and encourage continuous dialogue and communication that promote our values of transparency and responsibility with mutual respect and trust. This is also part of internal review process that raises and addresses any issues or concerns.

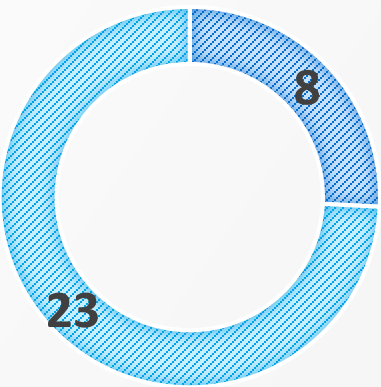
FEMALE EMPLOYEES

■ Managerial ■ Non-Managerial



MALE EMPLOYEES

■ Managerial ■ Non-Managerial



Occupational Health, Safety and Security

Given that our business sector and day-to-day operations do not involve high-risk activities, we ensure full compliance with applicable local labor laws within the workplace. We are also committed to providing our employees with essential training in health, safety, and environment (HSE), including fire safety and first aid.

Safeguarding Our Employees

In addition, the Company promotes a safe and healthy work environment through the implementation of preventive policies and procedures aimed at minimizing occupational risks and ensuring employees are well-prepared to respond effectively to emergencies. Regular workplace risk assessments are conducted, and safety procedures are continuously reviewed in line with recognized best practices and standards.

The Company also places strong emphasis on raising health awareness among employees through awareness initiatives and guidance programs, contributing to a culture of safety and shared responsibility. Clear channels are maintained for reporting potential hazards or incidents, with prompt response and appropriate corrective actions taken as necessary.

The Company reaffirms its ongoing commitment to enhancing its occupational health and safety framework in a manner that supports employee well-being and reinforces the sustainability of its long-term organizational performance.

Employee Rewards & Benefits

Our scope of services, proves firsthand the importance of having financial security and the importance of ensuring that our employees receive attractive financial compensation and benefits. Since this is strategic priority, we ensure proper oversight through our HR & remuneration committee which reports directly to the board.

Other important changes are related to the newly published labor laws set by the Ministry of Labor that we have worked on complying with by making changes to our main job obligations for our employees.

Our salary packages are competitive and comply with local labor laws in addition to offering other benefits and initiatives to support our employees:

Employees can request advance payment which they can pay in installments up to 12 months without interest



We also help and support employees and individuals who suffer from difficulty in living and have accumulated problems, debts and critical health



Emergency leaves



We provide up to a total of 5 days emergency leave

Our Employees

Training and Education

AMAN believes that that our employees are our most valuable asset and they must be equipped with training and education to help them better perform within their roles as well as diversify their skills for their growth. It is also important for succession planning that help provide a pathway for growth for employees as well as business continuity.

We also highly encourage on the job training amongst business lines as well as cross-departmental experience sharing. We also encourage employees to submit special requests for extra training courses due to their job requirements .

Since 2021, there was great emphasis on online learning where we also provided our employees with online training courses with specific focus on **Anti-Money Laundering and Anti-Corruption** which was provided to all employees.

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Employees Trained on **Anti-Money and Anti-Corruption Trainings**

Our Employees

Employee Engagement

Creating a warm work culture where we engage our employees in several initiatives and activities is highly rewarding for our organization and strengthens our values.

We have ensured that our employees integrate in a vibrant environment which values them.

These engagements included multiple categories:

1. Employee Wellbeing Engagements
2. National Holidays Celebrations
3. Personal Celebrations

Employee Wellbeing Engagements



Employee football team: Encouraging a healthy and active lifestyle as well as team building, we support a weekly soccer team

Our Employees

Employee Engagement

National Holidays Celebrations



**National Day
Celebration**

**Friday Breakfast
gathering**



Ramadan IFTAR Gathering for Employees

Personal Celebrations

**Birthday
Celebrations**

**International
Women's Day
Celebrations**

**Mother's Day
Celebrations**



Our Responsibility

Our core business is driven towards offering responsible products that mitigate risk of our customers to face the dynamic financial landscape through innovative solutions.

During the year 2024, our business prospered and focused on **Three main fronts**:

1. Digitalization: Our strategy has focused on implementing digital solutions to streamline operations and create new touchpoints for our customers. This focus has also enabled the provision of paperless (electronic) services, thereby reinforcing our responsibility toward the environment.

In 2020, the COVID-19 pandemic played a central role in accelerating our presence on social media and expanding online product distribution through web platforms that cover the entire cycle—from online policy application to issuance. In addition, the pandemic further strengthened our digital transformation efforts, as the shift to remote working environments became essential.

2. Responsible Products: In order to achieve our goal of being a responsible business, including stakeholder engagement, in favor of charity with a 510% deduction, based on agreements with various stakeholders. Incorporated a charitable aspect where a fixed fee is deducted. .. In addition, we have expanded our responsibilities by offering transactions and discounts to our partner employees.

3. Supporting SME's: As part of our belief in supporting entrepreneurship and being a responsible corporate citizen, we are committed to supporting small and medium-sized enterprises (SMEs) that we believe are essential to economic prosperity and growth. Through our business offers, we offer special prices to these small businesses.

Social Responsibility

Community Development

We practice our values and are socially responsible for advancing and developing our community through our business, through our direct involvement with the community, and with our employees. We strive to engage with our community through certain activities. We have worked with various stakeholders to contribute to the various activities of the UAE by contributing to religious, cultural, scientific, philanthropic and academic activities.

An important initiative adopted this year was an internship program, which is on our agenda each year and provides training opportunities for young graduates.



Emirati Youth Social Responsibility [EYSR] is a corporate social responsibility/activity that targets Emirati youth who dropped out of schools and universities to be placed back on the career path and involved in corporate life. This initiative aims to better their lives, build development infrastructure and protect the environment.

EYSR represents numerous forms of voluntary activities carried out by specific organizations to achieve economic and social goals, adopting and encouraging a positive impact on the overall Emirati youth environment where such organizations operate. This initiative goes beyond commercial or profit-making entities.

Social Responsibility

During 2025, the Company continued to strengthen its social role by adopting qualitative initiatives aimed at maximizing its social impact and contributing positively to the community. We look forward to continuing the development and implementation of sustainable initiatives that support various segments of society and reinforce our corporate social responsibility.

Our initiatives during 2025 included a range of diverse programs, such as reward programs linked to insurance policies, in addition to Zakat and charitable initiatives. The Company also sought to expand the scope of its collaboration by establishing strategic partnerships with government entities and private sector institutions, contributing to the achievement of sustainable impact and long-term shared value.

Government

Government agencies (ministries, official bodies, media and advertising agencies)

Sponsors of the Annual Dubai International Holy Quran Competition by the Government of the UAE

Community

Contribution to Dubai Police Special Rewards Program “Essad”.

Charities

Supporting ZAKAT & charities including Dar Al-Bir Society, Beit Al Khair Society, Sharjah Charity International, Zakat Fund, Al Faraj Fund)

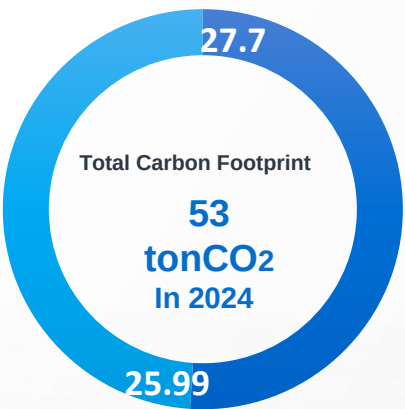
Environmental Responsibility

As 2025 marked a starting point for business recovery and the acceleration of operational activity, we disclosed our energy consumption to help establish a baseline for guiding our future objectives in this area.

In this context, we are proud to announce that we have calculated our carbon footprint for 2025 as part of our commitment to measuring carbon emissions and developing effective strategies to protect the environment and reduce the impact of our operations. We have also replaced lighting systems in our offices with energy-efficient lamps and continue to roll out this initiative across all our locations.

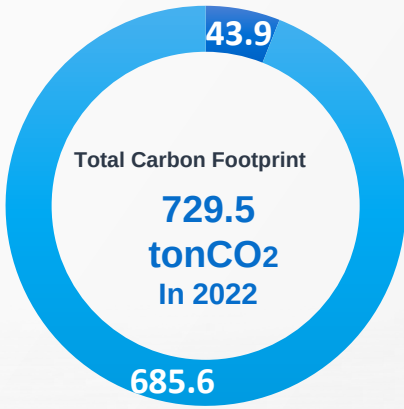
Our future vision in environmental responsibility is centered on establishing a clear energy consumption baseline to support our efforts in reducing environmental impact. We also place strong emphasis on advancing digital transformation and adopting paperless (electronic) initiatives, given their direct role in reducing resource consumption and minimizing waste.

Carbon Footprint Calculation



■ Scope (2)

■ Scope (3)



■ Scope (2)

■ Scope (3)

- **Note:** The Carbon Footprint Calculation was done in accordance to the GHG Protocol calculating Scope (2) and (3) with the available data from our data collection process. AMAN does acknowledge that there are other elements to calculate and will work on gathering this data for the coming year and will consider the value for the year of 2021 as a baseline

Economic Performance

Our economic performance has been evaluated and reviewed in accordance with the approved governance requirements, ensuring transparency and accuracy in the presentation of financial results. The Company’s performance for 2025 is reflected in its financial statements, highlighting the key indicators, values, and material accounts that have been disclosed.



**Dubai Islamic Insurance & Reinsurance
Company (AMAN) - (P.J.S.C)
Dubai - United Arab Emirates**

**Reports and consolidated financial
statements**

For the year ended December 31, 2025

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

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Consolidated statement of cash flows	13
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Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

General information

Principal office address : Gulf Tower - B1 Mezzanine Floor,
Oud Metha Road, Bur Dubai,
Dubai, United Arab Emirates
P.O. Box: 157
T: +97143193111

Website : www.aman.ae

The Directors:	<u>Name</u>	<u>Nationality</u>	<u>Position</u>
	Mr. Jamal Ahmed Mohamed Al Jasmi	Emirati	Chairman
	Mr. Ali Ahmad Al Najjar	Emirati	Vice Chairman
	Mr. Ahmed Khalifa Al Qubaisi	Emirati	Member
	Mr. Ibrahim Hamad Taher Al Ramsi	Emirati	Member
	Mr. Anis Samet	Canadian	Member
	Ms. Najla Ghuloom Ali Karam	Emirati	Member

The Chief Executive Officer : Mr. Rached Mohamad Rached Diab Lebanese
(Submitted his resignation for personal reasons, and his last working day to be March 31, 2026)

The Auditor : Crowe Mak
P.O. Box: 6747
Dubai, United Arab Emirates



AMAN

رقم القيد في سجل شركات التأمين: 70 بتاريخ 16/9/2003
Register of Insurance Companies entry: 70 dated 16/9/2003
رخصة تجارية رقم: 543043 Commercial License No. 543043

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)
Dubai - United Arab Emirates

Directors' report

The Board of Directors have pleasure in presenting their report and the audited consolidated financial statements for the year ended December 31, 2025.

Principal activities of the Group

The principal activities of Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C) (the "Company") and its subsidiaries (collectively referred to as the "Group") are fire insurance, health insurance, reinsurance, accidents & civil liabilities insurance, credit & saving insurance, life reinsurance, life insurance, motor, marine, aviation & transport insurance and other types of insurance.

Financial review

The table below summarizes the results of the year 2025 and 2024 denoted in Arab Emirates Dirham (AED).

		2025	2024
		AED	AED
Net profit / (loss) for the year		<u>8,126,418</u>	<u>(28,413,573)</u>
Basic and diluted profit / (loss) per share		<u>0.036</u>	<u>(0.126)</u>
Total assets			
Total assets reached AED 1,063 million as at December 31, 2025, compared to AED 960 million as at December 31, 2024, representing a significant improvement. This improvement is primarily attributed to an increase in cash held in banks due to life insurance policyholders.	Policyholders	938,569,193	814,270,212
	Shareholders	<u>124,566,015</u>	<u>145,753,319</u>
	Total	<u>1,063,135,208</u>	<u>960,023,531</u>
Cash and cash equivalents			
Cash held in banks increased from AED 133 million as at December 31, 2024, to AED 170 million as at December 31, 2025.	Policyholders	133,985,549	72,443,638
	Shareholders	<u>35,875,590</u>	<u>60,598,935</u>
	Total	<u>169,861,139</u>	<u>133,042,573</u>
Due from shareholders / Due to policyholders			
Net Payable due from shareholders to policyholders decreased to be AED 23 million as of December 31, 2025, compared to AED 68 million as of December 31, 2024.	Policyholders	22,471,469	67,585,453
	Shareholders	<u>(22,471,469)</u>	<u>(67,585,453)</u>
Investment property			
The land value increased to AED 56 million as at December 31, 2025, compared to AED 54 million as at December 31, 2024, representing an improvement of AED 2 million (3.4%).	Policyholders	10,482,846	10,139,386
	Shareholders	<u>45,575,152</u>	<u>44,068,558</u>
	Total	<u>56,057,998</u>	<u>54,207,944</u>
Accumulated losses			
Accumulated losses improved from AED 181 million (80.4% of the Group's share capital) as at December 31, 2024, to AED 175 million (77.3% of the Group's share capital) as at December 31, 2025.	Shareholders	<u>(174,528,758)</u>	<u>(181,408,876)</u>
	%	<u>77.31%</u>	<u>80.36%</u>
General reserve and legal reserve			
General and legal reserves increased from AED 6,420,521 each December 31, 2024 to AED 7,248,939 as at 31 December 2025, due to profit earned during the year.	General reserve	7,248,939	6,420,521
	Legal reserve	<u>7,248,939</u>	<u>6,420,521</u>
	Total	<u>14,497,878</u>	<u>12,841,042</u>
Equity attributable to shareholders of the Parent			
Shareholders' equity improved to AED 48 million as at December 31, 2025, compared to AED 40 million as at December 31, 2024.	Shareholders	<u>47,757,726</u>	<u>39,551,682</u>
	%	<u>21.16%</u>	<u>17.52%</u>





AMAN

رقم القيد في سجل شركات التأمين: 70 بتاريخ 16/9/2003
Register of Insurance Companies entry: 70 dated 16/9/2003
رخصة تجارية رقم: 543043 Commercial License No.

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)
Dubai - United Arab Emirates

Directors' report

Financial review (continued)

Financial performance

The Group recorded a net profit attributable to shareholders of AED 8 million as at December 31, 2025, compared to a loss of AED 28 million as at December 31, 2024, representing a record improvement of 128.6%.

Policyholders	27,541,593	(11,638,524)
Shareholders	8,126,418	(28,413,573)
Qard Hassan	(3,950,172)	9,284,221
NCI	899,315	-
Total	32,617,154	(30,767,876)

Solvency

The results showed a significant improvement in the Minimum Capital Requirement (MCR), decreasing from AED 106 million as at December 31, 2024, to AED 59 million as at December 31, 2025.

Solvency	(58,720,723)	(106,304,538)
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The Group has resolved the matter with the former Chief Executive Officer in relation to certain assets held by an entity controlled by him that were disposed of without the Group's approval. Accordingly, no amounts remain outstanding and the matter is considered fully settled with no further claims or obligations due to the Group in this respect.

Role of the Directors

The Directors are the Group's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Group for delivering sustainable shareholders' value through its guidance and supervision of the Group's business. The Directors set the strategies and policies of the Group. They monitor performance of the Group's business, guide and supervise its management.

Events after year end

Subsequent to the year end, in light of the geopolitical conditions, the management has assessed that the Group's core operations continue without any material interruption. The Group also continues to adhere to prudent governance standards, disciplined risk management practices, and full compliance with all applicable regulatory requirements. The management confirms that as at the date of approval of these consolidated financial statements, no material financial impact has resulted from this incident.

Subsequent to the reporting date, and following the nomination of a new Board of Directors, the Board undertook a review of the Group's operations and financial position. In order to safeguard the interests of the Group and its stakeholders, the Board resolved to engage specialized consulting firms to prepare and submit comprehensive plans for the restructuring and strategic repositioning of the Company. The related assessments and consultations are currently in progress.

Except for matter mentioned above, there have been no events subsequent to the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended December 31, 2025.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the consolidated financial statements for each financial year which presents fairly in all material respects, the consolidated financial position of the Group and its consolidated financial performance for the year then ended.

The audited consolidated financial statements for the year under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the consolidated financial position of the Group and enables them to ensure that the consolidated financial statements comply with the requirements of applicable statute. The Directors also confirm that the appropriate accounting policies have been selected and applied consistently in order for the consolidated financial statements to reflect fairly, the form and substance of the transactions carried out during the year under review and reasonably present the Group's financial conditions and results of its operations.

The consolidated financial statements set out on pages 8 to 73, which have been prepared on the going concern basis were approved by the Board of Directors on the date of these consolidated financial statements and signed by the authorized representative of the Group.

Jamal Ahmed Mohamed Al Jasmi
Chairman
March 24, 2026



Ref: BN/A3320/April 26

Independent Auditor's Report

To,
The Shareholders
Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)
P.O. Box : 157
Dubai, United Arab Emirates

Qualified Opinion

We have audited the consolidated financial statements of Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C) (the "Company") and its subsidiaries (together the "Group") which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other 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 a summary of material accounting policy information and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

As of December 31, 2025, as disclosed in Note 8 the unit linked investments has been recorded at fair value through profit or loss amounting to AED 625,402,468 along with the related unit linked liabilities of AED 658,788,566 included in takaful contract liabilities (Note 7). This includes investments in unlisted sukuk units amounting to AED 117,952,760. A portion of these unlisted sukuk unit-linked investments were issued by entities related to the Third-Party Administrator (TPA) without receiving prior approval of the Group's management. Further, those units-issuing entities are currently under liquidation. The management is unable to segregate the unlisted sukuk units issued by those entities and as a result, the valuation of these units might be adversely affected on account of the fact that the issuing entities are under liquidation. Consequently, this could potentially result in the Group's takaful contract liabilities exceeding the value of the underlying assets and we were unable to determine the adjustments necessary to the balances of those units and underlying unit linked liabilities as at December 31, 2025.

We conducted our audit in accordance with the 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 requirements of International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates (U.A.E.). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Group had accumulated losses of AED 174,528,758 as at that date (December 31, 2024: AED 181,408,876), which represents 77.31% (December 31, 2024: 80.36%) of the Group's share capital. Additionally, as disclosed in Note 35 of this consolidated financial statements, as of December 31, 2025, the Group has Minimum Capital Requirement (MCR) Solvency Margin Deficit in solvency capital requirements as stipulated by the Central Bank of the U.A.E. by the amounts of AED 58,720,723 (December 31, 2024: AED 106,304,538). Further, such accumulated losses have resulted in erosion of the Company's Equity in excess of 50%. This has led to non-compliance by the Group with the solvency ratio as required by financial regulations for insurance companies issued by Central Bank of the U.A.E.

These events, along with other matters set forth in Note 2, indicate that material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our opinion is not modified in respect of these matters.

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)
Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters

Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Emphasis of Matter

As stated in Note 20 of the consolidated financial statements, which discloses information on assets held by a related party for the beneficial interest of the Group, the Group held assets classified as held for sale amounting to AED 1,583,321 as at December 31, 2024, including AED 1,008,976 representing cash and cash equivalents. These balances remain unchanged and are presented with the same balances as at December 31, 2025.

Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements for the year ended December 31, 2024, were audited by another auditor, who issued a disclaimer of opinion in their report dated April 18, 2025, mainly due to the auditor's inability to obtain sufficient appropriate audit evidence regarding the existence, completeness and valuation of the Group's unit-linked investments recorded at fair value through profit or loss amounting to AED 508,571,028, and the related unit-linked liabilities of AED 572,536,660 included in takaful contract liabilities, as at December 31, 2024.

Other information

Management is responsible for the other information. The other information comprises the Directors' Report but 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and their preparation in compliance with the applicable provisions of the Articles of Association of the Company, United Arab Emirates Federal Law No. (32) of 2021, Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business and the related Financial Regulations for Insurance Companies, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)
Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the 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 error or fraud, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

To the Shareholders of Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)
Report on the Audit of the Consolidated Financial Statements (continued)
Report on other Legal and Regulatory Requirements

Except for the matter disclosed in the Basis for Qualified Opinion Section, we further report as required by the U.A.E. Federal Law No. (32) of 2021:

- a) We have obtained all the information and explanations we considered necessary for the purposes of our audit;
- b) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the U.A.E. Federal Law No. (32) of 2021 and Articles of Association of the Company;
- c) The Group has maintained proper books of account;
- d) The financial information included in the Director's report is consistent with the books of account of the Group;
- e) As disclosed in Note 8 to the consolidated financial statements, the Group has made investment in securities as at December 31, 2025;
- f) Note 28 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
- g) The accumulated losses of the Company exceed 50% of the share capital as at December 31, 2025. In accordance with Article 309 of Federal Decree-Law No. 32 of 2021, the Board of Directors shall call for a General Assembly meeting within thirty (30) days of publication of the financial statements in order to discuss the above and take the necessary measures with respect to the same.
- h) Except for the matter described in (g) above, based on 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 year ended December 31, 2025 any relevant provisions of the U.A.E. Federal Law No. (32) of 2021 and the Memorandum and Articles of Association of the Company which would materially affect its activities or its financial position as at December 31, 2025.
- i) The Group has not made any social contributions during the year ended December 31, 2025.

Except for the matter disclosed in the Basis for Qualified Opinion Section, we further, as required by the Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business 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.

Further, refer note 35 to the consolidated financial statements for disclosure on solvency requirements and the solvency position of the Group.

Crowe Mak



Basil Naser
Partner
Registration Number: 5507
Dubai, United Arab Emirates
7 April 2026



Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

Consolidated statement of financial position as at December 31, 2025

	<u>Notes</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
		<u>AED</u>	<u>AED</u>
Assets			
Takaful operations' assets			
Takaful contract assets	7	7,700,708	5,682,463
Retakaful contract assets	7	138,526,153	149,848,244
Financial assets carried at fair value through profit or loss (FVTPL)	8	625,402,468	508,571,028
Cash and cash equivalents	9	133,985,549	72,443,638
Investment property	11	10,482,846	10,139,386
Due from shareholders		22,471,469	67,585,453
Total takaful operations' assets		938,569,193	814,270,212
Shareholders' assets			
Property and equipment	6	48,758	59,527
Financial assets carried at fair value through other comprehensive income (FVTOCI)	8	20,774,600	22,414,284
Financial assets carried at fair value through profit or loss (FVTPL)	8	812,500	723,400
Cash and cash equivalents	9	35,875,590	60,598,935
Prepayments and other receivables	10	9,896,094	6,305,294
Investment property	11	45,575,152	44,068,558
Statutory deposit	16	10,000,000	10,000,000
Assets classified as held for sale	20	1,583,321	1,583,321
Total shareholders' assets		124,566,015	145,753,319
Total assets		1,063,135,208	960,023,531
Liabilities, policyholders' fund and shareholders' equity			
Takaful operations' liabilities			
Takaful contract liabilities	7	729,957,838	677,169,729
Retakaful contract liabilities	7	51,837,219	63,925,077
Trade and other payables	19	126,137,540	66,130,230
Total takaful operations' liabilities		907,932,597	807,225,036
Takaful operations' surplus			
Takaful operations' investments revaluation reserve	18	(574,407)	(574,407)
Surplus available for distribution	21	27,753,471	4,262,463
Deficit in policyholders' fund	21	(10,440,439)	(39,901,822)
Qard Hassan from shareholders	21	10,440,439	39,901,822
Retakaful default reserve	17	3,457,533	3,357,120
Total surplus from takaful operations		30,636,597	7,045,176
Total takaful operations' liabilities and surplus		938,569,194	814,270,212

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

Consolidated statement of financial position as at December 31, 2025 (continued)

	Notes	December 31, 2025 AED	December 31, 2024 AED
Shareholders' liabilities and equity			
Shareholders' liabilities			
Employees' end of service benefits	15	2,439,049	2,540,247
Trade and other payables	19	48,367,359	24,069,527
Unearned wakala		2,864	385,027
Due to policyholders		22,471,469	67,585,453
Liabilities directly associated with assets classified as held for sale	20	3,954,205	12,947,356
Total shareholders' liabilities		77,234,946	107,527,610
Shareholders' equity			
Share capital	12	225,750,000	225,750,000
Legal reserve	13	7,248,939	6,420,521
General reserve	14	7,248,939	6,420,521
Accumulated losses		(174,528,758)	(181,408,876)
Investments revaluation reserve – FVTOCI		(17,961,394)	(17,630,484)
Equity attributable to shareholders of the Parent		47,757,726	39,551,682
Non-controlling interests		(426,658)	(1,325,973)
Net equity		47,331,068	38,225,709
Total shareholders' liabilities and equity		124,566,014	145,753,319
Total takaful operations' liabilities and surplus, shareholders' liabilities and equity		1,063,135,208	960,023,531

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

The report of the auditor is set out on pages 4 to 7.

The consolidated financial statements on pages 8 to 73 were approved by the Board of Directors on March 24, 2026 and signed on behalf of the Group by:



Jamal Ahmed Mohamed Al Jasmi

Chairman

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025

	Notes	2025 AED	2024 AED
Attributable to policyholder			
Takaful revenue	22	33,709,144	53,304,710
Takaful service income	23	15,272,792	8,099,717
Takaful service results before retakaful contracts held		48,981,936	61,404,427
Retakaful expenses - net		(23,771,634)	(72,673,962)
Takaful service results		25,210,302	(11,269,535)
Takaful finance expense for takaful contracts issued	24	(2,926,755)	(7,027,735)
Retakaful finance income for retakaful contracts held	24	3,189,156	6,643,394
Net takaful income / (expenses)		25,472,703	(11,653,876)
Investment income / (loss) - net	25	456,238	(583,027)
Mudarib's share	30	(114,060)	-
Surplus / (deficit) of takaful and investment results		25,814,881	(12,236,903)
Other income		1,726,712	598,379
Surplus / (deficit) from takaful operations for the year		27,541,593	(11,638,524)
Attributable to shareholders			
Income			
Investment income / (loss) - net	25	3,670,603	(8,050,761)
Wakala fees from policyholders	30	960,477	2,733,010
Mudarib's share from policyholders	30	114,060	-
Other operating income		15,600,381	4,410,431
Total income / (expenses)		20,345,521	(907,320)
Expenses			
Policy acquisition cost		(96,749)	(3,430,397)
General and administrative expenses	26	(24,008,605)	(14,791,635)
Contribution / (recovery) from Qard Hassan to takaful operations	21	3,950,172	(9,284,221)
Total expenses		(20,155,182)	(27,506,253)
Profit / (loss) for the year from continuing operation		190,339	(28,413,573)
Profit for the year from discontinued operations	20	8,993,151	-
Profit / (loss) for the year before tax		9,183,490	(28,413,573)
Income tax expense	27	(157,757)	-
Profit / (loss) for the year after tax		9,025,733	(28,413,573)

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		<u>AED</u>	<u>AED</u>
Attributable to :			
Shareholders		8,126,418	(28,413,573)
Policyholders		23,591,421	(2,354,303)
Non-controlling interests		899,315	-
		<u>32,617,154</u>	<u>(30,767,876)</u>
Other comprehensive income			
<i><u>Items that will not be reclassified subsequently to profit or loss</u></i>			
Changes in fair value of equity investments carried at FVTOCI		(330,910)	(386,966)
Transfer of realised gain on sale of financial assets carried at FVTOCI		-	1,609,840
Total comprehensive profit / (loss) for the year		<u>8,694,823</u>	<u>(27,190,699)</u>
Attributable to :			
Shareholders		<u>8,694,823</u>	<u>(27,190,699)</u>
Profit / (Loss) for the year after tax		<u>8,126,418</u>	<u>(28,413,573)</u>
Basic and diluted profit / (loss) per share	29	<u>0.036</u>	<u>(0.126)</u>

The accompanying notes form an integral part of these consolidated financial statements.
The report of the auditor is set out on pages 4 to 7.

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

Consolidated statement of changes in equity for the year ended December 31, 2025

	Share capital	Legal reserve	General reserve	Accumulated losses	Investment revaluation reserve - FVTOCI	Equity attributable to shareholders of the company	Non-controlling interests	Total equity
Balance as at January 1, 2024	225,750,000	6,420,521	6,420,521	(143,212,289)	(18,853,358)	76,525,395	(1,325,973)	75,199,422
Adjustment on initial application of IFRS 17	-	-	-	(6,762,635)	-	(6,762,635)	-	(6,762,635)
Restated balance as at January 1, 2024	225,750,000	6,420,521	6,420,521	(149,974,924)	(18,853,358)	69,762,760	(1,325,973)	68,436,787
Net loss for the year attributable to the shareholders of the company	-	-	-	(28,413,573)	-	(28,413,573)	-	(28,413,573)
Other comprehensive loss for the year	-	-	-	-	(386,966)	(386,966)	-	(386,966)
Directors' fees	-	-	-	(1,000,000)	-	(1,000,000)	-	(1,000,000)
Transfer of realised loss from fair value reserve to Zakat	-	-	-	(1,609,840)	1,609,840	-	-	-
	-	-	-	(410,539)	-	(410,539)	-	(410,539)
Balance as at December 31, 2024	225,750,000	6,420,521	6,420,521	(181,408,876)	(17,630,484)	39,551,682	(1,325,973)	38,225,709
Net profit for the year attributable to the shareholders of the Company	-	-	-	8,126,418	-	8,126,418	899,315	9,025,733
Other comprehensive loss for the year	-	-	-	-	(330,910)	(330,910)	-	(330,910)
Transfers to / (from) during the year	-	828,418	828,418	(1,656,836)	-	-	-	-
Reversal of zakat provision	-	-	-	410,536	-	410,536	-	410,536
Balance as at December 31, 2025	225,750,000	7,248,939	7,248,939	(174,528,758)	(17,961,394)	47,757,726	(426,658)	47,331,068

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

The report of the auditor is set out on pages 4 to 7.

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)

Dubai - United Arab Emirates

Consolidated statement of cash flows for the year ended December 31, 2025

	Notes	December 31, 2025 AED	December 31, 2024 AED
Cash flows from operating activities			
Profit / (loss) for the year from continuing operation		190,339	(28,413,573)
Profit for the year from discontinued operations		8,993,151	-
<i>Adjustment for:</i>			
Depreciation on property and equipment	6	35,160	38,975
Realised loss on disposal of financial assets at FVTPL		-	7,540,292
Unrealised gain on investments at FVTPL	25	(89,100)	(364,900)
Income from wakala deposits with banks	25	(1,116,043)	(1,382,523)
Rental income	25	(589,719)	(504,334)
(Gain) / loss on revaluation of investment property	25	(1,850,054)	3,692,056
Dividend income	25	(479,225)	(368,700)
Write-off unclaimed liabilities	20	(8,993,151)	-
Charge for employees' end of service benefits	15	403,267	264,612
Operating loss before changes in operating assets and liabilities		(3,495,375)	(19,498,095)
<i>(Increase)/decrease in current assets</i>			
Takaful contract assets		(2,018,245)	3,307,658
Retakaful contract assets		34,913,512	27,329,942
Due from shareholders		45,113,984	(4,973,435)
Prepayments and other receivables		(3,590,800)	24,980,423
Deferred policy acquisition costs		-	589,103
<i>Increase/(decrease) in current liabilities</i>			
Takaful contract liability		52,788,109	(208,377,397)
Retakaful contract liability		(12,087,858)	(2,779,836)
Unearned wakala		(382,163)	(1,443,874)
Trade and other payables		84,881,825	34,820,152
Due to policyholders		(45,113,984)	4,973,435
Cash generated from / (used in) operating activities		151,009,005	(141,071,924)
Employees' end-of-services benefits paid	15	(504,465)	(37,531)
Net cash generated from / (used in) operating activities		150,504,540	(141,109,455)
Cash flows from investing activities			
Purchase of property and equipment	6	(24,391)	(33,520)
Proceeds from sale of investments at FVTOCI		1,308,774	5,809,972
Increase in unit-linked investments		(116,831,440)	197,118,297
Income from wakala deposits with banks		1,116,043	1,382,523
Rental income	25	589,719	-
Dividend income	25	479,225	368,700
Proceeds from sale of investments at FVTPL		-	13,509,716
Purchase of investments at FVTPL		-	(252,000)
Purchase of investments at FVTOCI		-	(60,000)
Net cash (used in) / generated from investing activities		(113,362,070)	217,843,688
Cash flows from financing activities			
Zakat paid		(323,904)	(443,905)
Net cash used in financing activities		(323,904)	(443,905)
Net increase in cash and cash equivalents	9	36,818,566	76,290,328
Cash and cash equivalents, beginning of the year		134,051,549	57,761,221
Cash and cash equivalents, end of the year	9	170,870,115	134,051,549

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

The report of the auditor is set out on pages 4 to 7.

Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C)**Dubai - United Arab Emirates****Notes to the consolidated financial statements for the year ended December 31, 2025****1 Legal status and business activities**

- 1.1** Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C.) (the "Company") is registered as a public shareholding company in Dubai, United Arab Emirates. The Company carries out general takaful, retakaful and life takaful business in accordance with the teachings of Islamic Sharia'a. The Company is also licensed to engage in retakaful and life takaful business. The Company operates through its registered address at P.O. Box 157, Dubai, United Arab Emirates (U.A.E). The Company's ordinary shares are listed on the Dubai Financial Market, United Arab Emirates.
- 1.2** The Company obtained its commercial license on March 12, 2003 and commenced operations on April 8, 2003. The Company issues takaful contracts in connection with motor, marine, fire and engineering, general accident and medical risks and life takaful risks. The Company also invests in investment securities and properties.
- 1.3** The Company's business activities are subject to the supervision of its Internal Sharia Committee consisting of three members appointed by the shareholders. The Internal Sharia Committee performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia'a rules and principles.
- 1.4** The Company with its non-operational subsidiaries (collectively referred to as the "Group") are presented in these consolidated financial statements. At December 31, 2025 and December 31, 2024, the Company had the following non-operational subsidiaries:

Group structure

Name of subsidiaries	Country of incorporation	Principal activities	Status	Legal and effective interests	
				December 2025	December 2024
Nawat Investments L.L.C.	United Arab Emirates	Investment in commercial, industrial and agricultural enterprises and management	Not active	100%	100%
Technik Auto Service Centre	United Arab Emirates	Vehicles' repair services	Not active	100%	100%
Amity Health L.L.C.	United Arab Emirates	Medical billing services	Under Liquidation	90%	90%

- 1.5** The Group neither made social contributions during the year ended December 31, 2025 nor the year ended December 31, 2024.

2 Going concern

The Group had accumulated losses of AED 174,528,758 as at December 31, 2025 (December 31, 2024: AED 181,408,876), which represents 77.31% (December 31, 2024: 80.36%) of the Group's share capital.

Additionally, as disclosed in Note 35 to these consolidated financial statements, as of December 31, 2025, the Group has Minimum Capital Requirement (MCR) Solvency Deficit in solvency capital requirements as stipulated by the Central Bank of the U.A.E. by the amounts of AED 58,720,723 (December 31, 2024: AED 106,304,538). To address the solvency deficit, the Group's management initially submitted a recovery plan to the regulatory authorities which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders were unlikely to support a capital injection in the prevailing economic and financial circumstances. The new plan, which was subject to the regulatory approval, envisaged selling the portfolios of the takaful business to other takaful companies and, aided partly by the proceeds resulting from the sale of the takaful portfolios and partly by the sale of other assets, generating enough capital to transform the Group into a viable investment firm to safeguard and preserve shareholders' value. The Group had informed the Regulator of its revised plans and received both in-principle and no-objection approvals to proceed with the above sale negotiations.

2 Going concern (continued)

During the General Assembly meeting of Dubai Islamic Insurance & Reinsurance Company (AMAN) - (P.J.S.C) held on February 6, 2023, the shareholders passed a special resolution approving the board of directors' decision to exit and sell the entire takaful portfolio and authorising the Group's board of directors to complete all procedures with authorities and policyholders to exit takaful business and transform the Group into an investment group. As a result, the Group signed two portfolio transfer agreements (PTA) with Islamic Arab Insurance Co. (SALAMA) P.J.S.C. to transfer the general, medical, and family takaful portfolio and with Abu Dhabi National Takaful Company P.S.C. to transfer the individual life portfolio. The proceeds resulting from the execution of these agreements were expected to improve the Group's liquidity and generate enough capital to transform the Company into a viable investment company to safeguard and preserve shareholders' value.

On 1 August 2024, the Group received a notice purporting to terminate the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. In response, on 8 August 2024 the Group submitted a formal objection to the counterparty disputing the validity of such termination.

The Group did not accept the basis of the termination and has initiated legal proceedings to protect and enforce its contractual and legal rights in relation to the agreement. The matter is currently subject to legal proceedings before the competent authorities.

On September 26, 2024, the Islamic Arab Insurance Co. (SALAMA) P.J.S.C. declared in DFM the termination of Partial Acquisition Agreement with the Group. Accordingly, on September 27, 2024, the Group declared to DFM that Salama decided to terminate the Acquisition agreement. The Group did not accept the basis of the termination and has taken the necessary legal actions to protect and enforce its contractual and legal rights in relation to the agreement. The matter is currently subject to legal proceedings before the competent authorities.

Further, the Group's Third-Party Administrator (TPA) and system provider for the individual life portfolio is currently under liquidation in Germany and DIFC. The TPA previously made certain investments on behalf of the Group which were recorded at fair value through profit or loss. These investments were made in sukuk unit-linked investments, a portion of which were issued by entities related to the TPA Group without receiving prior approval of the Group's management and these entities are currently in liquidation. As a result, the valuation of these investments could be adversely affected by the liquidation process and this could potentially result in the Group's liabilities exceeding the value of the underlying assets. The Group is taking appropriate action to address this development and protect the rights of all stakeholders.

In addition, the accumulated losses as at September 30, 2025 exceeded 50% of the share capital of the Group, and as per U.A.E. Federal Law No. (32) of 2021 Article 309, the Board of Directors should invite the General Assembly to convene within (30) thirty days from the date of the invitation to consider making a decision as regards the Group's continuation of its activity or dissolution prior to the expiry of its term. The Group's AGM held on September 25, 2025 issued a special resolution to continue the Group's operations.

3 Application of new and revised Standards

3.1 New and amended Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

<u>New and revised Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 Lack of exchangeability	1 January 2025
Management has adopted the new and amended IFRS standards in the current period and believes that these standards do not have material impact on these consolidated financial statements unless mentioned above.	

3.2 New and revised Standards in issue but not yet effective

The Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

3 Application of new and revised Standards

3.2 New and revised Standards in issue but not yet effective (continued)

<u><i>New and revised Standards</i></u>	<u><i>Effective for annual periods beginning on or after</i></u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Amendments to IFRS 9 Financial Instruments and IFRS 7 Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Management anticipates that these standards will not have any significant impact on these consolidated financial statements.	

4 Material accounting policy information

4.1 Basis of preparation

These consolidated financial statements of the Group is prepared on an accrual basis and under the historical cost basis except for financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income and investment property, which are carried at fair value.

The consolidated financial statements has been presented in United Arab Emirates Dirhams ("AED"), which is the functional currency and the presentation currency of the Group.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IASB) and complies with the applicable requirements of U.A.E Federal Law No. 32 of 2021, as amended, relating to commercial companies, and of Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business and the Insurance Authority Board of Directors' Decision No. (26) of 2014 pertinent to the Financial Regulations for Takaful Companies.

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, prepayments and other receivables and deferred policy acquisition costs, accruals and other payables, due to policyholders. The following balances would generally be classified as non-current: property and equipment, investment properties, statutory deposit and provision for employees' end of service. The following balances are of mixed nature (including both current and non-current portions) investments at fair value through other comprehensive income, investments carried at fair value through profit or loss, assets and liabilities directly associated with assets classified as held for sale and takaful and retakaful contract liabilities and assets.

4.2 Basis of consolidation

The consolidated financial statements comprise the financial information of the Company and its subsidiaries as at December 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

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

4 Material accounting policy information

4.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of subsidiaries begins when the Group obtains control over the subsidiaries and ceases when the Group loses control of the subsidiaries. Assets, liabilities, income and expenses of a subsidiaries acquired or disposed of during the period are included in the consolidated statement of financial position and consolidated statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiaries.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of subsidiaries, without a loss of control, is accounted for as an equity transaction. If the Group loses control over subsidiaries, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiaries
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences, recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated financial statements of the Group represents the financial information of the Company, and its subsidiaries mentioned in Note 1.

4.3 Standards, interpretations, and amendments to existing standards – Impact of new IFRS

IFRS 17 “Insurance contracts”

IFRS 17 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 applies PAA to simplify the measurement of contracts in the non-life takaful segment. When measuring liabilities for remaining coverage, PAA is similar to the Group's previous accounting treatment. 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.

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Classification and measurement

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

<u>Nature of Contracts</u>	<u>Product classification</u>	<u>Measurement model</u>
Unit Linked	Takaful contracts	Variable Fee Approach
Term Life	Takaful contracts	General Measurement Model
Group Life	Takaful contracts	Premium Allocation Approach
Group Medical	Takaful contracts	Premium Allocation Approach
Individual Medical	Takaful contracts	Premium Allocation Approach
All retakaful contracts held other than those held corresponding to term life and Unit linked contracts	Retakaful contracts held	Premium Allocation Approach
Retakaful contracts held corresponding to term life and unit linked contracts	Retakaful contracts held	General Measurement Model

Level of aggregation

While deciding on the portfolio level under IFRS 17, the Group has considered the criteria of “similar risk and managed together” while taking into account the materiality of each product/portfolio.

Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts.

Recognition

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

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

Separating components from takaful and retakaful contracts

The Group assessed its takaful and retakaful contracts to determine whether they contained distinct components which must be accounted for under another reporting standard instead of IFRS 17.

The investment components included in the life takaful contracts are highly interrelated to the takaful component and are thus not distinct. Accordingly, the Group shall not unbundle the cash flows related to the investment component.

Contract boundary

The measurement of a group of takaful contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

Cash flows are within the boundary of takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the participant to pay the premiums, or in which the Group has a substantive obligation to provide the participant 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 participant 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:
 - i. 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; and

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Classification and measurement (continued)

Contract boundary (continued)

ii. The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Takaful contracts measured other than PAA - Initial and subsequent measurement

The Group applies the premium allocation approach to all the takaful contracts (other than long term life takaful contracts) that it issues and retakaful contracts that it holds as:

The coverage period of each contract in the group is one year or less, including takaful contract services arising from all premiums within the contract boundary; or

For all the portfolios having contracts longer than one year, the Group expects the measurement of the liability for remaining coverage for the group does not differ materially from the measurement that would be produced applying the general measurement model. In assessing materiality, the Group has decided to set the acceptable threshold for the comparison of LRC between PAA and GMM using a combination of relative and absolute materiality criteria.

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

- The premiums, if any, received at initial recognition;
- Minus any takaful acquisition cash flows at that date;
- Plus, or minus any amount arising from the derecognition at that date of the asset recognised for takaful acquisition cash flows;
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of takaful contracts is recognised;
- The Group measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period;
- Plus, premiums received in the period;
- Minus takaful acquisition cash flows;
- 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 Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Group and include an explicit adjustment for non-financial risk (the risk adjustment).

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

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

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

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Classification and measurement (continued)

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

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 profit or loss, 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.
- For contracts measured under the GMM, profit 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.

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

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

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

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as takaful acquisition cash flows and takaful premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM.
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the consolidated statement of profit or loss and other comprehensive income rather than adjusting the CSM).

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Classification and measurement (continued)

Subsequent measurement (continued)

- 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.

- Changes in the risk adjustment for non-financial risk that relate to future service.

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

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

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

Retakaful contracts held

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

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

Portfolios of retakaful contracts held are assessed for aggregation separately from portfolios of takaful contracts issued. Applying the grouping requirements to retakaful contracts held, the Group aggregates retakaful contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

A group of retakaful contracts held is recognised at the earlier of the following:

- If the retakaful contracts provide proportionate coverage, the date the Group initially recognises any underlying takaful contracts (onerous or not)
- In all other cases, at the beginning of the coverage period of the group of retakaful contracts. However, if the Group recognises an onerous group of underlying takaful contracts on an earlier date and the related retakaful contract was entered into before that earlier date, then the group of retakaful contracts is recognised on that earlier date.

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

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Classification and measurement (continued)

Retakaful contracts held (continued)

The Group measures its retakaful assets for a group of retakaful contracts that it holds on to 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. 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, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of retakaful contracts held depicting the recovery of losses.

Modification and derecognition

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. 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.

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 liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an ‘illiquidity premium’).

The three-step approach to derive discount rates has been highlighted below:

- Credit risk premium component is removed from the asset yields of the reference portfolio;
- The illiquidity risk premium is then derived using the risk-free rates and the rates computed in above step; and
- Subsequently, the bottom-up approach is used by adding this illiquidity premium to the risk-free base curve in order to arrive at the “point-in-time” locked-in profit rate curve.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of takaful contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The portfolios for which the Group has adopted PAA simplification for the calculation of liability for remaining coverage, risk adjustment for LRC would only be estimated in case group of contracts recognised as onerous. For portfolios measured under general measurement model or the variable fee approach, risk adjustment would be required for the calculation of both LRC and LIC.

The Group reviewed a range of possible methodologies to estimate the RA for LRC and LIC. For RA LIC, under non-life and group lifelines of business, the Group has decided to use the Mack approach. For long term life contracts, the Group will use the e-forms approach for LRC RA. For LIC RA, the Group will use the same risk adjustment % as calculated for LRC.

Contractual service margin (CSM) – GMM and VFA

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

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

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Contractual service margin (CSM) – GMM and VFA (continued)

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

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

The coverage unit for both groups, unit-linked life takaful contracts and other long-term life groups of contracts, the coverage unit is the amount of benefit payable in case of death claim. The total coverage units of each group of takaful contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For retakaful contracts issued, the number of coverage units in a group reflects the expected sum at risk of contracts because the level of service provided depends on the amount of sum at risk in force. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

Onerosity determination

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

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

For long term individual life contracts the onerosity is determined based on the level of profit margin at inception of the group of contracts. If the level of profit margin falls below a defined limit, the group of contracts are marked as onerous.

Profit margin is calculated as proportion of expected present value of inflows to expected present value of premium at inception of the group of contracts.

Time value of money

The Group adjusts the carrying amount of the takaful contracts liabilities and retakaful contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cashflows of the group of contracts for the takaful contracts recognised under GMM and VFA.

Discounting

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

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Liability for incurred claims

The Group will calculate the LFIC as follows:

- Best Estimate (BEL) of the fulfilment cash flows relating to incurred claims including outstanding claims, IBNR and IBNER:
- Expenses already incurred but not yet paid in relation to claims and the cost of handling incurred claims at that date.
- Adjustment for the time value of money and,

Risk adjustment for non-financial risks.

Transition

The default transition approach under IFRS 17 is the Full Retrospective Approach (“FRA”) which requires that upon transition IFRS 17 should be applied from inception of the groups of contracts as if IFRS 17 has always been applicable. However, if FRA is impracticable the following methods may be adopted:

- Modified Retrospective Approach (“MRA”): Under this approach the objective is to achieve the closest possible approximation to the FRA using the modifications allowed within the standard and without undue cost and effort.
- Fair Value Approach (“FVA”): Under this approach the fair value of the groups of contracts is computed and compared with the FCF. The CSM or loss component is the difference between the fair value and the FCF. Fair values for this purpose must be computed applying IFRS 13.

The Group has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each consolidated financial statements line item and EPS. The effects of adopting IFRS 17 on the consolidated financial statements at 1 January 2023 are presented in the statement of changes in equity.

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	The Group has adopted the minimum three classifications provided in the standard and not use more granular classifications.
Level of Aggregation – Adopting more granular cohort classification	The Group is using annual cohorts and not shorter cohorts.
PAA – Deferring Takaful acquisition cashflows	Under PAA, in some circumstances, it is allowed to recognise Takaful acquisition cashflows as expense when incurred however, the Group does not apply this choice instead it defers all Takaful acquisition cashflows.
PAA – Discounting LIC	Under PAA, in some circumstances, it is allowed not to discount the LIC, but the Group is not using this option and discounts all LIC.
Interest Accretion – OCI Option	The standard allows that finance expense to be split between OCI, and P&L. the Group aims to reflect entire finance expense in the P&L and plans not to split between OCI and P&L.
Transition Approach	The Group is using Modified Retrospective Approach.

Revenue recognition

Takaful revenue and retakaful expenses – methods and assumptions used in the determination of the contractual service margin (CSM) to be recognised in consolidated statement of profit or loss for the Takaful contract services provided or received in the year.

4 Material accounting policy information (continued)

IFRS 17 “Insurance contracts” (continued)

Revenue recognition (continued)

For contracts measured under the General Measurement Model (GMM) in which the Group has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Group considers its commitment on initial recognition of such contracts. Further, judgement might be required to distinguish subsequent changes in the fulfilment cash flows (FCF) resulting from changes in the Group's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.

Insurance service expenses

Insurance service expenses include the following:

- Incurred claims for the year
- Other incurred directly attributable expenses
- Insurance acquisition cash flow expenses.
- An element of time value of money of LIC for the year.

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Directly attributable expenses are the costs that can be fully or partially attributed to the fulfilment of groups of insurance contracts.

Finance income or expenses from Takaful contracts issued

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

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

For all groups of contracts, the Group disaggregates Takaful finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied). The finance income and expenses from Takaful contracts issued recognised in the consolidated statement of profit or loss reflects the unwind of the liabilities at the locked-in rates.

Unearned Wakala

The Group recognizes Wakala fees over the period in which the related services are delivered, in a systematic manner.

Income tax

Current Taxation

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

4 Material accounting policy information (continued)

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the consolidated statement of financial position date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the consolidated statement of financial position date. Deferred tax is charged or credited to the consolidated statement of profit or loss, except in the case of items credited or charged to the consolidated statement of other comprehensive income or equity in which case it is included in the consolidated statement of other comprehensive income or equity.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The condition is regarded as met only when the assets (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal group) and its sale is highly probable. Management be committed to sale, which should be expected to qualify for recognition as a completed sale within one year for the date of classification.

When the group is committed to a sale plan involving loss control of a subsidiary, all assets and liabilities of the subsidiaries and other assets are classified as held for sale when the criteria described above are met regardless of whether the Group will retain a non- controlling interest in its former subsidiary after sale.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to complete.

Leases

The Group does not have leases that should be accounted for in accordance with IFRS 16 since all the Group's leases are assessed as short-term in nature and the payments made under the leases (net of any incentives received from the lessor) were charged to the income statement on a straight-line basis over the period of the lease. The Group did not need to make any adjustments to the accounting for assets held as lessee as a result of adopting the new leasing standard due to the short-term nature of the lease contracts.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4 Material accounting policy information (continued)

Employee benefits

Defined contribution plan

U.A.E. National employees in the United Arab Emirates are members of the Government-managed retirement pension and social security benefit scheme established pursuant to U.A.E. Federal Labour Law No. 7 of 1999. The Group is required to contribute 12.5% of the "contribution calculation salary" to the retirement benefit scheme to fund the benefits. These employees are also required to contribute 11% of the "contribution calculation salary" to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to the consolidated statement of profit or loss.

Provision for employees' end of service indemnity

Provision is also made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the U.A.E. Labour Law.

Financial instruments

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective profit rate is the rate that exactly discounts estimate future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees paid or received that are integral to the effective interest rate. When the Group revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss ("FVTPL"), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognized for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when the asset is newly originated.

Financial assets

(i) Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- fair value through profit or loss ("FVTPL");
- fair value through other comprehensive income ("FVOCI"); or
- amortised cost

The classification requirements for debt and equity instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and government and corporate bonds.

Classification and subsequent measurement of debt instruments depends on:

- the Group's business model for managing the assets; and
- the cash flow characteristics of the asset.

4 Material accounting policy information (continued)

Financial instruments (continued)

Based on those factors, the Group classifies its debt instruments into one of the following three measurement categories:

- **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest on the principal amount outstanding ("SPPI"), and that are not designated at FVTPL are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in this note. Interest income from these financial assets is included in "Interest income" using the effective interest rate method
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding ("SPPI"), and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the consolidated statement of profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated statement of profit or loss and recognised in "Investment income". Profit income from these financial assets is included in "Investment income" using the effective interest rate method.
- **FVTPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the consolidated statement of profit or loss and presented net within "Investment income – Net" in the period in which it arises. Interest income from these assets is included in "Interest income" using the effective interest rate method.

Business model

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the asset or is to collect the contractual cash flows and cash flows arising from the sale of the assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. At initial recognition of a financial asset, the Group determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting periods, the Group has not identified a change in its business models.

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial assets' cash flows represent solely payments of principal and interest on the principal amount outstanding (the "SPPI test"). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified at FVTPL. The Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares. The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity investments at FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as "Investment income" when the Group's right to receive payments is established.

4 Material accounting policy information (continued)

Financial instruments (continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, takaful receivables and due from related parties. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for takaful receivables and due from related parties. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(ii) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) The financial instrument has a low risk of default,
- (2) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(iii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

4 Material accounting policy information (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective profit rate.

De-recognition of financial assets

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Group transfers substantially all the risks and rewards of ownership, or (ii) the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

Gains and losses on the disposal of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

Financial assets 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. Impaired financial assets are derecognised when they are assessed as uncollectible.

Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract. All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are subsequently measured at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently measured at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Offsetting

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

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are within the scope of IFRS 9 expected credit loss calculations for the assessment of impairment.

Wakala deposits with banks with original maturities of more than three months

Wakala deposits with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost. Deposits held with banks are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment. Profit from wakala deposits with banks is recognised on a time proportion basis using the effective profit method and is recognised within 'Investment income' in the consolidated income statement.

4 Material accounting policy information (continued)

Financial instruments (continued)

Investment property

Investment property are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains and losses arising from changes in the fair value of investment property is included in the consolidated statement of income in the period in which they arise.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property is included in the profit or loss in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss in the period in which the investment property is derecognised.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or 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 independent surveyors and consultants or broker's quotes.

Rental income from investment property which is leased under an operating lease is recognised on a straight-line basis over the term of the lease.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment loss.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated income statement when incurred.

Depreciation is charged so as to write off the cost, over their estimated useful lives, using the straight-line method, as follows:

	<u>Useful lives</u>
Motor vehicles	4 years
Furniture and fixtures	4 years
Office equipment	4 years

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

4 Material accounting policy information (continued)

Financial instruments (continued)

Impairment of non-financial assets (continued)

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign currencies

In preparing the financial statements of the individual companies, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in consolidated statement of profit or loss the year in which they arise except for:

- Exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to finance costs on foreign currency financings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognized in the foreign currency translation reserve and recognized in profit or loss on disposal of the net investment.

Zakat

Zakat as approved by the Group's Sharia'a Supervisory Board is computed on the following basis:

- Zakat on shareholders' equity is deducted from retained earnings and is computed on their Zakat Pool (Legal Reserve, General Reserve, Retained Earnings and employees' end of service benefits).
- Zakat is distributed by a committee appointed by the Board of Directors and operating as per the by-law set by the Board.
- Zakat on paid up capital and proposed dividend is not included in the Zakat computation and is payable directly by the shareholders themselves.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

4 Material accounting policy information (continued)

Financial instruments (continued)

Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's shareholders.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs. Where the terms of a financial liability are renegotiated and the Group issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Profit expense is recognised in the consolidated statement of income as it accrues and is calculated by using the effective profit rate method.

Deficit in policyholders' fund

Deficit in the policyholders' fund is financed by the shareholders through a profit free loan "Qard Hasan".

5 Significant management judgement in applying accounting policies and estimation uncertainty

5.1 Significant management judgement in applying accounting policies

While applying the accounting policies as stated in Note 3, management of the Group has made certain judgements, estimates and assumptions 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. Revision to accounting estimates is recognised in the period of the revision 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. The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value through other comprehensive income, fair value through profit or loss or amortised cost. In judging whether investments in securities are as at fair value through other comprehensive income, fair value through profit or loss or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

Valuation of unquoted equity investments

Where the fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, management have determined it using internal valuation that includes the use of mathematical model. Management has used the comparable multiples method to determine the fair value of its financial assets; this method derives the value of the investments using the valuation multiples of other businesses similar in industry, sector and size; assuming that similar companies will have similar valuation multiples. A median of the identified valuation multiples for similar industry in various countries in the MENA was used. This median of multiples and the investment's earnings was used to determine the investment's value. Where actual costs related to performance under contracts differ significantly from management's estimates, the amount of revenue recognised on contracts to date could be materially impacted.

5 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

Fair value of investment property

External valuers may be involved for valuation of significant assets, such as investment property. Selection criteria for valuers include their market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

Management, in conjunction with the Group's external valuers, also compares changes in fair value of each property with relevant external sources to determine whether the change is reasonable.

5.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Provision for expected credit losses

Management reviews the provision for expected credit losses (ECL) at each reporting date by assessing the recoverability of the expected contribution and reinsurance receipts. For non-takaful financial assets, the recoverability is assessed and expected credit losses are created in compliance with the simplified approach under the IFRS 9 methodology.

Unit-linked investments

The Group recognizes the unit-linked investments and its related liabilities pertaining to the deposit component of the Takaful contract on gross basis on its consolidated statement of financial position. These were recorded in net, as based on the management judgement, financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position if, and only if, as required by IAS 32, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously; which is not the case for the unit linked investments provided by the Group.

Estimates of future cash flows to fulfill takaful contracts

Included in the measurement of each group of contracts within the scope of IFRS 17, are all future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows which includes the expected contribution receipts and ultimate cost of claims.

The ultimate cost of claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson 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. 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. 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 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. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

5 Significant management judgement in applying accounting policies and estimation uncertainty (continued)

5.2 Key sources of estimation uncertainty (continued)

Assessment of significance of takaful risk

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

Risk adjustment

The risk adjustment for non-financial risk is the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th 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 75th 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.

Onerous groups

The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Discounting

The Group use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity contribution'). The Group applies a published risk-free yield curve (EIOPA RFR) with volatility adjustment and adjusted for country risk premium. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below

	<u>1 year</u>		<u>3 years</u>		<u>5 years</u>		<u>10 years</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Discount rates	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%

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6 Property and equipment

	Motor vehicles	Office equipment	Furniture and fixtures	Total
Cost				
As at January 1, 2024	128,890	2,690,513	746,447	3,565,850
Additions during the year	-	33,520	-	33,520
As at December 31, 2024	128,890	2,724,033	746,447	3,599,370
Additions during the year	-	24,391	-	24,391
As at December 31, 2025	128,890	2,748,424	746,447	3,623,761
Accumulated depreciation				
As at January 1, 2024	128,890	2,625,531	746,447	3,500,868
Charge for the year	-	38,975	-	38,975
As at December 31, 2024	128,890	2,664,506	746,447	3,539,843
Charge for the year	-	35,160	-	35,160
As at December 31, 2025	128,890	2,699,666	746,447	3,575,003
Carrying value as at December 31, 2025	-	48,758	-	48,758
Carrying value as at December 31, 2024	-	59,527	-	59,527

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7 Takaful and retakaful contracts

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

	December 31, 2025		December 31, 2024	
	Assets AED	Liabilities AED	Assets AED	Liabilities AED
Takaful contracts issued				
Life	-	663,041,465	719,390	572,536,660
Non-Life	7,700,708	66,916,373	4,963,073	104,633,069
Total takaful contracts issued	7,700,708	729,957,838	677,169,729	671,487,266
Retakaful contracts held				
Life	93,281,172	48,431,047	92,230,346	53,495,549
Non-Life	45,244,981	3,406,172	57,617,898	10,429,528
Total retakaful contracts held	138,526,153	51,837,219	149,848,244	63,925,077
December 31, 2025	PAA AED	Non-PAA AED	Total AED	
Takaful contract assets	(7,700,708)	-	(7,700,708)	
Takaful contract liabilities	71,169,272	658,788,566	729,957,838	
Retakaful contract assets	(46,677,828)	(91,848,325)	(138,526,153)	
Retakaful contract liabilities	5,332,700	46,504,519	51,837,219	
	22,123,436	613,444,760	635,568,196	
December 31, 2024	PAA AED	Non-PAA AED	Total AED	
Takaful contract assets	(5,613,665)	(68,798)	(5,682,463)	
Takaful contract liabilities	109,842,207	567,327,522	677,169,729	
Retakaful contract assets	(59,769,161)	(90,079,083)	(149,848,244)	
Retakaful contract liabilities	12,964,108	50,960,969	63,925,077	
	57,423,489	528,140,610	585,564,099	

	Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in consolidated statement of profit or loss is provided in the following table (number of years until expected to be recognised):				
	1 year	2 years	3 years	4 years	Total
December 31, 2025					
Total CSM for insurance contracts issued	(386,879)	(306,891)	(609,971)	(892,231)	53,712,594
Total CSM for reinsurance contracts held	3,326,125	2,360,729	4,342,601	5,242,339	(38,832,557)
	2,939,246	2,053,838	3,732,630	4,350,108	14,880,037
December 31, 2024					
Total CSM for insurance contracts issued	(395,121)	(204,662)	(248,583)	(483,563)	39,891,342
Total CSM for reinsurance contracts held	4,878,197	3,651,706	2,423,643	3,542,590	(25,886,286)
	4,483,076	3,447,044	2,175,060	3,059,027	14,005,056

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7 Takaful and retakaful contracts (continued)

Contracts measured under the PAA

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>		
	Excluding loss component	Loss component	Best estimate liability	Risk adjustment	Total
	AED	AED	AED	AED	AED
Takaful contracts issued					
Takaful contract assets at January 1, 2025	(704,261)	-	(4,555,541)	(353,863)	(5,613,665)
Takaful contract liabilities at January 1, 2025	26,566,117	3,286	77,876,805	5,395,999	109,842,207
Net balance as at January 1, 2025	25,861,856	3,286	73,321,264	5,042,136	104,228,542
Takaful revenue	39,166,536	-	-	-	39,166,536
Takaful service (expenses) / income					
Incurred claims and other expenses	-	-	(12,947,431)	-	(12,947,431)
Changes to liabilities for incurred claims	-	-	25,630,452	2,261,593	27,892,045
Amortisation of insurance acquisition cash flows	(973,808)	-	-	-	(973,808)
Reversals of losses on onerous contracts	-	3,286	-	-	3,286
Takaful service result	38,192,728	3,286	12,683,021	2,261,593	53,140,628
Finance expenses from takaful contracts issued	-	-	2,732,711	187,922	2,920,633
Total amounts recognized in comprehensive income	38,192,728	3,286	15,415,732	2,449,515	56,061,261
Cash flows					
Contributions received	29,094,132	-	-	-	29,094,132
Claims and other expenses paid	-	-	(10,414,895)	-	(10,414,895)
Takaful acquisition cash flows paid	(9,219,220)	-	-	-	(9,219,220)
Total cash flows	19,874,912	-	(10,414,895)	-	9,460,017
Net balance as at December 31, 2025					
Takaful contract assets at December 31, 2025	(675,704)	-	(6,855,596)	(169,408)	(7,700,708)
Takaful contract liabilities at December 31, 2025	8,219,744	-	59,811,655	3,137,873	71,169,272
Net balance as at December 31, 2025	7,544,040	-	52,956,059	2,968,465	63,468,564

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7 Takaful and retakaful contracts (continued)

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims			Total
	Excluding loss recovery component	Loss recovery component	Estimates of the present value of cashflows		Risk adjustment	
	AED	AED	AED	AED	AED	
Retakaful contracts held						
Retakaful contract assets at January 1, 2025	(8,970,778)	(1,834)	(47,414,960)	(3,381,589)		(59,769,161)
Retakaful contract liabilities at January 1, 2025	12,562,104	-	378,965	23,039		12,964,108
Net balance as at January 1, 2025	3,591,326	(1,834)	(47,035,995)	(3,358,550)		(46,805,053)
Net expenses from retakaful contracts held						
Amounts recoverable from reinsurers for incurred claims						
Amounts recoverable from reinsurers for incurred claims	-	-	11,255,344	-		11,255,344
Changes to amounts recoverable for incurred claims	-	-	(5,679,538)	(858,153)		(6,537,691)
Amortisation of insurance acquisition cash flows	2,854,262	-	-	-		2,854,262
Changes in non-performance risk of reinsurer	-	(1,834)	-	-		(1,834)
Charging for losses on onerous contracts	-	-	-	-		-
Net expenses from retakaful contracts held	(34,992,501)	(1,834)	5,575,806	(858,153)		(30,276,682)
Finance income from retakaful contracts held	-	-	(1,753,049)	(125,174)		(1,878,223)
Total amounts recognized in comprehensive income	(34,992,501)	(1,834)	3,822,757	(983,327)		(32,154,905)
Cash flows						
Contributions paid	(49,449,373)	-	-	-		(49,449,373)
Actual acquisition costs received	15,255,497	-	-	-		15,255,497
Actual claims received	-	-	11,255,344	-		11,255,344
Total cash flows	(34,193,876)	-	11,255,344	-		(22,938,532)
Net balance as at December 31, 2025						
Retakaful contract assets at December 31, 2025	(196,595)	-	(43,820,352)	(2,660,881)		(46,677,828)
Retakaful contract liabilities at December 31, 2025	4,586,547	-	710,843	35,310		5,332,700
Net balance as at December 31, 2025	4,389,952	-	(43,109,509)	(2,625,571)		(41,345,128)

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7 Takaful and retakaful contracts (continued)

Analysis by measurement component – Contracts not measured under the PAA:

	<u>Liabilities for remaining coverage</u>		<u>Liabilities for incurred claims</u>			
	Best estimate liability	Risk adjustment	Contractual service margin	Best estimate liability	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED
Takaful contracts issued						
Takaful contract assets at January 1, 2025	(68,798)	-	-	-	-	(68,798)
Takaful contract liabilities at January 1, 2025	525,687,752	1,748,428	39,891,342	-	-	567,327,522
Net balance as at January 1, 2025	525,618,954	1,748,428	39,891,342	-	-	567,258,724
Changes related to current service						
Risk adjustment recognised for the risk expired	-	84,624	-	-	-	84,624
Experience adjustment	(925,266)	-	-	-	-	(925,266)
Changes related to future service						
Changes in estimates reflected in the CSM	178,907,883	636,527	(179,544,410)	-	-	-
Changes in estimates reflected in onerous contract losses	-	-	(3,318,050)	-	-	(3,318,050)
Takaful service result	177,982,617	721,151	(182,862,460)	-	-	(4,158,692)
Finance expenses from takaful contracts issued	-	84,624	(169,041,208)	-	-	(168,956,584)
Total amounts recognized in comprehensive income	177,982,617	805,775	(351,903,668)	-	-	(173,115,276)
Cash flows						
Takaful acquisition cash flows paid	13,331	-	-	256,314,403	-	256,327,734
Total cash flows	13,331	-	-	256,314,403	-	256,327,734
Takaful contract liabilities at December 31, 2025	347,649,669	1,111,900	53,712,594	256,314,403	-	658,788,566
Net balance as at December 31, 2025	347,649,669	1,111,900	53,712,594	256,314,403	-	658,788,566

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7 Takaful and retakaful contracts (continued)

Contracts measured not under the PAA

	<u>Assets for remaining coverage</u>		<u>Amounts recoverable on incurred claims</u>			
	Best estimate liability	Risk adjustment	Contractual service margin	Best estimate liability	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED
Retakaful contracts issued						
Retakaful contract assets at January 1, 2025	(25,738,154)	(1,199,084)	(63,141,845)	-	-	(90,079,083)
Retakaful contract liabilities at January 1, 2025	13,705,409	-	37,255,560	-	-	50,960,969
Net balance as at January 1, 2025	(12,032,745)	(1,199,084)	(25,886,285)	-	-	(39,118,114)
Changes related to current service						
CSM recognized for the service provided	-	-	4,268,848	-	-	4,268,848
Risk adjustment recognized for the risk expired	-	(58,036)	-	-	-	(58,036)
Experience adjustment	703,948	-	-	-	-	703,948
Changes related to future service						
Changes in estimates reflected in the CSM	(6,989,742)	(434,786)	7,424,528	-	-	-
Takaful service result	(6,285,794)	(492,822)	11,693,376	-	-	4,914,760
Finance expenses from takaful contracts issued	-	(29,611)	(639,264)	-	-	(668,875)
Total amounts recognized in comprehensive income	(6,285,794)	(522,433)	11,054,112	-	-	4,245,885
Cash flows						
Contributions received	-	-	-	-	-	-
Total cash flows	-	-	-	-	-	-
Net balance as at December 31, 2025						
Retakaful contract assets at December 31, 2025	(15,444,166)	(764,298)	(75,639,861)	-	-	(91,848,325)
Retakaful contract liabilities at December 31, 2025	9,697,215	-	36,807,304	-	-	46,504,519
Net balance as at December 31, 2025	(5,746,951)	(764,298)	(38,832,557)	-	-	(45,343,806)

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7 Takaful and retakaful contracts (continued)
Contracts measured not under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Best estimate liability	Risk adjustment	
	AED	AED	AED	AED	AED
Takaful contracts issued					
Takaful contract assets at January 1, 2024	(1,456,629)	1,426	(3,005,615)	(139,969)	(4,600,787)
Takaful contract liabilities at January 1, 2024	16,939,430	881,809	105,000,703	10,455,201	133,277,143
Net balance as at January 1, 2024	15,482,801	883,235	101,995,088	10,315,232	128,676,356
Takaful revenue	53,304,710	-	-	-	53,304,710
Takaful service (expenses) / income					
Incurred claims and other expenses	-	-	(18,827,949)	-	(18,827,949)
Changes to liabilities for incurred claims	-	-	35,048,517	5,917,797	40,966,314
Amortisation of insurance acquisition cash flows	(2,733,010)	-	-	-	(2,733,010)
Reversals of losses on onerous contracts	-	879,949	-	-	879,949
Takaful service result	50,571,700	879,949	16,220,568	5,917,797	73,590,014
Finance expenses from takaful contracts issued	-	-	(6,374,693)	(644,701)	(7,019,394)
Total amounts recognized in comprehensive income	50,571,700	879,949	9,845,875	5,273,096	66,570,620
Cash flows					
Contributions received	52,910,879	-	-	-	52,910,879
Claims and other expenses paid	-	-	(18,827,949)	-	(18,827,949)
Takaful acquisition cash flows paid	8,039,876	-	-	-	8,039,876
Total cash flows	60,950,755	-	(18,827,949)	-	42,122,806
Net balance as at December 31, 2024					
Takaful contract assets at December 31, 2024	(704,261)	-	(4,555,541)	(353,863)	(5,613,665)
Takaful contract liabilities at December 31, 2024	26,566,117	3,286	77,876,805	5,395,999	109,842,207
Net balance as at December 31, 2024	25,861,856	3,286	73,321,264	5,042,136	104,228,542

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7 Takaful and retakaful contracts (continued)
Contracts measured not under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total
	Excluding loss recovery component		Estimates of the present value of cashflows		
	AED	AED	AED	AED	
Retakaful contracts held					
Retakaful contract assets at January 1, 2024	(8,767,167)	(248)	(76,337,838)	(8,541,891)	(93,647,144)
Retakaful contract liabilities at January 1, 2024	15,493,678	(38,807)	-	-	15,454,871
Net balance as at January 1, 2024	6,726,511	(39,055)	(76,337,838)	(8,541,891)	(78,192,273)
Net expenses income from retakaful contracts held	(50,591,690)	-	-	-	(50,591,690)
Amounts recoverable from reinsurers for incurred claims	-	-	15,549,730	-	15,549,730
Changes to amounts recoverable for incurred claims	-	-	(34,072,956)	(5,717,209)	(39,790,165)
Amortisation of insurance acquisition cash flows	1,701,722	-	-	-	1,701,722
Changes in non-performance risk of reinsurer	(163,667)	-	-	-	(163,667)
Charging for losses on onerous contracts	-	(37,221)	-	-	(37,221)
Net expenses from retakaful contracts held	(49,053,635)	(37,221)	(18,523,226)	(5,717,209)	(73,331,291)
Finance income from retakaful contracts held	-	-	4,771,115	533,868	5,304,983
Total amounts recognized in comprehensive income	(49,053,635)	(37,221)	(13,752,111)	(5,183,341)	(68,026,308)
Cash flows					
Contributions paid	(40,731,610)	-	-	-	(40,731,610)
Actual acquisition costs received	(11,457,210)	-	-	-	(11,457,210)
Actual claims received	-	-	15,549,732	-	15,549,732
Total cash flows	(52,188,820)	-	15,549,732	-	(36,639,088)
Net balance as at December 31, 2024					
Retakaful contract assets at December 31, 2024	(8,970,778)	(1,834)	(47,414,960)	(3,381,589)	(59,769,161)
Retakaful contract liabilities at December 31, 2024	12,562,104	-	378,965	23,039	12,964,108
Net balance as at December 31, 2024	3,591,326	(1,834)	(47,035,995)	(3,358,550)	(46,805,053)

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7 Takaful and retakaful contracts (continued)

Analysis by measurement component – Contracts not measured under the PAA:

	Liabilities for remaining coverage		Liabilities for incurred claims				Total
	Best estimate liability	Risk adjustment	Contractual service margin	Best estimate liability	Risk adjustment		
	AED	AED	AED	AED	AED	AED	
Takaful contracts issued							
Takaful contract assets at January 1, 2024	(4,389,334)	-	-	-	-	-	(4,389,334)
Takaful contract liabilities at January 1, 2024	723,168,493	2,385,660	26,715,830	-	-	-	752,269,983
Net balance as at January 1, 2024	718,779,159	2,385,660	26,715,830	-	-	-	747,880,649
Changes related to current service							
Risk adjustment recognised for the risk expired	-	(149,104)	-	-	-	-	(149,104)
Experience adjustment	(2,963,952)	-	-	-	-	-	(2,963,952)
Changes related to future service							
Changes in estimates reflected in the CSM	(194,540,496)	(637,232)	195,177,728	-	-	-	-
Changes in estimates reflected in onerous contract losses	-	-	15,237,823	-	-	-	15,237,823
Takaful service result	(197,504,448)	(786,336)	210,415,551	-	-	-	12,124,767
Finance expenses from takaful contracts issued	-	149,104	(197,240,039)	-	-	-	(197,090,935)
Total amounts recognized in comprehensive income	(197,504,448)	(637,232)	13,175,512	-	-	-	(184,966,168)
Cash flows							
Contributions received	5,168,441	-	-	-	-	-	5,168,441
Takaful acquisition cash flows paid	(824,198)	-	-	-	-	-	(824,198)
Total cash flows	4,344,243	-	-	-	-	-	4,344,243
Takaful contract assets at December 31, 2024							
Takaful contract liabilities at December 31, 2024	525,687,752	1,748,428	39,891,342	-	-	-	567,327,522
Net balance as at December 31, 2024	525,618,954	1,748,428	39,891,342	-	-	-	567,258,724

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7 Takaful and retakaful contracts (continued)

Analysis by measurement component – Contracts not measured under the PAA: (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims				Total
	Best estimate liability	Risk adjustment	Contractual service margin	Best estimate liability	Risk adjustment		
	AED	AED	AED	AED	AED		
Retakaful contracts issued						AED	
Retakaful contract assets at January 1, 2024	(41,213,031)	(2,147,094)	(41,102,457)	-	-	(84,462,582)	
Retakaful contract liabilities at January 1, 2024	29,415,061	-	21,834,981	-	-	51,250,042	
Net balance as at January 1, 2024	(11,797,970)	(2,147,094)	(19,267,476)	-	-	(33,212,540)	
Changes related to current service							
CSM recognized for the service provided	-	-	(3,459,095)	-	-	(3,459,095)	
Risk adjustment recognized for the risk expired	-	134,193	-	-	-	134,193	
Experience adjustment	2,667,556	-	-	-	-	2,667,556	
Changes related to future service							
Changes in estimates reflected in the CSM	1,007,488	948,009	(1,955,497)	-	-	-	
Takaful service result	3,675,044	1,082,202	(5,414,592)	-	-	(657,346)	
Finance expenses from takaful contracts issued	-	(134,192)	(1,204,217)	-	-	(1,338,409)	
Total amounts recognized in comprehensive income	3,675,044	948,010	(6,618,809)	-	-	(1,995,755)	
Cash flows							
Contributions received	(3,909,819)	-	-	-	-	(3,909,819)	
Total cash flows	(3,909,819)	-	-	-	-	(3,909,819)	
Net balance as at December 31, 2024							
Retakaful contract assets at December 31, 2024	(25,738,154)	(1,199,084)	(63,141,845)	-	-	(90,079,083)	
Retakaful contract liabilities at December 31, 2024	13,705,409	-	37,255,560	-	-	50,960,969	
Net balance as at December 31, 2024	(12,032,745)	(1,199,084)	(25,886,285)	-	-	(39,118,114)	

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8 Investments in financial assets

	December 31, 2025		December 31, 2024	
	Shareholders	Policyholder	Shareholders	Policyholder
Financial assets measured at fair value through other comprehensive income (FVTOCI) (A)				
Listed	18,575,517	-	19,034,172	-
Unlisted	2,199,083	-	3,380,112	-
	<u>20,774,600</u>	<u>-</u>	<u>22,414,284</u>	<u>-</u>
Financial assets measured at fair value through profit or loss (FVTPL) (B)				
Listed	812,500	-	723,400	-
Unlisted	-	625,402,468	-	508,571,028
	<u>812,500</u>	<u>625,402,468</u>	<u>723,400</u>	<u>508,571,028</u>
Total investment in financial assets measured at fair value (A+B)	<u>21,587,100</u>	<u>625,402,468</u>	<u>23,137,684</u>	<u>508,571,028</u>
				<u>531,708,712</u>
Investment by geographical concentration are as follows:				
Within U.A.E.	18,677,035	-	19,757,572	-
Outside U.A.E.	2,910,065	625,402,468	3,380,112	508,571,028
	<u>21,587,100</u>	<u>625,402,468</u>	<u>23,137,684</u>	<u>508,571,028</u>
				<u>531,708,712</u>

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Notes to the consolidated financial statements for the year ended December 31, 2025

8 Investments in financial assets (continued)

Movement in financial assets measured at fair value through other comprehensive income (FVTOCI) and financial assets measured at fair value through profit or loss (FVTPL) attributable to the Shareholders is as follows:

	December 31, 2025		December 31, 2024	
	FVOCI	FVTPL	FVOCI	FVTPL
Balance at the beginning of the year	22,414,284	723,400	28,551,222	21,288,709
Additions during the year	-	-	60,000	252,000
Disposals during the year	(1,308,774)	-	(5,809,972)	(21,182,209)
Change in fair value	(330,910)	89,100	(386,966)	364,900
Balance at the end of the year	20,774,600	812,500	22,414,284	723,400

Currency distribution

	December 31, 2025		December 31, 2024	
	FVOCI	FVTPL	FVOCI	FVTPL
United Arab Emirates Dirhams	20,774,600	812,500	22,414,284	723,400

Investment revaluation reserve – FVOCI

Investment's revaluation reserve represents the accumulated unreleased gains or losses that are recognised on investments carried at fair value through other comprehensive income at reporting date.

Movement in the investment revaluation reserve is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	17,630,484	18,853,358
Disposals during the year	-	(1,609,840)
Other comprehensive income for the year	330,910	386,966
	17,961,394	17,630,484

Geographical concentration

	December 31, 2025		December 31, 2024	
	FVOCI	FVTPL	FVOCI	FVTPL
Within U.A.E.				
- Listed	18,575,517	812,500	19,034,172	723,400
Outside U.A.E.				
- Unlisted	2,199,083	-	3,380,112	-
- Unit linked investments (Refer note below)	-	625,402,468	-	508,571,028
	20,774,600	626,214,968	22,414,284	509,294,428

Movement in the unit linked investments is as follow:

	December 31, 2025	December 31, 2024
Balance at the beginning of the year	508,571,028	705,670,303
Increase / (decrease) in fair value during the year	116,831,440	(197,099,275)
	625,402,468	508,571,028

This includes investments in unlisted securities amounting to AED 117,952,760. A portion of these unlisted sukuk unit-linked investments were issued by entities related to the Third-Party Administrator (TPA) without receiving prior approval of the Group's management and these entities are currently in liquidation. The management is unable to segregate those investments that are related to these entities and as a result, the valuation of these investments could be adversely affected by the liquidation process.

9 Cash and cash equivalents	December 31, 2025	December 31, 2024
Cash at banks:		
Current accounts	154,886,905	93,080,168
Term deposits with an original maturity of three months or less	15,000,000	40,000,000
Cash on hand	20,000	11,858
	169,906,905	133,092,026
Less: Allowance for expected credit losses	(45,766)	(49,453)
	169,861,139	133,042,573
Allocated to :		
Takaful operations assets	133,985,549	72,443,638
Shareholders' assets	35,875,590	60,598,935
	169,861,139	133,042,573
For the purpose of the consolidated statements of the cash flows, the cash and cash equivalents are analysed as follows:		
Cash and cash equivalents	169,861,139	133,042,573
Cash and cash equivalents included in assets classified as held for sale	1,008,976	1,008,976
	170,870,115	134,051,549
There are no restrictions on bank balances at the time of approval of these consolidated financial statements.		
Details of allowances for expected credit losses are as follows:		
Balance at the beginning of the year	49,723	17,635
(Reversal)/charges for the year	(3,957)	32,088
Balance at the end of the year	45,766	49,723
The bank balances are also subject to impairment requirements of IFRS 9. However, balances with banks are assessed to have low credit risk of default.		
10 Prepayments and other receivables		
Receivables from TPA	2,180,848	-
VAT receivable-net	2,064,257	1,836
Advance to suppliers	1,115,000	1,115,000
Prepayments	907,408	579,751
Staff receivables	630,507	692,239
Accrued rental income	517,500	431,250
Margin deposits	468,804	468,804
Refundable deposits	71,483	71,483
Other receivables	1,940,287	2,944,931
	9,896,094	6,305,294
Allocated to:		
Shareholders' assets	9,896,094	6,305,294
	9,896,094	6,305,294
11 Investment property		
Balance at the beginning of the year	54,207,944	57,900,000
Gain / (loss) on revaluation of investment property	1,850,054	(3,692,056)
Balance at the end of the year	56,057,998	54,207,944

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11 Investment property (continued)	December 31, 2025	December 31, 2024
Allocation of investment property:		
Shareholders	45,575,152	44,068,558
Takaful operations	10,482,846	10,139,386
	56,057,998	54,207,944
Allocation of the revaluation gain/(loss):		
Shareholders	1,506,594	(3,001,471)
Takaful operations	343,460	(690,585)
	1,850,054	(3,692,056)

12 Share capital

Authorized, issued and fully paid:

225,750,000 shares of AED 1.00 each (2024: 225,750,000 shares of AED 1.00 each)

225,750,000 225,750,000

13 Legal reserve

In accordance with the UAE Federal Law No. (32) of 2021 concerning Commercial Companies and the Company's Articles of Association, 10% of profit is to be transferred to non-distributable legal reserve until the balance of the legal reserve equals 50% of the Group's paid up share capital. This reserve is not available for dividend distribution.

14 General reserve

The Group is required to transfer 10% of the profit of the Company for the year to a general reserve in accordance with its Articles of Association. The reserve is available for distribution by a resolution of the shareholders of the Group at an ordinary general meeting, on the recommendation of the Board of Directors.

15 Employees' end of service benefits

Balance at the beginning of the year	2,540,247	2,313,166
Add: Charge for the year	403,267	264,612
Less: Paid during the year	(504,465)	(37,531)
Balance at the end of the year	2,439,049	2,540,247

16 Statutory deposit

In accordance with the requirements of U.A.E. Federal Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the Group maintains a bank deposit of AED 10 million (2024: AED 10 million) which cannot be utilised without the consent of the Assistant Governor of the Banking and Insurance Supervision Department of Central Bank of U.A.E. The deposit bears a profit rate of 0.6% per annum (2024: 0.6% per annum).

17 Re-takaful default reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of the United Arab Emirates ("CBUAE") shall bind in the preparation of its annual consolidated financial statements and its final accounts to allocate an amount equal to 0.5% (Five per thousand) of the total retakaful contribution ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Group deals to pay what is due to the Group or default in its financial position. The provision shall be accounted year after year based on the retakaful contribution ceded and may not be disposed of without the written approval of the CBUAE. The decision was effective from 1 December 2020. Accordingly, an amount of AED 3,457,533 (31 December 2024: 3,357,120) has been recorded in equity as a reinsurance default risk reserve.

18 Takaful operations' investments revaluation reserve	December 31, 2025	December 31, 2024
Movement in the investment revaluation reserve is as follows:		
Balance at the beginning of the year	574,407	2,280,365
Disposals during the year	-	(1,705,958)
	574,407	574,407

19 Trade and other payables

Trade payables and accruals	174,022,553	89,328,560
Zakat payable	324,589	735,125
Corporate tax liability	157,757	-
Other payables	-	136,072
	174,504,899	90,199,757
Allocated to :		
Takaful operations assets	126,137,540	66,130,230
Shareholders' assets	48,367,359	24,069,527
	174,504,899	90,199,757

20 Disposal groups held for sale

During 2018, the Board of Directors approved the liquidation and disposal of Technik Auto Services Centre LLC and Amity Health L.L.C., subsidiaries of the Group.

Assets	1,583,321	1,583,321
Liabilities	3,954,205	12,947,356

The Group is currently in the process of liquidation of these subsidiaries, the carrying amount of the assets and liabilities have been written down. The major class of assets and liabilities of the subsidiaries at the end of the reporting period are as follows:

Cash and cash equivalents	1,008,976	1,008,976
Other receivables	574,345	574,345
Assets under discontinued operations	1,583,321	1,583,321
Trade and other payables	3,954,205	12,947,356
Liabilities directly associated with assets under discontinued operations	3,954,205	12,947,356
Net liabilities associated with assets under discontinued operations	(2,370,884)	(11,364,035)

The ex-Vice Chairman of the Group holds 1% of Nawat Investments L.L.C. and 1% of Technik Auto Service Centre Co.

L.L.C on behalf and for the benefit of the Group to meet the requirements of the legal structure of these subsidiaries.

The Group recognised an income of AED 8,993,151 from the write-off of the liabilities classified under discontinued operations during the year.

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21 Surplus / (deficit) in takaful operations' fund

	Life	Non - life	Total
Deficit in policyholders' fund			
Balance as at January 1, 2024	(30,617,601)	6,794,478	(23,823,123)
Surplus for the year attributable to takaful operations	(9,281,656)	(2,356,868)	(11,638,524)
Transfer to retakaful default reserve during the year	(2,565)	(175,147)	(177,712)
Balance as at December 31, 2024	(39,901,822)	4,262,463	(35,639,359)
Balance as at 1 January, 2025	(39,901,822)	4,262,463	(35,639,359)
Surplus for the year attributable to takaful operations	3,949,373	23,592,220	27,541,593
Write - off	25,511,211	-	25,511,211
Transfer to retakaful default reserve during the year	799	(101,212)	(100,413)
Balance as at December 31, 2025	(10,440,439)	27,753,471	17,313,032
Qard Hassan against deficit in takaful operations' fund			
Balance as at January 1, 2024	30,617,601	-	30,617,601
Recovery of Qard Hassan to shareholders	9,284,221	-	9,284,221
Balance as at December 31, 2024	39,901,822	-	39,901,822
Balance as at January 1, 2025	39,901,822	-	39,901,822
Provision for Qard Hassan to shareholders	(3,950,172)	-	(3,950,172)
Write - off	(25,511,211)	-	(25,511,211)
Balance as at December 31, 2025	10,440,439	-	10,440,439
Net surplus in takaful operations' fund			
As at December 31, 2025	-	27,753,471	27,753,471
As at December 31, 2024	-	4,262,463	4,262,463

22 Insurance revenue

	<u>Life</u>	<u>General</u>	<u>Total</u>
For the year ended 31 December 2025			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
Change in risk adjustment for non-financial risk for risk expired	(1,258,774)	-	(1,258,774)
Expected incurred claims and other insurance service expenses	(1,106,462)	-	(1,106,462)
Recovery of insurance acquisition cash flows	(3,092,157)	-	(3,092,157)
	(5,457,393)	-	(5,457,393)
Contracts measured under the PAA	(139,413)	39,305,950	39,166,537
	(5,596,806)	39,305,950	33,709,144
For the year ended 31 December 2024			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
Change in risk adjustment for non-financial risk for risk expired	(98,849)	-	(98,849)
Expected incurred claims and other insurance service expenses	159,669	-	159,669
Recovery of insurance acquisition cash flows	704,162	2,500,637	3,204,799
	764,982	2,500,637	3,265,619
Contracts measured under the PAA	-	50,039,091	50,039,091
	764,982	52,539,728	53,304,710

23 Takaful service income

	<u>Life</u>	<u>General</u>	<u>Total</u>
For the year ended 31 December 2025			
Gross			
Incurred claims and other expenses	129,004	12,818,427	12,947,431
Amortisation of insurance acquisition cash flows	(18,179)	991,987	973,808
Losses on onerous contracts and reversals of those losses	(1,298,700)	-	(1,298,700)
Changes to liabilities for incurred claims	(521,193)	(27,374,138)	(27,895,331)
	(1,709,068)	(13,563,724)	(15,272,792)
For the year ended 31 December 2024			
Gross			
Incurred claims and other expenses	2,572,560	16,255,389	18,827,949
Amortisation of insurance acquisition cash flows	232,373	2,500,637	2,733,010
Losses on onerous contracts and reversals of those losses	12,097,317	(791,679)	11,305,638
Changes to liabilities for incurred claims	(6,757,855)	(34,208,459)	(40,966,314)
	8,144,395	(16,244,112)	(8,099,717)

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24 Net takaful financial result

	Life	General	Total
For the year ended 31 December 2025			
Takaful finance expense from takaful contracts issued	(90,835)	(2,835,920)	(2,926,755)
Retakaful finance income from retakaful contracts held	1,370,200	1,818,956	3,189,156
	<u>1,279,365</u>	<u>(1,016,964)</u>	<u>262,401</u>
For the year ended 31 December 2024			
Takaful finance expense from takaful contracts issued	(539,565)	(6,488,170)	(7,027,735)
Retakaful finance income from retakaful contracts held	1,748,748	4,894,646	6,643,394
	<u>1,209,183</u>	<u>(1,593,524)</u>	<u>(384,341)</u>

25 Investment income / (expenses)

	2025	2024
	AED	AED
Gain / (loss) on revaluation of investment property (Note 11)	1,850,054	(3,692,056)
Income from wakala deposits with banks	1,116,043	1,382,523
Income on investment properties, net	589,719	504,334
Dividend income	479,225	368,700
Unrealized gain on investments in financial assets carried at FVTPL (Note 8)	89,100	364,900
Realized loss on investments in financial assets measured at FVTPL	-	(7,540,292)
Investment expenses	-	(21,897)
Other investment income	2,700	-
	<u>4,126,841</u>	<u>(8,633,788)</u>
Allocated to:		
- Takaful operations assets	456,238	(583,027)
- Shareholders' assets	3,670,603	(8,050,761)
	<u>4,126,841</u>	<u>(8,633,788)</u>

26 General and administrative expenses

Legal and professional fees	12,425,872	4,104,198
Salaries and benefits	7,439,084	8,087,703
Rent	1,030,555	848,790
Repairs and maintenance	385,357	355,540
Communication	367,210	353,252
Travelling and conveyance	83,890	137,118
Bank charges	38,301	40,262
Depreciation on property and equipment (Note 6)	35,160	38,975
Printing and stationary	4,326	4,696
Marketing and advertising	1,600	-
Others	2,197,250	821,101
	<u>24,008,605</u>	<u>14,791,635</u>

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In Arab Emirates Dirham

27 Corporate tax expenses

Income tax	2025	2024
	AED	AED
Profit and loss		
Current tax	157,757	-
Other comprehensive income		
Current tax	-	-
Reconciliation of effective tax rate:		
	December	December 31,
	31, 2025	2024
	AED	AED
Accounting profit/ (loss) before tax (A)	8,852,580	(27,190,699)
Add: Non-deductible expenses	138,065	(368,700)
Less: Allowable deductions	(479,224)	80,000
Taxable profit/ (loss)	8,511,421	(27,479,399)
Corporate tax exemption	(375,000)	-
Taxable income for the year	8,136,421	(27,479,399)
Less: Utilization of carry forward of tax losses *	(6,383,566)	
Net taxable income	1,752,855	
Corporate tax charge (B)	157,757	-
Effective tax rate (B/A)	1.78%	0.00%

* During the current year, the Company generated taxable profits and accordingly recognized a corporate tax liability. As permitted under the UAE Corporate Tax Law, 75% of the current period tax liability has been offset against deferred tax assets arising from previously unrecognized carried forward tax losses. The remaining 25% of the liability has been recorded as a current tax expense in the consolidated statement of profit or loss.

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28 Related party transactions and balances

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard (IAS) 24: Related Party Disclosures. Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel.

Transactions with such related parties are made on substantially the same terms, as those prevailing at the same time for comparable transactions with external customers and parties. There are no significant balances outstanding at reporting date, following are the income and expenses in respect of related parties included in the consolidated financial statements.

Compensation of key management personnel was as follows:

	2025	2024
Short term employee benefits	1,094,306	1,093,054
End of service benefits	47,755	47,886
	1,142,061	1,140,940

29 Basic and diluted loss per share

	2025	2024
Weighted average number of shares outstanding during the year	225,750,000	225,750,000
Profit/ (loss) for the year attributable to shareholders:		
Continuing operations	190,339	(28,413,573)
Discontinuing operations	7,936,079	-
	8,126,418	(28,413,573)
Earnings/ (losses) per share (AED per share)		
Continuing operations	0.001	(0.126)
Discontinuing operations	0.035	-
	0.036	(0.126)

30 Wakala fees and Mudarib's share

The Group manages the Takaful operations for the policyholders and charges 33% (2024: 33%) of the gross takaful contributions net of fronting contribution as Wakala fees. In addition, the Group charges 2% (2024: 2%) on fronting contribution as Wakala fees and 100% (2024: 100%) on certain unit-linked takaful contracts. These wakala fees rates were approved by the Group's Fatwa and Sharia'a Supervisory Board. The wakala fees share amounted to AED 960,477 for the year ended December 31, 2025 (December 31, 2024: AED 2,733,010).

The Group recognizes Wakala fees over the period in which the related services are delivered, in a systematic manner.

The Group also manages the policyholders' investment funds and is entitled to 25% (2024: 25%) of net investment income earned by the takaful operations' investment funds as the Mudarib's share. The Mudarib's share amounted to AED 114,060 for the year ended December 31, 2025 (December 31, 2024: Nil).

	2025	2024
Wakala fees from policyholders	960,477	2,733,010
Mudarib's share from policyholders	114,060	-

31 Contingencies

- At the reporting date, the Group has contingent liabilities in respect of bank and other guarantees arising in the ordinary course of business amounting to AED 0.47 million (December 31, 2024 : AED 0.47 million)
- The Group is involved as a defendant in a number of legal cases with other insurance and reinsurance companies and customers. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Group in terms of an outflow of economic resources and a reliable estimate of the amount of outflow can be made. The expected outcome of the cases is dependent on future legal proceedings.
- During the year, an insured company filed a claim against the Group for a total amount of AED 12.5 million. However, management believes there will be no liability for the Group, as the incident occurred more than three years ago. This is supported by Article 1/1036 of Federal Law No. 5 on the Civil Transactions Law of the United Arab Emirates, which states: Actions arising out of insurance contracts shall be barred by limitation after the expiration of three years from the date of the occurrence which gave rise to such action, or from the date the interested party became aware of its occurrence.

32 Segmental information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's management in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Board of Directors for the purpose of resource allocation and assessment of performance is based on following strategic business activities:

- Investment activities** represent investment and cash management for the Group's own account.
- Underwriting of takaful business**, incorporating all classes of takaful business. This business is conducted fully within the U.A.E.

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32 Segmental information (continued)

The following table presents segment information as at the year ended December 31, 2025 and December 31, 2024:

	December 31, 2025		December 31, 2024	
	Investments	Underwriting	Investments	Underwriting
	Total		Total	
Segment assets	123,211,125	935,096,818	1,058,307,943	814,270,212
Segment liabilities	84,715,451	935,096,818	1,019,812,269	814,270,212
				921,797,822

The following table presents segment information for the year ended December 31, 2025 and December 31, 2024:

	December 31, 2025		December 31, 2024	
	Investments	Underwriting	Investments	Underwriting
	Total		Total	
Net takaful income / (loss)	-	28,159,892	-	(8,322,487)
Wakala fees	960,477	(960,477)	2,733,010	(2,733,010)
Mudarib's share	114,060	(114,060)	-	-
Policy acquisition cost	(96,749)	-	(3,430,397)	-
	977,788	27,085,355	(697,387)	(11,055,497)
Investment income	3,670,603	456,238	(8,050,761)	(583,027)
Other operating income	15,600,381	-	4,410,431	-
Other expenses	(24,008,605)	-	(14,791,635)	-
Net profit / (loss) for the year before Qard Hassan	(3,759,833)	27,541,593	(19,129,352)	(11,638,524)
Recovery/(provision) of Qard Hassan to shareholders	3,950,172	(3,950,172)	(9,284,221)	9,284,221
Net profit / (loss) for the year	190,339	23,591,421	(28,413,573)	(2,354,303)

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33 Consolidated statement of financial position – Takaful operations' assets and liabilities (Life and Non-life)

	December 31, 2025		December 31, 2024	
	Life	Non-life	Life	Non-life
Assets				
Takaful operations' assets				
Investment property	-	10,482,846	-	10,139,386
Takaful contract assets	-	7,700,708	719,390	4,963,073
Retakaful contract assets	93,281,172	45,244,981	92,230,346	57,617,898
Financial assets at FVTPL	625,402,468	-	508,571,028	-
Due from shareholders	(11,578,654)	34,050,123	24,649,505	42,935,948
Cash and cash equivalents	126,128,910	7,847,325	62,055,670	10,387,968
Total takaful operations' assets	833,233,896	105,325,983	688,225,939	126,044,273
				814,270,212
Liabilities, policyholders' fund and shareholders' equity				
Takaful operations' liabilities				
Trade and other payables	121,627,097	1,038,067	61,359,420	4,770,810
Takaful contract liabilities	663,041,465	66,916,373	572,536,660	104,633,069
Retakaful contract liabilities	48,431,047	3,406,172	53,495,549	10,429,528
Total takaful operations' liabilities	833,099,609	71,360,612	687,391,629	119,833,407
				807,225,036

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33 Consolidated statement of financial position – Takaful operations' assets and liabilities (Life and Non-life) (continued)

	December 31, 2025		December 31, 2024			
	Life	Non-life	Total	Life	Non-life	Total
Takaful operations' surplus						
(Deficit) / Surplus in policyholders' fund	(35,951,650)	27,753,471	(8,198,179)	(39,901,822)	4,262,463	(35,639,359)
Qard Hassan from shareholders	35,951,650	-	35,951,650	39,901,822	-	39,901,822
Re-takaful default reserve	833,511	2,624,022	3,457,533	834,310	2,522,810	3,357,120
Takaful operations' investments revaluation reserve	-	(574,407)	(574,407)	-	(574,407)	(574,407)
Total Surplus from takaful operations	833,511	29,803,086	30,636,597	834,310	6,210,866	7,045,176
Total takaful operations' liabilities and surplus	833,933,120	101,163,698	935,096,818	688,225,939	126,044,273	814,270,212

34 Consolidated statement of profit or loss - Life and Non-life

	December 31, 2025		December 31, 2024			
	Life	Non-life	Total	Life	Non-life	Total
Attributable to policyholders						
Takaful (expenses) / revenue	(5,596,806)	39,305,950	33,709,144	764,982	52,539,728	53,304,710
Takaful service income/ (expense)	1,709,067	13,563,725	15,272,792	(8,144,395)	16,244,112	8,099,717
Takaful service results before retakaful contracts held						
	(3,887,739)	52,869,675	48,981,936	(7,379,413)	68,783,840	61,404,427
Retakaful revenue / (expenses) - net						
	6,557,747	(30,329,381)	(23,771,634)	(3,149,521)	(69,524,441)	(72,673,962)
Takaful service result						
	2,670,008	22,540,294	25,210,302	(10,528,934)	(740,601)	(11,269,535)

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34 Consolidated Statement of Profit or Loss - Life and Non-life (continued)

	December 31, 2025			December 31, 2024		
	Life	Non-life	Total	Life	Non-life	Total
Takaful finance expense for takaful contracts issued	(90,835)	(2,835,920)	(2,926,755)	(539,565)	(6,488,170)	(7,027,735)
Retakaful finance income for retakaful contracts held	1,370,200	1,818,956	3,189,156	1,748,748	4,894,646	6,643,394
Takaful income/ (loss)	3,949,373	21,523,330	25,472,703	(9,319,751)	(2,334,125)	(11,653,876)
Investment income - net	-	456,238	456,238	-	(583,027)	(583,027)
Mudarib's share	-	(114,060)	(114,060)	-	-	-
Surplus/ (deficit) of takaful and investment results	3,949,373	21,865,508	25,814,881	(9,319,751)	(2,917,152)	(12,236,903)
Other income	-	1,726,712	1,726,712	38,095	560,284	598,379
Surplus/ (deficit) from takaful operations for the year	3,949,373	23,592,220	27,541,593	(9,281,656)	(2,356,868)	(11,638,524)

35 Capital management

(i) 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 Chief Executive Officer and other senior managers. The Group is currently in the process of updating the risk management function to address the changes in the Group's operations with regards to the sale of the entire takaful portfolio.

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. 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.

(ii) 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 shareholders 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.

(iii) 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 the Group 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 insurance companies to meet unforeseen liabilities as these arise.

As per Article (8) of Section 2 of the Financial Regulations, the Group is required, at all times, to comply with the requirements of Solvency Margin. The solvency position of the Group as of December 31, 2025 and December 31, 2024 is presented below:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	13,847,801	19,230,153
Minimum Guarantee Fund (MGF)	24,000,000	25,000,000
Total Basic Own Funds	41,279,277	(6,304,538)
MCR Solvency Margin - Deficit	(58,720,723)	(106,304,538)
SCR Solvency Margin - Surplus / (Deficit)	27,431,476	(25,534,690)
MGF Solvency Margin - Surplus / (Deficit)	17,279,277	(31,304,538)

35 Capital management (continued)

(iii) Regulatory framework (continued)

To address the solvency deficit, the Group's management initially submitted a recovery plan to the Central Bank of United Arab Emirates ("CBUAE") which involved a substantial capital injection by means of a rights issue; however, the plan was subsequently changed, because it was envisaged that shareholders are unlikely to support a capital injection in the prevailing economic and financial circumstances. The new plan, which is subject to the regulatory approval, envisages selling the portfolios of the takaful business to other takaful companies and, aided partly by the proceeds resulting the sale of the takaful portfolios and partly by other assets, generating enough capital to transform the company into a viable investment firm to safeguard and preserve shareholders' value. The Group has informed the CBUAE of its revised plans and received (in-principle/ no-objection letter) approval to proceed with the above sale negotiations, in addition on 24 May 2023, the Group has received the preliminary approval from the CBUAE on the sale transaction, and on 20 July 2023, the Group has received the final approval from the CBUAE on the transfer of the individual life insurance portfolio to Abu Dhabi National Takaful Company P.S.C.

On 1 August 2024, the Group received a notice purporting to terminate the insurance portfolio transfer agreement between the Group and Abu Dhabi National Takaful Company P.S.C. In response, on 8 August 2024 the Group submitted a formal objection to the counterparty disputing the validity of such termination.

The Group does not accept the basis of the termination and has initiated legal proceedings to protect and enforce its contractual and legal rights in relation to the agreement. The matter is currently subject to legal proceedings before the competent authorities.

On 26 September 2024, the Islamic Arab Insurance Co. (SALAMA) P.S.C. declared in DFM the termination of Partial Acquisition Agreement with the Group. Accordingly, on September 27, 2024. The Group declared to DFM that Salama decided to terminate the Acquisition agreement. The Group does not accept the basis of the termination and has taken the necessary legal actions to protect and enforce its contractual and legal rights in relation to the agreement. The matter is currently subject to legal proceedings before the competent authorities.

The Board of Directors is considering other feasible options.

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36 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would consider those characteristics when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, Level 2, or Level 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of those inputs to the fair value measurement in its entirety, as follows:

Level 1: Fair value measurements derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements 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).

Level 3: Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	December 31, 2025	December 31, 2024				
Financial assets at FVTOCI						
Quoted equity securities	18,575,517	19,034,172	Level 1	Quoted prices in an active market	None	Not applicable
Unquoted equity securities	2,199,083	3,380,112	Level 3	Net assets valuation method and comparable multiples	Net assets value	Higher the net assets value of the investees, higher the fair value
Financial assets at FVTPL						
Quoted equity securities	812,500	723,400	Level 1	Quoted prices in an active market	None	Not applicable
Unit linked investments	625,402,468	508,571,028	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value

There were no transfers between each of the levels during the year ended December 31, 2025 and December 31, 2024.

There were no changes in the valuation techniques and key inputs during the year ended December 31, 2025 and December 31, 2024.

36 Fair value of financial instruments (continued)

Reconciliation of level 3 fair value measurement of financial assets measured at FVTOCI:

	December 31, 2025	December 31, 2024
At beginning of year	3,380,112	3,325,211
Changes in fair value	(1,181,029)	54,901
At end of the year	2,199,083	3,380,112

Reconciliation of the unit linked investments measured at FVTPL:

	December 31, 2025	December 31, 2024
Unit linked investments		
At beginning of year	508,571,028	705,670,303
Net movement	116,831,440	(197,099,275)
At end of the year	625,402,468	508,571,028

The investments classified under Level 3 category have been fair valued based on information available for each investment. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 (other than unit linked investments), changing one or more of the assumptions by 5% would have an impact of AED 123,683 (2024: AED 169,006).

37 Financial Risk Management

(i) Asset liability management (ALM) framework

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful contract assets and takaful contract liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its takaful contracts.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns in excess of its obligations under insurance 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. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance liabilities. The notes below explain how financial risks are managed using the categories utilised in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

The risks faced by the Group and the way these risks are mitigated by management are summarised below.

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 above risk exposure is mitigated by diversification across a large portfolio of takaful contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements as well as the diversification of retakaful providers.

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly property, motor, marine, medical and group life. These are regarded as short-term takaful contracts, as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate takaful risk.

Property and liability

Property and liability 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. In recent years, the Group has targeted policies for properties containing fire detection and/or firefighting equipment

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. The Group has retakaful cover for such damage to limit losses for any individual claim to AED 500,000 (2024: AED 500,000).

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 Group has retakaful cover for such claims to limit losses for any individual claim to AED 300,000 (2024: AED 300,000). 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.

37 Financial Risk Management (continued)

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. The Group has retakaful to limit losses for any individual claim to AED 500,000 (2024: AED 500,000).

Medical, group life and personal accident

Medical takaful is designed to compensate the contract holders for medical costs. Group life and 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. For group life and personal accident, the main risks are claims from death and permanent or partial disability. The Group generally does not offer medical Takaful to walk-in customers. Medical, group life and personal accident Takaful are generally offered to corporate customers with large population to be covered under the policy. The Group has retakaful cover for such claims to limit losses for any individual claim to AED 100,000 (Layer 1) & AED 500,000 (Layer 2) (2024: AED 50,000) per annum per person for medical.

Individual life

For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Group wide reinsurance limits on any single life insured and on all high-risk individuals insured are in place.

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

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

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

37 Financial Risk Management (continued)**Sources of uncertainty in the estimation of future claim payments (continued)**

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

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

The loss ratios for the current and prior year, before and after retakaful are summarised below by type of risk:

Line of business	December 31, 2025		December 31, 2024	
	Gross loss	Net loss	Gross loss	Net loss
Non-Life	29.30%	19.50%	21.55%	14.35%
Life	0.00%	0.00%	0.81%	0.12%

Based on the simulations performed, the impact on profit of a change of 1% in the loss ratio for both gross and net of retakaful recoveries would be as follows:

	December 31, 2025		December 31, 2024	
	Gross	Net	Gross	Net
	AED	AED	AED	AED
Impact of an increase in 1% in loss ratio	393,060	12,994	617	170
Impact of a decrease in 1% in loss ratio	(393,060)	(12,994)	(617)	(170)

Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group's claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group has reviewed the individual contracts and in particular the 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 Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the Chain-Ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

37 Financial Risk Management (continued)

Process used to decide on assumptions (continued)

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

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

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

The Group uses standard actuarial techniques to estimate its loss provisions as mentioned above. Actuarial techniques and / or methodologies used to estimate the loss provisions could vary based on the specific nature of the lines of business. The general excluding motor and group life business typically have a lower frequency and higher severity of claims while the medical and motor business are more attritional in nature i.e., higher frequency and lower severity. For the attritional lines, any inconsistencies in the claims processes could impact the loss development experience assumed in the technical provisions calculation and hence is one of the key assumptions in the estimation of the technical provisions. For the less attritional lines, typically the loss ratio assumptions under the Bornhuetter-Ferguson technique is a key assumption in the estimation of the technical provisions. The Group monitors closely and validates the key assumptions in the estimation of the technical provisions on a periodic basis.

The key assumptions used for the life insurance contracts are as follows:

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Group's experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. For contracts insuring survivorship, an allowance is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies.

Morbidity

The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Group's own experience.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Group's estimation process. The Group believes that the liability reported in consolidated the statement of financial position is adequate.

However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

37 Financial Risk Management (continued)

Sensitivity analysis

Contracts measured under PAA

	Change in assumptions	Impact on net profit gross of reinsurance	Impact on net profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
		AED	AED	AED	AED
December 31, 2025					
Weighted average term to settlement	10.00%	472,453	115,251	472,453	115,251
Weighted average term to settlement	-10.00%	(448,830)	(109,488)	(448,830)	(109,488)
December 31, 2024					
Weighted average term to settlement	10.00%	472,453	170,471	614,706	170,471
Weighted average term to settlement	-10.00%	(608,559)	(168,766)	(608,559)	(168,766)

Contracts not measured under PAA

	Change in assumptions	Impact on net profit gross of reinsurance	Impact on net profit net of reinsurance
		AED	AED
December 31, 2025			
Mortality	15.00%	(490,237)	(367,678)
Lapse	40.00%	(184,286)	(138,214)
Risk adjustment	10.00%	(111,190)	(34,760)
Mortality	-15.00%	490,237	60,796
Lapse	-40.00%	184,286	89,040
Risk adjustment	-10.00%	111,190	(54,934)
December 31, 2024			
Mortality	15.00%	(272,796)	(143,373)
Lapse	40.00%	(102,547)	(41,551)
Risk adjustment	10.00%	174,843	54,934
Mortality	-15.00%	14,236	60,796
Lapse	-40.00%	309,543	89,040
Risk adjustment	-10.00%	(174,843)	(54,934)

Change in assumptions

There have been no changes in assumptions, and the same have been consistently applied.

Retakaful risk

In common with other takaful companies, 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 affected under treaty, facultative and excess of loss retakaful contracts.

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Notes to the consolidated financial statements for the year ended December 31, 2025

37 Financial Risk Management (continued)

Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders and as a result the Group remains liable for the portion of outstanding claims reinsured to the extent that the reinsurer fails to meet the obligations under the reinsurance agreements.

To minimise its exposure to significant losses from retakaful insolvencies, the Group evaluates the financial condition of its retakaful, monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsures and ensure diversification of retakaful providers. The Group deals with retakaful approved by the higher management.

Claims development table – gross

The following table reflects the development of the gross claims reported unsettled and claims incurred but not reported at the end of each year together with cumulative payments subsequent to the year of accident:

Gross	December 31, 2025	December 31, 2024
Accident year	AED	AED
Estimate of cumulative claims - gross		
2021	249,509,914	249,509,914
2022	122,221,768	122,221,768
2023	47,632,062	47,632,062
2024	12,755,978	12,755,978
2025	4,378,825	-
Current estimate of cumulative claims	436,498,547	432,119,722
Cumulative payments to date - gross	(401,054,121)	(388,106,690)
Total claims reported unsettled	35,444,426	44,013,032

Claims development table – net

The following table reflects the development of the net claims reported unsettled and claims incurred but not reported at the end of each year together with cumulative payments subsequent to the year of accident:

Net	December 31, 2025	December 31, 2024
Accident year	AED	AED
Estimate of cumulative claims - gross		
2021	249,509,914	6,145,911
2022	122,221,768	11,988,457
2023	47,632,062	15,297,699
2024	12,755,978	2,225,397
Current estimate of cumulative claims	432,119,722	35,657,464
Cumulative payments to date - gross	(388,106,690)	(31,877,846)
Total claims reported unsettled	44,013,032	3,779,618

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful assets and takaful liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its takaful contracts. The most important components of this financial risk are credit risk, liquidity risk, market risk (which includes foreign currency risk, equity and debt price risk and interest rate risk) and operational risk.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

37 Financial Risk Management (continued)**Credit risk (continued)**

Key areas where the Group is exposed to credit risk are:

- Takaful receivables;
- other receivables;
- investment securities - debt;
- bank deposits with original maturities of more than three months;
- statutory deposit; and
- cash and cash equivalents

The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by Management annually.

The retakaful contract assets are with highly rated reinsurers based on the Group internal Risk management framework. Takaful receivables include some unrated policy holders, however, exposures to policyholders and intermediaries with credit facilities are mitigated by ongoing credit evaluation of their financial condition including credit control policies adopted by the Group.

Concentration of takaful risk

The Group's underwriting business is based mainly within the United Arab Emirates.

There is no significant concentration of credit risk with respect to cash and bank balances as the Group holds cash accounts in a large number of financial institutions. The credit risk on wakala deposits with banks with original maturities of more than three months, statutory deposits and bank balances and cash is limited because the counterparties are licensed banks with sound financial positions.

Credit quality of the financial assets of the Group is detailed below:

	December 31, 2025			
	AAA to A	BBB to B	Unrated others	and Total
Financial assets	AED	AED	AED	AED
Cash and cash equivalents	149,963,757	19,897,382	20,000	169,861,139
	December 31, 2024			
	AAA to A	BBB to B	Unrated others	and Total
Financial assets	AED	AED	AED	AED
Cash and cash equivalents	91,326,553	41,704,162	11,858	133,042,573

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.

The table below summarises the maturity profile of the assets and liabilities of the Group based on remaining contractual obligations. As the Group does not have any significant profit-bearing liabilities the totals in the table match the consolidated statement of financial position. Maturity profile in the below table also approximates to the remaining undiscounted contractual obligations of the financial assets and liabilities.

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37 Financial Risk Management (continued)

Liquidity risk (continued)

December 31, 2025					
	Less than 1 year AED	1 to 5 years AED	Over 5 years AED	No maturity date AED	Total AED
Assets					
Takaful contract assets	7,700,708	-	-	-	7,700,708
Retakaful contract assets	138,526,153	-	-	-	138,526,153
Financial assets carried at (FVOCI)	-	-	-	20,774,600	20,774,600
Financial assets carried at (FVTPL)	-	-	-	626,214,968	626,214,968
Investment property	-	-	-	56,057,998	56,057,998
Statutory deposit	-	-	10,000,000	-	10,000,000
Cash and cash equivalents	169,861,139	-	-	-	169,861,139
Total assets	316,088,000	-	10,000,000	703,047,566	1,029,135,566
Liabilities					
Trade and other payables	172,065,850	-	-	2,439,049	174,504,899
Takaful contract liabilities	104,555,370	-	-	625,402,468	729,957,838
Re-takaful contract liabilities	51,837,219	-	-	-	51,837,219
Total liabilities	328,458,439	-	-	627,841,517	956,299,956

December 31, 2024					
	Less than 1 year AED	1 to 5 years AED	Over 5 years AED	No maturity date AED	Total AED
Assets					
Takaful contract assets	5,682,463	-	-	-	5,682,463
Retakaful contract assets	149,848,244	-	-	-	149,848,244
Financial assets carried at (FVOCI)	-	-	-	22,414,284	22,414,284
Financial assets carried at (FVTPL)	-	-	-	509,294,428	509,294,428
Investment property	-	-	-	54,207,944	54,207,944
Statutory deposit	-	-	10,000,000	-	10,000,000
Cash and cash equivalents	133,042,573	-	-	-	133,042,573
Total assets	288,573,280	-	10,000,000	585,916,656	884,489,936
Liabilities					
Trade and other payables	87,523,438	-	-	2,540,247	90,063,685
Takaful contract liabilities	168,598,700	-	-	508,571,028	677,169,728
Retakaful contract liabilities	63,925,075	-	-	-	63,925,075
Total liabilities	320,047,213	-	-	511,111,275	831,158,488

37 Financial Risk Management (continued)**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 the Board of Directors.

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 some of its investments and deposits. The Group limits its risk by monitoring changes in such rates. Details of maturities of the major classes of profit generating financial instruments as at December 31, 2025 and 2024 are as follows:

December 31, 2025					
	Less than 1 year AED	1 to 5 years AED	Over 5 years AED	Total AED	Effective profit rate AED
Assets					
Wakala deposits with banks with original maturities of Less than three months	15,000,000	-	-	15,000,000	4.16% to 4.60%
Statutory deposit	10,000,000	-	-	10,000,000	0.70%
	25,000,000	-	-	25,000,000	
December 31, 2024					
	Less than 1 year AED	1 to 5 years AED	Over 5 years AED	Total AED	Effective profit rate AED
Assets					
Wakala deposits with banks with original maturities of Less than three months	40,000,000	-	-	40,000,000	4.50% to 4.60%
Statutory deposit	10,000,000	-	-	10,000,000	0.70%
	50,000,000	-	-	50,000,000	

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 except murabaha payable for which any change in profit rate will have an immaterial impact on these consolidated financial statements.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

The following table shows the sensitivity of fair values to 10% increase or decrease as at 31 December:

	<u>Reflected in Profit or loss</u>		<u>Reflected in Other comprehensive income</u>	
	Favourable change	Unfavourable change	Favourable change	Unfavourable change
	AED	AED	AED	AED
As at 31 December 2025				
Financial assets carried at fair value	62,621,497	(62,621,497)	2,077,460	(2,077,460)
As at 31 December 2024				
Financial assets carried at fair value	50,929,443	(50,929,443)	2,241,428	(2,241,428)

37 Financial Risk Management (continued)

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.

38 Significant events

The Group has resolved the matter with the former Chief Executive Officer in relation to certain assets held by an entity controlled by him that were disposed of without the Group's approval. During the year, the Group successfully recovered the full amount of AED 8 million relating to this matter. Accordingly, no amounts remain outstanding and the matter is considered fully settled with no further claims or obligations due to the Group in this respect.

39 Gross written contributions

Details relating to gross written contributions are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

December 31, 2025	Life takaful	Fund Accumulation	Medical takaful	Property & liability	All types of business combined
	AED	AED	AED	AED	AED
Direct written contributions	(180,947)	67,388,772	-	20,762,295	87,970,120
Assumed business					
Foreign	-	-	-	37,032	37,032
Local	-	-	-	-	-
Total assumed business	-	-	-	37,032	37,032
Gross written contributions	(180,947)	67,388,772	-	20,799,327	88,007,152
December 31, 2024					
Direct written contributions	603,244	117,509,163	-	49,632,958	167,745,365
Assumed business					
Foreign	-	-	-	318,952	318,952
Local	-	-	-	-	-
Total assumed business	-	-	-	318,952	318,952
Gross written contributions	603,244	117,509,163	-	49,951,910	168,064,317

40 Subsequent events

Subsequent to the year end, in light of the geopolitical conditions, the management has assessed that the Group's core operations continue without any material interruption. The Group also continues to adhere to prudent governance standards, disciplined risk management practices, and full compliance with all applicable regulatory requirements. The management confirms that as at the date of approval of these consolidated financial statements, no material financial impact has resulted from this incident.

Subsequent to the reporting date, and following the nomination of a new Board of Directors, the Board undertook a review of the Group's operations and financial position. In order to safeguard the interests of the Group and its stakeholders, the Board resolved to engage specialized consulting firms to prepare and submit comprehensive plans for the restructuring and strategic repositioning of the Company. The related assessments and consultations are currently in progress.

Except for matter mentioned above, there have been no events subsequent to the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements as at and for the year ended December 31, 2025.

41 Approval of financial information

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 24, 2026.

التقرير السنوي للجنة الرقابة الشرعية الداخلية لشركة أمان للتأمين التكافلي

عن السنة المالية المنتهية في 31 ديسمبر 2025

الحمد لله رب العالمين، والصلاة والسلام على أشرف الأنبياء والمرسلين سيدنا محمد وعلى آله وصحبه
أجمعين

صدر التقرير في: 21 أبريل 2026م

إلى السادة المساهمين في شركة أمان للتأمين التكافلي ("أمان")

السلام عليكم ورحمة الله تعالى وبركاته، وبعد:

إن لجنة الرقابة الشرعية الداخلية لأمان ("اللجنة") ووفقاً للمتطلبات المنصوص عليها في القوانين والأنظمة والمعايير ذات العلاقة ("المتطلبات الرقابية")، تقدم تقريرها للسنة المالية المنتهية في 31 ديسمبر من عام 2025 ("السنة المالية").

أولاً: مسؤولية اللجنة.

إن مسؤولية اللجنة وفقاً للمتطلبات الرقابية ولائحتها التنظيمية تتحدد في الرقابة الشرعية على جميع أعمال، وأنشطة، ومنتجات، وخدمات، وعقود، ومستندات، وموثيق عمل أمان، والسياسات، والمعايير المحاسبية، والعمليات والأنشطة بشكل عام في حدود ما عرض على اللجنة، وعقد التأسيس، والنظام الأساس، والقوائم المالية لأمان، وتوزيع الأرباح وتحميل الخسائر والنفقات والمصروفات بين المساهمين وأصحاب حسابات الاستثمار ("أعمال أمان") وإصدار قرارات شرعية بخصوصها، ووضع الضوابط الشرعية اللازمة لأعمال أمان والتزامها بالشرعية الإسلامية في إطار القواعد والمبادئ والمعايير التي تضعها الهيئة العليا الشرعية ("الهيئة")، لضمان توافقها مع أحكام الشريعة الإسلامية.

وتتحمل الإدارة العليا مسؤولية التزام أمان بالشريعة الإسلامية وفقا لقرارات، وفتاوى، وآراء الهيئة، وقرارات اللجنة في إطار القواعد والمبادئ والمعايير التي تضعها الهيئة ("الالتزام بأحكام الشريعة الإسلامية") في جميع أعمالها والتأكد من ذلك، ويتحمل مجلس الإدارة المسؤولية النهائية في هذا الشأن.

ثانياً: المعايير الشرعية.

اعتمدت اللجنة على المعايير الشرعية الصادرة والمعتمدة من قبل الهيئة العليا الشرعية.

ثالثاً: الأعمال التي قامت بها اللجنة خلال السنة المالية.

لقد قامت اللجنة بالرقابة الشرعية على أعمال أمان، من خلال مراجعة أنشطة وأعمال أمان ومراقبتها من خلال تقارير التدقيق الشرعي الخارجي، وفقاً لصلاحيات اللجنة ومسؤولياتها والمتطلبات الرقابية في هذا الشأن مع العلم أن الشركة في وضعها الحالي لا تحوز في محفظتها إلا عدداً محدوداً من حملة الوثائق لأنها قامت بالتنازل عن إدارة محفظة التأمين على الحياة لصالح شركة أبو ظبي الوطنية للتكافل.

ومن الأعمال التي قامت بها اللجنة ما يأتي:

أ - عقد (3) اجتماعات خلال السنة المالية 2025م.

ب - إصدار الفتاوى والقرارات وإبداء الآراء فيما يتعلق بأعمال أمان التي عرضت على اللجنة.

ج - مراجعة السياسات، واللوائح الإجرائية، وهياكل المنتجات، والعقود، والمستندات، وموثيق العمل، والوثائق الأخرى المقدمة من قبل أمان للجنة للاعتماد/ الموافقة.

د - مراجعة واعتماد نموذج عمل التأمين التكافلي والعقود الأساسية والمستندات الداعمة (مثل دليل الاكتتاب ودليل تسوية المطالبات وغيرها).

هـ - مراجعة واعتماد المنتجات والخدمات التي تقدمها الشركة وموادها التسويقية.

و - مراجعة واعتماد السياسات والإجراءات الحاكمة لحسابات التأمين التكافلي (مثل الفصل بين الحسابات وشفافية التدفقات المالية بين الحسابات وغيرها) وتوزيع الفائض وتغطية العجز.

ز - التأكد من الفصل بين حسابات المشتركين وحسابات المساهمين، وتحميل النفقات والمصروفات على الحسابات وسياسة الشركة في توزيع الفائض، ومدى توافق ذلك كله مع أحكام الشريعة الإسلامية.

ح - مراجعة القوائم المالية للشركة لضمان توافقها مع أحكام الشريعة الإسلامية.

ط - مراجعة واعتماد سياسة الاستثمار ومعايير الفحص الشرعي للتأكد من أن الأنشطة الاستثمارية لكل من حسابات المساهمين وحسابات المشتركين تتوافق مع أحكام الشريعة الإسلامية.

ي - مراجعة عمليات إسناد ومشاركة مخاطر حساب المشتركين مع الشركات التأمينية الأخرى (إعادة التأمين التكافلي، إعادة التأمين التقليدي، المشاركة مع الشركات التأمينية التكافلية والتقليدية) وبيان مدى توافقها مع أحكام الشريعة الإسلامية.

ك - الرقابة من خلال تقارير التدقيق الشرعي الخارجي على أعمال أمان بما في ذلك المعاملات المنفذة والإجراءات المتبعة، وذلك على أساس اختيار عينات من العمليات المنفذة، ومراجعة التقارير المقدمة في هذا الخصوص.

ل - تقديم توجيهات إلى الجهات المعنية في أمان بتصحيح ما يمكن تصحيحه من الملاحظات التي وردت في التقارير المقدمة من قبل إدارة الرقابة الشرعية الداخلية وتقارير التدقيق الشرعي الخارجي، وإصدار قرارات بتجنيب عوائد المعاملات التي وقعت مخالفات في تطبيقها لصرفها في وجوه الخير (حيثما اقتضى الأمر).

م - اعتماد التدابير التصحيحية / الوقائية فيما يتعلق بالأخطاء التي تم الكشف عنها لمنع حدوثها مرة أخرى.

ن - مراجعة حساب الزكاة في أموال الشركة عن عام 2025 م، وبيان المقدار الواجب على السهم الواحد من أسهم أمان واعتمادها على النحو المدون في محضر اجتماعها رقم: 77

س - اطلعت لجنة الرقابة الشرعية الداخلية على ميزانية الشركة والبيانات والإيضاحات الملحقة بها وترى ما يأتي:

1 - إن الشركة تمسك حسابين منفصلين أحدهما لمساهمي الشركة والآخر لحملة الوثائق حسب ما يقضي به النظام الأساس للشركة، وقد بينت الإيضاحات المرفقة بالميزانية العمومية وقائمة الدخل هذين الحسابين.

2 - درست لجنة الرقابة الشرعية الداخلية ميزانية الشركة والإيضاحات الملحقة بها وتقرير المدقق الخارجي عليها وأبدت ملاحظاتها عليها، وإذ تسجل لجنة الرقابة الشرعية الداخلية بتقاول التحسن في الأداء المالي للشركة الذي أبان عنه مجلس الإدارة في تقريره المالي السنوي فإن اللجنة الشرعية تطلب من إدارة الشركة بضرورة الأخذ بعين الاعتبار الملاحظات التي سجلها المدقق الخارجي على الحسابات الختامية وبخاصة مسألة "أساس الرأي المتحفظ" ومسألة "عدم يقين جوهري متعلق باستمرارية الشركة" وكذلك "إدارة المخاطر المالية" وأبدت إدارة الشركة استعدادها للاستجابة لملاحظات اللجنة الشرعية الداخلية على نحو التفصيل المدون بمحضر اجتماعها رقم: 77.

وقد سعت اللجنة للحصول على جميع المعلومات والتفسيرات التي اعتبرت ضرورية للتأكد من التزام أمان بالشرعية الإسلامية.

ولجنة الرقابة الشرعية الداخلية لتؤكد أن صحة الأرقام ودقة البيانات والمعلومات هي من مسؤولية إدارة الشركة.

رابعا: استقلالية اللجنة.

تؤكد اللجنة بأنها أدت مسؤولياتها وقامت بجميع أعمالها باستقلالية تامة، وقد حصلت على التسهيلات اللازمة من أمان وإدارتها العليا ومجلس إدارتها للاطلاع على جميع الوثائق والبيانات، ومناقشة التعديلات والمتطلبات الشرعية.

خامسا: رأي اللجنة بخصوص التزام أمان بالشرعية الإسلامية.

بناء على ما حصلنا عليه من معلومات وإيضاحات من أجل التأكد من التزام أمان بالشرعية الإسلامية، فقد خلصت اللجنة الشرعية بدرجة مقبولة من الاطمئنان إلى أن أعمال أمان خلال السنة المالية متوافقة مع الشريعة الإسلامية إلا ما لوحظ من مخالفات تم رفع تقارير بشأنها، وقد وجهت اللجنة باتخاذ الإجراءات المناسبة في هذا الخصوص.

ورأي اللجنة، المذكور أعلاه، مبني على المعلومات التي اطلعت عليها خلال السنة المالية حصراً.

نسأل الله العلي القدير أن يحقق للجميع الرشاد والسداد

والسلام عليكم ورحمة الله وبركاته

توقيع أعضاء لجنة الرقابة الشرعية الداخلية لأمان



الدكتور/ عزالدين بن زغبية

رئيس اللجنة



الأستاذ/ موسى طارق خوري

عضو اللجنة



الدكتور/ محمد عبادة عدي

عضو اللجنة