NATIONAL GENERAL INSURANCE Co. (P.J.S.C.)

Financial Statements
For the year ended 31 December 2025

Report of the Board of Directors

Dear Shareholders,

The Board of Directors has the pleasure to welcome you to the twenty-fifth Annual General Meeting and present their report together with the audited financial statements of National General Insurance Co. (P.J.S.C.) ('the Company') for the year ended 31 December 2025.

Overview

The year 2025 is a landmark year during which NGI surpassed the milestone of AED 1 Billion in terms of Gross Written Premium achievement & closed the year 2025 with solid momentum, delivering 18% GWP year-on-year growth. Gross Written Premiums in 2025 was AED 1.157 Billion as against AED 0.979 Billion achieved in 2024.

The Company continues to be a technically strong and dominant player in the market backed by support of "A" rated reinsurers and highly competent team of professionals within the Company.

FINANCIAL RESULTS

1. Insurance revenue is AED 1.02 billion in 2025 compared to AED 0.87 billion in 2024 an increase of 16.4%.
2. Insurance service result is AED 80.0 million in 2025 compared to AED 62.7 million in 2024 an increase of 27.5%.
3. Investment income including the movement in fair value of Unit Linked funds amounts to AED 103.4 million in 2025 compared to previous year AED 120.9 million which includes the one-off gain of AED 37.9 million from land sold in 2024. Excluding the one-off gain, investment income for 2025 reflects a 24.5% year-on-year increase.
4. The Company reported a net profit of AED 119.2 million for the year 2025 against AED 127.5 million for 2024 a decrease of 6.5%.
5. Total assets are AED 1.66 billion in 2025 as compared to Total assets of AED 1.65 billion in 2024, an increase of 0.6%.
6. Shareholder Equity is AED 693.9 million in 2025, marking a 7.6% increase compared to the total shareholders' equity of AED 644.6 million in 2024.

RECOMMENDATIONS OF THE BOARD OF DIRECTORS

The Board of Directors has the pleasure in presenting the following recommendations to the shareholders:

1. Consider, discuss, and approve the Board of Directors' report.
2. Consider, discuss, and approve the Auditors' report.
3. Consider, discuss, and approve the Financial Statements for the year ended 31 December 2025.
4. Absolve the Chairman and Members of the Board from all responsibilities for acts and decisions made by them in fulfilling their functions during the year ended 31 December 2025.

5. Approve the proposed appropriation of the profits as follows:

	AED
Profit brought forward	**229,750,822**
Add comprehensive profit for the year 2025	**123,497,677**
Total available for distribution	**353,248,499**
Less	
Proposed Dividend - 45%	**74,227,285**
Profit carried forward	**279,021,214**

6. Appoint Auditors for the financial year 2026 and determine their fees.

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, financial performance, and cash flows of the Company as of, and for, the periods presented in the periodic report.

The Board of Directors takes pleasure in extending, on your behalf, their sincere thanks and appreciation to H.H Sheikh Mohammed Bin Zayed Al Nahyan, the President of the United Arab Emirates, and H.H Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, for their kind support to the national companies and institutions, which benefited immensely from their wise economic and social policies.

The Directors also appreciate the fruitful cooperation of all customers who had a major role in the progress of the company.

The Directors take this opportunity to express their sincere appreciation and thanks to the Company's executive administration and staff for their loyalty, diligence, and hard work, and to our treaty leaders and all the Reinsurers for their continued support to the Company.

On behalf of the Board

Dr. Hamad Mubarak Buamim
Chairman

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Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National General Insurance Co. (P.J.S.C) (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss, statement of other 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 Standard 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 *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (*"IESBA Code"*), together with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical requirements in accordance with these requirements and the IESA 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 judgement, 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 our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C.)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Valuation of insurance Contract Liabilities, Insurance Contract Assets, Reinsurance Contract Assets and Reinsurance Contract Liabilities	
As at 31 December 2025, the Company's insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are valued at AED 871.05 million, AED 20.42 million, AED 289.42 million and AED 13.19 million, respectively, as disclosed in Note 11 to the financial statements. Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities involves significant judgements and estimates, particularly with respect to the eligibility of the measurement models and estimation of the present value of future cash flows. These cashflows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. The calculation for insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of future cashflows. As a result of all the above factors, we consider valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities, as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: • Understood and evaluated the process, the design and implementation of controls in place to determine valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities; • Assessed the competence, capabilities and objectivity of the management's appointed actuary; • Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; • Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; • Independently reperformed the calculation to assess the mathematical accuracy of the insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; • Evaluated and tested the calculation of the allowance for expected credit loss including the data, key assumptions and judgments used; and • Assessed the adequacy of disclosures included in the financial statements against the requirements of IFRS Accounting Standards.

Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C.)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Valuation of Investment properties	
The Company holds investment properties under the fair value model as at 31 December 2025 amounting to AED 75.63 million. Management appointed independent external valuers to determine the fair valuation of investment properties. The valuation of investment properties, as detailed in Note 8, requires significant judgement to be applied and estimates to be made by both management and the independent external valuers. Consequently, we considered this to be a key audit matter.	Our audit procedures, among others, include: • Obtained an understanding of the process of determining the fair value of the investment properties; • Assessed the competence, capabilities and objectivity of the management appointed independent external valuers; • Reviewed the scope of the engagement between the external valuers and the Company to determine if this was sufficient for audit purposes; • Verified the accuracy, completeness and relevance of the input data used for deriving fair values; • Evaluated the methodology and the appropriateness of key assumptions used in determining the fair value; • Agreed the results of the valuations to the amounts recorded in the financial statements; and • Assessed the adequacy of disclosures included in financial statements against the requirements of IFRS Accounting Standards.

Other Information

The Board of Directors and management are responsible for the other information. The other information comprises the information included in the Board of Directors' report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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.

Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

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 their preparation in compliance with the applicable provisions of the Articles of Association of the Company, UAE Federal Decree Law No. (32) of 2021 (as amended) and Federal Decree Law No. (6) of 2025, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.
- 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.

Grant Thornton

Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on the Audit of the Financial Statements (continued)

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

iii) The Company has maintained proper books of account in accordance with established accounting principles;

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

v) As disclosed in note 9 to the financial statements, the Company has invested in securities during the year ended 31 December 2025;

vi) Note 17 to the financial statements discloses material related party transactions, and the terms under which they were conducted;

vii) Note 30 of the financial statements discloses the social contribution made during the year ended 31 December 2025; and

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

Grant Thornton

Independent Auditor's Report

To the Shareholders of National General Insurance Co. (P.J.S.C)

Report on Other Legal and Regulatory Requirements (continued)

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

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Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

Dr. Osama El-Bakry
Registration No: 935
Dubai, United Arab Emirates

4 March 2026

National General Insurance Co. (P.J.S.C.)
Statement of financial position
As at 31 December 2025

	Notes	2025 AED	2024 AED
Assets			
Property and equipment	6	**23,393,821**	24,617,856
Intangible assets	7	**1,091,993**	2,172,566
Investment properties	8	**75,625,000**	75,450,000
Investment securities	9	**482,736,993**	373,276,067
Investments on behalf of policyholders of unit-linked products	9	**122,548,332**	89,261,723
Reinsurance contract assets	11	**289,418,270**	464,822,624
Insurance contract assets	11	**20,421,763**	16,195,820
Prepayments and other receivables		**29,272,884**	23,041,442
Statutory deposits	12	**10,000,000**	10,000,000
Fixed deposits	12	**564,115,206**	512,630,631
Bank balances and cash	12	**44,023,009**	62,418,855
Total assets		**1,662,647,271**	1,653,887,584
Equity and liabilities			
Equity			
Share capital	13	**164,949,523**	164,949,523
Legal reserve	14	**82,474,762**	82,474,762
General reserve	14	**82,474,762**	82,474,762
Reinsurance reserves	14	**10,747,933**	8,000,568
Cumulative changes in fair value of FVTOCI investments		**(11,126,170)**	(15,459,100)
Insurance finance reserve through other comprehensive income		**20,462**	42,054
Retained earnings		**364,354,206**	322,142,517
Total equity		**693,895,478**	644,625,086
Liabilities			
Provision for employees' end of service benefits	15	**17,589,669**	15,507,825
Other payables	16	**55,063,122**	55,997,253
Insurance contract liabilities	11	**871,050,535**	904,064,541
Reinsurance contract liabilities	11	**13,193,205**	23,077,982
Income tax payable	25	**7,635,907**	8,914,912
Deferred tax liability	25	**4,219,355**	1,699,985
Total liabilities		**968,751,793**	1,009,262,498
Total equity and liabilities		**1,662,647,271**	1,653,887,584

These financial statements were authorised for issue on 4 March 2026 by the Board of Directors and signed on their behalf by:

Dr. Hamad Mubarak Buamim
Chairman

Dr. Abdul Zahra A. Ali
Chief Executive Officer

National General Insurance Co. (P.J.S.C.)
Statement of profit or loss
For the year ended 31 December 2025

	Notes	**2025 AED**	2024 AED
Insurance revenue	19	**1,016,998,785**	874,018,209
Insurance service expenses	20	**(683,117,754)**	(849,809,299)
Insurance service results before reinsurance contracts held		**333,881,031**	24,208,910
Allocation of reinsurance premiums		**(430,175,194)**	(368,455,265)
Amounts recoverable from reinsurance for incurred claims		**176,297,351**	406,972,870
Net (expenses)/ income from reinsurance contracts held		**(253,877,843)**	38,517,605
Insurance service result		**80,003,188**	62,726,515
Insurance finance expenses	21	**(32,907,905)**	(22,317,991)
Reinsurance finance income	21	**8,446,093**	5,676,575
Net insurance financial result		**(24,461,812)**	(16,641,416)
Net fair value gain on financial assets at FVTPL	9	**23,472,787**	15,127,395
Income from investment properties – net	8	**5,004,143**	46,452,266
Net fair value gain on unit linked investments		**18,330,808**	11,605,210
Other investment income	22	**56,586,288**	47,787,615
Total investment income		**103,394,026**	120,972,486
Other operating income		**1,395,706**	1,109,078
Other operating expenses		**(31,003,679)**	(30,052,066)
Profit before tax for the year		**129,327,429**	138,114,597
Income tax expense	25	**(10,141,090)**	(10,614,897)
Profit after tax for the year		**119,186,339**	127,499,700
Basic and diluted earnings per share	23	**0.72**	0.77

The notes from 1 to 32 form an integral part of these financial statements.

National General Insurance Co. (P.J.S.C.)
Statement of other comprehensive income
For the year ended 31 December 2025

	Note	**2025**	2024
		AED	AED
Profit after tax for the year		**119,186,339**	127,499,700
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Net change in fair value of fixed income investments / bonds designated at FVTOCI	9	**1,668,127**	1,402,846
Items that will not be reclassified subsequently to profit or loss:			
Net (loss) /gain on insurance finance reserve through OCI		**(21,592)**	13,808
Net change in fair value of equity instruments designated at FVTOCI	9	**2,664,803**	(13,438,642)
Total other comprehensive income/ (loss) for the year		**4,311,338**	(12,021,988)
Total Comprehensive Income for the Year		**123,497,677**	115,477,712

The notes from 1 to 32 form an integral part of these financial statements.

National General Insurance Co. (P.J.S.C.)
Statement of changes in equity
For the year ended 31 December 2025

	Share capital AED	Legal reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	Insurance finance reserve through OCI AED	Retained earnings AED	Total equity AED
Balance at 1 January 2024	149,954,112	74,977,056	74,977,056	5,770,295	(3,423,304)	28,246	271,177,441	573,460,902
Increase in capital through bonus issue	14,995,411	-	-	-	-	-	(14,995,411)	-
Profit for the year after tax	-	-	-	-	-	-	127,499,700	127,499,700
Other comprehensive (loss)/income for the year	-	-	-	-	(12,035,796)	13,808	-	(12,021,988)
Total comprehensive (loss)/income for the year	-	-	-	-	(12,035,796)	13,808	127,499,700	115,477,712
Transfer to legal and general reserve (note 14)	-	7,497,706	7,497,706	-	-	-	(14,995,412)	-
Transfer to reinsurance reserve	-	-	-	2,230,273	-	-	(2,230,273)	-
Directors' remuneration	-	-	-	-	-	-	(6,825,000)	(6,825,000)
Dividend declared (note 24)	-	-	-	-	-	-	(37,488,528)	(37,488,528)
Balance at 31 December 2024	164,949,523	82,474,762	82,474,762	8,000,568	(15,459,100)	42,054	322,142,517	644,625,086
Balance at 1 January 2025	**164,949,523**	**82,474,762**	**82,474,762**	**8,000,568**	**(15,459,100)**	**42,054**	**322,142,517**	**644,625,086**
Profit for the year after tax	-	-	-	-	-	-	**119,186,339**	**119,186,339**
Other comprehensive income/(loss) for the year	-	-	-	-	**4,332,930**	**(21,592)**	-	**4,311,338**
Total comprehensive income/(loss) for the year	-	-	-	-	**4,332,930**	**(21,592)**	**119,186,339**	**123,497,677**
Transfer to reinsurance reserve	-	-	-	**2,747,365**	-	-	**(2,747,365)**	-
Dividend declared (note 24)	-	-	-	-	-	-	**(74,227,285)**	**(74,227,285)**
Balance at 31 December 2025	**164,949,523**	**82,474,762**	**82,474,762**	**10,747,933**	**(11,126,170)**	**20,462**	**364,354,206**	**693,895,478**

The notes from 1 to 32 form an integral part of these financial statements.

National General Insurance Co. (P.J.S.C.)
Statement of cash flows
For the year ended 31 December 2025

	Notes	2025 AED	2024 AED
Cash flows from operating activities			
Profit before tax for the year		**129,327,429**	138,114,597
Adjustments for non-cash items:			
Depreciation and amortization		**3,116,282**	2,998,914
Dividend income	22	**(12,106,318)**	(10,520,890)
Realised gain on FVTPL investments		**(12,857,134)**	(8,871,105)
Fair value gain on investment properties		**(175,000)**	(4,126,055)
Unrealised gain on FVTPL investments		**(23,472,787)**	(15,127,396)
Realised gain on sale of investment properties	8	**-**	(40,961,015)
Other investment income		**(36,022,212)**	(18,992,284)
Provision for employees' end of service indemnity	15	**3,116,444**	1,894,736
Change in insurance finance reserve through OCI		**(21,592)**	13,808
Operating cash flows before changes in working capital		**50,905,112**	44,423,310
Changes in working capital:			
Change in insurance and reinsurance contract assets		**171,178,411**	(219,766,350)
Change in prepayments and other receivables		**(6,231,442)**	(7,672,015)
Change in insurance and reinsurance contract liabilities		**(42,898,783)**	178,827,769
Change in other payables		**9,565,866**	33,349,594
Cash generated from operations		**182,519,164**	29,162,308
Employees' end of service indemnity paid	15	**(1,034,600)**	(1,079,981)
Directors' remuneration paid	24	**(10,500,000)**	(6,825,000)
Income tax paid		**(8,900,723)**	-
Net cash generated from operating activities		**162,083,841**	21,257,327
Cash flows from investing activities			
Purchase of property and equipment		**(990,774)**	(1,319,950)
Proceeds from disposal of property and equipment		**179,101**	238,680
Purchase of FVTPL investments	9	**(142,988,682)**	(108,691,747)
Purchase of FVTOCI investments	9	**(11,278,502)**	(27,903,840)
Proceeds from sale of FVTPL investments		**85,469,108**	128,690,350
Proceeds from sale of investment properties		**-**	155,640,051
Net movement in payable to policyholder's unit linked products	9	**(33,286,609)**	(21,630,802)
Dividends received	22	**12,106,318**	10,520,890
Interest and other income received		**36,022,213**	18,992,284
Net investment in bank deposits		**(51,484,575)**	(160,760,884)
Net cash used in investing activities		**(106,252,402)**	(6,224,968)
Cash flows from financing activity			
Dividend paid	24	**(74,227,285)**	(37,488,528)
Net cash used in financing activity		**(74,227,285)**	(37,488,528)
Net decrease in cash and cash equivalents		**(18,395,846)**	(22,456,169)
Cash and cash equivalents at beginning of the year		**62,418,855**	84,875,024
Cash and cash equivalents at end of the year	12	**44,023,009**	62,418,855

The notes from 1 to 32 form an integral part of these financial statements.

1 Legal status and activities

National General Insurance Co. (P.J.S.C.) ("the Company") was originally incorporated as a Private Limited Liability Company on 19 November 1980. Subsequently, the Company was converted to a Public Joint Stock Company with effect from 12 September 2001. The registered office of the Company is at the NGI House, P.O. Box 154, Dubai, United Arab Emirates.

The Company is registered under UAE Federal Decree Law No. (32) of 2021 (as amended) in the Emirate of Dubai and underwrites all classes of life and general insurance business as well as certain reinsurance business and is registered in the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") under the registration number 61. The Company is listed on Dubai Financial Market, United Arab Emirates.

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

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

2 Statement of compliance with IFRS Accounting Standards

This financial statement is for the year ended 31 December 2025 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with IFRS Accounting Standards as promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. (32) of 2021 (as amended) ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Decree Law No. (6) of 2025.

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income, financial assets carried at fair value through profit or loss and investment properties which are carried at fair value and the provision for employees' end of service benefits which is measured in accordance with U.A.E labour laws.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: bank balances and cash, prepayments and other receivables and other payables, financial assets through profit or loss and income tax payable. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, statutory deposits, fixed deposits and provision for employees' end of service indemnity, deferred tax liability. The following balances are of mixed nature (including both current and non-current portions): reinsurance contract assets, insurance contract assets, insurance contract liabilities, reinsurance contract liabilities, Investments on behalf of policyholders of unit-linked products and investment securities.

3 Standard, interpretations and amendments to standards

New and revised IFRS Accounting Standards and interpretations applied on the financial statements

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

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

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

3 Standard, interpretations and amendments to standards (continued)

Standards issued but not yet effective

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

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

4 Material accounting policy information

IFRS 17 Insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It contains a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

The Company applies the premium allocation approach (PAA) to simplify the measurement of contracts of the short-term business..

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts except for some smaller lines which are managed together and have been combined into a single portfolio.

Each portfolio is further disaggregated into group of contracts that are issued within a calendar year.

Each cohort is further disaggregated into group of contracts:

- Contracts that are onerous at initial recognition;
- Contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of remaining contracts.

This level of granularity determines sets of contracts. Significant judgement is used 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.

The Company will assess profitability at the cohort level as these are all deemed to have homogenous profitability. If facts and circumstances indicate that any specific segment / group of contracts within the portfolio is expected to have different profitability characteristics from the rest of the portfolio, then these will be split into a separate profitability group.

For short duration contracts, the Company uses normalised risk adjusted expected total combined ratio to split contracts into the three different groups above. For longer term contracts, the Company calculates a risk adjusted profit margin (the ratio of the CSM to the present value of future premiums) at inception to determine the profitability grouping.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Unit of account (continued)

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Company has split reinsurance contracts into portfolio based on the product lines which are covered by the reinsurance contract.

Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a cohort into groups of:

- contracts for which there is a net gain at initial recognition, if any;
- contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently; and
- remaining contracts in the portfolio, if any.

This level of granularity determines sets of contracts. Significant judgement is used to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all reinsurance contracts within a set are sufficiently homogeneous and will be allocated to the same Company without performing an individual contract assessment.

For all reinsurance contracts net gain or net loss is assessed at a cohort level as this is the most granular level where profitability is available. The Company uses the reinsurance combined ratio to allocate contracts to each of the three groups above.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that must be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract. The Company does not have any contracts that require further separation or combination of insurance contracts.

Recognition and derecognition

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

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

Reinsurance contracts held are recognised as follows:

- A group of reinsurance contracts held that provide proportionate coverage is recognised at the later of the beginning of the coverage period of the group and the initial recognition of any underlying insurance contract; and

- All other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held; unless the Group entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the cohort restriction. Composition of the groups is not reassessed in subsequent periods.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Recognition and derecognition (continued)

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- If the modified terms had been included at contract inception and the Company would have concluded that the modified contract is not within the scope of IFRS 17, results in different separable components, results in a different contract boundary or belongs to a different group of contracts;
- The original contract represents an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; and
- The original contract was measured under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a contract is derecognised (and not measured under the PAA), the liability is adjusted as follows:

- The present value of future cash flows and risk adjustment (RA) for the group of contracts is adjusted such that they are equal to zero; and
- The CSM or LC is adjusted as follows:
  - If the derecognition is not as a result of a transfer to a third party or a modification: the full change in the FCFs is made to the present value of future cash flows and risk adjustment (RA) for the group of contracts;
  - If the contract is transferred to a third party: the full change in the FCFs is made to the present value of future cash flows and risk adjustment (RA) for the group of contracts less the premium charged by the third party; and
  - If the contract is derecognised due to a modification: the full change in the FCFs is made to the present value of future cash flows and risk adjustment (RA) for the group of contracts less the premium the Company would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification. When recognising the new contract in this case, the Company assumes such a hypothetical premium was actually received.

The number of coverage units for the expected remaining coverage will be reduced by the number of coverage units that the contract derecognised represented.

When an insurance contract accounted for under the PAA is derecognised, adjustments to remove related rights and obligations to account for the effect of the derecognition result in the following amounts being charged immediately to statement of profit or loss:

- If the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment; and
- If the contract is transferred to a third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party

If the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium that the entity would have charged if it had entered into a contract with equivalent terms, is recognised as the new contract at the date of the contract modification less any additional premium charged for the modification.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Measurement approach

The Company elects to measure all insurance contracts under the PAA where eligible to do so. Currently all insurance contracts are eligible and thus measured under the PAA except for the single premium credit life business which is measured under the GMM.

Contracts written by the Company that have a coverage period of one year or less are automatically eligible for the PAA. The Company does write some contracts that have a coverage period exceeding one year and which were not automatically eligible. These are the Property, Motor (non-Fleet), Casualty and Engineering portfolios. For all the groups of contracts within the portfolio, the LRC measured under the PAA and the GMM were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Company has found that for all these contracts the PAA provided a reasonable approximation of the GMM and were thus eligible for measurement under the PAA. The Company elects to measure all reinsurance contracts under the PAA where eligible to do so.

Currently all reinsurance contracts are eligible (and thus measured under the PAA) except for the single premium credit life reinsurance portfolio.

Measurement of the FCF

The FCF are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:

- are based on a probability-weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Company, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

The Company has used consistent assumptions to measure the estimates of the present value of the future cash flows for the group of reinsurance contracts held and the estimates of the present value of the future cash flows for the group(s) of underlying insurance contracts.

The Company measures the estimates of the present value of the future cash flows for the group of reinsurance contracts held and includes the effect of any risk of non-performance by the issuer of the reinsurance contract. In addition, the Company includes the effects of collateral and losses from the disputes while estimating the present value of the future cash flows for the group of reinsurance contracts held. Accordingly, the respective line 'changes in the risk of non-performance of the issuer of reinsurance contracts held' is included in the reinsurance contracts assets and liabilities reconciliation.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the LIC.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Contract boundaries

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums, or the Company has a substantive obligation to provide the policyholder with insurance contract services.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Contract boundaries (continued)

A substantive obligation ends when:

a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
b. both of the following criteria are satisfied:
   - the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio;
   - the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods; and
   - beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

The contract boundary of the treaty business of the Company which is written on a risk attaching basis includes the reinsurer's share of all the cash flows of all contracts that attach during the term of the treaty. Treaty business written on a loss occurring basis includes the reinsurer's share of all the cash flows that are incurred within the treaty term. Reinsurance contracts written on a facultative business include the reinsurer's share of all the cash flows within the contract boundary of the underlying contract.

Measurement of expenses

The Company had defined acquisition expenses as the costs of selling, underwriting and started issuing a group of insurance contracts as per IFRS 17 requirements. The Company had defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts (as opposed to new business in general).

The Company has defined all other expenses as maintenance expenses. The Company has defined maintenance costs as attributable if they could not have been avoided if the contract had not been entered into. Where this is unclear, the Company has determined that maintenance costs are attributable if that expense would continue in run-off.

The Company has separated the outwards reinsurance costs from other expenses using a systematic allocation. The Company defines such expenses as attributable to the reinsurance contracts in line with the principles for direct contracts.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance and reinsurance contracts.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. The Company allocates these using relevant proxies. Similar methods are consistently applied to allocate expenses of a similar nature.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Measurement of expenses (continued)

The Company does not pay (or recognise a liability, applying a standard other than IFRS 17) directly attributable acquisition costs before a group of insurance contracts is recognised. As such, no prerecognition acquisition costs assets have been established.

Initial and subsequent measurement – group of contracts measured under the PAA

For insurance contracts issued measured under the PAA, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid. Insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- Increased for premiums received in the period;
- Decreased for insurance acquisition cash flows paid in the period;
- Decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- Increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

The Company does not adjust the LRC for insurance contracts issued for the effect of the time value of money, because insurance premiums are due within a year of the coverage provided associated with each premium.

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts with the exception of Engineering (all risk) and Construction (all risk) contracts where revenue is recognised using an increasing risk pattern and Marine Cargo where it is assumed that 25% of premium is unearned at the valuation date.

For reinsurance contracts held on initial recognition, the Company measures the remaining coverage for contracts measured under the PAA at the amount of ceding premiums paid less ceding commission received from the reinsurer.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- Increased for ceding premiums paid in the period;
- Decreased for ceding commissions or investment components received in the period; and
- Decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the remaining coverage for reinsurance contracts held for the effect of the time value of money, because reinsurance premiums are due within a year of the coverage provided associated with each premium.

For groups of reinsurance contracts measured under the PAA, the Company recognises reinsurance expenses related to the premium ceded based on the pattern of the groups of underlying contracts.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Initial and subsequent measurement – group of contracts measured under the PAA (continued)

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. The resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses as the option to adjust for the effect of the time value of money and financial risk in the calculation of the FCFs has been selected.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Changes in the loss recovery component are not disaggregated between income and expenses from reinsurance contracts held and reinsurance finance income or expenses for the effect of the time value of money and financial risk as the underlying loss components, which are all measured under the PAA, are not adjusted for the effect of the time value of money and financial risk.

CSM at initial recognition

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- The initial recognition of the FCF;
- Cash flows arising from the contracts in the group at that date; and
- The derecognition of any pre-recognition cash flows.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in statement of profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

CSM at initial recognition (continued)

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Company recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

- The initial recognition of the FCF;
- Cash flows arising from the contracts in the group at that date;
- The amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other prerecognition cash flows); and
- Any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

CSM at subsequent measurement

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- The addition of CSM for new contracts recognised for the first time in the current reporting period;
- The interest accreted at the locked in yield curve on the carrying amount of the CSM;
- Changes in the FCFs relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that this does not result in a negative CSM.

When an increase in the FCFs result in a negative CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC.

When the CSM is zero, changes in the FCF adjust the loss component within the LRC with corresponding changes to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM;

- The effect of any currency exchange differences; and
- The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- Experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows (experience adjustments represents the differences between the estimate, at the beginning of the period, of amounts expected in the period and the actual payments during the period);
- Changes in estimates of the present value of future cash flows in the LRC, except those relating to the effect of the time value of money and the effect of financial risk and changes thereof;
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing the actual investment component that becomes payable in a period with the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
- Changes in the estimate of the LRC RA at the end of the period (the Company does not disaggregate these changes between insurance finance income and expenses and amounts that adjust the CSM – all changes are allocated to the latter).

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

CSM at subsequent measurement (continued)

Adjustments in point a and b above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- The addition of CSM for new contracts recognised for the first time in the current reporting period;
- Interest accreted on the carrying amount of the CSM;
- Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised;
- Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held;
- Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts. Changes in the FCF cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not relate to future service and shall not adjust the contractual service margin;
- The effect of any currency exchange differences; and
- The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Interest accretion of the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition of the group of contracts, i.e. the first day of the cohort, namely 1 January of the respective year that the cohort is recognised.

Release of CSM to profit and loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage).

The coverage period used corresponds with the term of the contracts. The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. The coverage units are determined at each reporting period-end prospectively by considering:

- The quantity of benefits provided by contracts in the groups;
- The expected coverage period of contracts in the group; and
- The likelihood of insured events occurring, only to the extent that they affect the expected coverage period of contracts in the group.

The Company uses the amount that it expects the policyholder to be able to validly claim in each period if an insured event occurs as the basis for the quantity of benefits with respect to insurance coverage.

The Company determines coverage units as follows:

- Earned premiums for general insurance and Group Life business; and
- Outstanding loan amount for Single Premium Credit Life.

The Company reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Release of CSM to profit and loss (continued)

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period. The coverage units are defined in line with premium earning pattern for general insurance and Group Life contracts. For Single Premium Credit Life, outstanding loan amount are used.

Onerous contracts – loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the CSM allocation approach described above:

- Expected incurred claims and other directly attributable expenses for the period;
- Changes in the RA for the risk expired; and
- Finance income or expenses from insurance contracts issued.

The amounts of loss component allocation in point a and b above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF in subsequent periods increase the loss component.

Reinsurance contracts held – loss-recovery component

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised when a loss component is set up for the group of onerous underlying insurance contracts.

This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, The Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Subsequently, the loss recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component of the Company was not affected by changes in the risk of reinsurers' non-performance.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

Insurance revenue

For contracts not measured under the PAA, insurance revenue comprises the following:

- Insurance claims and expenses incurred in the period as expected at the start of the period, excluding amounts related to the loss component, repayments of investment components and insurance acquisition expenses.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Insurance revenue (continued)

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

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts with the exception of Engineering (all risk) and Construction (all risk) contracts where revenue is recognised using an increasing risk pattern and Marine Cargo where it is assumed that 25% of premium is unearned at the valuation date.

Insurance service expenses

Insurance service expenses include the following:

- Claims incurred in the period (excluding investment components) and other directly attributable insurance service expenses incurred in the period;
- The amortisation of insurance acquisition cash flows;
- Changes that relate to past service (specifically changes in the estimate of the LIC at the start of the period including the change in the RA on the LIC); and
- Losses on onerous groups of contracts (i.e. the loss on setting up a loss component) and reversals
- of such losses which represent changes that relate to future service.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above.

For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the pattern of revenue recognition under the PAA.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Net income (expenses) from reinsurance contracts held

The Company presents the income from reinsurance contracts held and the expenses for reinsurance contracts held separately.

Reinsurance income will consist of:

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

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

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

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Net income (expenses) from reinsurance contracts held (continued)

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

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

Insurance finance income or expenses

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

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

For all groups of contracts, the Company disaggregates insurance finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied).

The finance income and expenses from insurance contracts issued recognised in the statement of profit or loss reflects the unwind of the liabilities at the locked-in rates. The remaining amount of finance income and expenses from insurance contracts issued for the period is recognised in OCI.

Best estimate cash flows

The best estimate liability (BEL) represents the explicit, unbiased and probability weighted best estimate (expected value) of the future cash outflows minus the future cash inflows that arise when the Company fulfils its obligations with respect to the insurance contracts. The BEL, thus include the effects of discounting, allowing for financial risks (to the extent not included in the estimate of the cash flows).

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the Company:

- Can compel the policyholder to pay the premium; or
- Has a substantive obligation to provide the policyholder with coverage or other services.

A substantive obligation to provide services ends when the Company has the 'practical ability' to reassess the risks and can set a price or level of benefits that fully reflects those reassessed risks.

Before a group of insurance contracts is recognised, the Company could recognise assets or liabilities for cash flows related to a group of insurance contracts other than insurance acquisition cash flows, either because of the occurrence of the cash flows or because of the requirements of another IFRS standard. Cash flows are related to the group of insurance contracts if they would have been included in the FCF at initial recognition of the group if they had been paid or received after that date. Such assets or liabilities (referred to as 'other pre-recognition cash flows') are included in the carrying amount of the related portfolios of insurance contracts issued or in the carrying amount of the portfolios of reinsurance contracts held.

The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company applies the following principles:

- Where there is sufficient data, experience investigations are performed, with adjustments made for any trends as well as to account for external considerations and business strategy; or
- Where data is insufficient or lacks credibility, benchmarks and industry experience would be considered, with appropriate and justifiable adjustments.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Best estimate cash flows (continued)

The Company makes use of estimates that are current by ensuring that:

- Updates are made to assumptions such that they faithfully represent the conditions at the valuation date;
- The changes in estimates faithfully represent the changes in conditions during the period; and
- Future changes in legislation are not taken into account, unless they have been substantively enacted.

The Company makes use of the following assumptions to project the cash flows for the non-life and group life business where required:

- Expected premium receipts pattern;
- Expected claims ratio;
- Expected attributable expense ratio;
- Expected bad debt;
- Expected incidence of risk; and
- Expected claims payment pattern.

The Company makes use of the following assumptions to project the cash flows for the life business:

- Expected premium receipts pattern;
- Mortality / morbidity rates;
- Persistency; and
- Expenses.

For the measurement of the LIC, the Company uses a blended approach (i.e. the chain-ladder, Bornhuetter Ferguson and expected loss ratio techniques are used) for calculating the Incurred But Not Reported Reserves (IBNR) and Incurred But Not Enough Reserves (IBNER) for all direct lines of business. The Company performs the calculations using quarterly claims development for all portfolios expect Motor and Medical where monthly claims development is used.

The calculations are performed using incurred claims except for the Medical business where the calculations are performed using paid claims. Incurred claims are set as paid claims plus the outstanding claims reserve.

The outstanding claims reserves are set in line with the case estimates that are determined when a claim is reported.

Life assurance fund

The fund is determined by the independent actuarial valuation of future policy benefits. Actuarial assumptions include a margin for adverse deviation and generally vary by type of policy, year of issue and policy duration. Mortality and withdrawal rate assumptions are based on experience. Adjustments to the balance of fund are affected by charges or credits to income. Certain generated returns are accrued and provided for in the life fund.

Unit linked liabilities

For unit linked policies, liability is equal to the policy account values. The account value is the number of units times the bid price.

Insurance contract liabilities and reinsurance assets

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the Company and still unpaid at the statement of financial position date, in addition for claims incurred but not reported and Life assurance fund. Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period after reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims; therefore, the ultimate cost of claims cannot be known with certainty at the end of the reporting period. The liability is not discounted for the time value of money.

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Insurance contract liabilities and reinsurance assets (continued)

No provision for equalisation or catastrophic reserves is recognised. The liability is derecognised when it is expired, discharged or cancelled.

The reinsurers' portion towards the above outstanding claims, claims incurred but not reported and unearned premium is classified as reinsurance contract assets in the financial statements.

Salvage and subrogation reimbursements

Estimates of salvage and subrogation reimbursements are considered as an allowance in the measurement of the insurance liability for claims.

Revenue (other than insurance revenue)

Revenue (other than insurance revenue) comprises the following:

Fee and commission income
Fee and commissions received or receivable which do not require the Company to render further service are recognised as revenue by the Company on the effective commencement or renewal dates of the related policies.

Dividend income
Dividend income is recognised when the Company's right to receive the payment has been established.

Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and identified impairment losses. Land is not depreciated.

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 recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised 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 recognised in statement of profit or loss as incurred.

4 Material accounting policy information (continued)

Property and equipment (continued)

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 recognised in 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 reporting date and adjusted if appropriate. No depreciation is charged on freehold land and capital-work-in-progress. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss.

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

Office building	30 years
Other property and equipment	4 years

Intangible assets (software)

Software acquired by the Company is measured at cost less accumulated amortisation and any identified impairment losses. Subsequent expenditure on software 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.

Software is amortised on a straight-line basis in the statement of profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods are four years. Amortisation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

Investment properties

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

The Company determines fair value on the basis of valuations provided by two independent valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties being valued.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self- constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use.

4 Material accounting policy information (continued)

Impairment of non-financial assets (continued)

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

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

Non-derivative financial assets and liabilities

Recognition

The Company initially recognises insurance receivables and insurance payables on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. All recognised financial assets and financial liabilities are subsequently measured in their entirety at either amortised cost or fair value.

Classification

Financial assets measured at amortised cost

At inception a financial asset is classified as measured at amortised cost or fair value.

A financial asset qualifies for amortised cost measurement only if it meets both of the following two conditions:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cashflows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principle and interest on the principal amount outstanding.

If a financial asset does not meet both of these conditions, then it is measured at fair value.

The Company makes an assessment of a business model at portfolio level as this reflect the best way the business is managed and information is provided to the management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Company considers:

- management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- how management evaluates the performance of the portfolio;
- whether management's strategy focus on earning contractual interest revenue;
- the degree of frequency of any expected asset sales;
- the reason of any asset sales; and
- whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Insurance and other receivables are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amoritised cost using the effective interest method.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

Financial assets measured at fair value through profit or loss

Financial assets at FVTPL are:
(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Equity instruments at FVTOCI

Investments in equity instruments/funds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments in equity instruments/funds but reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Debt instruments at amortised cost or at FVTOCI

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, balances with the banks and fixed deposits with original maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Ordinary shares of the Company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Classification (continued)

Equity instruments (continued)

Insurance and other payables are classified as 'other financial liabilities' and are initially measured at fair value, net of transaction costs. Other financial liabilities (except for deferred reinsurance commission) are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis except for short term payable when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, cash and bank balances, insurance receivables and reinsurance receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL:

- Debt investment securities that are determined to have low credit risk at the reporting date; and
- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of 'investment grade' 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECLs are ECLs that result from all possible default events over the expected life of a financial instrument.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD);
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

The Company has adopted simplified approach in case of insurance and other receivables. In case of financial assets for which simplified approach is adopted lifetime expected credit loss is recognised.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Impairment (continued)

Details of these statistical parameters/inputs are as follows:

PD - The probability of default is an estimate of the likelihood of default over a given time horizon.

LGD - The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

EAD - The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.

Forward-looking information

The measurement of expected credit losses considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgement.

Macroeconomic factors

In its models, the company relies on a broad range of forward-looking information as economic inputs, such as: GDP, GDP annual growth rate, unemployment rates, inflation rates, interest rates, etc. Various macroeconomic variables considered are Brent, CPI, Stock, Inflation and Loans to private sector.

The inputs and models used for calculating expected credit losses may not always capture all characteristics of the market at the date of the financial statements.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

Financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets.

Definition of default

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.

In assessing whether a borrower is in default, the Company considers indicators that are:

- Qualitative - e.g. breaches of covenant,
- Quantitative - e.g. overdue status and non-payment on another obligation of the same issuer to the Company; and
- Based on data developed internally and obtained from external sources.

Derecognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership 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 on the financial asset. Any interest in transferred financial assets that qualify for derecognition that is carried or retained by the Company is recognised as separate asset or liability in the statement of financial position. On derecognition of 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 profit or loss.

4 Material accounting policy information (continued)

Non-derivative financial assets and liabilities (continued)

Impairment (continued)

Derecognition of financial assets and financial liabilities

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the financial assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions the Company retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract, depending on whether the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the services. The Company derecognises a financial liability when its contractual obligation is discharged or cancelled or expire.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividend is approved by the Company's shareholders.

Provisions

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

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

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

Foreign currency transactions

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the financial statements.

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and the presentation currency for the financial statements.

4 Material accounting policy information (continued)

Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise.

Employee end of service benefits

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment and are not less than the liability arising under UAE Labour Law.

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

Offsetting

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 offset the recognised amounts audit intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or of gains and losses arising from a group of similar transactions such as in the Company's trading activity.

Directors' remuneration

Pursuant to Article 171 of Federal Decree Law No. (32) of 2021 (as amended) and in accordance with the Articles of Association of the Company, the Directors are entitled for remuneration which shall not exceed 10% of the net profits after deducting depreciation and reserves.

Taxation

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

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

4 Material accounting policy information (continued)

Taxation (continued)

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above in these financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Insurance and reinsurance contracts

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

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to recognise the payments as an expense immediately (coverage period of a year or less) for all acquisition cashflows except for commission expense which is capitalised.

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

Liability for incurred claims

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

The main assumption underlying these techniques is that a 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.

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

Liability for incurred claims (continued)

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

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

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with a AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

The bottom-up approach was used to derive the discount rate for all contracts within the scope of IFRS 17. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The illiquidity premium is determined by reference to observable market rates.

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

	1 year		3 years		5 years		10 years	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Measured under PAA and GMM								
Insurance contracts								
	4.33%	5.13%	**4.24%**	5.00%	**4.37%**	4.95%	**4.74%**	5.00%
Reinsurance contracts held								
	4.33%	5.13%	**4.24%**	5.00%	**4.37%**	4.95%	**4.74%**	5.00%
Measured under VFA								
Insurance contracts								
	3.50%	3.50%	**3.41%**	3.36%	**3.54%**	3.32%	**3.91%**	3.37%

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.

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

Discount rates (continued)

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 insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

The 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.

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 insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

Measurement of expected credit loss ("ECL") allowance

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

6 Property and equipment

	Land and office building	Furniture and fixtures	Computer & office equipment	Motor vehicles	Total
	AED	AED	AED	AED	AED
Cost:					
At 1 January 2024	36,600,711	9,652,730	11,458,596	395,450	58,107,487
Additions during the year	-	-	848,069	-	848,069
At 31 December 2024	**36,600,711**	**9,652,730**	**12,306,665**	**395,450**	**58,955,556**
Additions during the year	**-**	**9,295**	**618,629**	**275,000**	**902,924**
Disposals during the year	**-**	**(3,600)**	**-**	**(175,500)**	**(179,100)**
At 31 December 2025	**36,600,711**	**9,658,425**	**12,925,294**	**494,950**	**59,679,380**
Accumulated Depreciation:					
At 1 January 2024	12,508,238	9,541,227	10,116,061	395,449	32,560,975
Charge for the year	1,105,853	64,640	606,232	-	1,776,725
At 31 December 2024	**13,614,091**	**9,605,867**	**10,722,293**	**395,449**	**34,337,700**
Charge for the year	**1,105,853**	**52,558**	**939,708**	**25,240**	**2,123,359**
Disposal during the year	**-**	**-**	**-**	**(175,500)**	**(175,500)**
At 31 December 2025	**14,719,944**	**9,658,425**	**11,662,001**	**245,189**	**36,285,559**
Net carrying amount:					
At 31 December 2025	**21,880,767**	**-**	**1,263,293**	**249,761**	**23,393,821**
At 31 December 2024	22,986,620	46,863	1,584,372	1	24,617,856

7 Intangible assets

	Computer software
	AED
Cost:	
At 1 January 2024	15,521,147
Additions during the year	471,881
Transfers during the year	(238,680)
At 31 December 2024	**15,754,348**
Additions during the year	**87,850**
At 31 December 2025	**15,842,198**
Accumulated amortisation:	
At 1 January 2024	12,359,593
Charge for the year	1,222,189
At 31 December 2024	**13,581,782**
Charge for the year	**1,168,423**
At 31 December 2025	**14,750,205**
Net carrying amount:	
At 31 December 2025	**1,091,993**
At 31 December 2024	2,172,566

8 Investment properties

	2025 AED	2024 AED
At 1 January	**75,450,000**	186,002,982
Change in fair value	**175,000**	4,126,055
Disposals during the year	-	(114,679,037)
At 31 December	**75,625,000**	75,450,000

	2025 AED		2024 AED	
	Cost	**Fair value**	Cost	Fair value
Office building	**63,156,439**	**75,625,000**	63,156,439	75,450,000
At 31 December	**63,156,439**	**75,625,000**	63,156,439	75,450,000

Investment properties include rented out portion of a commercial building and is located in the U.A.E.

The carrying amounts of investment properties are the fair value of the properties as determined by two independent appraisers having an appropriately recognised professional qualification and recent experience in the location and category of the property being valued and is reviewed by the Board of Directors on a yearly basis. Fair values were determined based on income valuation approach.

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

The breakdown of income from investment properties – net is as follows:

	2025 AED	2024 AED
Rental income	**6,613,836**	6,201,480
Operating expenses	**(1,784,693)**	(4,836,283)
Net rental income	**4,829,143**	1,365,196
Realised gain on sale of investment properties	**-**	40,961,015
Change in fair value of investment properties	**175,000**	4,126,055
	5,004,143	46,452,266

9 Investment securities

The Company's investment securities at the end of reporting year are detailed below.

	2025 AED	2024 AED
Financial assets at fair value through profit or loss (FVTPL)	**474,063,422**	346,680,392
Financial assets at fair value through other comprehensive income (FVTOCI)	**131,839,732**	116,228,302
Less: Provision for expected credit losses (ECL)	**(617,829)**	(370,904)
	605,285,325	462,537,790

9 Investment securities (continued)

The spilt of investment securities in the statement of financial position is as follows:

	2025 AED	2024 AED
Investment securities	**482,736,993**	373,276,067
Investments on behalf of policyholders of unit-linked products	**122,548,332**	89,261,723
	605,285,325	462,537,790

Investments securities – Geographic concentration

	2025 AED	2024 AED
Investments made:		
- Within UAE	**283,493,148**	215,413,147
- Outside UAE	**321,792,177**	247,124,643
	605,285,325	462,537,790

Fair value through profit or loss (FVTPL) investments

	2025 AED	2024 AED
Equity investments – quoted	**213,663,804**	162,089,888
Fixed income investments/ bonds – quoted	**137,851,286**	95,328,781
Investments held on behalf of policyholders' unit-linked products	**122,548,332**	89,261,723
	474,063,422	346,680,392

Movement in investments carried out at fair value through profit or loss (FVTPL) is as follows:

	2025 AED	2024 AED
At 1 January	**346,680,392**	295,337,160
Purchases during the year	**142,988,682**	108,691,747
Disposal during the year	**(72,365,048)**	(94,106,712)
Change in fair value	**23,472,787**	15,127,395
Net movement in payable to policyholder's unit linked products	**33,286,609**	21,630,802
At 31 December	**474,063,422**	346,680,392

Fair value through other comprehensive income (FVTOCI) investments

	2025 AED	2024 AED
Equity investments – unquoted	**41,429,652**	38,704,777
Fixed income investments/bonds – quoted	**90,410,080**	77,523,525
	131,839,732	116,228,302

9 Investment securities (continued)

Movement in investments carried at fair value through other comprehensive income (FVTOCI) is as follows:

	2025 AED	2024 AED
At 1 January	**116,228,302**	126,119,923
Purchases during the year	**11,278,502**	27,903,840
Disposal during the yea	**-**	(25,759,665)
Change in fair value	**4,332,928**	(12,035,796)
At 31 December	**131,839,732**	116,228,302

Movements in provision for ECL are as follows:

	2025 AED	2024 AED
At 1 January	**370,904**	418,037
Charged /(reversal) during the year	**246,925**	(47,133)
At 31 December	**617,829**	370,904

Investment concentration

The Central Bank of UAE has set a maximum limit for aggregate exposure in various categories of investments. As at 31 December 2025, the Company has investments more than the limit in some categories particularly equity instruments within and outside UAE, and deposits and other debt instruments.

10 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. As such, differences can arise between book values and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

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

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

Fair value of the Company's financial assets that are measured at fair value on recurring basis.

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

10 Fair value of financial instruments (continued)

	2025	2024	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs
	AED	AED			
FVTOCI					
Quoted securities	**90,410,080**	77,523,525	Level 1	Quoted bid prices in an active market	N/A
Unquoted equity securities	**41,429,652**	38,704,777	Level 3	Net assets valuation method	Net asset value
FVTPL					
Quoted equity securities	**213,663,804**	162,089,888	Level 1	Quoted bid prices in an active market	N/A
Quoted debt securities	**137,851,286**	95,328,781	Level 1	Quoted bid prices in an active market	N/A
Unit linked products	**122,548,332**	89,261,723	Level 2	Net assets valuation method	Net asset value

There were no transfers between each of the level during the year. There are no financial liabilities, which should be measured at fair value, and accordingly no disclosure is made in the above table.

11 Insurance and reinsurance contracts

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

	2025			2024		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
General and medical	-	641,547,050	641,547,050	-	732,690,887	732,690,887
Life	20,421,763	229,503,485	209,081,722	16,195,820	171,373,654	155,177,834
Total insurance contracts issued	20,421,763	871,050,535	850,628,772	16,195,820	904,064,541	887,868,721
Reinsurance contracts held						
General and medical	252,003,960	-	252,003,960	422,052,453	149,453	421,903,000
Life	37,414,310	13,193,205	24,221,105	42,770,171	22,928,529	19,841,642
Total reinsurance contracts held	289,418,270	13,193,205	276,225,065	464,822,624	23,077,982	441,744,642

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2025	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract assets as at 1 January	21,790,656	-	(5,296,181)	(298,655)	16,195,820
Insurance contract liabilities as at 1 January	(201,663,684)	(122,375)	(532,925,647)	(15,669,301)	(750,381,007)
Net insurance contract liabilities as at 1 January	(179,873,028)	(122,375)	(538,221,828)	(15,967,956)	(734,185,187)
Insurance revenue	1,009,830,503	-	-	-	1,009,830,503
Insurance service expenses					
Incurred claims and other expenses	-	-	(657,144,891)	(39,841,331)	(696,986,222)
Amortisation of insurance acquisition cash	(141,016,569)	-	-	-	(141,016,569)
Losses on onerous contracts	-	(7,427,409)	-	-	(7,427,409)
Changes to liabilities for incurred claims	-	-	125,062,086	40,952,960	166,015,046
Insurance service result	868,813,934	(7,427,409)	(532,082,805)	1,111,629	330,415,349
Insurance finance expense	-	-	(10,623,595)	-	(10,623,595)
Total changes in the statement of profit/ (loss)	868,813,934	(7,427,409)	(542,706,400)	1,111,629	319,791,754
Cash flows					
Premiums received	(1,049,247,644)	-	-	-	(1,049,247,644)
Claims and other expenses paid	-	-	635,305,538	-	635,305,538
Insurance acquisition cash flows	161,118,737	-	-	-	161,118,737
Total cash flows	(888,128,907)	-	635,305,538	-	(252,823,369)
Insurance contract assets as at 31 December	20,421,763	-	-	-	20,421,763
Insurance contract liabilities as at 31 December	(219,609,764)	(7,549,784)	(445,622,690)	(14,856,327)	(687,638,565)
Net insurance contract liabilities as at 31 December	(199,188,001)	(7,549,784)	(445,622,690)	(14,856,327)	(667,216,802)

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts measured under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2024	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract assets as at 1 January	16,144,532	-	(4,748,196)	(247,064)	11,149,272
Insurance contract liabilities as at 1 January	(142,851,350)	(4,202,586)	(441,718,759)	(9,684,786)	(598,457,481)
Net insurance contract liabilities as at 1 January	(126,706,818)	(4,202,586)	(446,466,955)	(9,931,850)	(587,308,209)
Insurance revenue	864,840,697	-	-	-	864,840,697
Insurance service expenses					
Incurred claims and other expenses	-	-	(732,319,716)	(28,291,358)	(760,611,074)
Amortisation of insurance acquisition cash flows	(116,079,319)	-	-	-	(116,079,319)
Losses on onerous contracts	-	4,080,211	-	-	4,080,211
Changes to liabilities for incurred claims	-	-	1,669,349	22,255,252	23,924,601
Insurance service result	748,761,378	4,080,211	(730,650,367)	(6,036,106)	16,155,116
Insurance finance expenses	-	-	(8,369,233)	-	(8,369,233)
Total changes in the statement of profit / (loss)	748,761,378	4,080,211	(739,019,600)	(6,036,106)	7,785,883
Cash flows					
Premiums received	(936,103,398)	-	-	-	(936,103,398)
Claims and other expenses paid	-	-	647,264,727	-	647,264,727
Insurance acquisition cash flows	134,175,810	-	-	-	134,175,810
Total cash flows	(801,927,588)	-	647,264,727	-	(154,662,861)
Insurance contract assets as at 31 December	21,790,656	-	(5,296,181)	(298,655)	16,195,820
Insurance contract liabilities as at 31 December	(201,663,684)	(122,375)	(532,925,647)	(15,669,301)	(750,381,007)
Net insurance contract liabilities as at 31 December	(179,873,028)	(122,375)	(538,221,828)	(15,967,956)	(734,185,187)

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Contracts not measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims	
31 December 2025	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Total
	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	(137,253,814)	(2,727,740)	(13,701,980)	(153,683,534)
Insurance revenue	7,168,282	-	-	7,168,282
Insurance service expenses				
Incurred claims and other expenses	-	-	(2,010,966)	(2,010,966)
Amortisation of insurance acquisition cash flows	(755,885)	-	-	(755,885)
Change in onerous contracts	-	(935,749)	-	(935,749)
Insurance service result	6,412,397	(935,749)	(2,010,966)	3,465,682
Insurance finance expenses	(21,785,565)	(584,922)	-	(22,370,487)
Investment components	20,751,965	-	(20,751,965)	-
Total changes in the statement of profit / (loss)	5,378,797	(1,520,671)	(22,762,931)	(18,904,805)
Cash flows				
Premiums received	(39,682,802)	-	-	(39,682,802)
Claims and other expenses paid	-	-	25,963,127	25,963,127
Insurance acquisition cash flows	2,896,044	-	-	2,896,044
Total cash flows	(36,786,758)	-	25,963,127	(10,823,631)
Insurance contract liabilities as at 31 December	(168,661,775)	(4,248,411)	(10,501,784)	(183,411,970)
31 December 2024				
Insurance contract assets as at 1 January	-	-	-	-
Insurance contract liabilities as at 1 January	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Net insurance contract liabilities as at 1 January	(121,156,024)	(2,320,026)	(22,357,149)	(145,833,199)
Insurance revenue	9,177,512	-	-	9,177,512
Insurance service expenses				
Incurred claims and other expenses	-	-	(386,063)	(386,063)
Amortisation of insurance acquisition cash flows	(536,608)	-	-	(536,608)
Reversals on onerous contracts	-	(201,047)	-	(201,047)
Insurance service result	8,640,904	(201,047)	(386,063)	8,053,794
Insurance finance expenses	(13,827,579)	(206,667)	-	(14,034,246)
Investment component	37,773,278	-	(37,773,278)	-
Total changes in the statement of profit/(loss)	32,586,603	(407,714)	(38,159,341)	(5,980,452)
Cash flows				
Premiums received	(54,148,949)	-	-	(54,148,949)
Claims and other expenses paid	-	-	46,814,510	46,814,510
Insurance acquisition cash flows	5,464,556	-	-	5,464,556
Total cash flows	(48,684,393)	-	46,814,510	(1,869,883)
Net insurance contract liabilities as at 31 December	(137,253,814)	(2,727,740)	(13,701,980)	(153,683,534)

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA

			CSM		
31 December 2025	**Estimates of present value of future cash flows AED**	**Risk adjustment for non-financial risk AED**	**Contracts under modified retrospective transition approach AED**	**Other contracts AED**	**Total AED**
Net insurance contract liabilities as at 1 January	**(119,690,273)**	**(8,689,494)**	**-**	**(25,303,767)**	**(153,683,534)**
Changes that relate to current services					
CSM recognised for services provided	-	-	-	3,392,724	3,392,724
Change in risk adjustment for non-financial risk for risk expired	-	510,932	-	-	510,932
Experience adjustments	(1,327,827)	-	-	-	(1,327,827)
Changes that relate to future services					
Contracts initially recognised in the year	2,448,802	(895,533)	-	(1,834,656)	(281,387)
Changes in estimates that adjust the CSM	311,489	241,629	-	(553,118)	-
Change in onerous contracts	(1,789,328)	654,275	-	-	(1,135,053)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	2,196,469	109,824	-	-	2,306,293
Insurance service result	1,839,605	621,127	-	1,004,950	3,465,682
Net finance expenses from insurance contracts	(22,114,011)	-		(256,476)	(22,370,487)
Total changes in the statement of profit or (loss)	(20,274,406)	621,127	-	748,474	(18,904,805)
Cash flows					
Premiums received	(39,682,802)	-	-	-	(39,682,802)
Claims and other directly attributable expenses paid	25,963,127	-	-	-	25,963,127
Insurance acquisition cash flows paid	2,896,044	-	-	-	2,896,044
Total cash flows	(10,823,631)	-	-	-	(10,823,631)
Insurance contract liabilities as at 31 December	(150,788,310)	(8,068,367)	-	(24,555,293)	(183,411,970)

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims (continued)

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

			CSM		
31 December 2024	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	Contracts under modified retrospective transition approach AED	Other contracts AED	Total AED
Net insurance contract liabilities as at 1 January	(121,653,464)	(7,764,962)	-	(16,414,773)	(145,833,199)
Changes that relate to current services					
CSM recognised for services provided	-	-	-	3,281,254	3,281,254
Change in risk adjustment for non-financial risk for risk expired	-	1,002,291	-	-	1,002,291
Experience adjustments	1,961,465	-	-	-	1,961,465
Changes that relate to future services					
Contracts initially recognised in the year	5,643,843	(3,999,596)	-	(2,475,434)	(831,187)
Changes in estimates that adjust the CSM	9,235,680	196,281	-	(9,431,961)	-
Changes in estimates that result in losses and of losses on onerous contracts	(3,156,846)	1,936,595	-	-	(1,220,251)
Changes that relate to past services					
Adjustments to liabilities for incurred claims	3,920,325	(60,103)	-	-	3,860,222
Insurance service result	17,604,467	(924,532)	-	(8,626,141)	8,053,794
Net finance (expenses) from insurance contracts	(13,771,393)	-	-	(262,853)	(14,034,246)
Total changes in the statement of profit or (loss)	3,833,074	(924,532)	-	(8,888,994)	(5,980,452)
Cash flows					
Premiums received	(54,148,949)	-	-	-	(54,148,949)
Claims and other directly attributable expenses paid	46,814,510	-	-	-	46,814,510
Insurance acquisition cash flows paid	5,464,556	-	-	-	5,464,556
Total cash flows	(1,869,883)	-	-	-	(1,869,883)
Net insurance contract liabilities as at 31 December	(119,690,273)	(8,689,494)	-	(25,303,767)	(153,683,534)

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims

Contracts measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2025	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	(13,248,140)	58,932	463,031,873	10,822,942	460,665,607
Reinsurance contract liabilities as at 1 January	(25,311,429)	-	2,556,952	15,307	(22,739,170)
Net reinsurance contract (liabilities)/assets	(38,559,569)	58,932	465,588,825	10,838,249	437,926,437
An allocation of reinsurance premiums	(428,913,815)	-	-	-	(428,913,815)
Amounts recoverable from reinsurers for incurred claims	-	-	180,950,012	(4,792,540)	176,157,472
Amounts recoverable for incurred claims and other expenses	-	(58,932)	-	-	(58,932)
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Net expense from reinsurance contracts held	(428,913,815)	(58,932)	180,950,012	(4,792,540)	(252,815,275)
Reinsurance finance income	-	-	8,409,508	-	8,409,508
Total changes in the statement of (loss)/profit	(428,913,815)	(58,932)	189,359,520	(4,792,540)	(244,405,767)
Cash flows					
Premiums paid	429,563,868	-	-	-	429,563,868
Amounts received	-	-	(350,284,705)	-	(350,284,705)
Total cash flows	429,563,868	-	(350,284,705)	-	79,279,163
Reinsurance contract assets as at 31 December	(24,716,311)	-	304,663,640	6,045,709	285,993,038
Reinsurance contract liabilities as at 31 December	(13,193,205)	-	-	-	(13,193,205)
Net reinsurance contract (liabilities)/assets as at 31 December	(37,909,516)	-	304,663,640	6,045,709	272,799,833

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2024	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	(25,953,461)	1,698,952	263,379,143	3,869,832	242,994,466
Reinsurance contract liabilities as at 1 January	(11,797,408)	-	7,825,142	200,666	(3,771,600)
Net reinsurance contract (liabilities)/assets	(37,750,869)	1,698,952	271,204,285	4,070,498	239,222,866
An allocation of reinsurance premiums	(365,899,639)	-	-	-	(365,899,639)
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	-	-	402,554,871	6,767,751	409,322,622
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-
Changes to amounts recoverable for incurred claims	-	(1,640,020)	-	-	(1,640,020)
Net income or expense from reinsurance contracts held	(365,899,639)	(1,640,020)	402,554,871	6,767,751	41,782,963
Reinsurance finance income	-	-	5,631,648	-	5,631,648
Total changes in the statement of (loss)/profit	(365,899,639)	(1,640,020)	408,186,519	6,767,751	47,414,611
Cash flows					
Premiums paid	365,090,939	-	-	-	365,090,939
Amounts received	-	-	(213,801,979)	-	(213,801,979)
Total cash flows	365,090,939	-	(213,801,979)	-	151,288,960
Reinsurance contract assets as at 31 December	(13,248,140)	58,932	463,031,873	10,822,942	460,665,607
Reinsurance contract liabilities as at 31 December	(25,311,429)	-	2,556,952	15,307	(22,739,170)
Net reinsurance contract (liabilities)/assets as at 31 December	(38,559,569)	58,932	465,588,825	10,838,249	437,926,437

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Contracts not measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims	
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Total AED
31 December 2025				
Reinsurance contract assets as at 1 January	3,512,706	48,557	595,754	4,157,017
Reinsurance contract liabilities as at 1 January	(447,592)	-	108,780	(338,812)
Net reinsurance contract assets as at 1 January	3,065,114	48,557	704,534	3,818,205
An allocation of reinsurance premiums	(1,261,379)	-	-	(1,261,379)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	65,862	65,862
Changes to amounts recoverable for incurred claims	-	-	180,051	180,051
Changes in fulfilment cash flows that do not adjust CSM	-	(47,102)	-	(47,102)
Net income or expense from reinsurance contracts held	(1,261,379)	(47,102)	245,913	(1,062,568)
Reinsurance finance income	101,171	-	-	101,171
Total changes in the statement of comprehensive (loss) /profit	(1,160,207)	(47,102)	245,913	(961,396)
Cash flows				
Premiums paid	634,286	-	-	634,286
Amounts received	-	-	(65,862)	(65,862)
Total cash flows	634,286	-	(65,862)	568,424
Reinsurance contract assets as at 31 December	2,539,191	1,455	884,586	3,425,232
31 December 2024				
Reinsurance contract assets as at 1 January	5,434,620	138,000	1,535,735	7,108,355
Reinsurance contract liabilities as at 1 January	(360,218)	-	107,744	(252,474)
Net reinsurance contract assets as at 1 January	5,074,402	138,000	1,643,479	6,855,881
An allocation of reinsurance premiums	(2,555,626)	-	-	(2,555,626)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	318,655	318,655
Changes to amounts recoverable for incurred claims	-	-	(938,944)	(938,944)
Changes in fulfilment cash flows that do not adjust CSM	-	(89,443)	-	(89,443)
Net income or expense from reinsurance contracts held	(2,555,626)	(89,443)	(620,289)	(3,265,358)
Reinsurance finance income	144,222	-	-	144,222
Total changes in the statement of (loss)/ profit	(2,411,404)	(89,443)	(620,289)	(3,121,136)
Cash flows				
Premiums paid	402,116	-	-	402,116
Amounts received	-	-	(318,656)	(318,656)
Total cash flows	402,116	-	(318,656)	83,460
Reinsurance contract assets as at 31 December	3,512,706	48,557	595,754	4,157,017
Reinsurance contract liabilities as at 31 December	(447,592)	-	108,780	(338,812)
Net reinsurance contract assets as at 31 December	3,065,114	48,557	704,534	3,818,205

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

Analysis by measurement component – Contracts not measured under the PAA

			CSM		
31 December 2025	**Estimates of present value of future cash flows AED**	**Risk adjustment for non-financial risk AED**	**Contracts under modified retrospective transition approach AED**	**Other contracts AED**	**Total AED**
Reinsurance contract assets as at 1 January	1,390,224	62,449	-	2,704,344	4,157,017
Reinsurance contract liabilities as at 1 January	(415,920)	108,844	-	(31,736)	(338,812)
Net reinsurance contract assets	974,304	171,293	-	2,672,608	3,818,205
Changes that relate to current services					
CSM recognised for services provided	-	-	-	(683,243)	(683,243)
Change in risk adjustment for non-financial risk for risk expired	-	(13,388)	-	-	(13,388)
Experience adjustments	(498,886)	-	-	-	(498,886)
Changes that relate to future services					
Contracts initially recognised in the year	(6,976)	8,885	-	(1,909)	-
Changes in estimates that adjust the CSM	(376,117)	(18,162)	-	394,279	-
Changes in estimates that relate to losses on onerous underlying contracts	-	-	-	(47,102)	(47,102)
Changes that relate to past services					-
Adjustments to assets for incurred claims	171,477	8,574	-	-	180,051
Net expenses from reinsurance contracts	(710,502)	(14,091)	-	(337,975)	(1,062,568)
Net finance income from reinsurance contracts	27,639	-	-	73,532	101,171
Total changes in the statement of (loss)/ profit	(682,863)	(14,091)	-	(264,443)	(961,397)
Cash flows					
Premiums received	634,286	-	-	-	634,286
Claims and other directly attributable expenses paid	(65,862)	-	-	-	(65,862)
Total cash flows	568,424	-	-	-	568,424
Reinsurance contract assets as at 31 December	859,865	157,202	-	2,408,165	3,425,232

11 Insurance and reinsurance contracts (continued)

Roll-forward of net asset or liability for reinsurance contracts held showing the assets for remaining coverage and the amounts recoverable on incurred claims (continued)

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

			CSM		
31 December 2024	Estimates of present value of future cash flows AED	Risk adjustment for non-financial risk AED	Contracts under modified retrospective transition approach AED	Other contracts AED	Total AED
Reinsurance contract assets as at 1 January	2,795,690	120,745	-	4,191,920	7,108,355
Reinsurance contract liabilities as at 1 January	(490,549)	126,621	-	111,454	(252,474)
Net reinsurance contract assets	2,305,141	247,366		4,303,374	6,855,881
Changes that relate to current services					
CSM recognised for services provided	-	-	-	(1,430,656)	(1,430,656)
Change in risk adjustment for non-financial risk for risk expired	-	(7,399)	-	-	(7,399)
Experience adjustments	(798,917)	-	-	-	(798,917)
Changes that relate to future services					
Contracts initially recognised in the year	40,255	13,153	-	(53,408)	-
Changes in estimates that adjust the CSM	228,343	(52,166)	-	(176,177)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	-	(89,443)	(89,443)
Changes that relate to past services					
Adjustments to assets for incurred claims	(909,282)	(29,661)	-	-	(938,943)
Net expenses from reinsurance contracts	(1,439,601)	(76,073)	-	(1,749,684)	(3,265,358)
Net finance income from reinsurance contracts	25,304	-	-	118,918	144,222
Total changes in the statement of profit or loss	(1,414,297)	(76,073)	-	(1,630,766)	(3,121,136)
Cash flows					
Premiums received	402,116	-	-	-	402,116
Claims and other directly attributable expenses paid	(318,656)	-	-	-	(318,656)
Total cash flows	83,460	-	-	-	83,460
Reinsurance contract assets as at 31 December	1,390,224	62,449	-	2,704,344	4,157,017
Reinsurance contract liabilities as at 31 December	(415,920)	108,844	-	(31,736)	(338,812)
Net reinsurance contract assets as at 31 December	974,304	171,293	-	2,672,608	3,818,205

11 Insurance and reinsurance contracts (continued)

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting year in profit or loss is provided in the following table (number of years until expected to be recognised).

	1 year AED	2 year AED	3 year AED	4 year AED	5 year AED	>6 year AED	Total AED
31 December 2025							
Total CSM for insurance contracts issued	**(1,885,647)**	**(2,141,339)**	**(1,967,568)**	**(1,847,393)**	**(1,754,411)**	**(14,958,935)**	**(24,555,293)**
Total CSM for reinsurance contracts held	**289,557**	**317,290**	**284,883**	**257,821**	**237,599**	**1,021,015**	**2,408,165**
31 December 2024							
Total CSM for insurance contracts issued	(2,463,750)	(2,031,989)	(1,898,777)	(1,790,569)	(1,698,790)	(15,419,892)	(25,303,767)
Total CSM for reinsurance contracts held	679,423	341,474	289,464	251,316	232,024	878,907	2,672,608

Reconciliation of the measurement components of insurance and reinsurance contract balances measured under both PAA and GMM as at:

	PAA AED	Non-PAA AED	Total AED
31 December 2025			
Insurance contract assets	**20,421,763**	**-**	**20,421,763**
Insurance contract liabilities	**(687,638,565)**	**(183,411,970)**	**(871,050,535)**
Reinsurance contract assets	**285,993,038**	**3,425,232**	**289,418,270**
Reinsurance contract liabilities	**(13,193,205)**	**-**	**(13,193,205)**
31 December 2024			
Insurance contract assets	16,195,820	-	16,195,820
Insurance contract liabilities	(750,381,007)	(153,683,534)	(904,064,541)
Reinsurance contract assets	460,665,607	4,157,017	464,822,624
Reinsurance contract liabilities	(22,739,170)	(338,812)	(23,077,982)

11 Insurance and reinsurance contracts (continued)

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

Gross Insurance contract liabilities at 31 December 2025

	2022 and prior years AED	2023 AED	2024 AED	**2025 AED**	**Total AED**
At the end of each reporting year	219,457,531	287,558,467	347,115,480	**635,193,168**	**1,489,324,646**
One year later	270,411,335	345,268,534	493,570,113	**-**	**1,109,249,982**
Two years later	284,065,519	390,160,720	-	**-**	**674,226,239**
Three years later	311,687,573	-	-	**-**	**311,687,573**
Estimate of cumulative claims	311,355,632	390,160,720	493,570,113	**635,193,168**	**1,830,279,633**
Cumulative payments to date	(294,024,873)	(356,013,494)	(416,076,390)	**(356,134,955)**	**(1,422,249,712)**
Unallocated loss adjustment expense reserve	167,876	325,271	737,235	**2,639,352**	**3,869,734**
Claims payable	-	-	8,586,269	**40,297,717**	**48,883,986**
Total gross undiscounted liabilities for incurred claims	17,498,636	34,472,497	86,817,226	**321,995,283**	**460,783,642**
Effect of discounting	-	-	-	**(4,733,926)**	**(4,733,926)**
Total discounted gross reserves included in the statement of financial position	17,498,636	34,472,497	86,817,226	**317,261,357**	**456,049,716**
Risk Adjustments	652,742	1,265,285	2,868,704	**10,127,230**	**14,913,961**

11 Insurance and reinsurance contracts (continued)

Net insurance contract liabilities at 31 December 2025

	2022 and prior years AED	2023 AED	2024 AED	**2025 AED**	**Total AED**
At the end of each reporting year	123,756,285	163,191,944	213,384,165	**346,195,838**	**846,528,232**
One year later	148,278,432	191,983,210	271,732,542	**-**	**611,994,184**
Two years later	154,652,906	202,883,605	-	**-**	**357,536,511**
Three years later	163,114,036	-	-	**-**	**163,114,036**
Estimate of cumulative claims	163,114,036	202,883,605	271,732,542	**346,195,838**	**983,926,021**
Cumulative payments to date	(157,412,202)	(196,310,398)	(253,820,040)	**(227,526,600)**	**(835,069,240)**
Unallocated loss adjustment expense reserve	167,876	325,271	737,235	**2,639,352**	**3,869,734**
Claim receivable – net	-	-	(69,467)	**(326,027)**	**(395,494)**
Total net undiscounted liabilities for incurred claims	5,869,710	6,898,478	18,580,269	**120,982,564**	**152,331,021**
Effect of discounting	-	-	-	**(1,787,410)**	**(1,787,410)**
Total discounted net reserves included in the statement of financial position	5,869,710	6,898,478	18,580,269	**119,195,154**	**150,543,611**
Net risk adjustments	346,974	391,770	1,065,615	**7,038,896**	**8,843,255**

12 Bank balances and cash

Bank balances and cash comprise the following statement of financial position amounts:

	2025 AED	2024 AED
Cash on hand	**17,454**	17,454
Balances with banks	**44,271,463**	62,672,098
Statutory deposits	**10,000,000**	10,000,000
Fixed deposits	**564,115,206**	512,630,631
Less: provision for expected credit loss	**(265,908)**	(270,697)
Total bank balances and cash	**618,138,215**	585,049,486
Less: Deposits with maturities greater than three months	**(574,115,206)**	(522,630,631)
	44,023,009	62,418,855

Cash and cash equivalents include an amount of AED 19.56 million (2024: AED 18.6 million) as a restricted deposit on unreleased guaranteed margin. The interest rates on fixed deposits with banks range from 3.66% to 4.35% (31 December 2024: 4.1% to 5.5%) per annum.

Fixed deposits amounting to AED 19.56 million (31 December 2024: AED 18.6 million) under lien are against letters of guarantee (note 18).

In accordance with Article (92) of the Federal Decree Law No. (6) of 2025, the Company maintains a bank deposit of AED 10 million (31 December 2024: AED 10 million) as a statutory deposit. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the Central Bank of the United Arab Emirates ("CB UAE") for the same amount. This deposit cannot be withdrawn without the prior approval of the Central Bank of the United Arab Emirates.

Movements in provision for expected credit losses are as follows:

	2025 AED	2024 AED
At 1 January	**270,697**	61,547
(Reversal) / charge during the year	**(4,789)**	209,150
At 31 December	**265,908**	270,697

13 Share capital

	2025 AED	2024 AED
Authorised, issued and fully paid 164,949,523 shares of AED 1 each (31 December 2024: 164,949,523 shares of AED 1 each)	**164,949,523**	164,949,523

14 Reserves

Legal and general reserve

In accordance with the Company's Articles of Association and UAE Federal Decree Law No. (32) of 2021 (as amended), the Company transfers 10% of annual net profits, if any, to the legal reserve until it equals 50% of the share capital. Also, in accordance with its Articles of Association, 10% of annual net profits, if any, may be transferred to a general reserve until it is suspended by an Ordinary General Meeting upon a proposal by the Board of Directors or if this reserve amounts to 50% of the paid capital of the Company.

During the year, the Company has made no transfer as the legal and general reserves equals 50% of the share capital (31 December 2024: 7,497,706 transferred to the legal reserve and general reserve to reach 50% limit).

14 Reserves (continued)

Legal and general reserve (continued)

General reserve can be utilised for the purposes determined by the Ordinary General Meeting upon recommendations of the Board of Directors.

Insurance finance reserve through OCI

This reserve records fair value changes on fair value through OCI designated investments.

Reinsurance reserve

In accordance with Article 34 issued by the Central Bank of the United Arab Emirates ("CB UAE"), Board of Directors Decision No. (23) of 2019, the Company has transferred AED 2,747,365 to the 'Reinsurance Reserve' being 0.5% of the total insurance premium ceded to the reinsurer during the year 31 December 2025 (31 December 2024: AED 2,230,273). This reserve is accumulated year after year and may not be disposed off without the written approval of the Director General of the Central Bank of the United Arab Emirates ("CB UAE").

15 Provision for employees' end of service benefits

	2025 AED	2024 AED
At 1 January	**15,507,825**	14,693,070
Charge for the year	**3,116,444**	1,894,736
Amount paid during the year	**(1,034,600)**	(1,079,981)
At 31 December	**17,589,669**	15,507,825

16 Other payables

	2025 AED	2024 AED
Accrued expenses	**44,008,049**	38,097,420
Other payables	**11,055,073**	17,899,833
	55,063,122	55,997,253

17 Related party balances and transactions

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's management. The significant balances outstanding in respect of related parties included in the financial statements are as follows:

	2025 AED	2024 AED
Affiliates of major shareholders:		
Due from policyholders – affiliates - as part of insurance contract assets	**5,347,193**	20,657,890
Due to related parties – affiliates – as part of insurance contract liabilities	**-**	339,525

	2025 AED	2024 AED
Cash and cash equivalents:		
Cash at banks	**15,291,091**	26,757,327
Short term deposits	**203,249,238**	160,907,269

17 Related party balances and transactions (continued)

During the year, the Company entered into the following transactions with related parties:

	2025 AED	2024 AED
Key management personnel compensation		
Board of directors' remuneration	**10,500,000**	6,825,000
Remuneration and short-term benefits	**7,535,366**	7,074,299
End of service benefits	**733,428**	313,378
Other related party transactions		
Insurance revenue	**66,883,537**	64,817,062
Insurance service expense	**80,542,679**	68,012,451
Dividend paid	**51,202,380**	25,739,879
Portfolio management fees	**251,030**	259,531
Bank charges/commission expenses	**1,062,122**	1,973,166
Interest income	**8,205,700**	7,741,875

18 Contingent liabilities

	2025 AED	2024 AED
Letters of guarantee	**10,863,000**	10,988,000

Guarantees include an amount of AED 10 million (31 December 2024: AED 10 million) favoring the Ministry of Economy and Commerce. Fixed deposits amounting to AED 19.56 million (31 December 2024: AED 18.6 million) are under lien as collateral in respect of above guarantees.

The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

19 Insurance revenue

	General AED	Life AED	Total AED
For the year ended 31 December 2025			
Contracts not measured under the PAA			
Expected incurred claims and other insurance services expenses	-	2,577,840	2,577,840
CSM recognised for services provided	-	3,392,724	3,392,724
Recovery of insurance acquisition cash flows	-	755,885	755,885
Experience adjustment	-	-	-
Change in risk adjustment for non-financial risk for risk expired	-	441,833	441,833
	-	7,168,282	7,168,282
Contracts measured under the PAA	952,826,043	57,004,460	1,009,830,503
Total insurance revenue	952,826,043	64,172,742	1,016,998,785
For the year ended 31 December 2024			
Contracts not measured under the PAA			
Expected incurred claims and other insurance services expenses	-	3,229,156	3,229,156
CSM recognised for services provided	-	3,281,253	3,281,253
Recovery of insurance acquisition cash flows	-	536,608	536,608
Experience adjustment	-	1,294,818	1,294,818
Change in risk adjustment for non-financial risk for risk expired	-	835,677	835,677
	-	9,177,512	9,177,512
Contracts measured under the PAA	810,357,360	54,483,337	864,840,697
Total insurance revenue	810,357,360	63,660,849	874,018,209

20 Insurance service expense

	General AED	Life AED	Total AED
For the year ended 31 December 2025			
Incurred claims and other expenses	652,987,514	48,315,967	701,303,481
Losses and reversals on onerous contracts	7,427,409	935,749	8,363,158
Changes to liabilities for incurred claims	(155,977,393)	(12,343,946)	(168,321,339)
Acquisition cash flows recognised when incurred	129,633,896	12,138,558	141,772,454
	634,071,426	49,046,328	683,117,754
For the year ended 31 December 2024			
Incurred claims and other expenses	727,215,457	37,641,902	764,857,359
Losses on onerous contracts	(4,080,211)	201,047	(3,879,164)
Changes to liabilities for incurred claims	(21,993,665)	(5,791,158)	(27,784,823)
Acquisition cash flows recognised when incurred	105,623,397	10,992,530	116,615,927
	806,764,978	43,044,321	849,809,299

21 Total investment income and net insurance financial result

For the year ended 31 December 2025	General AED	Life AED	Total AED
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(8,798,365)	(21,439,152)	(30,237,517)
Due to changes in interest rates and other financial Assumptions	(1,522,970)	(1,233,595)	(2,756,565)
Total insurance finance expenses from insurance contracts issued	(10,321,335)	(22,672,747)	(32,994,082)
Represented by:			
Amounts recognised in profit or loss	(10,321,335)	(22,586,570)	(32,907,905)
Amounts recognised in OCI	-	(86,177)	(86,177)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	7,313,816	222,172	7,535,988
Changes in non-performance risk of reinsurer			
Due to changes in interest rates and other financial Assumptions	906,193	68,497	974,690
Reinsurance finance income from reinsurance contracts held	8,220,009	290,669	8,510,678
Represented by:			
Amounts recognised in profit or loss	8,220,009	226,084	8,446,093
Amounts recognised in OCI	-	64,585	64,585
Net insurance finance expenses and reinsurance finance income	(2,101,326)	(22,382,078)	(24,483,404)
Represented by:			
Amounts recognised in profit or loss	(2,101,326)	(22,360,486)	(24,461,812)
Amounts recognised in OCI		(21,592)	(21,592)
For the year ended 31 December 2024			
Insurance finance expenses from insurance contracts issued	(6,922,290)	(15,159,510)	(22,081,800)
Due to changes in interest rates and other financial Assumptions	(1,156,027)	834,348	(321,679)
Total insurance finance expenses from insurance contracts issued	(8,078,317)	(14,325,162)	(22,403,479)
Represented by:			
Amounts recognised in profit or loss	(8,078,317)	(14,239,674)	(22,317,991)
Amounts recognised in OCI	-	(85,488)	(85,488)

21 Total investment income and net insurance financial result (continued)

	General insurance AED	Life assurance AED	Total AED
For the year ended 31 December 2024			
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	4,454,274	288,260	4,742,534
Changes in non-performance risk of reinsurer	-	-	-
Due to changes in interest rates and other financial Assumptions	947,414	85,923	1,033,337
Reinsurance finance income from reinsurance contracts held	5,401,688	374,183	5,775,871
Represented by:			
Amounts recognised in profit or loss	5,401,688	274,887	5,676,575
Amounts recognised in OCI	-	99,296	99,296
Net insurance finance expenses and reinsurance finance income	(2,676,629)	(13,950,979)	(16,627,608)
Represented by:			
Amounts recognised in profit or loss	(2,676,629)	(13,964,787)	(16,641,416)
Amounts recognised in OCI	-	13,808	13,808

22 Other investment income

	2025 AED	2024 AED
Investment income on term deposits	**16,241,856**	14,759,561
Investment income from life	**10,951,888**	10,603,256
Dividend income	**12,106,318**	10,520,890
Realised gain on FVTPL on equity instruments	**13,127,364**	8,871,105
Other investment income	**4,158,862**	3,032,803
	56,586,288	47,787,615

23 Basic and diluted earnings per share

	2025	2024
Profit for the year after tax (in AED)	**119,186,339**	127,499,700
Number of shares (note 13)	**164,949,523**	164,949,523
Basic and diluted earnings per share (in AED)	**0.72**	0.77

Basic and diluted earnings per share are calculated by dividing the profit for the period by the number of 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.

24 Dividend and Directors' remuneration

At the Annual General Meeting held on 14 April 2025, the Shareholders approved a cash dividend of AED 74,227,285 at 0.45 dirham per share for 2024 (AED 37,488,528 at 0.25 dirham per share for 2023). The Shareholders also approved Board of Directors' remuneration of AED 10,500,000 for 2024 (AED 6,825,000 for 2023).

25 Income tax

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000. The tax charge for the year ended 31 December 2025 is AED 10,141,090.

	2025 AED	2024 AED
Statement of profit or loss		
Current tax	**7,621,720**	8,914,912
Deferred tax	**2,519,370**	1,699,985
Income tax expense	**10,141,090**	10,614,897

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

	2025 AED	2024 AED
Statement of financial position		
Deferred tax (liability)/ assets	**(1,699,985)**	1,081,979
Deferred tax during the year	**(2,519,370)**	(2,781,964)
Net deferred tax liabilities	**(4,219,355)**	(1,699,985)

Relationship between tax expense and accounting profit:

	2025 AED	2024 AED
Profit for the year before taxation	**129,327,429**	138,114,597
Basic exemption limit	**(375,000)**	(375,000)
Tax applicable profit	**128,952,429**	137,739,597
Effect of items that are not considered in determining taxable income - net		
Exempt income	**(9,580,999)**	(7,942,803)
Non-deductible expenses	**137,171**	64,390
Realised gain on previously recognised	**7,272,633**	-
Unrealised gain/loss recorded in the statement of profit or loss/ OCI for investments held on capital account	**(42,095,456)**	(30,806,605)
Taxable income	**84,685,778**	99,054,579
Income tax expense *(a)*	**7,621,720**	8,914,912
Deferred tax liability:		
Unrealised gain/loss subject to deferred tax	**27,992,999**	18,888,725
Taxation at 9% *(b)*	**2,519,370**	1,699,985
Income tax expense for the year =*(a+b)*	**10,141,090**	10,614,897

26 Segment information

For management purposes the company is organised into two operating segments, insurance and investments. These segments are the basis on which company reports its primary segment information to management. The company does not conduct any business outside U.A.E. There are no transactions between the business segments.

The following is an analysis of the Company's statement of profit or loss classified by major segments:

	For the year ended 31 December 2025		
	Insurance	Investments	Total
	AED	AED	AED
Insurance revenue	1,016,998,785	-	1,016,998,785
Insurance service expenses	(683,117,754)	-	(683,117,754)
Insurance service result before reinsurance contracts held	333,881,031	-	333,881,031
Net income from reinsurance contracts held	(253,877,843)	-	(253,877,843)
Insurance service result	80,003,188	-	80,003,188
Unrealised gains on financial assets at FVTPL	-	23,472,787	23,472,787
Income from investment properties - net	-	5,004,143	5,004,143
Net fair value gain on unit linked investments	-	18,330,808	18,330,808
Other investment income	-	56,586,288	56,586,288
Total investment income	-	103,394,026	103,394,026
Insurance finance expense	(32,907,905)	-	(32,907,905)
Reinsurance finance income	8,446,093	-	8,446,093
Net insurance financial result	(24,461,812)	-	(24,461,812)
Other operating income	1,395,706	-	1,395,706
Unattributable expenses	(31,003,679)	-	(31,003,679)
Profit before tax for the year	25,933,403	103,394,026	129,327,429
Income tax expense			(10,141,090)
Profit after tax for the year			119,186,339

26 Segment information (continued)

	For the year ended 31 December 2024		
	Insurance AED	Investments AED	Total AED
Insurance revenue	874,018,209	-	874,018,209
Insurance service expenses	(849,809,299)	-	(849,809,299)
Insurance service result before reinsurance contracts held	24,208,910	-	24,208,910
Net expenses from reinsurance contracts held	38,517,605	-	38,517,605
Insurance service result	62,726,515	-	62,726,515
Unrealised gains on financial assets at FVTPL	-	15,127,395	15,127,395
Income from investment properties - net	-	46,452,266	46,452,266
Net fair value gain on unit linked investments	-	11,605,210	11,605,210
Other investment income	-	47,787,615	47,787,615
Total investment income	-	120,972,486	120,972,486
Insurance finance expense	(22,317,991)	-	(22,317,991)
Reinsurance finance income	5,676,575	-	5,676,575
Net insurance financial result	(16,641,416)	-	(16,641,416)
Other operating income	1,109,078	-	1,109,078
Unattributable expenses	(30,052,066)	-	(30,052,066)
Profit before tax for the year	17,142,111	120,972,486	138,114,597
Income tax expense			(10,614,897)
Profit after tax for the year			127,499,700

The following is an analysis of the Company's assets, liabilities and equity classified by segment:

	Insurance AED	**Investments AED**	**Total AED**
As at 31 December 2025			
Total assets	**981,736,946**	**680,910,325**	**1,662,647,271**
Total equity	**693,895,478**	**-**	**693,895,478**
Total liabilities	**968,751,793**	**-**	**968,751,793**
As at 31 December 2024			
Total assets	1,115,899,794	537,987,790	1,653,887,584
Toal equity	644,625,086	-	644,625,086
Total liabilities	1,009,262,498	-	1,009,262,498

26 Segment information (continued)

Gross premium

Details relating to gross premium are disclosed below to comply with the requirements of Central Bank of UAE and are not calculated as per the requirements of IFRS-17.

31 December 2025	Life insurance AED	Fund accumulation AED	Medical insurance AED	Property and liability AED	All types of business combined AED
Direct Written Premiums	**51,311,746**	**-**	**505,812,337**	**333,338,200**	**890,462,283**
Assumed Business					
Foreign	**-**	**-**	**-**	**66,082,827**	**66,082,827**
Local	**49,524,173**	**-**	**1,673,249**	**149,371,805**	**200,569,227**
Total Assumed Business	**49,524,173**	**-**	**1,673,249**	**215,454,632**	**266,652,054**
Gross Written Premiums	**100,835,919**	**-**	**507,485,586**	**548,792,832**	**1,157,114,337**
31 December 2024					
Direct Written Premiums	54,870,088	-	436,142,518	258,736,442	749,749,048
Assumed Business					
Foreign	-	-	-	65,483,680	65,483,680
Local	47,945,705	-	-	116,223,931	164,169,636
Total Assumed Business	47,945,705	-	-	181,707,611	229,653,316
Gross Written Premiums	102,815,793	-	436,142,518	440,444,053	979,402,364

27 Insurance risk

The Company issues contracts that transfer either insurance risk or both insurance and financial risks. The Company does not issue contracts that transfer only financial risks. This section summarises the risks and the way the Company manages them.

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 the set financial performance objectives. Management recognises the critical importance of having efficient and effective risk management systems in place.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, toset appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to therisks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results ofwhich are reported to the Audit Committee.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of claims. The objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

27 Insurance risk (continued)

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

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability aboutthe expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board bya change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Company manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in termsof type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria, as well as the use of reinsurance arrangements.

Frequency and severity of claims

The Company has the right not to renew individual policies, re-price the risk, impose deductibles and reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation).

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and divpersonal properties in the overall portfolio of insured buildings.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses of a set limit of AED 275,000 for motor business in any one policy. The Company has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once a year and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance 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, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reportedclaims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of thecost of settling claims already notified to the Company, where information about the claim event is available. IBNR claimsmay not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initialestimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating theliability 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. Apart from internal actuary, theCompany has involved independent external actuarial valuer's as well. 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.

27 Insurance risk (continued)

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

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogationvalue 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 likely that the final outcome will prove to be different from the original liability established.

The amount of insurance claims is particularly sensitive to the level of court awards and to the development of legalprecedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latentclaims, but no allowance is included for this at the reporting date.

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 variousmethodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique isselected taking into account the characteristics of the business class and the extent of the development of each accidentyear.

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 using predeterminedformulae where greater weight is given to actual claims experience as time passes.

Process used to decide on assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out annually. The assumptions are checked to ensure that they are consistent with observable market practices or other published information.

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claimand the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises.

The provisions are based on information currently available. However, the ultimate liabilities may vary as a result ofsubsequent developments or if catastrophic events occur. The impact of many of the items affecting the ultimate costsof the loss is difficult to estimate.

The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

The method used by the Company for provision of IBNR considers historical data, past estimates and details of the reinsurance program, to assess the expected size of reinsurance recoveries. Estimates are made for the expected ultimate cost of claims incurred but not yet reported at the reporting date (IBNR) using a range of standardactuarial claim projection techniques, based on empirical data and current assumptions that may include a margin foradverse deviation.

The assumptions that have the greatest effect on the measurement of insurance contract liabilities are the expected loss ratios for the most recent accident years.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Company's estimation process. The Company believes that the liability for claims reported in the statement of financial positionis adequate. However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

The Company has an internal actuary, and independent external actuaries are also involved in the valuation of technicalreserves of the Company.

27 Insurance risk (continued)

Concentration of insurance risk

Substantially all of the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activitiesor economic characteristics of the reinsurers. Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements.

Sensitivity of underwriting profit and losses

The contribution by the insurance operations is a profit of AED 25.93 million for the year ended 31 December 2025 (2024: AED 17.14 million). The Company does not foresee any major impact from insurance operations to the Company's results and expects to increase the contribution by insurance operations to the profitability due to the following reasons:

The Company has an overall retention level of 52% (2024: 52%). The risk is adequately covered by excess of loss reinsurance programs to guard against major financial impact.

Sensitivity

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

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

2025	**Change in assumptions**	**Impact on net profit gross of reinsurance AED**	**Impact on net profit net of reinsurance AED**	**Impact on equity gross of reinsurance AED**	**Impact on equity net of reinsurance AED**
Loss reserves	**+10%**	**(40,318,259)**	**(14,695,597)**	**(40,318,259)**	**(14,695,597)**
Risk adjustment	**+10%**	**(2,292,469)**	**(1,672,178)**	**(2,292,469)**	**(1,672,178)**
Discount rate	**+1%**	**3,047,846**	**2,356,554**	**3,047,846**	**2,356,554**
Loss reserves	**-10%**	**40,318,259**	**14,695,597**	**40,318,259**	**14,695,597**
Risk adjustment	**-10%**	**2,292,469**	**1,672,178**	**2,292,469**	**1,672,178**
Discount rate	**-1%**	**(3,248,397)**	**(2,557,205)**	**(3,248,397)**	**(2,557,205)**
2024					
Loss reserves	+10%	(49,509,080)	(36,471,058)	(49,509,080)	(36,471,058)
Risk adjustment	+10%	(1,252,223)	(1,084,565)	(1,252,223)	(1,084,565)
Discount rate	+1%	(2,456,423)	(4,247,330)	(2,456,423)	(4,247,330)
Loss reserves	-10%	49,509,080	36,471,058	49,509,080	36,471,058
Risk adjustment	-10%	1,252,223	1,084,565	1,252,223	1,084,565
Discount rate	-1%	(8,314,584)	(6,499,432)	(8,295,542)	(6,499,432)

28 Financial risks

Sensitivity of underwriting profit and losses (continued)

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds arenot sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis ofmeasurement and the basis on which income and expenses are recognised, in respect of each class of financial asset,financial liability and equity instrument are disclosed in note 4 to the financial statements.

Classes and categories of financial assets and financial liabilities

The table below sets out the classification of each class of financial assets and liabilities and their fair value:

2025	FVTPL AED	FVTOCI AED	Amortised cost AED	Total AED
Financial assets				
Investment securities	**351,004,293**	**131,732,700**	**-**	**482,736,993**
Investments on behalf of policyholders of unit-linked products	**122,548,332**	**-**	**-**	**122,548,332**
Other receivables (excluding advances and prepayments)	**-**	**-**	**24,813,059**	**24,813,059**
Statutory deposits	**-**	**-**	**10,000,000**	**10,000,000**
Fixed deposits	**-**	**-**	**564,115,206**	**564,115,206**
Bank balances and cash	**-**	**-**	**44,023,009**	**44,023,009**
	473,552,625	**131,732,700**	**642,951,274**	**1,248,236,599**
Financial liabilities				
Other payables	**-**	**-**	**55,063,122**	**55,063,122**
	473,552,626	**131,732,700**	**698,014,396**	**1,303,299,721**
2024				
Financial assets				
Investment securities	257,120,932	116,155,135	-	373,276,067
Investments on behalf of policyholders of unit-linked products	89,261,723	-	-	89,261,723
Other receivables (excluding advances and prepayments)	-	-	19,875,994	19,875,994
Statutory deposits	-	-	10,000,000	10,000,000
Fixed deposits	-	-	512,630,631	512,630,631
Bank balances and cash	-	-	62,418,855	62,418,855
	346,382,655	116,155,135	604,925,480	1,067,463,270
Financial liabilities				
Other payables	-	-	55,997,253	55,997,253
	346,382,655	116,155,135	548,928,227	1,011,466,017

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

28 Financial risks (continued)

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in local equity and bond markets. In addition, the Company actively monitorsthe key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

Foreign currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in United Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company invests in securities has deposits and has bank borrowings that are subject to interest rate risk. Interest rate risk to the Company is the risk of changes in market interest rates reducing the overall return on its interest-bearing securities.

The Company's interest risk policy requires to manage interest risk by maintaining an appropriate mix of fixed and variable rate instruments. The Company limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and investments are denominated and has no significant concentration of interest rate risk.

Credit risk

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

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

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries;

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

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primaryinsurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strengthprior to finalisation of any contract.

The Company maintains records of the payment history for significant contract holders with whom it conducts regularbusiness. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offsetwhere counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders,a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

28 Financial risks (continued)

Credit risk (continued)

For receivables the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Insurance receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of insurance receivable.

At the end of the reporting year, the Company's maximum exposure to credit risk, from insurance receivables situated outside the U.A.E. were as follows:

	2025	2024
	AED	AED
Other GCC and Arab countries	**18,858,439**	20,953,856

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Company defines counterparties as having similar characteristics if they are relatedentities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The table below presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting year based on Moody's rating or its equivalent for the main banking relationship:

	2025	2024
	AED	AED
A1	**515,795,327**	531,451,240
A2	**-**	-
Aa3	**-**	-
Ba1	**-**	-
Ba2	**-**	-
Baa1	**102,342,888**	53,598,246
Baa2	**-**	-
	618,138,215	585,049,486

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriateliquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table on the next page summarises the maturity profile of the Company's financial instruments. The contractual maturitiesof the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

28 Financial risks (continued)

Liquidity risk (continued)

2025	Less than 90 days AED	91-180 days AED	181-365 days AED	Above 365 days AED	Total AED
Financial assets					
FVTOCI investments	-	-	-	131,732,700	131,732,700
FVTPL investments	351,004,294	-	-	122,548,332	473,552,626
Statutory deposits	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and prepayments)	24,813,059	-	-	-	24,813,059
Fixed deposits	564,115,206	-	-	-	564,115,206
Bank balances and cash	44,023,009	-	-	-	44,023,009
	983,955,568	-	-	254,281,032	1,238,236,600
Financial liabilities					
Other payables	55,063,122	-	-	-	55,063,122
	1,049,018,690	-	-	254,281,032	1,303,299,722
2024					
Financial assets					
FVTOCI investments	-	-	-	116,155,135	116,155,135
FVTPL investments	257,120,932	-	-	89,261,723	346,382,655
Statutory deposits	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and prepayments)	19,875,994	-	-	-	19,875,994
Fixed deposits	522,630,631	-	-	-	522,630,631
Bank balances and cash	62,418,855	-	-	-	62,418,855
	862,046,412	-	-	215,416,858	1,077,463,270
Financial liabilities					
Other payables	55,997,253	-	-	-	55,997,253
	806,049,159	-	-	215,416,858	1,021,466,017

The breakup for the re(insurance) contract assets and liabilities is given below:

	Less than 1 year AED	1-5 years AED	More than 5 years AED	Total AED
31 December 2025				
Insurance contract assets	20,421,763	-	-	20,421,763
Reinsurance contract assets	273,023,446	14,924,937	1,469,887	289,418,270
	293,445,209	14,924,937	1,469,887	309,840,033
Insurance contract liabilities	660,038,163	106,650,154	104,362,218	871,050,535
Reinsurance contract liabilities	13,193,205	-	-	13,193,205
	673,231,368	106,650,154	104,362,218	884,243,740

28 Financial risks (continued)

Liquidity risk (continued)

	Less than 1 year AED	1-5 years AED	More than 5 years AED	Total AED
31 December 2024				
Insurance contract assets	16,173,298	22,522	-	16,195,820
Reinsurance contract assets	424,415,966	38,956,720	1,449,938	464,822,624
	440,589,264	38,979,242	1,449,938	481,018,444
Insurance contract liabilities	720,994,930	110,525,545	72,544,066	904,064,541
Reinsurance contract liabilities	22,799,580	160,183	118,219	23,077,982
	743,794,510	110,685,728	72,662,285	927,142,523

Equity price risk

Sensitivity analysis

At the end of the reporting year, if the equity prices are 1% higher/lower as per the assumptions mentioned belowand all the other variables were held constant, the Company's other comprehensive income and equity would have increased/decreased by AED 2,551 thousand (2024: AED 2,008 thousand).

Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk at the reporting date.
- At the end of the reporting year, if equity prices are 1% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on profit or loss and equity has been shown above.
- A 1% change in equity prices has been used to give a realistic assessment as a plausible event.

29 Capital risk management

The Company's objectives when managing capital are:

- To comply with the insurance capital requirements required by UAE Federal Decree Law No. (6) of 2025. 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 Head Office and benefits for other stakeholders.

The Central Bank of UAE ("CBUAE") identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table in the next page 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 issued by the Central Bank of UAE.

29 Capital risk management (continued)

	2025 AED	2024 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**216,207,508**	201,870,849
Minimum Guarantee Fund (MGF)	**172,632,107**	138,986,110
Basic Own Funds	**523,501,324**	523,204,523
MCR Solvency Margin - Minimum Capital Requirement (Surplus)	**423,501,324**	423,204,523
SCR Solvency Margin - Solvency Capital Requirement (Surplus)	**307,293,816**	321,333,674
MGF Solvency Margin - Minimum Guarantee Fund (Surplus)	**350,869,217**	384,218,414

30 Social contributions

The Company made social contributions amounting to AED 129,422 during the year ended 31 December 2025 (31 December 2024: AED 56,252).

31 Approval of the financial statements

The audited financial statements are approved by the Board of Directors and authorised for issue on 4 March 2026.

32 Comparative figures

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