

# Integrated Report **2025**

# Contents

|                                               |    |
|-----------------------------------------------|----|
| Chairman's Statement                          | 03 |
| Message from our CEO                          | 04 |
| ADNIC Sustainability Report 2025              | 05 |
| Corporate Governance Report 2025              | 71 |
| Annual Report of the Audit Committee for 2025 | 96 |
| Consolidated Financial Statements             | 99 |



# Chairman's Statement

The Board of Directors is pleased to report Abu Dhabi National Insurance Company's ("ADNIC") financial results for the full year ended 31 December 2025.

Following the successful completion of the acquisition of Allianz Saudi Fransi Cooperative Insurance Company in Saudi Arabia, we have rapidly advanced efforts to integrate this operation into ADNIC's overall framework. As a result, we have completed a full rebranding exercise and the operation in KSA is now actively trading under its new name of Mutakamela Insurance Company. Mutakamela enables ADNIC to establish a significant presence in the KSA market and further strengthens our position as a key player across the GCC region.

The financial results now include the consolidation of Mutakamela's performance from the effective date of the acquisition.

Both companies as a group have demonstrated a strong underwriting performance, achieving a combined ratio of 93.1% and delivering net insurance service results of AED 448.9 million, reflecting growth of 22.5%. Despite a challenging year for the UAE insurance industry, characterised by unprecedented major loss events, namely the adverse weather events in April, ADNIC showed remarkable resilience and maintained robust underwriting results.

The company has also achieved a record Gross Written Premium (GWP) of AED 7,454.1 million, representing a growth of 50.4% compared to the previous year. This outstanding performance highlights ADNIC's ability to deliver value through its diversified product offerings and strategic market positioning.

The net income from investments for the full year of 2025 increased by 31.9% to AED 272.7 million. This growth reflects positive changes in asset allocation and higher returns from

coupon and dividend income, demonstrating the effectiveness of our investment strategy amidst evolving market conditions.

ADNIC remains committed to managing general expenses efficiently. Despite ongoing investments, the increase in overall expenses was significantly lower than premium growth, resulting in an expense ratio of 13.8%. This underscores the company's focus on operational excellence and cost discipline.

As a result of strong underwriting and investment performance, the Group has achieved before tax of AED 466.4 million, representing a growth of 16.3% compared to the prior year.

In line with the UAE leadership declaring 2026 as the Year of Community, ADNIC reiterates its commitment to continue delivering simple and accessible insurance solutions which will contribute positively towards our society's unity, shared responsibility and overall wellbeing infrastructure pillars. At ADNIC, we understand that the transformation towards a better future should begin at the very core of our business and that's why we've also taken decisive steps across our operations to make this a reality with innovative solutions.

We would like to express our deepest gratitude to the UAE's leadership for their unwavering support and guidance. Our heartfelt thanks go to His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE; His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister, and Ruler of Dubai; His Highness Sheikh Mansour Bin Zayed Al Nahyan, Vice President, Deputy Prime and Chairman of the Presidential Court; and His Highness Sheikh Khaled Bin Mohamed Bin Zayed Al Nahyan, Crown Prince of Abu Dhabi.

I am confident that 2026 will be another year of success, driven by our solid financial foundation and highly skilled team, who continue to seize emerging opportunities and uphold our commitment to delivering sustainable value to our shareholders.



**H.E. Sheikh Mohamed  
Bin Saif Al-Nahyan**  
Chairman of the Board



# Message from our CEO

Sustainability remains a strategic priority for ADNOC as we continue to advance our ESG Roadmap for 2024–2026. The roadmap provides a clear and structured framework that guides how environmental, social, and governance considerations are embedded across our business, supporting long-term resilience while aligning with evolving global standards and regulatory expectations.

In 2025, we focused on strengthening ESG integration through governance, capability building, and accountability. Continued investment in training and education across the organisation has supported this effort, with targeted programmes delivered to the Board and to functions where ESG considerations play a material role in decision-making. This approach ensures that sustainability principles are understood and applied consistently across the business.

As part of the roadmap's implementation, we continued to enhance the incorporation of ESG considerations within our investment and risk management frameworks. This included reviewing existing practices against recognised global benchmarks and progressing work to better measure and assess the environmental impacts associated with our investment portfolio, enabling more informed and forward-looking decision-making.

Alongside our core ESG efforts, ADNOC continued to support selected community and social initiatives during

the year, contributing to programmes focused on social development, health, and humanitarian impact in the UAE and internationally.

Digitalisation and innovation also remained central to our sustainability agenda. Through optimising key processes and expanding digital capabilities, we are improving operational efficiency while delivering more accessible and responsive services for our customers.

Looking ahead, the ESG Roadmap will continue to guide our priorities and actions as we strengthen execution and respond to emerging sustainability challenges and opportunities. Through this structured approach, we remain focused on delivering sustainable outcomes that support our business, our stakeholders, and the communities we serve.

I would like to thank our customers, employees, partners, and shareholders for their continued trust and engagement as we progress on this journey.

Best regards,  
**Charalampos Mylonas**  
CEO



# SUSTAINABILITY REPORT 2025



# Table of CONTENTS

## 01 INTRODUCTION

|                                     |    |
|-------------------------------------|----|
| 👤 Welcome & Content                 | 04 |
| 📄 About this Report                 | 05 |
| 📊 Reporting Quality Principles      | 06 |
| 🏢 About ADNOC                       | 07 |
| 📈 Business Performance Snapshot     | 08 |
| 🏆 Awards Ratings and Certifications | 10 |

## 02 GOVERNANCE OVERVIEW

|                                         |    |
|-----------------------------------------|----|
| 🏛️ Governance Structure                 | 12 |
| 👥 Board Composition & Diversity         | 16 |
| ⚖️ Ethics, Integrity & Compliance       | 17 |
| 📋 Risk Management & Business Continuity | 19 |
| 📑 Compliance                            | 22 |

## 03 SUSTAINABILITY AT ADNOC

|                                   |    |
|-----------------------------------|----|
| 🔄 Our Approach to ESG Integration | 25 |
| 🗣️ Stakeholder Engagement         | 28 |
| 🌍 Materiality Analysis            | 30 |

## 04 ENVIRONMENTAL STEWARDSHIP

|                                  |    |
|----------------------------------|----|
| 🌡️ Climate Change & Climate Risk | 34 |
| 🌐 GHG Emissions and Analysis     | 35 |
| ⚙️ Energy Management             | 36 |
| 💧 Water Management               | 38 |
| ♻️ Waste Management              | 39 |

## 05 SOCIAL STEWARDSHIP

|                                 |    |
|---------------------------------|----|
| 👤 Our Social Commitment         | 42 |
| 👥 Our People in Numbers         | 43 |
| 🧠 Talent Management             | 46 |
| 🌐 Diversity, Equity & Inclusion | 48 |
| 🏠 Emiratisation                 | 50 |
| 🎁 Benefits & Recognition        | 52 |
| 🤝 Health & Wellbeing            | 54 |
| 🌟 Social Impact                 | 55 |

## 06 PRODUCTS & CUSTOMER RELATIONS

|                                            |    |
|--------------------------------------------|----|
| 🔔 Customer-centric approach                | 57 |
| 💡 Digitization & Innovation                | 60 |
| 🛡️ Privacy, Data Protection & Transparency | 62 |
| 📦 Procurement Practices                    | 65 |



# INTRODUCTION

-  Welcome & Context
-  About the Report
-  Message from the CEO
-  Reporting Quality Principles
-  About ADNIC
-  Business & Performance Snapshot
-  Awards, Ratings & Certifications



# Welcome & Context

## Introduction to the Sustainability Report

Abu Dhabi National Insurance Company (ADNIC) is pleased to present its annual Sustainability Report, outlining the Company's approach to environmental, social, and governance (ESG) matters and highlighting performance during the reporting year. As one of the UAE's leading multi-line insurance providers, ADNIC recognises the critical role the insurance sector plays in supporting economic stability, enabling sustainable development, and contributing to resilient communities.

Sustainability is embedded across ADNIC's operations, influencing how we design products, manage risks, engage with stakeholders, support our employees, and contribute to the wider community. Our approach reflects the interconnected nature of environmental stewardship, social responsibility, and sound governance, and how these elements collectively support long-term value creation.

This report builds on ADNIC's ongoing sustainability journey and reflects our continued commitment to transparency, accountability, and responsible business practices aligned with national priorities and international standards.

## Purpose of the Report

The purpose of this Sustainability Report is to:

- Provide stakeholders with a comprehensive overview of ADNIC's ESG strategy, priorities, and performance
- Communicate how sustainability considerations are integrated into business operations and decision-making
- Demonstrate alignment with recognised ESG reporting frameworks and regulatory requirements
- Track progress against commitments and support continuous improvement

The report serves as a key communication tool for investors, regulators, customers, employees, partners, and the wider community.



# About the Report

## Reporting Period

This Sustainability Report covers Abu Dhabi National Insurance Company's (ADNIC) environmental, social, and governance (ESG) performance for the period from **1 January to 31 December 2025**.

Where relevant, the report includes comparative data from previous reporting periods to support trend analysis, performance assessment, and transparency over time. Any significant changes in scope, methodology, or data presentation compared to prior reports are explained where applicable to ensure consistency and clarity for readers. ADNOC publishes sustainability information on an annual basis, aligned with its financial reporting cycle, to support timely engagement with stakeholders and continuous improvement in ESG performance and disclosure.

## Reporting Boundary and Entities Covered

The report covers ADNOC's operations within the United Arab Emirates, including activities undertaken through its branches, offices, and core business functions. The reporting boundary reflects ADNOC's operational control and includes material ESG impacts arising from underwriting activities, investments, corporate operations, and stakeholder engagement.

Where appropriate, the report also references aspects of ADNOC's value chain, including suppliers, service providers, and partners, particularly where these relationships influence sustainability outcomes.

## Reporting Standards & Frameworks

This report has been prepared with reference to the following recognised standards and frameworks:



**Global Reporting Initiative (GRI) Standards**, which guide the structure and content of sustainability disclosures



**Abu Dhabi Securities Exchange (ADX) ESG Disclosure Guidelines**, supporting regulatory alignment and market transparency



**United Nations Sustainable Development Goals (UN SDGs)**, providing a global framework for sustainable development

Together, these frameworks support consistency, comparability, and relevance of disclosed information.

# Reporting Quality Principles

ADNOC is committed to high-quality sustainability reporting. The following principles guide the preparation of this report:



**Accuracy**

Information disclosed is supported by internal systems, processes, and controls to ensure reliability and factual correctness.



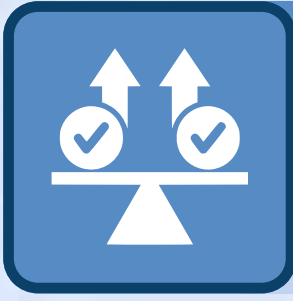
**Balance**

The report presents a balanced view of ADNOC's sustainability performance, highlighting both achievements and areas for improvement.



**Clarity**

Disclosures are presented in clear and accessible language, supported by visuals and summaries to enhance understanding.



**Comparability**

Where possible, performance data is presented on a year-on-year basis to enable meaningful comparison over time.



**Completeness**

The report covers material ESG topics relevant to ADNOC's business and stakeholders, within the defined reporting boundary.



**Sustainability Context**

Performance is discussed in the context of broader sustainability challenges, industry trends, and national priorities.



**Timeliness**

Sustainability information is reported annually in line with ADNOC's reporting cycle.



**Verifiability**

Reported information is subject to internal review and governance processes that support verification and assurance.

# About ADNOC

## Company Overview

Established in 1972, Abu Dhabi National Insurance Company (ADNOC) PJSC is one of the UAE’s leading multi-line insurance providers with long-standing expertise in providing insurance and reinsurance services to individuals and corporates across the Middle East and North Africa (MENA) region.

The Company is licensed and regulated by the UAE Central Bank and is listed on the Abu Dhabi Securities Exchange (ADX). ADNOC’s financial strength, robust balance sheet, and disciplined risk management enable it to meet its obligations to policyholders while delivering sustainable growth.

## Markets and Operations

Headquartered in Abu Dhabi, ADNOC operates through a nationwide network of branches and customer service centres across the UAE. The Company serves a diverse customer base and is supported by a skilled workforce committed to operational excellence and customer service.



## Vision, Mission and Values



**Vision**  
To be the leading insurer of choice across the Middle East & North Africa region.



**Mission**  
To serve our customers by offering quality and innovative, regional, and international insurance and reinsurance solutions.



**Core Values**  
ADNOC’s core values define how the Company conducts its business and engages with stakeholders across all aspects of its operations. These values are embedded into decision-making processes, governance practices, and day-to-day activities, guiding how ADNOC delivers on its commitments to customers, employees, partners, and the wider community.



Reliability

ADNOC is committed to being a dependable partner for its stakeholders by consistently delivering on promises, maintaining financial strength, and upholding the highest standards of professionalism and accountability.



Customer Centricity

Customers are at the centre of ADNOC's operations. The Company strives to understand evolving customer needs and expectations, delivering accessible, responsive, and innovative insurance solutions supported by high-quality service.



Innovation

ADNOC embraces innovation to enhance products, services, and operational efficiency. Through continuous improvement and digital transformation, the Company seeks to create sustainable solutions that support long-term growth and resilience.



Loyalty

Loyalty underpins ADNOC's long-standing relationships with customers, employees, and partners. The Company values trust, collaboration, and long-term engagement built on mutual respect and shared success.



Fairness

ADNOC conducts its business with integrity, transparency, and fairness. This commitment extends to ethical conduct, equitable treatment of stakeholders, and compliance with regulatory and governance standards.

Headquartered in Abu Dhabi, ADNOC operates through a nationwide network of branches and customer service centres across the UAE. The Company serves a diverse customer base and is supported by a skilled workforce committed to operational excellence and customer service.

Business & Performance Snapshot

Strategic Pillars

ADNOC's strategy is anchored around the following pillars:



Innovation and Technology



Customer Service Excellence



Distribution



Product Development



Expansion



Employer of Choice



Modernisation

These pillars support sustainable growth and long-term resilience.

## Key Financial Highlights

During the reporting year, ADNOC continued to demonstrate financial resilience and stability, supported by prudent underwriting, disciplined investment management, and strong governance.

|                                                                                                                                               | 2023       | 2024       | 2025       |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|------------|
| Gross Written Premium                                                                                                                         | 4,954,803  | 6,891,534  | 6,424,306  |
| Net Premiums Earned                                                                                                                           | 1,622,185  | 2,490,458  | 2,180,140  |
| Net Commissions                                                                                                                               | -4,567     | -132,759   | -123,648   |
| Incurred Claims                                                                                                                               | -1,087,831 | -1,751,016 | -1,590,702 |
| Other Income & G&A Expenses                                                                                                                   | -163,179   | -162,045   | -101,168   |
| Net Underwriting Results                                                                                                                      | 366,608    | 444,638    | 364,622    |
| Investment Income & Profit from Associates                                                                                                    | 206,686    | 218,518    | 177,569    |
| Other Expense, Renumeration & Finance Cost                                                                                                    | -172,132   | -249,096   | -202,164   |
| Profit for the Year                                                                                                                           | 401,163    | 414,059    | 340,027    |
| Earning Per Share                                                                                                                             | 0.7        | 0.73       | 0.6        |
| Employee Salaries (Employee Wages and Benefits as a % of total G&A exps)                                                                      | 47.00%     | 40.54%     | 38.04%     |
| Payments to providers of capital<br>(to shareholders in the form of dividends or to the bank in the form of interests and principals payment) | 228,000    | 256,500    | 256,500    |
| Payments to government by country<br>(VAT or tax payments)                                                                                    | 129,230    | 177,122    | 162,170    |

## ESG Highlights of the Reporting Year

Key sustainability highlights include:

- Continued alignment with the **UAE Net Zero 2050** agenda
- Investments in community education, training, and wellbeing initiatives
- Ongoing digital transformation to enhance customer experience and operational efficiency

### Environmental



- Reduced operational energy footprint: Indirect energy consumption decreased to **25,981 GJ (2025) from 29,044 GJ (2024)**, driven by lower indirect electricity consumption
- Lower water consumption across the portfolio: Total water consumption declined to **12.64 million liters (2025) from 15.46 million liters (2023)**, with branch consumption reducing from **599,050 L (2023) to 365,359 L (2025)**.

### Social



- Improved workforce stability: Overall employee turnover reduced from **24.5% (2023) to 15.1% (2025)**, reflecting stronger retention and workforce continuity.
- Investment in people development & communities: Training investment increased to **AED 10.07 million (2025)** (up from **AED 6.34 million in 2023**), and ADNOC contributed AED 4.05 million to social and humanitarian initiatives in **2025**

### Governance



- Anti-corruption governance coverage: **100% of operations** assessed annually for corruption-related risks under ADNOC's Anti-Bribery & Corruption framework.
- Robust governance assurance through certifications & compliance: Maintained key ISO certifications (**ISO 9001, ISO 10002, ISO 27001, ISO 30408**) and achieved **ISO/IEC 27001 certification in 2025**, supporting secure operations and governance resilience.

# Awards, Ratings & Certifications

ADNOC received multiple awards and recognitions reflecting excellence in sustainability, innovation, and performance, including:

## 2025 Awards & Recognitions



**Nafis Award**  
First Place in the UAE Insurance Sector



**Nafis Award**  
Gold Category Award



**12th Middle East Insurance Industry Awards**  
General Insurance Company of the Year



**IDC CIO Excellence Awards**  
Recognition for successful digital transformation initiatives



**GAIP InsurTek Golden Shield Excellence Awards**  
Energy Insurer of the Year



**MENA II Awards**  
UAE Insurer of the Year

These recognitions reflect ADNOC’s consistent focus on operational excellence, responsible growth, and innovation across its business. They highlight the Company’s ability to deliver strong financial and technical performance while advancing digital transformation, strengthening governance practices, and responding effectively to evolving market and customer needs. Collectively, these awards reinforce ADNOC’s position as a leading insurer in the UAE and the wider region, and underscore its ongoing commitment to long-term value creation for shareholders, customers, employees, and the communities it serves.



# GOVERNANCE OVERVIEW



Governance Structure



Board Composition &  
Diversity



Ethics, Integrity & Compliance



Risk Management & Business  
Continuity



Compliance



# Governance Structure

## Governance Framework

ADNOC is governed by a comprehensive Corporate Governance Framework that establishes clear roles, responsibilities, and accountability across the organisation. The framework is designed to promote effective oversight, transparency, and sound decision-making, while ensuring alignment with regulatory requirements, shareholder interests, and the Company’s long-term strategic objectives.

The governance framework defines a structured system of oversight encompassing the **Board of Directors, Board Committees, Executive Management, and Management Committees, supported by independent Compliance, Risk Management, and Internal Audit.** Collectively, these governance bodies ensure the effective implementation of strategy, ethical conduct of business operations, and adherence to applicable laws, regulations, and internal policies. This framework enables ADNOC to maintain strong corporate governance practices, manage risks proactively, and uphold accountability across all levels of the organisation.

## Board of Directors

The Board of Directors is ADNOC’s primary governing body and is responsible for providing strategic direction and overseeing the Company’s management and performance. The Board ensures that appropriate policies, controls, and governance practices are in place to safeguard the interests of shareholders and stakeholders, and to support the achievement of ADNOC’s strategic objectives

The Board is composed of experienced members who are all nationals, reflecting strong local market knowledge and alignment with national priorities. Board composition also includes female representation, supporting diversity of perspectives at the highest level of governance, in line with applicable governance best practices and GRI standards.

The Board oversees the adequacy and effectiveness of the internal control framework, including compliance with corporate governance requirements, financial reporting integrity, and risk management practices. It also ensures that shareholders receive accurate, timely, and transparent information.



**H.E. Sheikh Mohamed bin Saif Al-Nahyan**  
Chairman of the Board of Directors – Non-Executive and Non – Independent Member



**Sheikh Theyab bin Tahnoon Al Nahyan**  
Vice Chairman of the Board of Directors – Non – Executive and Non – Independent Member



**H.E. Sultan Rashed Al- Dhaheri**  
Board Member – Non – Executive and Non – Independent Member



**Mr Muhammad Khalaf Al-Otaiba**  
Board Member – Non – Executive and Non – Independent Member



**Mr. Ali Eid Khamis Thani Almheiri**  
Board Member – Non – Executive and Independent Member



**Mr. Abdulrahman Hamad Al-Mubarak**  
Board Member – Non – Executive and Independent Member



**Mr. Hazzaa Mohamed Rubayea Al- Mheiri**  
Board Member – Non – Executive and Independent Member



**Mr. Hamoodah Ghanem Bin Hamoodah**  
Board Member – Non – Executive and Independent Member



**Mrs. Futoon Hamdan Al Mazrouei**  
Board Member – Non – Executive and Independent Member

## Board of Directors’ Remuneration

The remuneration of ADNOC’s Board of Directors is determined in accordance with the Company’s Corporate Governance Framework and applicable regulatory requirements and is subject to approval by shareholders at the Annual General Assembly. Board remuneration is designed to reflect the responsibilities and oversight role of the Board, while maintaining alignment with shareholder interests and ensuring transparency and accountability in governance practices. The Company does not provide performance-based incentives to Board members, reinforcing the Board’s independent oversight of management and strategic decision-making.

In 2025, ADNOC’s shareholders approved a total remuneration of AED 10 million for the Board of Directors in respect of the 2024 financial year. Additionally, an amount of AED 50,000 was approved for each Board Committee Chairman.

## Board Committees

To support the Board of Directors in effectively discharging its oversight responsibilities, ADNOC has established four Board Committees, each operating under formally approved terms of reference. The committees are designed to enhance governance effectiveness by providing focused oversight, specialist expertise, and detailed review of matters within their respective mandates. Each committee is chaired by a non-executive Director and meets as frequently as required to fulfil its responsibilities.

The **Audit Committee** assists the Board in overseeing the integrity of financial reporting, the effectiveness of internal controls, compliance with regulatory requirements, and the performance and independence of both internal and external audit functions. It plays a key role in ensuring transparency, accountability, and sound financial governance.

The **Board Risk Committee** supports the Board in overseeing ADNOC’s risk management framework and risk appetite. The committee reviews the Company’s risk profile, monitors key risks, and evaluates the effectiveness of risk management practices to ensure risks are identified, assessed, and managed in alignment with strategic objectives.

The **Investment Committee** assists the Board in supervising, monitoring, and evaluating the Company’s investment activities. It oversees investment strategies and policies, ensuring that investment decisions are aligned with ADNOC’s risk appetite and long-term financial objectives, and are made in the best interests of shareholders.

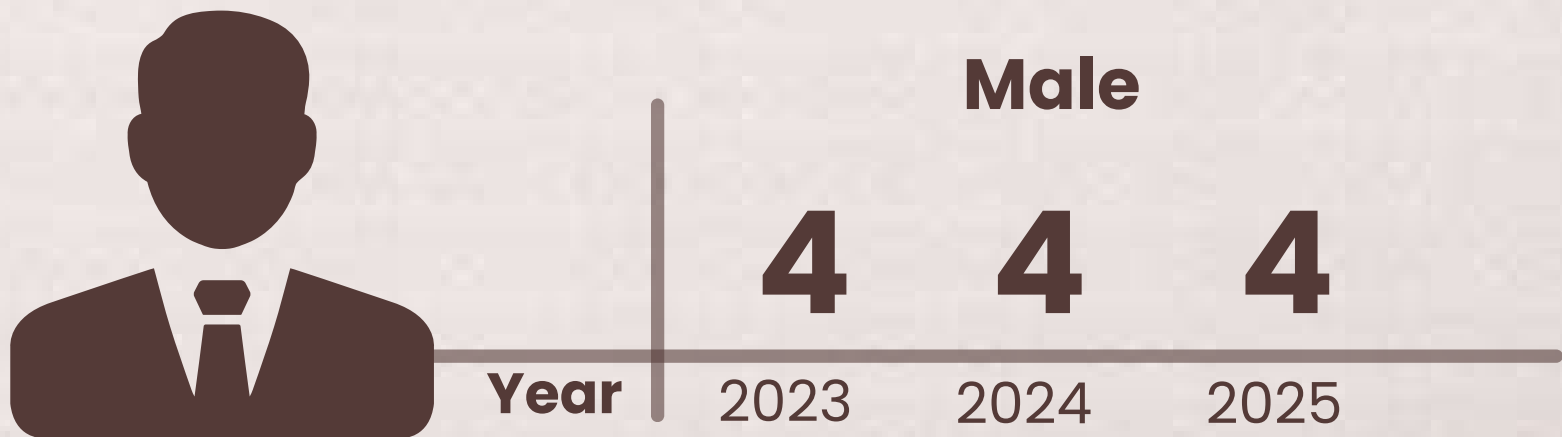
The **Nomination and Remuneration Committee** has a dual mandate covering board and senior management nominations, performance evaluation, independence, and succession planning, as well as remuneration matters. The committee supports the Board in setting and reviewing remuneration frameworks and policies, and oversees key human capital practices including recruitment, retention, training, and termination policies.

Through these committees, ADNOC strengthens governance oversight, promotes accountability, and supports informed decision-making across financial, risk, investment, and people-related matters.





Board Committee Chairperson by Gender

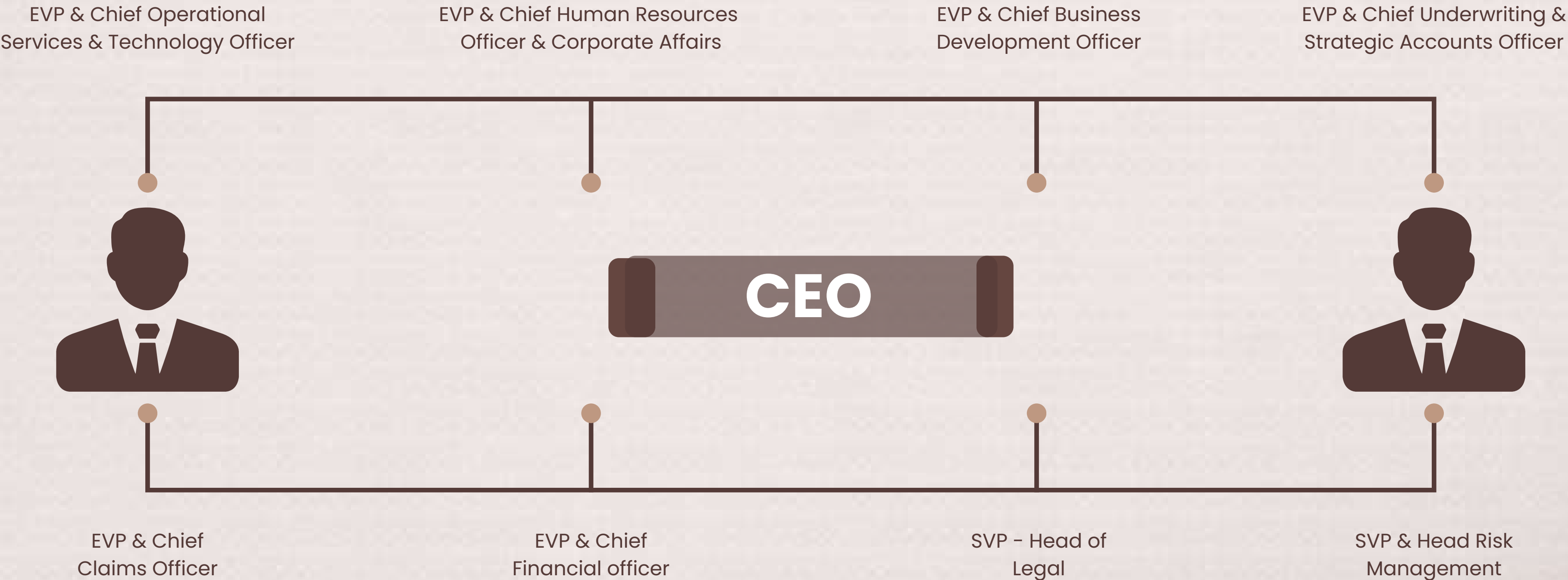


Executive Management

The Executive Management team is responsible for overseeing ADNOC’s day-to-day business operations and ensuring the effective execution of strategies approved by the Board of Directors. Led by the Chief Executive Officer (CEO) and supported by the Senior Executive Team, Executive Management operates in accordance with the annual Business Plan sanctioned by the Board, translating strategic objectives into operational outcomes.

The CEO is accountable for the overall management of the Company’s operations and performance. Key responsibilities include representing ADNOC before governmental, regulatory, and non-governmental entities, engaging with external stakeholders, approving and executing contracts on behalf of the Company, and overseeing the preparation and implementation of the annual budget. Through defined governance structures and reporting mechanisms, Executive Management ensures alignment with the Board’s directives, regulatory requirements, and ADNOC’s long-term strategic priorities.

Organization Chart Of ADNOC



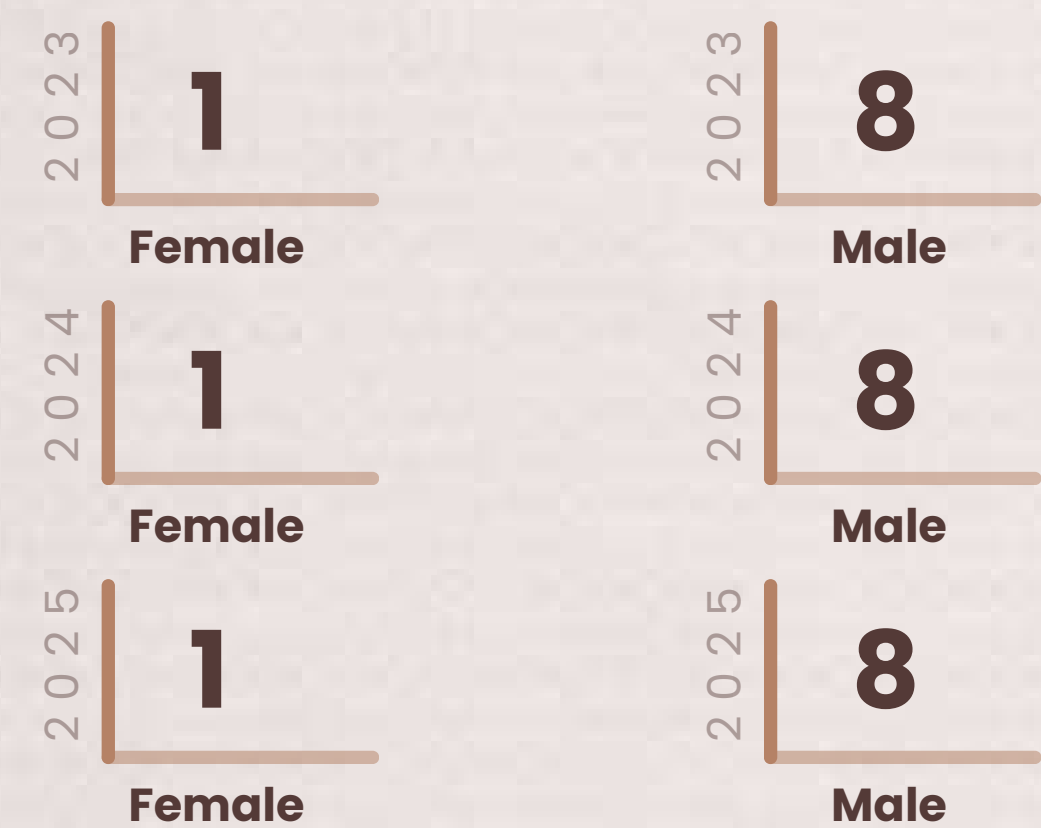
# Board Composition & Diversity

## Board Composition Overview

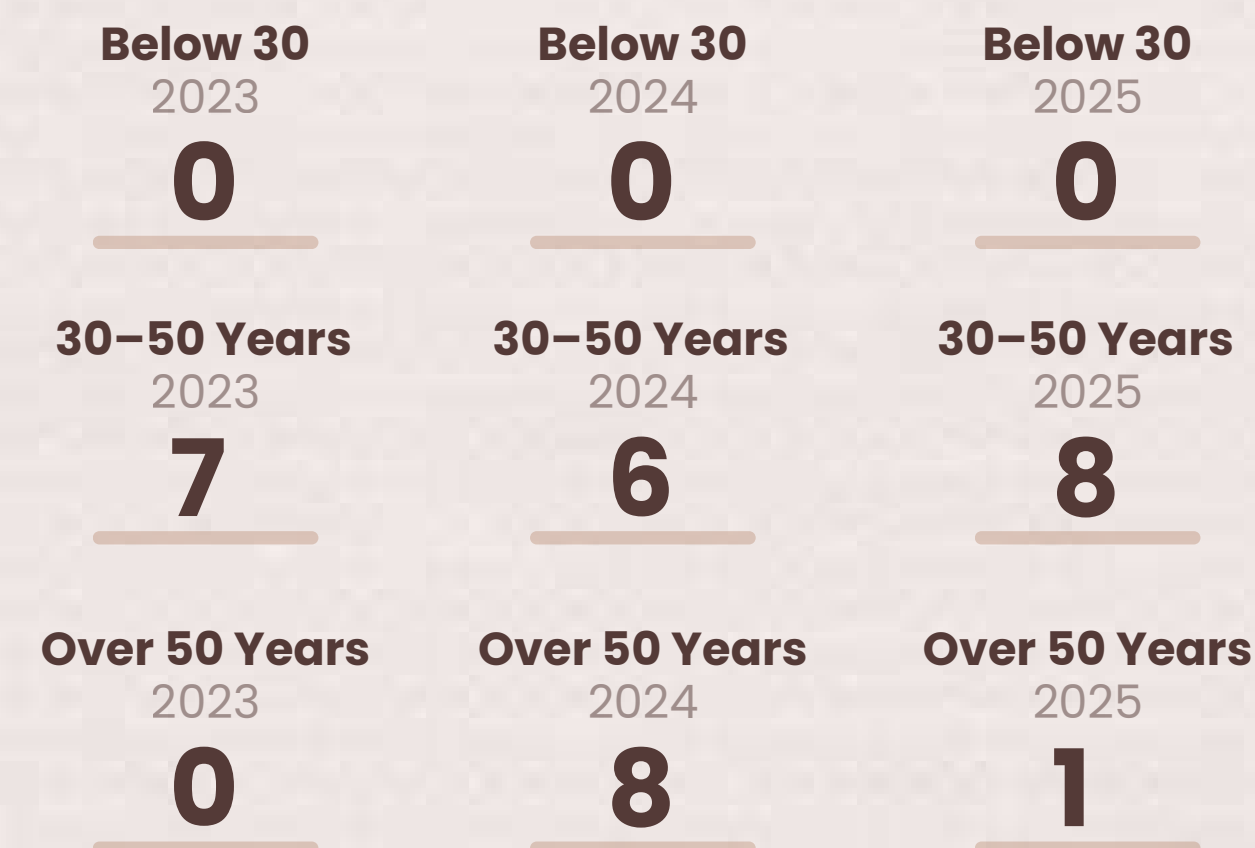
ADNOC's Board of Directors is structured to provide effective oversight, balanced judgement, and strategic guidance. As at the reporting period, the Board comprises **nine (9) Directors**, including non-executive, and independent members. This composition supports strong governance, objective decision-making, and alignment with regulatory and shareholder expectations.

Board appointments are governed by the Company's Articles of Association. Each Director is appointed for a **three-year term** and may be re-elected for successive terms, subject to approval by the **Annual General Assembly**. Further details on Board composition and appointments are disclosed in ADNOC's Corporate Governance Reports.

Board of Directors – Composition by Gender



Board of Directors – Composition by Age Group



Board Independence

Board Classification



# Ethics, Integrity & Compliance

ADNOC is committed to upholding the highest standards of ethics, integrity, and compliance across all aspects of its operations. Strong ethical conduct underpins our corporate governance framework and supports sustainable value creation, stakeholder trust, and regulatory confidence. Our approach is guided by clear policies, strong oversight mechanisms, and a culture of accountability that applies to employees, leadership, and third parties alike.

## Anti-Bribery and Corruption

ADNOC maintains a **zero-tolerance approach to bribery and corruption**, reinforced through a comprehensive Anti-Bribery and Corruption (ABC) Policy that applies to all employees, Board members, and third parties acting on the Company’s behalf. The policy ensures full compliance with applicable UAE laws and regulations, as well as other relevant international standards, and sets clear expectations for ethical conduct across all business activities.

### The ABC framework provides guidance on:

- Conflicts of interest and ethical decision-making
- Gifts, hospitality, and sponsorships, including defined reporting thresholds
- Political neutrality and restrictions on political contributions
- Interactions with government officials and public entities

Employees are required to report any suspected acts of bribery or corruption through established reporting channels, reinforcing individual accountability and organisational transparency. Breaches of the policy may result in disciplinary action, up to and including termination of employment, and referral to relevant authorities where required.

100% of ADNOC’s operations are assessed annually for risks related to corruption, ensuring proactive identification, mitigation, and monitoring of potential exposure.

Ongoing monitoring, internal controls, and periodic risk assessments further strengthen ADNOC’s ability to prevent, detect, and respond to corruption-related risks across its business units and external partnerships.

## Fraud Risk Management

ADNOC has a dedicated Fraud Risk Management Policy. This policy outlines a structured and risk-based approach to deterring, preventing, detecting, measuring, mitigating, monitoring, and reporting fraud across the organisation.

### Key elements of ADNOC’s fraud management framework include



The framework addresses multiple fraud risk categories, including internal fraud, insurance-related professional fraud, and policyholder fraud, ensuring comprehensive coverage across operational and financial activities.

## Whistleblower Policy

ADNOC maintains a formal Whistleblower Policy that provides a secure, confidential, and accessible mechanism for reporting suspected misconduct, unethical behaviour, fraud, or violations of laws and internal policies. The policy applies to employees, partners, vendors, and other stakeholders engaged in business relationships with ADNOC.

### Key features of the whistleblowing framework include

- Multiple reporting channels, including an electronic web-based platform and a dedicated voicemail hotline
- Coverage of a broad range of reportable concerns, such as financial misconduct, legal breaches, internal control failures, and ethical violations
- Confidentiality and anonymity protections for whistleblowers
- Explicit prohibition of retaliation, harassment, or victimisation

Reports are reviewed and investigated by an Investigation Committee, formed by either the Audit Committee or the CEO, depending on the nature and severity of the report. All investigations are conducted impartially and in accordance with established governance protocols to ensure fairness, objectivity, and due process.

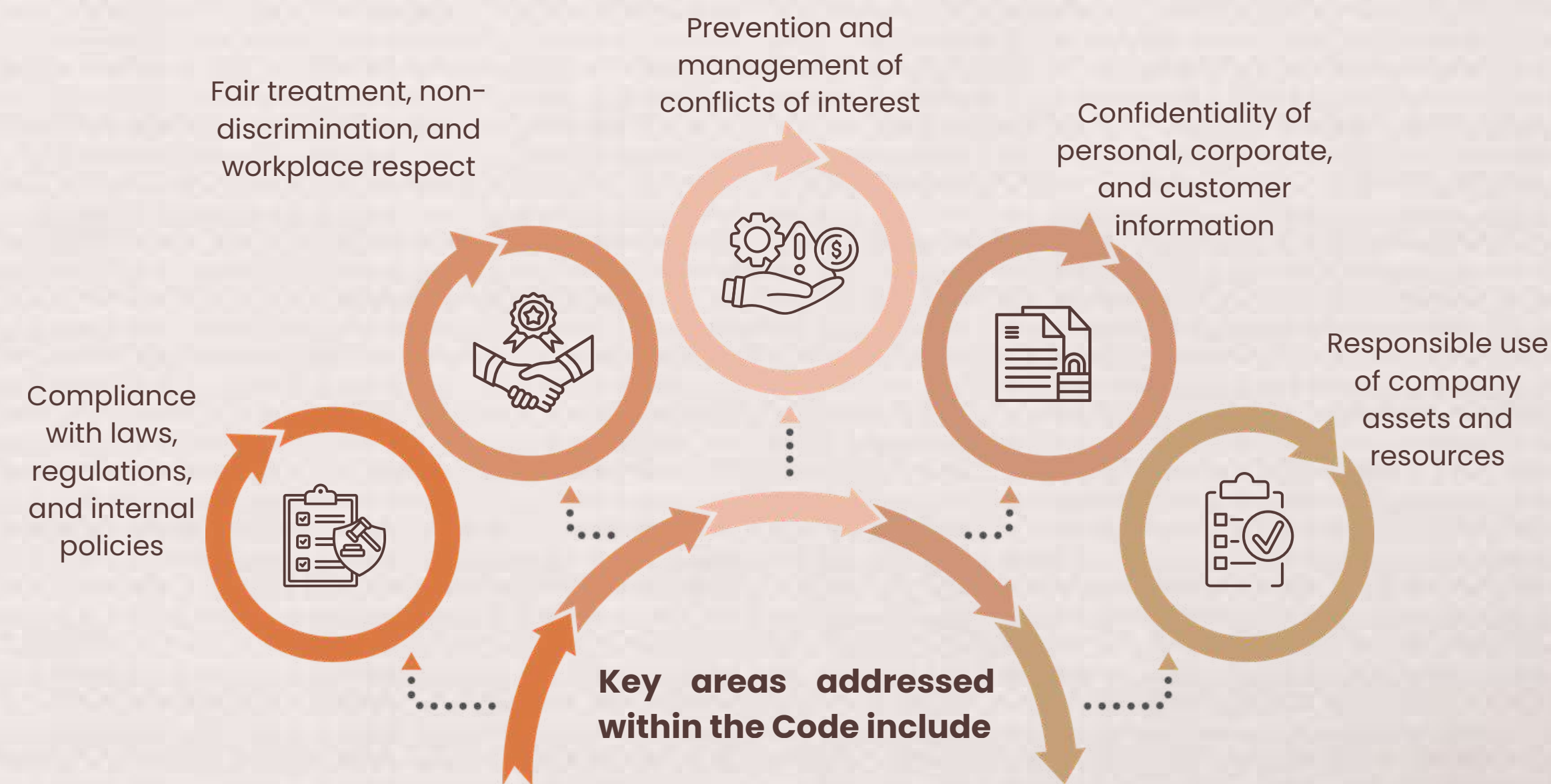
The Whistleblower Policy is reviewed every three years by the Audit Committee and the Board of Directors to ensure continued effectiveness, alignment with regulatory expectations, and evolving best practices.

## Code of Conduct

ADNOC's Code of Conduct establishes the ethical principles and behavioural standards that guide employee conduct across all operations. Applicable to all employees, the Code promotes integrity, transparency, accountability, respect for people, and professional responsibility, forming the foundation of ethical decision-making within the organisation.

### The Code of Conduct is anchored in three core ethical principles

- Equity and Justice
- Respect for People
- Personal and Professional Responsibility



All employees are required to formally acknowledge the Code of Conduct annually, reinforcing accountability and awareness. Regular training, leadership communication, and internal awareness initiatives further embed ethical behaviour and reinforce ADNOC's governance culture.

# Risk Management & Business Continuity

## Enterprise Risk Management

ADNOC places a high level of importance on maintaining robust risk management practices and a strong internal control environment, recognising these as fundamental to sustained success, financial stability, and long-term growth. Inadequate risk management could expose the Company to significant financial losses, regulatory challenges, and reputational damage; therefore, proactive risk identification and mitigation remain a core governance priority.

The primary objective of ADNOC's Enterprise Risk Management (ERM) framework is to safeguard shareholder and policyholder interests by identifying, assessing, monitoring, and managing risks that could impede the achievement of strategic, operational, and financial objectives. The ERM framework ensures that activities exposing the Company to risk remain aligned with ADNOC's strategy, business objectives, and defined risk appetite, while maintaining an appropriate balance between risk and return and enhancing long-term stakeholder value.

Risk governance and oversight are anchored at the highest levels of the organisation. The Board of Directors retains ultimate responsibility for overseeing the risk management framework and approving ADNOC's overall risk appetite. The Board Risk Committee (BRC) supports the Board by overseeing the risk acceptance framework, evaluating its effectiveness, advising on policies, and monitoring the Company's risk management activities. Executive Management, supported by the Executive Risk Committee (ERC), is responsible for implementing and reviewing the framework at least annually, or more frequently where emerging risks, regulatory developments, or material operational changes require enhanced scrutiny. Internal Audit provides independent assurance on the effectiveness of the risk management framework and the adequacy of internal controls, in line with the "Three Lines of Defence" model.

## Integrated Risk Governance and the Three Lines of Defence

ADNOC applies the "Three Lines of Defence" model to ensure clear accountability, effective oversight, and consistent risk ownership across the organisation. Business units and operational teams form the first line of defence, with responsibility for identifying and managing risks within day-to-day activities. Risk Management and Compliance functions operate as the second line, establishing policies, providing guidance, monitoring adherence, and supporting risk-informed decision-making. The Internal Audit function serves as the third line of defence, providing independent assurance to the Audit Committee and the Board on the effectiveness of governance, risk management, and internal controls.

This structured approach enables ADNOC to respond effectively to both known and emerging risks, strengthening organisational resilience and ensuring alignment with regulatory expectations and stakeholder requirements.



# Key Risk Categories Managed by ADNOC

ADNOC's Enterprise Risk Management framework is designed to provide a holistic view of risks across the organisation, ensuring that both existing and emerging risks are identified and managed in a structured and consistent manner. Risks are assessed based on their potential impact and likelihood, with appropriate controls, monitoring mechanisms, and mitigation strategies implemented in line with the Company's approved risk appetite and strategic objectives.

ADNOC identifies, measures, monitors, and manages a broad range of risks across the organisation, including



**Credit Risk**

exposure arising from counterparties and reinsurers

Managed through quarterly monitoring of receivables ageing at group and standalone levels, alongside close oversight of reinsurance and facultative reinsurance exposures. Credit risk management practices are regularly reviewed to strengthen governance and reduce concentration risk.



**Liquidity Risk**

ensuring sufficient capital and cash flow resilience

Addressed through regular cash flow monitoring, stress scenario projections, and Own Risk and Solvency Assessment (ORSA) reporting. ADNOC is further enhancing liquidity resilience through the development of a comprehensive Asset and Liability Management (ALM) framework.



**Market Risk**

fluctuations in interest rates, investments, and asset values

Monitored through stress testing, scenario analysis, and calibration of market risk tolerances across investment portfolios. Dedicated review frameworks for General Insurance, Life Insurance, support informed de-risking decisions.



**Insurance Risk**

underwriting and reinsurance exposures

Managed through continuous monitoring of underwriting performance, portfolio volatility, and aggregation of policy risk exposure. High-frequency and high-severity loss scenarios are assessed, supported by enhanced exposure monitoring tools.



**Operational Risk**

systems, processes, people, and regulatory compliance

Mitigated through regular risk assessments linked to business processes, technology, and human resources, supported by training and governance controls. Advanced analytics, AI tools, and strengthened ICT and cybersecurity practices enhance operational resilience.



**Strategic and Emerging Risks**

including ESG-related and climate risks

Identified and monitored through ADNOC's Enterprise Risk Management framework and emerging risk register. ESG and climate-related risks are assessed through horizon scanning, regulatory monitoring, and integration into business and investment decision-making.

These risk categories are regularly reviewed through management reporting, stress testing, and scenario analysis, enabling timely decision-making and continuous strengthening of ADNOC's risk management practices in response to a dynamic operating environment.

## Managing ESG and Climate-Related Risks

ADNOC recognises the growing influence of environmental, social, and governance (ESG) factors on both business operations and investment portfolios. ESG considerations are embedded within the ERM framework and form a key component of ADNOC’s emerging risk register. Climate-related risks, in particular, are assessed as part of enterprise-wide risk identification and monitoring processes.

Climate risk represents a significant and evolving area of focus within ADNOC’s risk management processes. Climate change risk is defined broadly to include both physical risks, such as damage to owned real estate assets, investment properties, and operational facilities due to extreme weather events, and transition risks, including changes in regulation, litigation exposure, and shifts in asset values linked to fossil fuels and carbon-intensive industries. Regulatory developments, including climate-related principles issued by the Central Bank of the UAE, are actively monitored to ensure ongoing compliance and preparedness.

Where environmental incidents could affect ADNOC-owned assets, whether climate-related or otherwise, the Company recognises the potential for financial and reputational impacts. Accordingly, ADNOC maintains insurance coverage for specific environmental risks across all assets under its ownership, reinforcing its risk transfer and resilience strategy.

### ESG Risks in Investments

ADNOC also recognises the growing relevance of ESG risks within its investment activities and their potential impact on portfolio performance and long-term value. Last year in 2024, ESG integration was identified as a priority area under ADNOC’s Investment Framework Strategy Review, conducted by Mercer as part of the Strategic Asset Allocation (SAA) exercise. As part of this review, ESG ratings were assigned to selected investments, subject to data availability and coverage, enhancing the visibility of ESG-related exposures within the portfolio.

Currently, ADNOC incorporates governance and sustainability considerations into its investment due diligence processes, alongside traditional financial analysis. Building on this foundation, the Company has developed a roadmap of actions to further enhance its responsible investment approach, aligning with leading international best practices such as the United Nations Principles for Responsible Investment (UNPRI). This structured and forward-looking approach strengthens portfolio resilience, supports long-term value creation, and reinforces ADNOC’s commitment to responsible and sustainable investment practices.

## Business Continuity Management

ADNOC maintains a comprehensive business continuity programme designed to enable the rapid recovery of critical operations in the event of disruptions affecting operational locations. Facilities management teams conduct structured assessments of climate-related hazards, including flash floods, wind storms, and coastal flooding, to evaluate potential impacts and enhance the resilience of Company buildings and infrastructure.

**Business continuity and disaster recovery measures are supported by established policies and procedures covering**



Safety and emergency response protocols



Information Technology resilience and data recovery



Vendor and partner continuity arrangements



Defined emergency response and escalation procedures

These measures are aligned with global climate resilience priorities and reflect ADNOC’s commitment to addressing climate-related challenges, including those highlighted through international initiatives such as COP28 hosted in the UAE.

To ensure ongoing effectiveness, business continuity plans are tested annually. Results and lessons learned are shared with senior management, and improvement actions are identified and implemented as required. This structured and adaptive approach reinforces ADNOC’s operational resilience, protects stakeholders, and supports sustainable long-term performance.

# Compliance

ADNOC maintains a strong commitment to compliance with governance guidelines and regulatory requirements issued by the Capital Market Authority (CMA) and the **Central Bank of the UAE**. Compliance forms an integral part of the Company’s governance framework and supports ethical business conduct, regulatory discipline, and long-term organisational resilience.

The Compliance function is responsible for establishing, implementing, and maintaining effective compliance programmes across the organisation. This includes the regular review and updating of policies, procedures, and internal controls to ensure alignment with evolving regulatory requirements and industry best practices.

| Key Compliance Activities                | Description                                                                                                                                                         |
|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regulatory monitoring and interpretation | Ensuring the organisation remains up to date with changes in applicable laws, rules, and regulatory guidance.                                                       |
| Policy development and maintenance       | Including the periodic review and enhancement of compliance-related policies and procedures to reflect regulatory and operational changes.                          |
| Compliance testing and monitoring        | Conducting sufficient and representative reviews to assess adherence to internal policies, regulatory requirements, and control standards.                          |
| Investigation and escalation             | Managing the investigation of potential breaches of compliance policies and procedures and ensuring appropriate escalation and remediation actions are implemented. |
| Reporting and oversight                  | Providing timely reporting of compliance findings, issues, and trends to Senior Management and the Audit Committee to support informed decision-making.             |
| Cross-functional coordination            | Working closely with Risk Management, Internal Audit, and business units to ensure an integrated approach to governance, risk, and compliance.                      |
| Training and awareness                   | Delivering tailored and ongoing compliance training programmes to reinforce employee awareness, accountability, and ethical conduct.                                |
| Resource and capability management       | Maintaining sufficient expertise, systems, and resources to effectively fulfil compliance responsibilities.                                                         |

During the reporting period, **ADNOC did not record any material instances of non-compliance** with laws or regulations. This outcome reflects the effectiveness of the Company’s compliance framework and its ongoing commitment to ethical conduct, regulatory compliance, and strong corporate governance.



## Internal Audit

Internal Audit serves as the **third line of defence** within ADNOC's governance and control framework, providing independent and objective assurance on the adequacy and effectiveness of internal controls, compliance processes, and governance practices. The Internal Audit function operates independently and is overseen by the **Audit Committee of the Board of Directors**.

Internal audits are conducted in accordance with an approved **Annual Audit Plan** and the **Internal Audit Procedures Manual**, which define audit scope, methodology, reporting protocols, and follow-up mechanisms. Audit activities encompass reviews of operational processes, financial reporting, regulatory compliance, governance arrangements, and the effectiveness of internal controls.

The Internal Audit function identifies departmental and enterprise-level risks, evaluates control effectiveness, and provides recommendations to enhance risk mitigation and governance practices. Audit findings are formally communicated to management and the Audit Committee, with agreed corrective actions monitored to completion.

In addition to internal audits, ADNOC engages external auditors who independently review financial statements and selected business processes to ensure compliance with applicable financial reporting standards and regulatory requirements. This combined assurance approach strengthens transparency, accountability, and stakeholder confidence.

# SUSTAINABILITY AT ADNOC

-  Our Approach to ESG Integration
-  Stakeholder Engagement
-  Materiality Analysis



# Our Approach to ESG Integration

In 2025, ADNOC continued to advance its sustainability journey by strengthening the integration of ESG considerations into business strategy, governance, and day-to-day operations. Building on the foundational work completed in prior years, our focus shifted towards embedding ESG more deeply into decision-making, enhancing internal accountability, and translating strategy into measurable action.

Our ESG Strategy is designed to ensure that environmental, social, and governance priorities are managed in a structured, transparent, and forward-looking manner, aligned with stakeholder expectations, regulatory developments, and international best practices.

## Our Sustainability Strategy – At A Glance



Sustainability at ADNOC is about embedding ESG into how decisions are made, today and for the future.

# ESG Mission and Values

SDG – 8, 12, 13, 16

## ADNOC’s ESG agenda is guided by a clear mission:

“To deliver positive societal and environmental outcomes through innovative insurance solutions and responsible investment practices, while creating long-term value for customers and stakeholders.”

This mission is underpinned by a set of core ESG Pillars that shape how sustainability is embedded across the organization:

1



**Net Zero transition**

Supporting clients’ Decarbonization journeys and enabling capital flows towards green and low carbon projects through risk transfer, prevention, and mitigation solutions.

2



**Resilient Communities**

Playing an active role in supporting the UAE to build resilience, one that is better able to predict, prevent and withstand escalating ESG and climate - Related challenges.

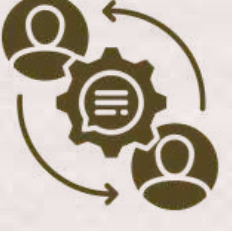
3



**Responsible Investing**

Driving responsible investment practices by incorporating ESG criteria into ADNOC’s investment strategy to inform and support investment Decision - making.

4



**Engagement, communication, and collaboration**

Engaging with stakeholders to highlight the importance of responding to ESG risk and opportunities, driving impactful change through effective communication and targeted collaboration.

# Governance and Oversight of ESG

SDG – 16, 17

Effective ESG management at ADNOC is supported by a well-defined governance structure that ensures clear oversight, accountability, and execution.



## Board of Directors

Provides strategic direction and oversight, ensuring ESG considerations are integrated into ADNOC’s business model and corporate strategy, and approves the ESG Strategy and ESG Policy.



## ESG Committee

A cross-functional body that drives ESG implementation, oversees metrics and disclosures, and supports informed decision-making.

This governance model supports consistent execution while enabling flexibility to respond to evolving ESG risks and opportunities.



## Senior Management

Responsible for implementing the ESG Strategy across business lines, monitoring performance, and reporting progress to the Board.



## Sustainability Department

Acts as the custodian of the ESG framework, coordinating initiatives, monitoring progress, and ensuring alignment with the ESG Strategy and Policy.

**Engagement, Communication and Collaboration (SDG 9, 17)**

Leveraging ADNOC’s position to engage stakeholders, promote ESG awareness, and collaborate across the insurance ecosystem.

Each pillar is supported by defined objectives, milestones, and accountability mechanisms to ensure progress is measurable and aligned with strategic priorities.

**Partnerships and External Collaboration**

Partnerships remain a key enabler of ADNOC’s sustainability agenda. In 2025, the Company continued to assess and prioritize regional and global sustainability initiatives aligned with its ESG trajectory and SDG 17 – Partnerships for the Goals.

Through structured assessments, ADNOC identified opportunities to enhance sustainability practices and developed a phased roadmap to guide engagement, collaboration, and potential membership with prioritized initiatives, ensuring alignment with strategic objectives and organizational readiness.

**Continuous Improvement and Transparency**

ADNOC remains committed to continuous improvement in ESG management through regular monitoring, internal reporting, and transparent external disclosures. ESG performance indicators are tracked and reported to Senior Management and the Board to support informed decision-making and evolving priorities.

Through this structured ESG Sustainability Management approach, ADNOC aims to strengthen resilience, manage long-term risks, and contribute meaningfully to sustainable development while delivering value for stakeholders.

**Building ESG Capability and Culture**

SDG – 4, 8

In 2025, ADNOC continued to strengthen ESG capability across the organization, recognizing that employees play a central role in translating strategy into action. ESG responsibilities are embedded within roles and functions, supported by targeted training and awareness initiatives.

Regular ESG training programs are delivered to enhance understanding of emerging sustainability trends, regulatory expectations, and the insurance sector’s role in supporting climate resilience and social inclusion. Additional training is provided for ESG-linked roles and client-facing teams to ensure ongoing compliance and informed customer engagement.

**Strategic Roadmap and Focus Areas (2024–2026)**

ADNOC’s ESG Roadmap for 2024–2026 continues to serve as a guiding framework for implementation, structured around four strategic pillars:

**Net Zero Transition (SDG 7, 9, 12, 13)**

Advancing the measurement and management of greenhouse gas emissions within investment portfolios and supporting decarbonisation through risk and capital solutions.

**Resilient Communities (SDG 9, 11, 13)**

Integrating ESG and climate considerations into risk management and product development to strengthen societal resilience.

**Responsible Investment (SDG 7, 9, 13)**

Embedding ESG criteria into investment decision-making to support long-term value creation and positive impact.

# Stakeholder Engagement

Our stakeholders—including investors, shareholders, employees, customers, government entities, vendors, and community organizations—play a critical role in advancing ADNOC’s sustainability agenda. We actively engage with these groups to understand their expectations, address concerns, mitigate potential risks arising from our operations, and foster long-term value creation.

In 2025, ADNOC continued to implement the stakeholder engagement strategies established in the previous year, ensuring alignment with our ESG Strategy. The engagement approaches, key sustainability topics, and actions for each stakeholder group remained consistent with prior disclosures, enabling continuity in stakeholder relationships and building on the foundations established in earlier reporting periods.

| Stakeholder Group        | Approach To Engagement                    | Key Sustainability Topics                       | ADNOC’s Response                                          |
|--------------------------|-------------------------------------------|-------------------------------------------------|-----------------------------------------------------------|
| Investors / Shareholders | Dedicated investor relations team         | Long-term economic value creation               | Annual General Meeting of shareholders                    |
|                          | Regular meetings with shareholders        |                                                 | Annual Report                                             |
|                          | Investor briefings and presentations      | Sustainable growth in net income and asset base | Corporate Governance Report                               |
|                          |                                           |                                                 | Sustainability Report                                     |
|                          |                                           |                                                 | Investor presentations                                    |
|                          |                                           |                                                 | Company website – Investor Relations section              |
| Suppliers / Partners     | Company website and formal communications | Business growth and corporate expansion         | Implementation of a new Corporate Procurement Policy      |
|                          | Internal coordination and engagement      | Fair and equitable vendor selection             | ISO 9001:2015 – Quality Management System                 |
|                          | Customer Due Diligence (CDD) processes    | Collaborative value creation                    | ISO 10002:2018 – Customer Complaints Management           |
|                          | Broker satisfaction surveys               | Timely delivery and service efficiency          | ISO 30408:2016 – Human Resource Governance                |
|                          |                                           | Quality of goods and services                   | Periodic review and enhancement of systems and procedures |
|                          |                                           |                                                 | Regular review and execution of improvement initiatives   |
|                          |                                           |                                                 | Encouraging suppliers to obtain ICV certifications        |

|           |                                               |                                                  |                                                        |
|-----------|-----------------------------------------------|--------------------------------------------------|--------------------------------------------------------|
| Employees | Performance management and evaluation systems | Job satisfaction and engagement                  | Streamlined HR processes                               |
|           | Ongoing dialogue and engagement forums        | Fair and equitable compensation                  | Employee engagement initiatives                        |
|           | Training and development programs             | Transparent performance evaluation               | Learning and career development opportunities          |
|           |                                               | Career development and advancement opportunities | Fair, transparent, and unbiased compensation practices |

|                                                 |                                                          |                                                   |                             |
|-------------------------------------------------|----------------------------------------------------------|---------------------------------------------------|-----------------------------|
| Government Entities /<br>Regulatory Authorities | Contribution to the national economy through investments | Alignment with UAE Vision and national priorities | Annual Report               |
|                                                 | Supporting in initiatives of national importance         | Regulatory compliance and transparency            | Corporate Governance Report |
|                                                 |                                                          |                                                   | Sustainability Report       |
|                                                 |                                                          |                                                   | CSR initiatives             |

|                             |                                                   |                                                                          |                                                                        |
|-----------------------------|---------------------------------------------------|--------------------------------------------------------------------------|------------------------------------------------------------------------|
| Community Members /<br>NGOs | Corporate Social Responsibility (CSR) initiatives | Holistic societal development                                            | CSR initiatives focused on health, wellbeing, and cultural development |
|                             | Community development programs                    | Collaboration with social, voluntary, and non-governmental organizations |                                                                        |

|       |                                           |                                              |                                                          |
|-------|-------------------------------------------|----------------------------------------------|----------------------------------------------------------|
| Media | Press releases and social media platforms | Clear, timely, and transparent communication | Company website and media hub                            |
|       | Blogs and written publications            |                                              | Annual, Corporate Governance, and Sustainability Reports |

# Materiality Analysis

To ensure our sustainability priorities remain relevant and responsive to stakeholder expectations, ADNOC first undertook a materiality assessment in 2020, which was refreshed in 2023. This exercise provided a structured basis for determining the sustainability topics that are most significant to both our business operations and our stakeholders, enabling us to focus on areas where we can deliver the greatest impact. During 2024, we revisited these material topics through targeted internal stakeholder engagement and refined the titles of two topics to more clearly reflect the underlying risks and our management approach. The overall framework and methodology used to identify and prioritize material topics remain aligned with those applied in the previous sustainability reporting cycle.

Based on our materiality assessment, ADNOC's current material topics are structured across the Environmental, Social, and Governance pillars, reflecting the areas most significant to our business and stakeholders.

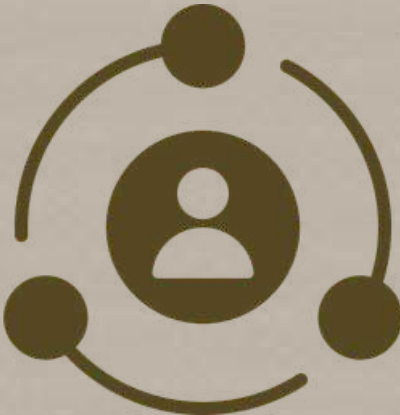
Environmental

- Environmental Footprint
- Physical Risks and Impacts of Climate Change



Social

- Diversity & Gender Equality
- Training & Development
- Health & Wellbeing
- Emiratization
- Sustainable Products & Services
- Customer Engagement & Satisfaction
- Local Communities



Governance

- Transparent Communication & Fair Advice
- Procurement Practices
- Responsible Investment
- Data Privacy & Security
- Digitization & Innovation
- Tax Governance
- Financial Performance
- Business Ethics & Compliance



# ENVIRONMENTAL STEWARDSHIP



Climate Change & Climate Risk



GHG Emissions and Analysis



Energy Management



Water Management



Waste Management





## Environmental Vision

ADNOC, as a national insurance company, recognizes the critical importance of environmental stewardship in the context of climate-related challenges facing the UAE, including rising temperatures, water scarcity, and broader environmental risks. Our environmental vision is grounded in supporting sustainable development while responsibly managing the environmental impacts associated with our operations, insurance activities, and investments.

We are committed to integrating sustainability into our value chain by embedding environmental considerations across insurance operations and investment decisions. This approach enables us to contribute meaningfully to climate resilience while supporting our customers, partners, and communities in managing environmental risks.

Looking ahead, ADNOC aims to strengthen its environmental performance through continuous improvement, collaboration with stakeholders, and alignment with national climate ambitions, including the UAE’s long-term sustainability and net-zero objectives.

## Environmental Governance & Management

ADNOC’s approach to environmental management is embedded within its broader sustainability and governance framework. Environmental considerations are integrated through Board-approved sustainability governance, management oversight, and operational initiatives aligned with recognized standards and best practices.

Oversight of sustainability-related matters, including environmental aspects, is provided at both Board and management levels through an approved Sustainability Strategy and ESG Policy, ensuring accountability and alignment with the Company’s long-term objectives.

# ISO Certifications

ADNOC maintains a range of internationally recognized ISO certifications that support strong governance, operational discipline, and responsible business practices. These certifications provide a structured foundation for managing processes that indirectly support environmental performance, operational efficiency, and risk management.

-  **ISO 9001** ISO 9001:2015 – Quality Management System (QMS)
-  **ISO 27001** ISO 27001:2022 – Information Security Management System
-  **ISO 10002** ISO 10002:2018 – Customer Complaints Handling
-  **ISO 30408** ISO 30408:2016 – Human Resource Governance

These certifications reinforce ADNOC’s commitment to effective governance, data integrity, service quality, and operational resilience, which collectively support sustainable business practices.



# Climate Change & Climate Risk

Climate change represents an emerging and evolving risk that has the potential to impact ADNOC's operations, investment portfolio, and insurance activities. As a national insurance company operating in the UAE, ADNOC recognizes the relevance of climate-related risks arising from increasing temperatures, water scarcity, and the potential frequency and severity of climate-related events.

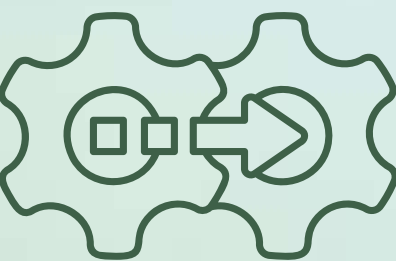
Environmental and climate-related risks are considered within ADNOC's Enterprise Risk Management (ERM) framework, which continuously monitors emerging risks that may affect the Company's strategic objectives, financial performance, and operational resilience. Climate change risks are assessed alongside other strategic and emerging risks to ensure appropriate awareness and oversight at both management and Board levels.

## Physical and Transition Risks

ADNOC's assessment of climate-related risks considers both physical risks and transition risks, including:



Physical risks, such as extreme weather events, rising temperatures, and potential impacts on business continuity, assets, and insured exposures.



Transition risks, including regulatory developments, changes in market expectations, evolving customer needs, and shifts towards a low-carbon economy that may influence underwriting practices, investments, and operational costs.

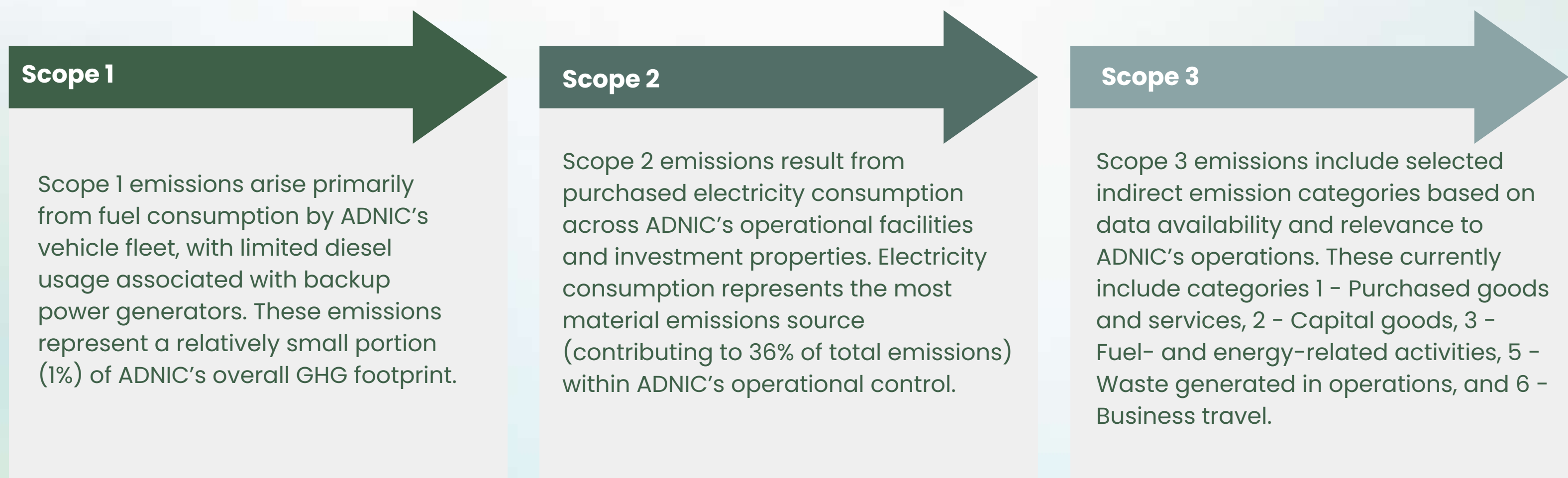


# GHG Emissions and Analysis

At the core of ADNOC’s environmental disclosures is a structured assessment of greenhouse gas (GHG) emissions across its operations. ADNOC evaluates emissions across Scope 1, Scope 2, and selected Scope 3 categories, enabling the Company to better understand its carbon footprint and support informed decision-making related to energy efficiency and operational sustainability. GHG emissions reporting supports transparency, accountability, and alignment with evolving sustainability expectations, while recognizing the interconnected nature of ADNOC’s activities with the broader environment.

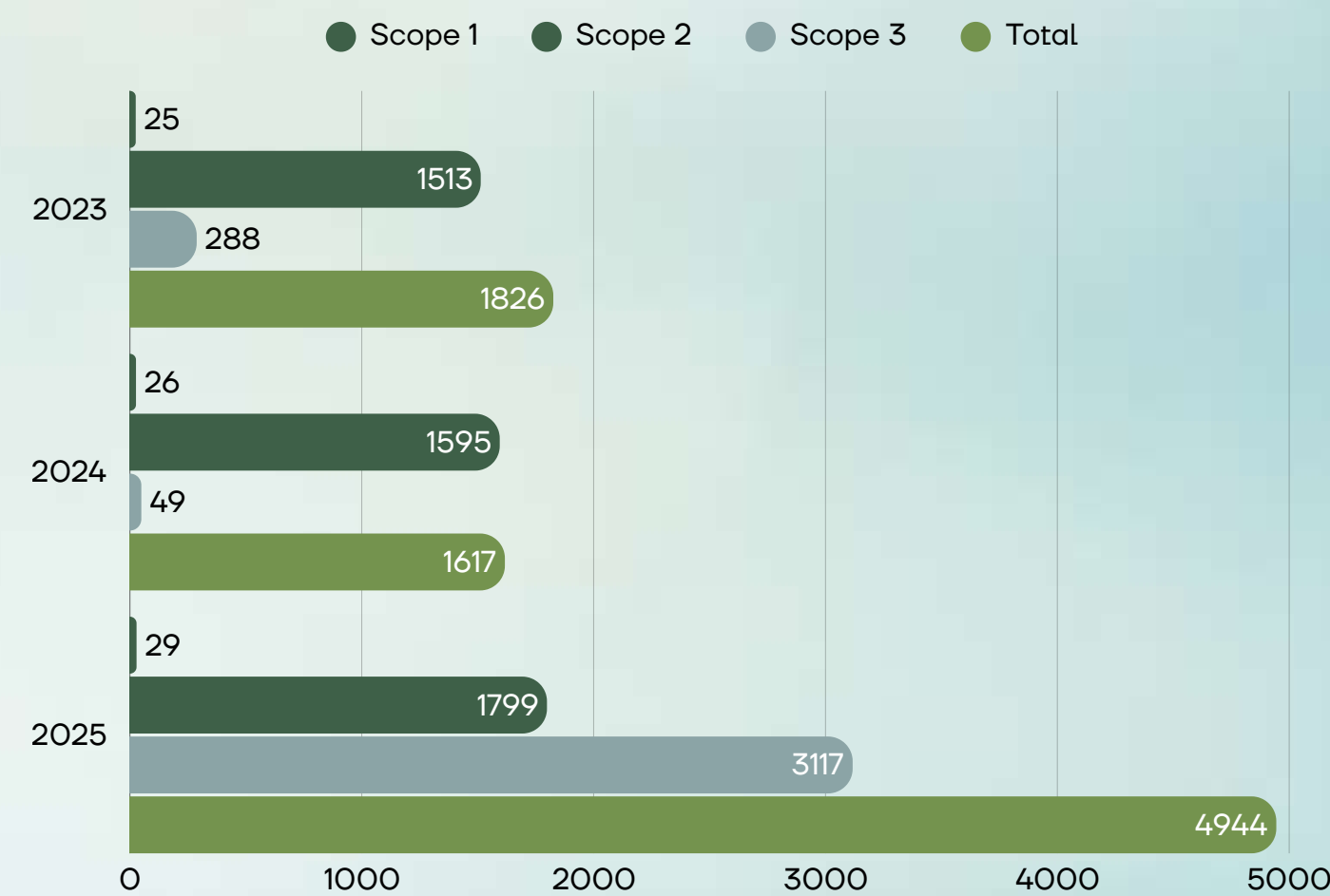
## Scope Definition and Methodology

ADNOC’s GHG inventory is prepared in alignment with the WRI Greenhouse Gas Protocol, covering:



\*Note: In 2025, the emissions increase is attributed to the emissions boundary re-structuring and addition of new categories of scope 3 (cat 1, 2 and 3).

## Total GHG Emissions



For 2025 calculations, we employed the grid emission factors from the respective emirates in which we operate, including EWEC 2024 (0.2430 kgCO2/kWh) DEWA 2024 (0.4045 kgCO2e/kWh) and IEA 2024 (0.4189 kgCO2/ kWh), for purchased electricity.



### Scope 3 GHG Emissions, By Category

2025 (tCO2e)



ADNOC recognizes the importance of strengthening emissions data quality and expanding reporting boundaries over time. The Company continues to enhance its data collection processes and assess opportunities to improve energy efficiency, reduce emissions intensity, and align with evolving regulatory and stakeholder expectations. Future efforts will focus on improving Scope 3 data coverage, strengthening baselines, and supporting long-term sustainability objectives.

# Energy Management

ADNOC is committed to minimizing its environmental impact by improving resource efficiency across its operations. The Company focuses on responsible energy use through monitoring consumption patterns, implementing energy-efficient technologies, and promoting operational practices that support sustainability objectives.

Energy management efforts contribute to reducing ADNOC’s carbon footprint while supporting business productivity and operational resilience.

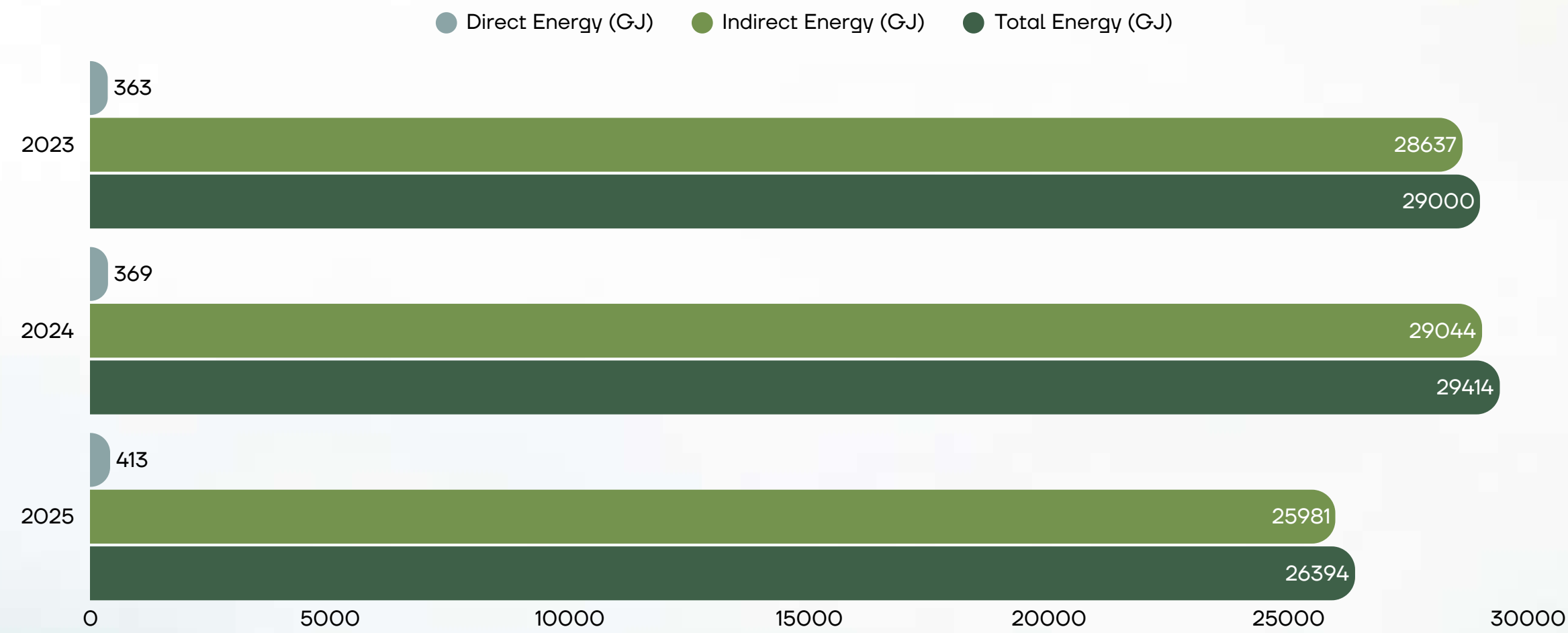
## Energy Consumption Overview

ADNOC’s energy consumption primarily relates to:

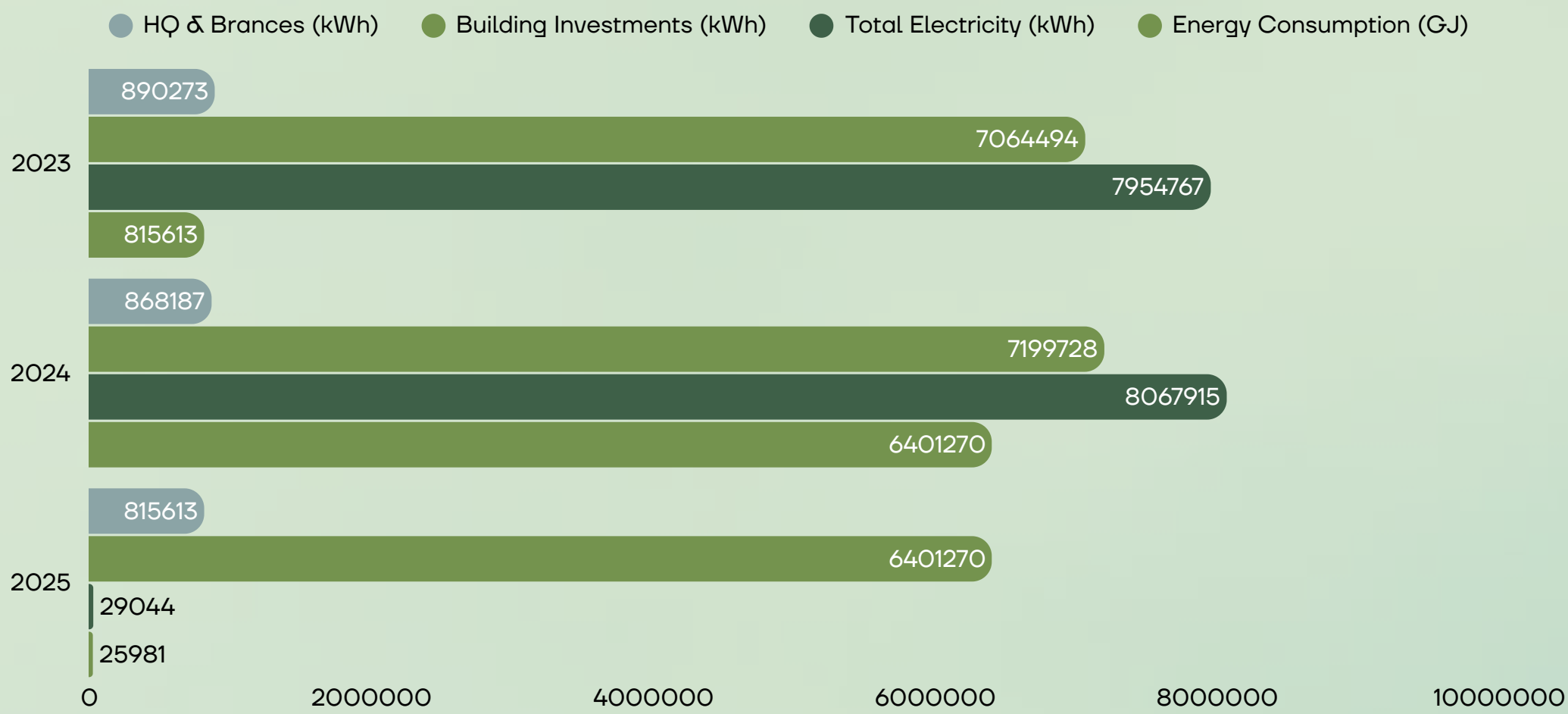


Variations in energy consumption reflect operational activity, occupancy levels, and efficiency initiatives implemented across facilities. Electricity consumption represents the largest component of ADNOC’s operational energy use and arises from both office operations and investment properties.

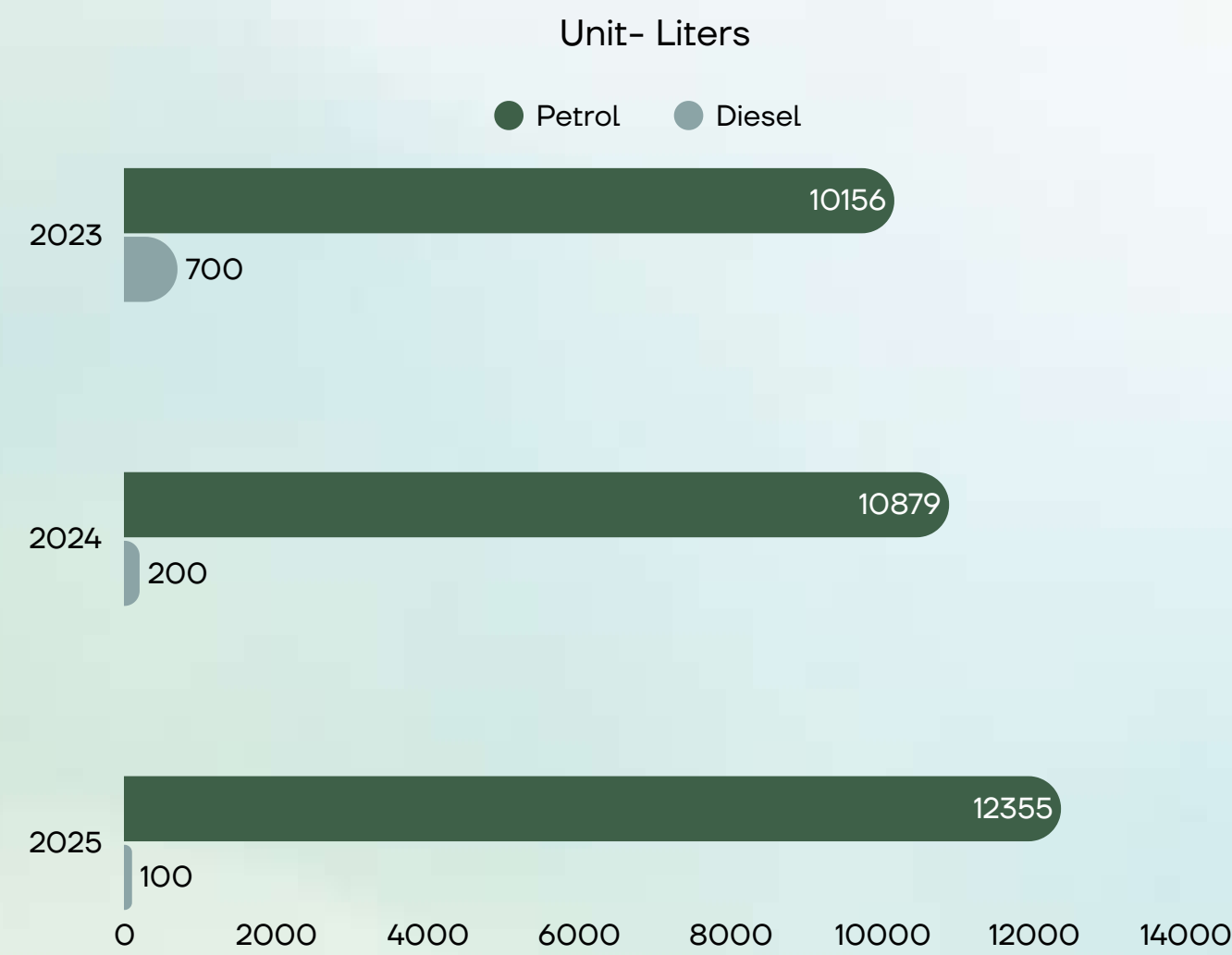
Total Energy Consumption



Indirect Energy Consumption – Electricity

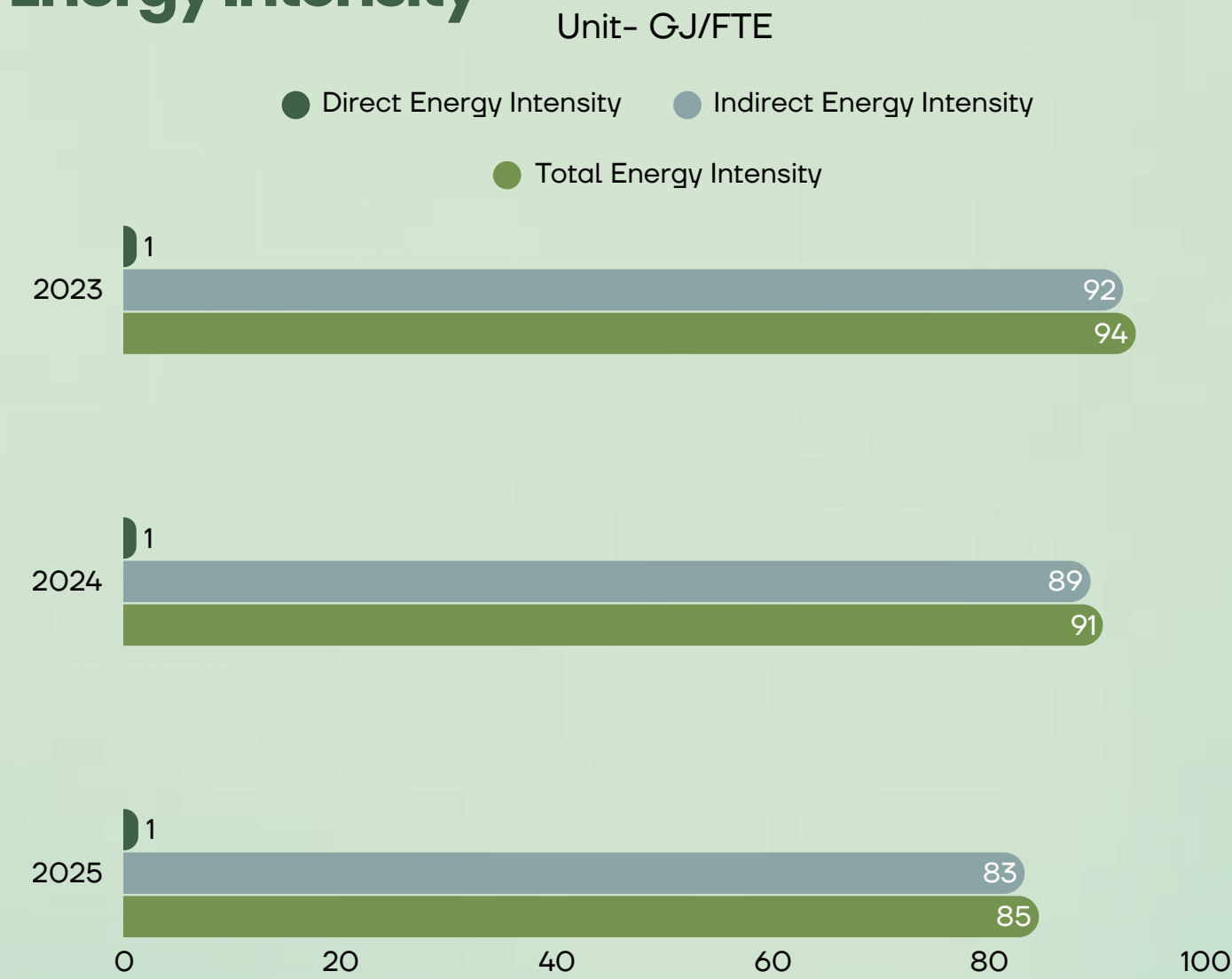


Direct Energy Consumption – Fuel Breakdown



|                            |      |      |      |
|----------------------------|------|------|------|
| Petrol Energy (GJ)         | 2023 | 2024 | 2025 |
|                            | 338  | 362  | 409  |
| Diesel Energy (GJ)         | 2023 | 2024 | 2025 |
|                            | 25   | 07   | 04   |
| Total Non-Renewable Energy | 2023 | 2024 | 2025 |
|                            | 363  | 369  | 413  |
| Renewable Energy           | 2023 | 2024 | 2025 |
|                            | 00   | 00   | 00   |

Energy Intensity



Energy Efficiency Initiatives

As part of its commitment to improving energy efficiency, ADNOC has implemented a range of practical measures across its facilities aimed at reducing energy consumption while maintaining operational effectiveness. These initiatives include the installation of energy-efficient LED lighting across offices and common areas, as well as the deployment of motion detection systems to minimize unnecessary electricity use.

Data Management and Continuous Improvement

Energy consumption data is collected from ADNOC's operational sites and consolidated on an annual basis to support monitoring and reporting. The Company continues to review data completeness and accuracy to strengthen baseline information and improve the consistency of energy reporting across locations. As data maturity improves, ADNOC aims to enhance the use of energy performance insights to inform decision-making, support efficiency initiatives, and strengthen sustainability planning. This ongoing focus on data quality and continuous improvement underpins ADNOC's longer-term approach to responsible energy management and transparent reporting.

Water Management

Water stewardship is not identified as a material topic for ADNOC, but is tracked, particularly in the context of the UAE's water scarcity challenges. ADNOC monitors water consumption across its operational branches and investment properties to better understand usage patterns, support efficient resource use, and reduce unnecessary consumption where feasible. Water consumption data is reviewed annually and forms part of the Company's broader environmental performance monitoring.

The majority of ADNOC's water consumption arises from investment buildings, which include tenant usage and common areas, while a smaller proportion relates to ADNOC branches used for operational activities. Variations in water consumption across reporting years reflect changes in occupancy levels, tenant activity, and operational requirements. ADNOC continues to assess opportunities to enhance data availability and water efficiency practices over time.



Water Consumption Overview (Liters)

|                               | 2023       | 2024       | 2025       |
|-------------------------------|------------|------------|------------|
| ADNOC Branches                | 599,050    | 505,275    | 365,359    |
| ADNOC Buildings & Investments | 14,856,997 | 12,162,162 | 12,275,631 |
| Total Water Consumption       | 15,456,047 | 12,667,437 | 12,640,990 |

ADNOC continues to encourage practical water conservation measures across its operations, including reduced reliance on single-use plastic bottles and awareness initiatives.

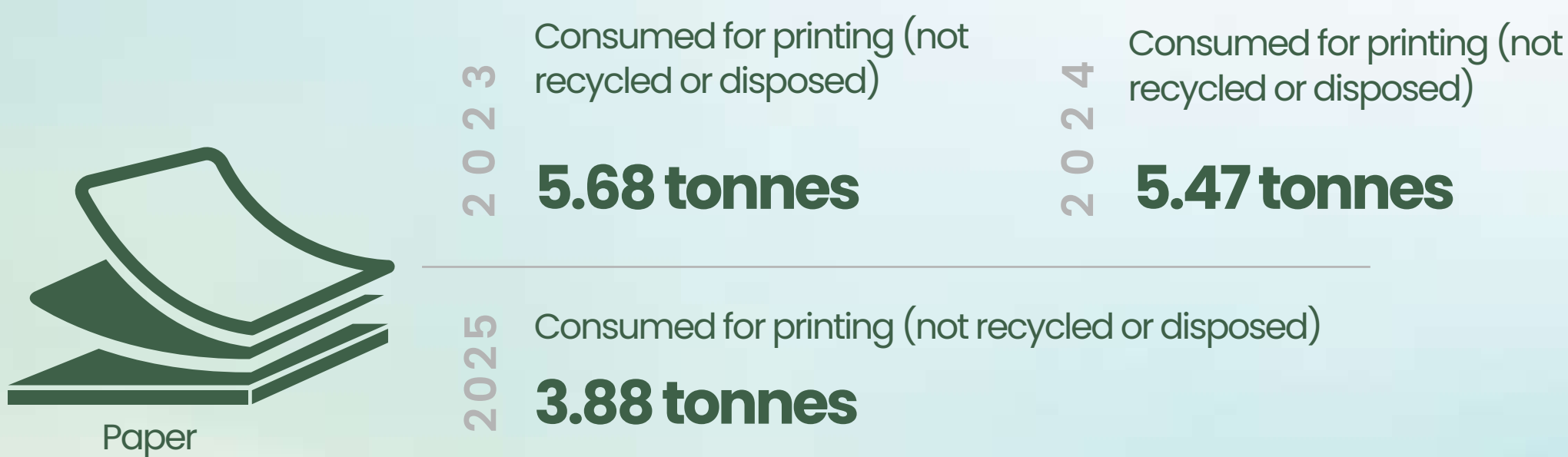
# Waste Management

ADNOC is committed to responsible waste management practices aimed at minimizing environmental impact, supporting regulatory compliance, and promoting resource efficiency across its operations. As a service-based organization, the majority of waste generated by ADNOC is non-hazardous and primarily associated with office operations, building services, and tenant-related activities within investment properties. Waste data is monitored and consolidated annually to support transparency, performance tracking, and continuous improvement.

## Waste Generation and Disposal (2023–2025)



## Paper Consumption (Printing Use)



## General Consumables – Tissue Boxes



ADNOC recorded a consistent reduction in recycled document waste and paper consumption between 2023 and 2025, reflecting the impact of ongoing digitization and paper-reduction initiatives.



Paper & Waste Reduction Initiatives



# SOCIAL STEWARDSHIP

-  Our Social Commitment
-  Our People in Numbers
-  Talent Management
-  Diversity, Equity & Inclusion
-  Emiratisation
-  Benefits & Recognition
-  Health & Wellbeing
-  Social Impact



# Our Social Commitment

At ADNOC, social responsibility is central to how we operate as a leading insurance provider in the United Arab Emirates. The UAE continues to place strong emphasis on human development, social wellbeing, and inclusive economic growth as key pillars of national progress. In this evolving context, organisations are expected not only to deliver financial performance, but also to contribute meaningfully to the wellbeing of people, customers, and communities.

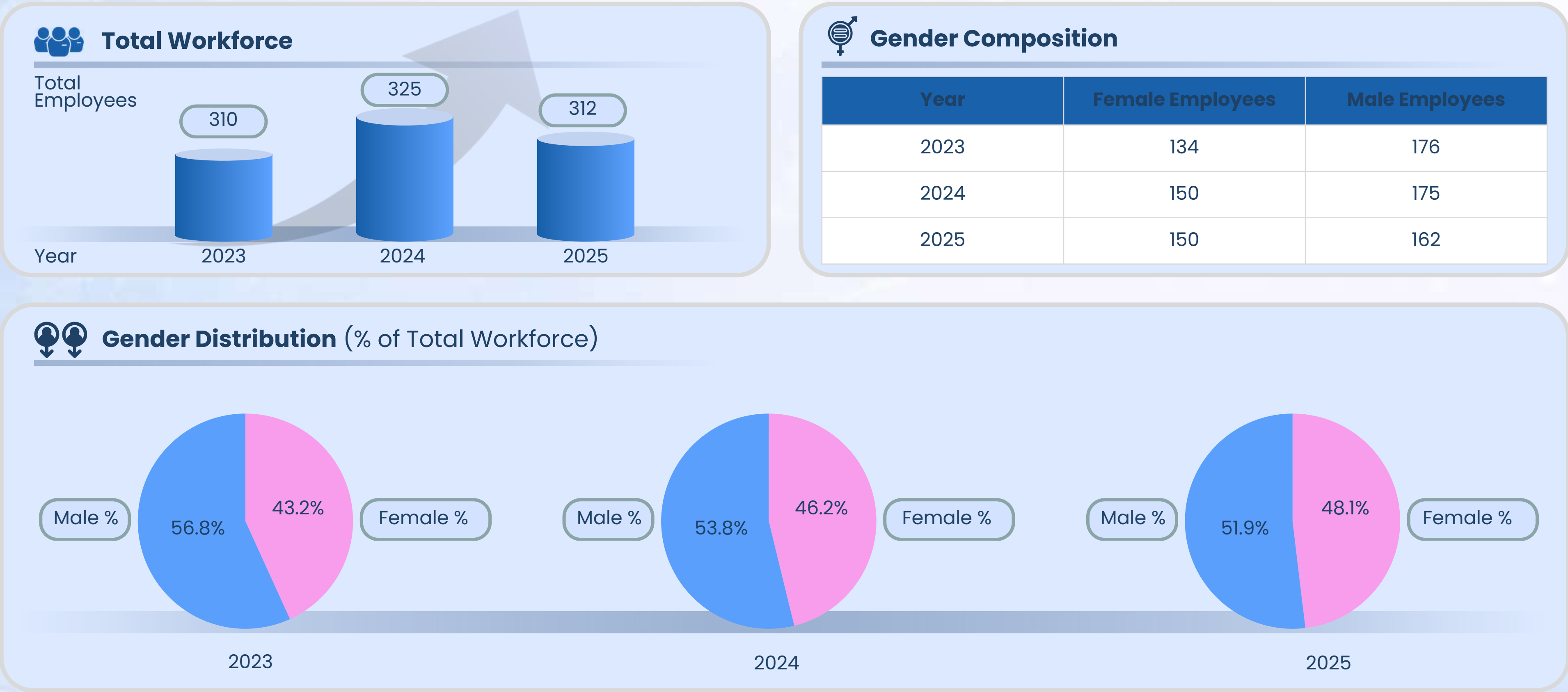
ADNOC's social approach reflects this national focus. We are committed to creating a supportive and inclusive workplace, delivering trusted and transparent services to our customers, and contributing positively to the communities in which we operate. Our people remain our most valuable asset, and we prioritise their development, wellbeing, and engagement to ensure long-term organisational resilience. At the same time, we continuously enhance customer experience and trust, recognising the critical role insurance plays in protecting individuals and businesses.

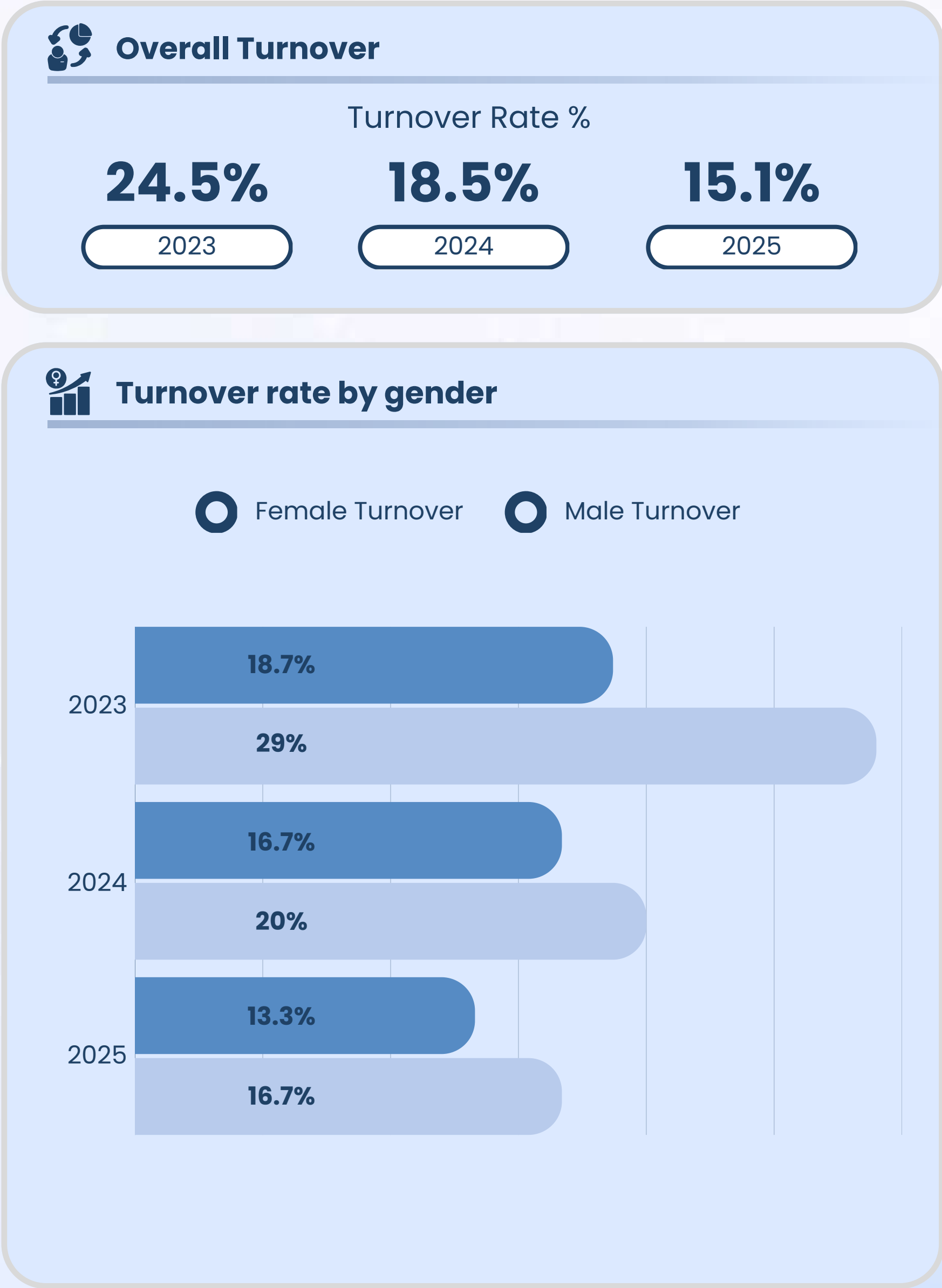
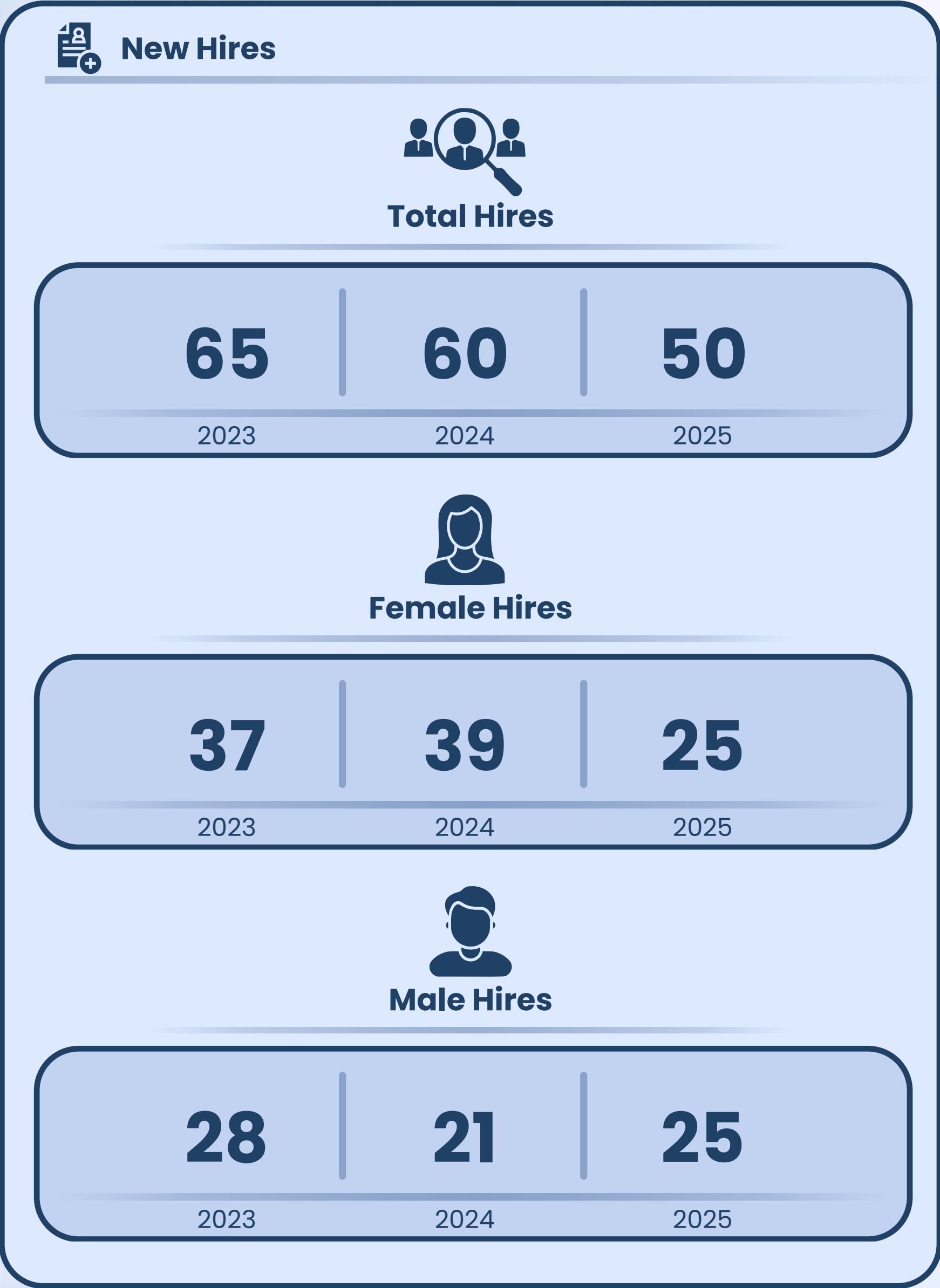
Our social initiatives are aligned with key **UAE national priorities**, including Emiratisation, talent development, workforce wellbeing, and community engagement. These efforts also contribute to the **United Nations Sustainable Development Goals (UN SDGs)**, particularly those related to quality education, decent work and economic growth, reduced inequalities, and strong institutions. Through this integrated approach, ADNOC aims to support sustainable social outcomes while strengthening trust and long-term value for all stakeholders.

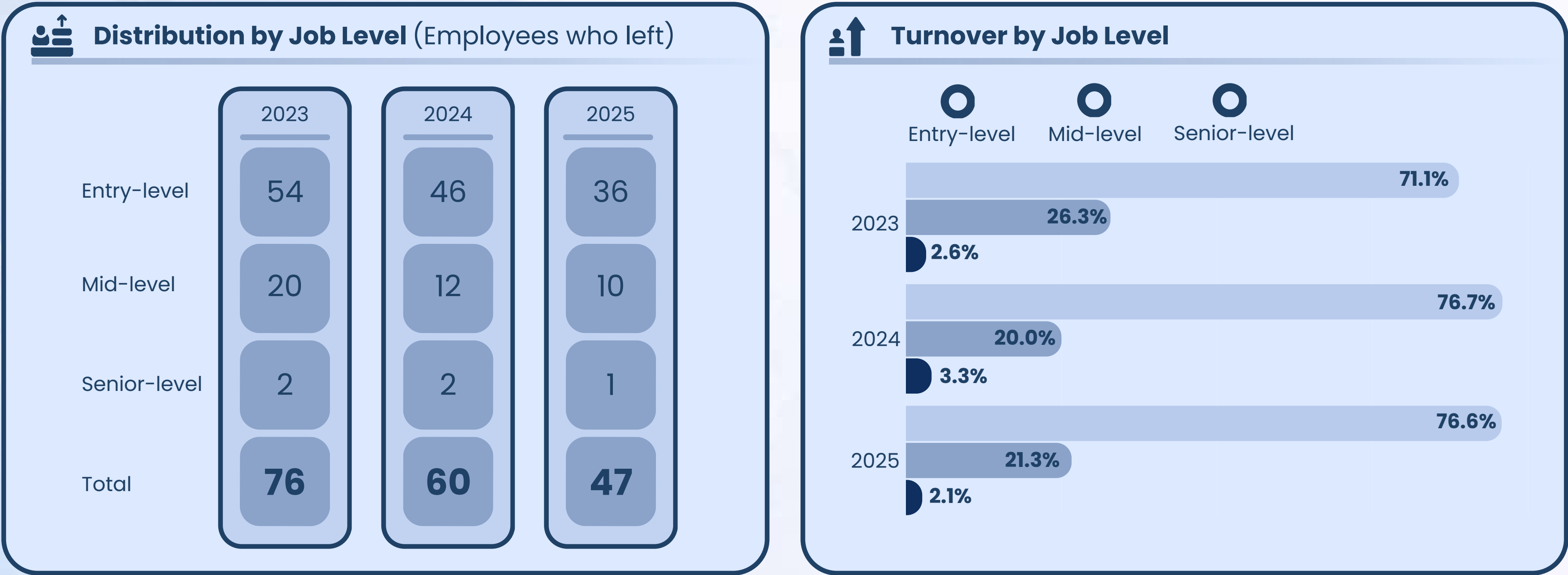


# Our People in Numbers

ADNOC's workforce reflects the Company's commitment to building a diverse, capable, and resilient organisation aligned with the UAE's human capital priorities. Monitoring workforce composition, turnover, and management representation enables ADNOC to strengthen workforce planning, support diversity and inclusion objectives, and ensure continuity of leadership. The metrics below provide a snapshot of ADNOC's people profile and highlight key trends across the reporting period.







ADNOC’s workforce remained broadly stable over the reporting period, with total headcount increasing from **310 in 2023 to 325 in 2024**, before moderating to **312 in 2025**. Gender diversity improved consistently, with female representation rising from **43.2% in 2023 to 48.1% in 2025**, approaching gender balance across the workforce. Hiring activity remained steady, with **65 new hires in 2023, 60 in 2024**, and **50 in 2025**, and an equal gender split achieved in 2025.

Overall employee turnover declined significantly from **24.5% in 2023 to 15.1% in 2025**, indicating improving workforce stability. Turnover rates were consistently higher among male employees but decreased materially over the period, from **29.0% in 2023 to 16.7% in 2025**, while female turnover declined from **18.7% to 13.3%**. Analysis by job level shows that turnover was concentrated at entry-level roles, accounting for over **70% of total exits** each year, while senior-level attrition remained low at **below 4%**, supporting leadership continuity and organisational resilience.

# Talent Management

## Learning & Capability Building

ADNOC recognises that continuous learning and capability development are essential to maintaining a skilled, resilient, and future-ready workforce. In line with ADNOC's HR strategy, training initiatives focus on strengthening technical expertise, leadership capability, and behavioural competencies aligned with business priorities and individual career pathways.

ADNOC's approach to training supports employee development across all levels of the organisation and contributes to long-term organisational performance. Training needs are identified through structured performance and career development reviews, ensuring learning interventions remain relevant, targeted, and aligned with both employee aspirations and business objectives.



### Investment in Training

| Year | Total Cost of Training |
|------|------------------------|
| 2023 | 6343665                |
| 2024 | 7208895                |
| 2025 | 10066779               |

### Total Training Hours, by Employee Category

|              | 2023  | 2024  | 2025  |
|--------------|-------|-------|-------|
| Entry-level  | 12256 | 25212 | 22100 |
| Mid-level    | 2777  | 2438  | 5326  |
| Senior-level | 185   | 279   | 632   |
| Total        | 15218 | 27929 | 28058 |

### Total Training Hours, by Gender



#### Total (hours)

|       |       |       |
|-------|-------|-------|
| 15218 | 27929 | 28058 |
| 2023  | 2024  | 2025  |



#### Female (hours)

|      |       |       |
|------|-------|-------|
| 9236 | 19726 | 16061 |
| 2023 | 2024  | 2025  |



#### Male (hours)

|      |      |       |
|------|------|-------|
| 5982 | 8203 | 11997 |
| 2023 | 2024 | 2025  |

ADNOC addresses training and talent management through a structured, group-wide approach focused on building technical, behavioural, and leadership capabilities aligned with business needs. Each year, a comprehensive **Training Needs Analysis (TNA)** is conducted to identify competency and operational requirements, with programmes delivered in partnership with qualified external vendors. Learning offerings include behavioural and leadership programmes, regulatory and technical training, and professional certification support. ADNOC also promotes continuous self-directed learning through its **Learning Experience Platform (LinkedIn Learning)**, providing access to a vast library of courses on various topics including leadership, business and technical skills. The AI-powered recommendation carousels ensure that learners can explore the content they need to build the right skills. High-performing learners are recognised quarterly through **CEO Awards**, while employees pursuing role-relevant professional certifications outside the annual training plan may receive reimbursement based on business justification. Dedicated technical development programmes are also provided for UAE Nationals to strengthen insurance knowledge and functional expertise.

Talent enhancement outcomes are monitored through robust evaluation mechanisms, with all training programmes assessed using the **Kirkpatrick Model** and supported by post-course feedback collected via MS Forms, maintaining a minimum satisfaction benchmark of **4 out of 5**. Mandatory pre- and post-assessments are applied across programmes to measure learning improvement and return on investment, supported by detailed reporting from service providers covering attendance, engagement, assessment results, and certification completion. Leadership programmes incorporate structured assignments and application-based assessments monitored by training partners. Training and talent initiatives are embedded within departmental strategic objectives, with progress tracked through a **monthly management dashboard** that provides visibility on performance, achievements, and learning requests. Together, these practices ensure quality, accountability, and continuous enhancement of employee capability in support of ADNOC's long-term workforce readiness and organisational performance.



# Diversity, Equity & Inclusion

ADNOC is committed to fostering a diverse, equitable, and inclusive workplace that reflects the multicultural fabric of the United Arab Emirates and supports equal opportunity across all levels of the organisation. Diversity and inclusion are embedded within ADNOC's people practices, enabling fair treatment, inclusive recruitment, talent development, and a respectful working environment. Monitoring workforce composition across gender, age, and nationality supports informed decision-making and helps ensure representation, transparency, and inclusivity across the organisation.

 **Employees by Job Category and Gender –**  
Entry Level

|        | 2023 | 2024 | 2025 |
|--------|------|------|------|
| Female | 112  | 125  | 125  |
| Male   | 77   | 78   | 61   |
| Total  | 189  | 203  | 186  |

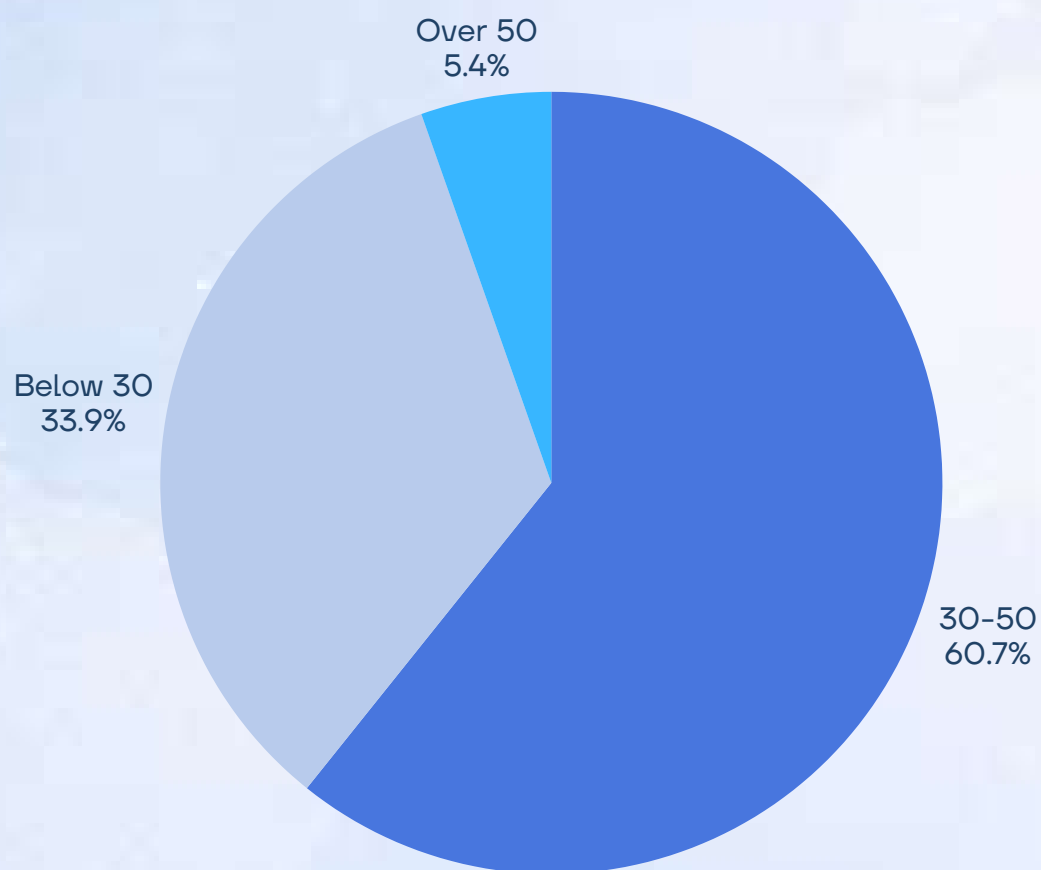
 **Employees by Job Category and Gender –**  
Mid-Level

|        | 2023 | 2024 | 2025 |
|--------|------|------|------|
| Female | 19   | 22   | 21   |
| Male   | 88   | 84   | 89   |
| Total  | 107  | 106  | 110  |

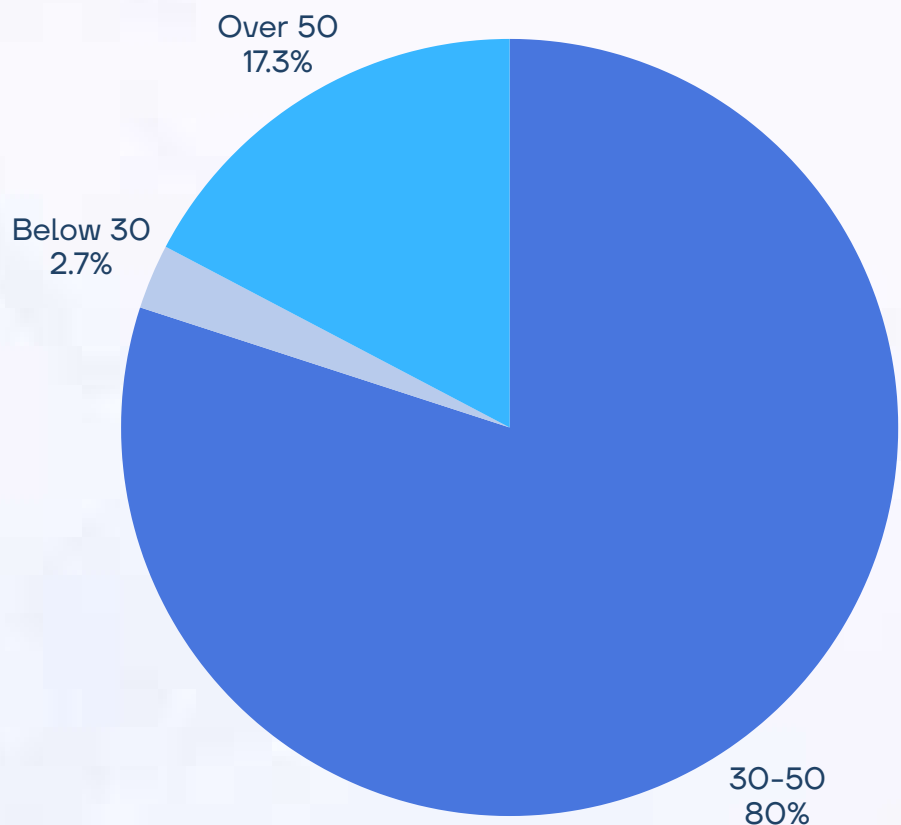
 **Employees by Job Category and Gender –**  
Senior-Level

|        | 2023 | 2024 | 2025 |
|--------|------|------|------|
| Female | 3    | 3    | 4    |
| Male   | 11   | 13   | 12   |
| Total  | 14   | 16   | 16   |

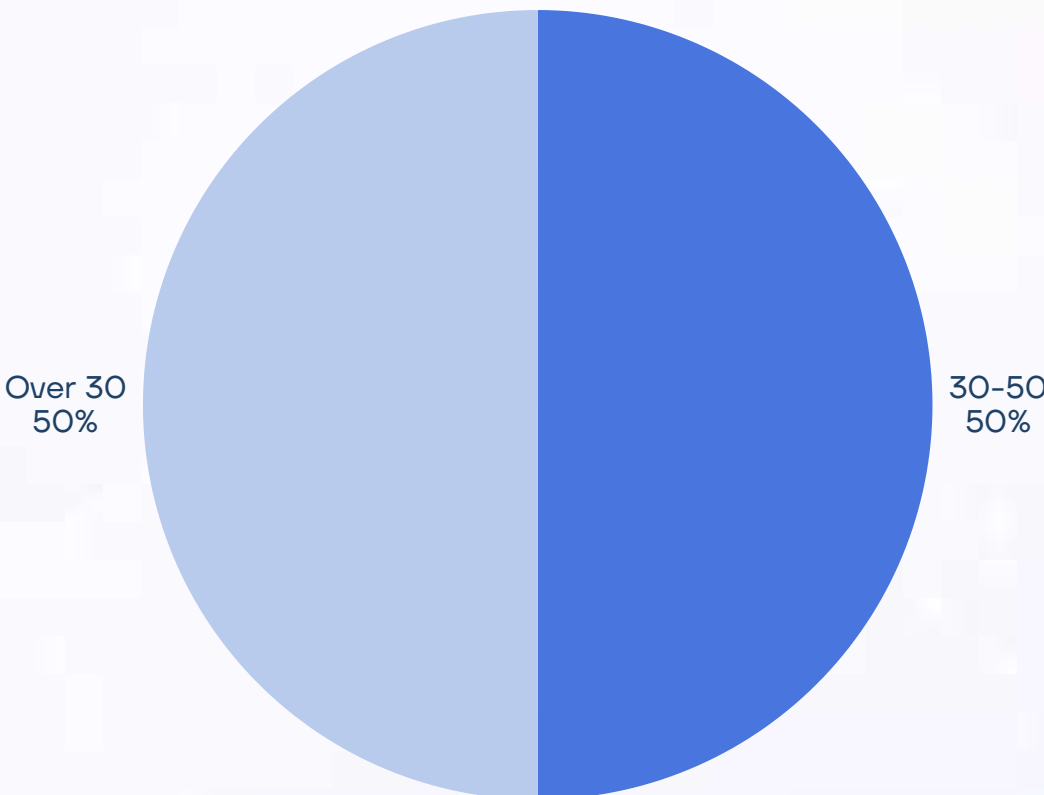
Entry-Level Age Distribution (2025)



Mid-Level Age Distribution (2025)



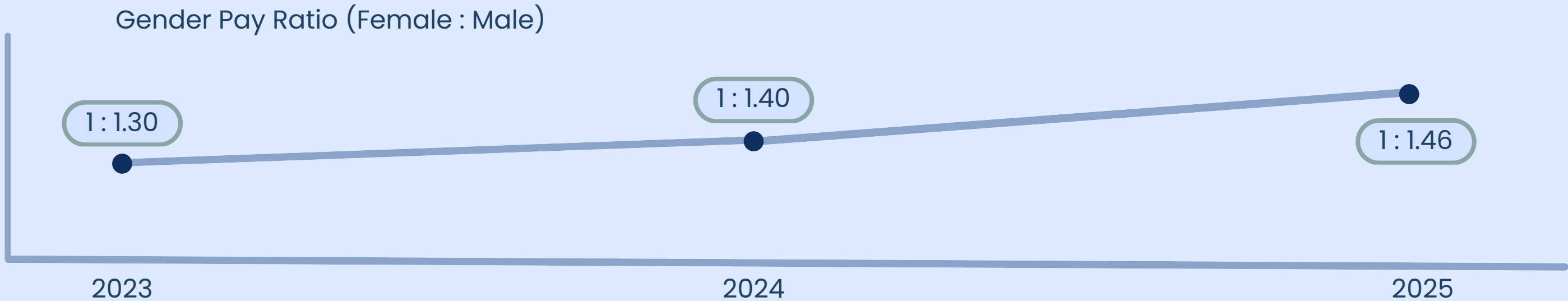
Senior-to-Executive Age Distribution (2025)



**Total Number of Nationalities**

| Year | Total Nationalities |
|------|---------------------|
| 2023 | 27                  |
| 2024 | 28                  |
| 2025 | 28                  |

**Gender Pay Ratio: Median Compensation**



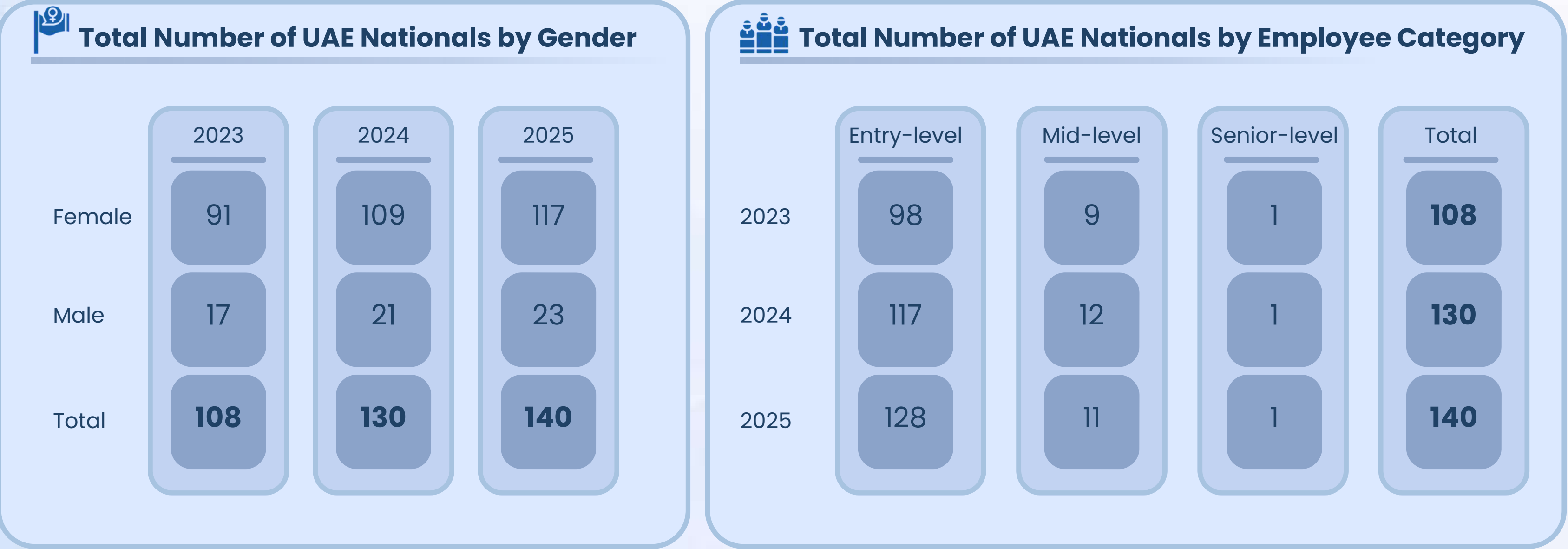
ADNOC’s workforce demonstrates strong diversity across gender, age, and nationality, with representation spanning 27–28 nationalities over the reporting period. Female representation remains strongest at entry level and shows continued presence across mid-level and senior-to-executive roles. Workforce age distribution indicates a concentration within the 30–50 age group, supporting organisational stability while maintaining early-career representation at entry level.

Nationality data highlights a multicultural workforce structure, with Emirati and expatriate employees contributing to operational and organisational performance. ADNOC continues to monitor these indicators to support transparency, equitable practices, and informed workforce planning.

Through continuous monitoring of workforce diversity and pay equity indicators, ADNOC reinforces its commitment to diversity, equity, and inclusion. These practices support fair treatment, inclusive representation, and long-term organisational resilience, contributing to a positive workplace culture and sustainable business performance.

# Emiratization

Emiratization is a strategic priority for ADNOC and a core component of its people and sustainability agenda. In alignment with UAE national objectives and regulatory requirements, ADNOC focuses on attracting, developing, and retaining UAE Nationals (UAE Nationals) across business functions and career levels. The Company’s approach emphasises early career development, structured capability building, and long-term progression into technical and leadership roles, supporting both organisational resilience and national workforce development.



Total Number of UAE Nationals by Employee Category

The number of UAE Nationals employed by ADNOC increased steadily over the reporting period, rising from 108 in 2023 to 140 in 2025, reflecting sustained progress in national workforce participation. Female UAE Nationals represent a significant majority of Emirati employees across all years, highlighting strong inclusion outcomes within Emiratization efforts. The workforce profile shows a concentration of UAE Nationals at entry level, supported by gradual progression into mid-level roles, while senior-to-executive representation remains selective and aligned with experience-based progression. This structure reflects a deliberate focus on building a long-term leadership pipeline through early career investment.



## Emiratization Strategy, Programs and Initiatives

ADNOC is dedicated to the ongoing development of its Emirati employees, recognising professional development as a critical enabler of career growth and long-term retention. As part of its Emiratization strategy, ADNOC emphasises early career advancement opportunities within key business units such as Underwriting, Claims, and Operations, with a focus on strengthening both technical and leadership competencies to prepare UAE Nationals for future leadership roles. Training and development opportunities include a combination of in-class and live virtual learning sessions designed to support continuous performance improvement.

The Mawhoob Development Programme, launched in 2023, is one of ADNOC's flagship Emiratization initiatives. The programme focuses on developing technical, leadership, and management capabilities through competency-based learning aligned with ADNOC's strategic objectives. It offers globally recognised certifications, including The Chartered Insurance Institute (CII), The American University of Dubai (AUD), and the Institute of Leadership and Management (ILM), supporting professional accreditation and career progression. Participation included 26 employees in Batch 1 and 22 employees in Batch 2, reinforcing the programme's role in structured talent development.

In addition, all UAE Nationals joining ADNOC are enrolled in the ETHRAA Programme through the Emirates Insurance Federation (EIF). This programme spans 4–6 months and provides foundational insurance expertise through globally recognised certifications such as W01 (General Insurance Foundation), WUE (Underwriting), and WCE (Claims), accredited by the Chartered Insurance Institute (CII). In the reporting year, 19 UAE Nationals participated in the ETHRAA Programme. Furthermore, ADNOC places all UAE Nationals on a two-year Career Development Plan (CDP) upon completion of probation, focusing on targeted behavioural and technical competencies in line with ADNOC's Development of UAE Nationals Policy.

Recruitment and retention efforts are supported through targeted sourcing of Emirati talent, employer branding initiatives linked to CSR activities, and competitive compensation aligned with market standards. ADNOC also fosters an inclusive culture through cross-functional collaboration, leadership representation, flexible working arrangements where applicable, employee wellness initiatives, and recognition practices that reinforce the value of Emirati employees.

ADNOC's Emiratization efforts are guided by formal targets set by the Central Bank, including operational, recruitment, and ratio targets, ensuring regulatory alignment and accountability.

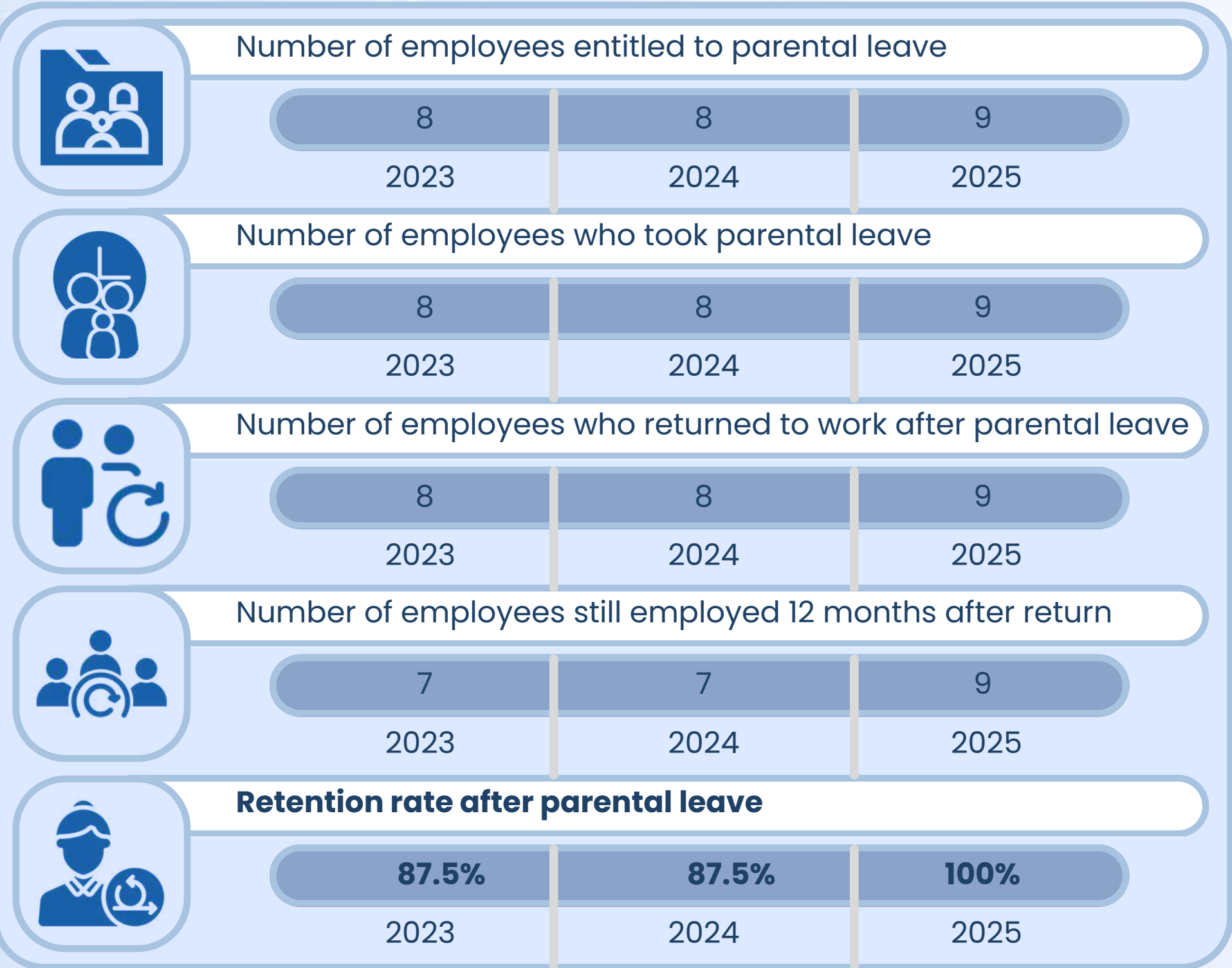
Through structured development programmes, targeted recruitment, and clear performance monitoring, ADNOC continues to strengthen its Emiratisation outcomes, supporting sustainable talent development and long-term national workforce participation.



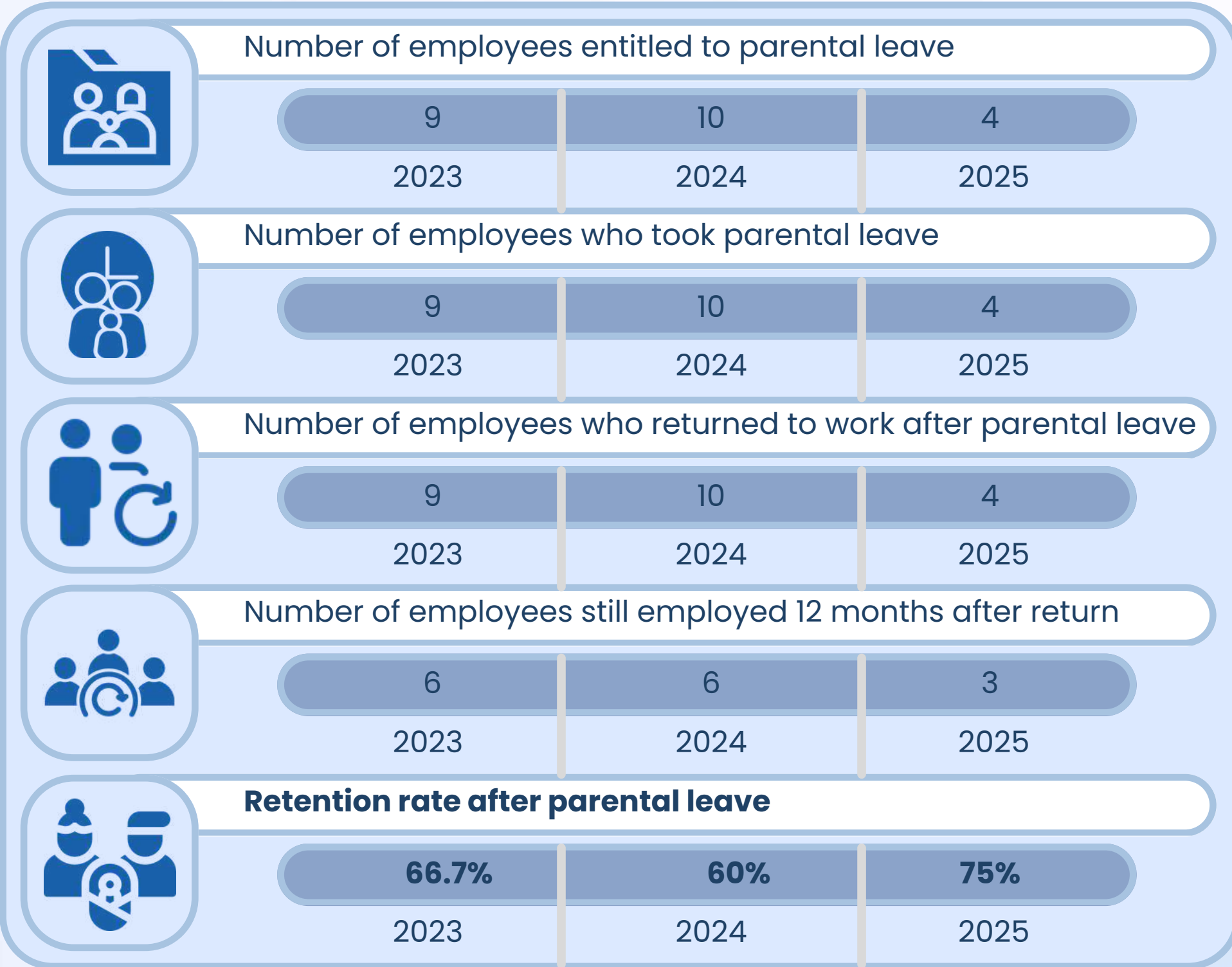
# Benefits & Recognition

ADNOC's benefits and recognition framework is designed to support employee wellbeing, work-life balance, and long-term retention. The Company provides a comprehensive benefits package aligned with UAE labour requirements and market practices, including parental leave provisions, healthcare coverage, and financial benefits. These measures support employees during key life stages while reinforcing ADNOC's commitment to inclusive and people-centric workplace practices.

## Parental Leave – Female Employees



## Parental Leave – Male Employees



Parental leave utilisation remained consistent across the reporting period, with full uptake among both eligible female and male employees. Female employees demonstrated strong post-leave retention outcomes, with retention rates improving to 100% in 2025, reflecting effective reintegration and ongoing employment support. Male employee retention following parental leave ranged between 60% and 75%, indicating continued engagement while highlighting opportunities for further strengthening post-leave retention measures. Overall, the data reflects ADNOC's supportive parental leave framework and its role in promoting workforce stability and employee wellbeing.

## Management Approach

ADNOC addresses and manages employment-related matters through structured policies and people management practices that support fair employment, performance management, employee engagement, and retention. Core employment practices include transparent recruitment and onboarding processes, performance-based appraisal systems, learning and development frameworks, and competitive compensation and benefits aligned with market benchmarks and regulatory requirements. These practices are designed to support workforce stability, productivity, and long-term organisational performance while ensuring compliance with UAE labour regulations.

Employee engagement and retention are supported through structured feedback mechanisms and performance management processes, with outcomes reviewed periodically to inform workforce planning and people-related decisions.

## Reward & Recognition

ADNOC operates a formal Reward and Recognition framework aimed at motivating employees, recognising performance, and reinforcing desired behaviours aligned with organisational objectives. Recognition is integrated into the annual performance review process and supplemented by digital and leadership-led recognition initiatives.

Employee excellence is recognised through the Quarterly CEO Award, which acknowledges outstanding individual contributions across the organisation. Peer recognition is enabled through CERRA, an internal digital recognition platform that allows employees to recognise colleagues for achievements and positive behaviours. Employees receiving the highest recognition through the platform are considered for CEO awards, reinforcing a culture of appreciation and performance recognition. In addition, ADNOC recognises employee loyalty through a Long Service Award, acknowledging employees who have demonstrated long-term commitment to the organisation.

## Employee Engagement & Retention Metrics

ADNOC tracks selected metrics related to employee engagement, development, and retention to support informed people management decisions. These include:

- Onboarding survey results, used to assess new employee experience and integration
- Training and development metrics, including participation and capability-building indicators
- Retention and turnover data, monitored to assess workforce stability and engagement trends

These metrics are reviewed internally and used to inform ongoing improvements in people practices and employee experience. ADNOC has established targets related to employment-related metrics, including engagement, retention, productivity, diversity and inclusion, and performance management. These targets are aligned with SMART objectives and embedded within departmental and organisational performance frameworks.

Through structured employment practices, recognition frameworks, and engagement initiatives, ADNOC continues to support employee motivation, retention, and performance. These measures reinforce a positive workplace culture and contribute to long-term organisational stability and people sustainability outcomes.



# Health & Wellbeing

ADNOC places strong emphasis on the physical, mental, and social wellbeing of its employees, recognising that a healthy workforce is essential to sustained productivity and organisational performance. To support this, ADNOC has implemented a staff wellness plan designed to enhance employee wellbeing by encouraging healthy lifestyles, promoting awareness, and supporting work-life balance.

The wellness plan provides employees with access to initiatives that support both physical and mental health, enabling participation in wellness activities and lifestyle challenges that promote long-term health outcomes. The objective of these initiatives is to reduce absenteeism, improve morale, and strengthen overall employee engagement and performance.

In support of this approach, ADNOC partnered with a training provider to develop an exclusive wellness application accessible to all employees. The platform offers a range of features that allow employees to participate in wellness and fitness activities at their preferred location, providing flexibility and inclusivity across the workforce.

During the reporting period, ADNOC delivered a range of wellbeing and awareness initiatives, including blood donation drives, breast cancer awareness activities, diabetes awareness sessions, World Health Day, World Sight Day, and World Mental Health Day. In addition, social and sports initiatives such as a badminton tournament and a football family day were organised to encourage active lifestyles, team interaction, and family engagement.

Together, these initiatives reflect ADNOC's ongoing commitment to employee wellbeing and fostering a supportive workplace environment that promotes health, engagement, and long-term resilience.



# Social Impact

As a leading national insurance company, ADNIC recognises the responsibility it holds to contribute positively to society beyond its core business operations. Social impact remains a key pillar of ADNIC’s sustainability strategy, guided by the Company’s values of reliability, loyalty, and fairness, and aligned with UAE national priorities and community development goals.

ADNIC engages with a wide range of public entities, charitable organisations, and community initiatives to support social welfare, healthcare, education, humanitarian relief, and inclusion. Through long-standing partnerships and targeted contributions, the Company aims to create meaningful and measurable social value while supporting initiatives that promote cohesion, wellbeing, and opportunity across the UAE and beyond.

| Initiative                                                                | Description                                                                                        |
|---------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|
| Social Investment Fund (Ma’an)                                            | Supporting Ma’an’s initiatives to strengthen social development and build a cohesive society       |
| Erth Zayed Philanthropies                                                 | Contributing to advancing the legacy of Sheikh Zayed and supporting national philanthropic efforts |
| Reaching the Last Mile Fund (RLMF)                                        | Supporting global efforts to eliminate neglected tropical diseases                                 |
| Mohamed bin Zayed Foundation for Humanity                                 | Supporting maternal and newborn health initiatives across Africa                                   |
| Omnyat Center for the Care and Rehabilitation of People with Disabilities | Supporting care, rehabilitation, and empowerment of people of determination and their families     |

In 2025, ADNIC invested AED 4.05 million in social and humanitarian initiatives, with a primary focus on UAE-based social development, healthcare, and inclusion. The majority of contributions supported national programmes, including the Social Investment Fund (Ma’an), reinforcing ADNIC’s role in strengthening community resilience. Targeted international support in healthcare and disease prevention further reflects the Company’s commitment to responsible social impact.



## Cultural Celebrations

Operating in a culturally diverse environment, ADNIC places strong emphasis on fostering inclusivity, respect, and cultural awareness within the workplace. Cultural celebrations form an integral part of the Company’s people and social engagement strategy, supporting a sense of belonging among employees from diverse backgrounds.

Through internal initiatives and community engagement, ADNIC celebrates national, cultural, and religious occasions that reflect the UAE’s multicultural identity. These activities support cross-cultural understanding, employee engagement, and alignment with the UAE’s values of tolerance and coexistence. By embedding cultural awareness into organisational practices, ADNIC reinforces an inclusive workplace culture that values diversity and strengthens social cohesion.

Through sustained social investments and inclusive cultural initiatives, ADNIC continues to contribute positively to community development and social wellbeing. These efforts reinforce the Company’s commitment to responsible corporate citizenship and support long-term social value creation aligned with national and sustainability objectives.

# PRODUCTS & CUSTOMER RELATIONS

-  Customer-centric approach
-  Digitization & Innovation
-  Privacy, Data Protection & Transparency
-  Procurement
-  Procurement Practices



# Customer-Centric Approach

At ADNIC, customers are at the core of our business strategy and operations. We are committed to understanding customer needs and delivering reliable, responsive, and high-quality insurance solutions that consistently meet expectations. Our customer-centric approach is guided by our core values and reinforced through transparent communication, strong service standards, and a culture focused on long-term relationship building. This commitment extends beyond service delivery to encompass customer wellbeing, accessibility, trust, and meaningful engagement throughout the customer journey.

We place particular emphasis on delivering a seamless customer experience across the entire insurance lifecycle, from product design and underwriting to claims management and after-sales support, and wellbeing services.

Through initiatives such as LIVEWELL – ADNIC’s wellbeing programme – we integrate health, wellness, and preventive care solutions into our offerings, supporting customers’ physical, mental, and emotional wellbeing. Digital wellness tools, teleconsultation services, and employee assistance programmes enhance accessibility, reduce barriers to care, and contribute to healthier, more resilient communities.

These initiatives reflect our broader commitment to social impact, sustainability, and equitable access to healthcare solutions. Customer engagement and service excellence are further strengthened through structured feedback mechanisms and robust complaints management processes. ADNIC regularly measures customer satisfaction across key stakeholder groups, including customers, brokers, and medical providers, using enhanced survey tools and data-driven analysis to identify trends and areas for improvement. Complaints are managed through transparent, timely, and fair resolution processes, supported by defined service level agreements and continuous performance monitoring. Insights derived from feedback and service metrics are actively used to refine processes, improve service recovery, and enhance overall customer experience.

Customer Relationship Management (CRM) systems play a central role in supporting our customer-centric approach by enabling a comprehensive, 360-degree view of customer interactions, preferences, and service history. This capability allows ADNIC to better align service delivery with customer expectations, improve responsiveness across multiple touchpoints, and ensure consistency in engagement. Customer retention is recognised as a key driver of sustainable business growth and is supported by a strong brand identity, accessible service channels, and continuous engagement initiatives. Through ongoing assessment, quality management practices, and a culture of continuous improvement, ADNIC aims to ensure that every customer experience is efficient, reliable, and aligned with its promise of service excellence.

## Customer Voice & Feedback Mechanisms

ADNIC actively captures customer feedback through regular surveys and engagement channels, including:



Individuals Satisfaction Survey  
(Medical Members and Motor Individual policyholders)



Corporate Clients and Brokers Satisfaction Survey

Survey design and analysis are continuously enhanced to ensure actionable insights are generated for service improvement and decision-making.

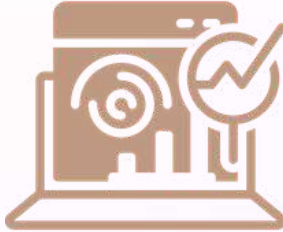
# Complaints Management & Service Recovery

ADNIC maintains a structured and transparent complaints management process to ensure timely and fair resolution of customer concerns. The process is supported by the ADNIC Complaints Tool (ACT), which enables efficient tracking, analysis, and reporting of complaints.

## Key focus areas include:



Service recovery aligned with ISO 10002:2018 standards



Continuous monitoring of trends, types, and root causes



Clear communication with customers throughout the resolution process

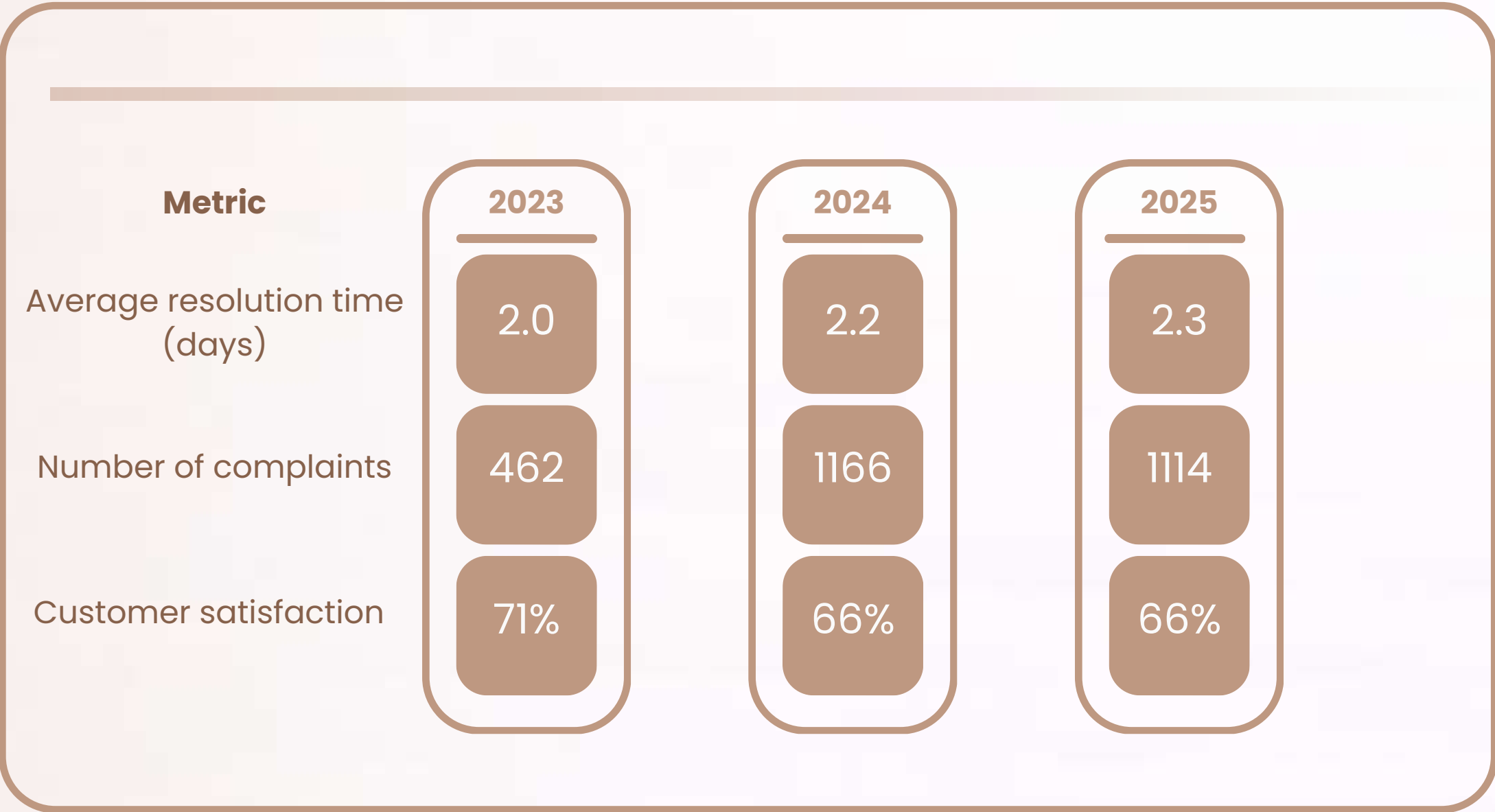


Prompt acknowledgement and resolution of complaints

## Channels to Log a Complaint



Customer Complaints Performance



Transparent Communication & Fair Advice

ADNOC is committed to providing clear, accurate, and transparent information across all customer touchpoints. Our approach to communication and advice is grounded in professionalism, regulatory compliance, and respect for customer rights, ensuring that customers are supported in making informed decisions.

We maintain robust governance controls over product information, service disclosures, and marketing communications to ensure fairness and accuracy. Customers receive timely, consistent, and understandable information throughout their engagement with ADNOC, including during policy issuance, servicing, renewals, and claims processes.

- Zero incidents of non-compliance related to product and service information or labelling across 2023–2025
- Zero incidents of non-compliance related to marketing communications across 2023–2025
- No fines, penalties, warnings, or breaches of voluntary codes (including the Code of Ethics) during the reporting period

Targets for Complaints Handling

Resolution time

$\leq$  5 working days

Satisfaction for complaints

$\geq$  65%

Number of complaints

No fixed target  
(continuous reduction focus)



# Digitalisation & Innovation

ADNIC continues to invest strategically in digitalisation and innovation to enhance customer experience, strengthen broker and partner engagement, and improve operational efficiency across the organisation. Digital transformation is a core enabler of ADNIC’s long-term strategy, supporting the delivery of seamless, secure, and data-driven insurance solutions.

## Digital Channels & Customer Experience

Over the past two years, ADNIC has significantly enhanced its digital sales and servicing capabilities. A state-of-the-art mobile application for medical and motor services has been developed, leveraging UAE Pass for secure authentication and digital document sharing. The mobile app has achieved strong adoption, recording over one million logins and approximately 100,000 active users, enabling customers to access services anytime and anywhere.

In parallel, ADNIC launched the ADNIC Hub, a modern policy operations and medical servicing portal designed for brokers and corporate clients. The platform enables digital policy management, medical servicing, and seamless interaction with ADNIC, improving efficiency and reducing reliance on manual processes.

## Automation, AI & Data-Driven Innovation

ADNIC is advancing automation across core business processes to build a fully digital and future-ready operating model. In 2025, medical claims automation within the core system was completed, significantly reducing manual effort and processing time. Further automation initiatives, including CRM and Reinsurance automation, are planned for the coming year.

The organisation is also making substantial investments in Artificial Intelligence and data capabilities. ADNIC is progressing on six major AI use cases, scheduled for phased delivery through 2026, including:



Virtual assistant for the contact centre



Intelligent document query



AI-driven motor claims processing



Intelligent data query

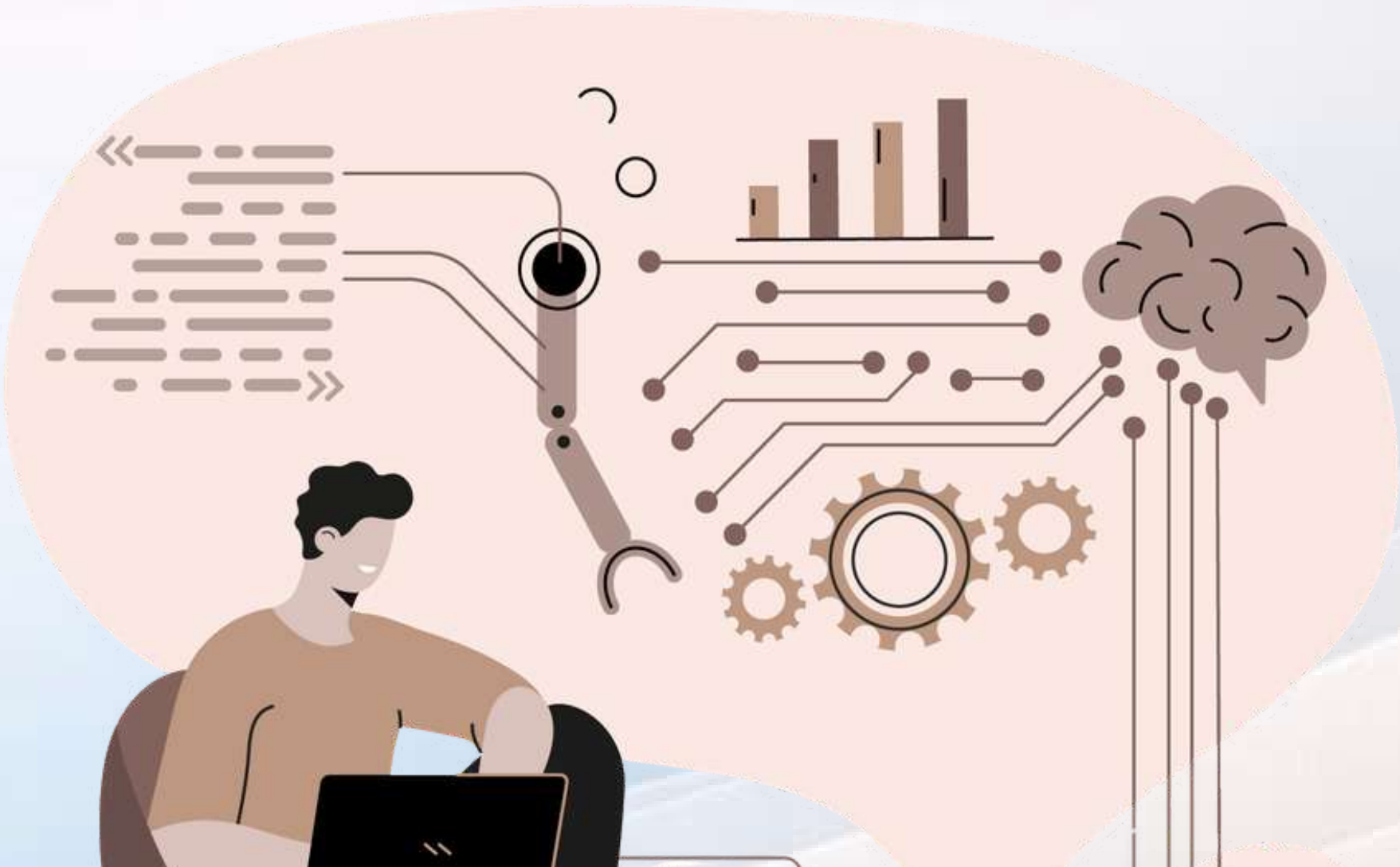


Dynamic pricing for personal lines



AI management advisor

These initiatives are designed to enhance decision-making, improve fraud detection, optimize pricing, and elevate customer engagement.



## Paperless Transformation & Digital Enablement

ADNOC's digital, AI, and automation initiatives collectively support the organisation's transition toward a paperless workplace. Digital servicing platforms, UAE Pass integration, automated workflows, and AI-assisted processing are reducing physical documentation, eliminating manual bottlenecks, and creating a frictionless experience for customers, brokers, and internal teams.

Key digital enablement initiatives undertaken include:



Tamm integration for insurance gap fine collection



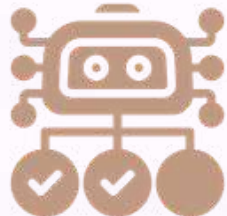
Personal records fetching via DOH integration



Support for Open Finance and E-invoicing initiatives



Enablement of Apple Pay, Google Pay, and multi-currency payment links



Deployment of Robotic Process Automation (RPA) across multiple processes



Geo-tagging services for enhanced risk assessment



Implementation of SOC solutions and proactive cybersecurity monitoring



Dedicated Claims Portal for B2C customer



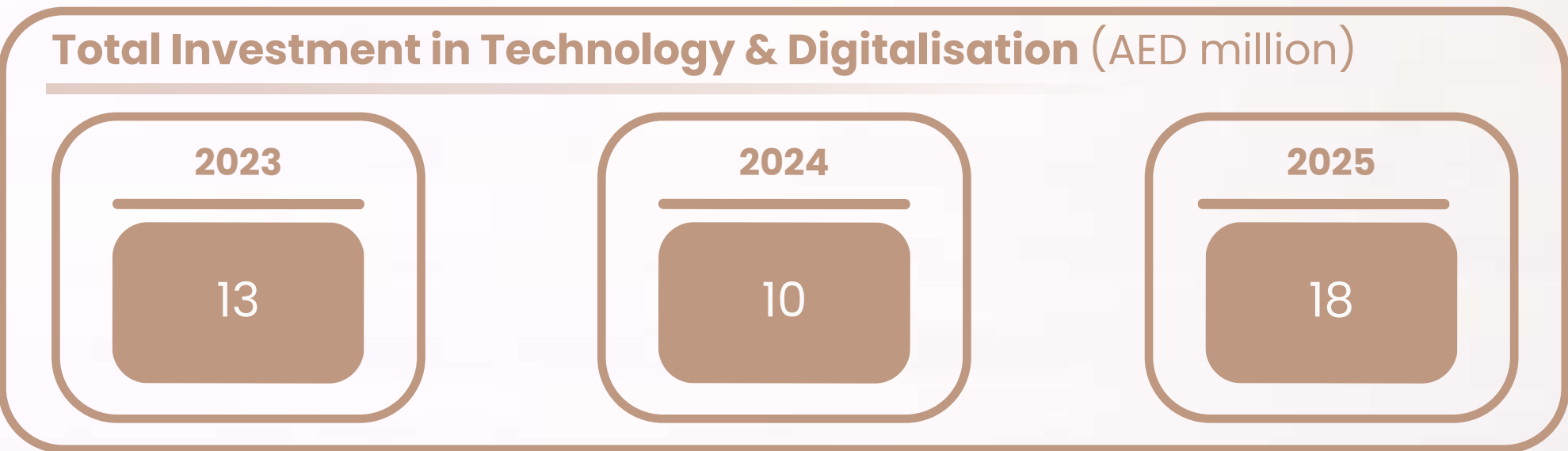
Achievement of ISO/IEC 27001 certification for Information Security Management



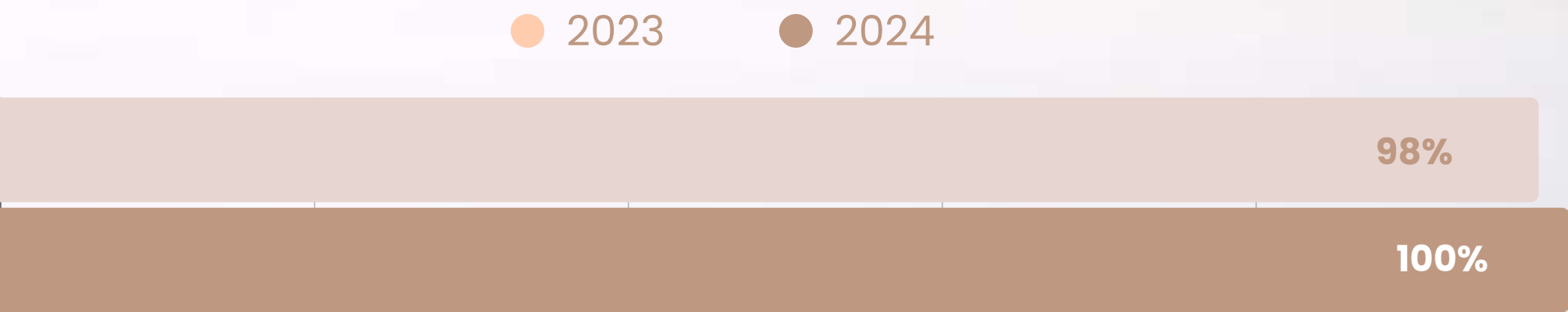
Integration with regulatory authorities for medical insurance services

## Technology Investment

ADNOC's commitment to digitalisation is reflected in its sustained investment in technology:



### Percentage of Total CAPEX



## Digital Strategy & Forward Outlook

In the short term, ADNOC is focused on expanding digital sales and servicing channels, increasing document digitisation through UAE Pass, and automating key workflows to reduce manual effort and paper-based processes. Over the medium to long term, the organisation aims to scale AI-assisted processing across underwriting, claims, servicing, and internal operations, enabling a fully integrated, data-driven digital ecosystem that supports sustainable growth, operational excellence, and superior customer experience.

# Privacy, Data Protection & Transparency

## Customer Privacy & Data Protection

Protecting customer data and maintaining trust are fundamental pillars of ADNOC's governance and sustainability framework. ADNOC adopts a proactive and risk-based approach to data protection, ensuring compliance with regulatory requirements while embedding strong security and privacy practices across operations.

## Customer Privacy Performance (2023–2025)

0 substantiated complaints from external parties

0 regulatory complaints

0 incidents of customer data loss, theft, or leakage

### Regulatory Compliance

- ADNOC complies with UAE Federal Law No. 45 of 2021 (Personal Data Protection Law – PDPL)
- Compliance with sector-specific regulatory requirements is maintained

A comprehensive Data Privacy Policy is in place and communicated across the organisation.



## Data Protection & Privacy Systems

Managing and mitigating information security and data privacy risks is a core pillar of ADNOC's corporate governance and sustainability framework. Senior leadership promotes a strong culture of security by providing clear strategic direction, ensuring accountability, and reinforcing the importance of protecting customer, employee, and business information. This governance-led approach ensures that data protection and cybersecurity considerations are embedded into decision-making processes across the organisation.

ADNOC operates a dedicated Information Security and Data Privacy Management Function under the direct oversight of senior management and the Risk Management Committee. This function is responsible for implementing, monitoring, and continuously improving the organisation's privacy and cybersecurity controls in line with applicable regulatory requirements and international best practices. ADNOC follows the principle of Privacy by Design, ensuring that data protection requirements are embedded throughout the data lifecycle, including system development, digital platforms, and operational processes. Transparent communication ensures that customers and corporate partners are clearly informed about how personal data is collected, processed, stored, and protected.

To safeguard its critical systems and sensitive customer data, ADNOC employs enterprise-grade cybersecurity and data protection controls, including data encryption, network firewalls and perimeter security, advanced malware and threat protection, and secure backup, disaster recovery, and data replication mechanisms. These controls support operational resilience, data integrity, and business continuity, ensuring that ADNOC remains well-positioned to protect information assets and maintain customer trust in an evolving digital and regulatory landscape.

Across 2023–2025, no substantiated customer privacy breaches were reported. The organization recorded zero complaints from external parties or regulators, and no incidents of data leaks, thefts, or losses, demonstrating robust data protection practices.



## Governance Oversight & Accountability

Data privacy and information security governance at ADNOC is reinforced through clear oversight structures and accountability mechanisms. The Risk Management Committee provides strategic oversight of information security and privacy risks, while senior management ensures that policies, controls, and remediation actions are effectively implemented across the organization. Regular reporting, internal assessments, and independent reviews support informed decision-making and continuous strengthening of the control environment.

**Privacy by Design**

ADNOC applies the principle of Privacy by Design across all digital platforms, system enhancements, and operational processes, ensuring that privacy considerations are embedded from the earliest stages of development and maintained throughout the full data lifecycle.

## Certifications & Assurance

- Ongoing surveillance audits ensure continuous compliance
- Full compliance with PDPL and applicable regulatory requirements
- ISO/IEC 27001 certification achieved in 2025**, confirming alignment with international information security standards

Looking ahead, ADNOC will continue to enhance its data protection maturity by strengthening third-party security oversight, advancing identity and access management controls, and aligning privacy governance with evolving regulatory and technological developments.

## Employee Training & Security Culture

All ADNOC employees complete **mandatory annual training** on data privacy and cybersecurity, reinforcing individual accountability and organisational awareness.

Beyond compliance, ADNOC’s training programmes are designed to embed a strong security-first mindset across the organisation. Regular awareness initiatives, simulated risk scenarios, and role-based learning reinforce vigilance against evolving cyber threats and ensure employees remain an active line of defence in protecting sensitive and healthcare-related data.

Key training topics include:

- Business Email  
Compromise  
(BEC)
- Phishing Awareness  
& Social Engineering
- Artificial Intelligence  
(AI) & Cyber Safety
- Password Security &  
Identity Protection
- Financial Fraud  
Awareness
- Critical & Healthcare  
Data Handling
- Data Minimisation &  
Incident Response

| Category         | Focus Area                         | Description                                                                                         |
|------------------|------------------------------------|-----------------------------------------------------------------------------------------------------|
| Key 2026 Targets | Information Security Certification | Maintain ISO/IEC 27001 certification through continuous improvement and ongoing surveillance audits |
|                  | Workforce Capability               | Achieve and sustain 100% employee completion of cybersecurity and data privacy training             |
|                  | Risk & Compliance                  | Maintain zero security breaches and zero regulatory complaints                                      |
|                  | Third-Party Risk                   | Strengthen third-party and cloud security governance frameworks                                     |
| Key 2025 Actions | Threat Monitoring                  | Expand continuous security monitoring and threat detection capabilities                             |
|                  | Privacy Governance                 | Enhance privacy governance aligned with evolving PDPL executive regulations                         |
|                  | Data Subject Rights                | Strengthen data subject rights management and consent management processes                          |
|                  | Supplier Assurance                 | Improve third-party cybersecurity and data protection risk assessments                              |
|                  | Security Testing                   | Conduct regular vulnerability assessments and security testing activities                           |
|                  | Access Controls                    | Strengthen encryption, access control, and identity management maturity                             |

## 2025 Training Coverage



ADNOC applies strict data minimisation principles and maintains a comprehensive Incident Response Framework to ensure rapid detection, containment, regulatory notification, and recovery in the event of any security incident.

# Procurement Practices

## Sustainable Procurement & In-Country Value

ADNIC recognises sustainable procurement as an important enabler of responsible business practices and long-term value creation. Our procurement approach is designed to support high-quality service delivery to customers while promoting ethical conduct, environmental responsibility, and positive socio-economic impact across our supply chain. These principles are embedded within ADNIC’s Corporate Procurement Policy, which integrates ESG considerations into supplier selection, engagement, and performance monitoring.

Supplier prequalification processes assess key credentials, certifications, and adherence to ethical standards to ensure alignment with ADNIC’s sustainability objectives. Suppliers are required to comply with applicable laws, ethical business practices, and ADNIC’s Whistleblower Policy, reinforcing transparency and accountability throughout the procurement lifecycle. ADNIC prioritizes and promotes suppliers holding ICV, ISO, and ESG certifications and has incorporated these criteria into its new supplier pre-qualification assessment process.

ADNIC maintains open channels for supplier feedback, including digital platforms and ERP-enabled communication tools, allowing suppliers to raise concerns, provide suggestions, and contribute to continuous improvement..

## In-Country Value (ICV) and Local Supplier Engagement

ADNIC remains committed to supporting economic development within the UAE through active participation in the In-Country Value (ICV) Certification programme. In 2025, ADNIC achieved an ICV score of 76.55%, certified by an authorised third-party body under the supervision of the Abu Dhabi Department of Economic Development. This achievement reflects the Company’s ongoing efforts to strengthen local supply chains and enhance domestic economic contribution.

Local sourcing continues to be a key procurement priority. In 2025, 90.04% of ADNIC’s suppliers were local, and 89.54% of total procurement spend was directed towards local suppliers. By prioritising local partners, ADNIC supports supplier development, enhances service responsiveness, and reinforces the resilience of its operational ecosystem, ultimately benefiting customers through reliable and efficient service delivery.

|      | Total Number of Suppliers | Total Number of Local Suppliers | % of Local Suppliers | % of Spending on Local Suppliers |
|------|---------------------------|---------------------------------|----------------------|----------------------------------|
| 2023 | 352                       | 317                             | 90.06%               | 80.08%                           |
| 2024 | 251                       | 237                             | 94.42%               | 93.48%                           |
| 2025 | 231                       | 208                             | 90.04%               | 89.54%                           |

The slight reduction in the current year’s percentage is primarily attributable to an overall decrease in total procurement spend compared to 2024.

## Procurement Risk Management and Compliance

To mitigate procurement-related risks, ADNIC applies robust Customer Due Diligence (CDD) and Know-Your-Customer (KYC) / Anti-Money Laundering (AML) screening processes for suppliers and authorised representatives. These controls support regulatory compliance, reduce exposure to financial and reputational risks, and ensure that procurement activities are aligned with ESG principles. Ongoing enhancements to these processes aim to further strengthen the assessment of ESG credentials throughout supplier onboarding and engagement.

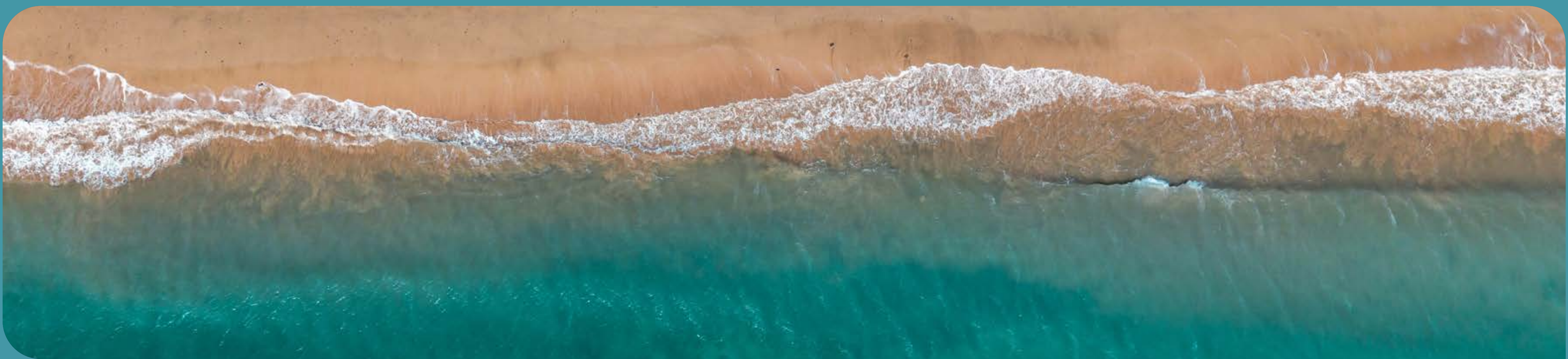
Through its sustainable procurement practices and strong focus on In-Country Value, ADNIC reinforces its commitment to responsible sourcing, ethical partnerships, and long-term value creation for customers, suppliers, and the wider community.



# SUSTAINABLE INSURER OF CHOICE

DEVELOPED WITH THE SUPPORT OF OUR SUSTAINABILITY PARTNER –  
D1 PERCENT LIMITED

# Corporate Governance Report **2025**



|                                       |    |
|---------------------------------------|----|
| Introduction                          | 04 |
| Overview                              | 06 |
| Corporate Governance Framework        | 07 |
| Board of Directors                    | 08 |
| Audit Committee                       | 12 |
| Nomination & Remuneration Committee   | 13 |
| Investment Committee                  | 14 |
| Board Risk Committee                  | 15 |
| Insider Trading Supervision Committee | 16 |
| Executive Management                  | 17 |
| Related Party Transactions            | 19 |
| External Auditor                      | 20 |
| Internal Control System               | 21 |
| General Information                   | 23 |



# 01 Introduction

ADNIC is a leading multi-line regional insurance provider with long-standing expertise in providing insurance and reinsurance services to individuals and corporates across the Middle East and North Africa (MENA) region.

Abu Dhabi National Insurance Company PJSC (the “Company” or “ADNIC”) is a Public Joint Stock Company listed on the Abu Dhabi Securities Exchange (ADX). It is incorporated and registered in Abu Dhabi, United Arab Emirates, under Law No. (4) of 1972 (as amended), and operates in accordance with the provisions of Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities and Insurance Business and Federal Law No. (32) of 2021 on Commercial Companies. ADNIC’s primary business activity involves providing insurance and reinsurance services across all sectors.

The Company is licensed and regulated by the Central Bank of the UAE under license No. 1. The Company’s headquarters is located at ADNIC Building No. (403), Khalifa Street, P.O. Box 839, Abu Dhabi, UAE. ADNIC also operates an extensive network of branches, sales and customer service centers throughout the UAE in addition to its subsidiaries – ADNIC International Ltd based in the UK and Mutakamela Insurance Company based in KSA.



# Our Branches & Subsidiaries

## ADNIC Head Office

P.O. Box: 839 – Abu Dhabi, UAE  
Mohamed Bin Khalifa Street  
Al Danah, Zone 1  
ADNIC Building No. 403  
Tel: 02 4080100  
Fax: 02 4080604

## Abu Dhabi Traffic Office

Abu Dhabi Traffic Police  
Vehicle Test Section  
P.O. Box: 839 – Abu Dhabi, UAE  
Tel: 02 4080587/588  
Fax: 02 4080604

## Mussafah Branch

ADNOC Vehicle Inspection Centre  
Mussafah M4  
P.O. Box: 92572 – Abu Dhabi  
Tel: 02 4080696  
Fax: 02 4080690

## Samha Office

ADNOC Service Station  
P.O. Box: 839 – Abu Dhabi, UAE  
Tel: 02 4080376  
Fax: 02 4080604

## Ruwais Office

Ruwais City – Al Dhannah Mall,  
Tamm Center  
P.O. Box: 839 – Abu Dhabi, UAE  
Tel: 02 8772123  
Fax: 02 4080604

## Mahawi Office

Abu Dhabi Traffic Police Department  
Vehicle Inspection Centre  
Abu Dhabi – Al Ain Highway  
P.O. Box: 839 – Abu Dhabi, UAE  
Tel: 02 6585158  
Fax: 02 4080604

## Al Shamkha Office

ADNOC Service Station  
169 | Motor World  
P.O. Box: 839 – Abu Dhabi, UAE  
Tel: 02 4080576  
Fax: 02 4080604

## Deerfields Office

Shahama Road  
Deerfields Mall – Garden Level  
P.O. Box: 839 – Abu Dhabi, UAE  
Tel: 02 8723287  
Fax: 02 4080604

## Al Ain Branch

Khalaf Bin Ahmad  
Al-Otaibah Building  
Main Street (Sheikh Zayed Road)  
P.O. Box: 1407 – Al Ain  
Tel: 03 7641834  
Fax: 03 7663147

## Al Ain Traffic Office

Al Ain Traffic Police Dept. – Zakher  
P.O. Box: 1407 – Al Ain  
Tel: 03 7828666  
Fax: 03 7663147

## Al Ain Mezyad Office

Abu Dhabi Traffic Police Dept.  
P.O. Box: 1407 – Al Ain  
Tel: 03 7824250  
Fax: 03 7663147

## Dubai Branch

Dubai Supreme Court Complex  
Umm Hurair 2  
P.O. Box: 11236 – Dubai  
Tel: 04 5154850  
Fax: 04 5154910

## Sharjah Branch

Al Hosn Tower,  
Showroom No. 2,  
Building No. 617/A,  
Al Ittihad Street  
P.O. Box: 3674 – Sharjah  
Tel: 06 5683743  
Fax: 06 5682713

## Subsidiary

ADNIC International Ltd.  
London – UK  
The Leadenhall Building  
30th floor  
EC3V 4AB  
Tel: +44(0)2037534686/687

## Subsidiary

Mutakamela Insurance  
Riyadh Head Office  
Khorais Road, Khaleej Bridge – Riyadh  
Phone: +966 11 821 3000  
Fax: +966 11 821 3999



## 02 Overview

ADNIC is fully committed to maintaining a Corporate Governance Framework that complies with the corporate governance requirements applicable to UAE Public Joint Stock Companies, the Corporate Governance Regulation and Standards for Insurance Companies issued by the Central Bank of the UAE (Circular No. 24/2022), the Securities and Commodities Authority's Resolution No. (3/Chairman) of 2020 concerning the Joint Stock Companies Governance Guide (as amended), and international best practices.

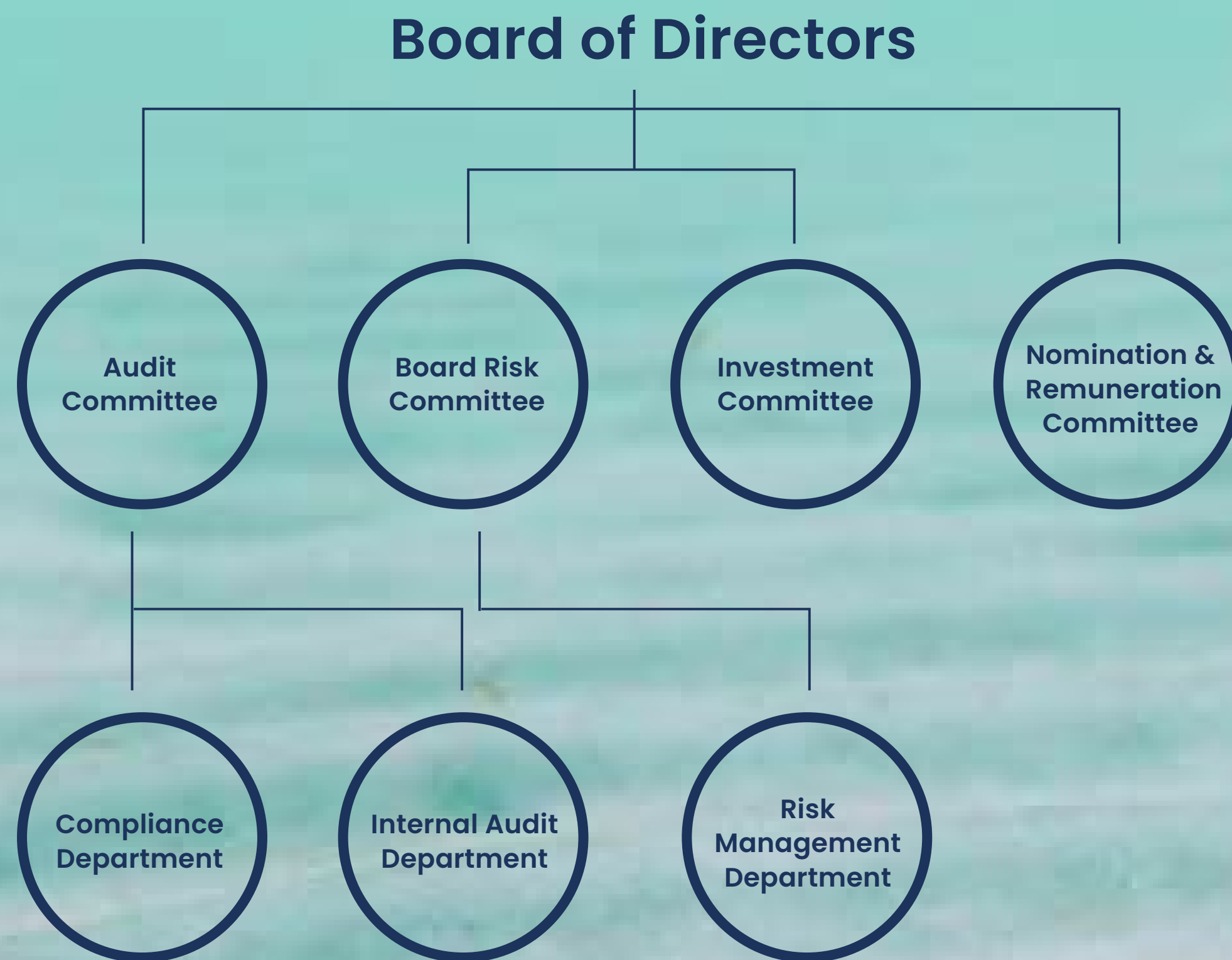
ADNIC recognizes that a strong Corporate Governance Framework drives effective decision-making, fosters transparent stakeholder relationships and supports high-quality disclosures. The Board of Directors believes that good governance is essential for creating a productive work environment, enhancing performance and delivering long-term value. ADNIC's Corporate Governance Framework is built on principles of ethics, fairness, transparency, and a vision to create long-term value. By adhering to these principles, ADNIC aims to maximize the benefits of governance, improve risk management, enhance

operational efficiency and foster a competitive advantage. To achieve these objectives, ADNIC ensures strict compliance with relevant governance legislation and both local and international best practices. This Framework helps mitigate risks and manage change in alignment with the strategic objectives. The Company ensures that all employees comply with the application of the best practices in order to maintain accountability, transparency and integrity in all transactions that enhance confidence and achieve highest levels of compliance with the corporate governance standards.



## 03 Corporate Governance Framework

ADNIC is governed by a Corporate Governance Framework that identifies the responsibilities and accountabilities for the Board of Directors, the Board Committees, the Executive Committee, the Management Committees, and the Company's Compliance, Risk Management and Internal Audit functions.



ADNIC's Board of Directors is the primary governing body responsible for overseeing the Company's management, ensuring the adequacy and effectiveness of the Internal Audit & Corporate Governance compliance program required to implement the Company's strategies and ensure that the Shareholders receive accurate and proper information at the right time. The Board Committees assist the Board in fulfilling the oversight responsibility.

The Board of Directors, the Executive Management and all staff of ADNIC ensure to maintain and follow the highest standards of ethics and professional conduct at all times while carrying out their business activities. ADNIC does not accept nor condone activities or behavior that will or might in any way conflict with any of its core values and standards.



# 04 Board Of Directors



**Sheikh Mohamed bin Saif Al-Nahyan**

**Chairman of the Board of Directors –  
Non – Executive and Non – Independent Member**

Sheikh Mohamed bin Saif Al-Nahyan is a knowledgeable business professional with more than 18 years of experience. Sheikh Mohamed manages various Real Estate Investments and related projects across the UAE. He holds a bachelor's degree in international economics and history from the American University of Paris, France. Sheikh Mohamed has been a Board member of ADNOC since 2004, in addition to serving as Chairman of the Board since 2016.

- Other appointments:
- Vice Chairman of the Board of Directors – First Abu Dhabi Bank
  - Chairman of the Executive Committee and the Remuneration and Nomination Committee – First Abu Dhabi Bank



**Sheikh Theyab bin Tahnoon Al-Nahyan**

**Vice Chairman of the Board of Directors –  
Non – Executive and Non – Independent Member**

Sheikh Theyab bin Tahnoon Al-Nahyan graduated from the UAE University in 2003 with a Bachelor Degree in Architecture – Faculty of Engineering. Since his graduation, he has been managing a number of his family's private businesses related to trading. Sheikh Theyab has been a Board Member of ADNOC since 2010 in addition to serving as Vice Chairman of the Board.

- Other appointments:
- Chairman of the Board of Directors – Cityland
  - Chairman of the Board of Trustees at Al Ain University.



**H.E. Sultan Rashed Al-Dhaheeri**

**Board Member – Non – Executive and  
Non – Independent Member**

H.E. Sultan Rashid Al-Dhaheeri, a successful businessman, built a high reputation of honesty and integrity through hard work. He has played a major role in contributing to the growth and prosperity of the national economy through his investments in various sectors. He has also devoted time to providing assistance and effective participation in the charities locally and internationally. H.E. was also a Board member of National Bank of Abu Dhabi (NBAD) until April 2017. H.E. Sultan Al-Dhaheeri has been a board member of ADNOC since 1974.

- Other appointments:
- Owner and manager of many big private companies in the UAE.



**Mr Muhammad Khalaf Al-Otaiba**

**Board Member – Non – Executive and Non –  
Independent Member**

Mr. Muhammad Khalaf Al-Otaiba has been a member of the Board of Directors of Al-Otaiba Investment Group since 2005. He holds a bachelor's degree from the Arab Academy for Science and Technology, Alexandria University, Arab Republic of Egypt. Mr. Muhammad Al Otaiba is also a member of the Board of Directors of Abu Dhabi National Hotels PJSC, and he previously served as a member of the Board of Directors of Abu Dhabi National Insurance Company during the period from 2019 to 2022.

- Other appointments:
- Member of the Board of Directors of Abu Dhabi National Hotels Company PJSC.
  - Member of the Board of Directors of ADNOC Catering plc
  - Member of the Board of Directors of Al-Otaiba Investment Group.





**Mr. Ali Eid Khamis Thani Almheiri**

**Board Member – Non – Executive and Independent Member**

Mr. Ali Eid Almheiri is the Executive Director of Diversified Assets within Mubadala's UAE Investments platform, where he oversees diversified assets across multiple sectors including banking, insurance, asset management and other financial services sectors.

Previously, Mr. Ali Almheiri held the position of Executive Director of Real Estate and Infrastructure and also served as a Projects Associate at the UAE Offsets Program Bureau.

Mr. Ali holds a bachelor's degree in accountancy and a master's degree in finance from the American University, Washington.

Other appointments:

- Board member – Abu Dhabi Investment Council
- Board member – Masar Solutions Company PJSC



**Mr. Abdulrahman Hamad Al-Mubarak**

**Board Member – Non – Executive and Independent Member**

Mr. Abdulrahman Hamad Al-Mubarak is the Executive Director of the Equity and Investment Department at Abu Dhabi Investment Council, and he is also a member of the Investment Committee of the Abu Dhabi Investment Council. Prior to joining ADIC, he worked as an investment expert in the Far East Equity Management team of Abu Dhabi Investment Authority. Mr. Al-Mubarak holds a Bachelor's Degree in Economics from the American University of Sharjah and he also holds the CFA Certificate. Mr. Al-Mubarak has been a Board member of ADNIC since 2016.

Other appointments:

- Executive Director of the Equity and Investment Department – Abu Dhabi Investment Council.
- Member of the Investment Committee of the Abu Dhabi Investment Council.



**Mr. Hazzaa Mohamed Rubayea Al-Mheiri**

**Board Member – Non – Executive and Independent Member**

Mr. Hazzaa Almheiri has been an active partner in Al Rubaya Group since 2003. He served as the Business Development and Marketing Manager at Electro Mechanical Company LLC from 2007 to 2011, and in 2012, he worked with the Commercial Engineering team at Zadco Development Company. Mr. Hazzaa Almheiri has been a member of the Board of Directors of Abu Dhabi National Insurance Company from 2016 until his resignation on 10/12/2025.

Other appointments:

- Board Member – Al Rubaya Group



**Mr. Hamoodah Ghanem bin Hamoodah**

**Board Member – Non – Executive and Independent Member**

Mr. Hamoodah Ghanem bin Hamoodah holds the position of Chairman of the Board of Directors of Hamoudah & Brothers Holding LLC and also serves as Vice Chairman of Ghanem Ali bin Hamoudah & Sons LLC.

Mr. Hamoudah holds a diploma in Information Technology from the Higher Colleges of Technology. He has been serving as a member of the Board of Directors of Abu Dhabi National Insurance Company since 2016.

Other appointments:

- Chairman of the Board of Directors – Hamoudah & Brothers Holding LLC
- Vice Chairman and representative of Ghanem Ali Bin Hamoodah & Sons LLC in the Emirates Defense Companies Council (EDCC), affiliated to Tawazun Economic Council (Tawazun)
- Board member – Arbah Investment Company LLC
- Board member – Bin Hamoudah Trading and General Services Company



**Mrs. Futoon Hamdan Al-Mazrouei**

**Board Member – Non – Executive and Independent Member**

Mrs. Futoon Hamdan AlMazrouei is the Group Head of Personal, Business, Wealth, and Privileged Client Banking at First Abu Dhabi Bank, where she leads the integration of consumer and private banking with a focus on customer-centric innovation and SME growth. With over 15 years of experience in banking, she has driven FAB's digital transformation and led award-winning initiatives. Mrs. AlMazrouei serves on the boards of APEX Investment, MAIR Group, WIO Bank and Zoud, as well as the National Financial Wellbeing & Sustainability Initiative. She is also a Council Member for Visa and a member of the Mastercard MENA Executive Council (MMEC). In addition, she serves on the committee of Sheikhha Fatima Fund for Women Refugees. She also holds board positions at FABMISR and serves as chairperson of FAB Suisse & FAB Islamic.

Mrs. AlMazrouei holds a BSc in Mathematics from UAE University and has completed executive programmes at Stanford-NUS and Harvard Business School. Mrs. Al-Mazrouei has been a member of the Board of Directors of ADNIC since 2022.

Other appointments:

- Group head of Consumer Banking – First Abu Dhabi Bank
- Board Member at the following:  
APEX Investment.  
MAIR Group.  
WIO Bank.  
Zoud, as well as the National Financial Wellbeing & Sustainability Initiative.  
Council Member for Visa and a member of the Mastercard MENA Executive Council (MMEC).  
The committee of Sheikhha Fatima Fund for Women Refugees.  
FABMISR  
FAB Suisse  
FAB Islamic.



## Board of Directors – Composition

ADNIC’s Board of Directors consists of 9 Directors, 5 of them are Independent. The Board of Directors was elected on 27 February 2025.

Pursuant to the Company’s Articles of Association, each Director serves a three-year term, after which a Director may be re-elected for a successive term or terms.

## Board of Directors – Women Representation

Two female applicants applied in 2025 for the position of Board member, but only one qualified for the election.

Mrs. Futoon Hamdan Al-Mazrouei has been nominated as a Non – Executive and Independent member of the Board.

## Board meetings – Attendance Records

In 2025 the Board of Directors met seven times. The quorum for meetings is a majority of directors, and voting during meetings is a majority of attendees. Details of those meetings (including the attendance record) are contained in the table to the right.

## Evaluation of the Board of Directors and its Committees

The Company conducts an annual evaluation of the Board of Directors, its members, and its committees, in accordance with the corporate governance requirements for joint-stock companies issued by the Capital Market Authority and the Corporate Governance Regulation for Insurance Companies issued by the CBUAE. The evaluation of the Board, its members, and its committees for the year 2025 has been completed.

| Board Member                         | 27 Jan 25 | 04 Feb 25 | 27 Feb 25 | 13 May 25 | 8 Jul 25 | 11 Aug 25 | 10 Nov 25 |
|--------------------------------------|-----------|-----------|-----------|-----------|----------|-----------|-----------|
| Sheikh Mohamed bin Saif Al-Nahyan    | P         | P         | P         | P         | P        | P*        | P         |
| Sheikh Theyab bin Tahnoon Al-Nahyan  | P         | P         | P         | A         | P        | P*        | P         |
| H.E. Sultan Rashed Al-Dhaheri        | P         | P         | P         | P         | P        | P*        | P         |
| Mr. Muhammad Khalaf Al-Otaiba**      | N/A       | N/A       | P         | P         | P        | P*        | P         |
| Mr. Ali Eid Khamis Thani Almheiri**  | N/A       | N/A       | A         | A         | P        | P*        | P         |
| Mr. Abdulrahman Hamad Al-Mubarak     | P         | P         | P         | A         | P        | P*        | P         |
| Mr. Hazzaa Mohamed Rubayea Al-Mheiri | P         | P         | P         | P         | P        | P*        | A         |
| Mr. Hamoodah Ghanem bin Hamoodah     | P         | P         | P         | P         | P        | P*        | P         |
| Mrs. Futoon Al Mazrouei              | P         | P         | P         | P         | P        | P*        | A         |

P – Present, P\* – By Circulation, A – Absent

\* The Board of Directors meeting No. 6 of 2025 on 11 August 2025 was held by circulation and the Board Directors approved the Company’s Financial Statements for the Second Quarter of 2025.

\*\* joined the Board on 27 February 2025



## Board of Directors Remuneration

In 2025, ADNIC’s shareholders approved a total remuneration of AED 10 Million, disbursed to the Board of Directors for the fiscal year 2024. In addition, an amount of AED 50,000 was approved for each Chairman of the Board Committees. It is proposed that the remuneration for the Board of Directors for 2025 is a total of AED 10.2 million. This will be presented to the Shareholders at the upcoming Annual General Assembly Meeting for approval.

No allowances, salaries or additional fees were paid to the Board members for attending the Board of Directors meetings.

## Board Secretary

Mr. Omar Khedr has been the Board Secretary for the year 2025. Mr. Omar has over 20 years of experience and prior to joining the Company, he worked in private legal practice serving clients in the Gulf and MENA regions.

Mr. Omar Khedr holds an LLM in International and Comparative Law. He has further received trainings on financial crimes & fraud in insurance from the International Compliance Association and the Association of Certified Anti-Money Laundering Specialists. As the Board Secretary, he attends all Board meetings and provides support to the Board on corporate governance and regulatory matters.

## Share Dealings

Purchase and sale of the Company’s shares, as well as other transactions involving its securities by directors, officers and employees are governed by ADNIC’s Insider Trading Policy. This policy strictly prohibits the use of inside information by any director, officer or employee for personal gain.

The table below provides details of all purchases and sales of the Company’s shares undertaken by Board members and their relatives during 2025:

| Board Member                         | Position      | Shares held at 31 Dec 2025 | Total sales transactions | Total purchase transactions |
|--------------------------------------|---------------|----------------------------|--------------------------|-----------------------------|
| Sheikh Mohamed bin Saif Al-Nahyan    | Chairman      | 2,575,889                  | 0                        | 0                           |
| Sheikh Theyab bin Tahnoon Al-Nahyan  | Vice Chairman | 2,202,809                  | 0                        | 0                           |
| H.E. Sultan Rashed Al-Dhaheri        | Board Member  | 0                          | 0                        | 0                           |
| Mr. Muhammad Khalaf Al-Otaiba        | Board Member  | 0                          | 0                        | 0                           |
| Mr. Ali Eid Khamis Thani Almheiri    | Board Member  | 0                          | 0                        | 0                           |
| Mr. Abdulrahman Hamad Al-Mubarak     | Board Member  | 0                          | 0                        | 0                           |
| Mr. Hazzaa Mohamed Rubayea Al-Mheiri | Board Member  | 0                          | 0                        | 0                           |
| Mr. Hamoodah Ghanem bin Hamoodah     | Board Member  | 0                          | 0                        | 0                           |
| Mrs. Futoon Hamdan Al-Mazrouei       | Board Member  | 0                          | 0                        | 0                           |





# Audit Committee

As the Chairman of the Audit Committee, Mr. Ali Eid Almheiri is responsible for ensuring the Committee’s overall effectiveness and that the Committee properly complies with all of its stated objectives.

Key Responsibilities: The Audit Committee supports the Board of Directors in overseeing the Company’s financial reporting, internal controls, and audit processes. Its responsibilities include reviewing quarterly and year-end financial statements, ensuring compliance with financial reporting standards and regulatory requirements, and assessing the effectiveness of internal policies, procedures, and controls. The Committee also monitors the performance and independence of both internal and external auditors, evaluates audit issues, and recommends improvements. Additionally, it reviews the Company’s risk management framework, internal audit performance, and internal control systems, while ensuring compliance with relevant governance standards. The Committee investigates potential violations, ensures proper reporting of related party transactions, and supports corrective actions where necessary.

In 2025, the Audit Committee met five times. Details of those meetings (including the attendance record) are contained in the table below:

| Committee member                     | Position | 03 Feb 25 | 07 May 25 | 04 Aug 25 | 09 Sep 25 | 03 Nov 25 |
|--------------------------------------|----------|-----------|-----------|-----------|-----------|-----------|
| Mr. Ali Eid Khamis Thani Almheiri    | Chairman | N/A       | A         | P         | P         | P         |
| Mr. Hazzaa Mohamed Rubayea Al-Mheiri | Member   | P         | P         | P         | A         | A         |
| Ms. Futoon Hamdan Almazrouei         | Member   | N/A       | P         | P         | P         | P         |

P – Present, A – Absent

The ICFR (Internal Controls over Financial Reporting) report for the year 2024 identified certain operational gaps within the processes at Abu Dhabi National Insurance Company (ADNIC). These gaps highlight areas where operational controls could be enhanced to improve efficiency, mitigate risks, and ensure compliance with regulatory standards. The Audit committee has already placed measures to address these gaps to strengthen ADNIC’s internal processes and maintain the integrity of its financial reporting framework.



# Nomination & Remuneration Committee

As the Chairman of the Nomination and Remuneration Committee, Mr. Abdulrahman Hamad Al-Mubarak is responsible for ensuring the Committee’s overall effectiveness and that the Committee properly complies with all of its stated objectives.

**Key Responsibilities:** The Committee plays an effective role in reviewing the Company’s recruitment, retention, training and termination policies including determining the role and capabilities required for appointments at senior management level. Moreover, the Committee develops and implements the plans and initiatives for employing UAE Nationals and for providing best service to the Company’s clients through Strategic Planning.

In 2025, the Nomination and Remuneration Committee met three times. Details of those meetings (including the attendance record) are contained in the table below:

| Committee member                     | Position | 29 Jan 25 | 21 May 25 | 20 Nov 25 |
|--------------------------------------|----------|-----------|-----------|-----------|
| Mr. Abdulrahman Hamad Al-Mubarak     | Chairman | P         | P         | P         |
| Mr. Hazzaa Mohamed Rubayea Al-Mheiri | Member   | A         | A         | A         |
| Mr. Hamoodah Ghanem bin Hamoodah     | Member   | P         | P         | P         |

P – Present, A – Absent



# Investment Committee

As the Chairman of the Investment Committee, Sheikh Mohamed bin Saif Al-Nahyan is responsible for ensuring the Committee’s overall effectiveness and that the Committee properly complies with all of its stated objectives.

**Key Responsibilities:** Develop the investment strategy and policy for approval by the Board of Directors, set the foundations of investment including the allocation of assets, review and monitor investments, exercise oversight on strategic investment activities related to capital utilization including but not limited to regional expansion.

In 2025, the Investment Committee met four times. Details of those meetings (including the attendance record) are contained in the table below:

| Committee member                  | Position | 13 May 25 | 06 Oct 25 | 09 Dec 25 | 26 Dec 25 |
|-----------------------------------|----------|-----------|-----------|-----------|-----------|
| Sheikh Mohamed bin Saif Al-Nahyan | Chairman | P         | P         | P         | P         |
| H.E. Sultan Rashed Al-Dhaheri     | Member   | P         | P         | P         | P         |
| Mr. Hamoodah Ghanem Bin Hamoodah  | Member   | P         | P         | P         | P         |
| Mr. Muhammad Khalaf Al-Otaiba     | Member   | P         | P         | P         | P         |

P – Present, A – Absent



# Board Risk Committee

As the Chairman of the Board Risk Committee, Sheikh Theyab bin Tahnoon Al-Nahyan is responsible for ensuring the Committee’s overall effectiveness and that the Committee properly complies with all of its stated objectives.

ADNIC has a well diversified business exposure across different lines of business and geographies. The strategy is to limit the exposure within the risk appetite and maintain appropriate diversification benefit. The risk strategy ensures protection of policyholders, capital adequacy and supports the company objectives through setting appropriate risk limits and risk selection criteria.

The Board Risk Committee effectively assists the Board of Directors by providing leadership, direction and supervision of the risk acceptance framework, taking the risk and the management of the risk acceptance.

**Key Responsibilities:**

- Providing independent and objective review, advice and assistance in developing Board policy and monitoring corporate activity within the scope of its remit, and making recommendations to the board.
- Overseeing the Company’s risk management framework.
- Ensuring risks are identified, assessed, and managed within the defined risk appetite, including monitoring risk exposures across underwriting, reserving, market, liquidity, credit, and operational risks, etc..
- Ensuring appropriate diversification and mitigation strategies including alignment with long-term strategic and profitability objectives.
- Overseeing compliance with regulatory requirements, and promoting a proactive risk management culture.
- Overseeing stress testing, scenario analysis, capital adequacy and forward-looking risk assessments (including ORSA), and ensuring their integration into strategic planning and decision-making.
- Monitoring emerging risks, including climate change, technological disruptions, cybersecurity, and regulatory changes, while enhancing transparency and governance processes.

In 2025, the Risk Committee met four times. Details of those meetings (including the attendance record) are contained in the table below:

| Committee member                    | Position | 24 Feb 25 | 18 June 25 | 02 Oct 25 | 26 Nov 25 |
|-------------------------------------|----------|-----------|------------|-----------|-----------|
| Sheikh Theyab bin Tahnoon Al-Nahyan | Chairman | N/A       | P          | P         | P         |
| Mr. Abdulrahman Hamad Al-Mubarak    | Member   | A         | A          | P         | A         |
| Mr. Hamoodah Ghanem bin Hamoodah    | Member   | N/A       | P          | P         | P         |

P – Present, A – Absent



# Insider Trading Supervision Committee

As part of his role as the Chairman of the Insider Trading Supervision Committee, Mr. Mohamed Hussein Barakat is responsible for ensuring the Committee’s overall effectiveness and that the Committee properly complies with all of its stated objectives.

Key Responsibilities: Supervision of the transactions of insiders and their ownership of the shares of the Company, keep a record of the transactions of insiders and provide Abu Dhabi Securities Exchange (ADX) with periodic reports on the transactions of Insiders.

In 2025, the Insider Trading Supervision Committee met three times. Details of the meeting (including the attendance record) are contained in the table below:

| Committee member            | Position | 03-Jul-25 | 30-Sep-25 | 30-Dec-25 |
|-----------------------------|----------|-----------|-----------|-----------|
| Mr. Mohamed Hussein Barakat | Chairman | P         | P         | P         |
| Ms. Amal Salameh            | Member   | P         | P         | P         |
| Ms. Fatima Al Noobi         | Member   | P         | P         | P         |

P – Present, A – Absent



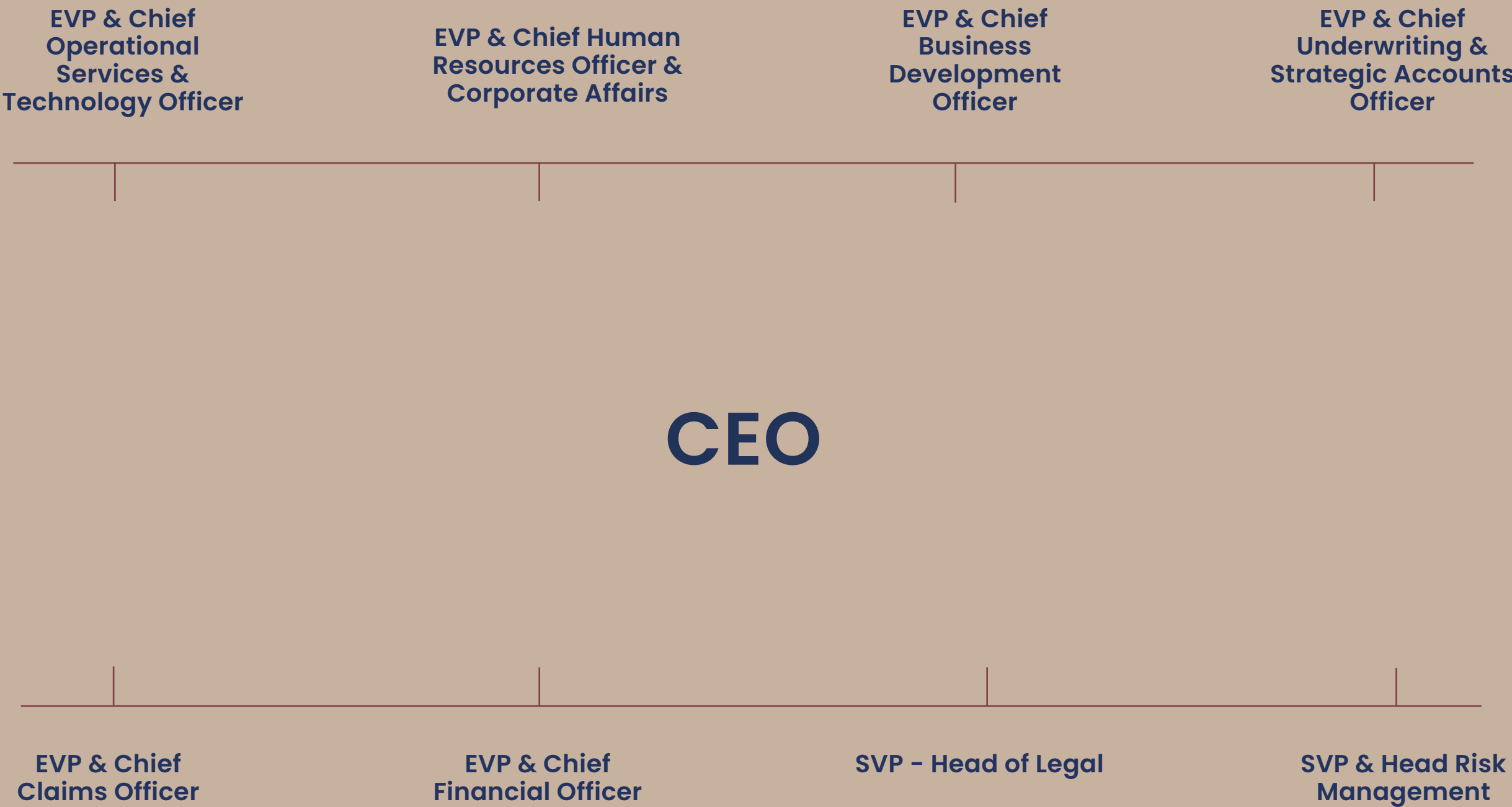
# 05 Executive Management

The Executive Management Team is responsible for managing the Company’s core business operations in their entirety.

The Chief Executive Officer (CEO) is supported by the Senior Executive Team who are responsible for managing the day-to-day operations of ADNOC in alignment with the Annual Business Plan and the delegation of authority matrix approved by the Board of Directors.

The CEO’s duties and responsibilities encompass all aspects of the Company’s daily operations including but not limited to representing the Company before governmental and non-governmental entities, engaging with third parties, executing contracts on behalf of the Company and overseeing the monitoring & management of the annual budget.

## Organizational Chart Of ADNOC



# Executive Management Compensation Structure

ADNIC implements a comprehensive compensation structure that integrates all financial benefits into monthly allowances in addition to a basic salary. The fixed component of the compensation consists of the basic salary and allowances, while the variable component includes a discretionary bonus aligned with a performance-based compensation framework.

A detailed summary of the Company’s senior executives including their positions, qualifications, years of experience, appointment dates, total salary, and bonuses is presented in the following table.

| Position                                                  | Qualification                                                  | Years of experience | Date of appointment | Salary (AED) | Bonus (AED) |
|-----------------------------------------------------------|----------------------------------------------------------------|---------------------|---------------------|--------------|-------------|
| Chief Executive Officer                                   | MSc in Actuarial Science                                       | 29+ years           | 13-Jan-20           | 2,160,000    | 1,200,000   |
| EVP & Chief Human Resources Officer and Corporate Affairs | Master of Business Administration – Human Resources Management | 22+ years           | 17-Nov-19           | 1,320,000    | 440,000     |
| SVP & Head International                                  | Master’s Degree in Insurance Law                               | 25+ years           | 09-Nov-14           | 869,292      | 144,882     |
| EVP & Chief Claims Officer                                | Master of Commerce                                             | 35+ years           | 23-May-07           | 1,164,000    | 190,000     |
| EVP & Chief Underwriting and Strategic Accounts Officer   | Master of Business Administration – Finance                    | 36+ years           | 24-Sep-07           | 1,567,908    | 482,636     |
| SVP & Head Risk Management                                | Bachelor of Science – Actuarial Science and Risk Management    | 18+ Years           | 19-May-13           | 815,000      | 130,000     |
| EVP & Chief Financial Officer                             | Master of Business Administration                              | 25+ years           | 07-Jul-20           | 1,512,000    | 121,000     |
| EVP & Chief Business Development Officer                  | Master of Science in Electrical Engineering                    | 33+ years           | 09-Aug-20           | 1,200,000    | 200,000     |
| Senior Vice President – Head of Legal                     | Master of Law                                                  | 20+ years           | 18-Dec-16           | 849,192      | 60,000      |
| EVP & Chief Operational Services and Technology Officer   | Master of Arts – Economics                                     | 22+ years           | 16-Oct-24           | 1,188,000    | 0           |
| SVP & Head Strategic Accounts                             | Business Management                                            | 27+ years           | 29-Apr-12           | 864,000      | 144,000     |
| EVP & Chief Investment Officer (Resigned)                 | Master of Business Administration                              | 23+ years           | 04-Nov-12           | 345,000      | 460,000     |

Notes:  
• Mr. Anil Dixit resigned from his position as EVP & Chief Investment Officer on 1 January 2025 (Last working date was 31 March 2025). His bonus amount AED 460,000 includes the bonus AED 115,000 + Appreciation Amount AED 345,000.



# Related Party Transactions

Related parties comprise the Board members and the Key Management personnel of the Company.

The Company maintains transactions / balances with these related parties, which arise from commercial transactions.

Transactions / balances with the related parties (Board Members & Key Employees) as at 31 December 2025 are as follows:

| Paticulars                                 | Total Amount (AED) |
|--------------------------------------------|--------------------|
| Insurance Transactions (Premiums / Claims) | 122,159            |
| Receivable                                 | 223,902            |

## Detailed breakdown of related parties account balances as at 31 December 2025:

| Position                             | Relationship with ADNIC                               | Account Balances (AED) |
|--------------------------------------|-------------------------------------------------------|------------------------|
| Sheikh Mohamed bin Saif Al-Nahyan    | ADNIC's BOD Chairman                                  | 14,601.50              |
| H.E. Sultan Rashed Al-Dhaheri        | ADNIC's BOD Member                                    | 30,255.24              |
| Mr. Hazzaa Mohamed Rubayea Al-Mheiri | ADNIC's BOD Member                                    | 9,340.80               |
| Ms. Hema Padmanabhan                 | EVP & Chief Claims Officer                            | 64,701.88              |
| Mr. Jugal Kishore Madaan             | EVP & Chief Underwriting & Strategic Accounts Officer | (124.89)               |
| Mr. Nabil Ben Azzouz                 | SVP & Head International                              | 127.00                 |
| Mr. Omar Khedr                       | SVP – Head of Legal                                   | 105,000.00             |
| TOTAL                                |                                                       | 223,901.53             |



# External Auditor

In 2024, the Company changed its external auditors from KPMG Lower Gulf Limited to Deloitte & Touche (M.E). In 2025, the Company continued with Deloitte & Touche (M.E) as its external auditor.

This change reflects a strategic move to enhance the audit process and bring fresh perspectives to the Company’s financial oversight. Deloitte’s expertise and approach are expected to contribute to strengthening the Company’s internal controls and ensuring the accuracy and transparency of its financial reporting.

ADNIC has entrusted the external audit function to Deloitte & Touche (M.E) (Registration No. 107560, P.O. Box 4254, 3rd Floor, Emaar Square building 2, Dubai – UAE), one of the major firms operating in the field of professional services in the region.

Deloitte & Touche (M.E) has been auditing the Company’s accounts since 2024 and operates independently from the Board of Directors and the Executive Management of ADNIC.

For the Company’s Annual Financial Statements for the year ended 31 December 2025, Deloitte & Touche (M.E) issued an unqualified audit opinion.

|                                                           |                         |                                                                                                          |                         |
|-----------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------|-------------------------|
| Name of audit firm                                        | Deloitte & Touche (M.E) | Fees and costs for services other than auditing the financial statements of -2025 Audit related services | AED 516,000 (excl. VAT) |
| Number of years served as external auditor of ADNIC       | Two years               | Details and nature of other services provided                                                            | Audit related services  |
| Partner name                                              | Mr. Firas Anabtawi      | Total audit fees for 2025                                                                                | 1,720,000 (excl. VAT)   |
| Number of years the named partner audited ADNICS accounts | Two years               | Other services performed by an external auditor other than Deloitte & Touche (M.E) during 2025           | None                    |
| Fees for the audit of the financial statements 2025       | 1,204,000 (excl. VAT)   |                                                                                                          |                         |



# Internal Control System

The Board of Directors is responsible for the internal control system within ADNIC and has established a number of processes and procedures which are designed to ensure the effectiveness of the internal control system.

The internal control assesses on an ongoing basis whether the controls are effective or not and whether they are operating as planned and monitors if the Management has taken action to address any deficiencies or weaknesses that are detected. In 2025, the Internal Control has not faced any significant issues in the Company.

## Violations committed during 2025

ADNIC did not commit any material violation during 2025.

## Internal audit

ADNIC's internal audit function is headed by Mr. Abdelhamid Elewa, who was appointed as Manager – Internal Audit on 28 June 2017. He holds a Bachelor degree in Accounting from Ain Shams University, Egypt, US CPA certificate and member of AICPA, US CIA certificate and member of IIA, Fellow of the Association of Accountants and Auditors of Egypt, Certificate in Insurance (CERT CII) from the Chartered Insurance Institute. Mr. Abdelhamid Elewa is responsible for reporting the internal audit function's findings to the Executive Management and to the Audit Committee on a regular basis and during 2025, the Internal Audit Department issued thirteen reports.

## Compliance

ADNIC's Compliance function is responsible for ensuring that the Company conducts its business in compliance with all relevant laws and regulations.

The Compliance Department consists of the following personnel:

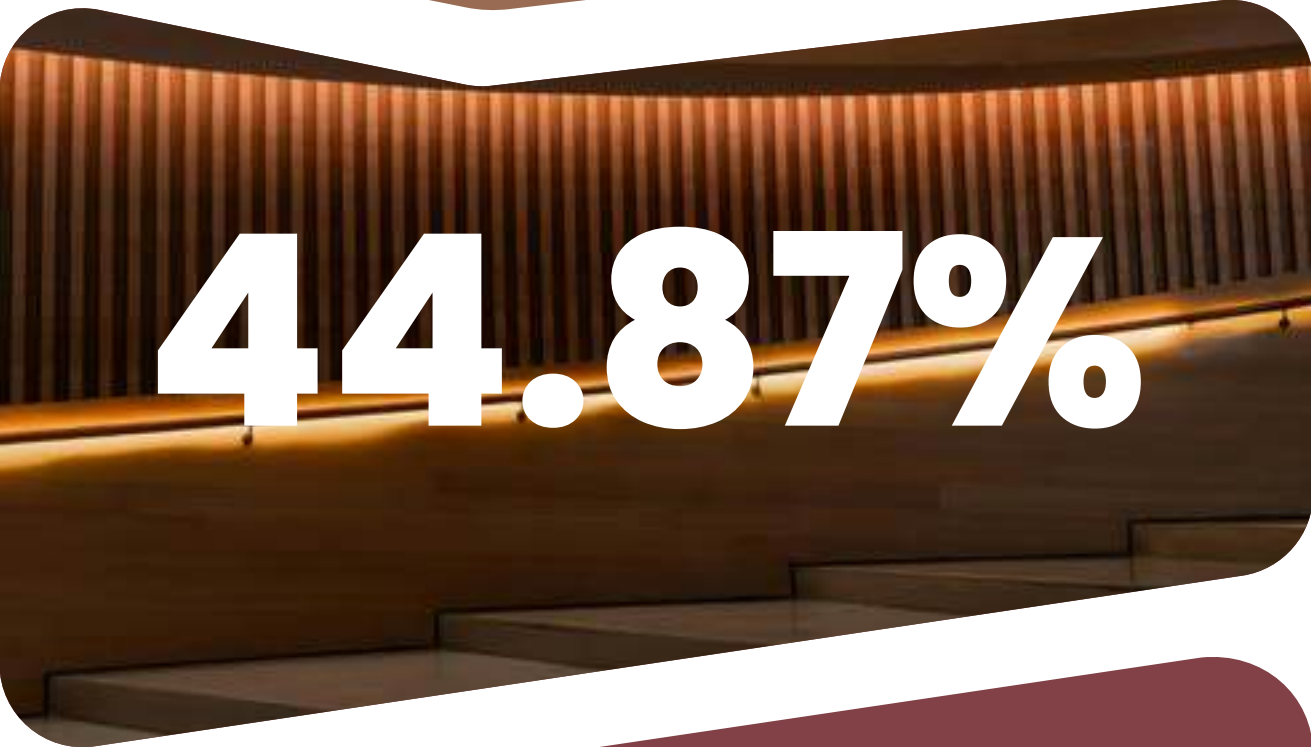
Ms. Sarah Alsaffar, Manager – Compliance and Anti-Money Laundering, joined in February 2024. She has over 19 years of experience, having previously worked as Assistant Manager in legal and compliance within the UAE insurance sector. She holds a degree in E-business Management and multiple certifications, including ICA International Diploma in AML.

Mr. Ali Kamal, Manager – Compliance, joined ADNIC in August 2022. He has around 15 years of experience working in the Banking and the Insurance industries in Lebanon and the UAE. He holds a Bachelor degree in Economics from Saint-Joseph University Lebanon. He has completed the Certified Anti-Money Laundering Specialist (CAMS) and the Certified Global Sanctions Specialist (CGSS) certificates from ACAMS in addition to several compliance certifications (Certified Specialist in AML Trade from the International Compliance Association and the Global Financial Compliance from the Chartered Institute for Securities and Investments). He has completed the Certificate in Insurance (Cert CII) from the Chartered Insurance Institute.



# Emiratization Percentage

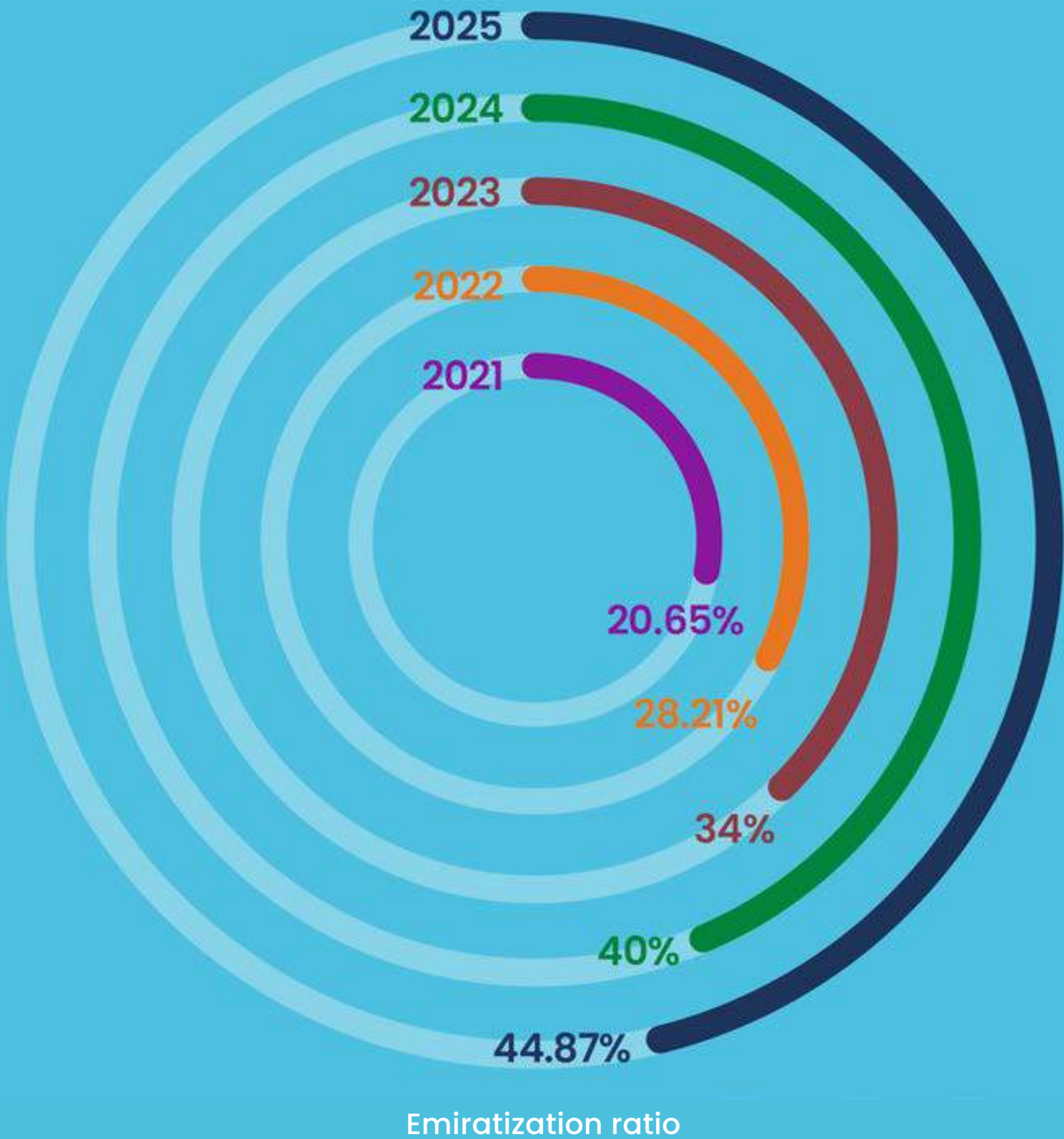
Developing our human capital is a strategic priority, and part of our commitment to achieving the Emiratization objectives.



As at 31 December 2025, our Emiratization rate is 44.87%, compared to a rate of 40%, 34%, 28.21% and 20.65% in 2024, 2023, 2022 and 2021 respectively.

Our UAE national employees are a great asset to ADNOC. We offer our UAE national employees targeted development opportunities to help them reach their full potentials, competent and well-informed of the insurance business.

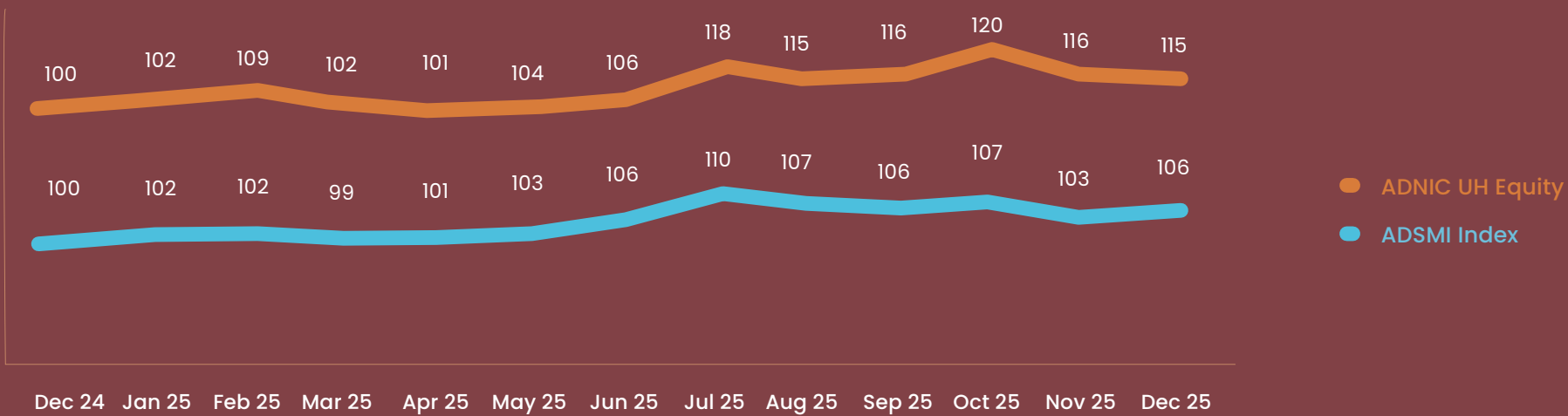
UAE nationals are appointed as trainees within various departments of ADNOC so they can successfully complete their career development programs.



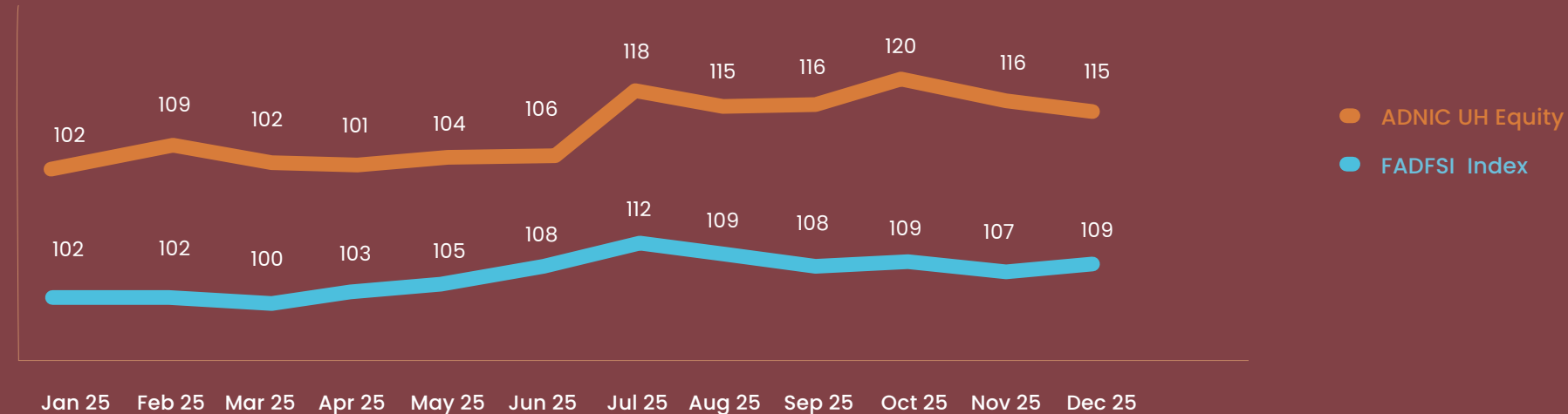
# General Information

Trading of ADNIC’s shares on ADX started on 6 July 2003 under the symbol “ADNIC”. The share price at 31 December 2025 was AED 7.04 and ADNIC’s market capitalization at 31 December 2025 was AED 4.07 billion. ADNIC’s paid-up share capital is AED 570 million, divided into 570 million ordinary shares of AED 1 each.

Comparison of the Company’s share performance with Market Index during 2025



Comparison of the Company’s share performance with Financial Sector Index during 2025



The following tables set forth the closing, high and low Share prices at the end of each month during 2025 and the breakup of shareholding at the end of 2025:

| Month     | High (AED) | Low (AED) | Close (AED) |
|-----------|------------|-----------|-------------|
| January   | 6.65       | 6.06      | 6.25        |
| February  | 6.98       | 6.26      | 6.63        |
| March     | 6.90       | 5.80      | 6.24        |
| April     | 6.35       | 6.10      | 6.18        |
| May       | 6.50       | 6.18      | 6.36        |
| June      | 6.54       | 6.20      | 6.48        |
| July      | 7.47       | 6.46      | 7.20        |
| August    | 7.32       | 6.75      | 6.99        |
| September | 7.10       | 6.87      | 7.10        |
| October   | 7.32       | 7.08      | 7.32        |
| November  | 7.36       | 7.09      | 7.10        |
| December  | 7.11       | 6.95      | 7.04        |



# Breakdown Of Shareholding

| Category       | Individuals | Companies | Government | Total   |
|----------------|-------------|-----------|------------|---------|
| UAE Nationals  | 51.55%      | 19.34%    | 24.77%     | 95.65%  |
| Arab Countries | 0.42%       | 0.29%     | 0.00%      | 0.71%   |
| Foreign        | 0.10%       | 3.55%     | 0.00%      | 3.64%   |
| Total          | 52.06%      | 23.17%    | 24.77%     | 100.00% |

# Major Shareholders (above 5%)

| Shareholders                                    | No. of shares held | % of the shares held |
|-------------------------------------------------|--------------------|----------------------|
| Mamoura Diversified Global Holding Company PJSC | 141,177,038        | 24.77%               |
| H.E. Khalaf bin Ahmed Al-Otaiba                 | 57,640,139         | 10.11%               |
| SBR Investment LLC                              | 41,713,671         | 7.32%                |

# Shareholding Distribution

| Shares owned                        | No. of shareholders | No. of shares held | % of the shares held |
|-------------------------------------|---------------------|--------------------|----------------------|
| Less than 50,000                    | 643                 | 4,967,155          | 0.87%                |
| From 50,000 to less than 500,000    | 140                 | 24,019,239         | 4.21%                |
| From 500,000 to less than 5,000,000 | 83                  | 126,661,322        | 22.22%               |
| More than 5,000,000                 | 20                  | 414,352,284        | 72.69%               |
| Grand Total                         | 886                 | 570,000,000        | 100%                 |



# Procedures taken with respect to the Controls of Investor Relations

Throughout the year, ADNOC published quarterly and annual earnings statements and management discussion and analysis presentations to raise investors' awareness about the Company's unique value proposition and provide updates on ADNOC's growth strategy and performance.

All presentations, releases and investor information are available on our Investor Relations link <https://adnoc.ae/web/guest/investor-relations>.

Investor Relations Manager: Mr. Mohamed Hussein Barakat  
Telephone Number: +971 2 4080160  
Mobile Number: +971 56 6855875  
e-mail: [mo.barakat@adnoc.ae](mailto:mo.barakat@adnoc.ae)

## Innovative Projects and Initiatives Undertaken by ADNOC or under Development in 2025

- Various digital initiatives were undertaken through integration with regulatory authorities to strengthen the medical business. Initiated personal records fetching service integration with DOH for seamless medical insurance updates. Integration with TAMM for insurance gap fine collection and supporting Open Finance and E-invoicing initiatives.
- Introduced multiple customer-centric digital enhancements for medical services, such as: Launch of ADNOC Hub – a medical servicing portal for brokers and major clients, SME portal for brokers and employees and integration with affinity partners and aggregators (e.g., Ajman Free Zone and Insurance Market).
- Rolled out several automated processes under the Robotic Process Automation (RPA) platform.
- Initiated a project for sales through Mobile App to improve individual customer experience.
- Maintained continuous monitoring of the environment for emerging threats and implemented proactive risk mitigation using advanced risk management tools. Implemented SOC solution.
- Achieved ISO 27001 certification (ISMS – Information Security Management System), adhering to industry best practices for security management.
- Launched 4 new Artificial Intelligence use cases to enhance operational efficiency and improve fraud, waste, and abuse (FWA) detection.
- Initiated an automation solution for Outward Reinsurance Program, reinforcing our position as a leading insurance and reinsurance provider.
- Commenced Data strategy and CRM implementation projects to boost internal efficiency and enhance performance measurement systems.
- Introduced a dedicated Claims Portal to enable seamless claims intimation for B2C customers.
- Enabled Apple Pay and Google Pay services across B2C and B2E channels for seamless digital payments.
- Launch of multi-currency payment link to enhance customer experience.
- Introduced Geo tagging services to fetch coordinates using address details for risk assessment.

## Corporate Social Responsibility

At ADNOC, Corporate Social Responsibility (CSR) is a core part of our business approach. The 2024 AGM approved through a special resolution the limits of the CSR contributions and authorized the Board to determine the beneficiaries and amounts.

As a leading regional multi-line insurer serving both corporate and individual clients, we view responsible practices as essential to long-term sustainability.

We are committed to creating lasting value for our shareholders, customers, employees, and the broader community.

- Our CSR initiatives are diverse, encompassing a wide range of projects across health, environmental, and social sectors.
- In 2025, ADNOC contributed a total of AED 4,000,000 toward various social causes.
- For more information on our CSR efforts, please refer to 2025 ESG report.



Finally, the Board of Directors of ADNOC is fully committed to achieving the utmost standard of conformity with the laws and regulations of the United Arab Emirates.

The Board of Directors further affirms that all internal policies necessary to ensure adherence to the Central Bank's and the Securities & Commodities Authority's regulations and standards on corporate governance, risk management, internal controls, compliance, internal audit, financial reporting and external audit were implemented by the Company.



**Sheikh Mohamed bin Saif Al-Nahyan**  
Chairman of the Board of Directors



**Mr. Abdulrahman Hamad Al-Mubarak**  
Chairman of the Nomination &  
Remuneration committee



**Mr. Ali Eid Khamis Thani Almheiri**  
Chairman of the  
Audit committee



**Mr. Abdelhamid Elewa**  
Senior Manager  
Internal Audit

# Annual Report of the Audit Committee for **2025**

# The key activities performed by the Committee during 2025 include:

The Audit Committee Assist the Board of Directors in monitoring the duties related to preparing the Financial Statements of the Company, recommends the appointment of the External and Internal Auditors, supervise their independency, finding the weakness and strengths in the Audit and recommends improvements.

## The Audit Committee performed the following duties:

- Review with the management and the external auditors all significant matters on the quarterly and year-end financial statements and recommend its adoption by the Board.
- Monitor compliance with the financial reporting standards and regulatory requirements.
- Review the Company's financial and accounting policies and procedures.
- Review significant accounting and reporting issues, including:
  1. Changes in accounting policies.
  2. Significant adjustments resulting from the audit.
  3. Ongoing concerns.
  4. Adherence to accounting criteria set by the Securities and Commodities Authority.
  5. Adherence to listing and disclosure rules and other financial reporting legal requirements.
  6. Complex or unusual transactions or highly judgmental areas.
  7. Ensure that the Company updates its policies, procedures, and control systems annually.
- Review any management letter from the external auditors and ensure the Executive Management takes corrective actions.
- Discuss significant issues and difficulties encountered in the interim or final audits.
- Review the effectiveness of ADNOC's risk management framework, assessment and responses to key business risks.
- Oversee and make recommendations on the appointment of external auditors to the Board, their fees and any questions relating to their resignation or removal.
- Develop and apply a policy for contracting with external auditors to provide audit and non-audit services and make a report to the Board of Directors to set forth the issues in respect of which action shall be adopted together with recommendations on necessary to-be-adopted steps.
- Evaluate on an annual basis external auditor qualifications, performance and independence. In performing this evaluation, the committee will obtain and review a report by the independent auditor describing the firm's internal quality-control procedures at least annually. Any material issues raised by the most recent internal quality-control review or peer review of the firm or by any inquiry or investigation by governmental or professional authorities related to one or more independent audits carried out by the firm and any steps taken to deal with any such issues and (to assess the auditor's independence) all relationships between the independent auditor and the company.
- Review the extent of non-audit services provided by the external auditors in relation to the objectivity and independence needed in the conduct of the audit and make such recommendations on these matters to the Board as the Committee sees fit.
- Review the mission and action plan of the external auditor and any material inquiries raised by the auditor to the Management in respect of accounting records, financial accounts or control systems, respond thereto and approve the same.



- Discuss with ADNOC's external auditor any audit problems or difficulties encountered during the audit and assess management's response relating to:
  1. Restrictions on the scope of the external auditor activities.
  2. Restrictions on the external auditor's access to requested materials.
  3. Significant disagreements with the Management.
  4. Material audit differences that the external auditor noted or proposed but for which the Company's financial statements were not adjusted.
  5. Coordinate with the Board of Directors, Executive Management and EVP-Finance to meet with the External Auditors at each reporting period.
  6. Review and approve plans, budget, staffing and organizational structure of the Internal Audit function and related Internal Audit activities.
- Review all reports submitted to the Committee by the Internal Audit Unit and Executive Managements responses to such reports.
- Evaluate the performance of the Internal Audit Department.
- On a regular basis, meet separately with the Head of Internal Audit to discuss any matters that the Committee or Internal Audit believes should be discussed privately.
- Review the effectiveness of Internal Audit activities and compliance with the Resolution of the Chairman of Securities and Commodities Authority's Board of Directors' Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide.
- Provide the Head of the Internal Audit the right of direct access to the Chairman of the Committee and the Committee.
- Review the effectiveness of ADNOC's Internal Control systems, including information systems, and technology security and control.
- Ensure an annual review of Internal Control system is performed to determine the overall adequacy and effectiveness of ADNOC's Internal Control System.
- Discuss the Internal Control system with the Executive Management to ensure the latter's performance of its duties towards the development of an efficient Internal Control system.
- Discuss ADNOC's Policies and Procedures with the Executive Management to ensure the latter's performance of its duties towards the development of Policies and Procedures.
- Review with management and the Head of the Internal Audit the Charter, plans, activities, staffing, and organizational structure of the internal audit process.
- Investigate any potential violations resulting from fraud, conflict of interest, or the company's non-compliance with the rules of professional conduct in a confidential manner and take steps to conduct independent and fair investigations of those violations.
- Audit Committee ensured that each Related Party Transaction is reported properly in the Company's financial statements in accordance with the applicable international accounting standards.

For and on behalf of the Committee



Mr. Ali Eid Khamis Almheiri  
Chairman of the Audit Committee



# Consolidated Financial Statements

# Board of Directors' Statement

For the full year ended  
31 December 2025

The Board of Directors is pleased to report the financial results of Abu Dhabi National Insurance Company PJSC (ADNIC) for the full year period ended 31 December 2025.

As of 31 December 2025, at a consolidated Group level, Total Assets stood at AED 10.4 billion and Total Shareholders' Equity reached AED 3.7 billion, reflecting the Group's continued balance sheet strength, disciplined capital management, and resilience throughout the year.

ADNIC Group continues to deliver strong financial performance, reporting a net profit before tax of AED 533.1 million, compared to AED 466.4 million for the same period last year, reflecting an 14.3% year-on-year growth. This robust performance was driven by consistent contributions across all underlying technical insurance and investment key performance indicators.

Gross Written Premiums (GWP) reached AED 8.5 billion, compared to AED 7.5 billion for the same period last year, representing a year-on-year increase of 13.4%. This growth reflects the continued successful deployment of the Group's accelerated growth strategy across selected business segments and territories.

The Group also demonstrated robust underwriting performance, achieving a combined ratio of 93.2%, resulting in net insurance service results of AED 494.9 million, an increase of 10.2% compared to the same period last year. This performance underscores ADNIC's disciplined underwriting approach and the effectiveness of its enterprise risk and analytical management framework.

Net income from investments for the twelve-month 2025 period rose by 8.9% to AED 296.9 million, supported by the strength and adaptability of ADNIC's investment strategy, the healthy contribution from the Group's KSA subsidiary, and a strategic shift toward more liquid, higher-yielding assets alongside disciplined cash management.

During 2025, ADNIC progressed a number of strategic initiatives aligned with its growth, diversification, and national development priorities. The Group entered into a long-term strategic partnership with Allianz Trade in the Middle East to expand access to Trade Credit Insurance solutions for businesses across the UAE. This collaboration strengthens ADNIC's product portfolio by enabling tailored solutions that protect against customer payment defaults, support cash flow stability, and facilitate secure expansion into local and international markets, while leveraging advanced credit risk expertise and market intelligence.

In parallel, ADNIC reinforced its commitment to social responsibility and national priorities through targeted initiatives supporting financial security and Emiratisation. The Group entered into a strategic partnership with the Sheikh Zayed Housing Program to provide specialized life insurance solutions for eligible UAE Nationals, contributing to community well-being and long-term financial resilience. In recognition of its sustained efforts to empower Emirati talent, ADNIC was honoured in the fourth quarter at the Nafis Award Ceremony – Third Cycle (2024–2025), securing first place in its category within the insurance sector, in addition to receiving the Gold Category Award for excellence in Emiratisation.

We extend our deepest gratitude to the UAE's visionary leadership for their continuous support, and express our sincere appreciation to His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE; His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai; His Highness Sheikh Mansour Bin Zayed Al Nahyan, Vice President, Deputy Prime Minister and Chairman of the Presidential Court; and His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi.

On behalf of the Board of Directors, I would like to thank our shareholders, partners, and customers for their continued trust and confidence in ADNIC. Their support remains vital as we continue to strengthen our position as a leading insurance provider contributing to the UAE's sustainable economic growth.



**Sheikh Mohamed Bin Saif Al-Nahyan**  
Chairman of the Board



# Chief Executive Officer's Statement

For the full year ended  
31 December 2025

I am pleased to share the strong financial performance of Abu Dhabi National Insurance Company PJSC (ADNIC) for the full year period ended 31 December 2025. Our achievements throughout the year reflect ADNIC's continued focus on advanced analytics, robust underwriting discipline, effective cost management, and sustainable growth across all areas of our business.

The Group delivered solid results during 2025, supported by consistent contributions from all underlying business units and product lines across all technical insurance and investment key performance indicators. We recorded a net profit before tax of AED 533.1 million, representing a 14.3% year-on-year increase. This performance underscores the resilience of our diversified business model and our ability to deliver profitable growth in an evolving and increasingly competitive market environment.

**Key financial highlights:**

- Total Insurance Revenue: For the full year of 2025, ADNIC's total insurance revenue reached AED 8.3 billion, compared to AED 7.2 billion in the same period last year.
- Net Insurance Service Result: Net insurance service result reached AED 494.9 million, representing an acceleration of 10.2% compared to the prior year.
- Net Income from Investments: Investment income reached AED 296.9 million, up 8.9% versus the prior year.
- Profit Before Tax: Profit before tax grew by 14.3% year on year to AED 533.1 million, yielding a profit after tax of AED 479.9 million, reflecting 14.4% growth.

As of 31 December 2025, at a consolidated Group level, Total Assets stood at AED 10.4 billion and Total Shareholders' Equity stood at AED 3.7 billion, reflecting a 6.2% growth during the year and highlighting the Group's strong capital position and balance sheet strength.

During 2025, we progressed a number of strategic initiatives aligned with our growth, diversification, and national development priorities. A key milestone was the establishment of a long-term strategic partnership with Allianz Trade in the Middle East to expand Trade Credit Insurance solutions across the UAE. This collaboration strengthens our product offering and enables businesses to manage credit risk more effectively, safeguard cash flows, and pursue growth opportunities with greater confidence.

At the same time, we partnered with the Sheikh Zayed Housing Program to provide specialized life insurance solutions for eligible UAE Nationals, supporting financial security and social well-being. In recognition of our sustained commitment to Emiratisation and national talent development,

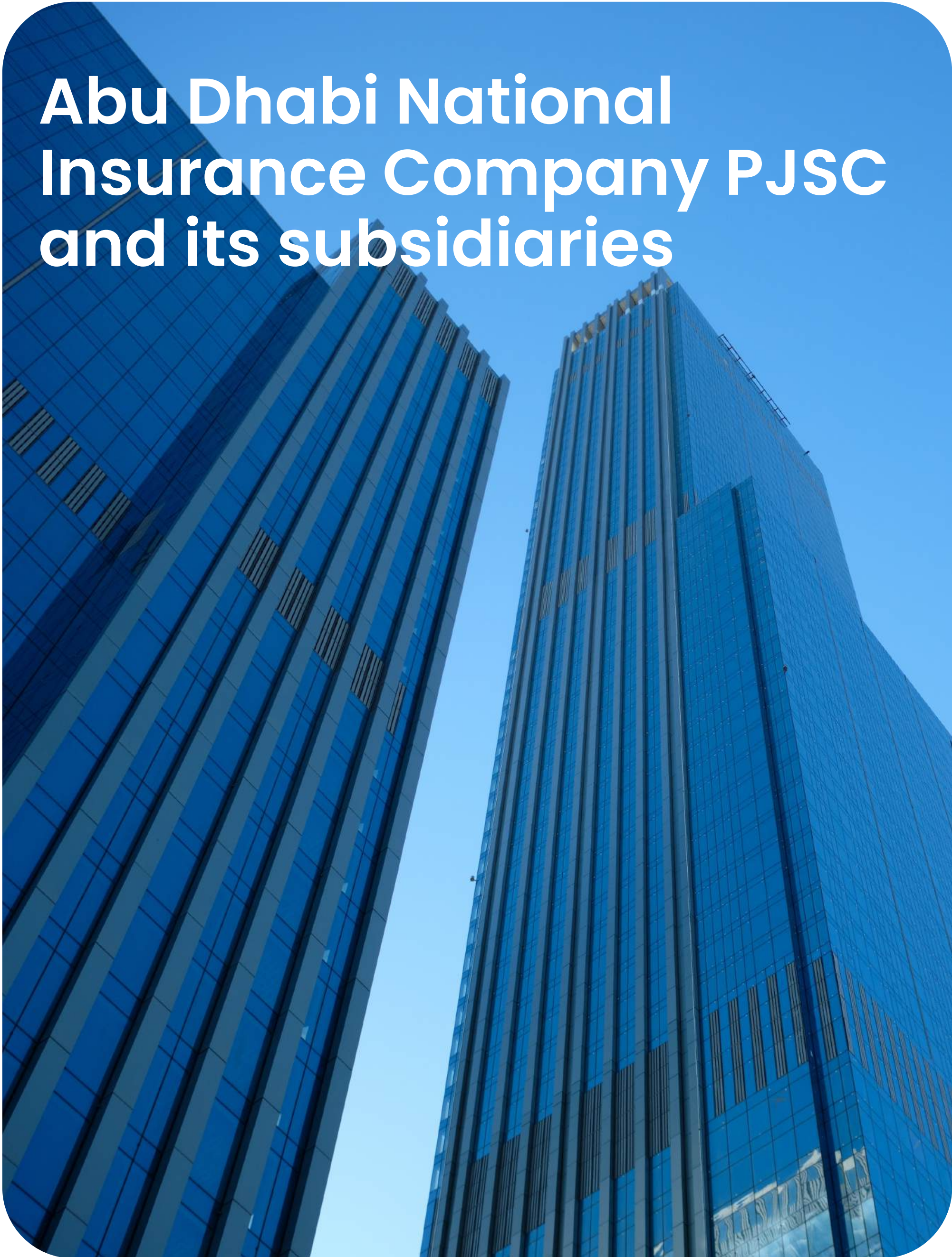
ADNIC was honoured at the Nafis Award Ceremony – Third Cycle (2024–2025), securing first place in its category within the insurance sector, in addition to receiving the Gold Category Award for excellence in Emiratisation. Together, these initiatives reflect our continued alignment with the UAE's national priorities and our commitment to creating long-term value for all stakeholders.

On behalf of the management team, I would like to extend my sincere appreciation to our employees, customers, partners, and shareholders for their continued trust and support, as well as to our Board of Directors for their ongoing guidance. Together, we remain confident in our ability to deliver sustainable growth and long-term value creation.



**Charalampos Mylonas**  
Chief Executive Officer





# Abu Dhabi National Insurance Company PJSC and its subsidiaries

## Composition of Board of Directors

|                                 |                                                                      |
|---------------------------------|----------------------------------------------------------------------|
| <b>Chairman:</b>                | Sheikh Mohamed Bin Saif Al-Nahyan                                    |
| <b>Vice Chairman:</b>           | Sheikh Theyab Bin Tahnoon Al-Nahyan                                  |
| <b>Members:</b>                 | H.E. Sultan Rashed Al-Dhaheiri                                       |
|                                 | Mr. Mohamed Khalaf Ahmed Al-Otaiba                                   |
|                                 | Mr. Omar Liaqat (Appointed effective 08 Jan 2026)                    |
|                                 | Mr. Ali Eid Khamis Thani Almheiri                                    |
|                                 | Mr. Abdulrahman Hamad Al-Mubarak                                     |
|                                 | Mr. Hazza Mohamed Rubayea Al-Mheiri (Resigned effective 10 Dec 2025) |
|                                 | Mr. Hamoodah Ghanem Bin Hamoodah                                     |
|                                 | Mrs. Futoon Hamdan Mohamed Al-Mazrouei                               |
| <b>Chief Executive Officer:</b> | Mr. Charalampos Mylonas                                              |
| <b>Address:</b>                 | P.O. Box 839                                                         |
|                                 | Abu Dhabi                                                            |
|                                 | United Arab Emirates                                                 |
| <b>External auditors:</b>       | Deloitte & Touche (M.E.)                                             |



# Independant Auditor's Report

## Report on the audit of the consolidated financial statements

**Deloitte.**

### Opinion

We have audited the consolidated financial statements of Abu Dhabi National Insurance Company PJSC (the "Company") and its subsidiaries (together "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for opinion

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

### Key audit matter

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



## Key audit matter

As at 31 December 2025, insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities amounted to AED 6.2 billion, AED 104.1 million, AED 3.6 billion and AED 128.1 million respectively, as detailed in note 12 to the consolidated financial statements.

A key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities is the determination of the Present value of future cash flows ("PVFCFs") included in the liability for incurred claims for contracts measured under the Premium Allocation Approach. As at 31 December 2025 this amounted to AED 6.1 billion and AED 6.8 billion for insurance contracts and reinsurance contracts respectively.

The determination of the PVFCFs for incurred claims represents the Group's expectations regarding future payments for known and unknown claims including associated expenses and involves actuarial models and several assumptions made by management. Its accuracy is dependent on the input data being correct and requires management to apply significant judgements, make significant estimates and use actuarial models. The risk of error arises as a result of inappropriate choice of actuarial methodologies, techniques and assumptions. Management used an internal and external actuary to assist them in the forementioned determination.

Furthermore, another key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are the receivables for amounts due net of the expected credit losses. The Group uses the expected credit loss model to estimate the allowance which requires management to apply significant estimates, such as the probability of default, loss given default, exposure at default and discount rate.

As a result of all the above factors, we consider the valuation of the PVFCFs included in the liability for incurred claims for contracts measured under the Premium Allocation Approach and the calculation of the impairment allowance on receivables reflected in the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities as a key audit matter.

## How our audit addressed the key audit matter

### **Our audit procedures included, inter alia, the following:**

- Obtaining an understanding of the process adopted by management to determine the PVFCFs included in the liability for incurred claims.
- Assessing the key controls related to the integrity of the data used in the process of valuation of the PVFCFs included in the liability for incurred claims to determine if they had been appropriately designed and implemented;
- Evaluating and testing the data used in the process of valuation of the PVFCFs concerning incurred claims;
- Testing samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, reinsurance contracts etc;
- Evaluating the objectivity, skills, qualifications and competence of the independent external actuary and reviewing the terms of the actuary's engagement with the Group to determine if the scope of his work was sufficient for audit purposes.

### **In addition, with the assistance of our internal actuarial specialists, we:**

- Determined if the calculation methods and the model used were appropriate;
- Assessed the following key assumptions:
  - loss ratios;
  - claims development factors; and
  - discount rates;
- Determined if the estimates applied in the current period and prior year were consistent;
- Developed a point estimate or range based on our understanding of the Group's business and evaluated the differences between management's point estimate and our point estimate or range.

### **With respect to the receivables, impairment allowance our audit procedures included the following:**

- Evaluated and tested the data used in the expected credit losses model calculations receivables for amounts due;
- Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used; and
- Evaluated and tested balances determined to be individually impaired.

We also assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.



## Other information

Management is responsible for the other information. The other information comprises the Board of Directors' statement and Chief Executive Officer's statement, which we obtained prior to the date of this auditors' report, and the remaining sections of the Group's Annual Report which are expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal-Decree Law No. 32 of 2021, as amended, UAE Federal Decree-Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



# Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion

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

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

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



## Report on other legal and regulatory requirements

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

- we have obtained all the information we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended;
- the Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the Group's books of account;
- note 9 to the consolidated financial statements of the Group discloses its investments in equity instruments during the financial year ended 31 December 2025;
- note 26 to the consolidated financial statements of the Group discloses material related party transactions, the terms under which they were conducted and principles of managing conflict of interests as at 31 December 2025;
- based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025, with any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and
- note 31 to the consolidated financial statements discloses social contributions made during the financial year ended 31 December 2025.

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

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



Firas Anabtawi  
Registration No. 5482  
09 February 2026  
Dubai  
United Arab Emirates



# Consolidated statement of financial position

as at 31 December

|                                                                   | Note | 2025<br>AED'000   | 2024<br>AED'000   |
|-------------------------------------------------------------------|------|-------------------|-------------------|
| <b>Assets</b>                                                     |      |                   |                   |
| Property and equipment                                            | 7    | 79,617            | 76,755            |
| Goodwill                                                          | 8    | 143,757           | 88,380            |
| Financial assets for unit linked contracts                        | 9    | 448,148           | 474,393           |
| Financial assets at amortised cost                                | 9    | 1,841,061         | 1,956,263         |
| Financial assets at fair value through other comprehensive income | 9    | 2,129,841         | 1,697,024         |
| Financial assets at fair value through profit or loss             | 9    | 329,864           | 382,626           |
| Investment properties                                             | 10   | 694,976           | 683,141           |
| Statutory deposits                                                | 11   | 68,800            | 68,800            |
| Insurance contract assets                                         | 12   | 104,109           | 155,783           |
| Reinsurance contract assets                                       | 12   | 3,551,159         | 5,416,020         |
| Prepayments and other receivables                                 | 13   | 152,056           | 133,886           |
| Deferred tax asset                                                |      | 233               | 233               |
| Deposits                                                          | 14   | 245,103           | 313,159           |
| Cash and cash equivalents                                         | 14   | 652,947           | 358,304           |
| <b>Total assets</b>                                               |      | <b>10,441,671</b> | <b>11,804,767</b> |

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Group as of, and for, the year ended 31 December 2025.

Chairman of the Board of Directors

Chief Executive Officer

## Equity and liabilities

### Equity

|                                  | Note  | 2025<br>AED'000 | 2024<br>AED'000 |
|----------------------------------|-------|-----------------|-----------------|
| Share capital                    | 16    | 570,000         | 570,000         |
| Share premium                    |       | 110,925         | 110,925         |
| Legal reserve                    | 17(a) | 286,000         | 285,000         |
| Insurance finance reserve        | 17(b) | 32,119          | 62,425          |
| Fair value reserve               | 17(c) | (82,378)        | (137,673)       |
| General reserve                  | 18    | 1,000,000       | 1,000,000       |
| Reinsurance default risk reserve | 19    | 104,954         | 82,228          |
| Other reserves                   |       | 757             | -               |
| Retained earnings                |       | 1,368,656       | 1,159,464       |
| Treasury shares                  |       | (2,212)         | (2,577)         |

### Net equity attributable to the owners of the Company

3,388,821 3,129,792

### Non - Controlling Interest

30 348,860 389,245

### Total Equity

3,737,681 3,519,037

### Liabilities

|                                    |    |           |           |
|------------------------------------|----|-----------|-----------|
| Insurance contract liabilities     | 12 | 6,223,666 | 7,835,486 |
| Reinsurance contract liabilities   | 12 | 128,098   | 129,238   |
| Employees' end of service benefits | 20 | 35,498    | 40,387    |
| Other payables                     | 21 | 316,728   | 280,619   |

### Total liabilities

6,703,990 8,285,730

### Total equity and liabilities

10,441,671 11,804,767

The notes set out on pages 12 and onwards form an integral part of these consolidated financial statements. The independent auditors' report on audit of the consolidated financial statements is set out on pages 1 to 6.



## Consolidated statement of profit or loss

as at 31 December

|                                                | Note | 2025<br>AED'000 | 2024<br>AED'000 |
|------------------------------------------------|------|-----------------|-----------------|
| Insurance revenue                              | 27   | 8,254,016       | 7,175,927       |
| Insurance service expenses                     | 27   | (4,523,273)     | (7,690,220)     |
| Income from reinsurance contracts              | 27   | 1,225,869       | 4,903,821       |
| Expenses from reinsurance contracts            | 27   | (4,461,712)     | (3,940,538)     |
| <b>Insurance service result</b>                |      | <b>494,900</b>  | <b>448,990</b>  |
| <b>Net Investment income*</b>                  | 22   | <b>296,886</b>  | <b>272,718</b>  |
| Finance expenses from insurance contracts, net | 22   | (148,672)       | (102,982)       |
| Finance income from reinsurance contracts, net | 22   | 110,376         | 71,979          |
| <b>Net finance expenses</b>                    |      | <b>(38,296)</b> | <b>(31,003)</b> |
| <b>Net financial result</b>                    |      | <b>753,490</b>  | <b>690,705</b>  |

|                                    | Note | 2025<br>AED'000 | 2024<br>AED'000 |
|------------------------------------|------|-----------------|-----------------|
| Other operating expenses           | 23   | (220,366)       | (224,268)       |
| Profit before zakat and income tax |      | 533,124         | 466,437         |
| Zakat and income tax expense       | 24   | (53,274)        | (46,979)        |
| <b>Profit for the year</b>         |      | <b>479,850</b>  | <b>419,458</b>  |
| Attributable to:                   |      |                 |                 |
| Shareholders                       |      | 475,046         | 416,812         |
| Non-Controlling Interest           |      | 4,804           | 2,646           |
|                                    |      | 479,850         | 419,458         |
| <b>Earnings per share:</b>         |      |                 |                 |
| Earnings per share (AED)           | 25   | 0.83            | 0.73            |

The notes set out on pages 12 and onwards form an integral part of these consolidated financial statements.  
The independent auditors' report on audit of the consolidated financial statements is set out on pages 1 to 6.  
\* Net investment income includes interest income based on effective interest rate.



## as at 31 December

The notes set out on pages 12 and onwards form an integral part of these consolidated financial statements. The independent auditors' report on audit of the consolidated financial statements is set out on pages 1 to 6.

# Consolidated statement of changes in shareholders' equity

as at 31 December

|                                                                                                   | Share capital  | Share premium  | Legal Reserve  | General reserve  | Fair value reserve | Insurance finance reserve | Reinsurance default risk reserve | Retained earnings | Treasury Shares | Non-Controlling Interests | Other Reserve | Total            |
|---------------------------------------------------------------------------------------------------|----------------|----------------|----------------|------------------|--------------------|---------------------------|----------------------------------|-------------------|-----------------|---------------------------|---------------|------------------|
|                                                                                                   | AED'000        | AED'000        | AED'000        | AED'000          | AED'000            | AED'000                   | AED'000                          | AED'000           | AED'000         | AED'000                   | AED'000       | AED'000          |
| <b>Balance at 1 January 2024</b>                                                                  | 570,000        | 110,925        | 285,000        | 1,000,000        | (173,518)          | 51,628                    | 59,998                           | 1,015,055         |                 |                           |               | 2,919,088        |
| Noncontrolling interests on acquisition of subsidiary (note 2a)                                   |                |                |                |                  |                    |                           |                                  |                   |                 | 384,478                   |               | 384,478          |
| Total comprehensive income:                                                                       |                |                |                |                  |                    |                           |                                  |                   |                 |                           |               |                  |
| Profit for the year                                                                               |                |                |                |                  |                    |                           |                                  | 416,812           |                 | 2,646                     |               | 419,458          |
| Other comprehensive income for the year                                                           |                |                |                |                  | 35,845             | 10,797                    |                                  | 6,327             |                 | 4,597                     |               | 57,566           |
| <b>Total comprehensive income for the period</b>                                                  |                |                |                |                  | 35,845             | 10,797                    |                                  | 423,139           |                 | 7,243                     |               | 477,024          |
| Transaction with owners of the Company:                                                           |                |                |                |                  |                    |                           |                                  |                   |                 |                           |               |                  |
| Dividend paid (note 15)                                                                           |                |                |                |                  |                    |                           |                                  | (256,500)         |                 |                           |               | (256,500)        |
| <b>Total transactions with owners of the Company</b>                                              |                |                |                |                  |                    |                           |                                  | (256,500)         |                 |                           |               | (256,500)        |
| Transfer from retained earnings to reinsurance default risk reserve                               |                |                |                |                  |                    |                           | 22,230                           | (22,230)          |                 |                           |               |                  |
| Purchase of share held under employee scheme                                                      |                |                |                |                  |                    |                           |                                  |                   | (2,577)         | (2,476)                   |               | (5,053)          |
| <b>Balance at 31 December 2024</b>                                                                | 570,000        | 110,925        | 285,000        | 1,000,000        | (137,673)          | 62,425                    | 82,228                           | 1,159,464         | (2,577)         | 389,245                   |               | 3,519,037        |
| <b>Balance at 1 January 2025</b>                                                                  | <b>570,000</b> | <b>110,925</b> | <b>285,000</b> | <b>1,000,000</b> | <b>(137,673)</b>   | <b>62,425</b>             | <b>82,228</b>                    | <b>1,159,464</b>  | <b>(2,577)</b>  | <b>389,245</b>            |               | <b>3,519,037</b> |
| Adjustment to Non-controlling interest due to acquisition date consolidation adjustment (note 2a) |                |                |                |                  |                    |                           |                                  |                   |                 | (53,205)                  |               | (53,205)         |
| Total comprehensive income:                                                                       |                |                |                |                  |                    |                           |                                  |                   |                 |                           |               |                  |
| Profit for the year                                                                               |                |                |                |                  |                    |                           |                                  | 475,046           |                 | 4,804                     |               | 479,850          |
| Other comprehensive income for the year                                                           |                |                |                |                  | 55,295             | (30,306)                  |                                  | 14,372            |                 | 7,665                     | 757           | 47,783           |
| <b>Total comprehensive income for the period</b>                                                  |                |                |                |                  | <b>55,295</b>      | <b>(30,306)</b>           |                                  | <b>489,418</b>    |                 | <b>12,469</b>             | <b>757</b>    | <b>527,633</b>   |
| Transaction with owners of the Company:                                                           |                |                |                |                  |                    |                           |                                  |                   |                 |                           |               |                  |
| Dividend paid (note 15)                                                                           |                |                |                |                  |                    |                           |                                  | (256,500)         |                 |                           |               | (256,500)        |
| <b>Total transactions with owners of the Company</b>                                              |                |                |                |                  |                    |                           |                                  | <b>(256,500)</b>  |                 |                           |               | <b>(256,500)</b> |
| Transfer from retained earnings                                                                   |                |                |                |                  |                    |                           |                                  |                   |                 |                           |               |                  |
| Purchase of share held under employee scheme                                                      |                |                |                |                  |                    |                           |                                  |                   |                 |                           |               |                  |
| <b>Balance at 31 December 2025</b>                                                                | <b>570,000</b> | <b>110,925</b> | <b>286,000</b> | <b>1,000,000</b> | <b>(82,378)</b>    | <b>32,119</b>             | <b>104,954</b>                   | <b>1,368,656</b>  | <b>(2,212)</b>  | <b>348,860</b>            | <b>757</b>    | <b>3,737,681</b> |



# Consolidated statement of cash flows

as at 31 December

|                                                                                    | Note | 2025<br>AED'000 | 2024<br>AED'000 |
|------------------------------------------------------------------------------------|------|-----------------|-----------------|
| <b>Cash flows from operating activities</b>                                        |      |                 |                 |
| Profit before zakat and tax                                                        |      | 533,124         | 466,437         |
| Adjustments for:                                                                   |      |                 |                 |
| Depreciation                                                                       | 7    | 25,468          | 27,336          |
| Amortisation expense, net                                                          | 9    | (212)           | (534)           |
| Charge of expected credit losses of other financial assets, net                    |      | 298             | 118             |
| Change in fair value of financial assets at fair value through profit or loss, net | 22   | (19,199)        | (20,331)        |
| Change in fair value of investment properties                                      | 22   | (11,731)        | (11,845)        |
| Provision for employees' end of service benefits                                   | 20   | 5,723           | 5,662           |
| Other finance cost                                                                 |      | 3,070           | 4,590           |
| Interest income                                                                    | 22   | (125,960)       | (124,528)       |
| Dividend income                                                                    | 22   | (118,381)       | (105,240)       |
| Loss on write off for property and equipment                                       | 7    | 478             | -               |
| Gain / (loss) on sale of financial assets at fair value through profit or loss     | 22   | (2,850)         | 1,983           |
| <b>Net cash generated from operations</b>                                          |      | <b>289,828</b>  | <b>243,648</b>  |
| Changes in:                                                                        |      |                 |                 |
| Financial assets for unit linked contracts                                         |      | 33,143          | 47,169          |
| Insurance and reinsurance contracts                                                |      | 165,082         | (192,939)       |
| Prepayments and other receivables                                                  |      | (15,631)        | (61,928)        |
| Other payables                                                                     |      | 26,296          | 26,674          |
| Cash operations from                                                               |      | 498,718         | 62,624          |
| Employees' end of service benefits paid                                            |      | (9,129)         | (6,938)         |
| Interest paid                                                                      |      | (2,927)         | (1,446)         |
| Zakat and tax paid                                                                 |      | (43,096)        | (10,780)        |
| <b>Net cash from operating activities generate</b>                                 |      | <b>443,566</b>  | <b>43,460</b>   |

|                                                                | Note | 2025<br>AED'000  | 2024<br>AED'000  |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Cash flows from investing activities</b>                    |      |                  |                  |
| Proceeds from sale of investments                              |      | 805,041          | 1,097,658        |
| Acquisition of a subsidiary, net of cash acquired              |      |                  | (356,399)        |
| Purchase of investments                                        |      | (976,124)        | (1,263,315)      |
| Bank deposits withdrawn                                        |      | 264,215          | 54,591           |
| Bank deposits placed                                           |      | (196,159)        | (196,929)        |
| Additions to property and equipment                            | 7    | (28,808)         | (19,704)         |
| Additions to investment properties                             | 10   | (104)            | (309)            |
| Interest received                                              |      | 123,573          | 120,215          |
| Dividend income received                                       |      | 118,381          | 105,240          |
| <b>Net cash generated from/ (used in) investing activities</b> |      | <b>110,015</b>   | <b>(458,952)</b> |
| <b>Cash flows from financing activities</b>                    |      |                  |                  |
| Lease rental paid                                              |      | (2,859)          | (141)            |
| Purchase of share held under employee scheme                   |      | 450              | (5,273)          |
| Dividend paid                                                  | 15   | (256,500)        | (256,500)        |
| <b>Net cash used in financing activities</b>                   |      | <b>(258,909)</b> | <b>(261,914)</b> |
| <b>Net increase /(decrease) in cash and cash equivalents</b>   |      | <b>294,672</b>   | <b>(677,406)</b> |
| Cash and cash equivalents at 1 January                         |      | 358,461          | 1,035,867        |
| <b>Cash and cash equivalents at 31 December</b>                | 14   | <b>653,133</b>   | <b>358,461</b>   |

The notes set out on pages 12 and onwards form an integral part of these consolidated financial statements. The independent auditors' report on audit of the consolidated financial statements is set out on pages 1 to 6.



# Notes to the consolidated financial statements

as at 31 December

## 1 Legal status and activities

Abu Dhabi National Insurance Company PJSC (the ‘Company’) is a Public Joint Stock Company registered and incorporated in Abu Dhabi, United Arab Emirates, by virtue of Law No. (4) of 1972 (as amended), and is governed by the provisions of Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business and the Federal Decree Law No. (32) of 2021, as amended, concerning the Commercial Companies, Central Bank of UAE Board of Directors’ Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Central Bank of UAE Board of Directors’ Decision No. (23) of 2019 concerning Instructions Organising Reinsurance Operations.

The Company’s principal activity is the transaction of insurance and reinsurance business of all classes and is registered and it is licensed and supervised by the Central Bank of UAE under registration No. (001). The registered office of the Company is located in ADNIC Building No. (403), Khalifa Street, P. O. Box 839, Abu Dhabi, UAE.

## 2 Basis of preparation

### (a) Basis of consolidation

The consolidated financial information comprises the financial results of the Company and those of its following subsidiary (together “the Group”):

| Subsidiaries                          | Principal activity                          | Country of incorporation | Ownership |
|---------------------------------------|---------------------------------------------|--------------------------|-----------|
| ADNIC International LTD               | *Other activities<br>auxiliary to insurance | United Kingdom           | 100%      |
| Mutakamela Insurance<br>Company (MIC) | Insurance and<br>Reinsurance                | Saudi Arabia             | 51%       |

\* The Company incorporated a wholly owned subsidiary on 3 July 2017 named ADNIC International LTD to operate as a representative office of the Company in London, England.

The subsidiary is fully consolidated from the date on which control is transferred to the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiary are prepared for the same reporting year as the Group, using consistent accounting policies. Intra-group balances and transactions, and any unrealised gains / losses arising from intra-group transactions, are eliminated in preparing the Group’s consolidated financial statements.



# Notes to the consolidated financial statements

as at 31 December

## 2 Basis of preparation (continued)

### (a) Basis of consolidation

The computation of the purchase consideration and its allocation to the net assets of MIC based on their fair values is presented below.

|                                                    | 31 December<br>2025 | 31 December<br>2024 |
|----------------------------------------------------|---------------------|---------------------|
|                                                    | AED'000             | AED'000             |
| <b>Consideration paid</b>                          | 488,552             | 488,552             |
| <b>Non- controlling Interest</b>                   | 331,273             | 384,478             |
|                                                    | <b>819,825</b>      | <b>873,030</b>      |
| <b>Less: Fair value of identifiable net assets</b> |                     |                     |
| Total assets acquired                              | 1,915,263           | 1,991,695           |
| Less: Total liabilities assumed                    | (1,239,195)         | (1,207,045)         |
|                                                    | <b>676,068</b>      | <b>784,650</b>      |
| <b>Consideration paid</b>                          | <b>143,757</b>      | <b>88,380</b>       |
| <b>Goodwill*</b>                                   |                     |                     |

\*During the quarter ended 30 September 2025, the Group identified an error in the subsidiary’s financial statements for periods prior to the acquisition date. Accordingly, the subsidiary’s financial information was restated, which resulted in a revision to the fair values recognised at the acquisition date. This adjustment led to a decrease in MIC’s identifiable net assets. Consequently, based on ADNOC’s 51% ownership interest, the Group recognised a purchase price allocation (PPA) remeasurement that increased goodwill by AED 55.38 million, from AED 88.38 million to AED 143.76 million as at the reporting date. The impact is not material at the Group level. There is no impact on the Group’s current-period profit or loss, earnings per share, or cash flows. The corresponding impact on non-controlling interests has been recognised directly within equity.

### Subsidiaries

Subsidiaries are entities over which ADNOC has established control. Control is determined by ADNOC's exposure or rights to variable returns from its involvement with the entity, coupled with its ability to influence those returns through its governing power over the entity. The financial results of subsidiaries are included in ADNOC’s consolidated financial statements from the date control is obtained and are excluded from the date control is lost.

ADNOC employs the acquisition method of accounting for business combinations, regardless of whether equity instruments or other types of assets are acquired. The consideration for acquiring a subsidiary includes the fair value of the transferred assets, liabilities incurred to the former owners of the acquired business, issued equity interests, the fair value of any contingent consideration arrangements, and the fair value of any pre-existing equity interest in the subsidiary. At the acquisition date, identifiable assets acquired, liabilities assumed, and contingent liabilities are initially measured at their fair values, with limited exceptions.

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition. The results and equity attributable to non-controlling interests are presented separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, and consolidated statement of changes in equity.



# Notes to the consolidated financial statements

as at 31 December

## 2 Basis of preparation (continued)

### (a) Basis of consolidation

#### Subsidiaries (continued)

Inter-company transactions, balances and unrealized gains on transactions between ADNOC and its subsidiaries are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

The financial statements of subsidiaries are consolidated into the Group's financial statements from the date the Group gains control, either through acquisition or incorporation, and remain consolidated until the Group ceases to have control. These consolidated financial statements are prepared for the same reporting period as the parent company and adhere to consistent accounting policies throughout the Group.

#### Goodwill

Goodwill is recognised and measured on business combinations acquired by ADNOC, as described within the 'Basis of consolidation and equity accounting' policy. Goodwill on acquisitions of subsidiaries is included in intangible assets in the consolidated statement of financial position.

Goodwill is recorded when the total of the consideration transferred, any non-controlling interest in the acquired entity, and the acquisition-date fair value of any previously held equity interest in the acquired entity exceeds the fair value of the net identifiable assets acquired.

Goodwill is not amortised but is tested for impairment annually, or more frequently if there are indications of potential impairment. It is carried at cost, less any accumulated impairment losses. For impairment testing purposes, goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the business combination in which the goodwill originated. An impairment loss is recognized when the carrying amount of a CGU or group of CGUs exceeds its recoverable amount. Impairment losses on goodwill are not reversed.

### (b) Basis of accounting

As explained in note 3, the Group has adopted all consequential amendments to International Financial Reporting Standards ("IFRS"), with a date of initial application of 1 January 2024.

### (c) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the Federal Decree Law No. 32 of 2021, as amended, concerning the Commercial Companies, Central Bank of UAE Board of Directors' Decision No. (25) of 2014 Pertinent to Financial Regulations for Insurance Companies and Central Bank of UAE Board of Directors Decision No. (23) of 2019 Concerning Instructions Organising Reinsurance Operations.

### (d) Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- Investment properties, financial assets at fair value through profit or loss, and financial assets at fair value through other comprehensive income which are carried at fair values.
- Groups of insurance and reinsurance contracts, which are measured as a sum of the fulfilment cash flows, which represent the risk-adjusted present value of estimates of expected cash flows, and the contractual service margin (CSM), which represents the unearned profit that the entity will recognise as it provides services over the coverage period. The Group also elects to measure all insurance contracts under the premium allocation approach PAA where eligible to do so. The details of the Group's significant accounting policies and measurement approach are included in note 4 of these financial statements.



# Notes to the consolidated financial statements

as at 31 December

## 2 Basis of preparation (continued)

### (a) Basis of consolidation

### (e) Functional and reporting currency

This consolidated financial information is presented in United Arab Emirates Dirhams (“AED”), which is the Company’s functional currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

The individual financial statements of the Group entities are presented in the currency of the primary economic environment in which they operate (functional currency). For the purpose of these consolidated financial statements, the results and financial position of each subsidiary are expressed in the functional currency of the Parent Company.

### (f) Use of judgements and estimates

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

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

### (i) Estimation uncertainty

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

### Discounted rates

The bottom-up approach was used to derive the discount rate by the Group. Under this approach, the USD based risk free discount rates by European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Group then further added a country risk premium from the source to make the yield curve appropriate for application. The Group has used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium.

### CSM determination

For long-term Individual Life contracts, measured under the GMM and VFA, the Group recognizes a contractual service margin (CSM) which represents the unearned profit the Group will earn as it provides service under those contracts. A coverage unit methodology is used for the release of the CSM. Based on the benefit for the policy holders, the applicable CSM release pattern is determined by using coverage unit methodology which will reflect the benefit defined in the insurance contracts with the policyholders. In performing the above determination, management applies judgement that might significantly impact the CSM carrying values and amounts of the CSM allocation recognized in the income statement for the period.

### Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows.

The Group estimates which cash flows are expected and the probability that they will occur at the measurement date. The Group’s estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts using relevant proxies. Judgement is involved in assessing the most appropriate technique to estimate



# Notes to the consolidated financial statements

as at 31 December

## Estimates of future cash flows to fulfil insurance contracts (continued)

insurance liabilities for the claims incurred. Such estimates are made using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions and actual results may differ from management's estimates resulting in future changes in estimated liabilities.

## Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion.

Judgement is involved in assessing the most appropriate method to estimate the risk adjustment for non-financial risk and also to choose the most appropriate confidence level to which the risk adjustment for non-financial risk should correspond.

## Measurement of the expected credit losses allowance

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of Expected Credit Losses ("ECL") requires the use of complex models and significant assumptions about future economic conditions and credit behavior. The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

A number of factors are also considered in applying the accounting requirements for measuring ECL, such as:

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

## Fair value of investment properties

The fair value of investment properties is determined by independent real estate valuation consultants based on discounted cash flow (DCF) and investment method of valuation. The investment method analyses potential rental income from the property taking into account expected rental growth and deducts the expenses incurred in the operation of the asset. The DCF method calculates the present value of net cashflows.

Such valuations are based on certain assumptions, which are subject to uncertainty and might materially differ from the actual values realised. The change in fair value recognised in the consolidated statement of profit or loss for the year ended 31 December 2025 is a increase of AED 11,731 thousand (31 December 2024 an increase of AED 11,845 thousand).

## (ii) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect in the amounts recognised in the consolidated financial statements.



# Notes to the consolidated financial statements

as at 31 December

## Classification of investments

Management decides on acquisition of an investment whether it should be classified as investments carried at fair value or amortised cost on the basis of both:

- (a) its business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

For equity investments carried at fair value, management decides whether they should be classified as financial assets carried at fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

Investments in equity instruments are classified and measured at FVTPL except if the equity investment is not held for trading and is designated by the Group at FVOCI.

Further, even if the asset meets the amortised cost criteria the Group may choose at initial recognition to designate the financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. For debt securities acquired to match its business model of development of the line of business, the Group classifies these investments as financial assets at fair value through other comprehensive income.

## Fair value of financial instruments

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

Where the fair value of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, their fair values are based on Net Asset Values (NAV) calculated by the respective fund managers. For other investments, if there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Judgement is required in order to determine whether contracts are within the scope of IFRS 17 and, for contracts determined to be within the scope of IFRS 17, which measurement model is applicable:

- Whether a contract issued accepts significant insurance risk and, similarly, whether a reinsurance contract held transfers significant insurance risk;
- Whether a contract issued that does not transfer significant insurance risk meets the definition of an investment contract with discretionary participation features;
- Whether contracts that were determined to be within the scope of IFRS 17 meet the definition of an insurance contract with direct participation features, particularly:
  - whether the pool of underlying items is clearly identified;
  - whether amounts that an entity expects to pay to the policyholders constitute a substantial share of the fair value returns on the underlying items; and
  - whether the Group expects the proportion of any change in the amounts to be paid to the policyholders that vary with the change in fair value of the underlying items to be substantial.
- For insurance contracts with a coverage period of more than one year and for which the entity applies the Premium Allocation Approach (PAA), the eligibility assessment as required by paragraphs 53(a), 54, 69(a) and 70 of IFRS 17 might involve significant judgement.



# Notes to the consolidated financial statements

as at 31 December

Judgement is involved in combination of insurance contracts and separation of distinct components:

- Combination of insurance contracts – whether the contracts with the same or related counterparty achieve or are designed to achieve, an overall commercial effect and require combination;
- Separation – whether components in paragraphs 11–12 of IFRS 17 are distinct (that is, they meet the separation criteria); and
- Separation of contracts with multiple insurance coverage – whether there are facts and circumstances where the legal form of an insurance contract does not reflect the substance and separation is required.

## Unit of account

Judgement is involved in the identification of portfolios of contracts, as required by paragraph 14 of IFRS 17 (that is, having similar risks and being managed together). Aggregation of insurance contracts issued on initial recognition into groups of onerous contracts, groups of contracts with no significant possibility of becoming onerous, and groups of other contracts. Similar grouping assessment is required for reinsurance contracts to be held. Areas of potential judgements include:

- paragraph 17 of IFRS 17 – the determination of contract sets within portfolios and whether the Group has reasonable and supportable information to conclude that all contracts within a set would fall into the same group, as required by paragraph 16 of IFRS 17; and
- paragraphs 18 and 19 of IFRS 17 – judgements might be applied on initial recognition to distinguish between onerous contracts those having no significant possibility of becoming onerous and other contracts.

For contracts not measured under the PAA, the assessment of the likelihood of adverse changes in assumptions that might result in contracts becoming onerous is an area of potential judgement. For insurance contracts issued which are measured under the PAA, management judgement might be required to assess whether facts and circumstances indicate that a group of contracts has become onerous. Further, judgement is required to assess whether facts and circumstances indicate that any changes in the onerous group's profitability and whether any loss component remeasurement is required.

The determination of whether laws or regulations constrain the Group's practical ability to set a different price or level of benefits for policyholders with different risk profiles, so that the Group might include such contracts in the same group, disregarding the aggregation requirements set in paragraphs 14–19 of IFRS 17, is an area of judgement.

## Recognition and derecognition

When contracts are modified, judgement might be applied to establish if the modification meets the criteria for derecognition. In particular, after the modification, judgement is applied to determine whether:

- significant insurance risk still exists;
- there are elements that are to be distinct from the contract;
- contract boundaries have changed;
- the contract would have to be included in a different group, subject to aggregation requirements; and
- the contract no longer meets the requirements of the measurement model.



# Notes to the consolidated financial statements

as at 31 December

## Fulfilment cash flows

The concept of a contract boundary is used to determine which future cash flows should be considered in the measurement of a contract within the scope of IFRS 17. Judgements might be involved to determine when the Group is capable of repricing the entire contract to reflect the reassessed risks, when policyholders are obliged to pay premiums, and when premiums reflect risks beyond the coverage period.

Where features such as options and guarantees are included in the insurance contracts, judgement might be required to assess the entity's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

An entity can use judgement to determine which cash flows within the boundary of insurance contracts are those that relate directly to the fulfilment of the contracts. The determination of what constitutes an investment component might be an area of judgement significantly affecting amounts of recognised insurance revenue and insurance service expenses, because investment components should be excluded from those.

## Revenue recognition

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

Areas of potential judgement are:

- the determination of the expected coverage period over which the CSM is allocated into consolidated statement of profit or loss for the services provided or received, that is, the determination of expected insurance coverage period;
- the determination of the coverage units provided or received in the current period and expected to be provided in future periods, including the determination of the relative weighting of the benefits provided by insurance coverage; and
- factoring in the time value of money when determining the equal allocation of the CSM to the coverage units provided or received.

An entity might apply judgement to determine whether the treatment of certain consequential insurance risks within Liability For Remaining Coverage (LRC) or Liability For Incurred Claims (LIC) reflects the most useful information about the insurance services provided by the entity to the policyholder.

For contracts measured under the General Measurement Model (GMM) in which the Group has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Group considers its commitment on initial recognition of such contracts.

Further, judgement might be required to distinguish subsequent changes in the fulfilment cash flows (FCF) resulting from changes in the Group's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.

For direct participating contracts issued by the Group, these are contracts with direct participation features where the Group holds the pool of underlying assets and accounts for these groups of contracts under the VFA.

## 3 New and amended standards and interpretations

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in this consolidated financial statement. The application of these revised IFRS Accounting Standards, did not have any material impact on the amounts reported for the current and prior periods.

### New and revised IFRS Accounting Standards

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability.

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.



# Notes to the consolidated financial statements

as at 31 December

| New and revised IFRS Accounting Standards                                                         | Effective for annual periods beginning on or after |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------|
| IFRS 9 and IFRS 7— Amendment regarding the classification and measurement of financial instrument | 1 January 2026                                     |
| IFRS 9 and IFRS 7— Contracts referencing nature-dependent electricity                             | 1 January 2026                                     |
| Annual improvements of IFRS Accounting Standards                                                  | 1 January 2026                                     |
| IFRS 18 Presentation and Disclosures in Financial Statements                                      | 1 January 2027                                     |

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Group in the period of initial application.

## 4 Material accounting information

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise in these consolidated financial statements.

In addition, the Group adopted Disclosure of Accounting Policies (Amendment to IAS 1 and IFRS Practice Statement 2) and from 1 January 2023. The amendments require the disclosure of material rather than significant accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

### Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### (a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of property the Group has elected not to separate nonlease components and account for the lease and non-lease components as a single lease component.

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

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

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

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



# Notes to the consolidated financial statements

as at 31 December

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

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

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in consolidated statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in 'property and equipment' and lease liabilities in 'other payables' in the consolidated statement of financial position.

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

The Group does not recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### (b) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (note 4, impairment). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.



# Notes to the consolidated financial statements

as at 31 December

## Financial assets and liabilities

### ~ Recognition

The Group initially recognises deposits and debt securities issued on the date that they are originated. Regular way purchases and sales of financial assets are recognised on the trade date at which the Group commits to purchase or sell the asset. All other financial assets and liabilities (including assets designated at fair value through profit or loss) are initially recognised on the trade date at which the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

### ~ Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognised in:

- (i) Consolidated statement of profit or loss, for securities held at amortised cost or FVTPL, or
- (ii) Consolidated statement of profit or loss and other comprehensive income, for investments at FVOCI. At the time of derecognition of FVOCI equity investment any revaluation reserve is transferred to retained earnings. On derecognition of FVOCI debt investments, gains and losses accumulated in OCI are reclassified to profit or loss.

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

The Group also derecognises certain assets when it writes off balances pertaining to the assets deemed to be uncollectible.

### ~ Designation at amortised cost

Debt instruments are classified as investments at amortised cost only if:

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

If either of the two criteria is not met, the financial instrument is classified at fair value through profit or loss, unless meets the classification as FVTOCI-. Further, even if the asset meets the amortised cost criteria, the Group may choose at initial recognition to designate the financial asset as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

### ~ Designation at fair value

Investments in equity instruments are classified and measured at fair value through profit or loss except if the equity investment is not held for trading and is designated by the Group at fair value through other comprehensive income. If the equity investment is designated at fair value through other comprehensive income, all gains and losses, except for dividend income which is recognised on the date on which the Group's right to receive payment is established, are recognised in consolidated statement of other comprehensive income and are not subsequently reclassified to the consolidated statement of profit or loss.

### ~ Unit linked investments

Unit linked investments are assets backing liabilities arising from contracts, where the liabilities are contractually linked to the fair value of the financial assets within the policyholder's unit linked funds and are classified as 'held for trading' assets and are designated at fair value through statement of income. Investments classified as trading are acquired principally for the purpose of selling or repurchasing in short term and are recorded in the statement of financial position at fair value. Any change in fair value is recognised in statement of income.

### ~ Other financial assets

Other non-derivative financial assets, such as cash and cash equivalents, statutory deposits, insurance and other receivables are measured at amortised cost using the effective interest method, less any impairment losses.



# Notes to the consolidated financial statements

as at 31 December

## ~ Offsetting

Financial assets and liabilities are set off and the net amount presented in the consolidated statement of financial position when, and only when, the Group has a legal right to set off the amounts and 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 by accounting standards. Gains and losses arising from a group of similar transactions are reported on a net basis.

## ~ Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

## Fair value measurement

The Group measures financial instruments, such as investments carried at fair value through other comprehensive income and investments carried at fair value through profit or loss and non-financial assets such as investment properties, at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to / by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market 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 directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. An analysis of fair values of financial instruments and further details as to how they are measured are provided in note 6.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. The fair value measurement for all of the investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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



# Notes to the consolidated financial statements

as at 31 December

## Impairment

### (i) Financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. If the credit risk on the financial asset has increased significantly since initial recognition, loss allowance equal to the lifetime ECL is recognised and if the credit risk on the financial asset has not increased significantly since initial recognition, loss allowance equal to the 12-months ECL is recognised.

For insurance balances and other receivables, the Group applies the simplified approach permitted by IFRS 9 which requires expected credit lifetime losses to be recognised from initial recognition of receivables. The expected loss rates are based on the historical credit losses experienced by assessing the payment profiles of sales. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the liability of the counterparties to settle the receivable. Insurance balances and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognised when they are assessed as uncollectible.

Expected credit losses for other financial assets, i.e., bank balances, term deposits, debt instruments at amortised cost and FVOCI are determined using the low credit risk expedient, and therefore the Group measures loss allowance for these financial assets at 12-month ECL.

The impairment charge of debt investments at FVOCI is charged to consolidated statement of profit or loss and reduces the fair value loss otherwise recognised in consolidated statement of profit or loss and other comprehensive income.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### (ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than investment properties) whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cashgenerating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.



# Notes to the consolidated financial statements

as at 31 December

## Finance cost

iFinance cost / interest paid is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

## Property and equipment

### ~ Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. 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.

### ~ Subsequent cost

The cost of replacing a part of property and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits within the part will flow to the Group and its cost can be measured reliably.

The carrying amount of the replaced part is derecognised. The cost of day-to-day servicing of property and equipment is recognised in the consolidated statement of profit or loss.

Gains and losses on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within other operating income in the consolidated statement of profit or loss.

## ~ Depreciation

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis over the remaining economic useful lives of all property and equipment. Freehold land and capital work in progress are not depreciated.

The economic useful lives of assets, from the date of use, for the current and comparative period are estimated to be as follows:

|                                                  | Useful life   |
|--------------------------------------------------|---------------|
| Building                                         | 10 – 20 years |
| Furniture, fixtures and leasehold improvements   | 4 – 10 years  |
| Computer hardware, software and office equipment | 2 – 8 years   |
| Motor vehicles                                   | 5 years       |

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

## ~ Impairment

The carrying amounts are reviewed at each reporting date for indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the consolidated statement of profit or loss to the extent that carrying values do not exceed the recoverable amounts.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks with original maturities of three months or less and exclude bank overdraft.



# Notes to the consolidated financial statements

as at 31 December

## ~ Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at fair value with any change therein recognised in the consolidated statement of profit or loss. When the use of a property changes such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. The Group holds investment properties which are disclosed in note 10.

## Revenue – non-insurance

Revenue is measured based on the consideration specified in a contract.

## ~ Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease and is stated net of related expenses.

## ~ Investment income

Interest income is recognised in the consolidated statement of profit or loss as it accrues on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument. Investment income also includes dividends which is recognised when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities.

## ~ Realised and unrealised gain

Net gains / losses on financial assets classified at fair value through profit or loss and fair value through other comprehensive income are described under the accounting policy for financial assets and liabilities.

## ~ Foreign currency

Transactions denominated in foreign currencies are translated to AED at the foreign exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to AED at the foreign exchange rates ruling at the consolidated statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to AED at the foreign exchange rate ruling at the date of the transaction. Realised and unrealised exchange gains and losses have been dealt with in the consolidated statement of profit or loss.

## ~ Provisions

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

## Employees end of service benefits

### ~ Defined benefit plan- Domiciled in the UAE

The Group provides end of service benefits to its employees employed in the UAE in accordance with the UAE Labour Law and for employees employed in the subsidiary companies in accordance with the respective region's labour Law. The entitlement of these benefits is based upon employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

### ~ Defined Contribution Plans

The Group's obligations for defined contribution plans are limited to paying contributions to publicly or privately administered pension schemes. Once contributions are paid, the Group has no further obligations, and the contributions are recognized as employee benefit expenses when they are due. Prepaid contributions are recognized as assets if a cash refund or future payment reduction is available.



# Notes to the consolidated financial statements

as at 31 December

## ~ Defined Benefit Obligations Outside the UAE

The Group performs an annual calculation of defined benefit obligations using the projected unit credit method, overseen by a qualified actuary. When this calculation indicates a potential asset, the recognized asset is constrained to the present value of future economic benefits such as potential refunds or reduced future contributions. The present value of economic benefits is calculated, taking into account any minimum funding requirements.

## ~ UAE Nationals – Pension and Social Security

Under Federal Labour Law No. 7 of 1999, employers must contribute 12.5% of an employee’s salary toward their pension and social security scheme. UAE nationals are also required to contribute 5% of their salary. The Group’s contributions are recognized in profit or loss as incurred, and any unpaid amounts at the reporting date are shown under liabilities.

## ~ Share based payments

The Group’s subsidiary company MIC offers its employees Long Term Incentive Plan (the “Plan”). The plan is approved by SAMA, under the terms of the plan the eligible employees are offered shares at a pre-determined strike price on the grant date. On the completion of the vesting period, the shares will be issued to the employees.

## ~ Treasury shares

These are recorded at cost and presented as a deduction from the equity as adjusted for any transaction cost, and gains or losses on sale of such shares. Subsequent to their acquisition, these are carried at the amount equal to the consideration paid. Any gains or losses on disposal of such shares are reflected under equity and are not recognized in the statement of income.

## ~ Dividend

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

## Taxes

### ~ Current income tax

The tax currently payable is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group or its subsidiary operates and generates taxable income.

### ~ Zakat and income tax

The Company has recorded zakat and tax provision based on the circular no. 12746/16/1438H (dated 18 January 2017) issued by the Zakat, Tax, and Customs Authority (ZATCA), in which Saudi public listed companies are to provide for tax and zakat based on the shareholding percentages of GCC and non-GCC founding shareholders.

### ~ Deferred income tax

Deferred income tax is recognised using the liability method on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for the taxation purposes. The amount of deferred tax recognised is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities using the tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences and the tax credits can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset whereas the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current and deferred tax is recognised in the statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.



# Notes to the consolidated financial statements

as at 31 December

## Insurance contracts

~ Definition and classification

The Group issues contracts that transfer either insurance risk or both insurance and financial risks. The Group does not issue contracts that transfer only financial risks.

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Group uses judgement to assess whether a contract transfers insurance risk (that is, if there is a result from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in the scenario with commercial substance in which the Group has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

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

The Group does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features.

~ Classification and measurement

IFRS 17 has introduced a new unit of account at which insurance and reinsurance contracts are measured. Contracts are grouped into a unit of account based on the portfolio, cohort and profitability group to which the contract belongs.

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

The Group applies the premium allocation approach (PAA) to simplify the measurement of contracts for all groups except for group of contracts which is not eligible for this approach. When measuring liabilities for remaining coverage, the PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Under IFRS 17, the Group's insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the PAA other than term insurance on which GMM has been applied and Direct participating contracts on which VFA has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17. Group of contracts are eligible for the PAA when:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements; or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

~ Unit of account

The Group 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.



# Notes to the consolidated financial statements

as at 31 December

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

Each cohort is further disaggregated into groups 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 Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

The Group 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 Group uses normalised risk adjusted expected total combined ratio to split contracts into the three different groups above. For longer term contracts, the Group 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.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. The Group 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 Group 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 Group 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 group 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 Group uses the reinsurance combined ratio to allocate contracts to each of the three groups above.

Before the Group 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 have to 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 Group applies IFRS 17 to all remaining components of the contract. The Group 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 Group determines that a group of contracts becomes onerous.

Insurance contracts acquired in a business combination within the scope of IFRS 3 or a portfolio transfer are accounted for as if they were entered into at the date of acquisition or transfer.



# Notes to the consolidated financial statements

as at 31 December

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.

When an insurance contract is modified by the Group as a result of an agreement with the counterparties or due to a change in regulations, the Group 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 Group 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 Group 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:

1. 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:

- a. 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;

- b. 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

- c. 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 Group 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 Group 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 the consolidated 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.



# Notes to the consolidated financial statements

as at 31 December

## ~ Measurement approach

Under IFRS 17, the Group 's insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the PAA other than term insurance on which GMM has been applied and Direct participating contracts on which VFA has been applied. The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

- The Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the general measurement model requirements; or
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The Group 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 Group 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 Group 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.

## ~ Accounting approach

ADNIC has elected to determine cumulative results for each reporting period, and estimates made by the Group in previous financial statements will not be considered when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

## ~ 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 Group 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 Group, provided that the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

The Group 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 Group 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 Group 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 Group to the reinsurer.

## ~ Contract boundaries

The Group 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 Group has a substantive obligation to provide the policyholder with insurance contract services.



# Notes to the consolidated financial statements

as at 31 December

A substantive obligation ends when:

- a. the Group 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:

- i) the Group 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;
- ii) the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date;

In assessing the practical ability to reprice, risks transferred from the policyholder to the Group, 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 Group that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or in which the Group has a substantive right to receive insurance contract services from the reinsurer.

The contract boundary of the treaty business of the Group 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 Group had defined acquisition expenses as the costs of selling, underwriting and starting issuing a group of insurance contracts as per IFRS 17 requirements. The Group 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 Group has defined all other expenses as maintenance expenses. The Group 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 Group has determined that maintenance costs are attributable if that expense would continue in run-off.

The Group has separated the outwards reinsurance costs from other expenses using a systematic allocation. The Group 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 Group 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 Group allocates these using relevant proxies. Similar methods are consistently applied to allocate expenses of a similar nature.

The Group 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 Group 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.



# Notes to the consolidated financial statements

as at 31 December

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

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

The Group adjust the LRC for certain insurance contracts issued for the effect of the time value of money, because of these contracts the insurance premiums are due beyond a year of the coverage provided associated with each premium.

For groups of insurance contracts measured under the PAA, the Group 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 Group 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 during the year;
- Decreased for ceding commissions or investment components received during the year;
- Decreased for the expected amounts of ceding premiums recognised as reinsurance expenses for the services received during the year

The Group adjust the remaining coverage for certain reinsurance contracts held for the effect of the time value of money, because reinsurance premiums are due beyond a year of the coverage provided associated with each premium.

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

The Group adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance. 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 Group 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 Group 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 Group applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

The Group does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Contracts not eligible under PAA are measured under GMM measurement model. Direct participating contracts are measured under variable fee approach (VFA).



# Notes to the consolidated financial statements

as at 31 December

~ Initial and subsequent measurement – Groups of contracts not measured under the PAA

## 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 Group 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 Consolidated 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 (as per below note).

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 Group recognises the net cost immediately in profit or loss. For reinsurance contracts held, the CSM represents a deferred gain or loss that the Group 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 Group 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:

- a) Experience adjustments arising from premiums received during the year 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 during the year and the actual payments during the period);
- b) 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;
- c) Differences between any investment component expected to become payable during the year and the actual investment component that becomes payable during the year, determined by comparing the actual investment component that becomes payable in a period with the payment during the year 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
- d) Changes in the estimate of the LRC RA at the end of the period (the Group does not disaggregate these changes between insurance finance income and expenses and amounts that adjust the CSM – all changes are allocated to the latter).



# Notes to the consolidated financial statements

as at 31 December

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 Group 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.

The Group prepares Consolidated financial statements on a quarterly basis. The Group has elected to determine cumulative results for each reporting period, and estimates made by the Group in previous Consolidated financial statements will not be considered when applying IFRS 17 in subsequent interim periods or in the annual consolidated financial statements.

~ 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 during the year 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 Group 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 Group determines coverage units as follows:

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

The Group 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.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer during the year. 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.



# Notes to the consolidated financial statements

as at 31 December

## ~ Onerous contracts – loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Group 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 Group 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:

- a) Expected incurred claims and other directly attributable expenses for the period;
- b) Changes in the RA for the risk expired; and
- c) 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 Group expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognized on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, The Group 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 Group expects to recover from the group of reinsurance contracts held.

The loss-recovery component of the Group 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.

## The Variable Fee Approach (“VFA”)

The Variable Fee Approach (“VFA”) is a mandatory modification of the general measurement model regarding the treatment of the contractual service margin in order to accommodate direct participating contracts. An insurance contract has a direct participation feature if the following three requirements are met:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts issued by the Group, these are contracts with direct participation features where the Group holds the pool of underlying assets and accounts for these Groups of contracts under the VFA. The Group uses judgement to assess whether the amounts expected to be paid to the policyholders constitute a substantial share of the fair value returns on the underlying items.



# Notes to the consolidated financial statements

as at 31 December

The Standard does not require separate adjustments to be identified for changes in the contractual service margin arising from changes in the amount of the entity's share of the fair value of the underlying items and changes in estimates of fulfilment cash flows relating to future services. A combined amount might be determined for some or all of the adjustments.

Under the VFA, adjustments to the contractual service margin are determined using current discount rates whereas under the general model, adjustments are determined using discount rates locked in at inception of a group of insurance contracts.

In contrast to insurance contracts measured under the general measurement model, the contractual service margin for contracts with direct participation features is not explicitly adjusted for the accretion of interest since the adjustment of the contractual service margin for the changes in the amount of the entity's share of the fair value of underlying items already incorporates an adjustment for financial risks, and this represents an implicit adjustment using current rates for the time value of money and other financial risks.

The variable fee approach possesses following key features;

- a. Comparable to GMM, only difference is that this group of insurance contract have policy holders who participate in share of clearly identified pool of underlying items.
- b. The insurer expects that part of the profit of the underlying items needs to be paid to the policy holder, while the amount paid to the policy holder depends on the underlying item.
- c. The result is that VFA looks like GMM, not different at the start of the contract.
- d. Only the subsequent years there are differences in the cash flows (as part goes to policy holder).

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

- a. changes in the Group's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
  - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
  - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premiumbased taxes;

- iii. changes in estimates of the present value of future cash flows in the LRC, except those described in the following paragraph;
- iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- v. changes in the risk adjustment for non-financial risk that relate to future service.

For insurance contracts under the VFA, the following adjustments do not relate to future service and thus do not adjust the CSM:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
  - i. changes in the FCF relating to the LIC; and
  - ii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows). The Group does not have any products with complex guarantees and does not use derivatives to economically hedge the risks.

The Group applies the variable fee model to:

- Education Unit link (DSF and Banca)
- Retirement Unit link (DSF and Banca)
- Group Retirement

## Amounts recognised in comprehensive income

~ Insurance revenue

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

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



# Notes to the consolidated financial statements

as at 31 December

For groups of insurance contracts measured under the PAA, the Group 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 during the year (excluding investment components) and other directly attributable insurance service expenses incurred during the year;
- 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 consolidated statement of profit or loss.

## ~ Net income (expenses) from reinsurance contracts held

The Group 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 during the year ceded to the reinsurer; and
- Ceding commission earned during the year. 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 measured under the GMM and the PAA, the Group disaggregates insurance finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied), except term life insurance. The finance income and expenses from insurance contracts issued recognised in the consolidated 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.

For contracts measured under the VFA, the main amounts within insurance finance income or expenses are:

- changes in the fair value of underlying items;
- interest accreted on the FCF relating to cash flows that do not vary with returns on underlying items; and
- the effect of changes in interest rates and other financial assumptions on the FCF relating to cash flows that do not vary with returns on underlying items.



# Notes to the consolidated financial statements

as at 31 December

For the contracts measured using the VFA, the P&L option is applied. As the Group holds the underlying items for these contracts, the use of the P&L option results in the elimination of accounting mismatches with income or expenses included in profit or loss on the underlying assets held. This is applied because the amounts of income or expenses for the underlying assets are recognized in profit or loss.

## Estimates and assumptions

~ 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 Group 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 Group:

- 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 Group 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 Group 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. 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 Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group 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.

The Group 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;
- Future changes in legislation are not taken into account, unless they have been substantively enacted.

The Group 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 Group 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 Group uses a blended approach (i.e. the chain-ladder, Bornhuetter Ferguson and expected loss ratio techniques are used) for calculating LIC for all direct lines of business. The Group performs the calculations using quarterly claims development for all portfolios except Motor and Medical where monthly claims development is used.



# Notes to the consolidated financial statements

as at 31 December

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.

For the measurement of the inwards reinsurance LIC, the Group uses the expected loss ratio method given the small size of this portfolio.

Expenses related directly to the settlement of the claim are implicitly included in the claims estimates described above. Other overhead expenses deemed attributable to the settlement of the claim are determined using the Kittel method. Future cash flows are adjusted for the time value of money as most claims take more than a year to be settled by the Group.

The approach used to accurately allow for non-performance would be to model the loss to be suffered on a default event and the probability of such an event occurring. Mathematically this could be expressed as:

Probability of default (“PD”) x Loss given default (“LGD”) x Exposure at default (“EAD”)  
Assumptions for PDs and LGDs should be set using market data at the valuation date. The Group uses a range of macro-economic factors, forward-looking estimates and credit behavior of the reinsurer in the assessment of risk of reinsurers’ non-performance. The Group periodically reviews and updates selected economic series and applies judgement in determining what constitutes reasonable and forward-looking estimates.

~ Discount rates

The bottom-up approach was used to derive the discount rate by the Group. Under this approach, the USD based risk free discount rates by European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Group then further added a country risk premium from the source to make the yield curve appropriate for application. The Group has used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium.

For MIC subsidiary entity, the USD based risk free discount rates by European Insurance and Occupational Pensions Authority (EIOPA) were used as a starting point for preparing the yield curve. The Group then further added a KSA country risk premium from the source to make the yield curve appropriate for application. The Group has used the USD volatility adjustment reported by EIOPA for Solvency II as a proxy for illiquidity premium. The Group is currently discounting liability for incurred claims for all groups of insurance contracts.

Management uses judgement to assess liquidity characteristics of the liability cash flows. It was determined that all contracts are considered less liquid than the financial assets used to derive the risk-free yield. For all contracts, the illiquidity premium was estimated based on market observable liquidity premiums in financial assets, adjusted to reflect the illiquidity characteristics of the liability cash flows.

Where the Group is exposed to FCFs that vary with inflation (e.g. claims and expense cash flows), the Group has explicitly allowed for inflation in the FCFs measurement and has discounted these using nominal discount rates set using the bottom-up approach.

The yield curves that were used to discount the estimates of future cash flows are as follows:

| Financial year | 1 Year         | 5 Year         | 10 Year        | 20 Year        | 30 Year        |
|----------------|----------------|----------------|----------------|----------------|----------------|
| 31-Dec-25      | 4.00% to 4.50% | 4.09% to 4.60% | 4.44% to 5.00% | 5.16% to 5.40% | 5.40% to 6.69% |
| 31-Dec-24      | 5.34% to 5.35% | 5.01% to 5.19% | 5.07% to 5.24% | 5.27% to 5.58% | 5.01% to 5.63% |

~ Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Group fulfils insurance contracts.

The Group has used the Value at Risk (VAR) approach to determine the RA for all contracts except the single premium credit life contracts where provisions for adverse deviation has been used. The Group allows for all non-financial risks related to the insurance contract when calculating the RA. For the VAR approach, the Group has used the Mack method to determine the RA for the LIC at the chosen confidence level. The distributions used in the method were selected based on a goodness of fit test. The RA for the LRC was estimated by scaling the calculation for the CBUAE premium risk module to the selected confidence level.



# Notes to the consolidated financial statements

as at 31 December

For single premium credit life, the margins used in the methodology were calibrated to be in line with the Group's selected confidence level because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favorable and unfavorable outcomes in a way that reflects the Group's degree of risk aversion. These estimates are made based on the expected diversification across all of the Group's insurance contracts.

The risk adjustment for the Motor, Medical and Property portfolio corresponds to a 60% confidence level whereas the risk adjustment for all other lines of business correspond to a 70% - 75% confidence level.

The Group does not disaggregate changes in the RA between insurance service result and insurance finance income or expenses.

The Group has used consistent approach to calculate the RA as for the insurance contracts.

## 5 Risk management

This section summarises the risks faced by the Group and the way the Group manages them.

### (i) Introduction and overview

~ Overall framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of the set financial performance objectives, and to ensure insurance benefits are available to policyholders as and when needed. Management recognises the critical importance of having an efficient and effective enterprise risk management framework embedded in the Group.

The Board Risk Committee effectively assists the Board of Directors by providing leadership, direction and supervision of the risk acceptance framework, taking the risk and the management of the risk acceptance. Key Responsibilities include evaluate and review the effectiveness and design of the risk management framework, its impact on the Company's activities, provide independent and objective advice to develop the policies of the Board of Directors and monitor the activities of the Company.

The Risk Management function is responsible for independent assessment, identification and management of the group risk profile. It also takes ownership to ensure that the Board has sufficient information to exercise their Risk Management duties. The Head of Risk Management reports directly to the Board Risk Committee.

The Executive Risk Committee, acting as a second line of defense, oversees and monitors risk management at ADNIC to ensure compliance with the risk governance framework and alignment with the defined risk appetite.

ADNIC's Audit Committee assists the Board of Directors in discharging its responsibilities with regard to the financial reporting, external audit, internal audit and compliance functions. The responsibility includes, reviewing and monitoring the integrity of annual consolidated financial statements and consolidated financial statements, corporate governance report, advising on the appointment of external auditors, supervise their independence, reviewing the effectiveness of the external audit process, reviewing the effectiveness of internal audit and compliance functions, review the effectiveness of ADNIC's risk management framework, along with assessment and responses to key business risks, and compliance with the applicable laws and regulations.

The Board of Directors has approved and implemented governance functions and structures, including an Internal Audit function that is independent of the Management and reports directly to the Group's Audit Committee.

~ Capital management framework

The Group Risk Management Framework aims to identify risks to which each of its business units and the Group as a whole is exposed, and which may impact the longer-term solvency of the entity. This is supported by specific capital risk tolerance limits and a stress-testing framework across all risk types, to ensure sufficient solvency under severe but plausible circumstances.

~ Regulatory framework

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



# Notes to the consolidated financial statements

as at 31 December

The operations of the Group are also subject to regulatory requirements within the UAE. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise. The chairman of the Central Bank of UAE vide Board of Directors’ Decision No. (25) of 2014 dated 28th December 2014, issued Financial Regulation for Insurance Companies (FRIC) applicable to insurance companies incorporated in the UAE and the foreign insurance companies licensed to practice the activity in the UAE. The major highlights of the regulation are summarised in the below table:

~ Regulation

- a) Basis of Investing the Rights of the Policy Holders
- b) Solvency Margin and Minimum Guarantee Fund
- c) Basis of calculating the technical reserves
- d) Determining the Group’s assets that meet the accrued insurance liabilities
- e) Records which the Group shall be obligated to organise and maintain as well as the data and documents that shall be made available to the Authority
- f) Principles of organising accounting books and records of the Group, agents and brokers and determining data to be maintained in these books and records
- g) Accounting policies to be adopted and the necessary forms needed to be prepared and present reports and financial statements

**(ii) Insurance risk**

The Group accepts insurance risk through its written insurance and reinsurance contracts. The Group is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts and the Risk Management Framework covers exposure through pricing, reserving and aggregation.

The Group writes the following types of insurance contracts:

- |                                          |                                   |
|------------------------------------------|-----------------------------------|
| • Marine hull insurance                  | • Financial lines insurance       |
| • Marine cargo insurance                 | • Property insurance              |
| • Aviation insurance                     | • Personal accident insurance     |
| • Engineering and construction insurance | • Group and credit life insurance |
| • Energy insurance                       | • Motor insurance                 |
| • Liability insurance                    | • Health insurance                |

Two key elements of the Group’s insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed below.

~ Underwriting strategy

The Group’s underwriting strategy is to build balanced portfolios based on a large number of similar risks 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 underwriting strategy is set out by the Group and aims to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. The strategy establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Group is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

Generally, all general insurance contracts are annual in nature and the underwriters have the right to refuse renewal or to change the terms and conditions of the contract at renewal. Medical selection is part of the Group’s underwriting procedures, whereby premiums are charged to reflect the health condition and family medical history of the applicants. Pricing is based on assumptions, such as mortality and persistency, which consider past experience and current trends. Contracts, including specific risks and guarantees, are tested for profitability according to predefined procedures before approval.

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

The Group operates a number of oversight committees that monitor aggregate risk data and take overall risk management decisions.

~ Geographical concentration of risks

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



# Notes to the consolidated financial statements

as at 31 December

## ~ Reinsurance strategy

The reinsurance arrangements include proportional, excess and catastrophe coverage. The Group reinsures a portion of the insurance risks it underwrites in order to control manage its exposure to losses and protect capital resources.

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

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

The loss ratios determined by assessing net incurred claims in relation to net earned premium are analysed below by class of business for the current and previous year:

| Type of risk | 31 December 2025 |                | 31 December 2024 |                |
|--------------|------------------|----------------|------------------|----------------|
|              | Gross loss ratio | Net loss ratio | Gross loss ratio | Net loss ratio |
| Commercial   | 22%              | 52%            | 103%             | 58%            |
| Consumer     | 76%              | 80%            | 87%              | 79%            |

## ~ Sensitivity of underwriting profit and losses

The underlying risk of any agreed insurance contract is the possibility that the insured event occurs and the level of certainty the insurer can project on any resulting claim. By the nature of an insurance contract, this risk is often random and the amount of payable claim even more unpredictable. Therefore, the Group applies the principle of probability across all pricing and provisioning. Despite this principle the risk that actual claims payments exceed the estimated amount of the insurance liabilities is still ever present due to the uncertainty of the frequency or severity of claims being greater than estimated.

Whilst the Group applies the portfolio approach to understand its projected claims, events leading to actual claims vary and therefore profitability is impacted, either positively or negatively on an annual basis.

The Group has an overall risk retention level of 42.30% (31 December 2024: 35.5%) and this is mainly due to overall low retention levels in commercial lines. Despite these low retention levels on commercial lines, due to the unpredictability in events and their extreme volatility, large events stress the performance of the Group despite transferring risks to other parties. For all lines of business, the Group is adequately covered by excess of loss reinsurance programs to guard against any major financial impact.

The following tables present information on how reasonably possible changes in assumptions made by the Group with regard to underwriting risk variables impact product line insurance liabilities and profit or loss and equity before and after risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions might be correlated.



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Sensitivity of underwriting profit and losses (continued)

Sensitivities for contracts not measured under PAA at 31 December 2025

|                                    | FCF as at<br>31 December<br>AED'000 | CSM as at<br>31 December<br>AED'000 | Total<br>AED'000 | Impact on<br>FCF<br>AED'000 | Impact on<br>CSM<br>AED'000 | Total<br>increase/<br>(decrease) in<br>insurance<br>contract<br>liabilities<br>AED'000 | Remaining<br>CSM<br>AED'000 | Impact on<br>profit<br>before<br>income tax<br>AED'000 | Impact on<br>equity<br>AED'000 |
|------------------------------------|-------------------------------------|-------------------------------------|------------------|-----------------------------|-----------------------------|----------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------|
| Insurance contract liabilities     | 759,243                             | 23,673                              | 782,916          |                             |                             |                                                                                        |                             |                                                        |                                |
| Reinsurance contract assets        | 11,126                              | (118,727)                           | (107,601)        |                             |                             |                                                                                        |                             |                                                        |                                |
| Net insurance contract liabilities | 770,369                             | (95,054)                            | 675,315          |                             |                             |                                                                                        |                             |                                                        |                                |
| Discount rate +0.5%                |                                     |                                     |                  |                             |                             |                                                                                        |                             |                                                        |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (14,267)                    | (370)                       | (14,637)                                                                               | 23,303                      | 7,681                                                  | 14,637                         |
| Reinsurance contract assets        |                                     |                                     |                  | (119)                       | 1                           | (118)                                                                                  | (118,725)                   | 32                                                     | 118                            |
| Net insurance contract liabilities |                                     |                                     |                  | (14,386)                    | (369)                       | (14,755)                                                                               | (95,422)                    | 7,713                                                  | 14,755                         |
| Discount rate -0.5%                |                                     |                                     |                  |                             |                             |                                                                                        |                             |                                                        |                                |
| Insurance contract liabilities     |                                     |                                     |                  | 7,979                       | 18                          | 7,997                                                                                  | 23,691                      | (707)                                                  | (7,997)                        |
| Reinsurance contract assets        |                                     |                                     |                  | 147                         | -                           | 147                                                                                    | (118,726)                   | (2)                                                    | (147)                          |
| Net insurance contract liabilities |                                     |                                     |                  | 8,126                       | 18                          | 8,144                                                                                  | (95,035)                    | (709)                                                  | (8,144)                        |
| Mortality claim +5%                |                                     |                                     |                  |                             |                             |                                                                                        |                             |                                                        |                                |
| Insurance contract liabilities     |                                     |                                     |                  | 8,259                       | (255)                       | 8,004                                                                                  | 23,418                      | (9,539)                                                | (8,004)                        |
| Reinsurance contract assets        |                                     |                                     |                  | 8                           | 4                           | 12                                                                                     | (118,722)                   | 25                                                     | (12)                           |
| Net insurance contract liabilities |                                     |                                     |                  | 8,267                       | (251)                       | 8,016                                                                                  | (95,304)                    | (9,514)                                                | (8,016)                        |
| Mortality claim -5%                |                                     |                                     |                  |                             |                             |                                                                                        |                             |                                                        |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (12,236)                    | 44                          | (12,192)                                                                               | 23,718                      | 13,727                                                 | 12,192                         |
| Reinsurance contract assets        |                                     |                                     |                  | 6                           | (3)                         | 3                                                                                      | (118,729)                   | (7)                                                    | (3)                            |
| Net insurance contract liabilities |                                     |                                     |                  | (12,230)                    | 41                          | (12,189)                                                                               | (95,011)                    | 13,720                                                 | 12,189                         |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Sensitivity of underwriting profit and losses (continued)

Sensitivities for contracts not measured under PAA at 31 December 2025

|                                    | FCF as at<br>31 December<br>AED'000 | CSM as at<br>31 December<br>AED'000 | Total<br>AED'000 | Impact on<br>FCF<br>AED'000 | Impact on<br>CSM<br>AED'000 | Total<br>increase/<br>(decrease)<br>in<br>insurance<br>contract<br>liabilities<br>AED'000 | Remaining<br>CSM<br>AED'000 | Impact on<br>profit<br>before<br>income tax<br>AED'000 | Impact on<br>equity<br>AED'000 |
|------------------------------------|-------------------------------------|-------------------------------------|------------------|-----------------------------|-----------------------------|-------------------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------|--------------------------------|
| <b>Surrender claim +5%</b>         |                                     |                                     |                  |                             |                             |                                                                                           |                             |                                                        |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (3,712)                     | (204)                       | (3,916)                                                                                   | 23,469                      | 3,923                                                  | 3,916                          |
| Reinsurance contract assets        |                                     |                                     |                  | 12                          | 1                           | 13                                                                                        | (118,726)                   | 17                                                     | (13)                           |
| Net insurance contract liabilities |                                     |                                     |                  | (3,700)                     | (203)                       | (3,903)                                                                                   | (95,257)                    | 3,940                                                  | 3,903                          |
| <b>Surrender claim -5%</b>         |                                     |                                     |                  |                             |                             |                                                                                           |                             |                                                        |                                |
| Insurance contract liabilities     |                                     |                                     |                  | 3,517                       | 193                         | 3,710                                                                                     | 23,867                      | (3,718)                                                | (3,710)                        |
| Reinsurance contract assets        |                                     |                                     |                  | (12)                        | (1)                         | (13)                                                                                      | (118,727)                   | (16)                                                   | 13                             |
| Net insurance contract liabilities |                                     |                                     |                  | 3,505                       | 192                         | 3,697                                                                                     | (94,860)                    | (3,734)                                                | (3,697)                        |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Sensitivity of underwriting profit and losses (continued)

Sensitivities for contracts not measured under PAA at 31 December 2024

|                                    | FCF as at<br>31 December<br>AED'000 | CSM as at<br>31 December<br>AED'000 | Total<br>AED'000 | Impact on<br>FCF<br>AED'000 | Impact on<br>CSM<br>AED'000 | Total increase/<br>(decrease)<br>in insurance<br>contract<br>liabilities<br>AED'000 | Remaining<br>CSM<br>AED'000 | Impact on<br>profit before<br>income tax<br>AED'000 | Impact on<br>equity<br>AED'000 |
|------------------------------------|-------------------------------------|-------------------------------------|------------------|-----------------------------|-----------------------------|-------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------|--------------------------------|
| Insurance contract liabilities     | 749,554                             | 15,041                              | 764,595          |                             |                             |                                                                                     |                             |                                                     |                                |
| Reinsurance contract assets        | 9,648                               | (128,282)                           | (118,634)        |                             |                             |                                                                                     |                             |                                                     |                                |
| Net insurance contract liabilities | 759,202                             | (113,241)                           | 645,961          |                             |                             |                                                                                     |                             |                                                     |                                |
| <b>Discount rate +0.5%</b>         |                                     |                                     |                  |                             |                             |                                                                                     |                             |                                                     |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (19,900)                    | 86                          | (19,814)                                                                            | 15,126                      | (3,469)                                             | 19,814                         |
| Reinsurance contract assets        |                                     |                                     |                  | (166)                       | -                           | (166)                                                                               | (128,282)                   | -                                                   | 166                            |
| Net insurance contract liabilities |                                     |                                     |                  | (20,066)                    | 86                          | (19,980)                                                                            | (113,156)                   | (3,469)                                             | 19,980                         |
| <b>Discount rate -0.5%</b>         |                                     |                                     |                  |                             |                             |                                                                                     |                             |                                                     |                                |
| Insurance contract liabilities     |                                     |                                     |                  | 20,933                      | (103)                       | 20,830                                                                              | 14,938                      | (176)                                               | (20,830)                       |
| Reinsurance contract assets        |                                     |                                     |                  | 130                         | (1)                         | 129                                                                                 | (128,284)                   | -                                                   | (129)                          |
| Net insurance contract liabilities |                                     |                                     |                  | 21,063                      | (104)                       | 20,959                                                                              | (113,346)                   | (176)                                               | (20,959)                       |
| <b>Mortality claim +5%</b>         |                                     |                                     |                  |                             |                             |                                                                                     |                             |                                                     |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (5,010)                     | 169                         | (4,841)                                                                             | 15,210                      | (19,908)                                            | 4,841                          |
| Reinsurance contract assets        |                                     |                                     |                  | (18)                        | 1                           | (17)                                                                                | (128,282)                   | 18                                                  | 17                             |
| Net insurance contract liabilities |                                     |                                     |                  | (5,028)                     | 170                         | (4,858)                                                                             | (113,072)                   | (19,890)                                            | 4,858                          |
| <b>Mortality claim -0.5%</b>       |                                     |                                     |                  |                             |                             |                                                                                     |                             |                                                     |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (7,761)                     | (935)                       | (8,696)                                                                             | 14,106                      | 14,837                                              | 8,696                          |
| Reinsurance contract assets        |                                     |                                     |                  | 17                          | (1)                         | 16                                                                                  | (128,284)                   | (15)                                                | (16)                           |
| Net insurance contract liabilities |                                     |                                     |                  | (7,744)                     | (936)                       | (8,680)                                                                             | (114,178)                   | 14,822                                              | 8,680                          |



## Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Sensitivity of underwriting profit and losses (continued)

Sensitivities for contracts not measured under PAA at 31 December 2024

|                                    | FCF as at<br>31 December<br>AED'000 | CSM as at<br>31 December<br>AED'000 | Total<br>AED'000 | Impact on<br>FCF<br>AED'000 | Impact on<br>CSM<br>AED'000 | Total<br>increase /<br>(decrease)<br>in insurance<br>contract<br>liabilities<br>AED'000 | Remaining<br>CSM<br>AED'000 | Impact on<br>profit before<br>income tax<br>AED'000 | Impact on<br>equity<br>AED'000 |
|------------------------------------|-------------------------------------|-------------------------------------|------------------|-----------------------------|-----------------------------|-----------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------|--------------------------------|
| <b>Surrender claim+5%</b>          |                                     |                                     |                  |                             |                             |                                                                                         |                             |                                                     |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (65,700)                    | 2,053                       | (63,647)                                                                                | 17,094                      | (40,790)                                            | 63,647                         |
| Reinsurance contract assets        |                                     |                                     |                  | (1)                         | -                           | (1)                                                                                     | (128,283)                   | 1                                                   | 1                              |
| Net insurance contract liabilities |                                     |                                     |                  | (65,701)                    | 2,053                       | (63,648)                                                                                | (111,189)                   | (40,789)                                            | 63,648                         |
| <b>Surrender claim -5%</b>         |                                     |                                     |                  |                             |                             |                                                                                         |                             |                                                     |                                |
| Insurance contract liabilities     |                                     |                                     |                  | (6,614)                     | 1,130                       | (5,484)                                                                                 | 16,171                      | 3,877                                               | 5,484                          |
| Reinsurance contract assets        |                                     |                                     |                  | 1                           | -                           | 1                                                                                       | (128,283)                   | (1)                                                 | (1)                            |
| Net insurance contract liabilities |                                     |                                     |                  | (6,613)                     | 1,130                       | (5,483)                                                                                 | (112,112)                   | 3,876                                               | 5,483                          |



## Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Sensitivity of underwriting profit and losses (continued)

Sensitivities for contracts measured under the PAA

|                                    | 2025                     |                  |                                          |                     | 2024                     |               |                                          |                     |
|------------------------------------|--------------------------|------------------|------------------------------------------|---------------------|--------------------------|---------------|------------------------------------------|---------------------|
|                                    | LIC as at<br>31 December | Impact on<br>LIC | Impact on<br>profit before<br>income tax | Impact on<br>equity | LIC as at<br>31 December | Impact on LIC | Impact on<br>profit before<br>income tax | Impact on<br>equity |
|                                    | AED'000                  | AED'000          | AED'000                                  | AED'000             | AED'000                  | AED'000       | AED'000                                  | AED'000             |
| Insurance contract liabilities     | 6,300,947                |                  |                                          |                     | 7,932,721                |               |                                          |                     |
| Reinsurance contract assets        | (6,979,562)              |                  |                                          |                     | (8,445,341)              |               |                                          |                     |
| Net insurance contract liabilities | (678,615)                |                  |                                          |                     | (512,620)                |               |                                          |                     |
| Discount rate +0.5%                |                          |                  |                                          |                     |                          |               |                                          |                     |
| Insurance contract liabilities     |                          | (20,266)         | 712                                      | 20,266              |                          | (26,179)      | -                                        | 26,179              |
| Reinsurance contract assets        |                          | 16,312           | (1,711)                                  | (16,312)            |                          | 21,355        | -                                        | (21,355)            |
| Net insurance contract liabilities |                          | (3,954)          | (999)                                    | 3,954               |                          | (4,824)       | -                                        | 4,824               |
| Discount rate -0.5%                |                          |                  |                                          |                     |                          |               |                                          |                     |
| Insurance contract liabilities     |                          | 20,517           | (720)                                    | (20,517)            |                          | 26,506        | -                                        | (26,506)            |
| Reinsurance contract assets        |                          | (16,515)         | 1,734                                    | 16,515              |                          | (21,627)      | -                                        | 21,627              |
| Net insurance contract liabilities |                          | 4,002            | 1,014                                    | (4,002)             |                          | 4,879         | -                                        | (4,879)             |
| Risk adjustment+5%                 |                          |                  |                                          |                     |                          |               |                                          |                     |
| Insurance contract liabilities     |                          | 9,505            | (9,505)                                  | (9,505)             |                          | 12,483        | (12,483)                                 | (12,483)            |
| Reinsurance contract assets        |                          | (7,683)          | 7,683                                    | 7,683               |                          | (10,027)      | 10,027                                   | 10,027              |
| Net insurance contract liabilities |                          | 1,822            | (1,822)                                  | (1,822)             |                          | 2,456         | (2,456)                                  | (2,456)             |
| Risk adjustment -5%                |                          |                  |                                          |                     |                          |               |                                          |                     |
| Insurance contract liabilities     |                          | (9,505)          | 9,505                                    | 9,505               |                          | (12,483)      | 12,483                                   | 12,483              |
| Reinsurance contract assets        |                          | 7,683            | (7,683)                                  | (7,683)             |                          | 10,027        | (10,027)                                 | (10,027)            |
| Net insurance contract liabilities |                          | (1,822)          | 1,822                                    | 1,822               |                          | (2,456)       | 2,456                                    | 2,456               |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Sensitivity of underwriting profit and losses (continued)

Sensitivities for contracts measured under the PAA (continued)

|                                    | 2025                     |                  |                                          |                     | 2024                     |                  |                                          |                     |
|------------------------------------|--------------------------|------------------|------------------------------------------|---------------------|--------------------------|------------------|------------------------------------------|---------------------|
|                                    | LIC as at<br>31 December | Impact on<br>LIC | Impact on<br>profit before<br>income tax | Impact on<br>equity | LIC as at<br>31 December | Impact on<br>LIC | Impact on<br>profit before<br>income tax | Impact on<br>equity |
|                                    | AED'000                  | AED'000          | AED'000                                  | AED'000             | AED'000                  | AED'000          | AED'000                                  | AED'000             |
| <b>Loss reserves +5%</b>           |                          |                  |                                          |                     |                          |                  |                                          |                     |
| Insurance contract liabilities     |                          | 251,632          | (243,236)                                | (251,632)           |                          | 340,838          | 334,391                                  | (340,838)           |
| Reinsurance contract assets        |                          | (201,352)        | 195,145                                  | 201,352             |                          | (269,162)        | (264,233)                                | 269,162             |
| Net insurance contract liabilities |                          | 50,280           | (48,091)                                 | (50,280)            |                          | 71,676           | 70,158                                   | (71,676)            |
| <b>Loss reserves -5%</b>           |                          |                  |                                          |                     |                          |                  |                                          |                     |
| Insurance contract liabilities     |                          | (251,632)        | 243,236                                  | 251,632             |                          | (340,838)        | (334,391)                                | 340,838             |
| Reinsurance contract assets        |                          | 201,352          | (195,145)                                | (201,352)           |                          | 269,162          | 264,233                                  | (269,162)           |
| Net insurance contract liabilities |                          | (50,280)         | 48,091                                   | 50,280              |                          | (71,676)         | (70,158)                                 | 71,676              |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Commercial (gross)

### Commercial (net)

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a gross of reinsurance basis as at 31 December 2025.

|                                                                            | 2018 &<br>earlier | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | Total      |
|----------------------------------------------------------------------------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                                                            | AED'000           | AED'000   | AED'000   | AED'000   | AED'000   | AED'000   | AED'000   | AED'000   | AED'000    |
| Undiscounted liabilities for incurred claims, gross of reinsurance:        |                   |           |           |           |           |           |           |           |            |
| At end of accident year                                                    | 3,118,553         | 1,451,977 | 1,099,048 | 1,006,260 | 1,495,802 | 1,863,411 | 5,101,256 | 2,784,831 | 17,921,138 |
| 1 year later                                                               | 3,315,585         | 1,445,050 | 1,149,483 | 973,403   | 1,582,632 | 2,394,338 | 3,927,622 | -         | 14,788,113 |
| 2 years later                                                              | 3,342,864         | 1,389,967 | 1,064,136 | 1,135,516 | 1,603,429 | 2,279,570 | -         | -         | 10,815,482 |
| 3 years later                                                              | 3,354,156         | 1,359,540 | 1,089,462 | 1,082,504 | 1,579,471 | -         | -         | -         | 8,465,133  |
| 4 years later                                                              | 3,147,061         | 1,344,189 | 1,071,375 | 1,079,796 | -         | -         | -         | -         | 6,642,421  |
| 5 years later                                                              | 3,153,262         | 1,333,930 | 1,051,231 | -         | -         | -         | -         | -         | 5,538,423  |
| 6 years later                                                              | 3,046,786         | 1,315,400 | -         | -         | -         | -         | -         | -         | 4,362,186  |
| 7 years later                                                              | 3,117,960         | -         | -         | -         | -         | -         | -         | -         | 3,117,960  |
| Gross estimates of the undiscounted amount of the claims                   | 3,117,960         | 1,315,400 | 1,051,231 | 1,079,796 | 1,579,471 | 2,279,570 | 3,927,622 | 2,784,831 | 17,135,881 |
| Cumulative gross claims and other directly attributable expenses paid      | 2,896,697         | 1,267,430 | 1,005,781 | 750,849   | 1,163,010 | 1,835,367 | 2,835,087 | 1,049,506 | 12,803,727 |
| Gross undiscounted liabilities for incurred claims                         | 221,263           | 47,970    | 45,450    | 328,947   | 416,461   | 444,203   | 1,092,535 | 1,735,325 | 4,332,154  |
| Effect of discounting                                                      |                   |           |           |           |           |           |           |           | (143,129)  |
| Gross discounted liabilities for incurred claims excluding risk adjustment |                   |           |           |           |           |           |           |           | 4,189,025  |
| Effect of the risk adjustment margin for non-financial risk                |                   |           |           |           |           |           |           |           | 151,508    |
| Gross liabilities for incurred claims                                      |                   |           |           |           |           |           |           |           | 4,340,533  |



## Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)

(ii) Insurance risk (continued)

Claims development (continued)

### Commercial (net)

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a net of reinsurance basis as at 31 December 2025.

|                                                                     | 2018 &<br>earlier | 2019    | 2020    | 2021    | 2022    | 2023    | 2024     | 2025      | Total         |
|---------------------------------------------------------------------|-------------------|---------|---------|---------|---------|---------|----------|-----------|---------------|
|                                                                     | AED'000           | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000  | AED'000   | AED'000       |
| Undiscounted liabilities for incurred claims, net of reinsurance:   |                   |         |         |         |         |         |          |           |               |
| At the end of the reporting year                                    | 1,486,435         | 771,760 | 514,727 | 412,237 | 405,540 | 595,861 | 494,020  | (185,222) | 4,495,358     |
| 1 year later                                                        | 1,542,282         | 656,841 | 441,081 | 335,597 | 422,372 | 585,747 | 509,059  | -         | 4,492,979     |
| 2 years later                                                       | 1,491,020         | 632,553 | 428,118 | 338,362 | 408,923 | 612,965 | -        | -         | 3,911,941     |
| 3 years later                                                       | 1,477,810         | 631,549 | 431,378 | 339,946 | 398,953 | -       | -        | -         | 3,279,636     |
| 4 years later                                                       | 1,436,130         | 637,045 | 428,546 | 337,388 | -       | -       | -        | -         | 2,839,109     |
| 5 years later                                                       | 1,458,683         | 618,104 | 424,198 | -       | -       | -       | -        | -         | 2,500,985     |
| 6 years later                                                       | 1,460,613         | 616,420 | -       | -       | -       | -       | -        | -         | 2,077,033     |
| 7 years later                                                       | 1,475,957         | -       | -       | -       | -       | -       | -        | -         | 1,475,957     |
| Net estimates of the undiscounted amount of the claims              | 1,475,957         | 616,420 | 424,198 | 337,388 | 398,953 | 612,965 | 509,059  | (185,222) | 4,189,718     |
| Cumulative net claims and other directly attributable expenses paid | 1,441,815         | 598,678 | 403,063 | 306,245 | 360,512 | 539,071 | 585,106  | (101,971) | 4,132,519     |
| Net undiscounted liabilities for incurred claims                    | 34,142            | 17,742  | 21,135  | 31,143  | 38,441  | 73,894  | (76,047) | (83,251)  | 57,199        |
| Effect of discounting                                               |                   |         |         |         |         |         |          |           | (28,520)      |
| Net discounted liabilities for incurred excluding risk adjustment   |                   |         |         |         |         |         |          |           | 28,679        |
| Effect of the risk adjustment margin for non financial risk         |                   |         |         |         |         |         |          |           | 30,120        |
| <b>Net liabilities for incurred claims</b>                          |                   |         |         |         |         |         |          |           | <b>58,799</b> |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Risk management (continued)  
(ii) Insurance risk (continued)  
Claims development (continued)

### Consumer (gross)

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a gross of reinsurance basis as at 31 December 2025.

|                                                                               | 2018 &<br>earlier | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      | Total      |
|-------------------------------------------------------------------------------|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
|                                                                               | AED'000           | AED'000   | AED'000   | AED'000   | AED'000   | AED'000   | AED'000   | AED'000   | AED'000    |
| Undiscounted liabilities for incurred claims,<br>gross of reinsurance:        |                   |           |           |           |           |           |           |           |            |
| At end of accident year                                                       | 1,204,839         | 1,076,003 | 1,011,105 | 1,386,286 | 1,441,437 | 1,701,434 | 2,869,595 | 2,946,452 | 13,637,151 |
| 1 year later                                                                  | 1,148,167         | 1,261,262 | 1,168,892 | 1,391,180 | 1,488,252 | 1,690,451 | 2,172,958 | -         | 10,321,162 |
| 2 years later                                                                 | 1,158,957         | 1,300,665 | 1,178,570 | 1,395,261 | 1,510,044 | 1,694,853 | -         | -         | 8,238,350  |
| 3 years later                                                                 | 1,166,576         | 1,292,780 | 1,180,683 | 1,386,244 | 1,487,088 | -         | -         | -         | 6,513,371  |
| 4 years later                                                                 | 1,168,597         | 1,274,824 | 1,173,088 | 1,359,163 | -         | -         | -         | -         | 4,975,672  |
| 5 years later                                                                 | 1,159,888         | 1,272,102 | 1,169,908 | -         | -         | -         | -         | -         | 3,601,898  |
| 6 years later                                                                 | 1,157,692         | 1,268,830 | -         | -         | -         | -         | -         | -         | 2,426,522  |
| 7 years later                                                                 | 1,156,103         | -         | -         | -         | -         | -         | -         | -         | 1,156,103  |
| Gross estimates of the undiscounted amount<br>of the claims                   | 1,156,103         | 1,268,830 | 1,169,908 | 1,359,163 | 1,487,088 | 1,694,853 | 2,172,958 | 2,946,452 | 13,255,355 |
| Cumulative gross claims and other directly<br>attributable expenses paid      | 1,154,595         | 1,268,432 | 1,167,408 | 1,292,375 | 1,447,894 | 1,626,049 | 1,871,553 | 1,475,539 | 11,303,845 |
| Gross undiscounted liabilities for incurred<br>claims                         | 1,508             | 398       | 2,500     | 66,788    | 39,194    | 68,804    | 301,405   | 1,470,913 | 1,951,510  |
| Effect of discounting                                                         |                   |           |           |           |           |           |           |           | (37,553)   |
| Gross discounted liabilities for incurred<br>claims excluding risk adjustment |                   |           |           |           |           |           |           |           | 1,913,957  |
| Effect of the risk adjustment margin for non<br>financial risk                |                   |           |           |           |           |           |           |           | 46,457     |
| Gross liabilities for incurred claims                                         |                   |           |           |           |           |           |           |           | 1,960,414  |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(ii) Insurance risk (continued)  
Claims development (continued)

## Consumer (net)

Actual claims payments are compared with previous estimates of the undiscounted amounts of the claims in the claims development disclosure below on a net of reinsurance basis as at 31 December 2025.

|                                                                          | 2018 &<br>earlier | 2019    | 2020    | 2021    | 2022    | 2023    | 2024      | 2025      | Total     |
|--------------------------------------------------------------------------|-------------------|---------|---------|---------|---------|---------|-----------|-----------|-----------|
|                                                                          | AED'000           | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | AED'000   | AED'000   | AED'000   |
| Undiscounted liabilities for incurred claims, net of reinsurance:        |                   |         |         |         |         |         |           |           |           |
| At the end of the reporting year                                         | 969,498           | 838,407 | 713,094 | 840,839 | 840,785 | 784,583 | 485,357   | 582,039   | 6,054,602 |
| 1 year later                                                             | 903,334           | 825,686 | 688,228 | 835,149 | 946,507 | 329,466 | 669,265   | -         | 5,197,635 |
| 2 years later                                                            | 906,678           | 846,091 | 694,630 | 859,985 | 949,877 | 841,448 | -         | -         | 5,098,709 |
| 3 years later                                                            | 914,415           | 840,975 | 707,750 | 855,494 | 951,233 | -       | -         | -         | 4,269,867 |
| 4 years later                                                            | 913,848           | 838,486 | 705,102 | 850,888 | -       | -       | -         | -         | 3,308,324 |
| 5 years later                                                            | 906,915           | 835,854 | 704,014 | -       | -       | -       | -         | -         | 2,446,783 |
| 6 years later                                                            | 906,450           | 836,747 | -       | -       | -       | -       | -         | -         | 1,743,197 |
| 7 years later                                                            | 904,811           | -       | -       | -       | -       | -       | -         | -         | 904,811   |
| Net estimates of the undiscounted amount of the claims                   | 904,811           | 836,747 | 704,014 | 850,888 | 951,233 | 841,448 | 669,265   | 582,039   | 6,340,445 |
| Cumulative net claims and other directly attributable expenses paid      | 905,606           | 836,928 | 703,076 | 846,288 | 934,148 | 806,476 | 1,075,452 | 973,742   | 7,081,716 |
| Net undiscounted liabilities for incurred claims                         | (795)             | (181)   | 938     | 4,600   | 17,085  | 34,972  | (406,187) | (391,703) | (741,271) |
| Effect of discounting                                                    |                   |         |         |         |         |         |           |           | (16,335)  |
| Net discounted liabilities for incurred claims excluding risk adjustment |                   |         |         |         |         |         |           |           | (757,606) |
| Effect of the risk adjustment margin for non -financial risk             |                   |         |         |         |         |         |           |           | 20,192    |
| Net liabilities for incurred claims                                      |                   |         |         |         |         |         |           |           | (737,414) |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(ii) Insurance risk (continued)

## Concentration of insurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. The Group manages its risks through its prudent underwriting strategy, reinsurance arrangements aligned with the Group’s risk appetite and thorough claims handling.

Underwriting limits are in place to enforce appropriate risk selection criteria for the type of risk being underwritten based on our historical data and market analysis.

As part of the Group’s strategy to decrease volatility due to concentration of exposure, the Group evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers where relevant. Reinsurance ceded contracts do not relieve the Group from its obligations to policyholders. The Group 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.

The concentration of insurance risk as at 31 December 2025 was as follows:

|               | Commercial    |             | Consumer    |             | Total exposure |             |
|---------------|---------------|-------------|-------------|-------------|----------------|-------------|
|               | Sum insured   |             | Sum insured |             | Sum insured    |             |
|               | Gross         | Net         | Gross       | Net         | Gross          | Net         |
|               | AED’000       | AED’000     | AED’000     | AED’000     | AED’000        | AED’000     |
| UAE           | 3,110,385,776 | 337,932,306 | 139,951,635 | 31,971,833  | 3,250,337,411  | 369,904,139 |
| GCC countries | 280,084,555   | 40,570,545  | 125,096,552 | 113,238,332 | 405,181,107    | 153,808,877 |
| Others        | 334,823,099   | 46,525,819  | 2,614,260   | 1,318,054   | 337,437,359    | 47,843,873  |
|               | 3,725,293,430 | 425,028,670 | 267,662,447 | 146,528,219 | 3,992,955,877  | 571,556,889 |

The concentration of insurance risk as at 31 December 2024 was as follows:

|               | Commercial    |             | Consumer    |            | Total exposure |             |
|---------------|---------------|-------------|-------------|------------|----------------|-------------|
|               | Sum insured   |             | Sum insured |            | Sum insured    |             |
|               | Gross         | Net         | Gross       | Net        | Gross          | Net         |
|               | AED’000       | AED’000     | AED’000     | AED’000    | AED’000        | AED’000     |
| UAE           | 2,956,149,878 | 323,324,422 | 121,611,607 | 29,020,250 | 3,077,761,485  | 352,344,672 |
| GCC countries | 179,030,626   | 37,260,522  | 2,445,360   | 1,762,658  | 181,475,986    | 39,023,180  |
| Others        | 318,467,773   | 44,706,080  | 2,288,010   | 1,207,796  | 320,755,783    | 45,913,876  |
|               | 3,453,648,277 | 405,291,024 | 126,344,977 | 31,990,704 | 3,579,993,254  | 437,281,728 |

## (iii) Financial risk management

The Group has exposure to the following risks from financial instruments, insurance contracts issued and reinsurance contracts held.:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk, and the Group’s management of capital.



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(iii) Financial risk management (continued)

## Credit risk

Credit risk is the risk that a customer or counterparty fails to pay the Group, as and when required, which will cause a financial loss to the Group by failing to discharge an obligation. This credit risk is derived primarily from receivables from policyholders, other insurers and outsourced parties, reinsurance receivables (including captive exposure), and from investment and banking counterparties associated with asset management activities.

Credit risk is managed through a combination of underwriting controls, approved counterparty limits, credit assessments, use of external credit ratings where available and ongoing monitoring of exposures to mitigate the risk of financial loss arising from default.

A receivables credit risk policy setting out the management of receivable credit risk for the Group has been established in order to mitigate the Group’s exposure to credit risk. Exposure to credit risk:

|                                    | 2025<br>AED’000 | 2024<br>AED’000 |
|------------------------------------|-----------------|-----------------|
| <b>Maximum exposure</b>            |                 |                 |
| Financial assets at amortised cost | 1,841,061       | 1,956,263       |
| Bank balances, including deposits  | 966,850         | 740,263         |
|                                    | -----           | -----           |
| Total                              | 2,807,911       | 2,696,526       |

Credit risk exposures are monitored, and management actions are taken to ensure exposure is kept within the risk appetite of the Group.

For all classes of financial assets held by the Group, the maximum credit risk exposure to the Group is the carrying value as disclosed in the consolidated financial statements at the reporting date.

### Management of credit risk

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

Credit risk arising from policyholders is managed through underwriting controls, credit assessments, billing terms and active receivables management.

The Group manages its credit risk from investment exposure by applying its investment guidelines which establish minimum credit ratings for issuers of bonds, deposits and other securities/ instruments, and provide for concentration limits by issuer of such investments. Substantial amounts of investments are placed with the counterparties in respect of above balances, having credit ratings ranging from AAA to A.



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(iii) Financial risk management (continued)  
Credit risk (continued)  
Management of credit risk (continued)

Management and Board committees review credit quality relative to investment purchases and also monitor the credit quality of invested assets over time. Management reports regularly to the Board Investment Committee on the credit risk to which the portfolio is exposed.

The credit risk on liquid funds maintained with banks is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies or reputable local banks closely monitored by the regulatory body.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group’s maximum exposure to credit risk for such receivables and liquid funds.

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

Reinsurance credit risk is managed through the placement with approved reinsurers, which include international reputed companies with acceptable credit ratings. The risk appetite is for substantial reinsurance agreements to be placed by the Group with an "A" or above rated company on S&P or equivalent rating agency.

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

The amounts that best represent the maximum exposure to credit risk in reinsurance contract assets at the reporting dates are analysed below, using the Group’s credit risk rating grading.

|                              | 2025<br>AED’000 | 2024<br>AED’000 |
|------------------------------|-----------------|-----------------|
| Maximum credit risk exposure |                 |                 |
| AAA                          | 12,653          | 62,965          |
| AA                           | 786,022         | 945,146         |
| A                            | 2,484,806       | 4,011,102       |
| Othergrade                   | 267,678         | 396,807         |
| Total                        | 3,551,159       | 5,416,020       |

## Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations when they become due.



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(iii) Financial risk management (continued)  
Liquidity risk (continued)

Forward-looking liquidity requirements are covered by the Risk Appetite Framework and monitored on an ongoing basis by the Finance department, who ensures that sufficient funds are available to meet commitments as they arise.

## Management of liquidity risk

The Group manages liquidity risk by maintaining adequate liquid reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities and insurance / reinsurance contract assets and liabilities.

Details of the Group’s financial liabilities are summarised in the table below by the maturity profile of the Group’s assets and liabilities based on the contractual repayment arrangements. The contractual maturities of liabilities 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.

|                                           | Contractual cash outflows  |                          |                            |
|-------------------------------------------|----------------------------|--------------------------|----------------------------|
|                                           | Carrying amount<br>AED'000 | Upto 180 days<br>AED'000 | 181 to 365 days<br>AED'000 |
| Financial liabilities at 31 December 2025 |                            |                          |                            |
| Other payables                            | 316,728                    | (267,502)                | (49,226)                   |
| Total                                     | 316,728                    | (267,502)                | (49,226)                   |
| Financial liabilities at 31 December 2024 |                            |                          |                            |
| Other payables                            | 280,619                    | (227,578)                | (53,041)                   |
| Total                                     | 280,619                    | (227,578)                | (53,041)                   |

| The expected maturity profile of the assets at 31 December 2025 and 2024 is as follows: |                     |                         |                   |
|-----------------------------------------------------------------------------------------|---------------------|-------------------------|-------------------|
|                                                                                         | Current<br>AED '000 | Non-current<br>AED '000 | Total<br>AED '000 |
| 31 December 2025                                                                        |                     |                         |                   |
| Cash and bank balances                                                                  | 849,050             | 117,800                 | 966,850           |
| Investments                                                                             | 2,013,276           | 2,735,637               | 4,748,913         |
|                                                                                         | 2,862,326           | 2,853,437               | 5,715,763         |
| 31 December 2024                                                                        |                     |                         |                   |
| Cash and bank balances                                                                  | 671,463             | 68,800                  | 740,263           |
| Investments                                                                             | 1,836,143           | 2,674,163               | 4,510,306         |
|                                                                                         | 2,507,606           | 2,742,963               | 5,250,569         |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(iii) Financial risk management

A maturity analysis for portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities is presented below.

The analysis is presented by estimated timing, of the estimates of the present value of the future cash flows, for each of the first five years after the reporting date and in aggregate beyond the first five years.

| 31 December 2025                 |           |           |         |         |         |         |
|----------------------------------|-----------|-----------|---------|---------|---------|---------|
|                                  | 1 year    | 2 year    | 3 year  | 4 year  | 5 year  | >6 year |
|                                  | AED'000   | AED'000   | AED'000 | AED'000 | AED'000 | AED'000 |
| Insurance contract liabilities   | 3,596,700 | 1,460,409 | 572,931 | 148,591 | 53,367  | 391,668 |
| Reinsurance contract liabilities | 128,016   | 24        | 3       | 8       | 7       | 40      |
| Total                            | 3,724,716 | 1,460,433 | 572,934 | 148,599 | 53,374  | 391,708 |
| 31 December 2024                 |           |           |         |         |         |         |
|                                  | 1 year    | 2 year    | 3 year  | 4 year  | 5 year  | >6 year |
|                                  | AED'000   | AED'000   | AED'000 | AED'000 | AED'000 | AED'000 |
| Insurance contract liabilities   | 4,826,171 | 1,598,538 | 629,742 | 297,141 | 90,365  | 393,529 |
| Reinsurance contract liabilities | 129,218   | 20        | -       | -       | -       | -       |
| Total                            | 4,955,389 | 1,598,558 | 629,742 | 297,141 | 90,365  | 393,529 |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(iii) Financial risk management (continued)  
Liquidity risk (continued)

The table below shows the amount payable on demand for insurance contract:

|                                                 | 31 December 2025         |                 | 31 December 2024         |                 |
|-------------------------------------------------|--------------------------|-----------------|--------------------------|-----------------|
|                                                 | AED'000                  | AED'000         | AED'000                  | AED'000         |
|                                                 | Amount payable on demand | Carrying amount | Amount payable on demand | Carrying amount |
| Direct participating insurance contracts issued | 443,240                  | 439,576         | 468,443                  | 455,962         |
|                                                 | 443,240                  | 439,576         | 468,443                  | 455,962         |

## Market risk

Market risk quantifies the adverse impact due to broad, systemic movements in one or more market risk drivers. Market risk drivers include equity prices, credit spreads, foreign exchange rates and interest rates. The Group limits market risk by maintaining a diversified portfolio, within asset allocation guidelines, and by continuous monitoring of developments in local equity, real estate and debt markets. In addition, the Group actively monitors the key factors that affect market movements, including analysis of the operational and financial performance of investees and properties.

## Management of market risk

The Group separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Group actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees and properties.

## Interest rate risk

Interest rate risk arises from interest bearing financial instruments and reflects the possibility that changes in interest rates will adversely affect the value of the financial instruments and the related income, or net solvency position. The Group manages this risk principally through monitoring interest rate gaps and by matching the re-pricing profile of assets and liabilities.

The substantial portion of the Group’s assets and liabilities are re-priced within one year. Accordingly, interest rate risk is limited to that extent.

The effective interest rate of a monetary financial instrument is the rate that, when used in a present value calculation, results in the carrying amount of the instrument. The rate is an original effective interest rate for a fixed rate instrument carried at amortised cost and a current market rate for a floating instrument or an instrument carried at fair value.



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(iii) Financial risk management (continued)  
Interest rate risk (continued)

At the reporting date if the interest rates are 1% (100 basis point) higher / lower and all the other variables were held constant the Group’s net profit would have increased / decreased by AED 21,550 thousand (31 December 2024: AED 23,382 thousand).

## Currency risk

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

The Group has considerable exposures denominated in US Dollar. As the UAE Dirham is pegged to the US Dollar since November 1980, accordingly, the Group’s exposure to currency risk is limited to that extent. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and consequently the Group has not hedged their foreign currency exposures.

## Equity price risk

Equity price risk arises from the change in fair value of equity investments. The Group manages this risk through diversification of investments in terms of geographical distribution and industry concentration and by continuous monitoring of developments in the market. In addition, the Group actively monitors the key factors that affect stock and market movements, including analysis of the financial performance of the investees

At the reporting date if the equity prices are 10% higher / lower as per the assumptions mentioned below and all the other variables were held constant:

For investments held at fair value through profit or loss

Fair value would have increased / decreased by AED 32,986 thousand (31 December 2024: AED 38,263 thousand).

For investments held at fair value through other comprehensive income

Changes in revaluation reserves of shares would increase / decrease by AED 212,984 thousand (31 December 2024: AED 169,702 thousand) as a result of the changes in fair value of quoted shares.



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)

## (iii) Operational risk management

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group’s people, processes and systems, or from external factors (including legal, reputational, cyber and regulatory risks). Operational risks arise from all of the Group’s operations.

The Group’s objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group’s reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The Board has oversight responsibilities for operational risk management in the Group. These responsibilities are exercised through the Board Risk Committee with an established framework of policies and procedures to identify, assess, monitor, control, manage and report risks. The Board Risk Committee employs clear internal policies and procedures to reduce the likelihood of any operational losses. Where appropriate, risk is mitigated by way of insurance. The framework also provides for the interrelation with other risk categories.

Compliance with policies and procedures is supported by periodic reviews undertaken by the Internal Audit as well as Compliance Departments. The results of these reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Group.

## (iv) Capital risk management

The Group’s objectives when managing capital is to ensure ongoing and future compliance with the insurance capital requirements set by the Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business (as amended) concerning the Organization of Insurance Operations.

In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the Group in addition to its ties. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

In UAE, all insurance companies are required to comply with Financial Regulations for Insurance Companies that came into force on 29 January 2015. The Group is subject to local insurance solvency regulations with which it has complied with during the year. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Risk management (continued)  
(v) Capital risk management (continued)

As per the Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the minimum capital requirement remains at AED 100 million for insurance companies.

The table below summarises the Minimum Capital Requirement of the Group and the total capital held by the Group.

The solvency regulations identify the required solvency margins to be held in addition to insurance liabilities. The solvency margins (presented in the table below) must be maintained at all times throughout the year. The Group is subject to solvency regulations which it has complied with during the period. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these required Solvency Margins as defined in the regulations. In accordance with Circular No. CBUAE/BSN/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current period solvency position is not finalised.

|                                                     | 30 September<br>2025<br>AED'000 | 31 December<br>2024<br>AED'000 |
|-----------------------------------------------------|---------------------------------|--------------------------------|
| Total capital held by the Group                     | 570,000                         | 570,000                        |
| Minimum regulatory capital for an insurance company | 100,000                         | 100,000                        |
| Minimum Capital Requirement (MCR)                   | 100,000                         | 100,000                        |
| Solvency Capital Requirement (SCR)                  | 1,597,113                       | 1,378,160                      |
| Minimum Guarantee Fund (MGF)                        | 1,025,071                       | 923,571                        |
| Own funds                                           |                                 |                                |
| Basic own funds                                     | 2,572,912                       | 2,914,215                      |
| Own funds eligible to meet MCR, SCR, MGF            | 2,572,912                       | 2,914,215                      |
| MCR solvency margin – (surplus)                     | 2,472,912                       | 2,814,215                      |
| SCR solvency margin – (surplus)                     | 975,799                         | 1,536,055                      |
| MGF solvency margin                                 | 1,547,841                       | 1,990,644                      |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

## 6 Fair value of financial instruments

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRS. It unifies the definition of fair value as 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.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in the different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The measurement approach followed for ECL is 12-month ECLs (Stage 1), which applies to all items (from initial recognition) as long as there is no significant deterioration in credit quality, or (where the optional low credit risk simplification is applied) that have low credit risk, as at 31 December 2025 there are no financial asset which falls under ECL stage 2.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

### Assets measured at fair value – fair value hierarchy

The table below analyses assets at fair value at the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

|                                                                   | Level 1   | Level 2 | Level 3 | Total     |
|-------------------------------------------------------------------|-----------|---------|---------|-----------|
|                                                                   | AED’000   | AED’000 | AED’000 | AED’000   |
| <b>31 December 2025</b>                                           |           |         |         |           |
| Financial assets at fair value through profit or loss             | 71,495    | -       | 258,369 | 329,864   |
| Financial assets at fair value through other comprehensive income | 1,901,354 | -       | 228,487 | 2,129,841 |
| Financial assets at unit linked contracts                         | -         | 448,148 | -       | 448,148   |
|                                                                   | 1,972,849 | 448,148 | 486,856 | 2,907,853 |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Fair value of financial instruments (continued)  
Assets measured at fair value – fair value hierarchy (continued)

|                                                                   | Level 1<br>AED'000 | Level 2<br>AED'000 | Level 3<br>AED'000 | Total<br>AED'000 |
|-------------------------------------------------------------------|--------------------|--------------------|--------------------|------------------|
| 31 December 2024                                                  |                    |                    |                    |                  |
| Financial assets at fair value through profit or loss             | 96,498             | 30,770             | 255,358            | 382,626          |
| Financial assets at fair value through other comprehensive income | 1,479,175          | -                  | 217,849            | 1,697,024        |
| Financial assets at unit linked contracts                         | -                  | 474,393            | -                  | 474,393          |
|                                                                   | 1,575,673          | 505,163            | 473,207            | 2,554,043        |

## Fair value of financial assets measured at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

|                                                                                                                           | Carrying<br>Amount<br>AED'000 | Fair<br>value<br>AED'000 | Movement in level 3 for investments carried at fair value through profit or loss and investments at fair value through other comprehensive income is as follows: |                 |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|                                                                                                                           |                               |                          | 2025<br>AED'000                                                                                                                                                  | 2024<br>AED'000 |
| 31 December 2025                                                                                                          |                               |                          |                                                                                                                                                                  |                 |
| Financial assets at amortised cost                                                                                        | 1,841,061                     | 1,835,174                |                                                                                                                                                                  |                 |
|                                                                                                                           | =====                         | =====                    |                                                                                                                                                                  |                 |
| 31 December 2024                                                                                                          |                               |                          |                                                                                                                                                                  |                 |
| Financial assets at amortised cost                                                                                        | 1,956,263                     | 1,911,938                |                                                                                                                                                                  |                 |
|                                                                                                                           | =====                         | =====                    |                                                                                                                                                                  |                 |
| All of the assets under amortised cost falls under level 1.                                                               |                               |                          |                                                                                                                                                                  |                 |
|                                                                                                                           |                               |                          | Balance as at 1 January                                                                                                                                          | 392,408         |
|                                                                                                                           |                               |                          | Acquisition of subsidiary (note 2a)                                                                                                                              | 44,977          |
|                                                                                                                           |                               |                          | Change in fair value                                                                                                                                             | 22,092          |
|                                                                                                                           |                               |                          | Additions                                                                                                                                                        | 47,071          |
|                                                                                                                           |                               |                          | Disposals                                                                                                                                                        | (33,341)        |
|                                                                                                                           |                               |                          | Balance at 31 December                                                                                                                                           | 473,207         |
|                                                                                                                           |                               |                          |                                                                                                                                                                  | =====           |
| During the year ended 31 December 2025, there were AED nil transfers from Level 3 to Level 1 (31 December 2024: AED nil). |                               |                          |                                                                                                                                                                  |                 |



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Fair value of financial instruments (continued)  
Fair value of financial assets measured at amortised cost (continued)

**Sensitivity analysis for investments under Level 3**  
For the fair values of equity securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

|                                        | Total comprehensive income |                     |
|----------------------------------------|----------------------------|---------------------|
|                                        | Increase<br>AED'000        | Decrease<br>AED'000 |
| <b>Equity securities</b>               |                            |                     |
| <b>31 December 2025</b>                |                            |                     |
| Adjusted net asset value (5% movement) | 24,343                     | (24,343)            |
| <b>31 December 2024</b>                |                            |                     |
| Adjusted net asset value (5% movement) | 23,660                     | (23,660)            |

## 7 Property and equipment

Property and equipment consist of buildings, furniture and fixtures, computer hardware, software, office equipment, motor vehicles, right of use leased assets and capital work in progress. Cost and accumulated depreciation accounts are aggregated as follows:



# Notes to the consolidated financial statements for theyear ended 31 December 2025 (continued)

Property and equipment (continued)

|                                       | Building<br>AED'000 | Furniture,<br>fixtures and<br>leasehold<br>improvements<br>AED'000 | Computer<br>hardware,<br>software and<br>office<br>equipment<br>AED'000 | Motor<br>vehicles<br>AED'000 | Right -of-use<br>of leased<br>assets<br>AED'000 | Capital work<br>in progress<br>AED'000 | Total<br>AED'000 |
|---------------------------------------|---------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------|-------------------------------------------------|----------------------------------------|------------------|
| <b>Cost</b>                           |                     |                                                                    |                                                                         |                              |                                                 |                                        |                  |
| At 1 January 2024                     | 31,606              | 49,087                                                             | 154,410                                                                 | 197                          | 773                                             | 20,205                                 | 256,278          |
| Acquisition of a subsidiary (note 2a) | -                   | 12,954                                                             | 25,929                                                                  | 1,263                        | 14,943                                          | -                                      | 55,089           |
| Additions                             | -                   | 259                                                                | 4,264                                                                   | -                            | 3,169                                           | 12,012                                 | 19,704           |
| Disposals                             | -                   | -                                                                  | -                                                                       | (119)                        | -                                               | -                                      | (119)            |
| Write off                             | -                   | -                                                                  | -                                                                       | -                            | (773)                                           | -                                      | (773)            |
| Transfers                             | -                   | 4,638                                                              | 10,528                                                                  | 348                          | -                                               | (15,514)                               | -                |
| At 31 December 2024                   | 31,606              | 66,938                                                             | 195,131                                                                 | 1,689                        | 18,112                                          | 16,703                                 | 330,179          |
| <b>At 1 January 2025</b>              | <b>31,606</b>       | <b>66,938</b>                                                      | <b>195,131</b>                                                          | <b>1,689</b>                 | <b>18,112</b>                                   | <b>16,703</b>                          | <b>330,179</b>   |
| Additions                             | -                   | 12                                                                 | 1,474                                                                   | 519                          | 13,065                                          | 13,738                                 | 28,808           |
| Disposals                             | -                   | -                                                                  | -                                                                       | (82)                         | -                                               | -                                      | (82)             |
| Write off                             | (452)               | (74)                                                               | (2,318)                                                                 | -                            | (584)                                           | -                                      | (3,428)          |
| Transfers                             | -                   | 731                                                                | 9,338                                                                   | -                            | -                                               | (10,069)                               | -                |
| At 31 December 2025                   | 31,154              | 67,607                                                             | 203,625                                                                 | 2,126                        | 30,593                                          | 20,372                                 | 355,477          |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

Property and equipment (continued)

|                                     | Building<br>AED'000 | Furniture,<br>fixtures and<br>leasehold<br>improvements<br>AED'000 | Computer<br>hardware,<br>software and<br>office<br>equipment<br>AED'000 | Motor<br>vehicles<br>AED'000 | Right -of-use<br>of leased<br>assets<br>AED'000 | Capital work<br>in progress<br>AED'000 | Total<br>AED'000 |
|-------------------------------------|---------------------|--------------------------------------------------------------------|-------------------------------------------------------------------------|------------------------------|-------------------------------------------------|----------------------------------------|------------------|
| <b>Accumulated depreciation</b>     |                     |                                                                    |                                                                         |                              |                                                 |                                        |                  |
| At 1 January 2024                   | 18,000              | 43,953                                                             | 116,126                                                                 | 180                          | 421                                             | -                                      | 178,680          |
| Acquisition of Subsidiary (note 2a) | -                   | 12,896                                                             | 19,720                                                                  | 1,212                        | 14,472                                          | -                                      | 48,300           |
| Charge for the year                 | 1,695               | 1,962                                                              | 20,843                                                                  | 125                          | 2,711                                           | -                                      | 27,336           |
| Disposal                            | -                   | -                                                                  | -                                                                       | (119)                        | -                                               | -                                      | (119)            |
| Write off                           | -                   | -                                                                  | -                                                                       | -                            | (773)                                           | -                                      | (773)            |
| At 31 December 2024                 | 19,695              | 58,811                                                             | 156,689                                                                 | 1,398                        | 16,831                                          | -                                      | 253,424          |
| <b>At 1 January 2025</b>            | <b>19,695</b>       | <b>58,811</b>                                                      | <b>156,689</b>                                                          | <b>1,398</b>                 | <b>16,831</b>                                   | <b>-</b>                               | <b>253,424</b>   |
| Acquisition of Subsidiary (note 2a) | -                   | -                                                                  | -                                                                       | -                            | -                                               | -                                      | -                |
| Charge for the year                 | 1,694               | 2,360                                                              | 18,513                                                                  | 116                          | 2,785                                           | -                                      | 25,468           |
| Disposal                            | -                   | -                                                                  | -                                                                       | (82)                         | -                                               | -                                      | (82)             |
| Write off                           | (452)               | (74)                                                               | (1,840)                                                                 | -                            | (584)                                           | -                                      | (2,950)          |
| At 31 December 2025                 | 20,937              | 61,097                                                             | 173,362                                                                 | 1,432                        | 19,032                                          | -                                      | 275,860          |
| <b>Carrying amounts</b>             |                     |                                                                    |                                                                         |                              |                                                 |                                        |                  |
| At 31 December 2024                 | 11,911              | 8,127                                                              | 38,442                                                                  | 291                          | 1,281                                           | 16,703                                 | 76,755           |
| At 31 December 2025                 | 10,217              | 6,510                                                              | 30,263                                                                  | 694                          | 11,561                                          | 20,372                                 | 79,617           |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 8 Goodwill

Movements in goodwill is as follows:

|                                                                            | 2025<br>AED'000 | 2024<br>AED'000 |
|----------------------------------------------------------------------------|-----------------|-----------------|
| As at 1 January                                                            | 88,380          |                 |
| Addition on account of acquisition date consolidation adjustment (note 2a) | 55,377          | 88,380          |
| As at 31 December                                                          | <u>143,757</u>  | <u>88,380</u>   |

## 9 Investments

|                                                                   | 2025<br>AED'000  | 2024<br>AED'000  |
|-------------------------------------------------------------------|------------------|------------------|
| Financial assets for unit linked contracts                        | 448,148          | 474,393          |
| Financial assets at amortised cost                                | 1,841,061        | 1,956,263        |
| Financial assets at fair value through other comprehensive income | 2,129,841        | 1,697,024        |
| Financial assets at fair value through profit or loss             | 329,864          | 382,626          |
|                                                                   | <u>4,748,914</u> | <u>4,510,306</u> |

\*These funds/investments mainly includes underlying investments in bonds and sukuku

## Financial assets for unit linked contracts

The movement in unit link contracts during the year is as follows:

|                                     | 2025<br>AED'000 | 2024<br>AED'000 |
|-------------------------------------|-----------------|-----------------|
| At 1 January                        | 474,393         | -               |
| Acquisition of subsidiary (note 2a) | -               | 495,161         |
| Additions during the year           | 59,942          | 56,336          |
| Disposals during the year           | (93,084)        | (89,316)        |
| Net change in fair value(note 22)   | 6,897           | 12,212          |
| At 31 December                      | <u>448,148</u>  | <u>474,393</u>  |

## Portfolios of the funds are as follows:

|                                 | 2025<br>AED'000 | 2024<br>AED'000 |
|---------------------------------|-----------------|-----------------|
| Al Badr Fund Saudi Riyal        | 201,875         | 201,588         |
| Al Ghad/Al Anjal Low Risk Fund* | 99,556          | 110,709         |
| Al Saffa Equity Fund            | 100,152         | 114,472         |
| Al Ghad/Al Anjal Murabaha Fund* | 9,050           | 12,331          |
| Al Badr Fund US Dollar          | 18,883          | 17,556          |
| Al Danah GCC Equity Fund        | 15,903          | 13,874          |
| Saudi Istithmar Fund            | 1,638           | 2,369           |
| Money Market Fund Saudi Riyal   | 1,091           | 1,494           |
| At 31 December                  | <u>448,14</u>   | <u>474,393</u>  |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 9 Investments (continued)

### Financial assets at amortised cost

The movement in financial assets at amortised cost during the year is as follows:

|                                                                                | 2025<br>AED'000  | 2024<br>AED'000  |
|--------------------------------------------------------------------------------|------------------|------------------|
| At 1 January                                                                   | 1,956,263        | 1,146,479        |
| Additions during the year                                                      | 426,151          | 957,365          |
| Maturities during the year                                                     | (313,737)        | (148,077)        |
| Impairment loss on debt securities at amortised cost                           | (76)             | (38)             |
| Amortisation expense                                                           | 212              | 534              |
| Transfer to financial assets at fair value through other comprehensive income* | (227,752)        | -                |
| At 31 December                                                                 | <u>1,841,061</u> | <u>1,956,263</u> |

the Group corrected the classification of ,2025 December 31 During the year ended\* some of its investments, from "Financial assets at amortized cost" to "Financial Sukuk investments previously classified as debt 1 assets at FVOCI". Specifically, Tier instruments have been reassessed as equity investments and reclassified to 1 "Financial assets at FVOCI". This reassessment reflects the equitylike nature of Tier Sukuk, having regard to their contractual characteristics and the fact that they do .9 not meet the Solely Payments of Principal and Interest (SPPI) criteria under IFRS

### Financial assets at fair value through other comprehensive income

The movement in financial assets carried at fair value through other comprehensive income during the year is as follows:

|                                                  | 2025<br>AED'000  | 2024<br>AED'000  |
|--------------------------------------------------|------------------|------------------|
| At 1 January                                     | 1,697,024        | 1,529,033        |
| Acquisition of subsidiary (note 2a)              | -                | 711,815          |
| Transferred to amortized cost                    | -                | (590,725)        |
| Additions during the year                        | 455,218          | 474,030          |
| Disposals during the year                        | (310,418)        | (471,486)        |
| Amortization for the year                        | -                | (168)            |
| Net change in fair value                         | 60,265           | 44,525           |
| Transfer from financial assets at amortised cost | 227,752          | -                |
| At 31 December                                   | <u>2,129,841</u> | <u>1,697,024</u> |

### Financial assets at fair value through profit or loss

The movement in financial assets carried at fair value through profit or loss is as follows:

|                                     | 2025<br>AED'000 | 2024<br>AED'000 |
|-------------------------------------|-----------------|-----------------|
| At 1 January                        | 382,626         | 347,305         |
| Acquisition of subsidiary (note 2a) | -               | 73,550          |
| Additions during the year           | 94,911          | 422,644         |
| Disposals during the year           | (159,975)       | (468,992)       |
| Net change in fair values (note 22) | 12,302          | 8,119           |
| At 31 December                      | <u>329,864</u>  | <u>382,626</u>  |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 9 Investments (continued)

Geographical concentration of investments is as follows:

|             | 2025<br>AED'000         | 2024<br>AED'000         |
|-------------|-------------------------|-------------------------|
| Within UAE  | 1,798,204               | 1,530,638               |
| Outside UAE | <u>2,950,710</u>        | <u>2,979,668</u>        |
|             | <u><b>4,748,914</b></u> | <u><b>4,510,306</b></u> |

During the year ended 31 December 2025, the Group has purchased equity shares amounting to AED 468,715 thousand (31 December 2024: AED 436,788 thousand).

## 10 Investment properties

|                                                                   | Abu Dhabi<br>Head Office<br>Land and<br>Building <sup>(i)</sup> | Al Ain<br>Land and<br>Building <sup>(ii)</sup> | Sharjah<br>Land and<br>Building <sup>(iii)</sup> | Al Raha Al Raha<br>Beach<br>(406 Plot)<br>and Building <sup>(iv)</sup> | Al Raha Al Raha<br>Beach<br>(408 Plot)<br>and Building <sup>(v)</sup> | Total                 |
|-------------------------------------------------------------------|-----------------------------------------------------------------|------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------|-----------------------|
|                                                                   | AED'000                                                         | AED'000                                        | AED'000                                          | AED'000                                                                | AED'000                                                               | AED'000               |
| <b>At 1 January 2025</b>                                          | <b>104,519</b>                                                  | <b>8,894</b>                                   | <b>39,850</b>                                    | <b>313,833</b>                                                         | <b>216,045</b>                                                        | <b>683,141</b>        |
| Additions                                                         | -                                                               | -                                              | -                                                | 104                                                                    | -                                                                     | 104                   |
| (Decrease) / increase in fair values<br>during the year (note 22) | <u>(2,793)</u>                                                  | <u>(670)</u>                                   | <u>4,675</u>                                     | <u>5,564</u>                                                           | <u>4,955</u>                                                          | <u>11,731</u>         |
| <b>At 31 December</b>                                             | <b><u>101,726</u></b>                                           | <b><u>8,224</u></b>                            | <b><u>44,525</u></b>                             | <b><u>319,501</u></b>                                                  | <b><u>221,000</u></b>                                                 | <b><u>694,976</u></b> |
| At 1 January 2024                                                 | 101,743                                                         | 7,574                                          | 39,000                                           | 307,350                                                                | 215,320                                                               | 670,987               |
| Additions                                                         | 32                                                              | -                                              | -                                                | 195                                                                    | 82                                                                    | 309                   |
| (Decrease) / increase in fair values<br>during the year (note 22) | <u>2,744</u>                                                    | <u>1,320</u>                                   | <u>850</u>                                       | <u>6,288</u>                                                           | <u>643</u>                                                            | <u>11,845</u>         |
| At 31 December 2024                                               | <u>104,519</u>                                                  | <u>8,894</u>                                   | <u>39,850</u>                                    | <u>313,833</u>                                                         | <u>216,045</u>                                                        | <u>683,141</u>        |

(i) The construction of this building which is comprised of 14 floors was completed in 1980. Part of building is classified as owner occupied and the remaining portion is available for letting to third parties.

(ii) The construction of this six-storey building was completed in 2003. The entire building is available for letting to third parties.

(iii) This sixteen-storey building was purchased during 1993. The entire building is available for letting to third parties.

(iv) In 2007, the Group purchased land at Al Raha Beach in Abu Dhabi City (Plot 406). The construction on plot no 406 was completed in 2013. The entire building is available for letting to third parties.

(v) In 2007, the Group purchased land at Al Raha Beach in Abu Dhabi City (Plot 408). The construction on plot no 408 was completed in 2015. The entire building is available for letting to third parties.



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 10 Investment properties (continued)

### Measurement of fair value

In accordance with the requirements of the Central Bank of UAE Board Decision No. (25) of 2014, two independent real estate valuers performed the revaluation of the investment properties, with the average of the two being accounted for the purpose of financial reporting.

The fair value of investment properties is determined using market-based approach, discounted cash flow (DCF) model and cap rate. The fair value of the investment properties was determined (a) by an external, independent property valuer having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued (for DCF valuations) and (b) market-based valuations.

Market based approach considers recent market transactions for similar assets or quotes / bid price for same or similar assets.

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rentfree periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

The estimated fair value would increase / (decrease) if:

- expected market rental growth were higher / (lower);
- void periods were shorter / (longer);
- the occupancy rate was higher / (lower);
- rent-free periods were shorter / (longer); or
- the risk-adjusted discount rate was lower / (higher).

## 11 Statutory deposits

In accordance with the Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the Group maintains a bank deposit of AED 10,000 thousand (31 December 2024: AED 10,000 thousand) which cannot be utilised without the consent of the Assistant Governor of the Banking and Insurance Supervision Department of Central Bank of UAE.

In accordance with Article 58 of the Implementing Regulations of Insurance Authority ("IA"), the Company is required to maintain a statutory deposit of not less than %10 of its paid-up capital. The statutory deposit is maintained with a Saudi Arabian bank and can be withdrawn only with the consent of IA amounting to AED 58,800 thousands (31 December 2024: AED 58,800 thousand).

In accordance with the instruction received from IA (previously SAMA) vide their circular dated 1 March 2016, the Company has disclosed the interest due on the statutory deposit as at 31 December 2025 as an asset in these financial statements.



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities

The following reconciliations required by IFRS 17 are included below, for contracts issued and reinsurance contracts held. Reconciliation of the liability for remaining coverage and the liability for incurred claims – applicable to contracts measured under the PAA, VFA and GMM.

|                                                              | 31 December 2025         |                |                                    |                |                                           |                                    |                                        |
|--------------------------------------------------------------|--------------------------|----------------|------------------------------------|----------------|-------------------------------------------|------------------------------------|----------------------------------------|
|                                                              | Remaining coverage- PAA  |                | Remaining coverage- Other than PAA |                | LIC for contracts measured other than PAA | LIC for contracts under the PAA    |                                        |
|                                                              | Excluding loss component | Loss component | Excluding loss component           | Loss component |                                           | Present value of future cash flows | Risk adjustment for non-financial risk |
|                                                              | AED'000                  |                |                                    |                |                                           |                                    |                                        |
| <b>Insurance contracts issued</b>                            |                          |                |                                    |                |                                           |                                    |                                        |
| Opening insurance contract assets                            | (76,432)                 | -              | (23,886)                           | 4,368          | 1,444                                     | (61,277)                           | -                                      |
| Opening insurance contract liabilities                       | (950,709)                | 9,528          | 670,86                             | 74,371         | 37,432                                    | 7,744,331                          | 249,667                                |
| <b>Net balance as at 1 January</b>                           | <b>(1,027,141)</b>       | <b>9,528</b>   | <b>646,980</b>                     | <b>78,739</b>  | <b>38,876</b>                             | <b>7,683,054</b>                   | <b>249,667</b>                         |
| Acquisition date consolidation adjustment                    | 108,583                  |                |                                    |                |                                           |                                    |                                        |
| <b>Net balance as at 1 January (Restated)</b>                | <b>(918,558)</b>         | <b>9,528</b>   | <b>646,980</b>                     | <b>78,739</b>  | <b>38,876</b>                             | <b>7,683,054</b>                   | <b>249,667</b>                         |
| <b>Insurance revenue</b>                                     | <b>(8,220,856)</b>       | <b>-</b>       | <b>(33,160)</b>                    | <b>-</b>       |                                           |                                    |                                        |
| <b>Insurance service expenses</b>                            |                          |                |                                    |                |                                           |                                    |                                        |
| Incurred claims and other directly attributable expenses     | -                        | -              | -                                  | -              | 41,059                                    | 3,886,541                          | 67,246                                 |
| Changes that relate to past service – adjustments to the LIC | -                        | -              | -                                  | -              | (11,229)                                  | (4,685)                            | (118,948)                              |
| Losses on onerous contracts and reversal of those losses     | -                        | (6,236)        | -                                  | 9,685          | -                                         | -                                  | -                                      |
| Insurance acquisition cash flows amortisation                | 649,372                  | -              | 10,468                             | -              | -                                         | -                                  | -                                      |
| <b>Investment Component</b>                                  |                          |                |                                    |                |                                           |                                    |                                        |
| Surrenders                                                   | -                        | -              | (59,073)                           | -              | 59,073                                    | -                                  | -                                      |
| Maturities                                                   | -                        | -              | (36,206)                           | -              | 36,206                                    | -                                  | -                                      |
| <b>Total insurance service expenses</b>                      | <b>649,372</b>           | <b>(6,236)</b> | <b>(84,811)</b>                    | <b>9,685</b>   | <b>125,109</b>                            | <b>3,881,856</b>                   | <b>(51,702)</b>                        |
| <b>Insurance service result</b>                              | <b>(7,571,484)</b>       | <b>(6,236)</b> | <b>(117,971)</b>                   | <b>9,685</b>   | <b>125,109</b>                            | <b>3,881,856</b>                   | <b>(51,702)</b>                        |
| Finance income from insurance contracts issued               | 5,925                    | -              | 30,131                             | 2              | 226                                       | 219,804                            | -                                      |
| <b>Total amounts recognised in comprehensive income</b>      | <b>(7,565,559)</b>       | <b>(6,236)</b> | <b>(87,840)</b>                    | <b>9,687</b>   | <b>125,335</b>                            | <b>4,101,660</b>                   | <b>(51,702)</b>                        |
| <b>Cash flows</b>                                            |                          |                |                                    |                |                                           |                                    |                                        |
| Premiums received                                            | 8,156,731                | -              | 99,057                             | -              | -                                         | -                                  | -                                      |
| Claims and other directly attributable expenses paid         | (66,203)                 | -              | -                                  | -              | (123,923)                                 | (5,612,793)                        | -                                      |
| Insurance acquisition cash flows paid                        | (574,009)                | -              | (3,995)                            | -              | -                                         | (68,939)                           | -                                      |
| <b>Total cash flows</b>                                      | <b>7,516,519</b>         | <b>-</b>       | <b>95,062</b>                      | <b>-</b>       | <b>(123,923)</b>                          | <b>(5,681,732)</b>                 | <b>-</b>                               |
| <b>Net balance as at 31 December</b>                         | <b>(967,598)</b>         | <b>3,292</b>   | <b>654,202</b>                     | <b>88,426</b>  | <b>40,288</b>                             | <b>6,102,982</b>                   | <b>197,965</b>                         |
| Closing insurance contract assets                            | (20,379)                 | -              | (1,076)                            | -              | -                                         | (82,654)                           | -                                      |
| Closing insurance contract liabilities                       | (947,219)                | 3,292          | 655,278                            | 88,426         | 40,288                                    | 6,185,636                          | 197,965                                |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims – applicable to contracts measured under the PAA, VFA and GMM.

|                                                              | 31 December 2024         |                |                                   |                |                                           |                                    |                                        |
|--------------------------------------------------------------|--------------------------|----------------|-----------------------------------|----------------|-------------------------------------------|------------------------------------|----------------------------------------|
|                                                              | Remaining coverage PAA   |                | Remaining coverage Other than PAA |                | LIC for contracts measured other than PAA | LIC for contracts under the PAA    |                                        |
|                                                              | Excluding loss component | Loss component | Excluding loss component          | Loss component |                                           | Present value of future cash flows | Risk adjustment for non-financial risk |
|                                                              | AED'000                  |                |                                   |                |                                           |                                    |                                        |
| <b>Insurance contracts issued</b>                            |                          |                |                                   |                |                                           |                                    |                                        |
| Opening insurance contract assets                            | -                        | -              | (17,819)                          | 277            | 3,051                                     | -                                  | -                                      |
| Opening insurance contract liabilities                       | (378,686)                | -              | 283,854                           | 43,488         | 11,911                                    | 4,529,885                          | 143,161                                |
| <b>Net balance as at 1 January</b>                           | (378,686)                | -              | 266,035                           | 43,765         | 14,962                                    | 4,529,885                          | 143,161                                |
| <b>Net balance – Acquisition of Subsidiary</b> (note 2a)     | 100,717                  | 3,586          | 451,968                           | 16,734         | 30,167                                    | 306,815                            | 23,699                                 |
| <b>Insurance revenue</b>                                     | (7,122,277)              | -              | (53,650)                          | -              | -                                         | -                                  | -                                      |
| <b>Insurance service expenses</b>                            |                          |                |                                   |                |                                           |                                    |                                        |
| Incurred claims and other directly attributable expenses     | -                        | -              | -                                 | -              | 40,311                                    | 6,207,793                          | 116,060                                |
| Changes that relate to past service - adjustments to the LIC | -                        | -              | -                                 | -              | (12,798)                                  | 799,896                            | (33,253)                               |
| Losses on onerous contracts and reversal of those losses     | -                        | 5,942          | -                                 | 18,237         | -                                         | -                                  | -                                      |
| Insurance acquisition cash flows amortisation                | 538,026                  | -              | 10,006                            | -              | -                                         | -                                  | -                                      |
| <b>Investment Component</b>                                  |                          |                |                                   |                |                                           |                                    |                                        |
| Surrenders                                                   | -                        | -              | (51,165)                          | -              | 51,165                                    | -                                  | -                                      |
| Maturities                                                   | -                        | -              | (31,359)                          | -              | 31,359                                    | -                                  | -                                      |
| <b>Total insurance service expenses</b>                      | 538,026                  | 5,942          | (72,518)                          | 18,237         | 110,037                                   | 7,007,689                          | 82,807                                 |
| <b>Insurance service result</b>                              | (6,584,251)              | 5,942          | (126,168)                         | 18,237         | 110,037                                   | 7,007,689                          | 82,807                                 |
| Finance income from insurance contracts issued               | 5,293                    | -              | 13,778                            | 3              | 224                                       | 4,083                              | -                                      |
| <b>Total amounts recognised in comprehensive income</b>      | (6,578,958)              | 5,942          | (112,390)                         | 18,240         | 110,261                                   | 7,011,772                          | 82,807                                 |
| <b>Cash flows</b>                                            |                          |                |                                   |                |                                           |                                    |                                        |
| Premiums received                                            | 6,266,810                | -              | 44,637                            | -              | -                                         | -                                  | -                                      |
| Claims and other directly attributable expenses paid         | -                        | -              | -                                 | -              | (116,514)                                 | (4,165,416)                        | -                                      |
| Insurance acquisition cash flows paid                        | (437,024)                | -              | (3,270)                           | -              | -                                         | -                                  | -                                      |
| <b>Total cash flows</b>                                      | 5,829,786                | -              | 41,367                            | -              | (116,514)                                 | (4,165,416)                        | -                                      |
| <b>Net balance as at 31 December</b>                         | (1,027,141)              | 9,528          | 646,980                           | 78,739         | 38,876                                    | 7,683,054                          | 249,667                                |
| Closing insurance contract assets                            | (76,432)                 | -              | (23,886)                          | 4,368          | 1,444                                     | (61,277)                           | -                                      |
| Closing insurance contract liabilities                       | (950,709)                | 9,528          | 670,866                           | 74,371         | 37,432                                    | 7,744,331                          | 249,667                                |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of insurance contract balances – applicable to contracts not measured under PAA as at:

|                                                                                                       | 31 December 2025                            |                                                   |                |                |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------------|----------------|----------------|
|                                                                                                       | Present<br>value of<br>future cash<br>flows | Risk<br>adjustment<br>for non -<br>financial risk | CSM            | Total          |
|                                                                                                       | AED'000                                     |                                                   |                |                |
| <b>Insurance contracts issued</b>                                                                     |                                             |                                                   |                |                |
| Opening insurance contract assets                                                                     | (18,161)                                    | 87                                                | -              | (18,074)       |
| Opening insurance contract liabilities                                                                | 750,169                                     | 17,459                                            | 15,041         | 782,669        |
| <b>Net balance as at 01 January</b>                                                                   | <b>732,008</b>                              | <b>17,546</b>                                     | <b>15,041</b>  | <b>764,595</b> |
| <b>Net balance - Acquisition of subsidiary</b> (note 2a)                                              | -                                           | -                                                 | -              | -              |
| CSM recognised in profit or loss for the services provided                                            | 2,746                                       | -                                                 | (4,617)        | (1,871)        |
| Change in the risk adjustment for nonfinancial risk for the risk expired                              | -                                           | 1,110                                             | -              | 1,110          |
| Experience adjustments — relating to insurance service expenses                                       | 11,981                                      | -                                                 | -              | 11,981         |
| <b>Changes that relate to current service</b>                                                         | <b>14,727</b>                               | <b>1,110</b>                                      | <b>(4,617)</b> | <b>11,220</b>  |
| Changes in estimates that adjust the CSM                                                              | (16,962)                                    | 65                                                | 16,897         | -              |
| Changes in estimates that result in onerous contract losses or reversal of losses                     | 61,230                                      | 1,648                                             | 8              | 62,886         |
| Experience adjustments — arising from premiums received during the year that relate to future service | (45,646)                                    | -                                                 | (154)          | (45,800)       |
| Contracts initially recognised during the year                                                        | (1,338)                                     | 583                                               | 1,998          | 1,243          |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of insurance contract balances – applicable to contracts not measured under PAA as at:

|                                                                                                     |           |         |         |           |
|-----------------------------------------------------------------------------------------------------|-----------|---------|---------|-----------|
| <b>Changes that relate to future services</b>                                                       | (2,716)   | 2,296   | 18,749  | 18,329    |
| Changes that relate to past service – changes in the FCF relating to the LIC                        | (11,029)  | (1,697) |         | (12,726)  |
| Experience adjustments – arising from premiums received during the year that relate to past service | -         | -       | -       | -         |
| <b>Changes that relate to past service</b>                                                          | (11,029)  | (1,697) |         | (12,726)  |
| <b>Insurance service result</b>                                                                     | 982       | 1,709   | 14,132  | 16,823    |
| Net finance expenses from insurance contracts issued                                                | 35,859    | -       | (5,500) | 30,359    |
| <b>Total amounts recognised in comprehensive income</b>                                             | 36,841    | 1,709   | 8,632   | 47,182    |
| <b>Cash flows</b>                                                                                   |           |         |         |           |
| Premiums received                                                                                   | 99,057    | -       | -       | 99,057    |
| Claims and other directly attributable expenses paid                                                | (123,923) | -       | -       | (123,923) |
| Insurance acquisition cash flows paid                                                               | (3,995)   | -       | -       | (3,995)   |
| <b>Total cash flows</b>                                                                             | (28,861)  | -       | -       | (28,861)  |
| <b>Net balance as at 31 December</b>                                                                | 739,988   | 19,255  | 23,673  | 782,916   |
| Closing insurance contract assets                                                                   | (556)     | (989)   | 469     | (1,076)   |
| Closing insurance contract liabilities                                                              | 740,544   | 20,244  | 23,204  | 783,992   |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of insurance contract balances – applicable to contracts not measured under PAA as at:

|                                                                                                       | 31 December 2024                         |                                                 |                |                |
|-------------------------------------------------------------------------------------------------------|------------------------------------------|-------------------------------------------------|----------------|----------------|
|                                                                                                       | Present value<br>of future<br>cash flows | Risk<br>adjustment for<br>non-financial<br>risk | CSM            | Total          |
|                                                                                                       | AED'000                                  |                                                 |                |                |
| <b>Insurance contracts issued</b>                                                                     |                                          |                                                 |                |                |
| Opening insurance contract assets                                                                     | (21,765)                                 | 377                                             | 6,897          | (14,491)       |
| Opening insurance contract liabilities                                                                | 317,864                                  | 14,064                                          | 7,325          | 339,253        |
| <b>Net balance as at 01 January</b>                                                                   | <b>296,099</b>                           | <b>14,441</b>                                   | <b>14,222</b>  | <b>324,762</b> |
| <b>Net balance Acquisition of subsidiary</b> (note 2a)                                                | <b>483,240</b>                           | <b>4,799</b>                                    | <b>10,830</b>  | <b>498,869</b> |
| CSM recognised in profit or loss for the services provided                                            | -                                        | -                                               | (8,060)        | (8,060)        |
| Change in the risk adjustment for nonfinancial risk for the risk expired                              | -                                        | (17)                                            | -              | (17)           |
| Experience adjustments – relating to insurance service expenses                                       | (1,012)                                  | -                                               | -              | (1,012)        |
| <b>Changes that relate to current service</b>                                                         | <b>(1,012)</b>                           | <b>(17)</b>                                     | <b>(8,060)</b> | <b>(9,089)</b> |
| Changes in estimates that adjust the CSM                                                              | (22,804 )                                | 416                                             | 22,388         | -              |
| Changes in estimates that result in onerous contract losses or reversal of losses                     | 45,804                                   | (1,766)                                         | -              | 44,038         |
| Experience adjustments – arising from premiums received during the year that relate to future service | 5,456                                    | 989                                             | (26,157)       | (19,712)       |
| Contracts initially recognised during the year                                                        | (2,480)                                  | 355                                             | 3,502          | 1,377          |
| <b>Changes that relate to future services</b>                                                         | <b>25,976</b>                            | <b>(6)</b>                                      | <b>(267)</b>   | <b>25,703</b>  |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of insurance contract balances – applicable to contracts not measured under PAA as at:

|                                                                                                     |                 |                |                 |                 |
|-----------------------------------------------------------------------------------------------------|-----------------|----------------|-----------------|-----------------|
| Changes that relate to past service – changes in the FCF relating to the LIC                        | (12,837)        | (1,671)        | -               | (14,508)        |
| Experience adjustments – arising from premiums received during the year that relate to past service | -               | -              | -               | -               |
| <b>Changes that relate to past service</b>                                                          | <b>(12,837)</b> | <b>(1,671)</b> | <b>-</b>        | <b>(14,508)</b> |
| <b>Insurance service result</b>                                                                     | <b>12,127</b>   | <b>(1,694)</b> | <b>(8,327)</b>  | <b>2,106</b>    |
| Net finance expenses from insurance contracts issued                                                | 15,690          | -              | (1,684)         | 14,006          |
| <b>Total amounts recognised in comprehensive income</b>                                             | <b>27,817</b>   | <b>(1,694)</b> | <b>(10,011)</b> | <b>16,112</b>   |
| <b>Cash flows</b>                                                                                   |                 |                |                 |                 |
| Premiums received                                                                                   | 44,637          | -              | -               | 44,637          |
| Claims and other directly attributable expenses paid                                                | (116,514)       | -              | -               | (116,514)       |
| Insurance acquisition cash flows paid                                                               | (3,271)         | -              | -               | (3,271)         |
| <b>Total cash flows</b>                                                                             | <b>(75,148)</b> | <b>-</b>       | <b>-</b>        | <b>(75,148)</b> |
| <b>Net balance as at 31 December</b>                                                                | <b>732,008</b>  | <b>17,546</b>  | <b>15,041</b>   | <b>764,595</b>  |
| Closing insurance contract assets                                                                   | (18,161)        | 87             | -               | (18,074)        |
| Closing insurance contract liabilities                                                              | 750,169         | 17,459         | 15,041          | 782,669         |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Impact of contracts initially recognised in the year ended

|                                                                                      | 31 December 2025                  |                              |          |
|--------------------------------------------------------------------------------------|-----------------------------------|------------------------------|----------|
|                                                                                      | Non –onerous contracts originated | Onerous contracts originated | Total    |
|                                                                                      | AED’000                           | AED’000                      | AED’000  |
| Insurance contracts issued                                                           |                                   |                              |          |
| Estimates of the present value of future cash outflows                               |                                   |                              |          |
| Insurance acquisition cash flows                                                     | 244                               | 1,098                        | 1,342    |
| Claims and other directly attributable expenses                                      | 48,817                            | 5,768                        | 54,585   |
|                                                                                      |                                   |                              |          |
| Total estimates of the present value of future cash outflows                         | 49,061                            | 6,866                        | 55,927   |
| Estimates of the present value of future cash inflows                                | (51,589)                          | (5,678)                      | (57,267) |
| Risk adjustment for non –financial risk                                              | 529                               | 55                           | 584      |
| CSM                                                                                  | 1,999                             | -                            | 1,999    |
|                                                                                      |                                   |                              |          |
| Increase in insurance contract liabilities from contracts recognised during the year | -                                 | 1,243                        | 1,243    |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Impact of contracts initially recognised in the year ended

|                                                                                             | 31 December 2024                                   |                                               |                  |
|---------------------------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------------------|------------------|
|                                                                                             | Non -onerous<br>contracts<br>originated<br>AED'000 | Onerous<br>contracts<br>originated<br>AED'000 | Total<br>AED'000 |
| Insurance contracts issued                                                                  |                                                    |                                               |                  |
| Estimates of the present value of future cash outflows                                      |                                                    |                                               |                  |
| Insurance acquisition cash flows                                                            | 298                                                | 559                                           | 857              |
| Claims and other directly attributable expenses                                             | 50,762                                             | (7,456)                                       | 43,306           |
|                                                                                             |                                                    |                                               |                  |
| <b>Total estimates of the present value of future cash outflows</b>                         | <b>51,060</b>                                      | <b>(6,897)</b>                                | <b>44,163</b>    |
| Estimates of the present value of future cash inflows                                       | (55,030)                                           | 8,390                                         | (46,640)         |
| Risk adjustment for non - financial risk                                                    | 468                                                | (116)                                         | 352              |
| CSM                                                                                         | 3,502                                              | -                                             | 3,502            |
|                                                                                             |                                                    |                                               |                  |
| <b>Increase in insurance contract liabilities from contracts recognised during the year</b> | <b>-</b>                                           | <b>1,377</b>                                  | <b>1,377</b>     |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the remaining coverage and incurred claims – for contracts measured under the PAA, VFA and GMM.

|                                                                                                    | 31 December 2025                  |                         |                                    |                         |                                           |                                             |                                        |
|----------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------|------------------------------------|-------------------------|-------------------------------------------|---------------------------------------------|----------------------------------------|
|                                                                                                    | Remaining coverage- PAA           |                         | Remaining coverage– Other than PAA |                         | LIC for contracts measured other than PAA | Incurred claims for contracts under the PAA |                                        |
|                                                                                                    | Excluding loss recovery component | Loss recovery component | Excluding loss recovery component  | Loss recovery component |                                           | Present value of future cash flows          | Risk adjustment for non-financial risk |
|                                                                                                    | AED'000                           |                         |                                    |                         |                                           |                                             |                                        |
| <b>Reinsurance contracts held</b>                                                                  |                                   |                         |                                    |                         |                                           |                                             |                                        |
| Opening reinsurance contract assets                                                                | 3,149,188                         | (1,188)                 | 12,708                             | (3,049)                 | (128,301)                                 | (8,244,846)                                 | (200,532)                              |
| Opening reinsurance contract liabilities                                                           | 129,194                           | (1)                     | 8                                  | -                       | -                                         | 36                                          | 1                                      |
| <b>Net balance as at 1 January</b>                                                                 | <b>3,278,382</b>                  | <b>(1,189)</b>          | <b>12,716</b>                      | <b>(3,049)</b>          | <b>(128,301)</b>                          | <b>(8,244,810)</b>                          | <b>(200,531)</b>                       |
| <b>Net balance– Acquisition of Subsidiary</b>                                                      |                                   |                         |                                    |                         |                                           |                                             |                                        |
| <b>Net income / (expenses) from reinsurance contracts held</b>                                     |                                   |                         |                                    |                         |                                           |                                             |                                        |
| Reinsurance expenses                                                                               | 4,448,347                         | -                       | 13,365                             | -                       | -                                         | -                                           | -                                      |
| Other incurred directly attributable expenses                                                      | -                                 | -                       | -                                  | -                       | (73)                                      | (85,938)                                    | -                                      |
| Claims recovered net of reinsurance expenses                                                       | -                                 | -                       | -                                  | -                       | 38                                        | (1,179,267)                                 | (37,980)                               |
| Changes that relate to past service – changes in the FCF relating to incurred claims recovery      | -                                 | -                       | -                                  | -                       | 1,114                                     | (27,396)                                    | 90,858                                 |
| Income on initial recognition of onerous underlying contracts                                      | -                                 | 1,051                   | -                                  | (8)                     | -                                         | -                                           | -                                      |
| Reversals of a loss recovery component other than changes in the FCF of reinsurance contracts held | -                                 | -                       | -                                  | -                       | -                                         | -                                           | -                                      |
| Changes in the FCF of reinsurance contracts held from onerous underlying contracts                 | -                                 | -                       | -                                  | 2,946                   | -                                         | -                                           | -                                      |
| Effect of changes in non-performance risk of reinsurers                                            | -                                 | -                       | -                                  | -                       | -                                         | 8,786                                       | -                                      |
| <b>Net income / (expenses) from reinsurance contracts held</b>                                     | <b>4,448,347</b>                  | <b>1,051</b>            | <b>13,365</b>                      | <b>2,938</b>            | <b>1,079</b>                              | <b>(1,283,815)</b>                          | <b>52,878</b>                          |
| Finance expenses from reinsurance contracts held                                                   | (4,100)                           | -                       | 9,606                              | -                       | (14,484)                                  | (178,129)                                   | -                                      |
| <b>Total amounts recognised in comprehensive income</b>                                            | <b>4,444,247</b>                  | <b>1051</b>             | <b>22,971</b>                      | <b>2,938</b>            | <b>(13,405)</b>                           | <b>(1,461,944)</b>                          | <b>52,878</b>                          |
| <b>Cash flows</b>                                                                                  |                                   |                         |                                    |                         |                                           |                                             |                                        |
| Premiums paid net of ceding commissions                                                            | (4,086,172)                       | -                       | (2,042)                            | -                       | -                                         | -                                           | -                                      |
| Other directly attributable expenses paid                                                          | -                                 | -                       | -                                  | -                       | -                                         | 94,903                                      | -                                      |
| Recoveries from reinsurance                                                                        | 27,783                            | -                       | 223                                | -                       | 348                                       | 2,779,942                                   | -                                      |
| <b>Total cash flows</b>                                                                            | <b>(4,058,389)</b>                |                         | <b>(1,819)</b>                     |                         | <b>348</b>                                | <b>2,874,845</b>                            |                                        |
| <b>Net balance as at 31 December</b>                                                               | <b>3,664,240</b>                  | <b>(138)</b>            | <b>33,868</b>                      | <b>(111)</b>            | <b>(141,358)</b>                          | <b>(6,831,909)</b>                          | <b>(147,653)</b>                       |
| Closing reinsurance contract assets                                                                | 3,536,268                         | (138)                   | 33,727                             | (108)                   | (141,346)                                 | (6,831,909)                                 | (147,653)                              |
| Closing reinsurance contract liabilities                                                           | 127,972                           | -                       | 141                                | (3)                     | (12)                                      | -                                           | -                                      |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the remaining coverage and incurred claims – for contracts measured under the PAA, VFA and GMM.

|                                                                                                    | 31 December 2024                  |                         |                                    |                         |                                           |                                             |                                        |
|----------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------|------------------------------------|-------------------------|-------------------------------------------|---------------------------------------------|----------------------------------------|
|                                                                                                    | Remaining coverage PAA            |                         | Remaining coverage- Other than PAA |                         | LIC for contracts measured other than PAA | Incurred claims for contracts under the PAA |                                        |
|                                                                                                    | Excluding loss recovery component | Loss recovery component | Excluding loss recovery component  | Loss recovery component |                                           | Present value of future cash flows          | Risk adjustment for non-financial risk |
|                                                                                                    | AED'000                           |                         |                                    |                         |                                           |                                             |                                        |
| <b>Reinsurance contracts held</b>                                                                  |                                   |                         |                                    |                         |                                           |                                             |                                        |
| Opening reinsurance contract assets                                                                | 1,947,737                         | -                       | (4,100)                            | (236)                   | (69,341)                                  | (4,493,615)                                 | (109,554)                              |
| Opening reinsurance contract liabilities                                                           | 35,231                            | -                       | -                                  | -                       | -                                         | (29,033)                                    | (1,798)                                |
| <b>Net balance as at 1 January</b>                                                                 | <b>1,982,968</b>                  | <b>-</b>                | <b>(4,100)</b>                     | <b>(236)</b>            | <b>(69,341)</b>                           | <b>(4,522,648)</b>                          | <b>(111,352)</b>                       |
| <b>Net balance – Acquisition of Subsidiary</b>                                                     | <b>109,120</b>                    | <b>(957)</b>            | <b>(1,238)</b>                     | <b>-</b>                | <b>(863)</b>                              | <b>(323,291)</b>                            | <b>(13,802)</b>                        |
| <b>Net income / (expenses) from reinsurance contracts held</b>                                     |                                   |                         |                                    |                         |                                           |                                             |                                        |
| Reinsurance expenses                                                                               | 3,926,808                         | -                       | 13,730                             | -                       | -                                         | -                                           | -                                      |
| Other incurred directly attributable expenses                                                      | -                                 | -                       | -                                  | -                       | 38                                        | 56,712                                      | 364                                    |
| Claims recovered net of reinsurance expenses                                                       | -                                 | -                       | -                                  | -                       | (59,931)                                  | (4,056,737)                                 | (80,103)                               |
| Changes that relate to past service – changes in the FCF relating to incurred claims recovery      | -                                 | -                       | -                                  | -                       | (577)                                     | (778,301)                                   | 4,362                                  |
| Income on initial recognition of onerous underlying contracts                                      | -                                 | (215)                   | -                                  | -                       | -                                         | -                                           | -                                      |
| Reversals of a loss recovery component other than changes in the FCF of reinsurance contracts held | -                                 | (17)                    | -                                  | -                       | -                                         | -                                           | -                                      |
| Changes in the FCF of reinsurance contracts held from onerous underlying contracts                 | -                                 | -                       | -                                  | (2,813)                 | -                                         | -                                           | -                                      |
| Effect of changes in non -performance risk of reinsurers                                           | -                                 | -                       | -                                  | -                       | -                                         | 13,397                                      | -                                      |
| <b>Net income / (expenses) from reinsurance contracts held</b>                                     | <b>3,926,808</b>                  | <b>(232)</b>            | <b>13,730</b>                      | <b>(2,813)</b>          | <b>(60,470)</b>                           | <b>(4,764,929)</b>                          | <b>(75,377)</b>                        |
| Finance expenses from reinsurance contracts held                                                   | (3,562)                           | -                       | (6,794)                            | -                       | 1,689                                     | 5,885                                       | -                                      |
| <b>Total amounts recognised in comprehensive income</b>                                            | <b>3,923,246</b>                  | <b>(232)</b>            | <b>6,936</b>                       | <b>(2,813)</b>          | <b>(58,781)</b>                           | <b>(4,759,044)</b>                          | <b>(75,377)</b>                        |
| <b>Cash flows</b>                                                                                  |                                   |                         |                                    |                         |                                           |                                             |                                        |
| Premiums paid net of ceding commissions                                                            | (2,733,404)                       | -                       | 11,166                             | -                       | -                                         | -                                           | -                                      |
| Other directly attributable expenses paid                                                          | (3,548)                           | -                       | (49)                               | -                       | -                                         | (4,558)                                     | -                                      |
| Recoveries from reinsurance                                                                        | -                                 | -                       | -                                  | -                       | 684                                       | 1,364,732                                   | -                                      |
| <b>Total cash flows</b>                                                                            | <b>(2,736,952)</b>                | <b>-</b>                | <b>11,117</b>                      | <b>-</b>                | <b>684</b>                                | <b>1,360,174</b>                            | <b>-</b>                               |
| <b>Net balance as at 31 December</b>                                                               | <b>3,278,382</b>                  | <b>(1,189)</b>          | <b>12,715</b>                      | <b>(3,049)</b>          | <b>(128,301)</b>                          | <b>(8,244,809)</b>                          | <b>(200,531)</b>                       |
| Closing reinsurance contract assets                                                                | 3,149,188                         | (1,188)                 | 12,708                             | (3,049)                 | (128,301)                                 | (8,244,846)                                 | (200,532)                              |
| Closing reinsurance contract liabilities                                                           | 129,194                           | (1)                     | 8                                  | -                       | -                                         | 36                                          | 1                                      |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of reinsurance contract balances – applicable to contracts not measured under the PAA as at:

|                                                                                                         | 31 December 2025                            |                                                 |                  |                  |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|------------------|------------------|
|                                                                                                         | Present<br>value of<br>future cash<br>flows | Risk<br>adjustment for<br>non-financial<br>risk | CSM              | Total            |
|                                                                                                         | AED'000                                     |                                                 |                  |                  |
| <b>Reinsurance contracts issued</b>                                                                     |                                             |                                                 |                  |                  |
| Opening reinsurance contract assets                                                                     | 9,763                                       | (123)                                           | (128,282)        | (118,642)        |
| Opening reinsurance contracts liabilities                                                               | 8                                           | -                                               | -                | 8                |
| <b>Net balance as at 01 January</b>                                                                     | <b>9,771</b>                                | <b>(123)</b>                                    | <b>(128,282)</b> | <b>(118,634)</b> |
| <b>Net balance – Acquisition of subsidiary</b> (note 2a)                                                | -                                           | -                                               | -                | -                |
| CSM recognised in profit or loss for the services received                                              | 238                                         | -                                               | 15,596           | 15,834           |
| Change in the risk adjustment for nonfinancial risk for the risk expired                                | -                                           | 17                                              | -                | 17               |
| Experience adjustments – relating to incurred claims and other directly attributable expenses recovery  | 391                                         | 54                                              | -                | 445              |
| <b>Changes that relate to current service</b>                                                           | <b>629</b>                                  | <b>71</b>                                       | <b>15,596</b>    | <b>16,296</b>    |
| Changes in estimates that adjust the CSM                                                                | 168                                         | 11                                              | (179)            | -                |
| Contracts initially recognised during the year                                                          | (4)                                         | (5)                                             | 9                | -                |
| CSM adjustment for income on initial recognition of onerous underlying contracts                        | -                                           | -                                               | (8)              | (8)              |
| Reversals of a loss –recovery component other than changes in the FCF of reinsurance contracts held     | -                                           | -                                               | 29               | 29               |
| Experience adjustments – arising from ceded premiums paid during the year that relate to future service | 319                                         | (3)                                             | (316)            | -                |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of reinsurance contract balances – applicable to contracts not measured under the PAA as at:

|                                                                                                       |         |      |           |           |
|-------------------------------------------------------------------------------------------------------|---------|------|-----------|-----------|
| Changes that relate to future services                                                                | 483     | 3    | (465)     | 21        |
| Changes that relate to past service – changes in the FCF relating to incurred claims recovery         | 1,052   | 13   | -         | 1,065     |
| Experience adjustments – arising from ceded premiums paid during the year that relate to past service | -       | -    | -         | -         |
| Changes that relate to past service                                                                   | 1,052   | 13   | -         | 1,065     |
| Net (income) / expenses from reinsurance contracts held                                               | 2,164   | 87   | 15,131    | 17,382    |
| Finance expenses / (income) from insurance contracts issued                                           | 699     | -    | (5,576)   | (4,877)   |
| Total amounts recognised in comprehensive income                                                      | 2,863   | 87   | 9,555     | 12,505    |
| Cash flows                                                                                            |         |      |           |           |
| Premiums paid net of ceding commissions and other directly attributable expenses paid                 | (1,820) | -    | -         | (1,820)   |
| Recoveries from reinsurance                                                                           | 348     | -    | -         | 348       |
| Total cash flows                                                                                      | (1,472) | -    | -         | (1,472)   |
| Net balance as at 31 December                                                                         | 11,162  | (36) | (118,727) | (107,601) |
| Closing reinsurance contract assets                                                                   | 11,176  | (31) | (118,872) | (107,727) |
| Closing reinsurance contract liabilities                                                              | (14)    | (5)  | 145       | 126       |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of reinsurance contract balances – applicable to contracts not measured under the PAA as at:

|                                                                                                         | 31 December 2024                            |                                                 |                 |                 |
|---------------------------------------------------------------------------------------------------------|---------------------------------------------|-------------------------------------------------|-----------------|-----------------|
|                                                                                                         | Present<br>value of<br>future cash<br>flows | Risk<br>adjustment for<br>non-financial<br>risk | CSM             | Total           |
|                                                                                                         | AED'000                                     |                                                 |                 |                 |
| <b>Reinsurance contracts issued</b>                                                                     |                                             |                                                 |                 |                 |
| Opening reinsurance contract assets                                                                     | 2,885                                       | (302)                                           | (76,260)        | (73,677)        |
| Opening reinsurance contracts liabilities                                                               | -                                           | -                                               | -               | -               |
| <b>Net balance as at 01 January</b>                                                                     | <b>2,885</b>                                | <b>(302)</b>                                    | <b>(76,260)</b> | <b>(73,677)</b> |
| <b>Net balance – Acquisition of subsidiary</b> (note 2a)                                                | <b>(1,265)</b>                              | <b>(275)</b>                                    | <b>(560)</b>    | <b>(2,100)</b>  |
| CSM recognised in profit or loss for the services received                                              | -                                           | -                                               | 8,050           | 8,050           |
| Change in the risk adjustment for nonfinancial risk for the risk expired                                | -                                           | 53                                              | -               | 53              |
| Experience adjustments– relating to incurred claims and other directly attributable expenses recovery   | (59,309)                                    | 58                                              | -               | (59,251)        |
| <b>Changes that relate to current service</b>                                                           | <b>(59,309)</b>                             | <b>111</b>                                      | <b>8,050</b>    | <b>(51,148)</b> |
| Changes in estimates that adjust the CSM                                                                | 61,991                                      | 327                                             | (62,318)        | -               |
| Contracts initially recognised during the year                                                          | 2,940                                       | (16)                                            | (2,924)         | -               |
| Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held      | -                                           | -                                               | (288)           | (288)           |
| Experience adjustments – arising from ceded premiums paid during the year that relate to future service | (11,161)                                    | -                                               | 11,161          | -               |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of reinsurance contract balances – applicable to contracts not measured under the PAA as at:

|                                                                                                       |                |              |                  |                  |
|-------------------------------------------------------------------------------------------------------|----------------|--------------|------------------|------------------|
| <b>Changes that relate to future services</b>                                                         | <b>53,770</b>  | <b>311</b>   | <b>(54,369)</b>  | <b>(288)</b>     |
| Changes that relate to past service – changes in the FCF relating to incurred claims recovery         | 1,851          | 32           | -                | 1,883            |
| Experience adjustments – arising from ceded premiums paid during the year that relate to past service | -              | -            | -                | -                |
| <b>Changes that relate to past service</b>                                                            | <b>1,851</b>   | <b>32</b>    | <b>-</b>         | <b>1,883</b>     |
| <b>Net (income) / expenses from reinsurance contracts held</b>                                        | <b>(3,688)</b> | <b>454</b>   | <b>(46,319)</b>  | <b>(49,553)</b>  |
| Finance expenses / (income) from insurance contracts issued                                           | 38             | -            | (5,143)          | (5,105)          |
| <b>Total amounts recognised in comprehensive income</b>                                               | <b>(3,650)</b> | <b>454</b>   | <b>(51,462)</b>  | <b>(54,658)</b>  |
| <b>Cash flows</b>                                                                                     |                |              |                  |                  |
| Premiums paid net of ceding commissions and other directly attributable expenses paid                 | 11,116         | -            | -                | 11,116           |
| Recoveries from reinsurance                                                                           | 685            | -            | -                | 685              |
| <b>Total cash flows</b>                                                                               | <b>11,801</b>  | <b>-</b>     | <b>-</b>         | <b>11,801</b>    |
| <b>Net balance as at 31 December</b>                                                                  | <b>9,771</b>   | <b>(123)</b> | <b>(128,282)</b> | <b>(118,634)</b> |
| Closing reinsurance contract assets                                                                   | 9,763          | (123)        | (128,282)        | (118,642)        |
| Closing reinsurance contract liabilities                                                              | 8              | -            | -                | 8                |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Impact of reinsurance contracts recognised in the year ended

|                                                                                            | 31 December 2025                                |                                          |             |
|--------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------|-------------|
|                                                                                            | Contracts<br>originated<br>not in a net<br>gain | Contracts<br>originated<br>in a net gain | Total       |
|                                                                                            | AED'000                                         | AED'000                                  | AED'000     |
| <b>Reinsurance contracts held</b>                                                          |                                                 |                                          |             |
| Estimates of the present value of future cash inflow                                       | -                                               | 117                                      | 117         |
| Estimates of the present value of future cash outflow                                      | -                                               | (121)                                    | (121)       |
| Risk adjustment for non-financial risk                                                     | -                                               | (5)                                      | (5)         |
| CSM                                                                                        | -                                               | 9                                        | 9           |
|                                                                                            | <hr/>                                           | <hr/>                                    | <hr/>       |
| <b>Increase in reinsurance contract assets from contracts recognised in the year ended</b> | -                                               | -                                        | -           |
|                                                                                            | <hr/> <hr/>                                     | <hr/> <hr/>                              | <hr/> <hr/> |
|                                                                                            | 31 December 2024                                |                                          |             |
|                                                                                            | Contracts<br>originated<br>not in a net<br>gain | Contracts<br>originated<br>in a net gain | Total       |
|                                                                                            | AED'000                                         | AED'000                                  | AED'000     |
| <b>Reinsurance contracts held</b>                                                          |                                                 |                                          |             |
| Estimates of the present value of future cash inflow                                       | -                                               | 33,780                                   | 33,780      |
| Estimates of the present value of future cash outflow                                      | -                                               | (30,840)                                 | (30,840)    |
| Risk adjustment for non-financial risk                                                     | -                                               | (16)                                     | (16)        |
| CSM                                                                                        | -                                               | (2,924)                                  | (2,924)     |
|                                                                                            | <hr/>                                           | <hr/>                                    | <hr/>       |
| <b>Increase in reinsurance contract assets from contracts recognised in the year ended</b> | -                                               | -                                        | -           |
|                                                                                            | <hr/> <hr/>                                     | <hr/> <hr/>                              | <hr/> <hr/> |



## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 12 Insurance and reinsurance contract assets and liabilities (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<br>AED'000 | 2 year<br>AED'000 | 3 year<br>AED'000 | 4 year<br>AED'000 | 5 year<br>AED'000 | >6 year<br>AED'000 | Total<br>AED'000 |
|------------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|------------------|
| <b>31 December 2025</b>                  |                   |                   |                   |                   |                   |                    |                  |
| Total CSM for insurance contracts issued | 2,916             | 2,249             | 1,717             | 1,467             | 1,323             | 14,001             | 23,673           |
| Total CSM for reinsurance contracts held | (15,982)          | (15,950)          | (15,970)          | (15,908)          | (15,892)          | (39,025)           | (118,727)        |
| Total                                    | <u>(13,066)</u>   | <u>(13,701)</u>   | <u>(14,253)</u>   | <u>(14,441)</u>   | <u>(14,569)</u>   | <u>(25,024)</u>    | <u>(95,054)</u>  |
| <b>31 December 2024</b>                  |                   |                   |                   |                   |                   |                    |                  |
| Total CSM for insurance contracts issued | 3,228             | 2,055             | 1,478             | 1,127             | 899               | 6,254              | 15,041           |
| Total CSM for reinsurance contracts held | (14,957)          | (15,224)          | (15,224)          | (15,251)          | (15,196)          | (52,430)           | (128,282)        |
| Total                                    | <u>(11,729)</u>   | <u>(13,169)</u>   | <u>(13,746)</u>   | <u>(14,124)</u>   | <u>(14,297)</u>   | <u>(46,176)</u>    | <u>(113,241)</u> |

Paragraph 114 of IFRS 17 requires disclosures that show the effect on insurance revenue and the CSM of groups of insurance contracts issued that were measured at the transition date. Given that the Group applies the fully retrospective approach to all groups of contracts, this disclosure is not applicable to the Group.



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of insurance and reinsurance contract balances measured under the PAA, VFA and GMM as at:

|                                  | 31 December 2025 |                                  |                  |
|----------------------------------|------------------|----------------------------------|------------------|
|                                  | PAA              | Contracts not measured under PAA | Total            |
|                                  | AED'000          | AED'000                          | AED'000          |
| Insurance contract liabilities   | (103,033)        | (1,076)                          | (104,109)        |
| Reinsurance contract assets      | 5,439,674        | 783,992                          | 6,223,666        |
| Reinsurance contract liabilities | (3,443,432)      | (107,727)                        | (3,551,159)      |
|                                  | 127,972          | 126                              | 128,098          |
|                                  | <u>2,021,181</u> | <u>675,315</u>                   | <u>2,696,496</u> |
|                                  |                  |                                  |                  |
|                                  | 31 December 2024 |                                  |                  |
|                                  | PAA              | Contracts not measured under PAA | Total            |
|                                  | AED'000          | AED'000                          | AED'000          |
| Insurance contract assets        | (137,709)        | (18,074)                         | (155,783)        |
| Insurance contract liabilities   | 7,052,817        | 782,669                          | 7,835,486        |
| Reinsurance contract assets      | (5,297,378)      | (118,642)                        | (5,416,020)      |
| Reinsurance contract liabilities | 129,230          | 8                                | 129,238          |
|                                  | <u>1,746,960</u> | <u>645,961</u>                   | <u>2,392,921</u> |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of insurance and reinsurance contract balances measured under the PAA, VFA and GMM as at:

### 12 Insurance service results

Insurance revenue

|                                                                           | 31 December 2025 |                                        |           |
|---------------------------------------------------------------------------|------------------|----------------------------------------|-----------|
|                                                                           | PAA              | Contracts not<br>measured<br>under PAA | Total     |
|                                                                           | AED'000          | AED'000                                | AED'000   |
| Expected incurred claims and other<br>directly attributable expenses      | -                | 17,709                                 | 17,709    |
| Change in risk adjustment for non-<br>financial risk for the risk expired | -                | 366                                    | 366       |
| CSM recognised for the services provided                                  | -                | 4,617                                  | 4,617     |
| Insurance acquisition cash flow recovery                                  | -                | 10,468                                 | 10,468    |
| Contracts not measured under PAA                                          | -                | 33,160                                 | 33,160    |
| Contracts measured under PAA                                              | 8,220,856        | -                                      | 8,220,856 |
| Total insurance revenue                                                   | 8,220,856        | 33,160                                 | 8,254,016 |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Insurance revenue

|                                                                       | 31 December 2024 |                    |           |
|-----------------------------------------------------------------------|------------------|--------------------|-----------|
|                                                                       | PAA              | Contracts not      | Total     |
|                                                                       | AED'000          | measured under PAA | AED'000   |
| Expected incurred claims and other directly attributable expenses     | -                | 33,975             | 33,975    |
| Change in risk adjustment for non-financial risk for the risk expired | -                | 1,608              | 1,608     |
| CSM recognised for the services provided                              | -                | 8,060              | 8,060     |
| Insurance acquisition cash flow recovery                              | -                | 10,007             | 10,007    |
| Contracts not measured under PAA                                      | -                | 53,650             | 53,650    |
| Contracts measured under PAA                                          | 7,122,277        | -                  | 7,122,277 |
| Total insurance revenue                                               | 7,122,277        | 53,650             | 7,175,927 |



# Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

## 12 Insurance and reinsurance contract assets and liabilities (continued)

Insurance revenue

## 13 Prepayments and other receivables

|                                                             | 2025<br>AED'000 | 2024<br>AED'000 |
|-------------------------------------------------------------|-----------------|-----------------|
| <b>Prepayments and other receivables:</b>                   |                 |                 |
| Rental income receivables,net of expected credit losses (i) | 6,948           | 5,453           |
| Prepayments                                                 | 105,429         | 90,693          |
| Other receivables, net of expected credit losses (i)        | 39,679          | 37,740          |
|                                                             | <hr/>           | <hr/>           |
| Total prepayments and other receivables                     | 152,056         | 133,886         |
|                                                             | <hr/>           | <hr/>           |

(i) Rental income and other receivables are stated net of expected credit losses amounting to AED 2,597 thousand (31 December 2024: AED 1,573 thousand).



# Notes to the consolidated financial statements

as at 31 December

## 14 Cash and cash equivalents

|                                                                                                       | 2025<br>AED'000 | 2024<br>AED'000 |
|-------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Cash on hand                                                                                          | 477             | 619             |
| Statutory deposits (i), (ii)                                                                          | 68,800          | 68,800          |
| Cash / call / current accounts<br>with banks, including deposits (i)                                  | 897,765         | 671,008         |
| Less: allowance for expected credit losses                                                            | (192)           | (164)           |
| Total bank balances and cash                                                                          | 966,850         | 740,263         |
| Less: statutory deposit                                                                               | (68,800)        | (68,800)        |
| Less: deposits with original maturities<br>of three months or more                                    | (245,103)       | (313,159)       |
| Cash and cash equivalents in the<br>consolidated statement of financial position                      | 652,947         | 358,304         |
| Add: allowance for expected credit losses                                                             | 186             | 157             |
| Cash and cash equivalents                                                                             | 653,133         | 358,461         |
| Less: bank overdraft repayable on<br>demand and used for cash<br>cash management purposes (iii), (iv) | -               | -               |
| Cash and cash equivalents for the purpose<br>of the consolidated statement of cash flows              | 653,133         | 358,461         |

Geographical concentration of cash and cash equivalents, statutory deposits and deposits with original maturities of three months or more, net of allowance for expected credit losses is as follows:

|             | 2025<br>AED'000 | 2024<br>AED'000 |
|-------------|-----------------|-----------------|
| Within UAE  | 558,294         | 448,228         |
| Outside UAE | 408,556         | 292,035         |
|             | <b>966,850</b>  | <b>740,263</b>  |

(i) Interest rates on bank deposits ranges between 3.75% to 5.40% (31 December 2024: 4.37% to 6.10%)

(ii) In accordance with the requirements of Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the Group maintains bank deposits of AED 10,000 thousand (31 December 2024: AED 10,000 thousand) which cannot be utilised without the consent of the Assistant Governor of the Banking and Insurance Supervision Department of Central Bank of UAE.

(iii) The Group has availed an overdraft facility of AED 200,000 thousand which is unsecured Interest is payable at 3 months' EIBOR plus 1.00% per annum and the tenure of the facility is 12 months. As at reporting date the Group has utilised the facility up to AED nil (31 December 2024: AED nil).

(iv) The Group has availed an overdraft facility of AED 200,000 thousand which is unsecured. Interest is payable at 3 months' EIBOR plus 0.55% per annum and the tenure of the facility is 90 days. As at reporting date the Group has utilised the facility up to AED nil thousand (31 December 2024: AED nil).



# Notes to the consolidated financial statements

as at 31 December

## 15 Dividend

The Board of Directors' meeting held on 09 February 2026, has proposed distribution of cash dividend relating to the results for the year ended 31 December 2025 of AED 0.47 per share amounting to AED 267,900 thousand subject to the approval of the shareholders (31 December 2024: AED 0.45 per share amounting to AED 256,500 thousand).

## 16 Share capital

|                                                                                                               | 2025<br>AED'000 | 2024<br>AED'000 |
|---------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>Authorised</b>                                                                                             |                 |                 |
| 570,000,000 ordinary shares of AED 1 each<br>(31 December 2024: 570,000,000 ordinary<br>shares of AED 1 each) | 570,000         | 570,000         |
| <b>Issued and fully paid</b>                                                                                  |                 |                 |
| 570,000,000 ordinary shares of AED 1 each<br>(31 December 2024: 570,000,000 ordinary<br>shares of AED 1 each) | 570,000         | 570,000         |

## 17 (a) Legal reserve

In accordance with the Federal Decree Law No. 32 of 2021 Concerning the Commercial Companies and the Group's Articles of Association, 10% of net profit is to be transferred to a non-distributable legal reserve until the balance of the legal reserve equals 50% of the Group's paid up share capital. This reserve is not available for any distribution to the shareholders. Since the Group reached the 100% limit, no transfer during the year.

In accordance with the By-laws of the Company operating in KSA and Article 70(2) (g) of the Implementing Regulations issued by IA, KSA, the Company is required to transfer not less than 20% of its annual profits, after adjusting accumulated losses, to a statutory reserve until such reserve amounts to 100% of the paid-up share capital of the Company. This reserve is not available for distribution to the shareholders until the liquidation of the Company.

## 17 (b) Insurance finance reserve

The insurance finance reserve comprise the cumulative insurance finance income and expenses recognised in OCI.

## 17 (c) Fair value reserve

The fair value reserve comprises of the cumulative net change in the fair value of equity securities designated at FVOCI and the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is adjusted by the amount of loss allowance.

## 18 General reserve

Transfers to and from the general reserve are made at the discretion of the Board of Directors and the approval of the General Assembly. This reserve may be used for such purposes as the Directors deem fit. No transfer is made during the year.



# Notes to the consolidated financial statements

as at 31 December

## 19 Reinsurance default risk reserve

In accordance with Article (34) to Central Bank of UAE Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of UAE shall bind in the preparation of its annual consolidated financial statements and its final accounts to allocate an amount equal to 0.5% (five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Group deals to pay what is due to the Group or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and may not be disposed of without the written approval of the Assistant Governor of the Banking and Insurance Supervision Department of Central Bank of UAE. The decision is effective from 1 December 2020. Accordingly, an amount of AED 104,954 thousand (31 December 2024: AED 82,228 thousand) has been recorded in equity as a reinsurance default risk reserve as at 31 December 2025.

## 20 Employees' end of service benefits

|                                             | 2025<br>AED'000 | 2024<br>AED'000 |
|---------------------------------------------|-----------------|-----------------|
| At 1 January                                | 40,387          | 22,465          |
| Acquisition of subsidiary                   | -               | 19,237          |
| Charge for the year                         | 5,723           | 5,662           |
| Paid during the year                        | (9,128)         | (6,938)         |
| Re-measurement of defined benefit liability | (1,484)         | (39)            |
| <b>At 31 December</b>                       | <b>35,498</b>   | <b>40,387</b>   |

## 21 Other payables

|                             | 2025<br>AED'000 | 2024<br>AED'000 |
|-----------------------------|-----------------|-----------------|
| Accrued expenses            | 186,193         | 171,039         |
| Deferred income             | 9,968           | 11,906          |
| Zakat and income tax        | 76,018          | 62,163          |
| Other payables              | 44,549          | 35,511          |
| <b>Total other payables</b> | <b>316,728</b>  | <b>280,619</b>  |

## 22 Investment income and net financial result

|                                                                                            |                |                |
|--------------------------------------------------------------------------------------------|----------------|----------------|
| Income from investment properties (rental income), net (i)                                 | 21,640         | 18,652         |
| Dividend income                                                                            | 118,381        | 105,240        |
| Net interest income on bank deposits and bonds                                             | 125,960        | 124,528        |
| Net change in fair value of financial assets at fair value through profit or loss (note 9) | 19,199         | 20,331         |
| Gain/(loss) on disposal of investment through profit or loss                               | 2,850          | (1,983)        |
| Increase in fair value of investment properties (note 10)                                  | 11,731         | 11,845         |
| Other expenses, net                                                                        | (7,878)        | (10,499)       |
| <b>Income from investments, net</b>                                                        | <b>270,243</b> | <b>249,462</b> |
| Other income                                                                               | 5,003          | 4,604          |
| <b>Net investments and other income</b>                                                    | <b>296,886</b> | <b>272,718</b> |

(i) Repair and maintenance on properties amounts to AED 9,883 thousand (31 December 2024: AED 10,612 thousand).



# Notes to the consolidated financial statements

as at 31 December

## Insurance and reinsurance finance income and expenses Assets backing the insurance/reinsurance contracts

|                                                  | 2025<br>AED'000 | 2024<br>AED'000 |
|--------------------------------------------------|-----------------|-----------------|
| Finance expenses from insurance contracts issued | (148,672)       | (102,982)       |
| Finance income from reinsurance contracts held   | 110,376         | 71,979          |
| <b>Net insurance financial result</b>            | <b>(38,296)</b> | <b>(31,003)</b> |

## 23 Other operating expenses

|                               |                |                |
|-------------------------------|----------------|----------------|
| Salaries and other benefits   | 58,764         | 66,955         |
| Depreciation charge           | 20,257         | 22,516         |
| Directors' remuneration 1     | 13,320         | 8,270          |
| Advertisement                 | 4,968          | 7,068          |
| Social contribution (note 31) | 4,050          | 2,976          |
| Rent expense                  | 2,698          | 2,985          |
| Other expenses 1              | 116,309        | 113,498        |
|                               | <b>220,366</b> | <b>224,268</b> |

## 24 Income tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. CT applies to all businesses and individuals conducting business activities under a commercial license in the UAE. Thus, ADNOC UAE is subject to CT. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Company is subject to corporate tax from the financial year beginning from January 2024 onwards. The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specified that corporate tax at a rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 for a tax period. ADNOC UAE has performed an analysis of its assets and liabilities and has finalized its election under the law to elect "unrealized basis" as per Article 20(3). The Group has determined that there are no temporary differences arising from the recognition of assets and liabilities in its financial statements from UAE and UK entities that would require the recognition of deferred tax assets or deferred tax liabilities under IAS 12.

The Group is subject to corporate income tax in UAE, UK and Saudi Arabia. The tax charge for the period is as follows:

|                             | 2025<br>AED'000 | 2024<br>AED'000 |
|-----------------------------|-----------------|-----------------|
| Current tax                 | 43,387          | 37,942          |
| Zakat expense               | 9,887           | 8,953           |
| Deferred income tax expense | -               | 84              |
|                             | 53,274          | 46,979          |
| Other comprehensive income  |                 |                 |
| Current tax                 | 3,689           | 4,761           |
|                             | <b>56,963</b>   | <b>51,740</b>   |

The effective tax rate of the group for the year ended 31 December 2025 is 11% (2024: 11%). Income taxes for subsidiaries domiciled in countries outside UAE have been accounted for as per the prevalent local regulations.



# Notes to the consolidated financial statements

as at 31 December

## Domestic Minimum Top-up tax

In December 2021, the Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) released the Pillar Two Anti Global Base Erosion Rules (GloBE Rules). These rules mandate a global minimum tax rate of 15% for multinational enterprises that meet a threshold of consolidated revenue exceeding EUR 750 million in atleast two out of four financial years immediately preceding the financial year to which Pillar Two rules apply.

Based on the above, the UAE Ministry of Finance (MOF) has unveiled significant updates to the corporate tax regime (including Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses) through introduction of a Domestic Minimum Top-up Tax (DMTT) of fifteen (15) percent which will be effective for financial years starting on or after January 1, 2025 vide Cabinet Decision No 142/ 2024.

In light of the above, ADNOC has undertaken an assessment of impact of Pillar Two as per OECD model guidelines, UK Pillar Two Rules and UAE DMTT. Basis the assessment conducted, ADNOC has ascertained that it qualifies for "Initial phase of international activity" exemption as per Article 9.3 of the Cabinet Decision No 142/ 2024 which applies for a period of five (5) years from the date of enactment of the Pillar Two regulations and exempts ADNOC to compute top-up taxes so that its minimum effective tax rate becomes 15% at a jurisdictional level under DMTT in UAE as well as under UTPR in UK.

The Group has applied the temporary exemption from recognising and disclosing information on the associated deferred tax assets and liabilities at 31 December 2025 as required by the amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules'.

The Group will continuously monitor legislative developments and will account for any potential top-up tax in compliance with the IAS-12 amendments going forward.

## Reconciliation of effective tax rate

In the reconciliation below, the expected tax rate reflects the corporation tax rate that is expected to apply to the taxable profit or loss for the year. The reconciliation of the expected to actual tax (charge) credit and the percentage impact of reconciliation items on effective tax rate (ETR) are provided below.

| Particulars                                                                                                                                            | 2025<br>AED'000 | 2024<br>AED'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Net accounting profit before tax<br>(including gross amounts of OCI statement) (A)                                                                     | 584,596         | 532,683         |
| Less: Gross OCI gains amount that may be reclassified to<br>Profit and Loss account (B)                                                                | (1,300)         | (5,003)         |
| Net accounting profit before tax (including total of gross<br>amounts of OCI that will not be reclassified to Profit and<br>Loss account (A)-(B) = (C) | 583,296         | 527,680         |
| Corporate Tax charge                                                                                                                                   | 49,310          | 42,787          |
| Return to prior year tax provision                                                                                                                     | (2,234)         | -               |
| Zakat charge                                                                                                                                           | 9,887           | 8,953           |
| Other taxes (Withholding taxes)                                                                                                                        | 6,791           | 6,946           |
| Total tax charge (D)                                                                                                                                   | 63,754          | 58,686          |
| Less: Adjustments that decreases the taxable income                                                                                                    | (21,619)        | (37,564)        |
| Add: Adjustments that increases the taxable income                                                                                                     | 19,685          | 9,388           |
| <b>Net taxable income (E)</b>                                                                                                                          | <b>581,362</b>  | <b>499,504</b>  |
| <b>Group Effective Tax Rate (D)/(A) = (E)</b>                                                                                                          | <b>11%</b>      | <b>11%</b>      |



# Notes to the consolidated financial statements

as at 31 December

## 25 Earnings per share

Earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

| Particulars                                                           | 2025<br>AED'000 | 2024<br>AED'000 |
|-----------------------------------------------------------------------|-----------------|-----------------|
| Profit for the year used for calculating earnings per share (AED'000) | 475,046         | 416,812         |
| Ordinary shares outstanding during the year (shares in '000)          | 570,000         | 570,000         |
| <b>Earnings per share (AED)</b>                                       | <b>0.83</b>     | <b>0.73</b>     |

There is no dilution effect to the basic earnings per share.

## 26 Related parties

~ Identity of related parties

Related parties comprise major shareholders, associated companies, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Government of Abu Dhabi holds 24 percent shareholding in the Group through Mamoura Diversified Global Holding PJSC.

Balances with major shareholders disclose below include the transactions with shareholders who hold 5% or more shares in the Group and others include transactions with counterparties who are related to either major shareholders or Board members. Pricing policies and terms of these transactions are approved by management. The Group maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates as follows:

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

|                                            | Directors<br>and key<br>management<br>AED '000 | Major<br>shareholder<br>AED '000 | Other<br>AED '000 | Total<br>AED '000 |
|--------------------------------------------|------------------------------------------------|----------------------------------|-------------------|-------------------|
| <b>~ 31 December 2025</b>                  |                                                |                                  |                   |                   |
| Insurance contract balances                | (169)                                          | 448,189                          | 959,497           | 1,407,517         |
| Employees' end of service benefits payable | 4,030                                          | -                                | -                 | 4,030             |
| Cash and bank balances                     | -                                              | 14,637                           | 332,003           | 346,640           |
| Investments                                | -                                              | 113,818                          | 253,013           | 366,831           |
| Statutory deposits                         | -                                              | -                                | 10,000            | 10,000            |
| <b>~ 31 December 2024</b>                  |                                                |                                  |                   |                   |
| Insurance contract balances                | 401                                            | 474,343                          | 2,469,111         | 2,943,855         |
| Employees' end of service benefits payable | 3,964                                          | -                                | -                 | 3,964             |
| Cash and bank balances                     | -                                              | 29,108                           | 237,246           | 266,354           |
| Investments                                | -                                              | 113,947                          | 195,429           | 309,376           |
| Statutory deposits                         | -                                              | -                                | 10,000            | 10,000            |

Contingent liabilities issued in favor of related parties as at 31 December 2025 amounted to AED 101,489 thousand (31 December 2024: AED 100,694 thousand).



# Notes to the consolidated financial statements

as at 31 December

Transactions with related parties during the year are as follows:

|                           | Directors<br>and key<br>management<br>AED '000 | Major<br>shareholder<br>AED '000 | Other<br>AED '000 | Total<br>AED '000 |
|---------------------------|------------------------------------------------|----------------------------------|-------------------|-------------------|
| <b>~ 31 December 2025</b> |                                                |                                  |                   |                   |
| Insurance revenue         | 160                                            | 25,154                           | 1,232,466         | 1,257,780         |
| Insurance service expense | 37                                             | 16,408                           | 570,484           | 586,929           |
| Dividend income           | -                                              | -                                | 1,001             | 1,001             |
| Interest income           | -                                              | 4,229                            | 14,094            | 18,323            |
| Directors' remuneration   | 13,320                                         | -                                | -                 | 13,320            |
| Other investment income   | -                                              | -                                | 179               | 179               |
| <b>~ 31 December 2024</b> |                                                |                                  |                   |                   |
| Insurance revenue         | 193                                            | 40,756                           | 1,556,424         | 1,597,373         |
| Insurance service expense | 79                                             | 45,153                           | 540,410           | 585,642           |
| Dividend income           | -                                              | -                                | 1,633             | 1,633             |
| Interest income           | -                                              | 4,617                            | 13,920            | 18,537            |
| Directors' remuneration   | 6,000                                          | -                                | -                 | 6,000             |
| Other investment income   | -                                              | -                                | 112               | 112               |

At the Annual General Assembly held on 27 February 2025, the shareholders approved Board of Directors' remuneration relating to the results for the year ended 31 December 2025 amounting to AED 10,200 thousand (31 December 2024: AED 6,000 thousand relating to the results for the year ended 31 December 2023).

Compensation of key management personnel is as follows:

|                                    | 2025<br>AED'000 | 2024<br>AED'000 |
|------------------------------------|-----------------|-----------------|
| Salaries and short-term benefits   | 24,513          | 21,032          |
| Employees' end of service benefits | 1,061           | 847             |
|                                    | <b>25,574</b>   | <b>21,879</b>   |

## 27 Segment information

The Group is organised into two main business segments: Underwriting of commercial lines of business – incorporating all classes of general insurance including marine cargo, marine hull, aviation, energy, property and engineering; and Underwriting of consumer line of business – incorporating all classes of insurance including accident, life, motor and medical.

Balances for insurance and reinsurance revenue and insurance service result – applicable to all measurement models are as follows:

**~ 31 December 2025**

|                                                   | <b>Commercial</b> |                | <b>Consumer</b> |                | <b>Total</b>   |                |
|---------------------------------------------------|-------------------|----------------|-----------------|----------------|----------------|----------------|
|                                                   | <b>2025</b>       | <b>2024</b>    | <b>2025</b>     | <b>2024</b>    | <b>2025</b>    | <b>2024</b>    |
|                                                   | AED'000           | AED'000        | AED'000         | AED'000        | AED'000        | AED'000        |
| Insurance revenue                                 | 4,481,886         | 4,023,710      | 3,772,130       | 3,152,217      | 8,254,016      | 7,175,927      |
| Insurance service expenses                        | (1,222,037)       | (4,566,773)    | (3,301,236)     | (3,123,447)    | (4,523,273)    | (7,690,220)    |
| Income from reinsurance contracts                 | 408,670           | 3,931,189      | 817,199         | 972,632        | 1,225,869      | 4,903,821      |
| Expenses from reinsurance contracts               | (3,323,098)       | (3,072,242)    | (1,138,614)     | (868,296)      | (4,461,712)    | (3,940,538)    |
| <b>Insurance service result</b>                   | <b>345,421</b>    | <b>315,884</b> | <b>149,479</b>  | <b>133,106</b> | <b>494,900</b> | <b>448,990</b> |
| Investment income net                             |                   |                |                 |                | 296,886        | 272,718        |
| Net insurance finance (expense)/income            |                   |                |                 |                | (38,296)       | (31,003)       |
| Other operating expenses                          |                   |                |                 |                | (220,366)      | (224,268)      |
| <b>Profit before zakat and income tax expense</b> |                   |                |                 |                | <b>533,124</b> | <b>466,437</b> |
| Zakat and tax expense                             |                   |                |                 |                | (53,274)       | (46,979)       |
| <b>Profit for the year</b>                        |                   |                |                 |                | <b>479,850</b> | <b>419,458</b> |



# Notes to the consolidated financial statements

as at 31 December

Balances for insurance and reinsurance assets and liabilities, applicable to all measurement models are as follows:

|                                  | Commercial<br>AED'000 | Consumer<br>AED'000 | Total<br>AED'000 |
|----------------------------------|-----------------------|---------------------|------------------|
| <b>~ 31 December 2025</b>        |                       |                     |                  |
| Insurance contract assets        | (23,188)              | (80,921)            | (104,109)        |
| Insurance contract liabilities   | 4,047,212             | 2,176,454           | 6,223,666        |
| Reinsurance contract assets      | (2,825,177)           | (725,982)           | (3,551,159)      |
| Reinsurance contract liabilities | 62,175                | 65,923              | 128,098          |
|                                  | <b>1,261,022</b>      | <b>1,435,474</b>    | <b>2,696,496</b> |
| <b>~ 31 December 2024</b>        |                       |                     |                  |
| Insurance contract assets        | (18,148)              | (137,635)           | (155,783)        |
| Insurance contract liabilities   | 5,561,934             | 2,273,552           | 7,835,486        |
| Reinsurance contract assets      | (4,334,117)           | (1,081,903)         | (5,416,020)      |
| Reinsurance contract liabilities | 110,917               | 18,321              | 129,238          |
|                                  | <b>1,320,586</b>      | <b>1,072,335</b>    | <b>2,392,921</b> |

## 28 Contingent liabilities and commitments

|                                                                                 | 2025<br>AED'000 | 2024<br>AED'000 |
|---------------------------------------------------------------------------------|-----------------|-----------------|
| Commitments in respect of uncalled subscription of equities held as investments | 44,546          | 59,708          |
| Bank guarantees                                                                 | 330,346         | 292,393         |
| Letters of credit                                                               | 384             | 384             |

The above bank guarantees and letters of credit were issued in the normal course of business.

~ Legal claims

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of the business. Management, based on advice from independent loss adjusters, internal and external legal counsels, makes provision, where applicable, representing amounts expected to result in a probable outflow of economic resources.

## 29 Gross Written Premium

In reference to notice CBUAE/BIS/2023/6163 by Central Bank of UAE on reporting requirements, the insurance companies are required to include a disclosure on the details of gross written premium as per INFO-7 of the eForms.

|                                                 | Life Insurance<br>(Without<br>Medical<br>and Fund<br>Accumulation)<br>AED'000 | Fund<br>Accumulation<br>AED'000 | Medical<br>Insurance<br>AED'000 | Property<br>& Liability<br>(Without<br>Medical)<br>AED'000 | All Types<br>of Business<br>Combined<br>AED'000 |
|-------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------|---------------------------------|------------------------------------------------------------|-------------------------------------------------|
| <b>~ 31 December 2025</b>                       |                                                                               |                                 |                                 |                                                            |                                                 |
| Direct Written Premiums                         | 313,471                                                                       | -                               | 1,802,255                       | 3,927,980                                                  | 6,043,706                                       |
| Assumed Business                                |                                                                               |                                 |                                 |                                                            |                                                 |
| Foreign                                         | 381,557                                                                       | -                               | 984                             | 1,441,788                                                  | 1,824,329                                       |
| Local                                           | 61,088                                                                        | -                               | 322,613                         | 203,785                                                    | 587,486                                         |
| Total Assumed Business                          | 442,645                                                                       | -                               | 323,597                         | 1,645,573                                                  | 2,411,815                                       |
| Gross Written Premiums                          | 756,116                                                                       | -                               | 2,125,852                       | 5,573,553                                                  | 8,455,521                                       |
| Local Assumed Premiums                          | 61,088                                                                        | -                               | 322,613                         | 203,785                                                    | 587,486                                         |
| Gross Premiums, Excl.<br>Local Assumed Business | 695,028                                                                       | -                               | 1,803,239                       | 5,369,768                                                  | 7,868,035                                       |
| <b>~ 31 December 2024</b>                       |                                                                               |                                 |                                 |                                                            |                                                 |
| Direct Written Premiums                         | 242,883                                                                       | -                               | 1,450,149                       | 3,768,072                                                  | 5,461,104                                       |
| Assumed Business                                |                                                                               |                                 |                                 |                                                            |                                                 |
| Foreign                                         | 207,438                                                                       | -                               | -                               | 1,317,968                                                  | 1,525,406                                       |
| Local                                           | 45,255                                                                        | -                               | 214,907                         | 207,417                                                    | 467,579                                         |
| Total Assumed Business                          | 252,693                                                                       | -                               | 214,907                         | 1,525,385                                                  | 1,992,985                                       |
| Gross Written Premiums                          | 495,576                                                                       | -                               | 1,665,056                       | 5,293,457                                                  | 7,454,089                                       |
| Local Assumed Premiums                          | 45,255                                                                        | -                               | 214,907                         | 207,417                                                    | 467,579                                         |
| Gross Premiums, Excl.<br>Local Assumed Business | 450,321                                                                       | -                               | 1,450,149                       | 5,086,040                                                  | 6,986,510                                       |

Gross written premium is a measure of the total premium that an insurer collects from its customers.



# Notes to the consolidated financial statements

as at 31 December

## 30 Non-Controlling Interest

Summarized financial information of material non controlling interests before intra group elimination is as follows:

### Mutakamela Insurance Company

|                                                                    | 2025<br>AED'000 | 2024<br>AED'000 |
|--------------------------------------------------------------------|-----------------|-----------------|
| <b>Statement of financial position</b>                             |                 |                 |
| Total assets                                                       | 1,858,673       | 2,007,399       |
| Total Liabilities                                                  | 1,146,713       | 1,213,019       |
| Total Shareholders Equity (including minority interest)            | 711,960         | 794,380         |
| Total Liabilities and Shareholders Equity                          | 1,858,673       | 2,007,399       |
| <b>Statement of Profit and loss and other comprehensive income</b> |                 |                 |
| Total Revenue (Sales/Operating)                                    | 862,211         | 629,067         |
| Net Profit (Loss) before Zakat and Tax                             | 19,776          | 12,543          |
| Zakat and Income Tax                                               | (9,971)         | (7,144)         |
| Net Profit (Loss) after Zakat and Tax                              | 9,805           | 5,399           |
| Total Comprehensive Income                                         | 22,998          | 14,781          |
| <b>Statement of cash flow</b>                                      |                 |                 |
| Net Cash used in Operating Activities                              | (53,891)        | (111,223)       |
| Net Cash generated from Investing Activities                       | 41,677          | 193,737         |
| Net Cash used in Financing Activities                              | (2,859)         | (5,415)         |
| Cash and Cash Equivalents, Beginning of the year                   | 77,099          | -               |
| Cash and Cash Equivalents, at the end of the year                  | 62,026          | 77,099          |

### Movement of Non controlling interest

|                                                                                                     | 2025<br>AED'000 | 2024<br>AED'000 |
|-----------------------------------------------------------------------------------------------------|-----------------|-----------------|
| Non controlling interest's share in net assets at acquisition date                                  | -               | 384,478         |
| At 1 January                                                                                        | 389,245         | -               |
| Adjustment to Non - controlling interest due to acquisition date consolidation adjustment note 2(a) | (53,205)        | -               |
| Non controlling interest's share in subsidiary profit                                               | 4,804           | 2,646           |
| Non controlling interest's share in subsidiary other comprehensive income                           | 7,665           | 4,597           |
| Purchase of share held under employee scheme                                                        | 351             | (2,476)         |
| <b>At 31 December</b>                                                                               | <b>348,860</b>  | <b>389,245</b>  |

## 31 Social contributions

The social contributions (including donations and charity) made during the year amounts to AED 4,050 thousand (31 December 2024: AED 2,976 thousand).

## 32 General

The Consolidated financial statements of the Group was approved for issuance by the Board of Directors on 09 February 2026.



# Thank You