



## Integrated Report

### Orient Takaful PJSC 2025

Orient Takaful PJSC is delighted to announce its Integrated Report of 2025 which contain the following:

- 1- Board of Directors' Report
- 2- Auditor's Report
- 3- Financial Statements
- 4- Corporate Governance Report
- 5- ESG Report
- 6- Shariah Supervisory Committee Report

بسم الله الرحمن الرحيم

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

On behalf of the Board of Directors, we are pleased to present the financial results of Orient Takaful PJSC for the year ended December 31, 2025.

The year 2025 has so far been the best year for the company, as it is achieved best results since the inception of the company in the year 2017. We now stand as the leader in the topline in the takaful sector companies operating in the country and also amongst the top 3 for profitability. Orient Takaful is also among top 10 Insurers on overall market in terms of top line and 11th in terms of bottom line.

The UAE's economic prospects are optimistic, with the Central Bank of the UAE having projected the country's GDP growth at 5.2% to 5.3% in 2026. The IMF has projected UAE Economy to grow by 5% in 2026. This growth is driven by non-oil sector expansion and a rebound in hydrocarbon output. The continued growth in 2026 is largely expected to be supported by structural reforms, increasing tourism, construction, and higher OPEC+ production. The UAE insurance industry has benefited from this positive impact, as reflected in 16% growth in the Insurance Revenue (based on published preliminary results for 2025). Thus, the outlook for the UAE Insurance Sector for 2026 and beyond remains positive.

The company continued to grow and has achieved takaful contract revenue of AED 1,267 million in 2025 (AED 868 million in 2024), recording a 46% growth. The company will continue to focus on expanding its strategic partnerships with all leading players in the market to further improve its market share. Orient Takaful is working to arrange additional re-insurance capacities on Energy and Financial lines to write Facultative inward business from UAE and International markets.

We have achieved a Net Profit before tax of AED 88.68 million for the year 2025, recording a 24% increase from the previous year's net profit before tax of AED 71.80 million. The company has been able to achieve this performance due to its prudent underwriting, and cost control measures in claims and expenses.

The Shareholder's Equity stands at AED 426.6 million (AED 349.4 million in 2024), representing 326.6% surplus over the regulatory minimum capital requirement.

Despite significant growth in the topline, the company maintains 137% surplus over the solvency capital requirement, which is a testament of good governance and risk management policies.

The company continues to maintain one of the highest credit ratings from reputable rating agencies as follows:

- Financial Strength Rating of A (Excellent) by AM Best
- Financial Strength Rating of 'A+' by S & P Global ratings

Paid Up Capital: Dhs. 200,000,000

رأس المال المدفوع: ٢٠٠,٠٠٠,٠٠٠ درهم

Registered under Federal Law No. (6) of 2007  
Certificate No. 92, Dated 16th July 2017  
Commercial Registration No. : 1266734مسجلة طبقاً للقانون الإتحادي رقم (٦) لسنة ٢٠٠٧ م  
رقم شهادة: ٩٢، تاريخ ١٦ يوليو ٢٠١٧  
رقم السجل التجاري: ١٢٦٦٧٣٤

During the year, the company has negotiated better reinsurance terms with the existing reinsurance panel, to increase its underwriting capacity. The company plans to expand its footprint in the energy lines in the coming years, which is well supported by the reinsurers.

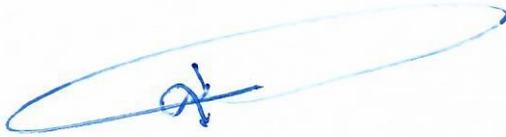
The company partners with leading reinsurers like QBE, Munich Re, Allianz Worldwide Partners, Swiss Life. etc.

### Financial Highlights

Particulars	2025 (AED '000s)	2024 (AED '000s)	% Increase/ (Decrease) over 2024
Gross Written Contributions	1,329,470	1,067,046	25%
Takaful Contract Revenue	1,266,508	867,587	46%
Net Takaful Results before Wakala Fees	287,440	205,052	40%
Income from Wakala Deposits	33,434	32,152	4%
Net Profit / (Loss) after Tax	77,228	65,368	18%
Total Assets	1,684,192	1,573,398	7%
Shareholders' Equity	426,600	349,372	22%

On behalf of the Board of Directors, we would like to congratulate the stakeholders, management and all the team members of the company on achieving another milestone of highest topline and bottom-line for the year ended December 31, 2025.

We extend our sincere thanks to our customers, business partners, shareholders and regulatory authorities for their support and guidance during the year in achieving such milestones. With the current growth pattern despite challenging market conditions, we are confident that the management will be able to deliver further growth in line with the long-term strategic plans for the company.



Chairman of the Board of Directors

# **Orient Takaful P.J.S.C.**

## **FINANCIAL STATEMENTS**

**31 DECEMBER 2025**

# Orient Takaful P.J.S.C.

## FINANCIAL STATEMENTS

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As at 31 December 2025

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

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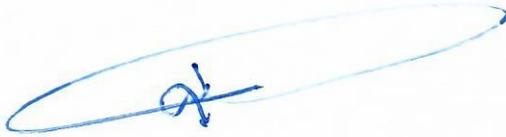
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Chairman of the Board of Directors

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT TAKAFUL P.J.S.C.**

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

#### **Opinion**

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

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

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

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



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT TAKAFUL P.J.S.C. (continued)

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

#### Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Valuation of takaful contract assets/ liabilities and retakaful contract assets/ liabilities</b></p> <p>The valuation of takaful contract assets and liabilities, as well as retakaful contract assets and liabilities, is considered to be a key audit matter due to its significance to the financial statements as a whole. The Company applies the Premium Allocation Approach (PAA) and this involves significant judgments in assessing the eligibility of the contracts to use PAA, estimating future cash flows, and determining the liability for remaining coverage.</p> <p>Actuarial assumptions and models are essential to these valuations and the presence of estimation uncertainty involved in these assumptions may result in material misstatement.</p> <p>Note 22 to the financial statements describes the elements that make up the takaful assets/ liabilities as well as retakaful contract assets and liabilities.</p>	<p>The work that we performed to address this key audit matter, included the following procedures:</p> <ul style="list-style-type: none"><li>• We obtained an understanding and evaluated the Company's process for determining the key actuarial assumptions;</li><li>• We involved our EY actuarial specialists to review the methodology, assumptions and other key inputs and to test a sample of the actuarial balances;</li><li>• We evaluated the data used in the actuarial calculations by substantiating it to source documentation;</li><li>• We tested on a sample basis, key inputs which includes contribution received, claims paid and commission income by comparing them to appropriate documentation, such as policy documents, reports from loss adjusters, retakaful contracts etc;</li><li>• We evaluated the calculations, methodology and the underlying assumptions used in loss component assessment and risk adjustment; and</li><li>• We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS.</li></ul>

#### Other information

Other information consists of the information included in the Board of Directors' Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORIENT TAKAFUL P.J.S.C. (continued)**

### **Report on the Audit of the Financial Statements (continued)**

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021, as amended and the UAE Federal Decree Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies, regarding the regulation of Insurance activities, Central Bank of the UAE Board of Director's Decision No. (26) of 2014 pertinent to the Financial Regulations for Takaful Companies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the 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 Company'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 ORIENT TAKAFUL P.J.S.C. (continued)**

### **Report on the Audit of the Financial Statements (continued)**

#### **Auditor's responsibilities for the audit of the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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**

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

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021, as amended;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Company;



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ORIENT TAKAFUL P.J.S.C. (continued)**

**Report on other legal and regulatory requirements (continued)**

- v) investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in Note 1 to the financial statements;
- vi) note 17 reflects material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2025; and
- viii) note 23.1 reflects the social contributions made during the year, if any.

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 the audit.

Ernst & Young Middle East (Dubai Branch)

*TS. Hali Hopal*

Thodla Harigopal  
Registration No.: 689

11 March 2026

Dubai, United Arab Emirates



## Orient Takaful P.J.S.C.

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>TAKAFUL OPERATIONS' ASSETS</b>			
Cash and cash equivalents	12	39,275	56,481
Wakala deposits	10	425,362	311,069
Other receivables and prepayments	9	331	251
Takaful contract assets	22	8,737	2,056
Retakaful contract assets	22	741,180	779,352
<b>Total takaful operations' assets</b>		<b>1,214,885</b>	<b>1,149,209</b>
<b>SHAREHOLDERS' ASSETS</b>			
Cash and cash equivalents	12	4,009	2,353
Wakala deposits	10	333,295	315,296
Statutory deposit	10	6,000	6,000
Receivable from policyholders	15	109,823	67,521
Other receivables and prepayments	9	3,572	25,668
Receivable from related party	17	5,781	630
Intangible assets	14	450	388
Property and equipment	13	6,377	6,333
<b>Total shareholders' assets</b>		<b>469,307</b>	<b>424,189</b>
<b>TOTAL ASSETS</b>		<b>1,684,192</b>	<b>1,573,398</b>
<b>TAKAFUL OPERATIONS' LIABILITIES AND DEFICIT</b>			
<b>TAKAFUL OPERATIONS' LIABILITIES</b>			
Retakaful contract liabilities	22	4,314	17,486
Takaful contract liabilities	22	1,100,748	1,064,202
Payable to shareholders	15	109,823	67,521
<b>Total takaful operations' liabilities</b>		<b>1,214,885</b>	<b>1,149,209</b>
<b>TAKAFUL OPERATIONS' DEFICIT</b>			
Deficit in policyholders' fund	16	-	(538,089)
Provision against Qard Hassan	16	-	538,089
<b>Total takaful operations' liabilities and deficit</b>		<b>-</b>	<b>-</b>
<b>SHAREHOLDERS' LIABILITIES AND EQUITY</b>			
<b>SHAREHOLDERS' LIABILITIES</b>			
Other payables	11	27,378	55,292
Corporate tax payable	24	11,457	6,430
Related parties payable	17	553	10,444
Employees' end of service benefits	18	3,319	2,651
<b>Total shareholders' liabilities</b>		<b>42,707</b>	<b>74,817</b>

The attached notes 1 to 32 form part of these financial statements.

# Orient Takaful P.J.S.C.

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		<i>31 December</i> <i>2025</i> <i>AED'000</i>	<i>31 December</i> <i>2024</i> <i>AED'000</i>
	<i>Notes</i>		
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	20	200,000	200,000
Share premium	20	1,198	1,198
Statutory reserve	21	24,550	16,827
Retakaful risk reserve	21	16,067	11,353
Retained earnings		184,785	119,994
<b>Total shareholders' equity</b>		<b>426,600</b>	<b>349,372</b>
<b>Total shareholders' liabilities and equity</b>		<b>469,307</b>	<b>424,189</b>
<b>TOTAL TAKAFUL OPERATIONS'</b>			
<b>LIABILITIES AND SHAREHOLDERS'</b>			
<b>LIABILITIES AND EQUITY</b>			
		<b>1,684,192</b>	<b>1,573,398</b>

The financial statements were approved and authorised for issue by Board of Directors on 11 March 2026 and signed on their behalf by

Chairman

Chief Executive Office

# Orient Takaful P.J.S.C.

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>AED'000</b>	<b>2024</b> <b>AED'000</b>
Takaful contract revenue	22	<b>1,266,508</b>	867,587
Takaful service expense (excluding commission)	22	<b>(539,660)</b>	(682,963)
Net (expense)/income from retakaful contracts held	22	<b>(448,278)</b>	13,169
<b>Takaful service result</b>		<b>278,570</b>	197,793
Finance expenses from takaful contracts issued	22	<b>(24,328)</b>	(12,492)
Finance income from retakaful contracts held	22	<b>21,506</b>	10,719
<b>Net Takaful finance expenses</b>		<b>(2,822)</b>	(1,773)
Wakala fees	15.1	<b>(465,314)</b>	(373,466)
Profit from wakala deposits	10	<b>17,988</b>	13,896
Mudarib fee expense	10.1	<b>(6,296)</b>	(4,864)
<b>Net Takaful and investment result from Takaful operation</b>		<b>(177,874)</b>	(168,414)
Wakala fees income from policyholders	15	<b>465,314</b>	373,466
Profit from wakala deposits	10	<b>15,446</b>	18,256
Mudarib income from policyholders	10.1	<b>6,296</b>	4,864
Other income		<b>44</b>	-
Other operating expenses		<b>(6,087)</b>	(2,239)
Takaful service expenses	22	<b>(213,928)</b>	(153,316)
Net credit impairment losses on deposits		<b>(528)</b>	(819)
<b>Profit for the year before Qard Hassan</b>		<b>266,557</b>	240,212
Charge/provision against Qard Hassan to policyholders' fund	16	<b>(177,874)</b>	(168,414)
<b>PROFIT FOR THE YEAR BEFORE TAX ATTRIBUTABLE TO SHAREHOLDERS</b>		<b>88,683</b>	71,798
Income tax expense	24	<b>(11,455)</b>	(6,430)
<b>Profit for the year after tax</b>		<b>77,228</b>	65,368
Other comprehensive income		<b>-</b>	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>77,228</b>	65,368
<b>Earnings per share (AED)</b>	25	<b>38.61</b>	32.68

The attached notes 1 to 32 form part of these financial statements.

Orient Takaful P.J.S.C.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Share capital AED'000</i>	<i>Share premium AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Retakaful risk reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>
Balance as at 31 December 2023	200,000	1,198	10,290	7,429	65,087	284,004
Profit for the year	-	-	-	-	65,368	65,368
Transfer from retained earnings to retakaful risk reserve and statutory reserve (Note 21)	-	-	6,537	3,924	(10,461)	-
Balance as at 31 December 2024	200,000	1,198	16,827	11,353	119,994	349,372
Profit for the year	-	-	-	-	77,228	77,228
Transfer from retained earnings to retakaful risk reserve and statutory reserve (Note 21)	-	-	7,723	4,714	(12,437)	-
<b>Balance as at 31 December 2025</b>	<b>200,000</b>	<b>1,198</b>	<b>24,550</b>	<b>16,067</b>	<b>184,785</b>	<b>426,600</b>

The attached notes 1 to 32 form part of these financial statements.

# Orient Takaful P.J.S.C.

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year before tax		<b>88,683</b>	71,798
Adjustment for:			
Depreciation of property and equipment	13	<b>1,812</b>	1,563
Amortisation of intangible assets	14	<b>164</b>	197
Provision for employees' end of service benefits	18	<b>1,089</b>	648
Impairment credit loss		<b>528</b>	819
Finance costs on lease liabilities	19	<b>283</b>	211
Profit from wakala deposits	10	<b>(33,434)</b>	(32,152)
		<hr/>	<hr/>
Operating cash flows before movements in working capital		<b>59,125</b>	43,084
Change in:			
Retakaful contract assets		<b>38,172</b>	(313,719)
Takaful contract assets		<b>(6,681)</b>	34,419
Other receivables and prepayments		<b>22,016</b>	(9,494)
Due from related parties (relating to shareholders)		<b>(5,151)</b>	(253)
Takaful contract liabilities		<b>36,546</b>	379,804
Retakaful contract liabilities		<b>(13,172)</b>	(46,551)
Due to related parties (relating to shareholders)		<b>(9,891)</b>	1,983
Accruals, provisions and other payables		<b>(27,212)</b>	21,536
		<hr/>	<hr/>
Net cash generated from operating activities		<b>93,752</b>	110,809
Employees' end of service benefits paid	18	<b>(421)</b>	(400)
Income tax paid		<b>(6,428)</b>	-
		<hr/>	<hr/>
Net cash generated from operations		<b>86,903</b>	110,409
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	13	<b>(637)</b>	(50)
Purchase of intangible asset	14	<b>(226)</b>	-
Profits received from wakala deposit		<b>33,341</b>	32,080
Deposit with Islamic bank	10	<b>(762,500)</b>	(629,544)
Maturity of deposits with Islamic financial institution	10	<b>629,544</b>	499,000
		<hr/>	<hr/>
Net cash used in investing activities		<b>(100,478)</b>	(98,514)
		<hr/>	<hr/>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>			
Payment of lease liabilities	19	<b>(1,975)</b>	(969)
		<hr/>	<hr/>
Net cash used in financing activity		<b>(1,975)</b>	(969)
		<hr/>	<hr/>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>(15,550)</b>	10,926
Cash and cash equivalents at 1 January		<b>58,834</b>	47,908
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER 2025 (NOTE 12)</b>			
		<b>43,284</b>	58,834
		<hr/> <hr/>	<hr/> <hr/>

The attached notes 1 to 32 form part of these financial statements.

**1 LEGAL STATUS AND ACTIVITIES**

Orient Takaful P.J.S.C (the “Company”) is a public joint stock company registered under UAE Federal Law No. (32) of 2021, as amended relating to the incorporation of commercial companies in the UAE. The Company is subject to the regulations of the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank Regulation of Insurance Activities, and Insurance business and is registered in the Insurance Companies Register of the Central Bank of the UAE (“CBUAE”) (formerly, the UAE Insurance Authority (“IA”)) under registration number 92.

The Company was incorporated on 8 November 2016, while the formalities of issuance and allotment of shares to the public were finalised on 28 December 2016. The shares of the Company are listed on the Dubai Financial Market. The Company obtained a commercial license on 23 January 2017 and a license from the Insurance Authority of the UAE (currently the CBUAE) on 16 July 2017.

On 16 September 2025, Federal Decree-Law No. (6) of 2025 regarding the Central Bank, the Regulation of Financial Institutions and Activities, and Insurance Business was issued and came into effect. This new law repealed Federal Decree-Law No. 48 of 2023 concerning the Financial Regulations of Insurance Companies issued by the Central Bank of the United Arab Emirates. The Companies must within a period not exceeding twelve months from the date of the enforcement of its provisions from 16 September 2025 comply with the provisions of the UAE Federal Decree Law No (6) of 2025.

The principal activity of the Company is issuance of short term takaful contracts in connection with accidents and liabilities takaful, fire takaful, transportation risk takaful, other type of takaful and health takaful. The Company also invests its funds in wakala deposits.

The Company holds no investments in stock and shares for the year 2025 (2024: Nil). The Company has also not purchased/sold any shares during the year ended 31 December 2025.

During 2021, Orient Insurance P.J.S.C, a public joint stock company incorporated in Dubai, United Arab Emirates acquired shares of the Company from Abu Dhabi Commercial Bank PJSC and Al Wifaq Finance Company to become the parent company. As a result, the Parent Company had increased their shareholding from 34.85% to 83.91% and had taken control over the Company. The Parent Company's ultimate parent company is Al Futtaim Private Co. which is based in Dubai, United Arab Emirates.

During the year 2022, the Parent Company Orient Insurance P.J.S.C has further acquired shareholdings of Orient Takaful P.J.S.C and has increased their equity interest from 83.91% to 95.78%.

As at reporting date the shareholding patterns are as follows:

	<i>31 December 2025</i>	<i>31 December 2024</i>
Orient Insurance P.J.S.C	<b>95.78%</b>	95.78%
Others	<b>4.22%</b>	4.22%
	<b>100.00%</b>	100.00%

**2 BASIS OF PREPARATION****a) Statement of compliance**

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of UAE Federal Decree Law No. (32) of 2021, as amended, relating to commercial companies and the UAE Federal Decree-Law No (6) of 2025, regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business and the Insurance Authority Board of Directors’ Decision No. (26) of 2014 pertinent to the Financial Regulations for Takaful Companies.

The name of the Company was changed from Orient UNB Takaful P.J.S.C to Orient Takaful P.J.S.C with effect from 31 May 2022, which was approved by the Central Bank of UAE.

**2 BASIS OF PREPARATION (continued)****a) Statement of compliance (continued)**

The Company's statement of financial position is not presented using a current / non-current classification. However, the balances which would generally be classified as current includes bank balances and cash and other receivables. The balances which would generally be classified as non-current includes property and equipment, intangible assets, employees' end of service benefits and statutory deposits. The following balances are of mixed nature (including both current and non-current portions): wakala deposits, prepayments and other receivables, retakaful contract assets, retakaful contract liabilities, takaful contract liabilities and other payables.

**b) Basis of measurement**

These financial statements have been prepared on the historical cost basis except for takaful and retakaful contracts which are measured as a sum of the fulfilment cash flows, which represent the risk-adjusted present value of estimates of expected cash flows.

**c) Functional and presentation currency**

These financial statements are presented in UAE Dirhams (AED'000), which is the Company's functional currency. Except as otherwise indicated, financial information is presented in AED Thousands and presented in order of Liquidity.

**d) Use of estimates and judgments**

In preparing the financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods effected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

**3 MATERIAL ACCOUNTING POLICY INFORMATION****3.1 Application of new and revised International Financial Reporting Standards ("IFRS")****3.1.1 New and amended standards and interpretations**

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new and revised IFRS effective in the year did not have any significant impact.

**3.1.2 Standards issued but not effective**

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

<i>New and revised IFRS Accounting Standards</i>	<i>Effective for annual periods beginning on or after</i>
Lack of exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.2 Takaful Contracts

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

The Company issues takaful contracts in the normal course of business, under which it accepts significant takaful risk from its policyholders. As a general guideline, the Company determines whether it has significant takaful risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Takaful contracts can also transfer financial risk. The Company issues non-life takaful to individuals and businesses.

In the normal course of business, the Company uses retakaful to mitigate its risk exposures. A retakaful contract transfers significant risk if it transfers substantially all of the takaful risk resulting from the insured portion of the underlying takaful contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to takaful contracts in the financial statements apply to takaful contracts issued or acquired and retakaful contracts held unless specifically stated otherwise.

The Company assesses its non-life takaful and retakaful products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) takaful contract.

#### Level of Aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Company manages takaful contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All takaful contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which takaful contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts.

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

Portfolios of retakaful contracts held are assessed for aggregation separately from portfolios of takaful contracts issued. Applying the grouping requirements to retakaful contracts held, the Company 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.

#### Recognition

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

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

#### Combination of takaful contracts

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

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

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****3.2 Takaful Contracts (continued)****Separating components from takaful and retakaful contracts**

The Company assesses its takaful and retakaful contracts to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) takaful contract. Currently, the Company's contracts do not include any distinct components that require separation.

**Contract boundaries**

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 a takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the contributions, or in which the Company has a substantive obligation to provide the policyholder with takaful contract services. A substantive obligation to provide takaful contract services ends when:

The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflect those risks; or Both of the following criteria are satisfied:

- a) The Company 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
- b) The pricing of the contributions up to the date when the risks are reassessed does not consider the risks that relate to periods after the reassessment date

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

**Measurement**

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

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

The following table sets out the accounting policy choices adopted by the Company

	<i>IFRS 17 options</i>	<i>Adopted approach</i>
Takaful acquisition cash flows for Takaful Contract issued	For contracts measured under PAA, IFRS 17 allows an accounting policy choice of either expensing the takaful acquisition cashflows when incurred or amortizing them over the contract's coverage period.	Takaful acquisition cash flows are allocated to related groups of takaful contracts and amortized over the coverage period of the related group.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	For contracts measured under PAA, where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For contracts measured under the PAA, there is no allowance as the contributions are expected to be received within one year of the coverage period.

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****3.2 Takaful Contracts (continued)****Measurement (continued)**

	<i>IFRS 17 options</i>	<i>Adopted approach</i>
Liability for Incurred Claims (“LIC”) adjusted for time value of money	For contracts measured under PAA, where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	For all contracts, the Company discounts the LIC for the time value of money.
Takaful finance income and expenses	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the P&L or OCI option) is applied on a portfolio basis.	The Company includes all takaful finance income or expenses for the year in profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the takaful service result. Instead, it can choose to split the amount between the takaful service result and takaful finance income or expenses.	The Company disaggregates changes in the risk adjustment for non- financial risk between takaful service result and takaful finance income or expenses.
Presentation of income / (expense) from retakaful contracts held	IFRS 17 allows an option to disaggregate part of the movement in LFIC resulting from changes in discount rates and present this in OCI.	The Company has elected to present a single net amount in net expenses from retakaful contracts held.

**Takaful Contract measured under PAA – Initial and subsequent measurement**

The Company applies the premium allocation approach (PAA) to all the takaful contracts that it issues and retakaful contracts that it holds, as:

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

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

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

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

Where facts and circumstances indicate that contracts are onerous at initial recognition, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the Company 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 Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.2 Takaful Contracts (continued)

##### **Retakaful contracts held**

Retakaful contracts held are accounted for applying IFRS 17 when they meet the definition of a 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 Company 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 as follows:**

If the retakaful contracts provide proportionate coverage, the date the Company initially recognizes 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 Company 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 Company 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 Company measures its retakaful assets for a group of retakaful contracts that it holds on the same basis as takaful contracts that it issues. However, they are adapted to reflect the features of retakaful contracts held that differ from takaful contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company 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 Company establishes a loss-recovery component of the asset for remaining coverage for a group of retakaful contracts held depicting the recovery of losses. The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying takaful contracts and the percentage of claims on the underlying takaful contracts the Company expects to recover from the group of retakaful contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to takaful contracts covered by the group of retakaful contracts held where some contracts in the underlying group are not covered by the group of retakaful contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

##### **Modification and derecognition**

The Company 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 Company derecognises the initial contract and recognises the modified contract as a new contract.

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

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.2 Takaful Contracts (continued)

##### **Takaful acquisition cash flows**

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

##### **Discount rates**

The Company has elected to use EIOPA (European Insurance and Occupational Pensions Authority) Discount rates in the currency of the takaful contract liabilities.

##### **Risk adjustment for non-financial risk**

The risk adjustment for non-financial risk is the compensation that the Company 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 Company 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.

##### **Presentation of Financial Statements**

For presentation in the statement of financial position, the Company aggregates portfolios of takaful and retakaful contracts issued and retakaful contracts held and presents separately, the carrying amount of:

- Portfolios of takaful and retakaful contracts issued that are assets
- Portfolios of retakaful contracts held that are assets
- Portfolios of takaful contracts and retakaful contracts issued that are liabilities
- Portfolios of retakaful contracts held that are liabilities

The groups referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

IFRS 17 requires separate presentation of:

- Takaful revenue
- Takaful service expense
- Income or expenses from retakaful contracts held
- Takaful finance income or expenses
- Retakaful finance income or expenses
- Net takaful finance income or expenses

##### **Takaful revenue**

The Takaful revenue for the year is the amount of expected contribution receipts (excluding any investment component) allocated to the year. The company allocates the expected contribution receipts to each period of coverage on the basis of the passage of time, but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred takaful service expenses.

The company changes the basis of allocation between the two methods above as necessary if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

##### **Takaful service expense**

Takaful service expense includes expenses such as claims payments, policy acquisition costs, underwriting expenses, and other costs directly related to fulfilling the obligations under takaful contracts.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.2 Takaful Contracts (continued)

##### Loss components

The company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If at any time during the coverage period, the facts and circumstances indicate that a group of takaful contracts is onerous, the company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts, the loss component will be zero.

##### Takaful and retakaful finance income and expenses

Takaful Finance Income or Expenses comprise the change in the carrying amount of the group of takaful contracts arising from:

- The effect of the time value of money and changes in time value of money; and
- The effect of financial risk and changes in financial risk

The company disaggregates takaful finance income or expenses in the profit or loss. The impact of changes in market profit rates on the value of the takaful assets and liabilities are reflected in the profit or loss.

##### Income or expenses from retakaful contracts held

The company presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from retakaful operators, and an allocation of retakaful contributions paid. The company treats retakaful cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the retakaful contract held.

##### Assessment of significance of takaful risk

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

##### Significant Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2024. Further details on judgements and estimates are also included in Note 6.

##### 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 Company assesses the Onerosity considering the factors such as:

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

##### 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 Company has elected to use EIOPA (European Insurance and Occupational Pensions Authority) discount rates in the currency of the takaful contract liabilities.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.2 Takaful Contracts (continued)

##### Time value of money

The Company 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 cash flows of the group of contracts.

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

##### Liability for Incurred Claims

The Company 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.
- Risk adjustment for non-financial risks.

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

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

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

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

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

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

#### 3.3 Revenue (other than takaful revenue)

Revenue (other than takaful revenue) comprises the following:

##### i) Wakala and Mudarib fees

The Company manages the takaful operations as well as investment on behalf of the policyholders for a wakala fee and Mudarib fee which is recognised on an accrual basis. A similar amount is shown as expense in the statement of profit or loss attributable to policyholders.

**3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**3.3 Revenue (other than takaful revenue) (continued)**

ii) Profit on deposits

Profit on deposits is recognized on a time basis, by reference to the principal outstanding and at the effective rate of return applicable.

iii) Investment income

Profit from investment deposits is recognized on a time proportion basis. Dividend income is accounted for when the right to receive payment is established. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the weighted average cost and are recorded on occurrence of the sale transaction.

**3.4 Property and equipment**

iii) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property and equipment, and is recognized net within other income/other expenses in statement of profit or loss.

ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in statement of profit or loss as incurred.

iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in the statement of profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the financial position date and adjusted if appropriate.

The estimated useful lives for various categories of property and equipment is as follows:

	Years
Office equipment	4 years
Furniture and fixtures	7 years
Motor vehicles	5 years
Right of use assets	5 years

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.5 Intangible assets

Intangible assets acquired by the Company are measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Intangible assets are amortised on a straight-line basis in the statement of comprehensive income over its estimated useful life, from the date that it is available for use. The estimated useful life of intangible assets for the current and comparative periods is seven years. Amortisation methods, useful lives and residual values are reviewed at each financial position date and adjusted if appropriate.

#### 3.6 Taxes

##### Income tax

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

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

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.6 Taxes (continued)

##### Deferred tax (continued)

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

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

##### Value added tax (VAT)

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

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

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

#### 3.7 Foreign currency transactions

Transactions denominated in foreign currencies are translated to Arab Emirates Dirhams ("AED") and recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into AED at the exchange rate at the financial position date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the statement of comprehensive income.

#### 3.8 Employee terminal benefits

##### *Defined benefit plan*

The Company provides end-of-service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

##### *Defined contribution plan*

The Company contributes to the pension scheme for UAE nationals under the pension and social security law. This is a defined contribution pension plan and the Company's contributions are charged to the statement of comprehensive income in the period in which they relate. In respect of this scheme, the Company has a legal and constructive obligation to pay the fund contribution as they fall due and no obligations exists to pay the future benefits.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.9 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the profit rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining profit rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Branch is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective profit method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in 'property and equipment' and lease liabilities in the statement of financial position.

#### **Short-term leases and leases of low-value assets**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 3.10 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

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

#### 3.11 Provisions

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

#### 3.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted balances held with banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant credit risk, and are used by the Company for the management of its short-term commitments. Bank overdraft (if any) that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### i) Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

##### ii) Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the transferred asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Company is recognised as a separate asset or liability in the statement of financial position. On derecognition of the financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of comprehensive income.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### 3.13 Qard Hassan

A deficiency in participants' fund is made good by a profit-free loan (Qard Hasan) from the shareholders' fund. This Qard Hasan is to be repaid from future surpluses arising from takaful operations on a priority basis. This Qard Hasan is tested for impairment annually and the portion of the Qard Hasan that is considered impaired is charged to the statement of income. Any deficit in the participants' fund, except for deficits arising from a decline in the fair value of securities, is financed by the shareholders through a Qard Hasan (loan without any profit). The Company maintains a full provision against the Qard Hassan,

The Board of Directors & Internal Shariah Committee have approved company's plan to write off the current deficit on the Takaful insurance fund and any accumulated deficit thereof in full at the end of the year 2025. Further, Qard Hassan will be provided to the policyholder Fund by the Shareholder funds (if required) and in case of Policyholder deficit, the full amount of such deficit will be written off at the end of each financial year from 2025 onwards, so that there is no deficit in the policyholder fund at each year end reporting period.

#### 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i. e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in the statement of comprehensive income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

##### **Impairment**

Impairment of financial assets carried at amortised cost.

The Company assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets carried at amortised cost are impaired. A financial asset or group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows relating to the asset that can be estimated reliably. The Company considers evidence of impairment at both a specific and collective level.

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indication that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse change in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the Company.

##### **Impairment of non-financial assets**

At each financial position date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

#### 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in the statement profit or loss and other comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

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

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

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

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

#### 5 RISK MANAGEMENT

The Company issues contracts that transfer takaful risks. The Company does not issue contracts that transfer financial risk. This section summarises the risks and the way the Company manages them.

##### i) Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

##### ii) Risk management framework

The board of directors, with its associated committees, carries out the Company's risk management function. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to the Company's Chief Executive Officer and Senior Vice Presidents.

The senior management meets regularly to approve any commercial, regulatory and organisational decisions. The Company's Chief Executive Officer under the authority delegated from the board of directors defines the Company's risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, align underwriting and retakaful strategy to the corporate goals, and specify reporting requirements.

**5 RISK MANAGEMENT (continued)**

iii) Capital management framework

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended 31 December 2025.

iv) Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and the public shareholders and monitor them closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Company are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise

**a) Takaful risks**

The Company accepts takaful risk through its written takaful contracts. The Company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Company writes the following types of takaful contracts:

- |             |               |
|-------------|---------------|
| - Liability | - Medical     |
| - Property  | - Marine      |
| - Motor     | - Engineering |
| - Property  | - Casualty    |

The principal risk the Company 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 Company 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. The Company only issue short term takaful contracts in connection with property, motor, marine, casualty and medical risks.

Two key elements of the Company's takaful risk management framework are its underwriting strategy and retakaful strategy, as discussed below:

***Underwriting strategy***

The Company's underwriting strategy is to build balanced portfolios based on a large number of similar risks. This reduces the variability of the portfolio's outcome.

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio. All takaful contracts except marine, are annual in nature and the underwriters have the right to refuse renewal or to change the terms and conditions of the contract at renewal.

## 5 RISK MANAGEMENT (continued)

The principal risk the Company faces under takaful contracts is that the actual claims and benefits 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 Company 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 guideline, as well as the use of retakaful arrangements.

### *Frequency and amounts of claims*

The Company has developed their underwriting strategy to diversify the type of takaful risks accepted and within each of the categories to achieve sufficiently large populations of risk to reduce the variability of the expected outcome. The frequency and amounts of claims can be affected by several factors. The Company underwrites mainly property, motor, casualty, medical and marine 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.

### *Property*

Property takaful covers a diverse collection of risks and therefore property takaful contracts are subdivided into two risk groups: property all risk and business interruption.

These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured. The cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruptions are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from fire, storm, flood damage or other weather related incidents.

### *Motor*

Motor takaful contracts are designed to compensate contract holders for damage suffered to vehicles, disability to third parties arising through accidents and fire or theft of their vehicles.

Underwriting limits and guidelines are in place to enforce appropriate risk selection criteria.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

### *Marine*

Marine takaful is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes.

For marine takaful, the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

**5 RISK MANAGEMENT (continued)**

**a) Takaful risks (continued)**

***Casualty***

For casualty class of business, such as workmen's compensation, personal accident, general third party liability and loss of money, the extent of loss or damage and the potential court awards are the main factors that influence the level of claims.

The Company manages these risks through their underwriting strategy, adequate retakaful arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk. Underwriting limits are in place to enforce appropriate risk selections.

The Company proactively manages and pursues early settlement of claims to reduce their exposure to unpredictable developments.

The Company has adequate retakaful arrangements to protect their financial viability against such claims for all classes of business.

The Company has obtained adequate non-proportionate retakaful cover for certain classes of business to limit losses to an amount considered appropriate by the management.

***Medical***

Medical selection is part of the Company's underwriting procedures, whereby contributions are charged to reflect the health condition and family medical history of the applicants. Pricing is based on assumptions, such as mortality and persistency, which consider past experience and current trends. Contracts including specific risks and guarantees are tested for profitability according to predefined procedures before approval.

Products are reviewed by the business units on an annual basis to confirm, or otherwise, that pricing assumptions remain appropriate. Analysis is performed on earnings and liability movements to understand the source of any material variation in actual result from what was expected. This confirms the appropriateness of assumptions used in underwriting and pricing.

***Concentration of risk***

The Company's underwriting activities are carried out in the United Arab Emirates.

***Retakaful risk***

In line with other takaful and retakaful companies, to minimise net loss exposure arising from large claims, the Company, in the normal course of business, enters into agreements with other parties for retakaful purposes. Such retakaful arrangement provides for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth.

To minimise its exposure to significant losses from reinsurers' insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

Assets, liabilities, income and expense arising from ceded takaful contracts are presented separately from assets, liabilities, income and expense from the related takaful contract because the retakaful ceded contracts do not relieve the Company from its obligations and as a result the Company remains liable for the portion of outstanding claims retakaful to the extent that the retakaful fails to meet the obligations under the retakaful agreements.

***Retakaful strategy***

The retakaful arrangements include proportional, excess and catastrophe coverage. The Company retakafuls a portion of the takaful risks to its underwriters in order to control and manage its exposure to losses and protect capital resources.

Ceded retakaful contains credit risk, as discussed in the financial risk management note. The Company has a retakaful department that is responsible for setting the minimum-security criteria for acceptable retakaful and monitoring the purchase of retakaful by the business units against those criteria. The department monitors developments in the retakaful programme and its ongoing adequacy.

The underwriters buy a combination of proportionate and non-proportionate retakaful treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative retakaful in certain specified circumstances. All purchases of facultative retakaful are subject to business unit pre-approval and the total expenditure on facultative retakaful is monitored regularly by the retakaful department.

**5 RISK MANAGEMENT (continued)****a) Takaful risks (continued)*****Retakaful strategy (continued)***

The estimated loss ratios are analysed below by class of business for the current and previous year:

<i>Type of risk</i>	<i>31 December 2025</i>		<i>31 December 2024</i>	
	<i>Gross Loss ratio</i>	<i>Net Loss ratio</i>	<i>Gross Loss ratio</i>	<i>Net Loss ratio</i>
Commercial	44%	54%	83%	53%
Consumer	40%	51%	63%	52%

The Company has an overall risk retention level of 29% (31 December 2024: 26%) and this is mainly due to overall low retention levels in commercial lines. Despite these low retention levels on commercial lines, due to the unpredictability in events and their extreme volatility, large events stress the performance of the Company despite transferring risks to other parties. For all lines of business, the Company is adequately covered by excess of loss retakaful programs to guard against any major financial impact.

***Sensitivity of underwriting profit and losses***

The underlying risk of any agreed takaful contract is the possibility that the insured event occurs and the level of certainty the insurer can project on any resulting claim. By the nature of a takaful contract, this risk is often random and the amount of payable claim even more unpredictable. Therefore, the Company applies the principle of probability across all pricing and provisioning. Despite this principle the risk that actual claims payments exceed the estimated amount of the takaful liabilities is still ever present due to the uncertainty of the frequency or severity of claims being greater than estimated. Whilst the Company applies the portfolio approach to understand its projected claims, events leading to actual claims vary and therefore profitability is impacted, either positively or negatively on an annual basis.

With regards to Business Interruption (BI) policies, the Company has in place pandemic and infectious disease policy exclusions as well. The Company has evaluated all business interruption policies in force for which the Company may have to incur claim payouts. As a result of initial examination of the policies, the Company has determined that these will not have a material impact in relation to the net claims paid due to lower retention levels of the Company and specific policy exclusions. Furthermore, the Company has been able to retain major customers during the year ended 31 December 2025 and has generally witnessed renewals and new business across major lines of businesses.

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

Claims on takaful contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, certain claims are settled over a long period of time.

The estimation of cost of claims is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, 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 and changing situation during the claim evaluation. In estimating the liability for the cost of reported claims not yet paid, the Company 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 Company takes all reasonable steps to ensure that it has appropriate information regarding its claims' exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established. The amount of takaful claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

Where possible, the Company 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

**5 RISK MANAGEMENT (continued)**

**a) Takaful risks (continued)**

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

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

***Process used to decide on assumptions***

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

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

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

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

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

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

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

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

# Orient Takaful P.J.S.C

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

### 5 RISK MANAGEMENT (continued)

#### a) Takaful risks (continued)

##### Claims development table – Gross

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Company has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applies IFRS 17.

##### Accident year

	<i>2021</i> <i>AED'000</i>	<i>2022</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
At the end of accident year	150,509	218,824	429,118	764,957	757,963	757,963
One year later	122,718	205,589	355,057	640,769	-	640,769
Two years later	107,193	226,773	346,298	-	-	346,298
Three years later	105,761	159,874	-	-	-	159,874
Four years later	106,386	-	-	-	-	106,386
<b>Current estimate of cumulative claims</b>	<b>106,386</b>	<b>159,874</b>	<b>346,298</b>	<b>640,769</b>	<b>757,963</b>	<b>2,011,290</b>
At the end of accident year	(24,401)	(22,391)	(166,552)	(277,512)	(302,715)	(793,571)
One year later	(20,534)	(57,455)	(104,342)	(205,232)	-	(387,563)
Two years later	(36,563)	(28,544)	(39,153)	-	-	(104,260)
Three years later	(2,867)	(6,727)	-	-	-	(9,594)
Four years later	(5,272)	-	-	-	-	(5,272)
<b>Cumulative payments to date</b>	<b>(89,637)</b>	<b>(115,117)</b>	<b>(310,047)</b>	<b>(482,744)</b>	<b>(302,715)</b>	<b>(1,300,260)</b>
<b>Total</b>	<b>16,749</b>	<b>44,757</b>	<b>36,251</b>	<b>158,025</b>	<b>455,248</b>	<b>711,030</b>
Effect of Discounting						(29,182)
Effect of Risk Adjustment						34,329
Others (ULAE + Claim Payable + Loss Component)						69,157
<b>Total</b>						<b>785,334</b>

# Orient Takaful P.J.S.C

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

### 5 RISK MANAGEMENT (continued)

#### a) Takaful risks (continued)

##### Claim development table – Net

The following table reflects the Net cumulative incurred claims, including both claims notified and claims incurred but not reported (IBNR) for each successive accident year at each statement of financial position date, together with cumulative payments to date:

	<i>2021</i> <i>AED'000</i>	<i>2022</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2025</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
At the end of accident year	30,362	31,012	107,205	122,962	200,707	200,707
One year later	20,350	41,825	113,371	121,461	-	121,461
Two years later	19,495	39,451	115,802	-	-	115,802
Three years later	21,843	29,770	-	-	-	29,770
Four years later	26,442	-	-	-	-	26,442
<b>Current estimate of cumulative claims</b>	<b>26,442</b>	<b>29,770</b>	<b>115,802</b>	<b>121,461</b>	<b>200,707</b>	<b>494,182</b>
At the end of accident year	(11,643)	(10,095)	(74,853)	(73,795)	(94,909)	(265,295)
One year later	(3,113)	(15,612)	(25,853)	(28,261)	-	(72,839)
Two years later	(335)	(2,192)	(9,794)	-	-	(12,321)
Three years later	(962)	(313)	-	-	-	(1,275)
Four years later	(4,419)	-	-	-	-	(4,419)
<b>Cumulative payments to date</b>	<b>(20,472)</b>	<b>(28,212)</b>	<b>(110,500)</b>	<b>(102,056)</b>	<b>(94,909)</b>	<b>(356,149)</b>
<b>Total</b>	<b>5,970</b>	<b>1,558</b>	<b>5,302</b>	<b>19,405</b>	<b>105,798</b>	<b>138,033</b>
Effect of Discounting						(5,330)
Effect of Risk Adjustment						7,687
Others (ULAE + Claim Payable + Loss Component)						(3,668)
<b>Total</b>						<b>136,722</b>

**5 RISK MANAGEMENT (continued)****b) Financial risk**

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

- i) Credit risk;
- ii) Liquidity risk;
- iii) Market risk; and
- iv) Operational risk

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

**i) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Compliance with the policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment.

For all classes of financial assets held by the Company the maximum credit risk exposure to the Company is the carrying value as disclosed in the financial statements at the reporting date. The Company only enters into takaful and retakaful contracts with recognised, credit worthy third parties. Retakaful is placed with retakaful companies approved by the management, which are generally international reputed companies.

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

At each reporting date, management performs an assessment of creditworthiness of retakaful companies and updates the retakaful strategy, ascertaining suitable allowance for impairment if required.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>Takaful operations' assets</b>		
Bank balances	39,275	56,481
Wakala deposit	425,362	311,069
Other receivables and prepayments	331	251
	<u>464,968</u>	<u>367,801</u>
<b>Shareholders' assets</b>		
Bank balances	4,009	2,353
Other receivables and prepayments	3,572	25,668
Wakala deposit	333,295	315,296
Statutory deposit	6,000	6,000
Due from related parties	5,781	630
Receivable from policyholders	109,823	67,521
	<u>462,480</u>	<u>417,468</u>

**5 RISK MANAGEMENT (continued)****b) Financial risk (continued)****i) Credit risk (continued)**

The ageing analysis of takaful, retakaful and other receivables and due from related parties relating to takaful operations' is as follows which are included within Takaful /Retakaful Contract Assets and Liabilities in Note 22:

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
0 - 30 days	253,577	94,362
31 - 90 days	45,972	115,269
91 - 180 days	55,438	46,856
181 - 270 days	20,748	22,592
271 - 360 days	9,275	8,625
More than 360 days	13,586	15,233
Less: Allowance for doubtful debts	(11,797)	(7,931)
	<u>386,799</u>	<u>295,006</u>

The Company seeks to limit credit risk by investing in financial assets with only reputed and creditworthy financial institutions in the UAE. The wakala deposit, statutory deposit and bank balances are deposited with financial institutions of an investment grade.

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

Retakaful credit risk is managed through the placement with approved reinsurers, which are generally international reputed companies with acceptable credit ratings. Retakaful agreements are placed by the Company with an "A" or above rated company on S&P or equivalent rating agency.

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

**ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements are monitored on a daily basis and management ensures that sufficient funds are available to meet any commitments as they arise.

***Maturity profiles******Maturity analysis (contractual undiscounted cash flow basis)***

The table below summarises the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual cash flows.

**31 December 2025**

	<i>Less than 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>No stated maturity AED'000</i>	<i>Total AED'000</i>
<b>Takaful operations' assets</b>					
Bank balances	39,472	-	-	-	39,472
Wakala deposit	427,500	-	-	-	427,500
Other receivable and prepayments	331	-	-	-	331
<b>Total takaful operations' assets</b>	<u>467,303</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>467,303</u>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**5 RISK MANAGEMENT (continued)****b) Financial risk (continued)****ii) Liquidity risk (continued)***Maturity profiles (continued)**Maturity analysis (contractual undiscounted cash flow basis) (continued)***31 December 2025**

	<i>Less than 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>No stated maturity AED'000</i>	<i>Total AED'000</i>
<b>Shareholders' assets</b>					
Cash and bank balances	4,029	-	-	-	4,029
Other receivables and prepayments	3,572	-	-	-	3,572
Wakala deposit	335,000	-	-	-	335,000
Statutory deposit	-	-	-	6,000	6,000
Receivable from Related party	5,781	-	-	-	5,781
Due from policyholders	109,823	-	-	-	109,823
<b>Total shareholders' assets</b>	<b>458,205</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>464,205</b>

**Shareholders' liabilities**

Due to related parties	553	-	-	-	553
Accruals and provisions	21,871	-	-	-	21,871
Lease liabilities	1,866	4,123	-	-	5,989
Corporate tax payable	11,457	-	-	-	11,457
<b>Total shareholders' liabilities</b>	<b>35,747</b>	<b>4,123</b>			<b>39,870</b>

**31 December 2024**

	<i>Less than 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>No stated maturity AED'000</i>	<i>Total AED'000</i>
<b>Takaful operations' assets</b>					
Bank balances	56,822	-	-	-	56,822
Wakala deposit	312,633	-	-	-	312,633
Other receivable and prepayments	251	-	-	-	251
<b>Total takaful operations' assets</b>	<b>369,706</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369,706</b>

**Shareholders' assets**

Cash and bank balances	2,366	-	-	-	2,366
Other receivables and prepayments	25,668	-	-	-	25,668
Wakala deposit	316,911	-	-	-	316,911
Statutory deposit	-	-	-	6,000	6,000
Receivable from Related party	630	-	-	-	630
Due from policyholders	67,521	-	-	-	67,521
<b>Total shareholders' assets</b>	<b>413,096</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>419,096</b>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**5 RISK MANAGEMENT (continued)****b) Financial risk (continued)****ii) Liquidity risk (continued)***Maturity profiles (continued)**Maturity analysis (contractual undiscounted cash flow basis) (continued)*

31 December 2024

	<i>Less than 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>No stated maturity AED'000</i>	<i>Total AED'000</i>
<i>Shareholders' liabilities</i>					
Due to related parties	10,444	-	-	-	10,444
Accruals and provisions	49,312	-	-	-	49,312
Lease liabilities	1,970	4,645	-	-	6,615
Corporate tax payable	6,430	-	-	-	6,430
<b>Total shareholders' liabilities</b>	<b>68,156</b>	<b>4,645</b>	<b>-</b>	<b>-</b>	<b>72,801</b>

*Maturity analysis for takaful and retakaful contract assets and liabilities (present value of future cash flows basis)*

The following table summarises the maturity profile of portfolios of takaful contracts and retakaful contracts of the Company based on the estimates of the present value of the future cash flows.

**31 December 2025**

	<i>Less than 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>No stated maturity AED'000</i>	<i>Total AED'000</i>
<b>Takaful operations' assets</b>					
Takaful contract assets	<b>12,133</b>	<b>(3,394)</b>	<b>(2)</b>	-	<b>8,737</b>
Retakaful contract assets	<b>468,699</b>	<b>270,943</b>	<b>1,538</b>	-	<b>741,180</b>
<b>Total takaful operations' assets</b>	<b>480,832</b>	<b>267,549</b>	<b>1,536</b>	<b>-</b>	<b>749,917</b>
<b>Takaful operations' liabilities</b>					
Takaful contract liabilities	768,756	330,009	1,983	-	1,100,748
Retakaful contract liabilities	7,583	(3,242)	(27)	-	4,314
<b>Total takaful operations' liabilities</b>	<b>776,339</b>	<b>326,767</b>	<b>1,956</b>	<b>-</b>	<b>1,105,062</b>

31 December 2024

	<i>Less than 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>More than 5 years AED'000</i>	<i>No stated maturity AED'000</i>	<i>Total AED'000</i>
<b>Takaful operations' assets</b>					
Takaful contract assets	2,056	-	-	-	2,056
Retakaful contract assets	435,114	343,630	608	-	779,352
<b>Total takaful operations' assets</b>	<b>437,170</b>	<b>343,630</b>	<b>608</b>	<b>-</b>	<b>781,408</b>
<b>Takaful operations' liabilities</b>					
Takaful contract liabilities	684,010	379,254	938	-	1,064,202
Retakaful contract liabilities	17,486	-	-	-	17,486
<b>Total takaful operations' liabilities</b>	<b>701,496</b>	<b>379,254</b>	<b>938</b>	<b>-</b>	<b>1,081,688</b>

**5 RISK MANAGEMENT (continued)**

**b) Financial risk (continued)**

**iii) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and profit rate risk.

**a) Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Company's functional currency is the UAE Dirham.

The Company also has exposures in USD, which is pegged with AED and as a result the Company's exposure to currency risk is limited to that extent.

**b) Profit rate risk**

Profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in profit rates. Floating rate instruments expose the Company to cash flow profit risk, whereas fixed profit rate instruments expose the Company to fair value profit rate risk.

The Company's only exposure to profit risk is on account of its investment in Wakala deposits and statutory deposits. The Company limits profit rate risk by monitoring changes in profit rates of the investment made. The Wakala deposit and statutory deposit are at fixed rate of profit.

**iv) Operational risk**

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks.

The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with a focus on compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

**v) Capital risk management**

The Company's objectives when managing capital are:

- to comply with the capital requirements required by UAE Federal Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business. The Company manages its capital on a basis of its minimum regulatory capital position presented in the table below:
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to provide an adequate return to shareholders by pricing takaful contracts commensurately with the level of risk.

Section 2 of the Financial Regulations issued for Insurance Companies issued by the CBUAE identifies the required Solvency margin to be held in addition to takaful liabilities. The solvency margin must be maintained at all times throughout the year. The Company has incorporated in its policies and procedures the necessary procedures to ensure continuous and full compliance with such regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations and Circular No CBUAE/BIS/2025/6143 of CBUAE dated 12 November 2025. The Company has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**5 RISK MANAGEMENT (continued)****b) Financial risk (continued)****v) Capital risk management (continued)**

	<i>30 September 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>Solvency Requirement</b>		
Total capital held by the Company	<b>200,000</b>	200,000
Minimum Capital Requirement (MCR)	<b>100,000</b>	100,000
Solvency Capital Requirement (SCR)	<b>252,164</b>	178,423
Minimum Guarantee Fund (MGF)	<b>95,947</b>	61,995
<b>Own funds</b>		
Basic own funds	<b>345,720</b>	252,343
MCR solvency Margin – surplus	<b>245,720</b>	152,343
SCR solvency Margin – surplus	<b>93,556</b>	73,920
MGF solvency Margin – surplus	<b>249,773</b>	190,348

Above numbers are based on eforms and are unaudited.

Based on the CBUAE regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2024: AED 100 million) against which the paid up capital of the Company is AED 200 million (31 December 2024: AED 200 million).

**vi) Sensitivity analysis**

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 have been changed on an individual basis. It should be noted that movements in these assumptions are nonlinear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

**5 RISK MANAGEMENT (continued)****b) Financial risk (continued)****vi) Sensitivity analysis (continued)****Sensitivity analysis for contracts measured under PAA**

	<i>For the year ended 31 December 2025</i>		<i>For the year ended 31 December 2024</i>	
	<i>Net Takaful Contract Liabilities AED'000</i>	<i>Impact on Net Takaful Contract Liabilities AED'000</i>	<i>Net Takaful Contract Liabilities AED'000</i>	<i>Impact on Net Takaful Contract Liabilities AED'000</i>
Takaful contract liabilities	1,092,011	-	1,062,146	-
Retakaful contract assets	(736,866)	-	(761,866)	-
<b>Net takaful contract liabilities</b>	<b>355,145</b>	<b>-</b>	<b>300,280</b>	<b>-</b>
<b>+0.5% increase – Discount Rate</b>				
Takaful contract liabilities	1,087,924	(4,087)	1,057,318	(4,828)
Retakaful contract assets	(733,523)	3,343	(757,567)	4,299
<b>Net takaful contract liabilities</b>	<b>354,401</b>	<b>(744)</b>	<b>299,751</b>	<b>(529)</b>
<b>-0.5% decrease – Discount Rate</b>				
Takaful contract liabilities	1,096,157	4,146	1,067,048	4,902
Retakaful contract assets	(740,257)	(3,391)	(766,231)	(4,365)
<b>Net takaful contract liability</b>	<b>355,900</b>	<b>755</b>	<b>300,817</b>	<b>537</b>
<b>5% increase - Risk Adjustment</b>				
Takaful contract liabilities	1,092,183	172	1,062,317	172
Retakaful contract assets	(736,999)	(133)	(762,015)	(149)
<b>Net takaful contract liabilities</b>	<b>355,184</b>	<b>39</b>	<b>300,302</b>	<b>23</b>
<b>5% decrease - Risk Adjustment</b>				
Takaful contract liabilities	1,091,839	(172)	1,061,974	(172)
Retakaful contract assets	(736,732)	133	(761,717)	149
<b>Net takaful contract liabilities</b>	<b>355,107</b>	<b>(39)</b>	<b>300,257</b>	<b>(23)</b>
<b>5% increase - Loss Reserve</b>				
Takaful contract liabilities	1,128,047	36,036	1,100,811	38,666
Retakaful contract assets	(764,826)	(27,961)	(795,200)	(33,334)
<b>Net takaful contract liabilities</b>	<b>363,221</b>	<b>8,075</b>	<b>305,611</b>	<b>5,332</b>
<b>5% decrease – Loss Reserve</b>				
Takaful contract liabilities	1,055,975	(36,036)	1,023,480	(38,666)
Retakaful contract assets	(708,905)	27,961	(728,532)	33,334
<b>Net takaful contract liabilities</b>	<b>347,070</b>	<b>(8,075)</b>	<b>294,948</b>	<b>(5,332)</b>

## 6 SIGNIFICANT JUDGEMENTS AND ESTIMATES

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### 6.1. Takaful and retakaful contracts

The Company applies the PAA to simplify the measurement of takaful contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

#### 6.1.1. Liability for remaining coverage

##### *Takaful acquisition cash flows*

For all lines of business, the company recognizes takaful acquisition cash flows as an expense immediately as incurred. This is because all takaful contracts issued have a coverage period of one year or less. An asset for takaful acquisition cash flows is recognised for acquisition cash flows incurred before the related group of takaful contracts has been recognised.

The effect of electing to recognise takaful acquisition cash flows as an expense when incurred for a group of takaful contracts is to increase the liability for remaining coverage and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on incurring the expense, offset by an increase in profit released over the coverage period.

##### *Onerous groups*

For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows. Any loss-recovery component is determined with reference to the loss component recognised on underlying contracts and the recovery expected on such claims from retakaful contracts held.

##### *Time value of money*

For the all-product lines, the Company adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of takaful contracts at initial recognition.

#### 6.1.2. 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 Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims' development data on which the projections are based. 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.

The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

**6 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)****6.1. Takaful and retakaful contracts (continued)****6.1.3. Discount rates**

Takaful contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to EIOPA (European Insurance and Occupational Pensions Authority) rates in the currency of the takaful contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Discount Rates Applied for discounting of future cashflows are listed below:

	<i>1 Years</i>		<i>5 Years</i>		<i>10 Years</i>		<i>20 Years</i>		<i>30 Years</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>	<i>%</i>
Takaful contracts Issued	<b>3.59</b>	4.33	<b>3.63</b>	4.17	<b>4.00</b>	4.22	<b>4.44</b>	4.25	<b>4.39</b>	3.98
Retakaful contracts Issued	<b>3.59</b>	4.33	<b>3.63</b>	4.17	<b>4.00</b>	4.22	<b>4.44</b>	4.25	<b>4.39</b>	3.98

**6.1.4. Risk adjustment for non-financial risk**

The risk adjustment for non-financial risk is the compensation that the Company 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 Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company 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.

At the end of each reporting period, the Company revisits the assumptions made to allocate takaful acquisition cash flows to groups and where necessary revises the amounts of assets for takaful acquisition cash flows accordingly.

**6 SIGNIFICANT JUDGEMENTS AND ESTIMATES (continued)****6.2. Financial assets****6.2.1. Impairment losses on financial assets**

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular, for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

**7 CLASSES AND CATEGORIES OF FINANCIALS ASSETS AND FINANCIAL LIABILITIES**

The table below sets out the classification of each class of financial assets and liabilities along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the carrying values of these instruments approximates to their fair values.

*At 31 December 2025*

<i>Financial assets</i>	<i>Amortised cost AED'000</i>	<i>Total AED'000</i>
Cash and bank balances	43,284	43,284
Other receivables	3,903	3,903
Wakala deposit	758,657	758,657
Statutory deposit	6,000	6,000
Due from related parties	5,781	5,781
	817,625	817,625

*Financial liabilities*

	<i>Amortised cost AED'000</i>	<i>Total AED'000</i>
Due to related parties	553	553
Accruals, provisions and other payables	36,647	36,647
Lease liabilities	5,507	5,507
	42,707	42,707

*At 31 December 2024*

<i>Financial assets</i>	<i>Amortised cost AED'000</i>	<i>Total AED'000</i>
Cash and bank balances	58,834	58,834
Other receivables	25,919	25,919
Wakala deposit	626,365	626,365
Statutory deposit	6,000	6,000
Due from related parties	630	630
	717,748	717,748

*Financial liabilities*

	<i>Amortised cost AED'000</i>	<i>Total AED'000</i>
Due to related parties	10,444	10,444
Accruals, provisions and other payables	58,393	58,393
Lease liabilities	5,980	5,980
	74,817	74,817

**8 FAIR VALUE OF FINANCIAL INSTRUMENTS**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

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

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

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

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

**9 OTHER RECEIVABLES AND PREPAYMENTS**

	<i>31 December 2025</i>		
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Accrued profit on wakala deposits	331	268	599
Prepayments Financial institutions	-	647	647
Other receivables	-	2,657	2,657
	<u>331</u>	<u>3,572</u>	<u>3,903</u>
	<i>31 December 2024</i>		
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Accrued profit on wakala deposits	251	255	506
Prepayments Financial institutions	-	2,914	2,914
Other receivables	-	22,499	22,499
	<u>251</u>	<u>25,668</u>	<u>25,919</u>

**10 WAKALA AND STATUTORY DEPOSIT****Wakala Deposit**

This consists of term Wakala deposits with Islamic Banks / Islamic Division of a Commercial Bank in United Arab Emirates, at profit rates from 3.25% to 4.10% per annum (31 December 2024: from 5.80% to 5.95% per annum) amounting to Gross AED 762.50 million which will mature in December 2026. This includes an amount of AED 5.68 million under lien against bank guarantees.

**Statutory Deposit**

This consists of a Wakala deposit with the Islamic Division of a commercial bank in the United Arab Emirates, under lien in favour of the Insurance Supervision - Central Bank of the UAE, at a profit rate of 3.75% per annum (31 December 2024: from 4.75% per annum) amounting to Gross AED 6 million which matures in June 2026.

	<i>31 December 2025</i>		
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Wakala Deposits	427,500	335,000	762,500
Expected credit losses	(2,138)	(1,705)	(3,843)
<b>Total Wakala Deposits</b>	<b>425,362</b>	<b>333,295</b>	<b>758,657</b>
Statutory Deposits	-	6,000	6,000
<b>Total Deposits</b>	<b>425,362</b>	<b>339,295</b>	<b>764,657</b>
	<i>31 December 2024</i>		
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Wakala Deposits	312,633	316,911	629,544
Expected credit losses	(1,564)	(1,615)	(3,179)
<b>Total Wakala Deposits</b>	<b>311,069</b>	<b>315,296</b>	<b>626,365</b>
Statutory Deposits	-	6,000	6,000
<b>Total Deposits</b>	<b>311,069</b>	<b>321,296</b>	<b>632,365</b>

Profit from these wakala deposits is included in the statement of comprehensive income as follows:

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Profit from wakala deposit (takaful operations)	17,988	13,896
Profit from wakala deposit (shareholders' operations)	15,446	18,256
	<b>33,434</b>	<b>32,152</b>

10.1 For takaful operations, mudarib fees were charged at 35% of profit from wakala deposits of policyholders. Mudarib fees are approved by the Sharia'a Supervisory Board and are charged to the statement of comprehensive income when incurred.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**11 OTHER PAYABLES (RELATING TO SHAREHOLDERS)**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Accrual and provision	<b>21,871</b>	49,312
Lease liability (Note 19)	<b>5,507</b>	5,980
	<b>27,378</b>	55,292

**12 CASH AND CASH EQUIVALENTS**

	<i>31 December 2025</i>		
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Cash in hand	-	6	6
Current accounts with banks and Islamic financial institutions	<b>39,275</b>	<b>4,003</b>	<b>43,278</b>
	<b>39,275</b>	<b>4,009</b>	<b>43,284</b>
	<i>31 December 2024</i>		
	<i>Takaful operations AED'000</i>	<i>Shareholders' operations AED'000</i>	<i>Total AED'000</i>
Cash in hand	-	6	6
Current accounts with banks and Islamic financial institutions	56,481	2,347	58,828
	56,481	2,353	58,834

As at 31 December 2025, the Company has determined that the ECL related to cash and cash equivalents is not material. Therefore, detailed disclosures regarding ECL calculations and assumptions have not been provided in these financial statements.

The Company maintains its cash and cash equivalents with reputable financial institutions and continuously monitors the credit risk associated with these balances. Management believes that the risk of default is low, and as such, only an immaterial amount of ECL has been recognized.

**13 PROPERTY AND EQUIPMENT**

	<i>Right of use assets AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Office equipment AED'000</i>	<i>Total AED'000</i>
Cost					
At 1 January 2024	6,190	353	1,663	581	8,787
Additions during the year	6,446	59	-	-	6,505
Disposals during the year	(5,030)	-	-	(9)	(5,039)
At 31 December 2024	7,606	412	1,663	572	10,253
At 1 January 2025	7,606	412	1,663	572	10,253
Additions during the year	1,219	53	550	34	1,856
Disposals during the year	(1,160)	-	-	-	(1,160)
<b>At 31 December 2025</b>	<b>7,665</b>	<b>465</b>	<b>2,213</b>	<b>606</b>	<b>10,949</b>
Accumulated depreciation					
At 1 January 2024	(4,693)	(143)	(1,249)	(466)	(6,551)
Charge for the year	(1,262)	(65)	(176)	(60)	(1,563)
Disposal during the year	4,155	-	-	39	4,194
At 31 December 2024	(1,800)	(208)	(1,425)	(487)	(3,920)
At 1 January 2025	(1,800)	(208)	(1,425)	(487)	(3,920)
Charge for the year	(1,543)	(78)	(139)	(52)	(1,812)
Disposal during the year	1,160	-	-	-	1,160
<b>At 31 December 2025</b>	<b>(2,183)</b>	<b>(286)</b>	<b>(1,564)</b>	<b>(539)</b>	<b>(4,572)</b>
Net carrying amount					
At 31 December 2024	5,806	204	238	85	6,333
<b>At 31 December 2025</b>	<b>5,482</b>	<b>179</b>	<b>649</b>	<b>67</b>	<b>6,377</b>

**14 INTANGIBLE ASSETS – SOFTWARE**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Cost		
At 1 January	1,546	1,546
Additions during the year	226	-
At 31 December	1,772	1,546
Accumulated amortisation		
At 1 January	(1,158)	(961)
Charge for the year	(164)	(197)
At 31 December	(1,322)	(1,158)
Net carrying amount		
At 31 December	450	388

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**15 RECEIVABLES FROM / (PAYABLE TO) SHAREHOLDERS AND (RECEIVABLE FROM) / PAYABLE TO POLICYHOLDERS - TAKAFUL OPERATIONS**

		<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
As at 1 January		(67,521)	1,802
Wakala fees for the year	15.1	(465,314)	(373,466)
Other movement in account during the year		423,012	304,143
		<u>(109,823)</u>	<u>(67,521)</u>

15.1 For all takaful policies, wakala fees were charged at 35% of gross takaful contributions. Wakala fees are approved by the Sharia'a Supervisory Board and are charged to the statement of comprehensive income when incurred.

**16 QARD HASSAN**

		<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>Deficit in Policyholders' fund</b>			
As at 1 January		(538,089)	(369,675)
Deficit during the year		(177,874)	(168,414)
Written off During the period		715,963	-
		<u>-</u>	<u>(538,089)</u>
<b>Provision against Qard Hassan</b>			
As at 1 January		538,089	369,675
Provision during the year		177,874	168,414
Written off During the period		(715,963)	-
		<u>-</u>	<u>538,089</u>

**17 RELATED PARTY TRANSACTIONS**

Related parties comprise of shareholders, associate companies, and directors and key management personnel of the Company, together with entities controlled, jointly controlled or significantly influenced by those parties. Pricing policies and terms of these transactions are approved by the Company's management as per agreed terms.

Significant transactions with related parties included in the statement of comprehensive income are as follows:

	<i>31 December 2025</i>		
	<i>Shareholders AED'000</i>	<i>Associated companies of the shareholders AED'000</i>	<i>Total AED'000</i>
Gross written contribution	17,446	112,300	129,746
Retakaful contribution	119,032	(2)	119,030
Commission	6,097	25,801	31,898
Retakaful Commission	21,679	(1)	21,678
General and administrative expenses (recharged from group entities)	1,628	3,532	5,160
Rent	-	1,527	1,527
Claims reported	57,301	51,940	109,241
Retakaful Claims	53,035	-	53,035

**17 RELATED PARTY TRANSACTIONS (continued)**

	<i>31 December 2024</i>		
	<i>Shareholders</i>	<i>Associated companies of the shareholders</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Gross written contribution	51,698	122,439	174,137
Retakaful contribution	105,028	33	105,061
Commission	5,561	26,449	32,010
Retakaful Commission	20,453	9	20,462
General and administrative expenses(recharged from group entities)	604	2,838	3,442
Rent	-	369	369
Claims reported	24,562	52,996	77,558
Retakaful Claims	56,565	-	56,565

**Compensation of key management personnel**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Short term benefits	<b>3,181</b>	2,738
End of service benefits	<b>183</b>	109
	<b>3,364</b>	2,847

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

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>Due from related parties (relating to takaful operations)</b>		
<i>Entities under common control</i>		
Al Futtaim Motors	<b>7,957</b>	20,245
Trading Enterprises	-	5,244
Al Futtaim Willis Co. LLC	-	5,205
Other related parties	<b>4,465</b>	20,940
	<b>12,422</b>	51,634
Included within Note 22 Takaful contract assets and liabilities		
	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>Due to related parties (relating to takaful operations)</b>		
<i>Parent company</i>		
Orient Insurance P.J.S.C	<b>18,173</b>	57,468
<i>Entities under common control</i>		
Al Futtaim Motors	<b>7,783</b>	7,880
Trading Enterprises	<b>766</b>	3,242
Others	<b>7,115</b>	11,035
	<b>33,837</b>	79,625
Included within Note 22 Takaful contract assets and liabilities		

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**17 RELATED PARTY TRANSACTIONS (continued)**

Balances with related parties included in the statement of financial position are as follows: (continued)

	<i>31 December</i> <i>2025</i> <i>AED'000</i>	<i>31 December</i> <i>2024</i> <i>AED'000</i>
<b>Due from related parties (relating to shareholders)</b>		
<i>Entities under common control</i>		
Al Futtaim Electric Vehicle Co. LLC	-	630
Al Futtaim Motors	<b>3,711</b>	-
Other related parties	<b>2,070</b>	-
	<u><b>5,781</b></u>	<u>630</u>
<b>Due to related parties (relating to shareholders)</b>		
<i>Entities under common control</i>		
Al Futtaim Motor Auto Centre	-	9,500
Al Futtaim Trading Enterprises	-	466
Other related parties	<b>553</b>	478
	<u><b>553</b></u>	<u>10,444</u>

**18 EMPLOYEES' END OF SERVICE BENEFITS**

	<i>31 December</i> <i>2025</i> <i>AED'000</i>	<i>31 December</i> <i>2024</i> <i>AED'000</i>
At 1 January	<b>2,651</b>	2,403
Charge for the year	<b>1,089</b>	648
Paid during the year	<b>(421)</b>	(400)
	<u><b>3,319</b></u>	<u>2,651</u>

**19 LEASES****Leases as lessee (IFRS 16)**

The Company leases office premises. The leases typically run for a period of 5 years, with an option to renew the lease after that date. Lease payments will be renegotiated periodically with the first renegotiation due in the fifth year from the date of commencement of lease to reflect market rentals. For these leases, the Company is restricted from entering into any sub-lease arrangements.

Information about leases for which the Company is a lessee is presented below.

**i. Right-of-use assets**

Right-of-use assets related to leased properties are presented as property and equipment

	<i>31 December</i> <i>2025</i> <i>AED'000</i>	<i>31 December</i> <i>2024</i> <i>AED'000</i>
<b>Office premises</b>		
At 1 January	<b>5,806</b>	1,497
Additions during the year (Note 13)	<b>1,219</b>	6,446
Disposals during the year (Note 13)	-	(875)
Depreciation charge for the year (Note 13)	<b>(1,543)</b>	(1,262)
	<u><b>5,482</b></u>	<u>5,806</u>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**19 LEASES (continued)****ii. Lease liabilities**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<b>Lease liabilities</b>		
At 1 January	5,980	1,168
Lease payments during the year	(1,975)	(969)
Finance cost accretion during the year	283	211
Additions	1,219	5,570
	<u>5,507</u>	<u>5,980</u>
	<u><u>5,507</u></u>	<u><u>5,980</u></u>
	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Less than one year	1,621	1,720
Between one and five years	3,886	4,260
	<u>5,507</u>	<u>5,980</u>
	<u><u>5,507</u></u>	<u><u>5,980</u></u>

**iii. Amounts recognised in statement of comprehensive income**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Depreciation expense	1,543	1,262
Finance cost on lease liabilities	283	211

**iv. Amounts recognised in statement of cash flows**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Total cash outflow for leases	1,975	969
	<u>1,975</u>	<u>969</u>
	<u><u>1,975</u></u>	<u><u>969</u></u>

**v. Extension options**

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

**20 SHARE CAPITAL AND SHARE PREMIUM**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Issued and paid up capital		
Issued and fully paid 2,000,000 shares of AED 100 each	200,000	200,000
Share premium reserve	1,198	1,198
	<u>201,198</u>	<u>201,198</u>
	<u><u>201,198</u></u>	<u><u>201,198</u></u>

**21 RESERVES****Statutory reserve**

In accordance with the UAE Commercial Companies Law no. (32) of 2021 (“the Law”) and the Company’s Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law.

**Retakaful risk reserve**

In accordance with Article 34 of the Central Bank of the United Arab Emirate’s Decision No. (23) of 2019, the Company has transferred AED 4.71 million to the Retakaful risk reserve for the year ended 31 December 2025 (31 December 2024: AED 3.92 million), being 0.5% of the total retakaful contribution ceded by the Company in all classes of business. The Company shall accumulate such provision year on year and not dispose of the provision without the written approval of the Central Bank of the United Arab Emirates.

**22 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES****22.1 Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts**

<i>31 December 2025</i>	<i>Liabilities for remaining coverage</i>		<i>Liability for incurred claims - PAA</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flow AED'000</i>	<i>Risk Adjustment for non- financial risk AED'000</i>	<i>Total AED'000</i>
Opening Takaful Contract Liabilities	289,421	1,472	738,991	34,318	1,064,202
Opening Takaful Contract Assets	(2,056)	-	-	-	(2,056)
<b>Net opening position of Takaful Contracts as at 1 January 2025</b>	<b>287,365</b>	<b>1,472</b>	<b>738,991</b>	<b>34,318</b>	<b>1,062,146</b>
<b>Takaful Revenue</b>	<b>(1,266,508)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,266,508)</b>
<b>Takaful Service Expenses</b>					
Incurred Claims and Expenses	-	-	500,020	12,279	512,299
Amortization of Acquisition Cashflows	209,786	-	-	-	209,786
Changes in Incurred Claims (Release)	-	-	33,382	(12,347)	21,035
Changes in Onerous Liability	-	10,468	-	-	10,468
<b>Takaful Service Expenses</b>	<b>209,786</b>	<b>10,468</b>	<b>533,402</b>	<b>(68)</b>	<b>753,588</b>
<b>Takaful Service Result</b>	<b>(1,056,722)</b>	<b>10,468</b>	<b>533,402</b>	<b>(68)</b>	<b>(512,920)</b>
Takaful Finance expense through profit or loss	-	-	24,249	79	24,328
<b>Total changes to statement of comprehensive income</b>	<b>(1,056,722)</b>	<b>10,468</b>	<b>557,651</b>	<b>11</b>	<b>(488,592)</b>

**22 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)****22.1 Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts (continued)**

<i>31 December 2025</i>	<i>Liabilities for remaining coverage</i>		<i>Liability for incurred claims - PAA</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flow AED'000</i>	<i>Risk Adjustment for non-financial risk AED'000</i>	<i>Total AED'000</i>
<b>Cash flows</b>					
Contribution Received	1,286,731	-	-	-	1,286,731
Claims and Other directly attributable Expenses Paid	-	-	(545,637)	-	(545,637)
Acquisition Cost paid	(222,637)	-	-	-	(222,637)
<b>Total Cash Flows</b>	<b>1,064,094</b>	<b>-</b>	<b>(545,637)</b>	<b>-</b>	<b>518,457</b>
<b>Net Balance as at 31 December 2025</b>	<b>294,737</b>	<b>11,940</b>	<b>751,005</b>	<b>34,329</b>	<b>1,092,011</b>
Closing Takaful Contract Liabilities	297,124	11,940	757,669	34,015	1,100,748
Closing Takaful Contract Assets	(2,387)	-	(6,664)	314	(8,737)
<b>Net Balance as at 31 December 2025</b>	<b>294,737</b>	<b>11,940</b>	<b>751,005</b>	<b>34,329</b>	<b>1,092,011</b>

Takaful service expense of AED 753,588 thousand consists of AED 539,660 thousand pertaining to Policyholders' operations and AED 213,928 thousand relating to Shareholders' operations.

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**22 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)****22.1 Reconciliation of the Liability for Remaining Coverage & Liability for Incurred claims for Takaful Contracts (continued)**

<i>31 December 2024</i>	<i>Liabilities for remaining coverage</i>		<i>Liability for incurred claims - PAA</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flow AED'000</i>	<i>Risk Adjustment for non- financial risk AED'000</i>	<i>Total AED'000</i>
Opening Takaful Contract Liabilities	220,585	1,226	441,392	21,195	684,398
Opening Takaful Contract Assets	(36,474)	-	-	-	(36,474)
Net opening position of Takaful Contracts as at 1 January 2024	184,111	1,226	441,392	21,195	647,924
Takaful Revenue	(867,587)	-	-	-	(867,587)
Takaful Service Expenses					
Incurred Claims and Expenses	-	-	781,678	23,054	804,732
Amortization of Acquisition Cashflows	109,968	-	-	-	109,968
Changes in Incurred Claims (Release)	-	-	(68,775)	(9,892)	(78,667)
Changes in Onerous Liability	-	246	-	-	246
Takaful Service Expenses	109,968	246	712,903	13,162	836,279
Takaful Service Result	(757,619)	246	712,903	13,162	(31,308)
Takaful Finance expense/ (income) - through profit or loss	-	-	12,531	(39)	12,492
Total changes to statement of comprehensive income	(757,619)	246	725,434	13,123	(18,816)
Cash flows					
Contribution Received	983,325	-	-	-	983,325
Claims and Other directly attributable Expenses Paid	-	-	(427,835)	-	(427,835)
Acquisition Cost paid	(122,452)	-	-	-	(122,452)
Total Cash Flows	860,873	-	(427,835)	-	433,038
Net Balance as at 31 December 2024	287,365	1,472	738,991	34,318	1,062,146
Closing Takaful Contract Liabilities	289,421	1,472	738,991	34,318	1,064,202
Closing Takaful Contract Assets	(2,056)	-	-	-	(2,056)
Net Balance as at 31 December 2024	287,365	1,472	738,991	34,318	1,062,146

Takaful service expense of AED 836,279 thousand consists of AED 682,963 thousand pertaining to Policyholders' operations and AED 153,316 thousand relating to Shareholders' operations.

**22 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)****22.2 Reconciliation of Assets for Remaining Coverage & Asset for Incurred claims for Retakaful Contracts***31 December 2025*

	<i>Assets for Remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		
	<i>Excluding loss recovery component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flow AED'000</i>	<i>Risk Adjustment for non-financial risk AED'000</i>	<i>Total AED'000</i>
Opening Balance Retakaful Contract Assets	111,765	913	636,904	29,770	779,352
Opening Balance Retakaful Contract Liabilities	(17,486)	-	-	-	(17,486)
<b>Net position of Retakaful Contracts as on 1 January 2025</b>	<b>94,279</b>	<b>913</b>	<b>636,904</b>	<b>29,770</b>	<b>761,866</b>
Allocation of Retakaful Contribution Recovery of Incurred claims and Expenses	(894,604)	-	-	-	(894,604)
Amortisation of acquisition cash flows	111,048	-	-	-	111,048
Changes in Incurred Claims contract held (Release)	-	-	(11,045)	(13,567)	(24,612)
Claims Recovered (Loss Recovery)	-	(913)	-	-	(913)
<b>Net expense from retakaful contracts held</b>	<b>(783,556)</b>	<b>(913)</b>	<b>339,387</b>	<b>(3,196)</b>	<b>(448,278)</b>
<b>Retakaful finance income through profit or loss</b>	<b>-</b>	<b>-</b>	<b>21,438</b>	<b>68</b>	<b>21,506</b>
<b>Total changes to SOPL</b>	<b>(783,556)</b>	<b>(913)</b>	<b>360,825</b>	<b>(3,128)</b>	<b>(426,772)</b>
<b>Cash flows</b>					
Contribution Paid	890,879	-	-	-	890,879
Claims Received	-	-	(375,759)	-	(375,759)
Acquisition Cost Received (Ceding Commission)	(113,348)	-	-	-	(113,348)
<b>Total Cash Flows</b>	<b>777,531</b>	<b>-</b>	<b>(375,759)</b>	<b>-</b>	<b>401,772</b>
<b>Net balance as at 31 December 2025</b>	<b>88,254</b>	<b>-</b>	<b>621,970</b>	<b>26,642</b>	<b>736,866</b>
Closing Retakaful Contract Assets	99,121	-	615,730	26,329	741,180
Closing Retakaful Contract Liabilities	(10,867)	-	6,240	313	(4,314)
<b>Net balance as at 31 December 2025</b>	<b>88,254</b>	<b>-</b>	<b>621,970</b>	<b>26,642</b>	<b>736,866</b>

**22 TAKAFUL AND RETAKAFUL CONTRACT ASSETS AND LIABILITIES (continued)****22.2 Reconciliation of Assets for Remaining Coverage & Asset for Incurred claims for Retakaful Contracts (continued)**

<i>31 December 2024</i>	<i>Assets for Remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		
	<i>Excluding loss recovery component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flow AED'000</i>	<i>Risk Adjustment for non- financial risk AED'000</i>	<i>Total AED'000</i>
Opening Balance of Retakaful Contract Assets	66,131	652	381,394	17,455	465,632
Opening Balance Retakaful Contract Liabilities	(64,036)	-	-	-	(64,036)
Net position of Retakaful Contracts as on 1 January 2024	2,095	652	381,394	17,455	401,596
Allocation of Retakaful Contribution	(640,691)	(652)	-	-	(641,343)
Recovery of Incurred claims and Expenses	-	-	609,045	20,279	629,324
Amortisation of acquisition cash flows	88,968	-	-	-	88,968
Changes in Incurred Claims contract held (Release)	-	-	(56,764)	(7,929)	(64,693)
Claims Recovered (Loss Recovery)	-	913	-	-	913
Net (expense)/ income from retakaful contracts held	(551,723)	261	552,281	12,350	13,169
Retakaful finance income through profit or loss	-	-	10,754	(35)	10,719
Total changes to SOPL	(551,723)	261	563,035	12,315	23,888
Cash flows					
Contribution Paid	762,729	-	-	-	762,729
Claims Received	-	-	(307,525)	-	(307,525)
Acquisition Cost Received (Ceding Commission)	(118,822)	-	-	-	(118,822)
Total Cash Flows	643,907	-	(307,525)	-	336,382
Net balance as at 31 December 2024	94,279	913	636,904	29,770	761,866
Closing Retakaful Contract Assets	111,765	913	636,904	29,770	779,352
Closing Retakaful Contract Liabilities	(17,486)	-	-	-	(17,486)
Net balance as at 31 December 2024	94,279	913	636,904	29,770	761,866

**23 GENERAL AND ADMINISTRATIVE EXPENSES**

The following amounts related to administrative costs are included in Takaful service expenses attributable to shareholders, excluding commissions and other policy-related issuance costs.

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Staff costs	<b>30,550</b>	23,418
Depreciation and amortisation	<b>1,975</b>	1,760
Others	<b>12,686</b>	4,739
	<b>45,211</b>	29,917

23.1 During the year, the Company has made social contributions amounting to nil (2024: nil).

**24 CORPORATE TAX**

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

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

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

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

The Company falls within the scope of these rules from 1 January 2025 and is currently assessing its exposure to these rules.

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

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**24 CORPORATE TAX (continued)**

Amount recognised in the statement of comprehensive income:

The major components of corporate tax expense for the year ended 31 December 2025:

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
<i>Current income tax:</i>		
Current income tax charge	7,969	6,430
Domestic minimum top up tax	3,486	-
<i>Deferred tax:</i>		
Deferred tax charge	-	-
Income tax expense reported in the statement of comprehensive income	<u>11,455</u>	<u>6,430</u>

Following is the reconciliation of current income tax expense and accounting profit:

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Accounting profit before tax	88,683	71,798
At UAE's statutory income tax rate of 9%	7,981	6,462
Domestic minimum top up tax	3,486	-
Add/(Less) Tax effect of:		
Adjustments in respect of standard deduction as per the Law	(34)	(34)
Non-deductible expenses	22	2
Income tax expense reported in the statement of comprehensive income	<u>11,455</u>	<u>6,430</u>
Effective tax rate	<u>12.92%</u>	<u>8.96%</u>

Reconciliation of Income tax payable:

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
As at 1 January	6,430	
Current Tax Expense through profit and loss	7,969	6,430
Current Tax Expense through Other Comprehensive income	-	-
Adjustments in respect of current income tax of previous year	-	-
Current tax paid during the year	(6,428)	-
DMTT Provision for the year	3,486	-
Balance as at 31 December	<u>11,457</u>	<u>6,430</u>

## NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

**25 EARNINGS PER SHARE**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Profit for the year attributable to shareholders after tax (AED)	<b>77,228</b>	65,368
Weighted average number of shares outstanding during the year	<b>2,000</b>	2,000
Earnings per share (AED)	<b>38.61</b>	32.68

There is no dilution impact on basic earnings per share.

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

**26 CONTINGENCIES AND COMMITMENTS****Contingent liabilities**

At 31 December 2025, the guarantees, other than those relating to claims for which provisions are held, amounting to AED 8.05 million (31 December 2024: AED 6.24 million) had been issued on behalf of the Company by its banker in the ordinary course of business.

**Legal claims**

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

**27 GROSS TAKAFUL CONTRIBUTION**

As per the CBUAE's reporting requirements, the following disclosures are provided which are not prepared under IFRS 17.

<b>31 December 2025</b>	<i>Family Takaful AED'000</i>	<i>Fund Accumulation AED'000</i>	<i>Medical Takaful AED'000</i>	<i>Property &amp; Liability AED'000</i>	<i>Total AED'000</i>
Direct Written Contributions	-	-	241,536	799,183	1,040,719
Assumed Business					
Foreign	-	-	-	95,105	95,105
Local	-	-	10,231	183,415	193,646
Total Assumed Business	-	-	10,231	278,520	288,751
<b>Gross Written Contributions</b>	<b>-</b>	<b>-</b>	<b>251,767</b>	<b>1,077,703</b>	<b>1,329,470</b>

<b>31 December 2024</b>	<i>Family Takaful AED'000</i>	<i>Fund Accumulation AED'000</i>	<i>Medical Takaful AED'000</i>	<i>Property &amp; Liability AED'000</i>	<i>Total AED'000</i>
Direct Written Contributions	-	-	205,403	639,333	844,736
Assumed Business					
Foreign	-	-	-	72,899	72,899
Local	-	-	46,635	102,776	149,411
Total Assumed Business	-	-	46,635	175,675	222,310
<b>Gross Written Contributions</b>	<b>-</b>	<b>-</b>	<b>252,038</b>	<b>815,008</b>	<b>1,067,046</b>

**28 INTERNAL SHARIA SUPERVISORY COMMITTEE**

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

According to the Internal Sharia Supervision Committee, the Company is required to identify any income deemed to be derived from transactions not acceptable under Islamic Sharia rules and principles, as interpreted by Internal Sharia Supervision Committee, and to set aside such amount in a separate account for Shareholders who may resolve to pay the same for local charitable causes and activities

**29 ZAKAT**

The Company does not pay Zakat on behalf of its shareholders. The Zakat obligation as approved by the Internal Sharia Supervision Committee is AED 3.99 per share (2024: AED 3.54 per share).

**30 AUDIT FEES**

	<i>31 December 2025 AED'000</i>	<i>31 December 2024 AED'000</i>
Audit of the Company	<b>175</b>	157
Fees on related assurance services	<b>175</b>	158
	<b>350</b>	315

**31 SUBSEQUENT EVENTS**

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

**32 APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors and authorised for issue on 11 March 2026



**Corporate Governance Report - 2025**

DECISION NO. (7 R.M) OF 2016

ORIENT TAKAFUL – AN ASSOCIATE OF ORIENT INSURANCE & | Al Futtaim Building, Rigga Road, Dubai

# ORIENT TAKAFUL (PJSC)

## Corporate Governance Report

# 2025

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	A- Brief of the external auditor of the companies to the shareholders.....
	B- Statement of the fees or costs of auditing or services provided by the external auditor.....
	C- Indication of the company's auditor reservations included in the interim and annual financial statements for the year 2025.....
5	<b>Audit Committee</b>
	A- The names of members of the audit committee, and a statement of its functions and duties assigned thereto.....
	B- The numbers and dates of the meetings held by the audit committee during the year 2025 to discuss issue related to financial statements and any other issues , and a statement of the attendance frequency in person by the committee's members.....
6	<b>Nominations and remunerations Committee</b>
	A- The names of members of the Nomination and Remunerations committee and a statement of its functions and duties assigned thereto.....
	B- The numbers and dates of the meetings held by Nominations and remunerations during the year 2025, stating the frequency of attendance in person by the all the members of the committee.....
7	<b>Insiders' Trading &amp; Supervision Committee</b>
	A- Names of the members of the Insider's Trading & Supervision Committee and a statement of its functions and duties assigned thereto.....
	B- A summary of the Committee's activities in 2025
8	<b>(i) Investment Committee</b>
	A- The names of members of the Investment committee and a statement of its functions and duties assigned thereto.....
	B- A summary of the Committee's activities in 2025.....
	C- The numbers and dates of the meetings held by the Investment Committee during the year 2025.....

### **(ii) Risk Management**

The Company formed a Risk Committee during the year 2025, following the re-constitution of the Board.

- **Internal Sharia'h Supervision Committee (ISSC)**

A. ISSC Chairman acknowledgement of his responsibility for the committee system, review of its work mechanism and effectiveness:

B. Names of the ISSC Members, and its Competencies and Duties

C. ISSC Committee Purposes

- D. ISSC Committee Responsibilities
- E. ISSC Committee Meetings during 2025

**9 Internal Control System**

- A- The BOD’s acknowledgement of its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness.
- B- The name, qualifications, and date of appointment of the directors of internal control department.
- C- The name, qualifications, and date of appointment of Compliance officer.
- D- How the Internal Control department manages any significant issues in the company, or issues disclosed in the annual report and account.
- E- Number of Reports issued by the Internal Audit department to the Company’s Board of Directors.....

**10 Details of the violations committed during the year 2025, and a statement of reasons thereof, and how they addressed and how they will avoid in the future.**

**11 A statement of the cash and in-kind contributions made by the company during the year 2025 towards the local community development and environmental conservation**

**12 General Information**

- A- A statement of the Company share price in the market by the end of each month during the year 2025.
- B- A statement of comparative performance of the company's share with the market index and sector index to which the company belongs during year 2025.
- C- A statement of shareholding distribution as of 31/12/2025...
- D- A statement of shareholders who hold 5% or more of the company's capital as of 31/12/2025.
- E- A statement of shareholder’s distribution by the size of equity as of 31/12/2025
- F- A statement of the procedures taken with respect to control of investor’s relation taken on the controls of investors' relations.....
  - i. The name and contact information of Investors' Relations Manager.....
  - ii. Link of the investor’s relations webpage on the website of the company.....
- G- A statement of the special resolution to the General Assembly held in 2025 and the procedures taken with respect thereto.....
- H- Name and date of appointment for Board Secretary.....
- I- A statement of the significant events during 2025.....
- J- A statement of the Emiratization percentage in the company as of 2025.....
- K- A statement of innovative projects and initiatives implemented by the company or which were under development during 2025.....

**13 Approval and signature of the report**

**14 Board declaration of liability for the company's internal control system is attached**

**1- A statement of procedures taken to complete the Corporate Governance System during 2025 and how they are applied.**

Orient Takaful Company (Public Shareholding) has committed to applying all the rules and procedures of corporate governance since the implementation of those rules, and has also committed on an ongoing basis to follow up all necessary steps to develop and update governance procedures in line with legislative changes in the relevant laws and the latest decisions issued by the regulatory authorities, as well as in compliance with the best local and international practices about the legislative amendments. Following are the applicable regulations for the company:

Federal Decree-Law No. 32 of 2021 on Commercial Companies

Federal Decree-Law No. 25 of 2020 Amending Certain Provisions of Federal Decree-Law No. (14) of 2018 Regarding the Central Bank and Regulating Financial Establishments and Systems

Federal Decree-Law No. (48) of 2023 Regarding the Regulation of Insurance Business

The Securities and Commodities Authority Board of Directors Resolution No. (2/Chairman) of 2024 Amending Resolution No. (03/Chairman) of 2020 Regarding the Adoption of the Governance Manual for Public Shareholding Companies.

Corporate Governance System and Standards for Insurance Companies issued by the Central Bank of the United Arab Emirates under Circular No. 24 of 2022

Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions, Activities, and Insurance Business -

Federal Decree-Law No. (10) of 2025 concerning the Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations -

During the year 2025, the company took the following steps:

1- Completed the context of adhering to the corporate governance system issued by the Central Bank of the UAE, the company has continued to follow the comprehensive plan that was approved by the Board of Directors that includes the timetable for the implementation of the compliance process for the decision, which was reviewed and approved by the Central Bank, and the plan includes

A- Developed a general framework for corporate governance for the purpose of improving corporate governance policies.

B- Re-constituted the committees of the Board in accordance with the conditions and status of membership contained in the governance system, during the first meeting of the Board after the restructuring and election of new members.

C- Formulated new policies and presented them to the Board to be reviewed and approved

D- Worked on the formulation, approval and updating of a comprehensive risk policy, risk management strategies, and a comprehensive remuneration policy in accordance with the

controls contained in the corporate governance system, while adhering to the implementation schedule, and disclosing it in subsequent governance reports.

2- The company continued to commit to activating the internal control systems by matching the data issued by it with the external audit data and providing the opportunity for the members of the control committee to follow up their supervisory role easily and effectively.

The company's executive authorities met with members of the internal control and the investment committee, and the committees emanating from the board of directors were followed up to discuss the risk management policy adopted by the company, and to verify the effectiveness of that policy due to the high technical profits of the company and the increase in shareholders' equity by implementing a cautious underwriting policy, strong claims management, a balanced level of expenses and an emphasis on continuity in the same approach.

3- The company continued to conduct internal training courses for its employees to explain the provisions and controls of corporate governance and administrative decisions regulating them.

4- The company maintained female representation on the board of directors, thus achieving compliance with the provisions of the governance decision, and the company's articles of association were amended to include a minimum female member in the composition of the board.

5- The Board of Directors of the Company followed up on the Nomination and Remuneration Committees and the Audit Committee in accordance with the provisions and controls of governance.

6- The Board of Directors, represented by the Chairman of the Board of Directors, received the reports of the Internal Control Department throughout the year in line with the requirements, objectives and controls that govern the work of the Internal Control Department in accordance with the decision issued by the Board of Directors of the Securities and Commodities Authority No. (03/Chairman) of 2020 regarding the adoption of the Governance Manual for Public Shareholding Companies and its amendments.

7- The company has followed up on the performance of the investor relations officer to perform his duties in accordance with the law.

8- The Board of Directors followed up the supervision committee's review of the insiders' transactions in performing its duties and receiving the reports issued by it, in accordance with the rules for the dealings of members of the board of directors, employees and other persons, in securities issued by the company, the parent company, subsidiaries or sister companies.

9- Conducted its business with the required transparency with regard to the dates and methods of disclosure of financial statements while adhering to all provisions and decisions of the Securities and Commodities Authority, as well as the Dubai Financial Market

10- Prepared the corporate governance report to include all items contained in the annual governance report form issued by the Securities and Commodities Authority, as well as all disclosure requirements contained in the corporate governance system to include all key information about the

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company, organizational structures, governance, policies and transactions with related parties, the composition of the board of directors and its committees, the number of times attended, attendance records and compensation, while ensuring the completion of the governance report as well as the annual report and all financial statements and presenting them to the members of the General Assembly before convening it for a sufficient period to enable the General Assembly to review it and take its decisions.

11- The Compliance Officer continued to develop the Company's compliance procedures, as well as follow up the performance of the Compliance Officer and the Money Laundering Compliance Officer.

**2- A statement of ownership and transaction of the members of Board Directors and spouse and children thereof in the company's securities during 2025**

No	Name	Title / Relationship	Own shares as on 31/12/2025	Total Sale	Total Purchase
1	Mr. Ismail Hassan Ali El Khatib	Chairman	None	None	None
2	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Vice Chairman	None	None	None
3	Mr. Hussain Murad Mohamed Ali Al-Blooshi	Director	None	None	None
4	Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	Director	None	None	None
5	Mr. Marwan Ali Mohamed Abdulla AlNabouda	Director	None	None	None
6	Ms. Manal Sultan Saif Sultan Albadi	Director	None	None	None
7	Mr. Fadi Sabbah Ghaleb El Masri	Director	None	None	None

\*\*Since the members of the Board of Orient Takaful (public shareholding) and their spouses and children do not own any of the shares of the company, there is no trading transactions on the company's shares from the members of the Board of Directors during the year 2025, whether from the members of the Board of Directors, their relatives or others.

**3- Composition of the Board**

**1) A Statement of Current Board of Directors (BOD)**

No	Name	Category	Experience/Qualifications	
1	Mr. Ismail Hassan Ali El Khatib	Non-Executive/ Independent	Director- Investments, Al Futtaim Dubai	Bachelor of Science in Business Administration
2	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Non-Executive/ Independent	Director of Govt Consumer Relations & HSSE Al Futtaim Motors	Hawk Missile Crew Member (Non-US) Course, USA Hawk Trailer Wheel Maintenance Course, UAE English Language and Technical Training Program, USA
3	Mr. Hussain Murad Mohamed Ali Al-Blooshi	Non-Executive/ Independent	Director of the Department of Security, Health, and Safety at Al-Futtaim Group	Diploma of Leadership in Humanitarian and Development Work
4	Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	Non-Executive/ Independent	Senior Marketing Manager, Al Futtaim Engineering Company	Bachelor of Public Relations

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5	Mr. Marwan Ali Mohamed Abdulla AlNabouda	Non-Executive/ Independent	Senior Manager New Business Models & Acceleration, Al Futtaim, Dubai with experience as Finance Manager in Automotive Industry, Credit Risk Advisor & Financial Analyst in an MNC in the Oil & Gas Industry	Bachelor of Science, Accounting and Finance, MBA in Strategic Management & Leadership
6	Ms. Manal Sultan Saif Sultan Albadi	Non-Executive/ Independent	HR Business Partner & Emiratization Lead (Al Futtaim Real Estate)	Bachelor's degree in business sciences
7	Mr.Fadi Sabbah Ghaleb El Masri	Non-Executive/ Independent	<b>Finance Director</b> (Al Futtaim Real Estate) (Al Futtaim Real Estate)	Bachelor's degree in science in Business administration

No	Name	Period served as BOD member of the company since his first election	Membership of other joint-stock companies	Positions in important control, governmental or trade positions	Remarks
1	Mr. Ismail Hassan Ali El Khatib	1 year and 11 months	None	None	
2	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	8 Years	None	None	
3	Mr. Hussain Murad Mohamed Ali Al-Blooshi	4 Year and 9 months	None	None	
4	Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	4 Year and 9 months	None	None	
5	Mr. Marwan Ali Mohamed Abdulla AlNabouda	1 year and 8 months	None	None	
6	Ms. Manal Sultan Saif Sultan Albadi	1year and 8 months	None	None	
7	Mr.Fadi Sabbah Ghaleb El Masri	7 months	None	None	

### New Appointments

- Mr. Fadi Sabbah Ghaleb El Masri --newly appointed on 14.07.2025 in line with reconstitution of the Board during AGM held on 28.04.2025

#### 2) A statement of women's representation in the Board in 2025

The representation of female membership of the board in 2025 is 28.57%.

#### 3) Directors' remunerations and sitting fees.

The remunerations paid to the members of Board of Directors in 2025 will NIL as all the Board Members dispensed off with their remunerations and accordingly, no remunerations were released.

- **Total remunerations proposed to be paid to the members of the Board of Directors for the year 2025, which shall be presented in the Annual General Assembly for approval:**

For the year 2025, all Board of Directors dispensed off with their remunerations for 2025, therefore, there are no recommendations regarding the distribution of remunerations that can be presented in the Annual General Assembly Meeting.

- **A Statement of the details of attendance allowances for attending the sessions of Board and Committees constituted by the BOD, which were paid to the BOD members for the fiscal year 2025.**

All directors, including the members of Board and Constituted committees, dispensed off with all allowances of attendance of Board meetings and Board Sub-committees' meetings, and no allowances were released to them.

**Evaluation of the Board of Directors, its committees, and Executive Management:**

The Company adheres to the Central Bank's regulations in evaluating the Board, its committees, and the Executive Management. The necessary policies and forms for the evaluation process have been developed, and these forms have been completed for the year 2025.

S No.	<u>Name of Board Member</u>	<u>Audit Committee</u>	<u>Inv Committee</u>	<u>Nom Rem Committee</u>	<u>Insiders trdg. Supervision Committee</u>
1	Mr. Yousuf Ali Shahdad Rahma Al Raeesi	No Allowances	Not a member	Not a member	No Allowances
2	Ms. Ayesha Abdulsalam Ibrahim Mohammed Albastaki	No Allowances	Not a member	No Allowances	No Allowances
3	Mr. Marwan Ali Mohamed Abdulla AlNabouda	Not a member	No Allowances	Not a member	No Allowances
4	Mr. Fadi Sabbah Ghaleb El Masri	No Allowances	Not a member	Not a member	Not a member
5	Ms. Manal Sultan Saif Sultan Albadi	Not a member	No Allowances	No Allowances	Not a member
6	Mr. Hussain Murad Mohammad Ali Albalooshi	Not a member	No Allowances	No Allowances	Not a member

\*\* There are no additional allowances, salaries, or fees that members of the Board of Directors' charge, including those attending committees.

**A Statement of Attendance of Board Members to Board Committees:**

<u>Name</u>	<u>Audit Committee</u>	<u>Nomination &amp; remuneration</u>	<u>Investment Committee</u>	<u>Committee for Supervision of Insiders' Trading</u>
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	4 Meetings	Not a member	Not a member	1 Meeting
Mr. Hussain Murad Mohamed Ali Al-Blooshi	Not a member	1 Meeting	1 Meeting	Not a member
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	4 Meetings	1 Meeting	Not a member	1 Meeting
Mr. Fadi Sabbah Ghaleb El Masri	1 meeting	Not a member	Not a member	Not a member
Marwan Ali Mohamed Abdulla AlNabouda	Not a member	Not a member	1 Meeting	1 Meeting
Manal Sultan Saif Sultan Albadi	Not a member	1 Meeting	1 Meeting	Not a member

**4) The numbers and dates of BOD meetings held during FY 2025 as well as the attendance frequency by all the members, in person and/or by proxy.**

Board of Orient Takaful (PJSC) held (11) meetings during the year 2025 as follows:

<u>Meeting</u>	<u>Date of Meeting</u>	<u>No. of Attendees</u>	<u>No. of Attendees by Proxy</u>	<u>No. of Absent Members</u>
First Meeting (by circular)	20-02-2025	6	NIL	NIL
Second Meeting	17-03-2025	6	NIL	NIL
Third Meeting (by circular)	25-04-2025	6	NIL	NIL
Fourth Meeting	13-05-2025	5	NIL	Mr. Marwan Al Nabouda
Fifth Meeting	04-08-2025	6	NIL	Mr. Fadi Sabbah Ghaleb El Masri
Sixth Meeting (by circular)	21-08-2025	7	NIL	NIL
Seventh Meeting (by circular)	22-09-2025	7	NIL	NIL
Eighth Meeting (by circular)	17-10-2025	7	NIL	NIL
Ninth Meeting	12-11-2025	6	NIL	Mr. Hussain Murad Mohamed Ali Al-Blooshi
Tenth Meeting	27-11-2025	6	NIL	Mr. Hussain Murad Mohamed Ali Al-Blooshi
Eleventh Meeting	10- 12-2025	6	NIL	Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-Bastaky

**A Statement of Attendance of Board Members to Board Meetings:**

<u>Name</u>	<u>Meeting/Meeting Date</u>					
	<u>First Meeting 20-feb-2025</u>	<u>Second Meeting 17-03-2025</u>	<u>Third meeting 25- 04-2025</u>	<u>Fourth Meeting 13- 05-2025</u>	<u>Fifth Meeting 04- 08-2025</u>	<u>Sixth Meeting 21- 08-2025</u>
Mr. Ismail Hassan Ali El Khatib	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Hussain Murad Mohamed Ali Al-Blooshi	Attended	Attended	Attended	Attended	Attended	Attended
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Marwan Ali Mohamed Abdulla AlNabouda	Attended	Attended	Attended	absent	Attended	Attended
Ms. Manal Sultan Saif Sultan Albadi	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Fadi Sabbah Ghaleb El Masri	Not a member	Not a member	Not a member	Not a member	Absent	Attended

<u>Name</u>	<u>Meeting/Meeting Date</u>				
	<u>Seventh Meeting 22- 09-2025</u>	<u>Eights Meeting 17-10-2025</u>	<u>Ninth Meeting 12-11-2025</u>	<u>Tenth Meeting 27-11-2025</u>	<u>Eleventh Meeting 10-12-2025</u>
Mr. Ismail Hassan Ali El Khatib	Attended	Attended	Attended	Attended	Attended
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Attended	Attended	Attended	Attended	Attended
Mr. Hussain Murad Mohamed Ali Al-Blooshi	Attended	Attended	Absent	Absent	Attended
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	Attended	Absent	Attended	Attended	Absent
Mr. Marwan Ali Mohamed Abdulla AlNabouda	Attended	Attended	Absent	Attended	Attended
Ms. Manal Sultan Saif Sultan Albadi	Attended	Attended	Attended	Attended	Attended
Mr. Fadi Sabbah Ghaleb El Masri	Attended	Attended	Attended	Attended	Attended

**Number of times of personal attendance of board members:**

<u>Name</u>	<u>Frequency (times)</u>
Mr. Ismail Hassan Ali El Khatib	11
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	11
Mr. Hussain Murad Mohamed Ali Al-Blooshi	9
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	10
Mr. Marwan Ali Mohamed Abdulla AlNabouda	10
Ms. Manal Sultan Saif Sultan Albadi	11
Mr. Fadi Sabbah Ghaleb El Masri	6

**The numbers and dates of BOD decisions by circulation during FY 2025**

- 1 - meeting on 20/02/2025
- 2 - meeting on 25/04/2025

- 3 - meeting on 21/08/2025
- 4 - meeting on 22/09/2025
- 5- meeting on 17/10/2025

**5) A statement of the BOD tasks and functions which were performed by the Executive Management pursuant to an authorization/delegation by the BOD to the management, stating the period and validity of the delegation.**

The Company's Board assigned the company's executive management to assume the following duties:

Name of authorized person	Delegation authority	Duration of Delegation
Syed Muhammad Asim Chief Executive Officer "Managing Director"	All the necessary powers to meet the administrative and technical requirements of the company, including for example: -Daily management of the company. -Annual budget arrangement. -Put the necessary insurance for the company. -Appointing and isolating employees, consultants and contractors and determining their duties and rewards inside and outside the country. -Representing the company in all natural and legal entities, ministries, committees, committees, boards, references, civil departments, companies and private entities. Signing all contracts, transactions, correspondence, and documents related to the company's business. -Follow up the establishment, processing and operation of new branches and premises and take the procedures of its establishment.  In general, the Company is represented in all the activities required for the conduct of its business and activities or related to and related to its practice within the United Arab Emirates and other countries.	The executive management of the company shall conduct the functions and responsibilities entrusted to it under a delegated authority from the Board of Directors, subject to continuous review by the Board. These powers shall remain in force unless they are cancelled or revoked by the Board of Directors.

**6) Statement of the details of transactions made with related parties (stakeholders)**

Related parties comprise of shareholders, associate companies, and directors and key management personnel of the Company, together with entities controlled, jointly controlled, or significantly influenced by those parties. Pricing policies and terms of these transactions are approved by the Company's shareholders.

Significant transactions with related parties included in the statement of profit or loss and other comprehensive income are as follows:

Details	AED'000
Gross written contribution	129,746
Retakaful contribution	119,030
Commission	31,898
Retakaful Commission	21,678
General and administrative expenses	5,160
Rent	1,527
Claims reported	109,241

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Retakaful Claims	53,035
Due from related parties	18,203
Due to related parties	34,392

**Compensation for Key Management Personnel**

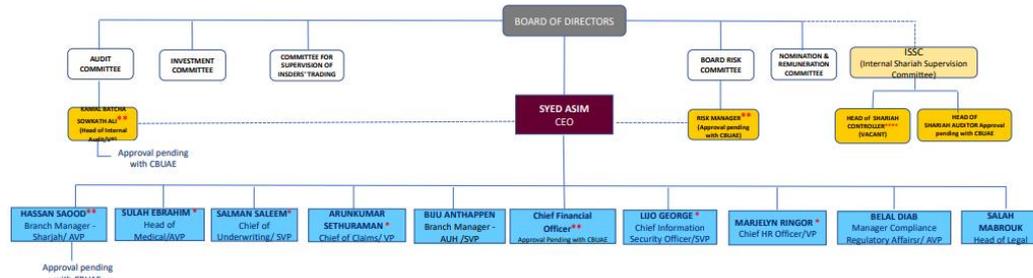
Details	AED'000
Short term benefits	3,181
End of service	183

***Amounts in AED'000***

Due from Related Parties	Nature of Relationship	Type of Transactions	Value of the Transactions
Al Futtaim Motors	Part of same group as Orient Insurance PJSC	Insurance	7,957
Other related parties	Part of same group as Orient Insurance PJSC	Insurance & Reinsurance	4,465
Al Futtaim Motors	Part of same group as Orient Insurance PJSC	Automotive	3,711
Other related parties	Part of same group as Orient Insurance PJSC	Inter Company Transaction	2,070
<b>Total Due from Related Parties</b>			<b>18,203</b>

Due to Related Parties	Nature of Relationship	Type of Transactions	Value of the Transactions
Orient Insurance P.J.S.C	Shareholder	Insurance & Reinsurance	18,173
Al Futtaim Motors	Part of same group as Orient Insurance PJSC	Repair Charges for Motor Claims	7,783
Trading Enterprises	Part of same group as Orient Insurance PJSC	Repair Charges for Motor Claims	766
Other related parties	Part of same group as Orient Insurance PJSC	Insurance & Reinsurance	7,115
Other related parties	Part of same group as Orient Insurance PJSC	Inter Company Transaction	555
<b>Total Due to Related Parties</b>			<b>34,392</b>

7) **The company's organizational structure:**



\*\*\*\* Positions to be filled (Head of Shariah Controller)  
 \*\*\*\*\* HEAD OF LEGAL - Salah Mabrouk, Legal Head of Orient (the holding company of Orient Takaful) handles our legal matters. Ehsan Muballa joined Orient Takaful six months ago and is currently undergoing legal training under Salah's supervision.  
 \*\* Approval pending with CBUAE (CFO, CRO, Head of Internal Audit, Branch Manager Sharjah).  
 \* Application approval to be submitted.

8) **A detailed statement of the senior executives as to the company's organizational structure and their positions and appointment dates and the total salaries and benefits paid thereto.**

No	Title	Date of appointment
1	Chief Executive Officer	01/04/2017
2	Chief Financial Officer/SVP	15/08/2025
3	SVP – Technical	17/11/2023
4	SVP – Business Development	28/04/2020
5	VP – AUH Branch	15/12/2025

Orient Takaful's rewards policy is based on the principles of competitiveness through the adoption of a "pay-for-performance" approach, supported by incentive-based performance management systems. The policy encourages outstanding performance, aims to enhance effective risk management, and increases employee motivation. The total salaries and bonuses paid to the company's senior management during 2025 amounted to AED 6,372,921

#### 4- External Auditor

##### A. Brief Description of the External Auditor of the Companies to the Shareholders

Ernst & Young were re-appointed as external auditors of the company in last year's Annual General Meeting held on 28/04/2025. They have been external auditors since the year 2023 for the company.

##### B. Statement of the Fees or Costs of Auditing or Services Provided by the External Auditor

During the year 2025, the Company paid AED 349,650 as fees to the external auditors. This amount was paid against the quarterly reviews of the Company's accounts, the final annual audit, and the verification of the financial statements of the Company and whether there is a violation of the provisions of the Articles of Association of the Company and/or the Corporate Law. During the financial year ended 2025, as part of the fees, the auditor shall attend the Annual General Meeting of the Company, as well as express his opinion on the audited financial statements during that meeting and verify the procedures followed for the announcing/holding of this meeting.

Name of Auditing Company and Partners' Name	Ernst & Young <b>Partner Name:</b> Rakesh Kanabar
Number of years spent as external auditor of the company	3
Number of years Partner auditor spent auditing the company's accounts	3
Total auditing fees of financial statements for 2025 (AED)	174,825
The fees and costs of special services other than auditing of financial statements in 2025	174,825
Details and nature of other services provided	Supervision Authority Requirements
Statement of the other special services submitted by another external auditor than the company's auditor during 2025	None

##### C. Indication of the company's auditor reservations included in the interim and annual financial statements for the year 2025.

As per quarterly, half yearly and annual reports, there are no reservations from external auditors in their audit/review opinions.

## 5- Audit Committee

I, **Chairman of the Audit Committee**, acknowledge my responsibility for the Audit committee system at the company, review of its work mechanism and ensures its effectiveness.

### **A. The names of members of the audit committee, and a statement of its functions and duties assigned thereto.**

The audit committee consists of the following board members:

Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Head of Committee	Independent / non-executive
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-bastaky	Member	Independent / non-executive
Mr. Fadi Sabbah Ghaleb El Masri	Member	Independent / non-executive

### **Functions and duties of audit committee:**

- a- To set and implement the policy of entering into contract with the external auditor and refer to the Board report that defines the matters it finds necessary to take measures in their respect and to present recommendations for the steps to be taken.
- b- To follow up and control the independence and objectivity of external auditors, and to discuss about the nature, scope, and effectiveness of auditing in accordance with the approved auditing standards.
- c- To control the safety of the company's (Annual, semi-annual, and quarterly) financial statements and reports and to audit them as part of its normal work during the year, after closure of accounts in any quarter, and shall focus on the following:
  - Any changes to the accounting policies and practices.
  - Highlighting the sides which are subject to the management's assessment.
  - Material amendments that result from auditing.
  - Assuming continuity of the company's work.
  - Compliance with the accounting standards.
  - Comply with the rules of listing, disclosure and other legal requirements related to preparation of financial reports.
- d- Coordinating with the company's board, executive department, financial manager, or manager in charge of the same duties in the company for performance of its duties. The committee shall meet with the company's auditors at least once per year.
- e- Consider any important and extraordinary items that are contained or may be contained in those reports and accounts and draw due attention to any matters to be raised by the company's financial manager or the manager who assumes the same duties, compliance officer, or auditors.
- f- Review the financial control and internal control systems and risk management of the company.

- g- Discuss the internal control system with management and assure its performance of the duty of creating effective internal control system.
- h- Consider the key results of investigation of internal control matters to be assigned by the board or initiated by the committee and management's approval.
- i- Assure coordination between the company's auditors and external auditor and assure availability of the necessary resources to the internal auditing staff and review and control the effectiveness of this staff.
- j- Review the financial and accounting policies and procedures of the company.
- k- Review the external auditor's letter and work plan and any essential inquiries to be raised by the auditor to the executive department in connection with the accounting records, financial accounts or control systems and recuse and approve them.
- l- Assure the board of a timely response to the inquiries and essential matters raised in the external auditor's letter.
- m- Set the controls that enable the company's employees to report any potential violations in financial reports, internal control, or other matters confidentially and the steps that guarantee independent and fair investigations of those violations.
- n- Control the company's compliance with the rules of professional conduct.
- o- Guarantee application of the rules of work of its duties and the capacities assigned thereto by the board.
- p- Present report to the board on the matters contained in this item.
- q- Consider any other topics to be defined by the board.

**B. The numbers and dates of the meetings held by the audit committee during the year 2025 to discuss issues related to financial statements and any other issues, and a statement of the attendance frequency in person by the committee members.**

Meeting	Date of Meeting	Agenda
First Meeting	17/03/2025	Review of the company's annual financial results for the year ended 31/12/2024
Second Meeting	13/05/2025	Review the Company's financial results for the first quarter ended 31/03/2025 and review and evaluate the internal control and risk management system
Third Meeting	04/08/2025	Review the Company's financial results for the first quarter ended 30/06/2025 and review and evaluate the internal control and risk management system
Fourth Meeting	12/11/2025	Review the Company's financial results for the first quarter ended 30/09/2025 and review and evaluate the internal control and risk management system

<u>Name</u>	<u>Meeting/Meeting Date</u>				<u>No. of Times Attended</u>
	<u>First Meeting</u> <u>17/03/2025</u>	<u>Second Meeting</u> <u>13/05/2025</u>	<u>Third meeting</u> <u>04/08/2025</u>	<u>Fourth Meeting</u> <u>12/11/2025</u>	
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Attended	Attended	Attended	Attended	4 Out of 4
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al- bastaky	Attended	Attended	Attended	Attended	4 Out of 4

**Mr. Fadi Sabbah Ghaleb El Masri has been appointed as a new member effective 27 - Nov 2025**

#### **6- Nominations and Remunerations committee**

**I, Chairperson of the Nominations and Remunerations Committee**, acknowledge my responsibility for the Nominations and Remunerations committee system at the company, review its work mechanism, and ensure its effectiveness.

#### **A. The names of members of the Nomination and Remunerations committee and a statement of its functions and duties assigned thereto.**

The nominations and remunerations committee consist of the following board members:

Ms. Manal Sultan Saif Sultan Albadi	Head of Committee	Independent / non-executive
Mr. Hussain Murad Mohamed Ali Al-Blooshi	Member	Independent / non-executive
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-Bastaki	Member	Independent / non-executive

#### **Functions and duties of nominations and remunerations committee:**

- 1- To assure independence of the independent directors on continuous basis. If the committee finds that a director missed the conditions of independence, the company shall refer the matter to the company's board.
- 2- Prepare the policy of remuneration, benefits, incentives, and salaries of the company's board and annually review it. The committee ensures that the remunerations and benefits granted to the senior executive department of the company are reasonable and suitable for the company's performance.
- 3- Define the company's needs of competences on the level of senior executive department and employees and basis of choice of them.
- 4- Prepare the human resources and training policy of the company and control application and review of it on annual basis.
- 5- Organize and follow up the procedures of nomination to the board membership in accordance with the applicable laws and regulations and the provisions of the Securities and Commodities Authority Board Resolution No 7/R.M of 2016.

**B. The numbers and dates of the meetings held by Nominations and remunerations committee during the year 2025, stating the frequency of attendance in person by all the members of the committee.**

Meeting	Date of Meeting	Agenda
First Meeting	10-12-2025	<ul style="list-style-type: none"> <li>• Review of the functions of the Committee in accordance with Article 47 of the decision of the Board of Directors of the Securities and Commodities Authority No. 7/R.M of 2016 on the standards of corporate discipline and corporate governance</li> <li>• To verify the status of the independent members of the Board and the extent to which the members are independent.</li> <li>• Review the policy of candidacy for membership of the Board of Directors, as outlined in the previous corporate governance guide.</li> <li>• Annual review of the policy of granting bonuses and benefits to the Board members and employees of the company.</li> <li>• Annual review of the company's needs for the competencies of executive management and staff and the basis of their selection</li> <li>• Annual review of HR policy and training.</li> <li>• Annual review of the Board structure</li> </ul>

Name	Meeting/Meeting Date	No. of Times Attended
	First Meeting 10/12/2025	
Ms. Manal Sultan Saif Sultan Albadi	Attended	1 Out of 1
Mr. Hussain Murad Mohamed Ali Al-Blooshi	Attended	1 Out of 1
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-Bastaki	Absent	0 Out of 1

**7- Insiders' Trading Follow up and supervision Committee.**

I, **Chairperson of the Committee for Supervision of Insiders' Trading**, acknowledge my responsibility for the Insiders' Trading Follow up and Supervision committee system at the company, review of its work mechanism and ensure its effectiveness.

**A. Names of the members of the Insiders` Trading Follow up and supervision Committee and a statement of its functions and duties assigned thereto.**

The committee for Supervision of Insiders' Trading activities consists of the following board members:

Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-Bastaki	Head of Committee	Independent / non-executive
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Member	Independent / non-executive
Mr. Marwan Ali Mohamed Andulla Alnabouda	Member	Independent / non-executive

**B. A summary of the Committee's activities in 2025**

**First: Competences and duties of Insiders' Trading Follow Up and Supervision of the Committee**

- 1- Review and control of the customer trading policies, including the periodic changes to made thereto.
- 2- Receive and review the reports on trading operations done by customers.
- 3- Study and grant prior approval of the requests of trading of shares, bonds, and securities (possession/ purchase/ and other authorized activities).

**Second: Duties of Insiders` Trading Follow Up and Supervision of the Committee shall undertake the following duties:**

- 4- Meet at least once per year to follow up and supervise the customer transactions.
- 5- Review and control the trading policy of customers on annual basis in accordance with the rules of transactions and transparency and conduct periodic changes, if necessary, to be in line with the changes of governing laws and decisions.
- 6- Receive and review the trading reports prepared by customers (by the end of each quarter) and conduct periodic control of the customer transactions in Dubai Financial Market to guarantee customer compliance with the trading policy of the company and ensure validity of the declarations submitted by customers.
- 7- Receive the previous requests of securities trading and evaluate them in terms of compliance with the governing legislation and procedures, and grant approval and advise the specific decision whereby trading is allowed to customers and notify the official authorities with those requests.
- 8- Report to Dubai Financial Market and Securities and Commodities Authority the violations of trading policy requirements for customers to take the necessary decision and take the disciplinary measures against violators.
- 9- Draft the declarations of customers and supervise the contracts with external and temporary customers.

**C. The numbers and dates of the meetings held by Insiders` Trading committee during the year 2025, stating the frequency of attendance in person by the all the members of the committee.**

Meeting	Date of Meeting	Agenda
First Meeting	10-12-2025	The committee reviewed the list of Trades on the Company's stock, during the year and noted that there have not been any transactions done on the trade of the company's stocks, and that the stock share is stable on the price of 100AED.  Accordingly, the Committee submitted its report that there were no transactions made by any of the related parties.

Name	Meeting/Meeting Date	No. of Times Attended
	First Meeting 10/12/2025	
Ms. Aysha Abd-Elsalam Ebrahim Mohamed Al-Bastaki	Absent	0 Out of 1
Mr. Yousuf Ali Shahdad Rahma Al Raeesi	Attended	1 Out of 1
Mr. Marwan Ali Mohamed Andulla Alnabouda	Attended	1 Out of 1

**8- (i) Investment Committee**

I, **Chairman of the Investment Committee**, acknowledge my responsibility for the Investment committee system at the company, review of its work mechanism and ensures its effectiveness.

**A- The names of members of the Investment committee and a statement of its functions and duties assigned thereto.**

The Investment committee consists of the following board members:

Mr. Hussain Murad Mohamed Ali Al-Blooshi	Head of Committee	Independent / non-executive
Ms. Manal Sultan Saif Sultan Albadi	Member	Independent / non-executive
Mr. Marwan Ali Mohamed Andulla Alnabouda	Member	Independent / non-executive

**B- A summary of the Committee's functions and duties**

- Review, supervise and approve the company's investments.
- Review, supervise and approve the dates of benefits for the company's investments.
- Review, supervise and approve the legal deposits and the Agency's deposits.
- Ensure that the company's investment officers follow the standards and controls contained in the decisions of the regulatory bodies and abide by them.

**C- The numbers and dates of the meetings held by the Investment Committee during the year 2025.**

Meeting	Date of Meeting	Agenda
First Meeting	10/12/2025	Review of the company's investment portfolio

Name	Meeting/Meeting Date	No. of Times Attended
	First Meeting 10/12/2025	
Mr. Hussain Murad Mohamed Ali Al-Blooshi	Attended	1 Out of 1
Ms. Manal Sultan Saif Sultan Albadi	Attended	1 Out of 1
Mr. Marwan Ali Mohamed Andulla Alnabouda	Attended	1 Out of 1

**(ii) Risk Management**

The Company formed a Risk Committee during the year 2024, following the re-constitution of the Board.

**Functions and Duties of the Risk Committee**

- Develop and implement a corporate risk management governance model framework, to provide visibility into all material risks to which they are or may be exposed and the extent to which those risks are interrelated, at the company and group level, as appropriate. This includes strategies, policies, processes, procedures, and controls needed to identify, assess, measure, control, and report on risks and reduce sources of material risk in a timely manner. Taking into account when defining and assessing material risks the subject of risk acceptance, its risk profile, the nature, size, degree of complexity and structure of its work.

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- Align the company's strategic objectives with the company's risk tolerance.
- Verify the distribution and allocation of risk management responsibilities.
- Oversee risks related to the Company's business and operations, including at a minimum, reserves, asset and liability management, investments, liquidity, reinsurance, risk concentration, operational risks, risk mitigation mechanisms, and business conduct. It should also cover the risks to be included when calculating capital adequacy requirements in accordance with the financial instructions of insurance companies,
- Reduce the effects of these risks by diversifying sources of capital, monitoring risks and policies applied to mitigate risk exposure.
- Develop risk management tools and monitor the effectiveness of these roles.
- Develop and implement risk management strategies and limits, and determine the level of risk that the company may wish to take Follow up on the company's Risk and Solvency Self-Assessment (ORSA) process
- Ensure that the company implements a forward-looking stress testing program, as part of its overall risk management methodology. The stress testing program should include negative and extreme scenarios but reasonable and possible occurrence, for a set of material risks, and be proportionate to the size of the company's exposure to the risks. The results of the stress testing program should be reflected on an ongoing basis in the company's risk management, to enable the company to maintain its awareness of the impact of stress on its financial position, including contingency planning, and the company's internal assessment of capital and liquidity.
- Ensuring the dissemination of a culture of risk within the company through the rules, values, views, and behaviors of the company that determine the way in which its activities related to risk awareness, risk taking, management, and controls.
- Comply with regulatory requirements related to risk management.
- General disclosure of matters related to risk management.
- Supervise the performance and ensure the independence and effectiveness of the Risk Management Department

No meetings were conducted in 2025 as the Company is in the process of recruiting a Chief Risk Officer and the Risk Committee Meetings will take place once the authorities approve this appointment.

The following are the Members of the Risk Committee: --

<b>Name</b>	<b>Position</b>
Mr. Marwan Ali Mohamed Abdulla AlNabouda	Chairman
Ms. Manal Sultan Saif Sultan Albadi	Member
Mr. Fadi Sabbah Ghaleb El Masri	Member

**Internal Sharia’h Supervision Committee (ISSC)**

**a. ISSC Chairman Acknowledgement of his responsibility for the Committee system, review of its work mechanism and effectiveness:**

The chairman of the Internal Sharia Supervision Committee within Orient Takaful PJSC hereby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

**b. Names of the ISSC Members, and its Competencies and Duties**

<b>ISSC Members</b>	<b>Position</b>
Dr. Salim Ali Salim Ali Al Ali	Chairman
Mr. Abdulnaser Ahmed Ebrahim A Altamimi	Deputy Chairman
Dr. Mohammad Omar Sheikh Alnajjarin	Member (Executive)

The ISSC is governed by the ISSC Charter. The ISSC Charter outlines the purpose, authority, roles, and responsibilities of the ISSC.

**c. ISSC Committee Purposes**

The ISSC undertakes Sharia Supervision of all businesses, activities, products, services, investments, contracts, documents, and code of conduct of the company. The ISSC issues resolutions and Sharia Fatwas that are binding upon the company. The members of the ISSC are accountable for the resolutions and Fatwas they issue to the company, and their compliance with the standards and resolutions issued by the Higher Sharia Authority in UAE Central Bank.

**d. ISSC Committee Responsibilities**

The broader areas of ISSC responsibilities are:

- Reviewing the Takaful Insurance operating model, underlying contracts, and supporting materials (e.g., underwriting and claims settlement manual/guidelines etc.)
- Reviewing and approving the policy and procedures that govern Takaful Insurance Accounts (e.g., segregation of accounts and transparent financial resources flow between the accounts etc.), surplus distribution, and deficit coverage.
- Reviewing and approving the Company’s products, services, and marketing materials.
- Reviewing and approving the investment policy and the Sharia screening criteria to ensure the compliance, of the investment activities in both shareholders’ accounts and participants’ accounts, with the Islamic Sharia Provisions.
- Reviewing and approving the Reinsurance/ Retakaful agreements concluded by the Company to ensure their compliance with the Islamic Sharia Provisions.
- Reviewing the Zakat calculation and specifying the amount of Zakat due on each share of the Company.
- Reviewing the financial statements of the Company to ensure compliance with Islamic Sharia Provisions.
- Preparing an Annual Sharia report.

**e. ISSC Committee Meetings during 2025**

<u>Name</u>	<u>Meeting/Meeting Date</u>						<u>No. of Times Attended</u>
	<u>First Meeting</u> <u>2025/01/20</u>	<u>Second Meeting</u> <u>2025/02/20</u>	<u>Third Meeting</u> <u>2025/04/23</u>	<u>Fourth Meeting</u> <u>2025/07/17</u>	<u>Fifth Meeting</u> <u>2025/10/28</u>	<u>Sixth Meeting</u> <u>29-12-2025</u>	
Dr. Salim Ali Salim Ali Al Ali	Attended	Attended	Attended	Attended	Attended	Attended	6 Out of 6
Mr. Abdunaser Ahmed Ebrahim A Altamimi	Attended	Attended	Attended	Attended	Attended	Attended	6 Out of 6
Dr. Mohammad Omar Sheikh Alnajjarin	Attended	Attended	Attended	Attended	Attended	Attended	6 Out of 6

**9- Internal control system**

**A- The BOD` s acknowledgement of 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 internal control department of the company exercises its activities in accordance with the provisions of article (8) of the Securities and Commodities Authority board resolution No 7/R.M of 2016 to be sufficiently independent to assume its duties and track the board directly, and he shall be responsible for the internal control system and its follow up, revision and effectiveness as provided in the attached declaration issued by the company's board.

**Work Mechanism of the company's internal control department.**

The company adopted international standards for achievement of internal control to achieve the required purposes at the utmost efficiency and least economic cost. The company's internal control work mechanism includes the following:

- Reasonableness and consistency of information and data.
- Compliance of the policies plans and procedures with the regulations, laws, and instructions.
- Protection of the company's assets.
- Compliance with activities, operations and programs with the specific strategic objectives and purposes, and assurance of the supervisory authority's compliance with the plans and objectives.
- Assurance of preventive control to prevent occurrence of any undesired occurrences and correct the improper acts and adoption of desired practices and encourage repetition of performance of them.
- Assure the safety and efficiency of internal control items represented in:

- 1- Control authority
  - 2- Assessment of risks
  - 3- Internal control activities
  - 4- Information and communications
  - 5- Control and inspection.
- Represented by the head of internal control department, the internal control department assumes the following:
    - Preparation of annual audit plan in coordination with the Audit committee and heads of appropriate departments and heads of other departments of the company.
    - Implementation of the internal control plan which is set and approved in addition to implementation of any other duties or projects required by the board.
  - The internal control manager shall refer detailed reports to the board on evaluation of the internal control system and shall highlight the notes and raise suggestions to bridge any gap that may arise in the internal control system on regular periodic basis when necessary and at any time he decides in accordance with the requirements of the control's best practices.

**B- The name, qualifications, and date of appointment of the directors of internal control department**

Mr. **Kamal Batcha Sowkath Ali** is responsible for the internal control function of the company and was appointed by the company on 11/04/2017.

**Academic Qualifications:**

- Bachelor of Accounting
- Higher Diploma in auditing companies
- Diploma in computer applications
- Diploma in Management Sciences
- Diploma of the Indian Institute of Insurance (AIII)

**Work Experience:**

More than 30 years' experience in auditing insurance companies within the UAE.

- From 2017 till date - Director of the Internal Control Department of Orient Takaful.
- From 2003 till 2016 - Director of the Internal Control Department of Orient Insurance.
- From 1996 till 2003 - Accountant of Dubai Branch - United Insurance Company -Dubai

The company is currently undertaking the necessary procedures to obtain the Central Bank's approval for the appointment of Mr. Kamal Batcha Sowkath Ali for the above-mentioned position.

**C- The name, qualifications, and date of appointment of Compliance Officer**

The Director of the Internal Control Department, **Mr. Belal Abd Elsattar Mohamed Mohamed Diab**, acts as Compliance Officer, commissioned by the Board of Directors to ascertain the extent to which the Company and its employees comply with the laws and regulations issued. was appointed by the company on 17- 02 -2025.

**Academic Qualifications:**

Bachelor of Law (L.L.B.), Faculty of Law, Cairo University  
Anti-Money laundering training at central Bank of Egypt – Egyptian Banking institute  
Certified Anti-Money laundering specialist from FRA  
MPL legal Academy Corporate Lawyer Certificate

**Work Experience:**

More than 10 years' experience in insurance sector companies related to legal and compliance work.

**D- How the Internal Control department manages any significant issues in the company, or issues disclosed in the annual report and accounts.**

The internal control department works for a specific mechanism, which is the direct responsibility of the board of directors. In the event of a major problem, the company will be referred to the chairman to take the necessary steps to prevent the problem from escalating. During 2025, the company did not encounter any problems because the company deals in accordance with the generally acceptable principles and practices in accordance with the provisions of law.

**E- Number of Reports issued by the Internal Control Department to the Company's Board of Directors**

The following Reports have been issued by the Internal Control Department to the Company's Board of Directors:

- Four Internal Audit reports-one for every quarter.
- Two MLRO Reports on AML & CFT during the year 2024.
- The reports related to the company's action plan concerning certain points that require correction, in accordance with the Central Bank's recommendations following its inspection of the company. The reports related to certain decisions and regulations issued by the Central Bank.

**10- Details of the violations committed during the year 2025, and a statement of reasons thereof, and how they addressed and how they will avoid in the future.**

Through the data that was submitted and continuously followed by the board committees and internal control department, and the external auditor, it was found that there are no financial or administrative violations of 2025.

**11- A statement of the cash and in-kind contributions made by the company during the year 2025 towards the local community development and environmental conservation.**

Orient Takaful (Public Shareholding) follows an environmental and social policy that stems from its interest in maintaining the integrity of the local environment by the use of pollution-friendly tools, reducing the amount of waste recycled and reusing, and optimizing the use of resources. In addition to this, Orient Takaful (Public Shareholding) is actively practicing its social role by joining a number of governmental and private associations to enhance the external communication elements and to comply with the general development plans of the State.

As for the company's contribution during the year 2025, due to the recent establishment, the company has not disbursed any amounts.

**12- General Information**

**A. A statement of the Company share price in the market by the end of each month during the year 2025.**

Table that indicates the stock price during the fiscal year 2025 indicates the maximum and minimum price by the end of each month:

Month	Highest price		Lowest price		Month	Highest price		Lowest price	
	AED	78.5	AED	78.5		AED	78.5	AED	78.5
January	AED	78.5	AED	78.5	July	AED	78.5	AED	78.5
February	AED	78.5	AED	78.5	August	AED	78.5	AED	78.5
March	AED	78.5	AED	78.5	September	AED	78.5	AED	78.5
April	AED	78.5	AED	78.5	October	AED	78.5	AED	78.5
May	AED	78.5	AED	78.5	November	AED	78.5	AED	78.5
June	AED	78.5	AED	78.5	December	AED	78.5	AED	78.5

**B. A statement of comparative performance of the company's share with the market index and sector index to which the company belongs during year 2025.**

During the year 2025 there have not been any transactions done on the trade of the company's stocks. The stock share is stable at the price of 78.5 AED during the year. Therefore, the share price remained constant without any interaction with the general market index or with sector index.

**Corporate Governance Report 2025**



A chart showing the stability of the stock price and its non-interaction with the general market index and the sector index during the year 2025.

**C. A statement of shareholding distribution as of 31/12/2025**

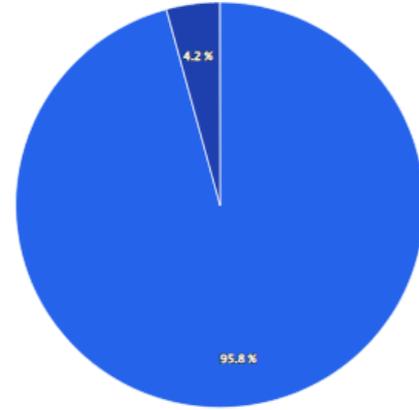
No	Shareholder's classification	Percentage of own shares			
		Individuals	Companies	Government	Total
	Local	4.2244%	95.7757%	None	100.00%
	Arab	None	None	None	None
	Foreign	None	None	None	None
	Total	4.2244%	95.7757%	None	100.00%

**D. A statement of shareholders who hold 5% or more of the company's capital as of 31/12/2025.**

No	Name	Number of own shares	Percentage of own capital shares
1	Orient Insurance (PJSC)	1,915,514	95.7757%

**Individual Investors**

SHAREHOLDERS	PERCENTAGE
شركة اورينت للتأمين مساهمة عامة	95.7757 %



● شركة اورينت للتأمين مساهمة عامة  
● Others

**E. A statement of shareholder's distribution by the size of equity as of 31/12/2025**

No	Shareholding (share)	Number of shareholders	Number of shares owned	Percentage of capital shares owned
1	Less than 50,000	6	84,486	4.2244%
2	50,000 to less than 500,000	None	None	None
3	500,000 to less than 5,000,000	1	1,915,514	95.7757%
4	Over 5,000,000	None	None	None
<b>TOTAL</b>		<b>7</b>	<b>2,000,000</b>	<b>100%</b>

**F. A statement of the procedures taken with respect to control of investor's relation taken on the controls of investors' relations.**

In compliance with the decisions issued in this regard, the Senior Vice-President Finance has been appointed as an Investor Relations Officer due to the availability of the required conditions of familiarity with the regulations and laws and the ability to communicate with investors.

**The name and contact information of Investors' Relations Manager**

Mr. Muhammad Zaheer Iqbal is the Investors Relation Officer

Phone: +971 4 6017585 Mobile: +971582162212

Fax: +971 4 6017555 E-mail: zaheer.iqbal@orienttakaful.ae

Link of the investor's relations webpage on the website of the company: [www.orienttakaful.ae](http://www.orienttakaful.ae)

**G. Special Resolution during the General Assembly in 2025**

The nomination of Fadi Sabbah Ghaleb El Masri as a new member of the Board of Directors has been approved, following the receipt of the Central Bank's approval.

**H. Name and date of appointment for Board Secretary**

Board Secretary Mr. Mohamed Habashi

Date of Appointment: 26/04/2024

Qualifications: Faculty of commerce

Experience: Assistant Accounts

**Statement of Board Secretary duties:**

- Ensuring effective Corporate Governance.
- Ensure meeting attendance, effective communication and execution of meetings inputs/outputs and accurate maintenance of relating documentation and records.
- Call-out for agenda items and agenda preparation for Board and Committee meetings as well as the Annual General Assembly meeting with adequate notice.
- Discreet handling of confidential information.
- Represent the organization in a professional manner.

I. During the year 2025, there were no significant events to report.

**J. A statement of the Emiratization percentage in the company as of 2025**

- The Emiratization rate at the end of **2022** was 12%. The company has achieved the required points according to the points system approved by the Insurance Authority.
- The Emiratization rate at the end of **2023** was 12%. The company has achieved the required points according to the points system approved by the Insurance Authority.
- The Emiratization rate at the end of **2024** was 24%. The company has achieved the required points according to the points system approved by the Insurance Authority.
- The Emiratization rate at the end of **2025** was 22.01%. The company has achieved the required points according to the points system approved by the Insurance Authority.

**K. A statement of innovative projects and initiatives implemented by the company, or which were under development during 2025.**

Due to the recent establishment of the company, there are no innovative projects or initiatives.

Kamal Batcha Sowkath Ali  
**Internal Control Department Head**  
**Date:**

Yousef Al Baccar  
**Chairman of the Audit Committee**  
**Date:**

Manal Al Badi  
**Chairman of the Nomination & Remuneration Committee**  
**Date:**

Ismail Hassan Ali El Khatib  
**Chairman of the Board**  
**Date:**  
**27/03/2026**

Date: 26/03/2026

Orient Takaful (PJSC) Board of Directors Declaration for its responsibility for the company's  
Internal Control System

Board of Orient Takaful (PJSC) declares its responsibility for the internal control system of the company and effectiveness of the internal control system. The board assures that it has reviewed the works of Internal Control Committee of the Company and the duties assigned thereto in accordance with the related board resolutions of the Securities and Commodities Authority and the internal control duties.

In witnesses hereof, the board issued this declaration.



**Ismail Hassan Ali El Khatib**  
*Chairman of the Board*

27/03/2026

# Environment Social & Governance Report



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Sustainability  
Development  
Goals (SDGs)



# The 17 Sustainable Development Goals

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The Sustainable Development Goals (SDGs), also known as Global Goals, are a set of 17 integrated and interrelated goals to end poverty, protect the planet and ensure that humanity enjoys peace and prosperity by 2030.



### Message from Leader

Orient Takaful PJSC (Orient Takaful), a public joint stock company registered under UAE Federal Law No.2 of 2015, aims 'To be the leading Takaful company in UAE contributing effectively to the development and growth of UAE economy through the provision of all types of Sharia compliant insurance products and services.'

- In pursuit of this Vision Statement, the Company has recently received an exemplary credit rating of 'A' from Standard & Poor's and 'A Excellent' from AM Best, amongst the highest rating in the region. This is a testament to the best practices embedded in all its procedures, insurance and operational.
- A subsidiary of Orient Insurance PJSC, the regulatory authorities that Orient Takaful reports to are the Insurance Supervision Department of the UAE Central Bank, Dubai Financial Market (DFM) and Securities and Commodities Authority (SCA). The company is listed on the DFM.
- Overall supervision is provided by a 5-member Board, supported by the Chief Executive Officer and top management team. Shariah compliance is overseen by a 3-member Shariah Board.
- Orient Takaful began its operations in 2017 with a paid-up capital of AED 200 million. Within this short span of time, Orient Takaful has attained a Takaful market share of 16%, achieving a Insurance Revenue of AED 640 million in 2023 and net profit of over AED 50 million. This growth is a testament to the company's sound practices and reputation in the Takaful industry.
- The company deals in the issuance of takaful contracts that cover all types of risks. Details are available on the website ([www.orienttakaful.ae](http://www.orienttakaful.ae)).

# Scope and Methodology

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This report for Orient takaful covers the activities of the company for the year 2025 and is based on the review of key policies through discussions with key personnel.

Activities undertaken within the aspects of Environmental, Social and Governance aspects are outlined in Section 3. The integration of company activities with the Sustainability Development Goals is listed in Section 4.





# ESG Approach

A rapidly growing Islamic finance company, Orient Takaful is well-positioned to make ESG a core driver of growth. The company plans to develop a multi-dimensional ESG strategy that will be guided by common Islamic and socially responsible principles of being good for society and the environment, transparency and fairness.

In June 2020, the UN Environment Programme's Finance Initiative issued its Principles for Sustainable Insurance (PSI) to tackle a wide range of sustainability risks.



Principle 1 : We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

Principle 2 : We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Principle 3 : We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Principle 4 : We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Orient Takaful plans to implement these principles in a staged manner, embedding them within the scope of its business goals. The first stage involves creating a strategy and awareness among all stakeholders:



# **ORIENT TAKAFUL ESG APPROACH 2025**

# Environmental: Energy, Water, Waste

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Orient Takaful is incorporating the philosophy of managing energy and water usage into its company culture, through

- Training and creating awareness among staff.
- Setting up of a suggestion scheme to encourage further awareness.
- Encouraging individual responsibility for achieving the Dubai goal for 30% reduction in emissions by 2030, such as by ensuring all lights are shut off after office hours.
- Saving energy by using energy saver LED bulbs for office lighting.
- Saving water by monitoring taps regularly for any leakage in plumb lines.

The company encourages employees to adopt the mandate of Reduce, Reuse, Recycle wherever possible. Given the nature of business, an area where the company is already able to make a contribution is controlling paper waste.

Several steps are taken to optimise paper usage:

- Motor Claims files, which are over 35% of total claims, are scanned and physically stored with an outside agency Infofort. Finance files are also being scanned.
- A link is sent to clients for payment of premium online.
- The Core Insurance System provides necessary features so that the documents can be scanned and stored at each policy level, so that when a claim is registered, the claims team can access all these documents through the application, rather than obtaining physical copies from the underwriting teams.
- Reducing printouts and re-using printed paper as rough writing pads etc. where possible.





## **SOCIAL**

Orient Takaful recognises the importance of focusing on the triple bottom line of People, Planet and Profit and manages its Human Capital through a set of policies that ensure a fair and equitable framework is followed.

Policies for HR are driven by the Al Futtaim Group to ensure parity and a coordinated approach amongst its companies. As a young company with plans to grow and retain its talent, Orient Takaful takes a personalised approach to managing its employees and partnering with them in their aspirations.

## HUMAN CAPITAL

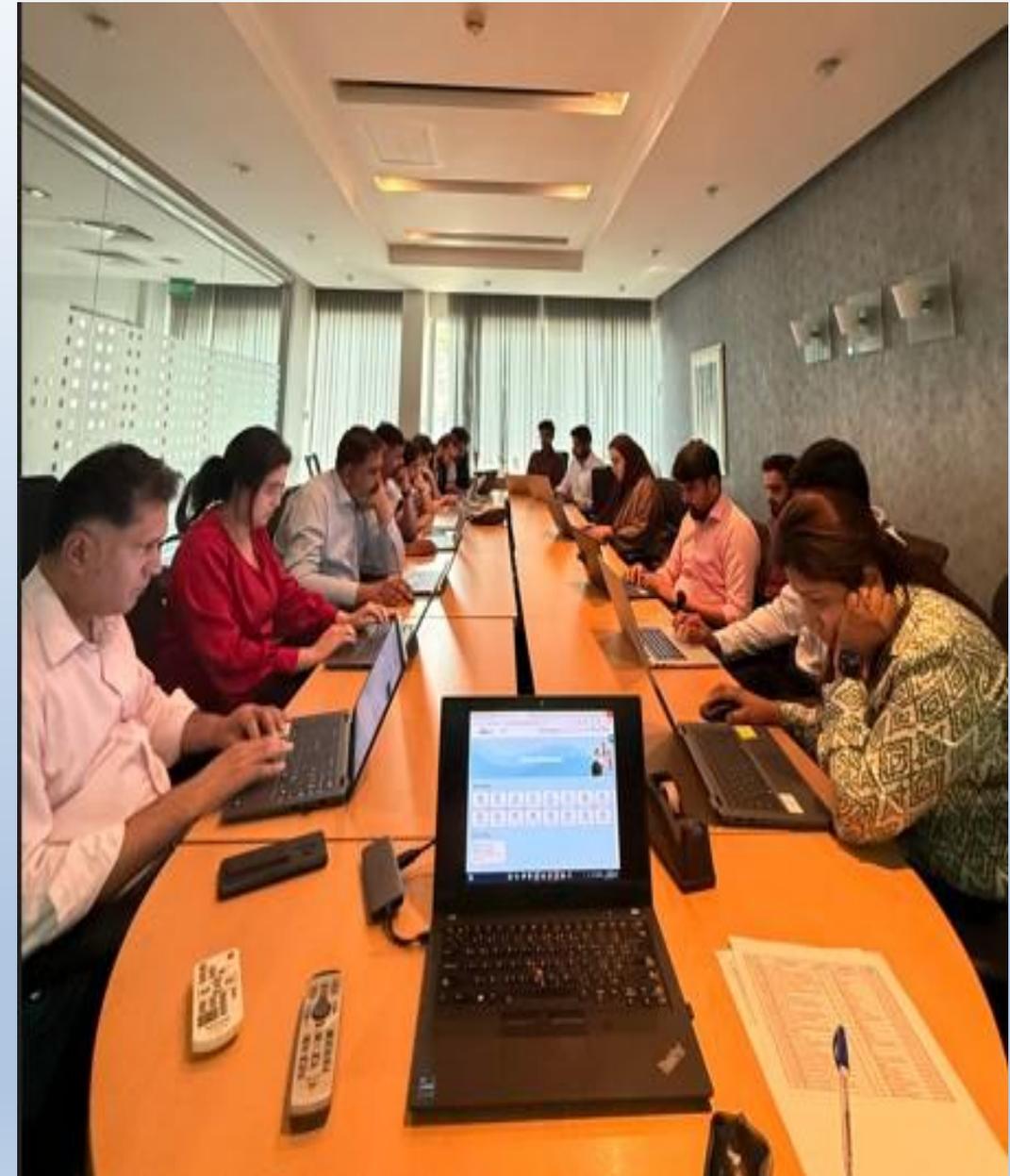
The HR team has issued detailed policies to manage the multicultural team with transparency and fairness. Some key policies that improve engagement and productivity are :

- Recruitment Policy : provides guidelines for internal, external and temporary recruitment, selection processes and onboarding.
- Emiratisation and Diversity: encourages diversity of gender and nationality by setting rules for the maximum number of people from a single country in any department.
- Performance Management : aligns objectives to overall strategy through the use of Balanced Score Card, regular reviews, the 360-degree feedback process and reward policies that recognize special contributions.



# EMPLOYEE TRAINING AND DEVELOPMENT

The Al Futtaim Group has an extensive Performance Management System. As part of a focussed effort to improve employee prospects and performance, training calendars are prepared annually. The company gives access to a wide range of training courses, both online & classroom, available on the online employee portal known as IGROW.



# HEALTH AND SAFETY

For its employees, Orient Takaful ensures full compliance with health and safety requirements including First Aid training and fire drills. Medical insurance is provided to all staff, while at senior levels, family cover is also provided. Maternity cover and pre-natal and post-natal care are provided for women.

The company also sponsors recreation events such as Sports Day and specific health and wellness activities to foster teamwork and well-being in the workplace.



Research has shown that a well-thought-out and strategic diversity and equality policy facilitates employee satisfaction, retention and creativity. In addition, Orient Takaful's diverse workforce helps the organisation appeal to a wider customer base that is representative of the UAE's population.

## Demographics: Nationality / Gender



Distribution	Male	Female
United Arab Emirates	7	18
Egypt	5	0
India	66	17
Jordan	2	0
Sri Lanka	7	0
Philippines	5	6
Pakistan	39	6
Sudan	1	1
Syria	1	2
Palestine	2	0
Tunisia	0	1
Bangladesh	0	1
<b>TOTAL</b>	<b>135</b>	<b>52</b>

Ensuring Board diversity, two of the 7 directors on the Board of Orient Takaful is a lady member.

28% of the employees are women at organizational level.



## **FEEDBACK AND GRIEVANCE MECHANISM**

The suggestion scheme provides opportunities to all staff to contribute to the company's performance. Employees are encouraged to provide suggestions not just in environmental initiatives but in any area where there is a room for enhancement. Taking responsibility and working well with internal and external customers is rewarded through a recognition system of Employee of the Quarter, On The Spot Award, Annual Sales Award and Long Service Awards.

The Al Futtaim Group has in place a grievance code which aims to provide a means of formally communicating grievances and ensuring their timely and equitable settlement by contacting Employee Services online or via the telephone.

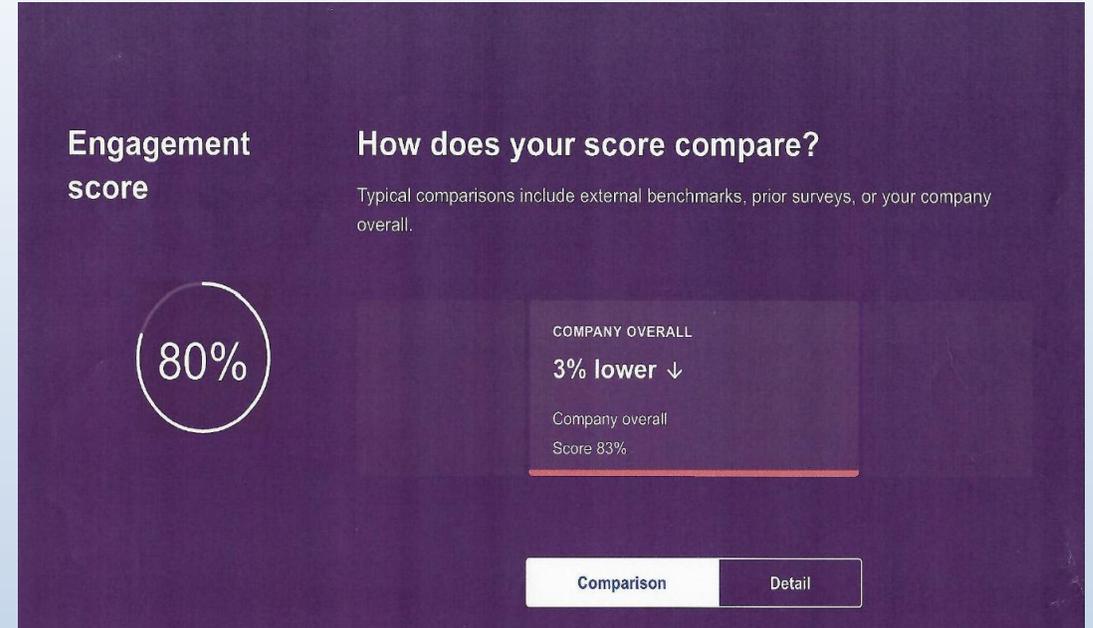


## FINANCIAL PRODUCT SAFETY

In addition, feedback is received in the form of Employee Engagement surveys, as well as Exit Interviews. HR also uses other forms of inputs from the employees by way of periodical department meetings and other open forums.

The HR department annually conducts online employee engagement surveys that measures various work-related factors such as Alignment, Loyalty, Organisational environment, Customer focus, Performance & Recognition, Empowerment, and Growth & Development. Time bound impact plans are formulated by every department on the basis of the Engagement Survey results. The most recent survey had response rate of 80%.

The employees can also obtain free independent confidential legal advice in relation to whistle blowing from the following external contact: Group Legal Counsel: Ethics toll-free line on 800-ETHICS (800 384427) or on email to [ethics@alfuttaim.ae](mailto:ethics@alfuttaim.ae).



## SUSTAINABLE INSURANCE

According to the UNEP FI, “Sustainable insurance is a strategic approach where all activities in the insurance value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risks and opportunities associated with environmental, social and governance issues. Sustainable insurance aims to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic sustainability.”

A detailed analysis of risks and how they are managed is presented in the audited financial statements which is available on the Company website as well as regulator’s website.



## **PRODUCT MANAGEMENT**

Policies and products are designed in keeping with Customer requirements with respect to product features, competitive pricing, delivery and policy servicing including claims handling.

Specific aspects are:

- Every customer is provided with a copy of the policy together with all applicable terms, conditions, warranties and exclusions.
- Products offered by the company are displayed on the Company as well as websites of partners such as online brokers

## FINANCIAL PRODUCT SAFETY, REMEDY AND GRIEVANCE MECHANISM FOR CLIENTS



Orient Takaful ensures that the transparency is at the heart of every transaction. At Orient Takaful all products, at the time of product design, are reviewed and approved by the Company's Shariah Board.

For any concerns, customers can contact "[CustomerCare@orienttakaful.ae](mailto:CustomerCare@orienttakaful.ae)". Issues are reviewed by the CEO's office for appropriate action and remedial measures. In the spirit of transparency, customers are encouraged to escalate to the Dispute Committee if they feel the matter merits further attention.



## AREA

### **Privacy and Data Security**

### **Responsible Investment**

## ACTIVITY / PROJECT

As part of the Al Futtaim Group, Orient Takaful follows the Group policy to govern and protect the confidentiality, integrity and availability of information.

In addition, Orient Takaful is working with Al Futtaim IT team to ensure compliance with ADHICS and NESAs guidelines issued by the regulator relating to Data Privacy and Data Security.

Orient Takaful's key investments are in Wakala deposits held with Islamic Financial Institutions in accordance with requirements for a Takaful company.

# Partnerships

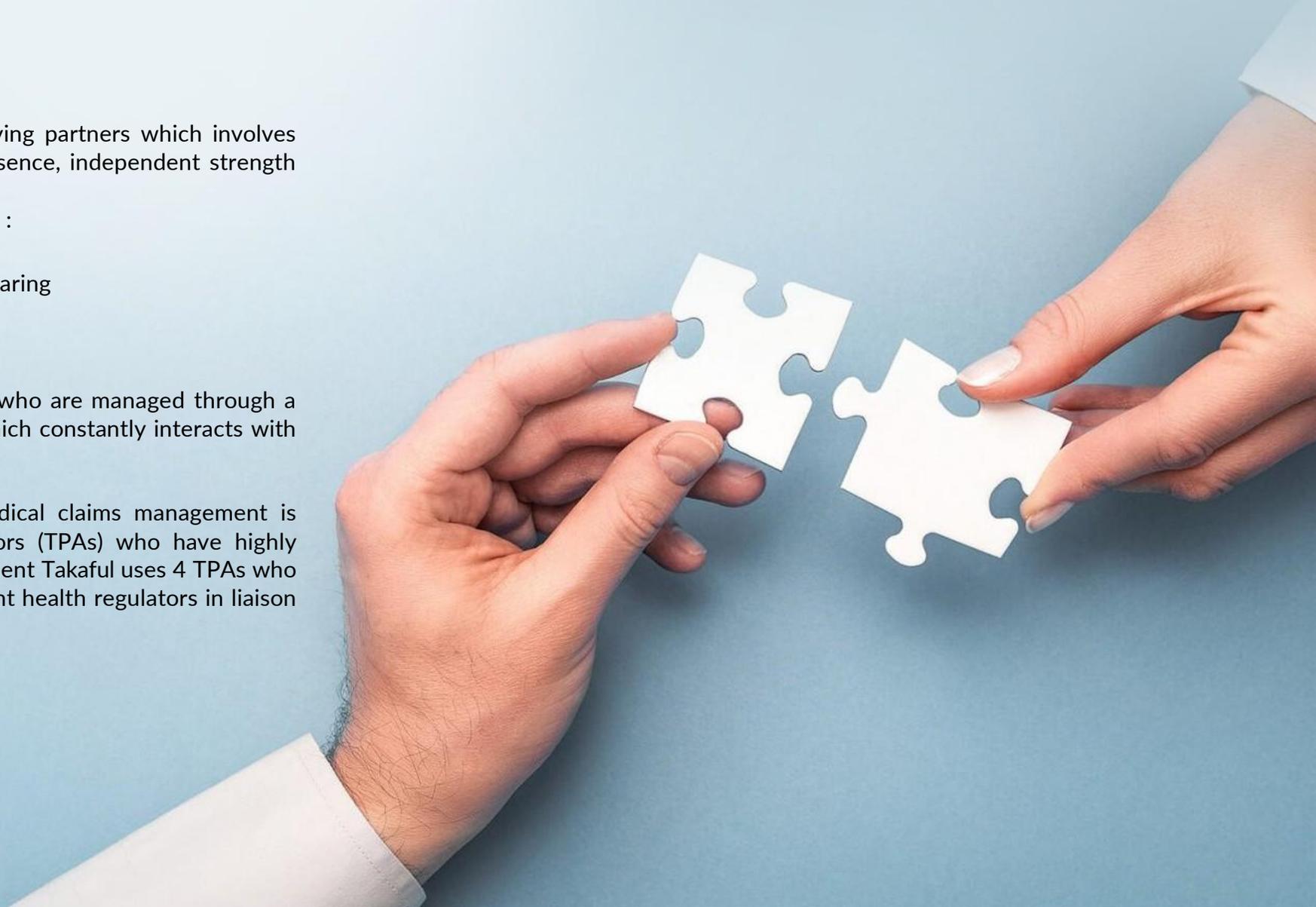
The Company has a process for approving partners which involves assessing their credit rating, market presence, independent strength of the organization and market feedback.

Orient Takaful 's key partnerships include :

- Reinsurers
- Other insurance companies for risk sharing
- Brokers
- Third Party Administrators (TPAs):

There are about 115 regulated brokers who are managed through a dedicated Broker Management Team which constantly interacts with them.

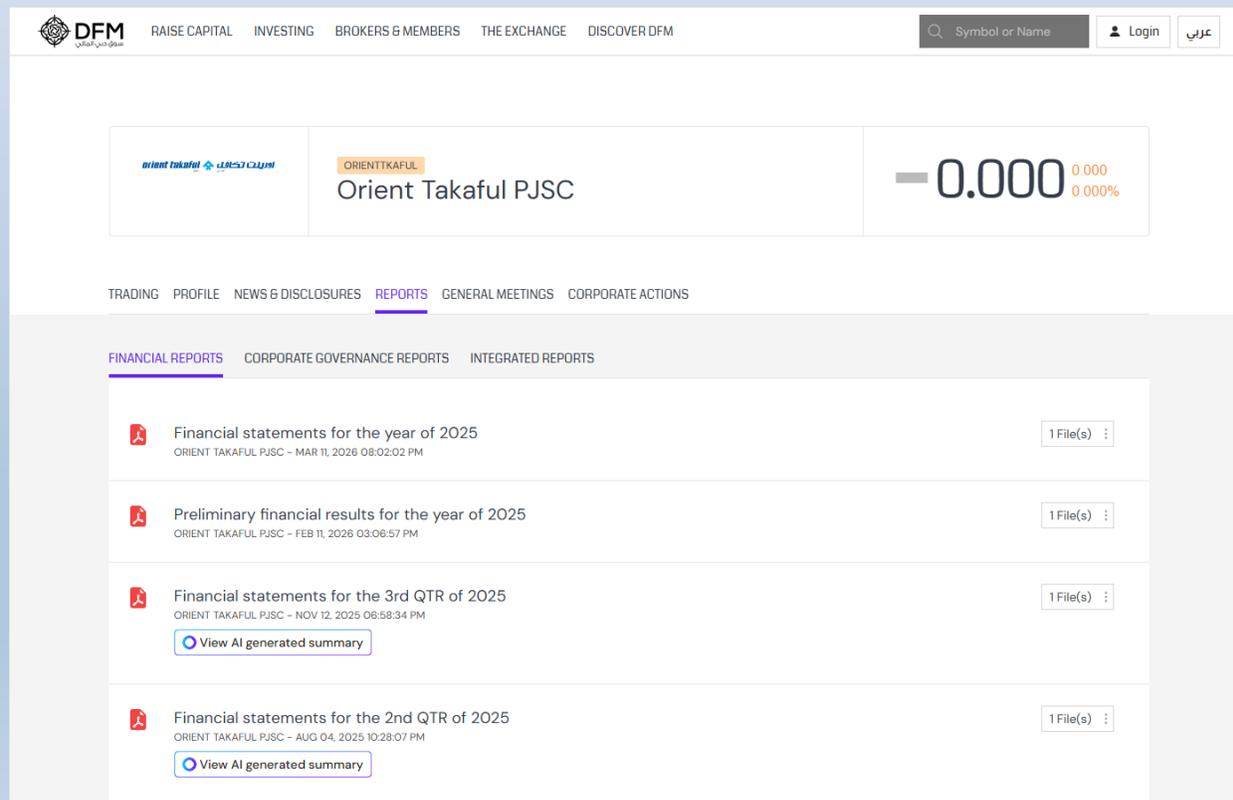
Highly specialized activity like the Medical claims management is outsourced to Third Party Administrators (TPAs) who have highly specialized knowledge of health care. Orient Takaful uses 4 TPAs who are licensed and regulated by the relevant health regulators in liaison with Insurance regulators.



# Governance

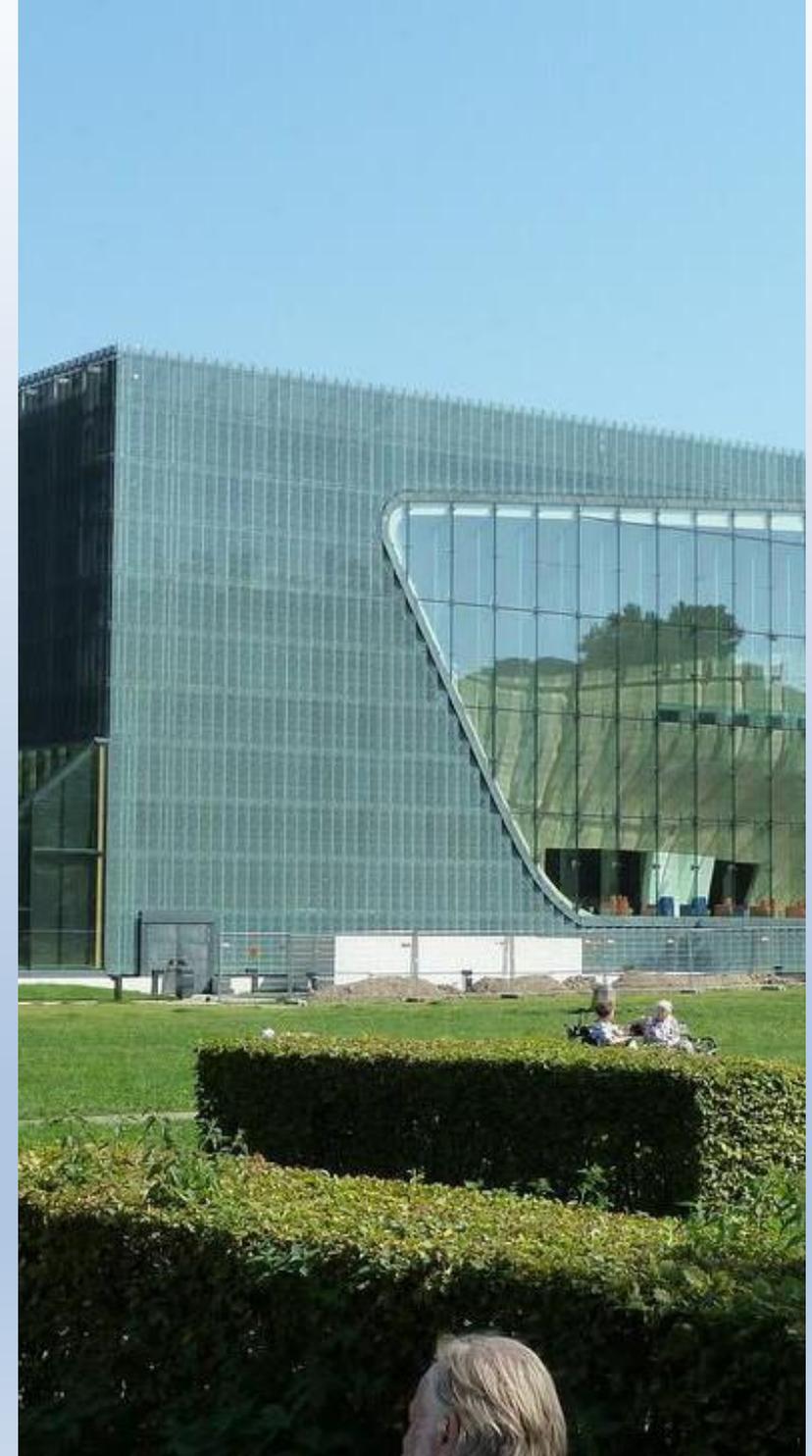
All requirements relating to the disclosures of the financial statements as required by DFM, Securities and Commodities Authority and UAE Central Bank are adhered to by the company within the timelines prescribed for the same.

These include the Corporate Governance report which is published on DFM as well as the company website.



The screenshot displays the DFM website interface for Orient Takaful PJSC. At the top, there is a navigation bar with the DFM logo and menu items: RAISE CAPITAL, INVESTING, BROKERS & MEMBERS, THE EXCHANGE, and DISCOVER DFM. A search bar with the placeholder 'Symbol or Name' and a 'Login' button are also present. The main content area shows the company name 'Orient Takaful PJSC' with a current price of -0.000 and a change of 0.000 (0.000%). Below this, there are tabs for 'TRADING', 'PROFILE', 'NEWS & DISCLOSURES', 'REPORTS', 'GENERAL MEETINGS', and 'CORPORATE ACTIONS'. Under the 'REPORTS' tab, there are sub-sections for 'FINANCIAL REPORTS', 'CORPORATE GOVERNANCE REPORTS', and 'INTEGRATED REPORTS'. The 'FINANCIAL REPORTS' section lists four reports:

- Financial statements for the year of 2025 (ORIENT TAKAFUL PJSC - MAR 11, 2026 08:02:02 PM) with 1 File(s)
- Preliminary financial results for the year of 2025 (ORIENT TAKAFUL PJSC - FEB 11, 2026 03:06:57 PM) with 1 File(s)
- Financial statements for the 3rd QTR of 2025 (ORIENT TAKAFUL PJSC - NOV 12, 2025 06:58:34 PM) with 1 File(s) and a 'View AI generated summary' button
- Financial statements for the 2nd QTR of 2025 (ORIENT TAKAFUL PJSC - AUG 04, 2025 10:28:07 PM) with 1 File(s) and a 'View AI generated summary' button



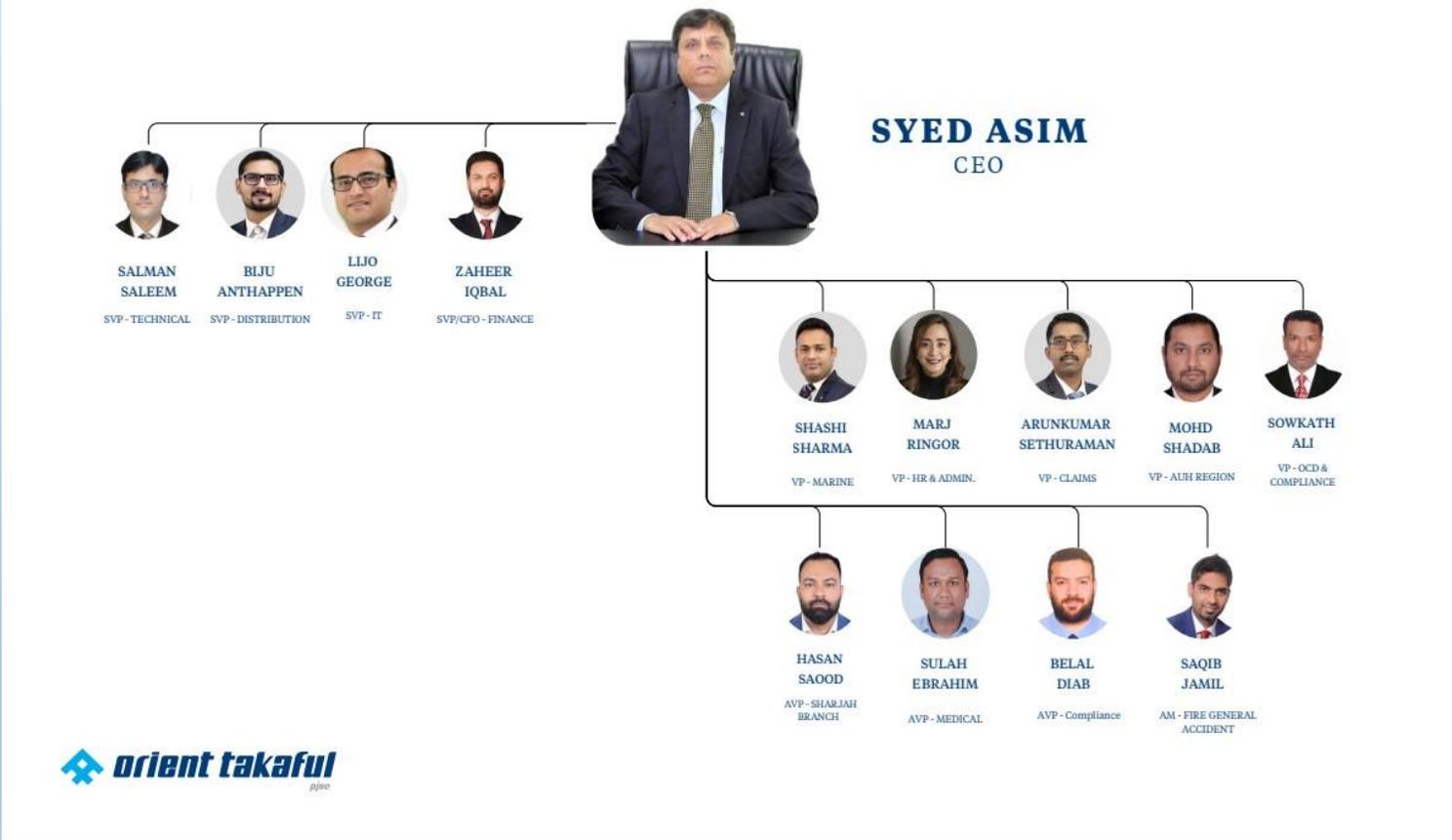
# BOARD AND COMMITTEES

The company is a subsidiary of Orient Insurance PJSC and follows all practices related to governance, internal control and audit. There is a 7-member Board which oversees all activities with the help of a management team to which authorities have been delegated. The organisation chart of the senior team is displayed below.

Specific Committees have been set up to take care of key aspects and meetings are held regularly as mandated. The Committees include

- Audit Committee
- Nominations and Remunerations Committee
- Insiders' Trading Follow up and Supervision Committee
- Investment Committee

All governance activities are reported in the Annual Governance Report published on the website.



## INTERNAL CONTROLS AND AUDITS

The core operations in the company can be segregated into underwriting, claims, sales and marketing, HR and Administration, Finance, IT and Audit & Compliance.

Key procedures are outlined in the form of Manuals and SOPs. All common corporate policies are available on the Al Futtain Group intranet. Within the company, there is a shared folder for Takaful related policies / resources. Both these are available for access by any employee.

The Audit Committee is headed by an independent director and is responsible for reviewing financial control and internal control systems and risk management of the company. Internal audits are carried out by Orient Takaful's inhouse Internal audit team as well as at group level.

The internal and external audit procedures include the concurrent audit of all financial payments and in addition, Quarterly Internal Audit of selected topics or departments.

The external audit is conducted by Ernst & Young. Along with the audited financial statements, the approval of the Shariah Board must be obtained and Fatwa from the Shariah Board must be obtained regarding the Zakat to be paid by the Shareholders, to ensure compliance with Shariah principles.



## EXECUTIVE COMPENSATION

A Board Member is in charge of the nominations and remunerations committee which oversees the remunerations, benefits, incentives and salaries of the company's board and senior executives. Directors and senior executives' compensation is disclosed in the Corporate Governance Report.



## BUSINESS ETHICS AND ANTI-CORRUPTION

Al Futtaim Group has clearly laid down policies with regard to Ethics and Whistle blowing. Every employee is required to undergo the Corporate Ethics Training at the time of their joining. During 2025, several workshops were held for employees to understand the rules of Corporate Governance.

## TAX TRANSPARENCY

Orient Takaful ensures full compliance with VAT regulation, filing the returns in a timely fashion during each reporting period.

# Focus on Sustainability

In keeping with the UAE's direction outlined in the National Committee on Sustainable Development Goals, Orient Takaful supports the implementation of the SDGs in an integrated manner.



1 NO POVERTY



## NO POVERTY

Providing insurance leads to the economic protection of people, their property and their savings. It provides a safety net and prevents families from falling back into poverty. For example, health insurance can help cover medical costs, a common reason why people fall into poverty and general insurance for situations caused by accidents and natural disasters can help prevent bankruptcy in individuals and businesses.

2 ZERO HUNGER



## ZERO HUNGER

Providing insurance for individuals/organizations in the food production value chain, leads to achieving food security and reducing hunger. Orient Takaful provides insurance for food processing industries among its clients.

3 GOOD HEALTH AND WELL-BEING



## GOOD HEALTH AND WELL BEING

Health Insurance improves health care seeking behaviour and lowers/removes financial barriers to obtain healthcare. Insured households are less likely to incur devastating out-of-pocket health expenditures. The company provides health insurance to a number of companies for their employees, and special rates are offered for Frontline workers. Wellness and preventative programs are conducted for clients & general public.

Orient Takaful supports its employees as follows:-

- By providing an extensive medical cover to them.
- Through the Covid breakout by providing free quarantine (including food and medical care) at a group owned hotel facility to all staff who tested positive.
- Free testing was provided to staff and their family members.
- Work from home was facilitated by providing desktops, dongles and laptop
- Fire drills and other periodic inspections are being carried out as per the mandate of The General Directorate of Civil Defence Dubai
- Compliance with Instructions given by Dubai Health Authority (DHA) and HR guidelines to ensure the health, safety and wellbeing of staff.

4 QUALITY EDUCATION



## QUALITY EDUCATION

Employees are able to provide quality education for their children as Orient Takaful ensures its employees are paid on time within market norms.

For its own staff, Orient Takaful sponsors insurance training and certifications through bearing the cost of external training, tuition and books. In addition, staff may attend the over 5000 training courses conducted by Group in-house technical training staff.

The company also supports educational institutions which impact quality education to children in the community.

5 GENDER EQUALITY



## GENDER EQUALITY

Contributing to gender and cultural diversity, Orient Takaful has 30% of women in the workforce. Women are represented at various levels in the organization.

1 out of the 5 Members of the Board of Directors is a lady member.

6 CLEAN WATER AND SANITATION



## CLEAN WATER AND SANITATION

Orient Takaful ensures that customers who walk-in have ready access to clean water.

The Company also keeps monitoring its water taps and plumb lines to ensure availability of clean water for sanitation and ensuring at the same time efficient usage of water.

As an indirect form of support, the company provides insurance for a number of utility companies.

7 AFFORDABLE AND CLEAN ENERGY



## AFFORDABLE AND CLEAN ENERGY

In keeping with the need to contribute to the overall uptake of renewable technologies, Orient Takaful offers insurance for electric cars and autonomous cars.

Orient Insurance has put in place an Energy Optimization project. This includes using LED bulbs for office lighting as well as optimising use of centralized AC focusing on energy savings.

8 DECENT WORK AND ECONOMIC GROWTH



## DECENT WORK AND ECONOMIC GROWTH

Orient Takaful contributes to this goal by

- Creating social and economic value for shareholders, clients, employees, through various products.

- Promoting a safe and healthy, diverse and inclusive working environment free from discrimination.

- Promoting training and professional and personal development of employees.

- Protecting labour rights with effective monitoring and control systems.

Orient Takaful has a multicultural team of more than 100 staff, There are more than 10 nationalities across the company.

Further, the company builds a safety net which supports economic growth as well as benefits the entire workforce within the community.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## INDUSTRY, INNOVATION & INFRASTRUCTURE

Providing Insurance to small and medium enterprises protects them from losses due to risks related to business, natural disasters and other catastrophes. Orient Takaful supports its SME clients with providing access to its entire gamut of commercial policies.

Providing Insurance to technology companies, R&D companies, and infrastructure companies supports industrial innovation and growth. Orient Takaful is the insurance partner with a number of infrastructure projects in the UAE.

10 REDUCED INEQUALITIES



## REDUCED INEQUALITIES

The company supports a number of social organisations through its insurance policies.

11 SUSTAINABLE CITIES AND COMMUNITIES



## SUSTAINABLE CITIES AND COMMUNITIES

Within its short life span, Orient Takaful has policies covering General Insurance products related to Property, Engineering, Motor, Marine, Miscellaneous Accidents and Medical. The assessment and management of risks contributes significantly to sustainability in cities and communities.

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## RESPONSIBLE CONSUMPTION AND PRODUCTION

The insurance business drives responsible consumption and production through its format of reducing risk for all participants in the economy, which has certain prerequisites of the insured party's performance.

In an example, Orient Takaful offers its customers a better pricing on account of No Claims in the Motor Insurance business, thus promoting better driving.

13 CLIMATE  
ACTION



## CLIMATE ACTION

Insurance products mitigate the effects of extreme weather events and strengthens climate change resilience. Orient Takaful's insurance policies provide the insurance cover against the damage caused due to natural disasters like earthquakes, floods, storms etc.

14 LIFE  
BELOW WATER



## LIFE BELOW WATER

Orient Takaful supports a number of organisations dealing with marine transport, which indirectly supports marine resources through developing a marine risk model.

15 LIFE ON LAND



## LIFE ON LAND

Orient Takaful indirectly helps to combat desertification through its support of clients in the water sector. It also supports clients which operate in the Dairy Farming sector.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



## PEACE, JUSTICE AND STRONG INSTITUTION

Orient Takaful contributes to an ethical, accountable, transparent, diverse, inclusive and effective governance system and to systems for controlling potential conflicts of interest in the following ways :

Orient Takaful ensures all operations and activity are within the Company's ethics, values and principles. In order to promote these behavior among stakeholders, especially employees, providers and clients, Orient has in place a

Code of Conduct and Ethics policy as well as a Whistle-blower policy

Orient Takaful has adequate systems in place for monitoring and controlling compliance with laws, agreements, commitments and goals of the Company and with due diligence mechanisms for human rights. This is done through the Internal Audit function at the Company and at Group level.

17 PARTNERSHIPS FOR THE GOALS



## PATNERSHIP FOR THE GOALS

Partnering with many of the best government and private sector projects in the UAE and GCC, Orient Takaful thus has the opportunity to participate in the exchange of best practices with its market presence and partnerships with global reinsurers, TPAs and brokers, among others.

# Thank You



## Annual Report of the Internal Shari'ah Supervision Committee of Orient Takaful PJSC

**Issued on:** 25 February 2026

**To: Shareholders of Orient Takaful PJSC (“the Company”)**

After greetings,

Pursuant to requirements stipulated in the relevant laws, regulations and standards (“the Regulatory Requirements”), the Internal Shari'ah Supervision Committee of the Company (“ISSC”) presents to you the ISSC’s Annual Report for the financial year ending on 31 December 2025 (“Financial Year”).

### **1. Responsibility of the ISSC**

In accordance with the Regulatory Requirements and the ISSC’s charter, the ISSC’s responsibility is stipulated as to:

- a. undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Company; and the Company’s policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between participants’ accounts and shareholders’ accounts (“Company’s Activities”) and issue Shari'ah resolutions in this regard, and
- b. determine Shari'ah parameters necessary for the Company’s Activities, and the Company’s compliance with Islamic Shari'ah Provisions within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority (“HSA”) to ascertain compliance of the Company with Islamic Shari'ah Provisions.

The senior management is responsible for compliance of the Company with Islamic Shari'ah Provisions in accordance with the HSA’s resolutions, fatwas, and opinions, and the ISSC’s resolutions within the framework of the rules, principles, and standards set by the HSA (“Compliance with Islamic Shari'ah Provisions”) in all Company’s Activities, and the Board bears the ultimate responsibility in this regard.

### **2. Shari'ah Standards**

The ISSC shall comply with the Shari'ah standards issued and approved by the HSA.

### **3. Duties Fulfilled by the ISSC During the Financial Year**

The ISSC conducted Shari'ah supervision of the Company’s Activities by reviewing those Activities, and monitoring them through the internal Shari'ah audit division and external Shari'ah audit, in accordance with the ISSC’s authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC’s activities included the following:

- a) Convening (5) meetings during the year.

- b) Issued fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Company's activities.
- c) Reviewing and monitoring compliance of policies, procedures, accounting standards, operating model and product structures, contracts, documentation, business charters, and other documentation submitted by the Company to the ISSC for approval.
- d) Reviewing the Takaful Insurance operating model, underlying contracts and supporting materials (e.g. underwriting and claims settlement manual/guidelines etc.).
- e) Reviewing and approving the Company's products, services and marketing materials.
- f) Reviewing and approving the policy and procedures that govern Takaful Insurance Accounts (e.g. segregation of accounts and transparent financial resources flow between the accounts etc.), surplus distribution, and deficit coverage.
- g) Ensuring the compliance of the segregation between Takaful Insurance accounts and shareholders accounts, allocation of costs and expenditures on the accounts, and the underwriting surplus policy with Islamic Shari'ah Provisions.
- h) Reviewing the financial statements of the Company to ensure compliance with Islamic Shari'ah provisions.
- i) Reviewing the investment policy and approving the Shari'ah screening criteria to ensure the investment activities in both shareholders' accounts and participants' accounts, are comply with the Provisions of Islamic Shari'ah.
- j) Reviewing the risk ceding arrangements of the participants' account with other insurance companies (Retakaful insurance, conventional reinsurance, co-insurance with Takaful insurance/conventional insurance companies) and confirming its compliance with Islamic Shari'ah Provisions.
- k) Supervision through the internal Shari'ah audit division and external Shari'ah audit, of the Company's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
- l) Providing guidance to relevant parties in the Company to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah audit division and external Shari'ah audit and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes (if applicable).
- m) Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
- n) Reviewing the Zakat calculation and specifying the amount of Zakat due on each share of the Company.
- o) Communicating with the Board and its subcommittees, and the senior management of the Company (as needed) concerning the Company's compliance with Islamic Shari'ah Provisions.

The ISSC sought to obtain some of the information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Company is compliant with Islamic Shari'ah Provisions through internal Shari'ah audit, as well as external Shari'ah audit.

#### **4. Independence of the ISSC**

The ISSC acknowledges that it has carried out all of its duties mentioned above independently and with the support and cooperation of the senior management and the Board of the Company. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'ah requirements.

**5. The ISSC's Opinion on the Shari'ah Compliance Status of the Company**

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah Provisions, the ISSC has concluded with a reasonable level of confidence, that the Company's activities during the financial year are in compliance with Islamic Shari'ah Provisions, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measures in this regard.

**The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.**

Dr. Salim Ali Al Ali

ISSC Chairman

Mr. Abdulnaser Al Mannae

ISSC Deputy Chairman

Dr. Mohammad Omar

Executive Member