takaful emarat

Integrated Report 2025

takaful emarat

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Annual Report of the Internal Sharia Supervisory Committee of Takaful Emarat a Takaful Insurance Company for the Financial Year Ended 31 December 2025

All praise is due to Allah, Lord of the Worlds, and peace and blessings be upon the noblest of prophets and messengers, our Prophet Muhammad, and upon his family and companions.

Issued on: April 17, 2026

To the shareholders of Takaful Emarat Insurance Company,

"Peace, mercy and blessings of God be upon you".

The Internal Sharia Supervisory Committee of Takaful Emarat ("the Committee"), in accordance with the requirements stipulated in the relevant laws, regulations and standards ("Supervisory Requirements"), submits its report for the financial year ending December 31, 2025 ("Financial Year").

First: Committee's Responsibilities.

The Committee's responsibility, according to regulatory requirements and its bylaws, is defined as the Sharia Supervision of all the business, activities, products, services, contracts, documents, charters, policies, accounting standards, operations and activities of Takaful Emarat in general, within the limits of what has been presented to the Committee, the Articles of Association, the Bylaws, the financial statements of Takaful Emarat, the distribution of profits, the allocation of losses, expenses, costs among shareholders and investment account holders (Takaful Emarat's operations). This includes issuing Sharia rulings regarding these matters and establishing the necessary Sharia controls for Takaful Emarat's operations and their compliance with Islamic Sharia within the framework of the rules, principles, and standards set by the Higher Sharia Authority (the Authority), to ensure their conformity with the provisions of Islamic Sharia. Senior management bears the responsibility for Takaful Emarat's compliance with Islamic Sharia in accordance with the decisions, "fatwas", opinions of the Authority and the Committee's decisions within the framework of the rules, principles, and standards set by the Authority (compliance with the provisions of Islamic Sharia). All its work ensuring that, and the Board of Directors bears the ultimate responsibility in this regard.

Second: Sharia Standards.

The committee relied on the Sharia standards issued and approved by the Higher Sharia Authority.

Third: Actions undertaken by the Committee during the fiscal year.

The Committee conducted Sharia oversight of Takaful Emarat's operations by reviewing and monitoring its activities, and operations through an external Sharia audit firm, in accordance with the Committee's responsibilities, and regulatory requirements. It should be noted that Takaful Emarat lacks both an internal Sharia control department and an internal Sharia audit department, despite the Committee's repeated recommendations.

The committee's activities included the following:

A. conducted four (4) meetings during the 2025 fiscal year.
B. Issuing fatwas, resolutions, and opinions regarding Emirates Takaful's operations presented to the committee.
C. Reviewing policies, procedural regulations, product structures, contracts, documents, work charters, and other documents submitted by Emirates Takaful to the committee for approval.
D. Reviewing and approving the Takaful business model, core contracts, and supporting documents (such as the underwriting manual, claims settlement manual, etc.).
E. Reviewing and approving the company's products, services, and marketing materials.
F. Reviewing and approving the policies and procedures governing Takaful Insurance Accounts (such as account segregation, transparency of financial flows between accounts, etc.), surplus distribution, and deficit coverage.
G. Ensuring the segregation of participants' accounts from shareholders' accounts, the allocation of expenses and expenditures to the accounts, the company's surplus distribution policy, and the compliance of all these with the provisions of Islamic Sharia.
H. Reviewing the company's financial statements to ensure compliance with Sharia principles.
I. Reviewing and approving the investment policy and Sharia compliance audit criteria to ensure that the investment activities of both shareholders' and policyholders' accounts comply with Sharia principles.
J. Reviewing the process of assigning and sharing policyholders' account risks with other insurance companies (Takaful reinsurance, conventional reinsurance, and participation with Takaful and conventional insurance companies), and determining their compliance with Sharia principles.
K. Oversight through the appointment of a company to prepare external Sharia audit reports on Takaful Takaful's operations, including executed transactions and procedures, based on a selection of sample transactions and a review of the submitted reports.
L. Providing guidance to the relevant departments within Takaful Emarat to rectify any deficiencies identified in the external Sharia audit reports and issuing decisions to allocate the proceeds from transactions where violations occurred to charitable causes (where appropriate).
M. Adopting corrective/preventive measures regarding identified errors to prevent their recurrence.
N. Reviewing and approving the Zakat calculation for the company's funds for the year 2025, determining the amount due per share of Takaful Emarat and advising shareholders to pay their Zakat themselves according to the method outlined in the letter sent to them by the company's management.
O. The Internal Sharia Supervisory Committee reviewed the company's budget, the accompanying statements and observed the following:

1. The company maintains two separate accounts, one for the company's shareholders, and the other for the policy holders, as stipulated in the company's articles of association. These two accounts are detailed in the notes accompanying the balance sheet and income statement.

2. The Internal Sharia Supervisory Committee studied the company's budget, the accompanying notes, and the external auditor's report thereon, and provided its observations. The Sharia Committee requested that the company's management take into consideration the observations recorded by the external auditor on the financial statements. The company's management expressed its readiness to respond to the Internal Sharia Committee's observations in detail.

The committee sought all the information and explanations it deemed necessary to ensure Takaful Emarat compliance with Islamic Sharia.

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The Internal Sharia Supervisory Committee confirms that the accuracy of the figures, data, and information is the responsibility of the company's management.

Fourth: Independence of the Committee

The committee affirms that it has fulfilled its responsibilities and carried out all its work with complete independence. It obtained the necessary facilities from Takaful Emarat, its senior management, and the board of directors to review all documents / data, and to discuss amendments for Sharia requirements.

Fifth: The Committee's Evaluation of Takaful Emarat' Sharia Compliance

Based on the information and clarifications we received to ensure Takaful Emarat compliance with Islamic Sharia, the Committee concluded with a reasonable degree of confidence that Takaful Emarat' operations during the fiscal year were compliant with Islamic Sharia, with the exception of a few observed violations which were reported. The Committee has directed that appropriate measures be taken in this regard.

The Committee's opinion, mentioned above, is based solely on the information it reviewed during the fiscal year. We ask God Almighty to grant everyone guidance and success.

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

Signature of the members of the Internal Sharia Supervisory Committee, Takaful Emarat

Dr. Azzeddine Benzeghiba	**Dr. Moosa Tariq Khoory**
Chairman ISSC	**Member ISSC**

TAKAFUL EMARAT - INSURANCE (PSC) AND ITS SUBSIDIARY

Consolidated Financial Statements
For the year ended 31 December 2025

REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

Dear Shareholders,

We are pleased to present the annual report for Takaful Emarat Insurance and its subsidiary for the year ending 31 December 2025. This report highlights our key achievements and financial performance.

Through a comprehensive assessment of our operations, we have identified and devised strategic measures to enhance our operational efficiencies. This initiative led to a significant restructuring, optimized our resources, improved cost efficiencies, and sharpened our focus on core competencies.

Takaful revenue for the year ended 31 December 2025, has reached AED 611 million, compared to AED 420 million in the previous year. Net investment income for the year ended 31 December 2025, reached AED 62 million, up from AED 32 million last year. Net profit attributable to shareholders after tax for the year ended December 31, 2025, has reached AED 15.9 million, compared to AED 11.2 million in the previous year.

As we look ahead to the coming year, the Board of Directors is committed to driving sustainable growth and innovation across our organization. Our strategic plan focuses on expanding our market presence, enhancing operational efficiencies, and investing in cutting-edge technologies to stay ahead of industry trends. We will also prioritize strengthening our customer relationships and exploring new opportunities for collaboration and partnerships. By fostering a culture of excellence and agility, we aim to deliver long-term value to our shareholders and stakeholders, ensuring continued success and resilience in an ever-evolving business landscape.

We would like to formally express our heartfelt appreciation and gratitude to all stakeholders of Takaful Emarat Insurance (PSC). Your unwavering support and trust have been instrumental in our success. Additionally, we extend our deepest thanks to our management and staff for their sincere dedication and hard work, which have significantly contributed to the Group's successful growth. Your commitment and efforts are truly valued and recognized.

May God; the Almighty; guide our steps

Mr. Nooraldeen Subhi Atatreh
Chairman

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Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")*, together with the other ethical requirements that are relevant to the audit of the consolidated financial statements in United Arab Emirates ("UAE"), and we have fulfilled our other ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 28 of the consolidated financial statement which states that the Group did not meet the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 94.4 million and Minimum Guarantee Fund of AED 84.1 million as at 31 December 2025. The Group will need to develop and implement an appropriate solvency recovery plan in order to restore compliance with these regulatory capital requirements. This indicates that a 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 this matter.

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Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of Retakaful Contract Assets and Takaful Contract Liabilities	
As at 31 December 2025, The Group's retakaful contract assets and takaful contract liabilities are valued at AED 85 million and AED 729 million respectively. Refer to note 8 to the consolidated financial statements The valuation of retakaful contract assets and takaful contract liabilities involves significant judgements and estimates particularly with respect to, estimation of the present value of future cash flows, the eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims. These cashflows and liabilities primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of takaful acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows. As a result of all the above factors, we consider valuation of retakaful contract assets and takaful contract liabilities, as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: • Understood and evaluated the process, the design and implementation of controls in place to determine valuation of retakaful contract assets and takaful contract liabilities; • Assessed the competence, capabilities and objectivity of the management appointed actuary; • Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; • Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; • We independently reperformed the calculation to assess the mathematical accuracy of the retakaful contract assets and takaful contract liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; • Evaluated and tested the data used in the impairment model calculations for takaful and retakaful receivables; and • Evaluated and tested the calculation of the expected credit loss allowance and the key assumption and judgements used.

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Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of Investment Properties	
The Group holds investment properties under the fair value model as at 31 December 2025 amounting to AED 95 million (2024: AED 108 million. (Refer to note 6 to the consolidated financial statements). The fair value requires significant judgement and estimates by management and independent valuers. The Group has involved external valuers in order to value their investments properties for the purpose of determining the fair value for inclusion in the consolidated financial statements. Due to the level of judgement involved and the sensitivity of the valuations to changes in these assumptions, the valuation of investment properties was a significant area of audit focus.	Our audit procedures, among others, included: • Obtained from the management the fair valuation report performed by external valuers; • Evaluated the qualifications, competence and objectivity of the external valuers; • Evaluated the accuracy and completeness of the source data used in the calculation of fair values; • Assessed the appropriateness of the key assumptions and methodologies used. • Carried out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management experts; and • Assessed the adequacy of disclosures included in consolidated financial statements against the requirements of IFRSs.

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Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Valuation of Unquoted Investments	
The Group's financial instruments disclosed in Note 7 include unquoted equity investments measured at fair value through profit or loss and through other comprehensive income, totaling AED 56.9 million and AED 15.2 million respectively as at 31 December 2025. These balances represent 7% of total assets. The valuation of unquoted equities involves significant judgement, as the measurements rely on unobservable inputs such as cash-flow forecasts, discount rates, market multiples and other market-based assumptions. These valuations are inherently subjective and require management to apply complex valuation methodologies. Given the level of judgement involved and the sensitivity of the valuations to changes in key assumptions, the valuation of unquoted investments was a key audit matter. Refer to notes 4 and 7 for the relevant accounting policies and related judgements.	Our audit procedures, among others, included: • Obtained from the management the fair valuation report performed by external valuers; • Evaluated the qualifications, competence, and objectivity of the external valuation expert engaged by management; • Involved auditor's expert to independently evaluate and challenge the valuation approach and key assumptions used by management's valuer; • Assessed the appropriateness of the valuation methodologies applied and whether they were consistent with the requirements of IFRS 13 Fair Value Measurement; • Assessed the accuracy and completeness of underlying data inputs used in the valuations, including financial information provided by the investee companies where applicable and any relevant market data; and • Assessed the adequacy of disclosures included in consolidated financial statements against the requirements of IFRSs.

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Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

The Board of Directors and management is responsible for the other information. The other information comprises the information included in the *Board of Directors' report* but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and accordingly 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that are obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 (as amended), UAE Federal Decree Law No. (6) of 2025, and for such internal control as management determined 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on the Audit of the Consolidated Financial Statements (continued)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 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 or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Decree Law No. 32 of 2021 (as amended), we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 (as amended);

iii) The Group has maintained proper books of accounts in accordance with established accounting principles;

iv) The financial information included in Board of Directors' report is consistent with the books of accounts of the Group;

v) As disclosed in note 7 to the consolidated financial statements, the Group has purchased and invested in securities during the year ended 31 December 2025;

vi) Note 24 to the consolidated financial statements discloses material related party balances and transactions, and the terms under which they were conducted;

vii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the Federal Decree Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025 and;

Independent Auditor's Report

To the Shareholders of Takaful Emarat - Insurance (PSC)

Report on Other Legal and Regulatory Requirements (continued)

viii) The Group has not made any social contributions during the year.

Further, as required by the UAE Federal Decree Law No. (6) of 2025 and the related financial Regulations for Insurance Companies, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

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DUBAI-U.A.E.
Public Accountants

30 March 2026

Takaful Emarat - Insurance (PSC) and its subsidiary
Consolidated statement of financial position
As at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Assets			
Participants' assets			
Investment properties	6	**95,074**	107,915
Investments carried at fair value through profit or loss ("FVTPL")	7	**377,509**	367,324
Investment carried at fair value through other comprehensive income ("FVTOCI")	7	**15,196**	8,400
Investment carried at amortized cost		**22,500**	22,500
Retakaful contract assets	8	**84,799**	44,240
Other receivables	9	**9,236**	5,475
Cash and cash equivalents	11	**213,094**	223,101
Total participants' assets		**817,408**	778,955
Shareholders' assets			
Property and equipment	5	**5,289**	1,210
Intangible assets		**402**	257
Investment at fair value through profit or loss ("FVTPL")	7	**91,273**	4,829
Other receivables	9	**17,385**	6,499
Statutory deposit	10	**4,000**	4,000
Due from participants		**70,458**	60,603
Cash and cash equivalents	11	**71,320**	103,491
Total shareholders' assets		**260,127**	180,889
Total assets		**1,077,535**	959,844

The notes from 1 to 33 form an integral part of these consolidated financial statements.

Takaful Emarat - Insurance (PSC) and its subsidiary
Consolidated statement of financial position (continued)
As at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Participants' liabilities			
Takaful contract liabilities	8	**729,959**	665,526
Retakaful contract liabilities	8	**-**	5,133
Other payables	16	**10,441**	13,566
Due to shareholders		**70,458**	60,603
Total participants' liabilities		**810,858**	744,828
Deficit in participants funds and Qard Hassan from shareholders			
Deficit in participants funds	17	**(6,550)**	(34,127)
Qard Hassan from shareholders	17	**6,550**	34,127
Deficit in participants funds and Qard Hassan from shareholders		**-**	-
Total participants' liabilities and deficit		**810,858**	744,828
Shareholders' liability and equity			
Shareholders' liabilities			
Employees' end of service benefits		**3,912**	3,295
Other payables	16	**78,169**	46,520
Deferred tax liability	30	**7,043**	1,996
Current tax liability		**50**	-
Total shareholders' liabilities		**89,174**	51,811
Shareholders' equity			
Share capital	12	**210,652**	210,652
Treasury shares	13	**(6,996)**	-
Statutory reserve	14	**2,702**	1,116
Retakaful reserve	14	**4,769**	3,248
Cumulative changes in fair value of FVTOCI investments		**(2,965)**	(8,522)
Accumulated losses		**(30,659)**	(43,289)
Total shareholders' equity		**177,503**	163,205
Total shareholders' equity and liabilities		**266,677**	215,016
Total liabilities, participants' fund and equity		**1,077,535**	959,844

This consolidated financial statement was authorised for issue on 30 March 2026 by the Board of Directors and signed on their behalf by:

Mr. Nooraldeen Subhi Atatreh
Chairman

Mr. Adnan Sabaalaish
Chief Executive Officer

The notes from 1 to 33 form an integral part of these consolidated financial statements.

Takaful Emarat - Insurance (PSC) and its subsidiary
Consolidated statement of profit or loss
For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Attributable to participants			
Takaful revenue	18	**610,979**	420,288
Takaful service expense	19	**(477,100)**	(310,278)
Income/(expenses) from retakaful contracts held		**13,258**	(9,036)
Takaful service result		**147,137**	100,974
Takaful finance income/(expenses)	20	**17,811**	(587)
Retakaful finance (expense)/income	20	**(233)**	189
Net change in fair value of participants' investment		**(17,879)**	598
Net takaful income		**146,836**	101,174
Investment income, net	21	**26,528**	30,621
Wakala fees		**(145,787)**	(100,198)
Surplus for the year attributable to participants		**27,577**	31,597
Attributable to shareholders			
Investment income - net	21	**35,592**	1,432
Other income		**1,595**	725
Wakala fees		**145,787**	100,198
Policy acquisition cost		**(87,450)**	(59,269)
General and administrative expenses	22	**(103,388)**	(61,525)
Loss for the year before Qard Hassan		**(7,864)**	(18,439)
Reversal of provision against Qard Hassan to participants	17	**27,577**	31,597
Profit before tax attributable to shareholders		**19,713**	13,158
Income tax expense	30	**(3,857)**	(1,996)
Profit after tax attributable to shareholders		**15,856**	11,162
Earnings per share		**0.077**	0.053
Basic and diluted earnings per share	27	**0.077**	0.053

The notes from 1 to 33 form an integral part of these consolidated financial statements.

Takaful Emarat - Insurance (PSC) and its subsidiary
Consolidated statement of comprehensive income
For the year ended 31 December 2025

	2025 AED'000	2024 AED'000
Attributable to participants		
Profit for the year	**27,577**	31,597
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity instruments designated at FVTOCI attributable to participants	**5,557**	8,400
Total other comprehensive income for the year attributable to participants	**33,134**	39,997
Attributable to shareholders		
Profit for the year	**15,856**	11,162
Other comprehensive income	-	-
Total Comprehensive Income for the Year Attributable to Shareholders	**15,856**	11,162

The notes from 1 to 33 form an integral part of these consolidated financial statements.

Takaful Emarat - Insurance (PSC) and its subsidiary
Consolidated statement of changes in equity
For the year ended 31 December 2025

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of investments (FVTOCI) AED'000	Accumulated losses AED'000	Total equity AED'000
Balance at 1 January 2024	150,000	-	6,568	1,966	(16,922)	(181,264)	(39,652)
Profit for the year	-	-	-	-	-	11,162	11,162
Other comprehensive income for the year	-	-	-	-	8,400	-	8,400
Total comprehensive income for the year	-	-	-	-	8,400	11,162	19,562
		-					
Reduction in accumulated losses (note 12, 13)	(124,348)	-	(6,568)	-	-	130,916	-
Issuance of share capital (note 12)	185,000	-	-	-	-	-	185,000
Transfer to statutory reserves (note 14)	-	-	1,116	-	-	(1,116)	-
Transfer to retakaful reserves (note 14)	-	-	-	1,282	-	(1,282)	-
Zakat paid (note 32)	-	-	-	-	-	(1,705)	(1,705)
Balance at 31 December 2024	210,652	-	1,116	3,248	(8,522)	(43,289)	163,205
Balance at 1 January 2025	**210,652**	**-**	**1,116**	**3,248**	**(8,522)**	**(43,289)**	**163,205**
Profit for the year	-	-	-	-	-	15,856	15,856
Other comprehensive income for the year	-	-	-	-	5,557	-	5,557
Total comprehensive income for the year	-	-	-	-	5,557	15,856	21,413
Purchase of treasury shares (note 13)	-	(6,996)	-	-	-	180	(6,816)
Transfer to statutory reserves (note 14)	-	-	1,586	-	-	(1,586)	-
Zakat paid (note 32)	-	-	-	-	-	(299)	(299)
Transfer to retakaful reserves (note 14)	-	-	-	1,521	-	(1,521)	-
Balance at 31 December 2025	**210,652**	**(6,996)**	**2,702**	**4,769**	**(2,965)**	**(30,659)**	**177,503**

The notes from 1 to 33 form an integral part of these consolidated financial statements.

Takaful Emarat - Insurance (PSC) and its subsidiary
Consolidated statement of cash flows
For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit for the year before tax		**19,713**	13,158
Adjustments for:			
Depreciation and amortisation		**1,064**	671
Unrealised gain on investments carried at FVTPL	7	**(18,123)**	(12,198)
Realised gain on sale of investment properties		**(305)**	(614)
(Provision)/reversal for expected credit loss		**(139)**	198
Provision for employees' end of service benefits		**1,417**	930
Change in fair value of investment properties	6	**(4,008)**	(13,189)
Share of profit from associate		**(2,056)**	-
Gain on disposal of associate		**(167)**	-
Operating cash flows before changes in working capital		**(2,604)**	(11,044)
Changes in working capital:			
Changes in retakaful contract assets		**(40,559)**	(10,540)
Change in other receivables		**(14,647)**	(1,526)
Changes in takaful contract liabilities		**64,433**	129,283
Changes in retakaful contract liabilities		**(5,133)**	1,680
Change in other payables		**28,525**	6,163
Cash generated from operating activities		**30,015**	114,016
Employees end of service indemnity paid		**(800)**	(1,271)
Net cash generated from operating activities		**29,215**	112,745
Cash flows from investing activities			
Change in deposits with maturity of more than three months		**48,097**	(35,000)
Net purchase of investments at FVTPL		**(235,589)**	(34,430)
Purchase of property and equipment		**(5,126)**	(794)
Proceeds from sale of investments at FVTPL		**157,083**	1
Purchase of intangible assets		**(162)**	(140)
Dividends received		**2,223**	-
Addition to investments properties		**(4,166)**	(13,087)
Disposal of investment properties		**21,320**	2,959
Net cash used in investing activities		**(16,320)**	(80,491)
Cash flows from financing activities			
Zakat paid		**(299)**	(1,705)
Purchase of treasury shares		**(6,816)**	-
Proceeds from issuance of share capital	12	**-**	185,000
Net cash (used in)/generated from financing activities		**(7,115)**	183,295
Net change in cash and cash equivalents		**5,780**	215,549
Cash and cash equivalents at beginning of the year		**278,250**	62,701
Cash and cash equivalents at end of the year	11	**284,030**	278,250

The notes from 1 to 33 form an integral part of these consolidated financial statements.

1 Legal status and activities

Takaful Emarat - Insurance (PSC) and its subsidiary, Dubai, United Arab Emirates (the "Group") is a public stock company incorporated in the Emirate of Dubai – United Arab Emirates and listed on the Dubai Financial Market (DFM), subject to the regulations of the UAE Federal Law No. 32 of 2021 (as amended) and the UAE Federal Decree Law No. (6) of 2025, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations.

This consolidated financial statement has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. 32 of 2021(as amended).

During the year, Federal Decree Law No. (6) of 2025 ("CBUAE Law") was issued, effective 16 September 2025, repealing Federal Decree Law No. (48) of 2023. Pursuant to Article 184 of CBUAE Law, the Group has a period of one year from the effective date to align its operations and governance framework with the requirements of the new legislation. The Group is currently evaluating the impact of the CBUAE Law and will implement any necessary changes within the permitted transition period.

The Group carries out takaful activities in Health, Life and Credit and Saving lines of business in accordance with the Islamic Sharia'a and within the provisions of the Articles of Association of the Group. The registered address of the Group is P.O. Box 57589, Dubai, United Arab Emirates.

This consolidated financial statement incorporates the financial statements of the Company and its subsidiary (collectively referred to as the "Group").

Subsidiary	Principal activity	Country of incorporation	Ownership	
Directly owned			**2025**	2024
Modern Tech Investment	Investment	United Arab Emirates	**100%**	100%

2 Application of new and revised International Financial Reporting Standards ("IFRS")

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB:

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

These standards did not have a material impact on these consolidated financial statements.

Standards issued but not yet effective

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

Standard number	Title	Effective date
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3 Basis of preparation

Statement of compliance

These consolidated financial statements are for the year ended 31 December 2025 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. The financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in

3 Basis of preparation (continued)

Statement of compliance (continued)

compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. (32) of 2021 (as amended) ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Decree Law No. (6) of 2025 concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations. These consolidated financial statements are prepared in UAE Dirhams ("AED") currency, rounded to the nearest thousand.

The Group did not meet the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 94.2 million and Minimum Guarantee Fund of AED 84.1 million as at 31 December 2025. In compliance with the Central Bank of UAE regulations, the Group will prepare a solvency plan and submit it to the Central Bank of UAE in April 2026.

Basis of measurement

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

i. Financial assets at fair value through other comprehensive income ("FVTOCI");
ii. Financial assets at fair value through profit or loss ("FVTPL"); and
iii. Investment properties.

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, Takaful and other receivables and Takaful and other payables. The following balances would generally be classified as non-current: property and equipment and statutory deposit. The following balances are of mixed nature (including both current and non-current portions): financial assets at fair value through other comprehensive income, retakaful contract assets, takaful contract liabilities, bank balances and fixed deposits and provision for employees' end of service indemnity.

Functional and presentation currency

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

Use of estimates and judgments

The preparation of consolidated financial statement is in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected. In preparing this consolidated financial statement, the significant judgments made by management in applying the Group's accounting policies and estimation of key sources of uncertainty were the same as those that applied to the audited annual consolidated financial statements as at and for the year ended 31 December 2024 except as described in note 4 to this consolidated financial statement.

Basis of consolidation

The consolidated financial statement comprises the financial statements of the Group and its investees that are considered subsidiary as at 31 December 2025. Subsidiary is investees that the Group has control over. 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. The financial information of a subsidiary is included in the Group's consolidated financial statements from the date that control commences until the date that control ceases. The Group maintains control over the subsidiaries as it has power over the investee, exposure or rights to its variable returns and the power to affect the investor's returns. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3 Basis of preparation (continued)

Basis of consolidation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transaction between members of the Group are eliminated in full consolidation.

4 Material accounting policy information

IFRS 17 Takaful 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 Company's estimates of the present value of future cash flows that are expected to arise as the Company 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 Company 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 Company 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 Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows and includes an explicit risk adjustment for non-financial risk.

Classification and measurement

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

Nature of Contracts	Product classification	Measurement model
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.

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

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
  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 under the premium allocation approach - Initial and subsequent measurement

The Group applies the premium allocation approach to all the takaful contracts (other than long term Individual and Group 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;

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

Takaful contracts measured under the premium allocation approach - Initial and subsequent measurement (continued)

- 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.

Takaful contracts measured other than PAA - Initial and subsequent measurement

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

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

The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort.

The Group 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.

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

Takaful contracts measured other than PAA - Initial and subsequent measurement (continued)

Subsequent measurement (continued)

- 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 statement of income statement and other comprehensive income rather than adjusting the CSM).
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any 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.

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

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.

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.

Allocation of expenses

Group has prepared an expense allocation model, on the basis of which, operating expenses have been classified into the following categories:

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

Fully attributable expenses

These are expenses which are directly related to fulfilling takaful obligation. Expenses such as commission paid to the broker against an takaful contract, are considered fully attributable expenses.

Partially attributable expenses

These are expenses which are partially related to fulfilling takaful obligation. Of the total expense, the attributable portion will be allocated to the group of contracts, and the non-attributable portion will be booked as other operating expense.

Non attributable expenses

Overhead expenses that would be incurred by any business organisation, regardless of whether these expenses are utilised for fulfilment of takaful obligations would be expensed as incurred as part of 'other operating expenses' (i.e. out of scope of IFRS 17) – being considered predominantly corporate in nature, or any other expenses that cannot be allocated to group of contracts.

After the expenses were classified into attributable, partially attributable and non-attributable expenses, they are further classified into the following classes:

- Acquisition cost
- Maintenance expenses

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').

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

	1 year		**5 years**		**10 years**		**15 years**	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Takaful contract issued								
	3.64%	4.82%	**3.68%**	4.66%	**4.05%**	4.71%	**4.35%**	4.78%
Retakaful contracts held								
	3.64%	4.82%	**3.68%**	4.66%	**4.05%**	4.71%	**4.35%**	4.78%

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.

Currently, all the premiums written by the Group are received within 12 months from the policy start date, so there are no contracts with significant financing component or credit facilities. Hence, there is no requirement of discounting the liabilities for remaining coverage (LRC) under PAA.

Similarly, most of the claims are settled within 12 months from the date of incurrence. Hence, there is no requirement of discounting the liability for incurred claims (LIC) under PAA.

In the future, if the Group has policies with claims pattern exceeding one year, then the Group shall use the discount rate computed under the bottom-up approach to determine the impact of discounting.

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

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. The Group has decided to use 70th to 75th percentile for all lines of business.

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:

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

4 Material accounting policy information (continued)

IFRS 17 Takaful contracts (continued)

Onerosity determination (continued)

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.

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.

Rental income

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

Property and equipment

Property and equipment are carried at cost less any accumulated depreciation and any identified impairment losses. Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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. The gain or loss arising on 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 consolidated statement of profit or loss.

	Years
Buildings	22
Office equipment	5
Fixtures and fittings	7
Motor vehicles	5

4 Material accounting policy information (continued)

Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, used in providing services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change there in recognised in the consolidated statement of profit or loss.

The Group determines fair value on the basis of valuations provided by two independent valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued. Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties include the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised finances costs.

Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of their 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where 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. Recoverable amount is the higher of fair value less costs to sell and value in use.

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 (cash-generating unit) is reduced to its recoverable amount. 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 impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the 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 revaluation increase.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset i.e. the trade date. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

Classification and subsequent measurement of financial assets

For the purposes of subsequent measurement, the Group classifies its financial assets into the following categories:

Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Group's business model is to hold them in order to collect contractual cash flows; and

- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

4 Material accounting policy information (continued)

Financial instruments (continued)

Financial assets at amortised cost (continued)

After initial recognition these are measured at amortised cost using the effective funding cost method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, due from related parties and most other receivables.

Financial assets at fair value through other comprehensive income ('FVTOCI')

Investments in equity securities are classified as FVTOCI. At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity.

When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to profit or loss but is reclassified to retained earnings.

Financial assets at fair value through profit or loss ('FVTPL')

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in consolidated statement of profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in statement of income when the Group's right to receive the dividends is established.

Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

Classification and subsequent measurement of financial liabilities

Financial liabilities comprise amounts due to related parties and most other payables.

Financial liabilities are measured subsequently at amortised cost using the effective funding cost method.

Impairment and uncollectability of financial assets

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- financing commitments issued.

The Group recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- financing commitments issued.

4 Material accounting policy information (continued)

Impairment and uncollectability of financial assets (continued)

The Group measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

ECL are probability-weighted estimates of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position only when there is a legally enforceable 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.

Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

Provision for employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities. The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4 Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably.

Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the profit or loss account except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year 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 year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets 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 is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit or loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

4 Material accounting policy information (continued)

Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Other details for reserves are mentioned in note 14 to the consolidated financial statements.

Retained earnings include all current and prior period retained profits or losses.

Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

Segment reporting

Under IFRS 8 "Operating Segments", reported segments' profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Group for segment reporting under IFRS 8 are the same as those used in its consolidated financial statements.

Critical accounting judgements and key sources of estimation uncertainty

Judgements and estimates

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

In preparing these consolidated financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited consolidated financial statements as at and for the year ended 31 December 2024, except for the below judgements.

Takaful and retakaful contracts

The Group applies the PAA to simplify the measurement of takaful contracts. When measuring liabilities for incurred claims, the Group now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

For takaful acquisition cash flows, the Group is eligible and chooses to capitalise all takaful acquisition cashflows upon payments.

The effect of recognising takaful acquisition cash flows as an expense on initial recognition of group of takaful contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage period. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder 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.

4 Material accounting policy information (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Liability for incurred claims (continued)

Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in profit rates, delays in settlement and changes in foreign currency exchange rates.

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 a takaful operator 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 65th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 65th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Fair value of unquoted securities

The fair value of unquoted equity securities is determined by management using valuation methodologies such as the net asset value (NAV) approach, incorporating various assumptions including projected cash flows, discount rates, market data, and risk adjustments. These valuations rely on significant judgment, and due to the inherent uncertainty involved, actual results may differ materially from the estimates applied.

Investment properties fair value judgement

Fair value of investment property is estimated by two independent professional valuers for disclosure purposes only, considering the rental yield (income approach). This estimate is made on an annual basis considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Expected credit losses (ECL)

The measurement of ECL is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on the credit loss allowance for debt instruments carried at amortised cost, FVTOCI investments, bank balances and fixed deposits: definition of default, significant increase in credit risk, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD") and the historical loss experience per ageing bucket has the major impact on the credit loss allowance for takaful and other receivables. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

5 Property and equipment

	Office equipment AED'000	Fixture and fittings AED'000	Motor vehicles AED'000	Right-of-use asset AED'000	Total AED'000
Cost					
Balance at 1 January 2024	2,958	3,981	172	-	7,111
Additions during the year	54	740	-	-	794
Disposals during the year	(1)	-	-	-	(1)
Balance at 31 December 2024	3,011	4,721	172	-	7,904
Additions during the year	**412**	**18**	**-**	**4,696**	**5,126**
Balance at 31 December 2025	**3,423**	**4,739**	**172**	**4,696**	**13,030**
Accumulated depreciation:					
Balance at 1 January 2024	2,338	3,886	172	-	6,396
Depreciation for the year	247	51	-	-	298
Balance at 31 December 2024	2,585	3,937	172		6,694
Depreciation for the year	**268**	**123**	**-**	**656**	**1,047**
Balance at 31 December 2025	**2,853**	**4,060**	**172**	**656**	**7,741**
Carrying amount:					
Balance at 31 December 2024	426	784	-	-	1,210
Balance at 31 December 2025	**570**	**679**	**-**	**4,040**	**5,289**

6 Investment properties

Investment properties include plot of land, rented out apartments, building and apartments that are still under construction. All investment properties are located in the U.A.E and are attributable to participants.

The fair values were determined based on comparable method for rented out apartments and residual method of valuation for under construction properties.

	2025 AED'000	2024 AED'000
Residential apartments*	840	21,815
Land**	37,143	33,175
Work in progress**	57,091	52,925
	95,074	107,915

Residential apartments are carried at the fair value as at 31 December 2025, based on a valuation undertaken by independent qualified valuers. The carrying amount as at year-end was AED 0.84 million following the sale of the apartments (2024: AED 21.8 million).

** Land, on which construction is in progress, together with related work-in-progress amounting to AED 94.23 million as at 31 December 2025 (31 December 2024: AED 86.10 million), is stated at fair value. Fair value has been determined by two independent valuers possessing appropriate recognised professional qualifications and relevant experience in the region. The Company recognises the average of the valuations provided by both valuers. Work-in-progress primarily comprises the construction of residential buildings and all directly attributable costs. Fair values were determined based on comparable method for rented out apartments and residual method of valuation for under construction properties.

Construction is expected to be completed during the year 2026, at which point the property will be reclassified from work-in progress to completed investment properties in accordance with the Group's accounting policies.

	Apartments AED'000	Land and building AED'000	Total AED'000
2025			
Balance at 1 January	21,815	86,100	107,915
Disposal during the year	(21,015)	-	(21,015)
Increase in fair value during the year	40	3,968	4,008
Addition to WIP	-	4,166	4,166
At 31 December 2025	840	94,234	95,074
2024			
Balance at 1 January	20,834	63,150	83,984
Disposal during the year	(2,345)	-	(2,345)
Increase in fair value during the year	3,289	9,900	13,189
Addition to WIP	37	13,050	13,087
At 31 December 2024	21,815	86,100	107,915

During the year ended 31 December 2025, the Group sold twenty-four residential apartments located in the Emirate of Dubai for a total consideration of AED 21.3 million (2024: AED 2.3 million).

The properties have been categorised as Level 3 based on the inputs to the valuation technique used; and in estimating the fair value, the highest and best use of the properties is their current use.

6 Investment properties (continued)

The rental income earned by the Group from its investment properties which are leased under operating leases and the direct operating expenses arising in the management of investments properties were as follows:

	2025 AED'000	2024 AED'000
Rental income	**317**	573
Direct operating expenses	**(313)**	(89)
Income from investment property	**4**	484

7 Investment in securities

Financial assets at fair value through profit or loss (FVTPL)

	2025 AED'000	2024 AED'000
Mutual funds	**358,302**	355,767
Equity investments – quoted	**53,532**	-
Equity investments – unquoted	**56,948**	16,386
	468,782	372,153
Investments made:		
- Within UAE	**175,374**	92,546
- Outside UAE	**293,408**	279,607
	468,782	372,153
Attributable to:		
Participants	**377,509**	367,324
Shareholders	**91,273**	4,829
	468,782	372,153

The movement in other financial assets are as follows:

	2025 AED'000	2024 AED'000
At 1 January	**372,153**	348,025
Net purchased during the year	**78,506**	11,930
Change in fair value	**18,123**	12,198
At 31 December	**468,782**	372,153

7 Investment in securities (continued)

Financial assets at fair value through other comprehensive income (FVTOCI)

	2025 AED'000	2024 AED'000
As at 1 January	**8,400**	-
Increase in fair value of unquoted investments*	**6,796**	8,400
As at 31 December	**15,196**	8,400

The investment carried at fair value through other comprehensive income (FVTOCI) is attributable to participants and within UAE.

*During the year, an increase in the fair value of unquoted equity investments classified at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVTOCI) was recognised, based on observable market data indicating a recovery in the fair value of these investments.

8 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:

	2025			2024		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
Takaful contracts issued						
Group life and medical	-	**(420,986)**	**(420,986)**	-	(325,972)	(325,972)
Individual life	-	**(308,973)**	**(308,973)**	-	(339,554)	(339,554)
Total takaful contracts issued	-	**(729,959)**	**(729,959)**	-	(665,526)	(665,526)
Retakaful contracts held						
Group life and medical	**75,384**	-	**75,384**	44,240	-	44,240
Individual life	**9,415**	-	**9,415**	-	(5,133)	(5,133)
Total retakaful contracts held	**84,799**	-	**84,799**	44,240	(5,133)	39,107

8 Takaful and retakaful contracts (continued)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) for takaful contracts

2025	Liability for remaining coverage		LIC for contracts not measured under the PAA	LIC for contracts measured under the PAA		
Takaful contracts issued	Excluding loss component AED'000	Loss component AED'000	AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Opening takaful contract liabilities	(540,585)	(8,940)	(2,560)	(110,662)	(2,779)	(665,526)
Net balance as at 1 January 2025	(540,585)	(8,940)	(2,560)	(110,662)	(2,779)	(665,526)
Takaful revenue	610,979	-	-	-	-	610,979
Takaful service expenses						
Incurred claims and other directly attributable expenses	-	-	(5,288)	(505,708)	(13,433)	(524,429)
Changes that relate to past service - adjustments to the LIC	-	-	227	(5,568)	12,031	6,690
Losses on onerous contracts and reversal of those losses	-	(16,018)	-	-	-	(16,018)
Takaful acquisition cash flows amortisation	(87,450)	-	-	-	-	(87,450)
Total takaful service expenses	(87,450)	(16,018)	(5,061)	(511,276)	(1,402)	(621,207)
Takaful service result	523,529	(16,018)	(5,061)	(511,276)	(1,402)	(10,228)
Finance income/(expenses) from takaful contracts issued	17,870	(47)	(12)	-	-	17,811
Investment components	79,004	-	(79,004)	-	-	-
Total amounts recognised in comprehensive loss	620,403	(16,065)	(84,077)	(511,276)	(1,402)	7,583
Cash flows						
Premiums received	(722,824)	-	-	-	-	(722,824)
Claims and other directly attributable expenses paid	-	-	80,648	410,456	-	491,104
Directly attributable expenses paid	-	-	3,055	52,650	-	55,705
Takaful acquisition cash flows paid	103,999	-	-	-	-	103,999
Total cash flows	(618,825)	-	83,703	463,106	-	(72,016)
Net takaful contract liabilities at 31 December 2025	(539,007)	(25,005)	(2,934)	(158,832)	(4,181)	(729,959)

8 Takaful and retakaful contracts (continued)

Reconciliation of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC) for takaful contracts (continued)

2024	Liability for remaining coverage		LIC for contracts not measured under the PAA	LIC for contracts measured under the PAA		
Takaful contracts issued	Excluding loss component AED'000	Loss component AED'000	AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Opening takaful contract assets	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)
Net balance as at 1 January 2024	(439,484)	(12,491)	(5,412)	(76,780)	(2,076)	(536,243)
Takaful revenue	420,288	-	-	-	-	420,288
Takaful service expenses						
Incurred claims and other directly attributable expenses	-	-	(4,920)	(351,520)	(8,870)	(365,310)
Changes that relate to past service - adjustments to the LIC	-	-	1,179	4,236	8,167	13,582
Losses on onerous contracts and reversal of those losses	-	3,561	-	-	-	3,561
Takaful acquisition cash flows amortisation	(59,269)	-	-	-	-	(59,269)
Total takaful service (expenses)/income	(59,269)	3,561	(3,741)	(347,284)	(703)	(407,436)
Takaful service result	361,019	3,561	(3,741)	(347,284)	(703)	12,852
Finance expenses from takaful contracts issued	(557)	(10)	(20)	-	-	(587)
Investment components	66,945	-	(66,945)	-	-	-
Total amounts recognised in comprehensive income/(loss)	427,407	3,551	(70,706)	(347,284)	(703)	12,265
Cash flows						
Premiums received	(608,669)	-	-	-	-	(608,669)
Claims and other directly attributable expenses paid	-	-	70,939	286,819	-	357,758
Directly attributable expenses paid	-	-	2,619	26,583	-	29,202
Takaful acquisition cash flows paid	80,161	-	-	-	-	80,161
Total cash flows	(528,508)	-	73,558	313,402	-	(141,548)
Net takaful contract liabilities at 31 December 2024	(540,585)	(8,940)	(2,560)	(110,662)	(2,779)	(665,526)

8 Takaful and retakaful contracts (continued)

Reconciliation of the components of takaful contract liabilities - Contracts not measured under the PAA

2025	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening takaful contract liabilities	(311,697)	(8,562)	(19,295)	(339,554)
Net balance as at 1 January 2025	(311,697)	(8,562)	(19,295)	(339,554)
Changes related to current services				
- CSM recognised in profit or loss	-	-	1,879	1,879
- Risk Adjustment recognised in profit or loss	-	655	-	655
- Experience adjustments	2,030	(1,783)	-	247
Changes related to future services				
- Contracts initially recognised in the period	(1,968)	(662)	(322)	(2,952)
- Changes in estimates that adjust CSM	(5,082)	834	4,247	(1)
- Changes in estimates that result in onerous contracts or reversal of losses	(16,076)	(65)	-	(16,141)
Changes that relate to past service - adjustments to LIC	(1,536)	1,763	-	227
Takaful finance expenses through profit or loss	17,859	-	(49)	17,810
Total changes in statement of comprehensive (loss)/income	(4,773)	742	5,755	1,724
Premiums received	(66,540)	-	-	(66,540)
Claims and other directly attributable expenses paid	80,650	-	-	80,650
Directly attributable expenses paid	3,054	-	-	3,054
Takaful acquisition cash flows paid	11,693	-	-	11,693
Total cash flows	28,857	-	-	28,857
Net takaful contract liabilities at 31 December 2025	(287,613)	(7,820)	(13,540)	(308,973)

8 Takaful and retakaful contracts (continued)

Reconciliation of the components of takaful contract liabilities - Contracts not measured under the PAA (continued)

2024	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening takaful contract liabilities	(306,761)	(8,706)	(14,125)	(329,592)
Net balance as at 1 January 2024	(306,761)	(8,706)	(14,125)	(329,592)
Changes related to current services				
- CSM recognised in profit or loss	-	-	2,979	2,979
- Risk Adjustment recognised in profit or loss	-	1,474	-	1,474
- Experience adjustments	1,467	(1,184)	-	283
Changes related to future services				
- Contracts initially recognised in the period	(809)	(1,199)	(191)	(2,199)
- Changes in estimates that adjust CSM	8,255	(333)	(7,923)	(1)
- Changes in estimates that result in onerous contracts or reversal of losses	904	214	-	1,118
Changes that relate to past service - adjustments to LIC	8	1,172	-	1,180
Takaful finance expenses through profit or loss	(551)	-	(35)	(586)
Total changes in statement of comprehensive income/ (loss)	9,274	144	(5,170)	4,248
Premiums received	(102,743)	-	-	(102,743)
Claims and other directly attributable expenses paid	70,941	-	-	70,941
Directly attributable expenses paid	2,619	-	-	2,619
Takaful acquisition cash flows paid	14,973	-	-	14,973
Total cash flows	(14,210)	-	-	(14,210)
Net takaful contract liabilities at 31 December 2024	(311,697)	(8,562)	(19,295)	(339,554)

8 Takaful and retakaful contracts (continued)

Reconciliation of the assets for remaining coverage (ARC) and the assets for incurred claims (AIC) for retakaful contracts

2025	Asset for remaining coverage		AIC for contracts not measured under the PAA	AIC for contracts measured under the PAA		
Retakaful contracts issued	Excluding loss component AED'000	Loss component AED'000	AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Opening retakaful contract assets	(148,321)	2,501	-	188,498	1,562	44,240
Opening retakaful contract liabilities	(12,250)	3,130	3,987	-	-	(5,133)
Net balance as at 1 January 2025	(160,571)	5,631	3,987	188,498	1,562	39,107
Allocation of retakaful premium	(283,340)	-	-	-	-	(283,340)
Amounts recoverable for claims and other expenses	-	-	2,302	268,606	1,665	272,573
Changes that relate to past service - adjustments to LIC	-	-	(41)	12,061	(907)	11,113
Changes in fulfilment cash flows that do not adjust underlying CSM	-	12,913	-	-	-	12,913
Expenses directly attributable to retakaful	-	-	(404)	(1,685)	-	(2,089)
Net (expenses)/income from retakaful contracts held	(283,340)	12,913	1,857	278,982	758	11,170
Finance income from retakaful contracts issued	(252)	-	20	-	-	(232)
Total amounts recognised in comprehensive (loss)/ income	(283,592)	12,913	1,877	278,982	758	10,938
Cash flows						
Premiums paid to retakaful net of commission	122,459	-	-	-	-	122,459
Recoveries from retakaful	-	-	404	1,685	-	2,089
Directly attributable expenses paid	-	-	(933)	(88,861)	-	(89,794)
Total cash flows	122,459	-	(529)	(87,176)	-	34,754
Net retakaful contract liabilities at 31 December 2025	(321,704)	18,544	5,335	380,304	2,320	84,799

8 Takaful and retakaful contracts (continued)

Reconciliation of the assets for remaining coverage (ARC) and the assets for incurred claims (LIC) for retakaful contracts (continued)

2024	Asset for remaining coverage		AIC for	AIC for contracts measured under the PAA		
Retakaful contracts issued	Excluding loss component AED'000	Loss component AED'000	contracts not measured under the PAA AED'000	Present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Opening retakaful contract assets	(27,762)	1,813	-	58,620	1,029	33,700
Opening retakaful contract liabilities	(13,908)	7,368	3,087	-	-	(3,453)
Net balance as at 1 January 2024	(41,670)	9,181	3,087	58,620	1,029	30,247
Allocation of retakaful premium	(200,708)	-	-	-	-	(200,708)
Amounts recoverable for claims and other expenses	-	-	921	182,204	1,535	184,660
Changes that relate to past service - adjustments to LIC	-	-	(10)	11,574	(1,002)	10,562
Changes in fulfilment cash flows that do not adjust underlying CSM	-	(3,550)	-	-	-	(3,550)
Expenses directly attributable to retakaful	-	-	(233)	(1,398)	-	(1,631)
Net (expenses)/income from retakaful contracts held	(200,708)	(3,550)	678	192,380	533	(10,667)
Finance income from retakaful contracts issued	180	-	10	-	-	190
Total amounts recognised in comprehensive (loss)/ income	(200,528)	(3,550)	688	192,380	533	(10,477)
Cash flows						
Premiums paid to retakaful net of commission	81,627	-	-	-	-	81,627
Recoveries from retakaful	-	-	269	1,427	-	1,696
Directly attributable expenses paid	-	-	(57)	(63,929)	-	(63,986)
Total cash flows	81,627	-	212	(62,502)	-	19,337
Net retakaful contract liabilities at 31 December 2024	(160,571)	5,631	3,987	188,498	1,562	39,107
Closing retakaful contract assets	(148,321)	2,501	-	188,498	1,562	44,240
Closing retakaful contract liabilities	(12,250)	3,130	3,987	-	-	(5,133)
Net retakaful contract liabilities at 31 December 2024	(160,571)	5,631	3,987	188,498	1,562	39,107

8 Takaful and retakaful contracts (continued)

Reconciliation of the components of retakaful contract liabilities - Contracts not measured under the PAA

2025	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening retakaful contract liabilities as at 1 January 2025	(5,019)	530	(644)	(5,133)
Changes related to current services				
- CSM recognised in profit or loss	-	-	220	220
- Risk adjustment recognised in profit or loss	-	(183)	-	(183)
- Experience adjustments	1,214	24	-	1,238
Changes related to future services				
- Contracts initially recognised in the period	(90)	7	83	-
- Changes in estimates that adjust CSM	(2,617)	(6)	2,624	1
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	12,816	12,816
- Changes that relate to past service - adjustments to LIC	(17)	(24)	-	(41)
- Retakaful finance expenses through profit or loss	(210)	-	(25)	(235)
Total changes in statement of comprehensive (loss)/income	(1,720)	(182)	15,718	13,816
Premiums paid to reinsurer net of commission	1,258	-	-	1,258
Recoveries from retakaful	(931)	-	-	(931)
Directly attributable expenses paid	405	-	-	405
Total cash flows	732	-	-	732
Closing retakaful contract liabilities as at 31 December 2025	(6,007)	348	15,074	9,415

8 Takaful and retakaful contracts (continued)

Reconciliation of the components of retakaful contract liabilities - Contracts not measured under the PAA (continued)

2024	Best estimate liability AED'000	Risk adjustment AED'000	Contractual service margin AED'000	Total AED'000
Opening retakaful contract liabilities as at 1 January 2024	(7,098)	573	3,072	(3,453)
Changes related to current services				
- CSM recognised in profit or loss	-	-	929	929
- Risk adjustment recognised in profit or loss	-	(126)	-	(126)
- Experience adjustments	(244)	12	-	(232)
Changes related to future services				
- Contracts initially recognised in the period	(45)	7	38	-
- Changes in estimates that adjust CSM	516	60	(576)	-
- Changes in estimates that result in onerous contracts or reversal of losses	-	-	(4,238)	(4,238)
- Changes that relate to past service - adjustments to LIC	(13)	4	-	(9)
- Retakaful finance expenses through profit or loss	59	-	131	190
Total changes in statement of comprehensive income/ (loss)	273	(43)	(3,716)	(3,486)
Premiums paid to reinsurer net of commission	1,595	-	-	1,595
Recoveries from retakaful	268	-	-	268
Directly attributable expenses paid	(57)	-	-	(57)
Total cash flows	1,806	-	-	1,806
Closing retakaful contract liabilities as at 31 December 2024	(5,019)	530	(644)	(5,133)

8 Takaful and retakaful contracts (continued)

In addition to scenario testing, the development of takaful contract liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Group's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Group's estimate of total liability for incurred claims for the years up to 2025.

Gross takaful contract liabilities at 31 December 2025 for contracts measured under PAA

	2022 & prior years AED'000	2023 AED'000	2024 AED'000	**2025 AED'000**	**Total AED'000**
At the end of each reporting year	1,512,833	160,846	315,276	**462,352**	**2,451,307**
One year later	966,465	156,935	307,958	-	**1,431,358**
Two years later	910,549	161,977	-	-	**1,072,526**
Three years later	922,615	-	-	-	**922,615**
Four years later	676,765	-	-	-	**676,765**
Estimate of cumulative claims	923,077	161,977	307,958	**462,352**	**1,855,364**
Cumulative payments to date	(916,886)	(160,166)	(295,546)	**(337,728)**	**(1,710,326)**
Unallocated loss adjustment expense reserve	-	-	-	-	**637**
Claims payable	-	-	-	-	**856**
Total gross undiscounted liabilities for incurred claims	-	-	-	-	**146,531**
Attributable expenses	-	-	-	-	**12,301**
Total discounted gross reserves included in the statement of financial position	-	-	-	-	**158,832**
Risk adjustments	-	-	-	-	**4,182**

Gross retakaful contract liabilities at 31 December 2025 for contracts measured under PAA

	2022 & prior years AED'000	2023 AED'000	2024 AED'000	**2025 AED'000**	**Total AED'000**
At the end of each reporting year	569,793	96,556	189,419	**285,568**	**1,141,336**
One year later	387,836	95,613	185,925	-	**669,374**
Two years later	337,268	96,914	-	-	**434,182**
Three years later	336,362	-	-	-	**336,362**
Four years later	248,219	-	-	-	**248,219**
Estimate of cumulative claims	336,509	96,914	185,925	**285,568**	**904,916**
Cumulative payments to date	(336,058)	(96,075)	(179,282)	**(212,120)**	**(823,535)**
Claims receivable	-	-	-	-	**300,832**
Total gross undiscounted liabilities for incurred claims	-	-	-	-	**382,213**
Retakaful non-performance risk	-	-	-	-	**(1,911)**
Total discounted gross reserves included in the statement of financial position	-	-	-	-	**380,302**
Risk adjustments	-	-	-	-	**2,320**

9 Other receivables

	2025 AED'000	2024 AED'000
Other receivables	**6,847**	6,570
Investment receivables	**9,130**	3,335
Prepayments	**2,279**	2,031
Advances	**8,365**	38
	26,621	11,974
Attributable to:		
Participants	**9,236**	5,475
Shareholders	**17,385**	6,499
	26,621	11,974

10 Statutory deposit

Statutory deposit of amounting AED 4 million is maintained, in accordance with Article (92) of the Federal Decree Law No. (6) of 2025 for the purpose of carrying on takaful operations in the United Arab Emirates and is not available to finance the day-to-day operations of the Group. The statutory deposit bears a profit rate of 4.6% per annum (2024: 0% per annum).

11 Cash and cash equivalents

	2025 AED'000	2024 AED'000
Cash on hand	**245**	271
Cash at banks	**283,785**	277,979
Term deposit having original maturity more than 3 months	**513**	48,610
Less: Expected credit losses	**(129)**	(268)
Cash and bank balances	**284,414**	326,592
Attributable to:		
Participants	**213,094**	223,101
Shareholders	**71,320**	103,491
	284,414	326,592

For the purpose of cash flow, the cash and cash equivalents at each year end is as follows:

	2025 AED'000	2024 AED'000
Cash and bank balances	**284,414**	326,592
Add: Expected credit losses	**129**	268
Less: Term deposit having maturity more than 3 months	**(513)**	(48,610)
Cash and cash equivalents	**284,030**	278,250

12 Share capital

	2025 AED'000	2024 AED'000
Authorised issued and fully paid		
210,652,000 (31 December 2025: 210,652,000) ordinary shares of AED 1 each	**210,652**	210,652

As part of capital restructuring plan, following events occurred during the prior year:

- On 21 October 2024, the Group has completed the reduction of the accumulated losses and has set off against share capital amounting to AED 124.3 million; and
- On 6 December 2024, the Group issued 185 million ordinary shares by way of right issue of AED 1 per share which is equal to the nominal value of the Group ordinary shares.

13 Treasury shares

The Company has engaged a licensed Market Maker on the Dubai Financial Market to provide liquidity services by placing buy and sell orders for the Company's shares. This initiative is to improve the liquidity of securities.

As of 31 December 2025, the Market Maker held 3.9 million shares of Takaful Emarat - Insurance (PSC) on behalf of the Company. These shares are classified under equity as treasury shares, recorded at cost. During the year, the Company recognised AED 6.9 million (31 December 2024: Nil) in treasury shares.

	Number of shares '000	Cost AED'000
As at 1 January 2025	-	-
Purchases during the year	36,122	57,188
Sales during the year	(32,191)	(50,552)
Realised gain on treasury shares	-	180
As at 31 December 2025	3,931	6,816

14 Statutory reserves

Statutory reserve

In accordance with U.A.E. Law No. (32) of 2021 (as amended), the Group has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law.

The Group has transferred AED 1.59 million from profits to statutory reserve as at 31 December 2025. (31 December 2024: AED 1.1 million).

Retakaful reserve

In accordance with Article 34 issued by the Central Bank of the United Arab Emirates ("CBUAE"), Board of Directors Decision No. (23) of 2019 the Company has created a retakaful reserve and transferred an amount of AED 1.5 million (2024: AED 1.3 million).

The Group shall accumulate such reserve year on year and not dispose-off the reserve without the written approval of the Central Bank of the United Arab Emirates ("CBUAE").

15 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.

2025	Life takaful AED'000	Medical takaful AED'000	All types of business combined AED'000
Total direct written contributions	**68,032**	**661,705**	**729,737**
2024			
Total direct written contributions	105,995	510,222	616,217

16 Other payables

	2025 AED'000	2024 AED'000
Sundry and VAT payable	**40,419**	20,516
Payable to DHA	**18,214**	18,041
Other payables	**13,346**	15,001
Accrued expenses	**9,889**	3,959
Lease liability	**3,269**	-
Employee related accruals	**3,473**	2,569
	88,610	60,086
Attributable to:		
Participants	**10,441**	13,566
Shareholders	**78,169**	46,520
	88,610	60,086

17 Qard Hassan

(i) Deficit in participants' fund:	2025 AED'000	2024 AED'000
As at 1 January	**(34,127)**	(65,724)
Surplus during the year	**27,577**	31,597
As at 31 December	**(6,550)**	(34,127)

(ii) Qard Hassan from shareholders	2025 AED'000	2024 AED'000
As at 1 January	**34,127**	65,724
Recovery of provision during the year	**(27,577)**	(31,597)
As at 31 December	**6,550**	34,127

18 Takaful revenue

For the year ended 31 December 2025	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	1,879	1,879
Change in risk adjustment for non-financial risk for risk expired	-	261	261
Expected incurred claims and other takaful service expenses	-	2,077	2,077
Experience adjustments	-	460	460
Recovery of takaful acquisition cash flows	-	7,443	7,443
Contracts not measured under the PAA	-	12,120	12,120
Contracts measured under the PAA	598,859	-	598,859
Total takaful revenue	598,859	12,120	610,979

For the year ended 31 December 2024	Group life and medical AED'000	Individual life AED'000	Total AED'000
CSM recognised for services provided	-	2,979	2,979
Change in risk adjustment for non-financial risk for risk expired	-	748	748
Expected incurred claims and other takaful service expenses	-	572	572
Experience adjustments	-	(1)	(1)
Recovery of takaful acquisition cash flows	-	6,890	6,890
Contracts not measured under the PAA	-	11,188	11,188
Contracts measured under the PAA	409,100	-	409,100
Total takaful revenue	409,100	11,188	420,288

19 Takaful service expense

For the year ended 31 December 2025	Group life and medical AED'000	Individual life AED'000	Total AED'000
Takaful Service Expenses Allocated to Participants' fund			
Incurred claims	465,538	2,234	467,772
Losses on onerous contracts and reversals of those losses	320	15,698	16,018
Changes to liabilities for incurred claims	(6,463)	(227)	(6,690)
Total takaful service expenses charged to participants' fund	459,395	17,705	477,100
Other expenses allocated to shareholders' fund			
Amortisation of takaful acquisition cash flows	80,006	7,444	87,450
Takaful maintenance expenses	53,603	3,054	56,657
Total other expenses charged to shareholders' fund	133,609	10,498	144,107
Total takaful service expenses	593,004	28,203	621,207

19 Takaful service expense (continued)

For the year ended 31 December 2024	Group life and medical AED'000	Individual life AED'000	Total AED'000
Takaful Service Expenses Allocated to Participants' fund			
Incurred claims	325,161	2,260	327,421
Losses on onerous contracts and reversals of those losses	718	(4,279)	(3,561)
Changes to liabilities for incurred claims	(12,403)	(1,179)	(13,582)
Total takaful service expenses charged to participants' fund	313,476	(3,198)	310,278
Other expenses allocated to shareholders' fund			
Amortisation of takaful acquisition cash flows	52,379	6,890	59,269
Takaful maintenance expenses	35,230	2,659	37,889
Total other expenses charged to shareholders' fund	87,609	9,549	97,158
Total takaful service expenses	401,085	6,351	407,436

20 Takaful and retakaful finance income and expense

	2025 AED'000	2024 AED'000
Takaful finance income/(expenses)	**17,811**	(587)
Retakaful finance income	**(233)**	189
	17,578	(398)

21 Investment income

	31 December 2025 AED'000	31 December 2024 AED'000
Unrealised gain on financial assets held at FVTPL	**43,704**	25,159
Profit from wakala deposits	**8,008**	662
Return on financial assets	**8,603**	5,408
Other investment income	**1,805**	824
	62,120	32,053
Attributable to:		
Participants	**26,528**	30,621
Shareholders	**35,592**	1,432
	62,120	32,053

22 General and administrative expenses

	2025 AED'000	2024 AED'000
TPA expenses	**34,976**	21,799
VAT provision	**24,245**	-
Salaries and other benefits	**22,495**	17,928
Authority fees	**7,069**	5,922
Legal and professional fees	**5,638**	3,778
IT expenses	**4,168**	3,155
Depreciation and amortisation	**1,064**	671
Rent and related expense	**819**	1,539
Utilities, maintenance and communication	**484**	550
Miscellaneous expenses	**2,430**	6,183
	103,388	61,525

23 Contingent liabilities

On 31 December 2025, the Group had contingent liabilities in respect of medical claims and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 0.67 million (31 December 2024: AED 1.6 million).

Legal claims

The Group, in common with most insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not believe that the outcome of these court cases will have a material impact on the Group's income or financial condition.

Capital commitments

Capital commitments for under construction properties as at 31 December 2025 amounted to AED 2.9 million (31 December 2024: AED 6.5 million).

Other commitments

The Group has lease agreements which are payable as follows:

	2025 AED'000	2024 AED'000
Less than one year	**1,277**	544

24 Related party transactions

The Group in the normal course of business carries on business with other entities and shareholder's that fall within the definition of a related party in accordance with IFRS.

Related parties represent the Group's major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled, or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Group's management. At the end of the reporting year, amounts due from/to related parties were as follows:

24 Related party transactions (continued)

	2025 AED'000	2024 AED'000
Due from related parties		
Treasury share advance	7,928	-

	2025 AED'000	2024 AED'000
Balances		
Deposit under share buyback placed with other related party	22,500	-

Compensation of the key management personnel is as follows:

	2025 AED'000	2024 AED'000
Short/long term employee benefits	6,592	6,693

25 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. As such, differences can arise between book values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operations or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statement approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2025.

Fair value measurements recognised in the consolidated statement of financial position The following table provides an analysis of assets and liabilities 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:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

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

The table on the next page gives information about how the fair values of these financial assets are determined:

25 Financial instruments (continued)

31 December 2025	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**	**Total AED'000**
Investments at fair value through profit or loss (FVTPL)				
Mutual funds	-	358,302	-	358,302
Equity investments – quoted	53,532	-	-	53,532
Equity investments - unquoted	-	-	56,948	56,948
	53,532	358,302	56,948	468,782

31 December 2024	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments at fair value through profit or loss (FVTPL)				
Mutual funds	-	355,767	-	355,767
Equity investments – unquoted	-	-	16,386	16,386
	-	355,767	16,386	372,153

31 December 2025	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**	**Total AED'000**
Investments at fair value through other comprehensive income (FVTOCI)				
Equity investments – unquoted	-	-	15,196	15,196

31 December 2024	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Investments at fair value through other comprehensive income (FVTOCI)				
Equity investments – unquoted	-	-	8,400	8,400

The fair value of Level 3 unquoted equity investments is determined using a discounted cash flow ("DCF") valuation technique and is measured as at the reporting date.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurement categories during the year ended 31 December 2025 (31 December 2024: Nil).

26 Segment information

For management purposes, the Group is organised into two business segments; Takaful and investment operations. The takaful operations comprise the takaful business undertaken by the Group on behalf of policyholders. Investment operations comprise investments and cash management for the Group's own account. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the consolidated financial statements.

Except for wakalah fees, allocation charges and Qard Hassan, no other inter-segment transactions occurred during the year.

26 Segment information (continued)

These segments are the basis on which the Group reports its primary segment information. Segmental information is presented below:

	2025			2024		
	Attributable to participants AED'000	**Attributable to shareholders AED'000**	**Total AED'000**	Attributable to participants AED'000	Attributable to shareholders AED'000	Total AED'000
Takaful						
Takaful revenue	**610,979**	**-**	**610,979**	420,288	-	420,288
Takaful service expenses	**(477,100)**	**-**	**(477,100)**	(310,278)	-	(310,278)
Income/(expenses) from retakaful contracts held	**13,258**	**-**	**13,258**	(9,036)	-	(9,036)
Takaful service results	**147,137**	**-**	**147,137**	100,974	-	100,974
Takaful finance income/(loss)	**17,811**	**-**	**17,811**	(587)	-	(587)
Retakaful finance (expense)/income	**(233)**	**-**	**(233)**	189	-	189
Net change in fair value of participants' investments	**(17,879)**	**-**	**(17,879)**	598	-	598
Net takaful income	**146,836**	**-**	**146,836**	101,174	-	101,174
Investment income - net	**26,548**	**35,572**	**62,120**	30,621	1,432	32,053
Other income	**-**	**1,595**	**1,595**	-	725	725
Wakala fees	**(145,787)**	**145,787**	**-**	(100,198)	100,198	-
Policy acquisition cost	**-**	**(87,450)**	**(87,450)**	-	(59,269)	(59,269)
General and administrative expenses	**-**	**(103,388)**	**(103,388)**	-	(61,525)	(61,525)
Profit/(loss) for the year	**27,597**	**(7,884)**	**19,713**	31,597	(18,439)	13,158

	Takaful		Investment		Total	
	2025 AED'000	2024 AED'000	**2025 AED'000**	2024 AED'000	**2025 AED'000**	2024 AED'000
Segment assets	**817,408**	778,955	**260,127**	180,889	**1,077,535**	959,844
Segment liabilities	**810,858**	744,828	**89,174**	51,811	**900,032**	796,639

27 Basic and diluted earnings per share

	2025 AED'000	2024 AED'000
Profit for the year attributable to shareholders	**15,856**	11,162
Total number of shares	**210,652**	210,652
Less: Treasury shares	**(3,931)**	-
Weighted average number of shares outstanding during the year	**206,721**	210,652
Basic and diluted earnings per share	**0.077**	0.053

Basic earnings per share are calculated by dividing the profit for the year by the number of weighted average shares outstanding during the reporting year. Diluted earnings per share is equivalent to basic earnings per share.

28 Capital risk management

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by Central Bank of UAE identifies the required solvency margins to be held in addition to takaful liabilities. The solvency margins must be maintained at all times throughout the year.

The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. As at 31 December 2025, the Group had a solvency deficit as compared to Minimum Capital Requirement (MCR), Minimum Guarantee Fund (MGF) and Solvency Capital Requirement (SCR).

The table below summaries the consolidated Minimum Capital Requirement (MCR), Minimum Guarantee Fund (MGF) and Solvency Capital Requirement (SCR) of the Group and the total capital held at the Group level to meet the required Solvency Margins in line with the requirements of the financial regulations issued for takaful companies in UAE.

	2025 AED'000	2024 AED'000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**94,445**	101,559
Minimum Guarantee Fund (MGF)	**84,093**	56,342
Basic Own Funds	**49,865**	110,606
MCR Solvency Margin - Minimum Capital Requirement (deficit)/surplus	**(50,135)**	10,606
SCR Solvency Margin - Solvency Capital Requirement (deficit)/surplus	**(44,580)**	9,047
MGF Solvency Margin – Minimum Guarantee Fund (deficit) /surplus	**(34,227)**	54,264

The Group did not meet the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirements of AED 94.4 million and Minimum Guarantee Fund of AED 84.1 million as at 31 December 2025. In compliance with the Central Bank of UAE regulations, the Group will prepare a solvency plan and submit it to the Central Bank of UAE in April 2026.

29 Risk management

Capital management framework

The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group fully complied with the externally imposed capital requirements and no changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

Regulatory framework

Regulators are primarily interested in protecting the rights of the participant 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 jurisdiction where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the takaful companies to meet unforeseen liabilities as these arise.

Asset liability management (ALM) framework

Financial risks arise from open positions in profit rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages these positions to achieve long- term investment returns in excess of its obligations under takaful contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from takaful contracts by reference to the type of benefits payable to contract holders.

The acting Chief Executive Officer actively monitors the ALM to ensure in each period sufficient cash flow is available to meet liabilities arising from takaful contracts and regularly monitors the financial risks associated with the Group's other financial assets and liabilities not directly associated with takaful liabilities.

Takaful risk

The principal risk the Group faces under takaful contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The 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.

Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly medical, group life and personal accident risks. 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.

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.

29 Risk management (continued)

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 retakaful limits on any single life insured and on all high-risk individuals insured are in place.

The Group has adequate retakaful arrangements to protect its financial viability against such claims for all the above classes.

Geographical concentration of risks

The takaful risk arising from takaful contracts is primarily concentrated mainly in the United Arab Emirates. The geographical concentration of risks is similar to last year.

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 effected under treaty, facultative and excess of loss retakaful contracts.

Retakaful ceded contracts do not relieve the Group from its obligations to participant 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 retakaful agreements.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers. The Group deals with reinsurers approved by the Board of Directors.

The Group has a large ceding allowance which covers claim risks, including catastrophic risk. The Group's reserve performance is monitored frequently to ensure adequacy of reserves.

Sources of uncertainty in the estimation of future claim payments

Claims on takaful contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty 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 takaful contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

29 Risk management (continued)

Retakaful risk (continued)

Sources of uncertainty in the estimation of future claim payments (continued)

The amount of takaful claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. takaful contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the end of the reporting period.

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

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 initial estimate of the loss ratios used for the current year before and after retakaful are analysed below by type of risk where the insured operates for current and prior year premium earned.

Sensitivity

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Measured under PAA

2025	Change in assumptions	Impact on net profit gross of retakaful AED'000	Impact on net profit net of retakaful AED'000	Impact on equity gross of retakaful AED'000	Impact on equity net of retakaful AED'000
Risk adjustment	2.5%	(5,636)	(2,646)	(5,636)	(2,646)
Discount rate	1%	-	-	-	-
Risk adjustment	-2.5%	5,619	2,642	5,619	2,642
Discount rate	-1%	-	-	-	-

29 Risk management (continued)

Sensitivity (continued)

Measured under PAA (continued)

2024	Change in assumptions	Impact on net profit gross of retakaful AED'000	Impact on net profit net of retakaful AED'000	Impact on equity gross of retakaful AED'000	Impact on equity net of retakaful AED'000
Risk adjustment	2.5%	(3,873)	(1,787)	(3,873)	(1,787)
Discount rate	1%	-	-	-	-
Risk adjustment	-2.5%	3,854	1,783	3,854	1,783
Discount rate	-1%	-	-	-	-

Measured not under PAA

2025	**Change in assumptions**	**Impact on net profit gross of retakaful AED'000**	**Impact on net profit net of retakaful AED'000**	**Impact on equity gross of retakaful AED'000**	**Impact on equity net of retakaful AED'000**
Risk adjustment	**2.5%**	**(9,402)**	**(8,775)**	**(9,402)**	**(8,775)**
Discount rate	**1%**	**(105)**	**173**	**(105)**	**173**
Risk adjustment	**-2.5%**	**8,126**	**7,606**	**8,126**	**7,606**
Discount rate	**-1%**	**103**	**(189)**	**103**	**(189)**
2024					
Risk adjustment	2.5%	(9,513)	(8,682)	(9,513)	(8,682)
Discount rate	1%	(1,472)	(62)	(1,472)	(62)
Risk adjustment	-2.5%	7,978	7,256	7,978	7,256
Discount rate	-1%	(1,596)	(778)	(1,596)	(778)

Financial risk

The Group's principal financial instruments include financial assets and financial liabilities which comprise financial investments (at fair value through profit or loss and available-for-sale), receivables arising from takaful and retakaful contracts, statutory deposits, cash and cash equivalents, and takaful and other payables and ijarah finance.

The Group does not enter into derivative transactions.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, foreign currency risk, profit rate risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Group, the maximum exposure to credit risk to the Group is the carrying value as disclosed in the consolidated statement of financial position.

29 Risk management (continued)

Financial risk (continued)

Credit risk (continued)

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

The Group only enters into takaful and retakaful contracts with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from takaful and retakaful contracts are monitored on an ongoing basis in order to reduce the Group's exposure to bad debts.

The Group seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.

The Group's investments at fair value through profit or loss are managed by the Chief Executive Officer in accordance with the guidance of the Board of Directors. The Group's bank balances are maintained with a range of international and local banks in accordance with limits set by the management.

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

	2025 AED'000	2024 AED'000
Financial instruments	**506,478**	403,053
Cash and cash equivalents	**284,414**	326,592
Other receivables (excluding prepayments)	**24,342**	9,943
Statutory deposits	**4,000**	4,000
Total credit risk exposure	**819,234**	743,588

Currency risk

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

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in UAE Dirhams or US Dollars to which the UAE Dirham is pegged.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with takaful contracts and financial liabilities when they fall due. Liquidity requirements are monitored on a monthly basis. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows below:

2025	Less than one year AED'000	More than one year AED'000	No maturity date AED'000	Total AED'000
Financial assets				
Statutory deposits	-	-	4,000	4,000
Financial instruments at FVTPL	-	-	468,782	468,782
Financial instruments at FVTOCI	-	-	15,196	15,196
Financial instruments at amortised cost	-	-	22,500	22,500
Other receivables (excluding prepayments)	24,342	-	-	24,342
Cash and bank balances	284,030	-	384	284,414
	308,372	-	510,862	819,234
Financial liabilities				
Other Payables	88,311	-	-	88,311

29 Risk management (continued)

Financial risk (continued)

Liquidity risk (continued)

2024	Less than one year AED'000	More than one year AED'000	No maturity date AED'000	Total AED'000
Financial assets				
Statutory deposits	-	-	4,000	4,000
Financial instruments at FVTPL	-	-	372,153	372,153
Financial instruments at FVTOCI	-	-	8,400	8,400
Financial instruments at amortised cost	-	-	22,500	22,500
Other receivables (excluding prepayments)	9,943	-	-	9,943
Cash and bank balances -	48,610	-	277,982	326,592
	58,553	-	685,035	743,588
Financial liabilities				
Other payables	53,923	-	-	53,923

The breakup for the retakaful and takaful contract assets and liabilities is given below:

	Less than 1 year AED'000	**1-5 years AED'000**	**More than 5 years AED'000**	**Total AED'000**
31 December 2025				
Retakaful contract assets	**58,712**	**22,758**	**3,329**	**84,799**
Takaful contract liabilities	**434,292**	**134,467**	**161,200**	**729,959**

	Less than 1 year AED'000	1-5 years AED'000	More than 5 years AED'000	Total AED'000
31 December 2024				
Retakaful contract assets	33,433	10,807	-	44,240
Takaful contract liabilities	355,965	135,357	174,204	665,526
Retakaful contract liabilities	2,522	1,433	1,178	5,133
	358,487	136,790	175,382	670,659

29 Risk management (continued)

Financial risk (continued)

Equity price risk

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

The price risk is managed by outsourcing the trading of securities held by the Group to professional brokers. However, the activities of brokers are also monitored and supervised by the management.

The following table shows the sensitivity of fair values to 5% increase or decrease as at 31 December:

	Favorable change AED'000	Unfavorable change AED'000
2025		
Profit bearing assets	**25,324**	**(25,324)**
2024		
Profit bearing assets	20,153	(20,153)

30 Corporate tax

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance (MoF) released Federal Decree Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (CT Law) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax period is from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes is subject to the rate of 9% on taxable profits above AED 375,000. The tax charge for the year ended 31 December 2025 is AED 3.86 million (2024: AED 2 million).

	2025 AED'000	2024 AED'000
Statement of comprehensive income		
Current tax	**49**	-
Deferred tax	**3,808**	1,996
Income tax expense	**3,857**	1,996

Following is the analysis of deferred tax asset/(liabilities) presented in the consolidated financial statement of financial position.

	2025 AED'000	2024 AED'000
Statement of financial position		
Deferred tax assets	**-**	991
Deferred tax liabilities	**(7,043)**	(2,987)
Net deferred tax liabilities	**(7,043)**	(1,996)

30 Corporate tax (continued)

Relationship between tax expense and accounting profit:

	2025 AED'000	2024 AED'000
Deferred tax asset:		
Annual taxable income	-	(11,007)
Taxation at 9%	-	(991)
Deferred tax liability:		
Unrealised gain/loss subject to deferred tax	42,313	33,189
Taxation at 9%	3,808	2,987

31 Internal sharia supervisory committee

The Group's business activities are subject to the supervision and control of its Internal Sharia Supervision Committee (ISSC) consisting of three members appointed by the shareholders. ISSC performs a supervisory and monitoring role in order to determine whether the operations of the Group are conducted in accordance with Sharia rules and principles.

The prohibited profit forfeited by the resolution of the Sharia Supervisory Committee should not be placed in a special account for shareholders to use at their discretion, as it does not belong to them nor to the company. Rather, it is prohibited income that belongs to the charity account, which the company is required to open under this designation. This account must be under the supervision of the Sharia Supervisory Committee, and the funds are to be disbursed in accordance with its guidance and approval.

32 Zakat

For the fiscal year ending 31 December 2025, the company is liable for zakat, as the zakat value is AED 0.3 million (2024: AED 1.7 million)

33 Subsequent events

Subsequent to the reporting date, the geopolitical tensions in the Middle East have continued to evolve since 28 February 2026, including ongoing regional conflicts and heightened political uncertainty. These developments have increased volatility in global and regional financial markets and may, over time, affect economic conditions in the region.

As at the date of approval of these consolidated financial statements, the Group continues to monitor developments in the region and will assess the potential impact, if any.

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2025 SUSTAINABILITY REPORT

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About Takaful Emarat (TE)

Our History

Takaful Emarat Insurance PSC, established in 2008, is a prominent Shariah compliant Life and Health Takaful Provider in the UAE. Via a numbers of distribution channels, Takaful Emarat sells a wide selection of individual & corporate life and health Takaful products, including protection, savings, and investment plans.

Our Objective

To advocate for the idea of takaful as a true insurance replacement that complies with shariah. to develop and market Takaful goods based on contemporary thinking and emerging demands. to maximize profits for both participants and stockholders. to take Takaful Emarat international and regional.

Our Mission

To deliver the Takaful experience through digital innovation and world-class service - grounded in Shariah principles, powered by our people, and committed to the trust, health, and stronger future of all those we protect.

Our Vision

Transforming Takaful insurance by shaping healthier communities, stronger futures, and world-class customer experiences through trusted, innovative, and Shariah-compliant solutions. This vision reflects our commitment to redefining healthcare and life protection by delivering value-driven, ethical, and customer-focused solutions.

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Sustainability @TakafulEmarat

CEO Message

Mr. Adnan Sabaalaish, CEO of Takaful Emarat

"As we reflect on our progress in 2025, we are proud of the meaningful steps Takaful Emarat has taken towards strengthening our financial foundation, enhancing operational resilience, and advancing our sustainability agenda. Building on the decisive actions taken in the previous year to address accumulated losses and reinforce our capital position, we have continued to focus on disciplined growth, improved efficiency, and long-term value creation for our shareholders and customers.

Our commitment to sustainability remains central to our strategy. We continue to promote the principles of Takaful as a responsible and ethical alternative to conventional insurance, ensuring that our solutions are aligned with Shariah values while addressing the evolving needs of our participants. Through ongoing investments in digital transformation, customer experience enhancement, and risk management practices, we are strengthening our ability to deliver innovative, secure, and accessible insurance solutions.

During the year, we remained focused on enhancing transparency, strengthening governance, and embedding ESG considerations into our business practices. We have continued to invest in our people through professional development, wellbeing initiatives, and fostering an inclusive work environment that encourages collaboration, innovation, and accountability.

I extend my sincere appreciation to our Board of Directors for their strategic guidance, and to our employees, partners, and stakeholders for their continued trust and dedication. Their collective efforts have enabled Takaful Emarat to build stronger foundations for sustainable growth and reinforce our position within the regional Takaful industry. As we move forward, we remain committed to creating long-term value, supporting our communities, and contributing to a resilient and sustainable future. With a clear strategy, strengthened capabilities, and a shared vision, we are confident in our ability to deliver continued progress and responsible growth in the years ahead."

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Approach

Takaful Emarat aims to promote the concept of Takaful as a true alternative to conventional insurance, ensuring that all products align with Shariah principles.

The Company is dedicated to innovating and tailoring its offerings to meet both contemporary needs and emerging market demands. This approach ensures that both participants and shareholders benefit, with the objective of expanding Takaful Emarat's reach both internationally and regionally, further strengthening its position in the Takaful insurance industry.

- Takaful vs Conventional Insurance:

In Arabic, Takaful means ‘solidarity and cooperation among group of people’. Takaful insurance is a form of co-operative insurance in compliance with Islamic Shariah, which is based on the concept of shared contributions and mutual co-operation between the participants to compensate one another in case of loss.

- Takaful mechanism:

Participants make voluntary contributions to a shared Takaful fund, which protects each member against combined risks and distributes surpluses equally. With no prior expectations of fixed returns, the Company will manage and operate the Takaful fund on their behalf.

Stakeholder Engagement

- Employees

Intranet,Newsletters, CEO Communications, Management Meetings, Surveys, Team building & inhouse training events.

- Customers

Customer services & interaction via multiple platforms like Call, Website, email, etc. Surveys & Feedbacks, Social media platforms & Google, TE Digital Platform for Sales.

- Business Partners

Trainings & Workshops, Events, Service portals Personal contacts, Digital Transformation Strategy Partners.

- Regulatory Authorities, Media, Society and others

Voluntary Participations, Interviews, Publications & Social Events Exchange of ideas & communications with regulators, Projects & Surveys.

- Shareholders & Investors

Market Disclosures, General Assembly, Meeting, Personal Contacts by Investor Relations, Corporate Notices.

- Industry

Networking Events / Conferences, Collaborations, Personal Contacts.

Corporate Governance & Risk Management

The Board of Directors of Takaful Emarat Insurance in cooperation with the Committees of the Board and the Compliance and Internal Audit Departments, have applied the corporate governance standards in order to have an integrated system of financial and non-financial control.

The Board of Directors encouraged the Company's team to participate in the training programs and workshops organized by the regulatory. bodies such as the Securities & Commodities Authority (SCA), the Dubai Financial Market (DFM) and Central Bank of the United Arab Emirates (CBUAE), in order to raise the level of compliance and transparency by protecting the rights of shareholders.

The Management has committed itself to providing the Board of Directors and its committees with sufficient information in a timely and complete manner to enable it to make decisions on the basis of proper performance of its duties and responsibilities.

Corporate Governance & Risk Management

- ### Compliance & Ethical Business Practices

Takaful Emarat is committed to the highest Compliance & Ethical Business practices that promote integrity, accountability, and decision-making mechanisms. Sound corporate governance and business ethics contribute to the Company's ability to achieve its goals and provide value to shareholders within an effective control framework. ESG strategy and goals.

During 2025, there were trainings conducted for all employees on Code of Conduct, Corporate Governance and Anti-Money Laundering & Targeted Financial Sanctions policy of the Company. The Company also arranged training session at industry level with the partnering insurance broker to provide awareness on Anti-Money Laundering & Targeted Financial Sanctions which was attended by large number of brokers. Subsequently, there was training evaluation contest organized with the Employees and the prizes were awarded to the winners of the contest to encourage the participation.

Sustainable Procurement & Goals

The Company's objective is to ensure goods and services are procured in a sustainable manner while Implementing cost-saving initiatives to reduce financial impact of unbudgeted expenses and minimize environmental impact. We aim to source locally whenever it is feasible, supporting and contributing to the development of UAE economy. Investing in local suppliers creates jobs, builds local capacity and supports a more stable business environment.

- Integration into Strategy

The Company believe in integrating the principles of sustainable operations and strive to embed relevant ESG issues into our business strategy.

- Environmental Stewardship

At TE, we are committed to mitigating climate change, conserving natural resources, and taking steps to reduce our carbon footprint each year.

- Corporate Governance & Responsible Business Practices

We believe in building sustainable relationship with our stakeholders. Acting responsibly through our business value chain is of highest importance.

Operational Excellence

Information Security & Data Privacy

TE continuously takes measures to mitigate the risks associated with data management and security and ensures compliance with all applicable information security requirements in line with regulations and best industry practices.

Apart from implementing mature and robust security management systems, TE also carries out annual IT audit via external consultant confirming to our best IT security practices and advising on improvements. Our Business Continuity & Disaster recovery design ensures adequate timely support to our primary IT infrastructure covering untimely contingent events.

We Provide training to our employees regularly on cybersecurity awareness programs. We have well defined security policies and procedure which are audited regularly and updated. In addition, periodic independent IT auditing is performed to identify major risk and implement remediation actions.

- Data privacy & information security :
- We provide data privacy and information security awareness sessions to employees.
- Sending information security awareness emailers to employees.
- Continuously performing cyber security risk assessment.
- Vulnerability and phishing emails are detected by our state of art systems and taking preventive measures by IT Team.
- Implemented multi-tier security systems to prevent any breach and data loss.
- Cloud Infrastructure IaaS and Cloud Platform Services PaaS support latest applications and tools.
- Update and test the data backup plan.

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Stakeholders Sustainability

Customer Engagement

One of the key measure for Takaful Emarat success is customer satisfaction which helps us to improve our products and services to meet their requirements. The Company continued to encourage customer feedback via various channels including satisfaction surveys through call, website, email, SMS, Social media channels and customer experience. This enables us to measure our service levels and understand the root causes for resolution and find distinctive ways to deliver value. Our sustained customer loyalty and lasting growth comes by meeting evolving customer expectations through delivering valued Shariah product & services, easy to use & intuitive smart Digital platforms and ongoing personalized insurance engagement through policy cycle.

- Understanding and assessing customer insurance needs.
- Delivering Value for our Corporate & Individual customers.
- Guiding to make informed insurance decisions and risk mitigation both Corporate & Individual.
- Meeting customer expectations with tailored boutique insurance solutions.
- Keeping It Simple, Secure, and transparent through digital smart platforms.
- Being responsible to our customers' requirements and improving our services.
- Encouraging our customers in fostering their corporate responsibility goals.
- Ongoing engagement through the policy cycle.

Employee Engagement

Navigating the robust insurance industry landscape demands a high level ofproficiency, knowledge, and adaptability. We strive to create an equal opportunity work environment that lays the foundation for a strong corporate culture with professionally qualified individuals. Our commitment to diversity, equality and inclusion is unwavering. We believe that a diverse work culture enhances value creation and boosts employee engagement, fostering a sense of ownership towards achieving corporate goals and success.

Throughout the year, we organize various recreational activities to celebrate the company's notable achievements, recognize top performers, and facilitate team-building exercises, among other events. These activities promote team spirit and create a positive, solution-oriented work environment.

Transparency in policies and procedures is crucial for fostering trust and accountability within an organization. We support clear communication on employee privileges ensuring that all staff members are aware of their entitlements and protections. This includes understanding their rights related to working hours, leave entitlements, and protection against discrimination and harassment. Our employees understand the criteria for promotions, appraisals, and salary adjustments, thus reducing perceptions of bias and favoritism, leading to higher morale and job satisfaction. We advocate maintaining a safe workplace for the physical and mental wellbeing of our employees.

Staff Strength

Our workforce is our greatest strength and the foundation of our business success. We foster a corporate culture that encourages open communication, where employees are invited to share their ideas and constructive feedback to enhance engagement and well-being. Our commitment to diversity and inclusiveness is inspired by operating in a country with strong guiding principles on tolerance and inclusion. We celebrate the diversity, experience, and harmony that our employees bring to the company. With 190 employees from more than 23 different nationalities, diversity is deeply embedded in Takaful Emarat's company culture.

Category	Female	Male
Manager	9	40
Staff	71	70
Total	80	110

Our strategy is to increase the number of Emirati talent & the successful integration of the national workforce to core insurance positions enabling thus our people for a long-term career in the insurance sector. Our current strength of UAEN employees stands at 21%.

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2025 Initiatives

Takaful Emarat has achieved a strong leap in the field of Emiratization for the year 2025, as we achieved points exceeding the expected numbers in one year.

- Summary as per the **MoHRE system** target year 2025:

TAWTEEN percentage achieved by end of 2025 was **23.93%.**

- Summary as per the **CBUAE system** target year 2025:

80 was the required target points to operational: The achieved points end of 2025 **84 points**.

By the end of 2025 Takaful Emarat had **39** well trained and qualified Emirati employees. With majority of them having important and critical positions in the insurance sector, such as Underwriting, health takaful, family takaful, Finance, Emiratization, Sales Advisers and Compliance.

Dubai Office	
UAE Nationals	39
Total	190

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Social Responsibility

Wellness Campaign for Customers

Takaful Emarat arranged Wellness campaign for customers to provide awareness on lifestyle management and chronic condition prevention, reinforcing the company's role as a proactive health partner consistent with the principles of Takaful.

Psychological support resources were communicated to customers during difficult times, reflecting the Company’s commitment to holistic wellbeing beyond physical health coverage.

Business Partner Trainings

In addition, there were different trainings conducted with the business partners related to:

- Medical business operations
- Regulatory compliance
- Strengthening knowledge and accountability across the distribution network

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Social Responsibility

Employee Wellness Campaigns

Internally, Takaful Emarat invested in employee wellbeing through:

- Two in-house psychological support sessions
- One externally organized webinar
- Accessible and structured mental health resources for staff

Women's health was addressed through dedicated training sessions, raising awareness on key health topics and promoting informed self-care among female employees.

On-site health screenings were conducted, including:

- Blood sugar level checks
- Cholesterol testing
- Immunity assessments

A series of wellbeing and educational initiatives were launched, including:

- 10,000 steps daily walking challenge
- Protein intake and nutrition awareness programs

Vaccination Program for Employees

In 2025 Takaful Emarat has also arranged a Flu Vaccination Campaign for for the employees.

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Employees Well being

TE cares for the employee's wellbeing and financial security, benefits packages are designed to create value for the Company employees including health plans, life and personal accident benefits. TE encourages its employees to adopt healthy lifestyle. Amongst our other employee programs, the Company also arranged and conduct regular health checkups and wellness awareness sessions in association with reputed medical service providers for all staff during the year including the vaccination programs.

Training & Development

With the rapid adoption of technology, ongoing trainings become essential for the users who leverage it to bring success. Our IT team actively conducts awareness sessions on rising cyber security threats. Special training programs are delivered in-house, meeting the requirements of employees including mandatory sessions on Anti-Money Laundering, Cyber security, Code of Conduct, and others. In-house trainings or scheduled courses, workshops, others, is being encouraged for all employees during the year, which adds to the department score in annual appraisal process conducted through balance scorecard. Besides, inhouse structured learning, we encourage UAE nationals to pursue the courses offered by Emirates Insurance Federation focusing on development and career progression in Takaful.

Environmental Responsibility

As a responsible Takaful operator, Takaful Emarat recognizes the growing impact of climate change and the importance of integrating environmental considerations across our business operations. We remain committed to actively engaging with our value chain to support preventive risk management practices and adaptive strategies that contribute to long-term sustainability.

Our approach focuses on minimizing environmental impact while contributing to socio-economic resilience and supporting the transition towards a low-carbon economy. Through continuous improvement initiatives, we aim to enhance operational efficiency, reduce resource consumption, and promote environmentally responsible practices across our organization.

During 2025, the Company continued to implement initiatives that support responsible resource utilization and environmental awareness. These efforts are supported through planned investments, internal awareness programs, and employee engagement initiatives focused on risk preparedness and environmental responsibility.

Key initiatives include:

- Eco-conscious workplace practices through responsible office design and resource optimization
- Waste management and recycling initiatives to reduce environmental impact
- Smart infrastructure solutions, including sensor-based lighting systems and efficient sanitary equipment
- Resource efficiency initiatives, promoting a paperless working environment
- Reduction of carbon footprint through optimized operational processes and digital adoption

Takaful Emarat remains committed to continuously improving its environmental performance by embedding sustainability principles into daily operations and encouraging responsible practices among employees and stakeholders. Through collective efforts, we aim to contribute positively to environmental protection and support the broader transition towards a more sustainable future.

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Takaful Emarat (PJSC)

Corporate Governance Report 2025

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1. **Statement of procedures taken to complete the Corporate Governance system, during 2025, and method of implementation thereof:**

The Board of Directors of Takaful Emarat Insurance PSC, in cooperation with the Risk and Audit Committees, the Nomination and Remuneration Committee of the Board, the Internal Shariah Supervision Committee, the External Auditor of the Company and the Compliance and Internal Audit Departments, have applied the rules of the corporate governance and standards of corporate discipline under Federal Decree Law 32 of 2021 concerning the Commercial Companies and the decision of the Securities and Commodities Authority's Chairman of the Board of Directors No. (3 R.M) of 2020 regarding the Standards of Institutional Discipline and Corporate Governance guide which was issued subsequently, in order to find an integrated system of financial and non-financial control through which the Company's management and control. In addition, the Central Bank of United Arab Emirates (CBUAE) also issued Circular 24 of 2022 dated 29 September 2022 on Corporate Governance for Insurance Companies.

The management has updated the Corporate Governance Policy during the year which was approved by the Board. The Board has also reviewed and approved various internal policies during the year. The management participated in the training programs related to Corporate Governance requirements.

The Management has committed itself to providing the Board of Directors and its committees with sufficient information in a timely and complete manner to enable it to make decisions on the basis of proper performance of its duties and responsibilities. The Board of Directors was provided all the information that enables it to take its decisions on a sound basis.

The Company's management presents the business updates to the Board at its regular meetings to take the appropriate decisions. The Company is committed to implementing the SCA Decision (3) for the year 2020 regarding Corporate Governance Guide in addition to the laws and legislation in force in the United Arab Emirates.

2. **Statement of ownership and transactions of Board members and their spouses, their children in the Company securities during 2025, according to the following schedule:**

The members of the Board of Directors provided awareness of the requirements of disclosure and transparency in accordance with what is stipulated in the laws during their dealings in securities. They are also obligated to disclose in advance to the market any dealings in the securities of the parent, subsidiary, or sister company if this company is listed on the market.

Below is a table of ownership and transactions for members of the Board of Directors, their spouses, and their children during the year ending on 31st December 2025:

No.	Name	Position / Relationship	Owned shares as on 31/12/2025	Total sales	Total purchases
1	Dr. Nooraldeen Subhi Ahmed Atatreh	Chairman	17,775	Nil	17,775

3. **Board Formation:**

Statement of the current Board formation (along with the names of both the resigned and appointed Board members) according to the following schedule:

No.	Name	Category (executive, non-executive, or independent)	Experiences and Qualifications	Period served as a Board member from the date of first election	Membership and positions at any other joint-stock companies	Positions in any other important regulatory, government or commercial positions
1	Dr. Nooraldeen Subhi Ahmed Atatreh	Non-Executive Independent	Holds a Ph.D. degree in Pharmacy from Manchester University, UK, and MSc in Drug Chemistry from Newcastle Upon Tyne University, UK. He has been working in the education sector since 2011 responsible for the implementation of the educational institute's vision and philosophy.	14/08/2024 – present	NIL	NIL
2	Mr. Hisham Moufid Hammoud	Non-Executive Independent	Holds a Master's degree in International Business Administration and is a business leader and banking professional with over 30 years of experience in the financial services sector.	30/4/2025- present	Nil	Nil
3	Mr. Nayef Qassim Shahin Abdulla	Non-Executive Independent	Executive Masters Business Administration, London Business School, UAE – 2017. Leader in innovation, transformational and investment strategies.	09/05/2023 – present	NIL	NIL

4	Mr. Majed Awadh Mohamed Yafoor AlHameli	Non-Executive Independent	Expertise in media strategy and public relations. His academic knowledge on the implementation of media strategy and public relations has earned him a prominent career in as leader in Public Affairs and Media.	13/11/2023 - present	NIL	NIL
5	Mr. Abdlaziz Abdulatef	Non-Executive Independent	Masters degree from University of Westminister, UK in 2006. Executive consultant with more than 25 years of experience in the private and governmental sectors in business management.	22/10/2024 – present	NIL	NIL
6	Mr. Abdulrahman Marwan AlGhurair	Non-Executive Independent	Holds a degree from Emirates Aviation University and possesses diverse professional experience spanning the banking sector and leadership in the education field, providing him with a unique blend of strategic thinking, operational oversight, and financial expertise.	12/9/2025 - Present	Nil	Nil
7	Ms. Maryam Alshorafa	Non-Executive Independent	Marketing expert with over two decades of experience in	12/02/2025 to 08/04/2025*	Nil	Nil

			senior marketing executive roles across banking, education, and business council leadership. Studied Educational / Instructional Technology from University of Southern Queensland.			
8	Ms. Huda Buhumaid	Non-Executive Independent	Experienced professional in marketing, branding and developing corporate identity, digital marketing, internal and external corporate communications, sustainability strategy. Holds a Master of Science in Organisational Excellence with Honours from Bradford University, United Kingdom	30/04/2025 to 19/09/2025*	Nil	Nil

* Date of resignation/vacancy

- **Statement of the percentage of female representation in the Board for 2025:**
  The female representation in the Board was 14.28% during 2025. Currently, no female member on the Board since the latest resignation of the previous female members on 19/09/2025. The female Board member will be elected during Board elections.

- **The total remuneration paid to the Board members for 2024:**
  The total remuneration paid to the Board members for 2024 was AED 500,000.
  - Board members are granted remuneration in the form of fixed amounts only, including a fixed annual payment and reimbursement of costs directly associated with fulfilling their responsibilities, excluding any incentive payments based on the Company's performance.
  - Payments may also include other non-monetary benefits, such as insurance and healthcare.
  - A lump sum payment of AED 200,000 per member may be granted if the Company does not achieve a profit, or if a member's entitlement is less than AED 200,000 in the case of Company profitability.

- **The total remuneration of the Board members, which are proposed for 2025, and will be presented in the annual general assembly meeting for approval:**

  The Company will propose distribution of remuneration of the Board members to the General Assembly in line with the limits prescribed by the governance principles.

- **Details of the allowances paid for attending sessions of the committees emanating from the Board during 2025:**

  There were no allowances paid to Board members for attending session of committees for 2025.

- **Details of the additional allowances, salaries or fees paid to Board members other than the allowances for attending the committees and their reasons:**

  There were no other allowances, salaries or fees paid to Board member for 2025.

Number of the Board meetings held during 2025 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy:

No.	Date of meeting	Number of attendees	Number of attendees by proxy	Names of absent members
1	16/01/2025	Four Members	None	Nil
2	21/03/2025	Four Members	None	Mr. AbdulAziz Abdelatif
3	12/05/2025	Six Members	None	Nil
4	06/08/2025	Four Members	None	Mr. Abdulaziz Abdlatef Ms. Huda Buhumaid
5	14/10/2025	Five Members	None	Mr. Majed Awadh Mohamed Yafoor Alhameli
6	17/12/2025	Six Members	None	Nil
7	25/12/2025	Five Members	None	Mr. Majed Awadh Mohamed Yafoor Alhameli

Number of the decisions passed by circulation during the 2025 fiscal year indicating their dates:

Number of Decisions by Passing	Date	Resolutions
1	12 February 2025	Appointment of Board member
1	24 April 2025	Approval of Liquidity Provider Agreement
1	26 July 2025	Appointment of Board Member
2	12 September 2025	Appointment of Board member & Chief Executive Officer

There are no prohibitions imposed on any Board member related to any matter stated herein.

4. Board Committees:

Audit Committee

a. Mr. Hisham Hammoud, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

b. The following members represented the Audit Committee during 2025:
Mr. Hisham Hammoud – Chairman
Mr. Nayef Qassim Shahin Abdulla
Ms. Maryam Alshorafa
Ms. Huda Buhumaid

c. Number of meetings held by the Audit Committee during 2025

Name	First Meeting (MS Teams) 21/03/2025	Second Meeting (MS Teams) 09/04/2025	Third Meeting (MS Teams) 12/05/2025	Fourth Meeting 05/08/2025	Fifth Meeting 12/11/2025
Mr. Hisham Hammoud	N/A	N/A	✓	✓	✓
Mr. Nayef Qassim Shahin Abdulla	✓	✓	✓	✓	✓
Ms. Maryam Alshorafa	✓	✓	N/A	N/A	N/A
Ms. Huda Buhumaid	N/A	N/A	A	A	N/A

✓: Attend **N/A**: Not a Committee Member at that time. **A**: Absent

d. Annual Audit Committee Report for 2025:

- The Committee reviewed the annual and interim financial statements in the Committee meetings during 2025 and provided its recommendation to the Board on approval of the financial statements. The Committee also discussed the significant matters raised by the External auditors during the periodic Committee meetings.

- To ensure independence and effectiveness of External Audit, the Committee was provided with the declaration from External auditors on quarterly basis regarding their independence.

- The Committee recommended the appointment to the Board and the General Assembly appoints the External Auditor based on the independence and experience of the External Audit firm in the industry as per the recommendation of the Board of Directors. There were no instances where Board of Directors rejected the recommendation of the Audit Committee on the appointment of External Auditor.

- For non-audit services from same external audit firm, the Audit Committee in coordination with executive management ensured that there is no conflict of interest between the scope of the audit of the financial statements and the scope of non-audit services. The Company has the policy on appointment of External Auditors which was recommended by the Audit Committee and approved by the Board. In addition, the Company obtains declaration from External Auditors to confirm their independence before each engagement.

- The External Auditors report in their quarterly meeting with the Audit Committee if they have noted any material deficiencies or failures in internal control system. The Audit Committee conducted separate meetings with the External Auditor without the presence of the executive management of the Company. In case of any weaknesses identified by the External Auditors, the Audit Committee discussed the same with the management and instructed to take required action. During 2025, the Audit Committee recommended to update the key policies and procedures of the Company by engaging an expert and independent third party.

<u>Tasks assigned to Audit Committee:</u>

1. Review Company's financial and accounting policies and procedures.
2. It shall oversee the integrity of and review the Company's financial statements and annual, semi-annual, and quarterly reports in the course of its operations during the year and shall, in particular, focus on:
   i) Any changes of accounting policies and practices
   ii) Highlighting matters that are subject to the management's judgment.
   iii) Material amendments emerging out of auditing.
   iv) Assumption of the Company's going concern
   v) Adherence to the accounting criteria set by the Authority, and
   vi) Adherence to listing and disclosure rules as well as other financial reporting legal requirements
3. It shall coordinate with the Board of Directors, the executive management and the financial manager or the manager assuming the same duties in the company in order to duly fulfil its duties. The Committee shall hold a meeting with the company's external auditor at least once per annum.
4. It shall consider any outstanding unconventional issues that are or have to be reflected in these reports and accounts and shall pay necessary attention to any issues raised by the financial manager of the Company, the manager assuming the same duties, the compliance officer or the external auditor.
5. Submit recommendations to the Board of Directors regarding the selection, resignation, or removal of the auditor. In the event that the Board of Directors does not agree with the recommendations of the Audit Committee in this regard the Board of Directors must include in the Corporate Governance Report an statement explaining the recommendations of the Audit Committee and reasons that prompted the Board of Directors not to adopt the recommendations.
6. Setting and implementing an external audit policy and recommending to the Board of Directors by identifying the issues where actions are required to be taken.
7. Ensure that the auditors meet the requirements of laws and regulations and monitor their independence.
8. Meet the auditors without the presence of company's senior executive management once in a year and discuss nature, scope and effectiveness of audit in accordance with the international audit standards.
9. Discuss the work conducted by the auditor, communication with the Company, observations, recommendations and inquiries raised by the auditor to the senior management regarding accounting and internal control system and the management response and follow-up.
10. Ensure that the management respond in timely manner to the issues raised in the audit report.
11. Review the Company's financial control, internal control and risk management systems.
12. It shall discuss the internal control system with management and make sure that it fulfills its duty to develop an effective internal control system.
13. It shall consider findings of main investigations into internal control issues to be assigned to the management for corrective measures.
14. Review auditor's evaluation of internal control procedures and ensure coordination between internal and external auditor.

15. Ensure that necessary resources are available to internal control department and review and monitor the effectiveness of the department.
16. Review internal audit reports and follow-up on the implementation of recommendations in the report.
17. It shall develop rules that enable the employees of the Company to secretly report any potential violations in financial reports, internal control or other issues and adequate steps to conduct independent, fair investigations into these violations.
18. It shall oversee the scope of the Company's compliance with its code of conduct.
19. Review dealings with the related party and ensure there is no conflict of interest and recommend those to the Board of Directors before concluding the transaction.
20. It shall ensure application of rules of operation in connection with their duties and powers assigned thereto by the board of directors.
21. it shall make a report to the board of directors on the internal control issues.
22. It shall consider any other issues as the board of directors may determine.

Nomination and Remuneration Committee

a. Mr. Nayef Qassim Shahin Abdulla, Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness.
b. The following members represented the Nomination and Remuneration Committee during 2025:
   Mr. Nayef Qassim Shahin Abdulla - Chairman
   Mr. Majed Awadh Mohamed Yafoor AlHameli
   Mr. Abdlaziz Abdulatef
c. Number of meetings held by the Nomination and Remuneration during 2025:

Name	First Meeting 03/07/2025 (MS Teams)	Second Meeting 19/08/2025 (MS Teams)	Third Meeting 08/10/2025 (MS Teams)
Mr. Nayef Qassim Shahin Abdulla	✓	✓	✓
Mr. Majed Awadh Mohamed Yafoor AlHameli	✓	✓	✓
Mr. Abdlaziz Abdulatef	✓	A	✓

✓: Attend **A**: Absent

Tasks assigned to the Nomination and Remuneration Committee:

1. Setting policy for candidate for membership for Board of Directors and executive management taking into account diversification in the gender, encouraging women participation by providing incentives, training and programs and provide to Authority the copy of the policy and any amendments.
2. Organization and follow-up of procedures of nomination to the membership of the board of directors in line with applicable laws and regulations as well as this Resolution.
3. Verification of ongoing independence of independent board members.
4. Formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to board members and employees of the Company and the committee shall verify that remunerations and benefits granted to the senior executive management of the Company are reasonable and in line with the Company's performance.

5. Annual review of required skills for the membership of the Board of Directors and preparing competencies and qualifications required for the membership of the Board including specifying the time a member needs to allocate to work for the Board.
6. Review the structure of Board of Directors and make recommendations if any changes are required.
7. Determination of the Company's needs for qualified staff at the level of senior executive management and employees and the basis of their selection.
8. Formulation, supervision of application and annual review of the Company's human resources and training policy; and
9. Handle any other matters specified by the Board of Directors.

Insider Trading Monitoring and Oversight Committee

a. The monitoring and supervising Committee Chairman acknowledges his responsibility for the committee system in the Company.
b. The following members represented the Monitoring and Supervision Transactions of stakeholders Committee during 2025:
   Mr. Gafar Ali – Head of Legal
   Mr. Salman Qureshi – Senior Compliance Manager
c. There was one meeting held by the Committee on 03/12/2025 attended by all members.
d. Summary of the work during 2025:
   - Review of Insider Register and updates.
   - Review of Insider Trading Policy and Procedures.
   - Employees training on the Insider Trading Policy & Procedures.
   - Review of the trading reports and periodic reports submitted to SCA/DFM on the insiders list.
   - Submit the register and periodic reports of the insiders to DFM, SCA upon requests.
   - Respond to the insiders inquires and inform them with the prohibited trading periods.

Investment Committee:

a. Mr. Majed Awadh Mohamed Yafoor Alhameli, the Investment Committee Chairperson, acknowledges responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.
b. The following members represented the Investment Committee during 2025:
   Mr. Majed Awadh Mohamed Yafoor AlHameli – Chairman
   Mr. Abdulrahman Alghurair
c. There was one meeting held by the Committee on 08/12/2025 attended by existing members.

Role of the Investment Committee:

- Develop investment strategy for the approval of the Board of Directors.
- Setting the investment guidelines.
- Reviewing / monitoring the investments.
- In conjunction with the Audit Committee, determining the scope of the rigorous audit procedures that include full coverage of the investment activities to ensure timely identification of internal control weaknesses and operating system deficiencies.
- Assisting the Board of Directors in its evaluation of the adequacy and efficiency of the investment policies, procedures, practices and controls applied in the day-today management of its business through an audit report (either independent internal or external) that is to be submitted to the Audit Committee.

Risk Management Committee

a. Mr. Majed Awadh Mohamed Yafoor Alhameli, the Investment Committee Chairperson, acknowledges responsibility for the committee system in the Company
b. The following members represented the Risk Committee during 2025:
   Mr. Nayef Qassim Shahin Abdulla (Till 14 October 2025)
   Mr. Majed Awadh Mohamed Yafoor AlHameli
c. There was one meeting held by the Committee on 30/07/2025 attended by attended by existing members.

Role of the Risk Committee:

- Help to set the tone and develop risk management program.
- Create awareness such that people at all levels own and manage risks related to their areas
- Monitor the organization's risk profile - its on-going and potential exposure to risks of various types
- Approve the risk management policy.
- Discuss with the CEO and management the company's major risk exposures and review the steps management has taken to monitor and control such exposures.
- Perform any other activities that the board or risk committee determines are necessary.

In addition, the Company also have Internal Shariah Supervision Committee (ISSC). The ISSC met four times during 2025. All members attended the meeting. The ISSC will issue Annual Shariah Report for the year 2025 on the compliance with Shariah rules once approved by the Higher Shariah Authority

5. **Statement of Board duties and powers exercised by Board members or the executive management members during 2025 based on an authorization from the Board:**

#	Name of the authorized person	Delegation authority	Duration of Delegation
1	Mr. Adnan Sabaalaish - Chief Executive Officer	The Board delegated following authority: • Conducting day to day commercial and internal affairs of the company. • Representing the company in front the government. departments, ministries. • Representing the company and signing agreements inside and outside the country. • Representing the company in front of the courts and arbitration boards.	From 22/07/2025 to Present
2	Mr. Adnan Sabaalaish - Chief Executive Officer jointly with a Board member	The Board delegated following authority: • Open, close, operate bank account. • Add/delete bank signatories.	From 22/07/2025 to Present

		• Obtain credit facilities. • Sale/purchase of investments. • Notify Board in next Board meeting.	
3	Dr. Nooraldeen Subhi Ahmed Atatreh	The Board delegated following authority: • Representing the company in front the government departments, ministries. • Representing the company and signing agreements inside and outside the country. • Representing the company in front courts and arbitration boards. • Open, close, operate bank account. • Add/delete bank signatories. • Obtain credit facilities. • Sale/purchase of investments.	From 04/11/2024 to 21/07/2025

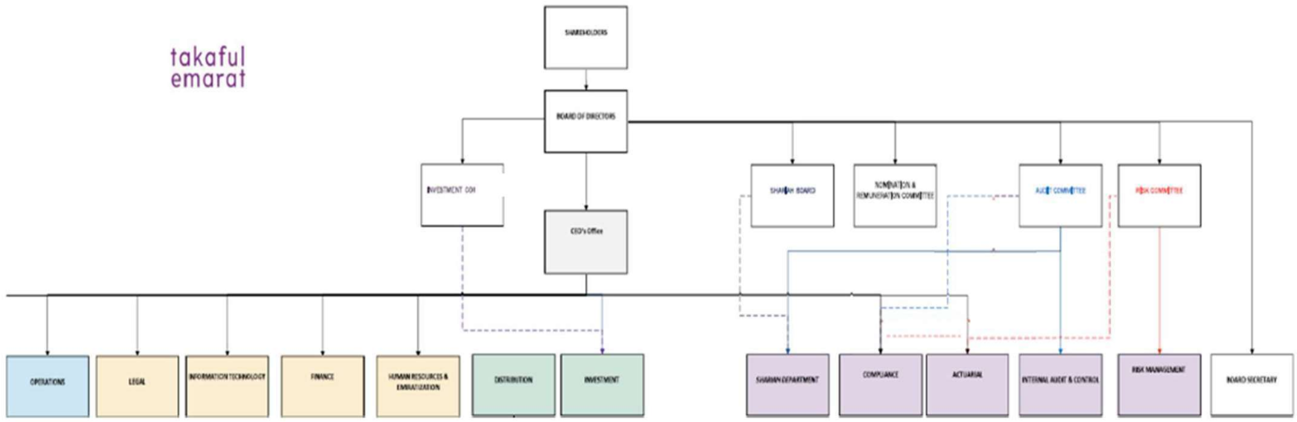
6. **Statement of the details of transactions made with the related parties (Stakeholders) during 2025:**

As per the Chairman of the SCA Board of Directors' Decision (3 RM) of 2020 on Joint Stock Companies Governance Guide applicable for the year 2025, the Company was not a party to any related party transaction during the year 2025.

7. **Assessment of the Board of Directors:**

The annual assessment of the performance of the Board of Directors and its committees were conducted by the Chairman with the Board Secretary in September 2025.
Each Board member was selected and evaluated in terms of education, experience, skills, duties, ethics, availability, participation, compatibility and judgement.
The Employees Performance Appraisal were also reviewed and approved by the Board in March 2025.

8. Organization Structure and Executive Management:



A. A detailed statement of the senior executives in the first and second grade:

Position	Date of Appointment	Total Salaries and Allowances paid in 2025 (AED)	Total Bonuses paid for 2025 (AED)	Any other Cash/in-kind Bonuses for 2025 or Due in the future (AED)
Chief Executive Officer	12/09/2025	330,000	Nil	Nil
Chief Investment Officer*	11/12/2023	520,000	Nil	Nil
Director Finance	28/08/2016	381,736	Nil	Nil

*Resigned on: 30/08/2025

The Company follows a pay package with a split compensation and benefit system. Remuneration shall be divided into basic pay and other allowances (housing, transportation etc.).
The Company has an organization Chart which represent the level of employees hierarchy and reporting lines within the Company.

9. External Auditor:

A. **An overview of the Company auditor to shareholders.**

Grant Thornton is a multinational professional services company and one of the leading service provider in UAE which provide audit, tax and advisory services to privately held businesses, public interest entities, regulators and private sector entities. It has over 700 specialists across offices in Abu Dhabi, Dubai and Sharjah.

B. **Statement of fees and costs for the audit or services provided by the external auditor, according to the following schedule:**

Name of the Audit Firm	Grant Thornton (GT)
Name of the partner auditor	Mr. Farouk Mohamed
Number of years served as the Company external auditor	Three years
Number of years partner auditor served auditing the Company accounts	Three years
Total audit fees for 2025	AED 585,000
Fees and costs of other special services provided by the Company's auditor. In case of absence of any other fees, this shall be expressly stated.	No other services provided by the Grant Thornton.

The fees and cost of the other services other than auditing the financial statements for 2025. If there are no other services, this matter shall be stated expressly.	N/A
Statement of other services that an external auditor other than the company accounts auditor provided during 2025 (if any). In the absence of another external auditor, this matter is explicitly stated.	N/A

C. **Statement clarifying the reservations that the Company auditor included in the interim and annual financial statements for 2025:**
The Company's auditor issued an unqualified opinion in the financial statements for the year ended 31st December 2025.

10. Internal Control System:

a. The Board of Directors of the Company acknowledges its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness. The Board also reviews the system to ensure that the Company and its employees are fully compliant with the provisions of the laws, regulations and decisions in force. The Board of Directors responsibilities further include the monitoring of internal policies, procedures and reviewing the financial data presented by the Company's Senior Management which is used in the preparation of Financial Statements.

   New Internal control framework & manual were approved by the CEO & currently awaiting the Audit Committee and Board approval before circulation to the Company's departments.

b. **Name of the Internal Control Director, and his qualifications:**
   Name: Mr. Bassem Alkhouly
   Date of appointment: 16/12/2024
   Qualifications: Diploma in Internal Control / Certified Fraud Examiner
   Experience: More than 20 years

c. **Name of Compliance Officer, his qualifications:**
   Name: Mr. Salman Qureshi – Senior Compliance Manager
   Date of Appointment: 14/11/2023
   Qualifications: Fellow Cost and Management Accountant
   Experience: More than 22 years

d. No significant issues were identified in the internal audit reports issued in 2025. All observations were discussed with management, and a mutually agreed action plan with defined rectification timelines was established and regularly reported to the Audit Committee.

e. There were Five reports issued in 2025 by Internal Audit Department.

11. **A Statement detailing violations committed during 2025:**

There was a delay in submission of regulatory reports. The Company took the corrective measures by assigning additional resources to ensure timely submission.

12. **A Statement of cash and in-kind contributions made by the Company during 2025:**

Paper consumption was significantly reduced across all departments through the transition to digital workflows including electronic HR forms, digital onboarding documentation, and paperless approval processes minimising administrative waste and supporting a more sustainable working environment.

Energy-saving practices remained embedded across all office locations in Dubai, Abu Dhabi, and Sharjah, including the use of energy-efficient lighting systems.

The Company's social media channels continued to promote health awareness, mental wellness, and healthy lifestyle content, extending community engagement beyond its customer base to the wider public.

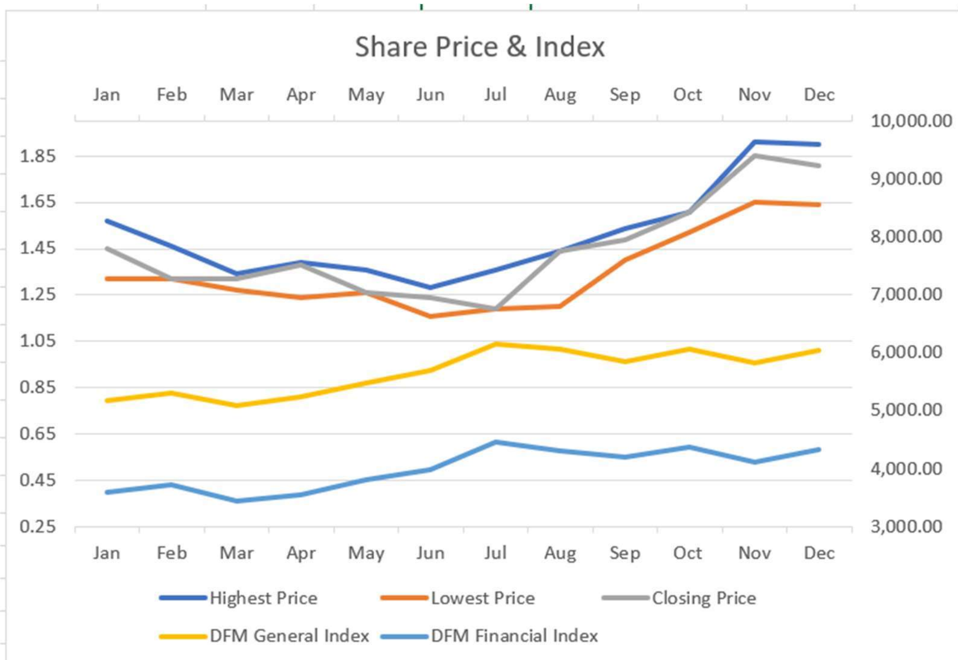
The Company maintained a deliberate approach to partnering with vendors and suppliers who share its commitment to sustainability and social responsibility. One such example is the Company's collaboration with Do Tulio, a coffee brand built on empowering women through employment and fair trade reflecting the Company's broader commitment to supporting female economic participation and ethical business.

13. **General Information:**

a. **Comparative performance with the market index and the sector index:**
Monthly Performance of Takaful Emarat Shares for Year 2025:

Month	Highest Price	Lowest Price	Closing Price	DFM Index	Financial Index
Jan	1.57	1.32	1.45	5,180.37	3,597.35
Feb	1.46	1.32	1.32	5,317.63	3,724.21
Mar	1.34	1.27	1.32	5,096.24	3,441.05
Apr	1.39	1.24	1.38	5,248.03	3,544.29
May	1.36	1.26	1.26	5,480.51	3,806.57
Jun	1.28	1.16	1.24	5,705.76	3,984.16
Jul	1.36	1.19	1.19	6,159.15	4,465.32
Aug	1.44	1.20	1.44	6,063.61	4,305.85
Sep	1.54	1.40	1.49	5,839.64	4,196.04
Oct	1.61	1.52	1.61	6,059.43	4,377.01
Nov	1.91	1.65	1.85	5,836.89	4,120.18
Dec	1.90	1.64	1.81	6,047.09	4,327.88

B. **Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2025:**



C. **Statement of the shareholders ownership distribution as on 31/12/2025 (individuals, companies, governments) classified as follows: local, Arab and foreign:**

No.	Shareholders Classification	Percentage of owned shares			
		Individuals	Companies	Government Entities	Total
1	Local	43.16 %	13.22%	-	56.38 %
2	Arab	19.56%	0.24%	-	19.80 %
3	Foreign	11.98%	11.84%	-	23.82 %
Total		74.70%	25.30%	-	100%

D. **Statement of shareholders owning 5% or more of the Company's capital as on 31/12/2025:**

Ser.	Name	Number of owned shares	Percentage of owned shares of the company's capital
1	Sky Bridge Plus Project Management LLC	20,958,000	9.9491%
2	BHM Capital Financial Services PSC	15,844,903	7.5218%
3	Mr. Marwan Ahmad Majid Alghurair	11,855,000	5.6278%

E. **Statement of how shareholders are distributed according to the volume of ownership as on 31/12/2025 according to the following schedule:**

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	5,058	4,527,150	2.15%
2	From 50,000 to less than 500,000	185	31,049,000	14.74%
3	From 500,000 to less than 5,000,000	68	98,324,267	46.68%
4	More than 5,000,000	7	76,751,583	36.43%

F. **Statement of measures taken regarding the controls of investor relationships and an indication of the following:**

A special page has been created on the Company's website. The Company website has been updated with the information and data disclosed by the Company such as shareholder rights, governance reports, financial statements, ownership structure and percentage and contact information of investor relationship officer.

Department: Investor Relations
Email: investor.relations@takafulemarat.com
Phone: +97142309346
Fax: +97142309333
Website: https://takafulemarat.com/investors-information/

G. **Statement of the special decisions presented in the General assembly held during 2025:**

The Annual General Assembly Meeting of the Company held on 30 April 2025. The Company opened the nominations for Board membership on two vacant seats and appointed two Board members.

H. **Secretary of the Board meetings and the date of appointment**:

Due to resignation of previous Board Secretary, Mr. Salman Qureshi handled the Board Secretary role on temporarily basis till November 2025. The request for NOC was submitted to CBUAE on appointment of new Board Secretary.

The Board Secretary handled all the Board Meetings' arrangements including notices and disclosures, documentation of presentations and minutes of meetings.

I. **Detailed statement of major events and important disclosures that the Company encountered during 2025:**

- Takaful revenue reached AED 444.4 million as at Q3, 2025, up from AED 293.6 million for the same period last year.
- Earnings Per Share (EPS) AED 0.11 as at Q3 2025 compared to AED -0.02 for the same period last year.

J. **Statement of the deals that the Company made with related parties during 2025 which are equal to 5% or more of the Company's capital.**

There were no transactions made of 5% or more of the Company's capital in 2025 with related parties.

K. **Statement of Emiratization percentage in the Company at the end of 2023, 2024 and 2025:**

- The Emiratization percentage in the Company at the end of 2023 is 13.8%.
- The Emiratization percentage in the Company at the end of 2024 is 17.3%.
- The Emiratization percentage in the Company at the end of 2025 is 21.0%.

L. **Statement of innovative projects and initiatives carried out by the Company or being developed during 2025:**

Awareness campaigns were conducted on lifestyle management and chronic condition prevention, reinforcing the Company's role as a proactive health partner consistent with the principles of Takaful. Psychological support resources were communicated to customers during difficult times, reflecting the Company's commitment to holistic wellbeing beyond physical health coverage.

Internally, the Company invested in employee wellbeing through two in-house psychological support sessions and one externally organised webinar, providing staff with accessible mental health resources in a structured and supportive format.

Women's health was specifically addressed through dedicated training sessions, raising awareness on key health topics relevant to female employees and promoting informed self-care.

On-site health screenings were conducted covering sugar levels, cholesterol, and immunity checks, giving employees direct access to preventive health assessments in the workplace.

A series of wellbeing and educational challenges were launched across the organisation, including a 10,000 steps daily walking challenge, protein intake and nutrition awareness programs, and leadership and motivation initiatives — fostering a culture of continuous personal development and team engagement.

Training sessions were conducted with business partners covering medical business operations and regulatory compliance, strengthening knowledge and accountability across the Company's distribution network.

In parallel, the Company invested significantly in internal capability through people development initiatives. The Coursera enterprise learning platform was launched, giving all employees access to thousands of accredited courses across professional, technical, and leadership disciplines. DarwinBox, a cloud-based HR management system, was implemented to digitalise core HR processes including onboarding, performance management, and employee records. An Internal Academy framework was established to formalise structured learning internally, enabling subject matter experts to contribute to organisation-wide capability building. Employees were also supported to attend external industry events, conferences, and regulatory workshops to ensure the Company remains aligned with best practices across the insurance landscape.

Signature of the Board -Chairman	**On Behalf of Audit* Committee - Chairman**	**Signature of Nomination and Remuneration Committee Chairman**	**Signature of the Head of the Internal Audit and Controls Department**
Nooraldeen Subhi Atatreh	**Nayif Qassem Shahin**	**Nayif Qassem Shahin**	**Bassem AL Khouly**
Signed by: F6EE6157507F484...	Signed by: 8271E35671A44B0...	Signed by: 8271E35671A44B0...	Signed by: Bassem Alkhouly 5D748B36F03848F...

Date:30.03.2026

Company Seal: Signed by:

*Audit Committee Chairman resigned on 25 March 2026