RAK INSURANCE
Simply Better

INTEGRATED REPORT



2025

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Chairman's Statement

For the first time in recent years, I am pleased to report that RAKINSURANCE has fully eliminated its accumulated losses and restored a positive retained earnings position, marking a significant milestone in the Company's financial recovery and long term sustainability. As of 31 December 2025, retained earnings stood at AED 226.6 million, representing a decisive and historic turning point for the Company. This outcome reflects the collective efforts of the Board, management, and all employees, and demonstrates the effectiveness of the actions taken to strengthen capital resilience, financial discipline, and governance.

This turnaround has been achieved through disciplined underwriting, enhanced risk management and control frameworks, prudent capital deployment, and strengthened governance oversight, fully aligned with the regulatory expectations of the CBUAE. The Board remains firmly committed to maintaining adequate solvency margins, ensuring policyholder protection, and sustaining long term financial soundness.

In 2025, the Company reported a net profit after tax of AED43.2 million, an increase of approximately 180% from AED15.4 million in 2024. Basic earnings per share increased to AED0.36, compared to AED0.13 in the prior year -an increase of nearly 177% - on a paid up capital base of AED121.3 million. This performance reflects improved underwriting discipline, sound investment income, effective cost management, and the continued benefits of the Company's strategic and operational transformation.

The Board views this improvement in profitability and accumulated reserves as a critical step in reinforcing the Company's capital adequacy, solvency position, and financial resilience, in line with CBUAE regulations and international best practices. The primary focus remains on maintaining capital strength at levels commensurate with the Company's risk profile, business strategy, and growth ambitions. As we enter 2026, the Board remains confident in the Company's strategic direction and outlook. We will continue to pursue measured, risk adjusted growth, supported by prudent underwriting, robust reserving practices, and ongoing enhancements to governance, risk management, and internal controls. Targeted investments in digital and operational capabilities will be undertaken selectively to improve efficiency and customer experience, without compromising financial stability.

The enhanced financial position of the Company provides greater flexibility in capital management, enabling the Board to prioritise long-term sustainability, regulatory compliance, and policyholder protection. Any future considerations relating to capital usage will be guided by sustained profitability, capital adequacy requirements, and prevailing regulatory guidance, with a continued focus on preserving the Company's financial strength.

On behalf of the Board of Directors of RAKINSURANCE, I extend our sincere appreciation to our shareholders, executive management, employees, reinsurance partners, customers, business partners, and all stakeholders for their continued confidence and support. Their commitment has been instrumental in the progress we have made and underpins our ability to serve the community responsibly and with excellence. The Board is immensely proud of what has been achieved. We believe this milestone positions RAKINSURANCE for a new phase of disciplined growth, enhanced resilience, and sustainable value creation, firmly aligned with regulatory expectations and the long term interests of policyholders and shareholders alike.



Ras Al Khaimah National Insurance Company PSC

Shaikh Omar Saqr Khaled Al Qasimi
Chairman of the Board



Mission

We aim to be a leading customer – focused insurer in the UAE, offering convenient access to innovative and competitive insurance products across multiple channels to individuals and businesses.

Vision

To offer 'Simply Better' insurance solutions for all our customers across the UAE.

Being one of the oldest and established insurers in the country, RAKINSURANCE strives to continuously provide and develop insurance products and services in the UAE thereby creating additional value for our customers.

Our Values

Integrity

We know trust is fundamental and to be trusted we must remain competent and honest.

Transparency

We disclose all product Terms and Conditions with the use of simple language on our website and at various points of sale.

Collaboration

We build diverse teams to generate better ideas & act as responsible partners with all our stakeholders & regulators to serve the wider interests of society.

Accountability

We recognize that ultimately, we are accountable to our shareholders, and we focus unrelentingly on maximizing long term shareholder and asset value.



Our Strategy

Balanced Risk Profile

- Develop a resilient risk profile that balances growth and stability
- Focus on deepening customer loyalty through tailored solutions

Goal-Oriented Employee Engagement

- Promote a culture of goal-driven performance
- Engage employees in achieving organizational objectives

Digital & Technological Innovation

- Invest in continuous development of the mobile app and online portal
- Leverage technology to boost operational efficiency and customer experience

Sustainable Growth Initiatives

- Prioritize sensible, sustainable growth through continuous improvement
- Focus on long-term value creation over short-term gains

Our Commitments

Customer-Centric Approach

- Dedication to meeting the needs and expectations of customers across the UAE
- Ensure easy access to products and seamless claims management through digital platforms

Continuous Improvement

- Ongoing efforts to enhance products, services, and processes
- Strive for operational excellence in every aspect

Enterprise Risk Management (ERM)

- Strengthen the ERM Framework to ensure robust risk controls and compliance

Employee Development & Emiratisation

- Invest in staff engagement and continuous employee development
- Support the Emiratisation strategy by empowering UAE national employees

KEY FINANCIAL

2025 REPORT

RAKINSURANCE

Ras Al Khaimah National Insurance Company P.S.C.

Financial Statements
For the year ended 31 December 2025

Ras Al Khaimah National Insurance Company P.S.C.

Financial statements

For the year ended 31 December 2025

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Ras Al Khaimah National Insurance Company P.S.C.

Directors' report for the year ended 31 December 2025

The Board of Directors has pleasure in submitting their report and the audited financial statements for the year ended 31 December 2025.

Incorporation and registered office

Ras Al Khaimah National Insurance Company P.S.C. ("RAK Insurance" or the "Company") was incorporated under an Emiri Decree Number 20/76 issued by HH Ruler of Ras Al Khaimah. The address of the registered office is RAK Insurance Head Office, 6th Floor RAK Bank ROC Office, Al Riffa, Ras Al Khaimah, United Arab Emirates.

Financial position and results

RAK Insurance reported a net profit after tax of AED 43.2 million for the year ended 31 December 2025 as compared to a net profit after tax of AED 15.4 million for the year ended 31 December 2024 (the "Previous year"). This net profit after tax of AED 43.2 million combined with an increase in value of investments of AED 6.6 million resulted in the Company's equity increasing from AED 176.9 million as at 31 December 2024 to AED 226.6 million as at 31 December 2025.

Basic earnings after tax per share is AED 0.36 for the year ended 31 December 2025 on a capital base of AED 121.3 million as compared to earnings after tax per share of AED 0.13 in the previous year on a capital base of AED 121.3 million.

On behalf of the Board of Directors of RAK Insurance, I would like to thank the executive management and staff for their dedication, commitment, and constant hard work. The Directors would also like to acknowledge our reinsurance partners, customers and all the stakeholders of the Company.

Yours faithfully,



Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman
27 January 2026

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Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Insurance Contract Liabilities, Reinsurance Contract Assets and Liabilities	
As at 31 December 2025, the Company's insurance contract liabilities, reinsurance contract assets and liabilities are valued at AED 572.6 million, AED 319.1 million and AED 30.9 million respectively. Valuation of insurance contract liabilities, reinsurance contract assets and liabilities involves significant judgements and estimates particularly with respect to the estimation of the present value of future cash flows, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims. These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows. As a result of all the above factors, we consider valuation of insurance contract liabilities, reinsurance contract assets and liabilities as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: - Understood and evaluated the process, the design and implementation of controls in place to determine valuation of insurance contract liabilities, reinsurance contract assets and liabilities; - Assessment of the competence, capabilities and objectivity of the management appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; - We independently reperformed the calculation to assess the mathematical accuracy of the insurance contract liabilities, reinsurance contract assets and liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; - Evaluated and tested the calculation of the allowance for expected credit loss including the data, key assumptions and judgments used; and - Assessed the adequacy of disclosures included in the financial statements against the requirements of IFRS Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report of the Company but does not include the financial statements and our auditor's report thereon. We obtained the Directors' Report prior to date of our auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements (continued)

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Report on the Audit of the Financial Statements (continued)

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

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

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

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

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

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

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

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

v) As disclosed in note 7 to the financial statements, the Company has purchased or invested in shares during the year ended 31 December 2025;

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

vii) Note 22 to the financial statements discloses the social contributions made during the year ended 31 December 2025; and

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

Further, as required by the 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.

GRANT THORNTON UAE

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

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

2 February 2026

Ras Al Khaimah National Insurance Company P.S.C.

Statement of financial position
As at 31 December 2025

	Notes	2025 AED	2024 AED
Assets			
Property and equipment	5	**1,036,235**	755,530
Intangible assets	6	**-**	3,736,938
Financial assets	7	**332,219,879**	222,517,680
Statutory deposit	8	**10,000,000**	10,000,000
Reinsurance contract assets	9	**319,094,338**	231,578,253
Other receivables	10	**13,822,722**	9,608,666
Cash and cash equivalents	11	**11,449,557**	117,508,265
Deposits	12	**164,140,287**	178,377,888
Total assets		**851,763,018**	774,083,220
Equity and liabilities			
Equity			
Share capital	13	**121,275,000**	121,275,000
Statutory reserve	14	**57,073,467**	52,754,029
Voluntary reserve	14	**-**	20,000,000
Reinsurance reserve	14	**6,468,674**	5,286,768
Cumulative changes in fair value of FVTOCI investments		**(875,474)**	(7,434,423)
Retained earnings / (Accumulated losses)		**42,693,340**	(14,999,691)
Total equity		**226,635,007**	176,881,683
Liabilities			
Provision for employees' end of service indemnity	15	**7,833,016**	6,760,628
Insurance contract liabilities	9	**572,626,184**	479,593,598
Reinsurance contract liabilities	9	**30,931,242**	27,920,098
Bank borrowings	16	**-**	74,911,911
Other payables	17	**8,384,735**	6,340,729
Deferred tax liability	18	**693,800**	148,405
Income tax payable		**4,659,034**	1,526,168
Total liabilities		**625,128,011**	597,201,537
Total equity and liabilities		**851,763,018**	774,083,220

These financial statements were authorised for issue on 27 January 2026 by the Board of Directors and signed on their behalf by:

Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman

Sanjeev Badyal
Chief Executive Officer

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of profit or loss
For the year ended 31 December 2025

	Notes	2025 AED	2024 AED
Insurance revenue	9	**532,405,669**	504,064,600
Insurance service expenses	20	**(486,611,446)**	(479,215,020)
Insurance service result before reinsurance contracts held		**45,794,223**	24,849,580
Allocation of reinsurance premiums		**(218,470,616)**	(214,684,180)
Amounts recoverable from reinsurance for incurred claims		**214,483,693**	201,124,906
Net expenses from reinsurance contracts held		**(3,986,923)**	(13,559,274)
Insurance service result		**41,807,300**	11,290,306
Investment income – net	21	**22,407,027**	16,601,479
Insurance finance expense for insurance contracts issued	21	**(7,625,189)**	(13,647,947)
Reinsurance finance income for reinsurance contracts held	21	**5,326,763**	13,292,903
Net insurance finance expense		**(2,298,426)**	(355,044)
Other operating expenses	25	**(17,640,293)**	(13,928,136)
Other underwriting income	26	**3,954,995**	3,317,640
Profit for the year before tax		**48,230,603**	16,926,245
Income tax expense	19	**(5,036,228)**	(1,487,606)
Profit for the year after tax		**43,194,375**	15,438,639
Basic and diluted earnings after tax per share	23	**0.36**	0.13

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of comprehensive income
For the year ended 31 December 2025

	Note	**2025** **AED**	2024 AED
Profit for the year after tax		**43,194,375**	15,438,639
Other comprehensive income:			
Items that will be reclassified subsequently to profit or loss:			
Net change in fair value of debt investments designated at FVTOCI – net of tax	7	**5,514,558**	1,500,534
Items that will not be reclassified subsequently to profit or loss:			
Net change in fair value of equity investments designated at FVTOCI – net of tax	7	**1,044,391**	389,908
Total other comprehensive income for the year		**6,558,949**	1,890,442
Total Comprehensive Income for the year		**49,753,324**	17,329,081

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of changes in equity
For the year ended 31 December 2025

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	(Accumulated losses) / Retained earnings AED	Total equity AED
Balance at 1 January 2024	121,275,000	51,210,165	20,000,000	3,895,720	(9,324,865)	(27,503,418)	159,552,602
Profit for the year after tax	-	-	-	-	-	15,438,639	15,438,639
Other comprehensive income for the year	-	-	-	-	1,890,442	-	1,890,442
Total comprehensive income for the year	-	-	-	-	1,890,442	15,438,639	17,329,081
Transfer to reinsurance reserve	-	-	-	1,391,048	-	(1,391,048)	-
Transfer to statutory reserve	-	1,543,864	-	-	-	(1,543,864)	-
Balance at 31 December 2024	121,275,000	52,754,029	20,000,000	5,286,768	(7,434,423)	(14,999,691)	176,881,683
Balance at 1 January 2025	**121,275,000**	**52,754,029**	**20,000,000**	**5,286,768**	**(7,434,423)**	**(14,999,691)**	**176,881,683**
Profit for the year after tax	**-**	**-**	**-**	**-**	**-**	**43,194,375**	**43,194,375**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**6,558,949**	**-**	**6,558,949**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**6,558,949**	**43,194,375**	**49,753,324**
Transfer to reinsurance reserve	**-**	**-**	**-**	**1,181,906**	**-**	**(1,181,906)**	**-**
Transfer to statutory reserve	**-**	**4,319,438**	**-**	**-**	**-**	**(4,319,438)**	**-**
Transfer of voluntary reserve	**-**	**-**	**(20,000,000)**	**-**	**-**	**20,000,000**	**-**
Balance at 31 December 2025	**121,275,000**	**57,073,467**	**-**	**6,468,674**	**(875,474)**	**42,693,340**	**226,635,007**

The notes from 1 to 36 form an integral part of these financial statements.

Ras Al Khaimah National Insurance Company P.S.C.

Statement of cash flows
For the year ended 31 December 2025

	Notes	2025 AED	2024 AED
Cash flows from operating activities			
Profit for the year before tax		**48,230,603**	16,926,245
Adjustments for:			
Depreciation of property and equipment	5	**333,354**	365,564
Amortisation of intangible assets	6	**4,252,676**	1,608,543
Provision for expected credit loss		**1,069,722**	3,829,670
Provision for employees' end of service indemnity	15	**1,170,562**	1,094,838
Realised loss on disposal of FVTOCI debt investments	7	**118,726**	-
Realised gain on disposal of financial asset at FVTPL equity investments	7	**(1,308,800)**	-
Realised gain on disposal of property and equipment		**(48)**	(62,858)
Write-off of property and equipment	5	**421**	-
Amortisation of premium on FVTOCI debt investments	7	**(650,915)**	(322,074)
Interest income – net	21	**(20,919,523)**	(16,521,505)
Dividend income	21	**(297,030)**	(216,396)
Interest cost on bank borrowing		**222,019**	999,439
Impairment losses on financial asset at FVTOCI investments	21	**-**	230,676
Income tax paid		**(2,006,653)**	-
Operating cash flows before changes in working capital		**30,215,114**	7,932,142
Changes in working capital:			
Reinsurance contract assets and liabilities – net		**(84,043,336)**	(31,719,191)
Insurance contract liabilities		**91,686,300**	114,105,107
Other receivables		**(2,352,000)**	(3,409,155)
Other payables		**3,485,350**	(5,261,275)
Net cash generated from operations		**38,991,428**	81,647,628
Directors' remuneration paid		**(773,000)**	(614,000)
Employees' end of service indemnity paid	15	**(98,174)**	(680,093)
Interest paid on bank borrowings		**(890,363)**	(869,070)
Net cash generated from operating activities		**37,229,891**	79,484,465
Cash flows from investing activities:			
Purchase of property and equipment	5	**(614,480)**	(636,370)
Proceeds from disposal of property and equipment		**48**	62,906
Purchase of intangible assets	6	**(515,738)**	(876,089)
Purchase of financial assets at FVTOCI	7	**(171,858,431)**	(96,544,785)
Purchase of financial assets at FVTPL	7	**(29,971,680)**	-
Proceeds from maturities of financial assets at FVTOCI	7	**12,562,190**	11,282,338
Proceeds from disposal of financial assets at FVTOCI	7	**57,117,279**	-
Proceeds from disposal of financial assets at FVTPL	7	**31,280,480**	-
Interest received		**23,083,956**	17,560,239
Dividend received		**297,030**	216,396
Maturities of fixed deposits with banks with original maturities greater than three months		**169,267,152**	200,453,409
Placements of fixed deposits with banks with original maturities greater than three months		**(159,024,494)**	(137,530,793)
Net cash used in investing activities		**(68,376,688)**	(6,012,749)

The notes from 1 to 36 form an integral part of these financial statements.

Statement of cash flows (continued)
For the year ended 31 December 2025

	2025	2024
	AED	AED
Cash flows from financing activity		
Movement in borrowings	**(74,911,911)**	15,531,159
Net cash (used in) /generated from financing activity	**(74,911,911)**	15,531,159
Net (decrease) /increase in cash and cash equivalents	**(106,058,708)**	89,002,875
Cash and cash equivalents at beginning of the year	**117,508,265**	28,505,390
Cash and cash equivalents at end of the year	**11,449,557**	117,508,265

The notes from 1 to 36 form an integral part of these financial statements.

1 Legal status and activities

Ras Al Khaimah National Insurance Company P.S.C. (the "Company") is a public joint-stock company, established and incorporated in the Emirate of Ras Al Khaimah by Emiri decree No. 20/76 dated 26 October 1976. The Company is subject to the regulations of the U.A.E. Federal Decree Law No. (6) of 2025, concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the UAE, under registration number 7.

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

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

The Company is a subsidiary of National Bank of Ras Al Khaimah P.S.C. (the "Parent company") which is incorporated in the Emirate of Ras Al Khaimah, United Arab Emirates. The address of the Company's registered head office is P. O. Box 506, Ras Al Khaimah, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange, United Arab Emirates. The principal activity of the Company is to undertake all classes of insurance business including life assurance, saving and accumulation of funds. The Company operates through its head office in Ras Al Khaimah and branch offices in Ras Al Khaimah, Dubai, and Abu Dhabi.

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

New and revised IFRSs and interpretations applied on the financial statements

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

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

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

Standards issued but not yet effective

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

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

3 Statement of compliance with IFRS

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

3 Statement of compliance with IFRS (continued)

(UAE) Federal Decree Law No. (32) of 2021 (as amended) ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Decree Law No. (6) of 2025 concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income and financial assets carried at fair value through profit and loss which are carried at fair value and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws.

The Company's statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at fair value through profit or loss, income tax payable, other receivables, other payables and bank borrowings. The following balances would generally be classified as non-current: property and equipment, intangible assets, statutory deposit and provision for employees' end of service indemnity. The following balances are of a mixed nature (including both current and non-current portions): financial assets at fair value through other comprehensive income, reinsurance contract assets, insurance contract liabilities, reinsurance contract liabilities, deferred tax liability and deposits.

4 Material accounting policy information

Insurance Contracts

Insurance contracts are contracts under which the Company 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 Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. Each portfolio is further disaggregated into groups of contracts, which are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured.

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

Recognition and derecognition

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

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

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Recognition and derecognition (continued)

Reinsurance contracts held are recognised as follows:

(a) a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
   i. the beginning of the coverage period of the group; and
   ii. the initial recognition of any underlying insurance contract;

(b) all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the group of reinsurance contracts held;

(c) unless the Company 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 annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

Contract boundary

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

(a) the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or

(b) both of the following criteria are satisfied:
   i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
   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 Company, such as insurance risk and financial risk, are considered; other risks, such as lapse or surrender and expense risk, are not included. Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Measurement

The Premium Allocation Approach ("PAA") is a simplified approach for the measurement of the liability for remaining coverage, that an entity may choose to use when the premium allocation approach provides a measurement which is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less. Under the premium allocation approach, the liability for remaining coverage ("LRC") is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

The Company uses the PAA for measuring contracts with a coverage period of one year or less. The Company is adopting the PAA measurement model for the measurement of LRC for all its insurance contracts and reinsurance contracts. This is principally based on the eligibility test for fulfillment cash flows and that coverage period for most contracts are one year or less. Some contracts have coverage period more than one year, but passed the eligibility test.

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Measurement (continued)

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

a. the LRC; and
b. the Liability for Incurred Claims ("LIC"), comprising the fulfillment cash flows ("FCF") related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a. the remaining coverage; and
b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

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

a. increased for premiums received in the period
b. decreased for insurance acquisition cash flows paid in the period;
c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

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

a. increased for ceding premiums paid in the period;
b. increased for broker fees paid in the period, if any; and
c. decreased for the expected amounts of ceding premiums and broker fees, if any, recognised as reinsurance expenses for the services received in the period recognised in profit or loss over the expired portion of the coverage period based on the passage of time.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less. The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non- performance.

Onerous contract

The Company assumes that no contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. The loss component is remeasured at each subsequent reporting date.

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.

4 Material accounting policy information (continued)

Insurance Contracts (continued)

Onerous contract (continued)

The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

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

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time.

Insurance service expense

Insurance service expenses include the following:

- incurred claims for the period.
- other incurred directly attributable expenses.
- insurance acquisition cash flows expense.
- An element of time value of money of LIC for the period.

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Directly attributable expenses are the costs that can be fully or partially attributed to the fulfillment of the groups of insurance contracts. The Company allocates the attributable costs based on a number of drivers. Both acquisition and attributable costs fall under the insurance service expense. While the non-attributable costs are reported under other operating expenses.

Insurance finance income or expenses and reissuance finance expense or income

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

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

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

- interest accreted on the LIC & Assets of incurred claims ("AIC"); and
- the effect of changes in interest rates and other financial assumptions.

Interest income and expense

Interest income and expenses for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) and are recognised within 'interest income' in the statement of profit or loss.

Dividend income

Dividend income from investments is recognised when the Company's rights to receive payment have been established.

4 Material accounting policy information (continued)

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Arab Emirates Dirham ("AED"), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss, within "Investment income".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Employee benefits

Defined contribution plan

UAE national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to UAE labour law no. 7 of 1999 and Federal Law No. (55) of 2023 on Pension and Social Security. The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions.

Provision for employees' end of service indemnity

Provision is also made for the full amount of end of service indemnity due to non-UAE national employees in accordance with the UAE Labour Law and is calculated in line with the requirements of the UAE Labour Law.

Dividend distribution

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

4 Material accounting policy information (continued)

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any identified impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

	Years
Furniture and fixtures	4
Office equipment	4
Motor vehicles	4
Computer equipment	4

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

Intangible assets comprise computer software and are reported at cost less accumulated amortisation and identified impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives considered in the calculation of amortisation is 5 - 10 years.

Impairment of non-financial assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

4 Material accounting policy information (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Share capital

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

Leases

The Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed as the leases are for short term (defined as leases with a lease term of 12 months or less).

Financial assets

Classification and measurement - Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

(i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

(ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);

(iii) all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL. However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

a. the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and

b. the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

4 Material accounting policy information (continued)

Financial assets (continued)

Equity instruments at FVTOCI

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

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

Debt instruments at amortised cost or at FVTOCI

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss.

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

Financial assets at FVTPL

Financial assets at FVTPL are:

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

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

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowings for the proceeds received.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

4 Material accounting policy information (continued)

Borrowings (continued)

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial year of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Cash and cash equivalents

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

Fixed deposits

Fixed deposits are deposits held with banks with original maturities of more than three months, which are initially measured at fair value and subsequently measured at amortised cost. Fixed deposits are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

Taxation

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

Current

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

Deferred taxation

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

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

4 Material accounting policy information (continued)

Critical accounting judgements and key sources of estimation uncertainty

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

Measurement of the expected credit loss ("ECL") allowance

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

Insurance and reinsurance contracts

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

Liability for remaining coverage

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

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

Liability for incurred claims

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

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

4 Material accounting policy information (continued)

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

Liability for incurred claims (continued)

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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

Discount rates

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

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

	1 year		**3 years**		**5 years**		**10 years**	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
Insurance contracts issued	**4.57%**	4.72%	**4.31%**	4.80%	**4.37%**	4.86%	**4.70%**	4.54%
Reinsurance contracts held	**4.57%**	4.72%	**4.31%**	4.80%	**4.37%**	4.86%	**4.70%**	4.54%

Risk adjustment for non-financial risk

The Company uses the Mack method to estimate reserve variability and determines its risk adjustment for non-financial risk using a Value at Risk (VaR) approach. The method uses incurred claims data to estimate the mean and variance of claims, capturing the uncertainty in the amount and timing of the cash flows that arise from non-financial risk.

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 70th percentile for Motor, Medical, and Life lines of business, and at the 75th percentile for Property and Casualty lines. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the chosen confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

The above methodology of Risk Adjustment calculation results in estimation of undiversified risk adjustment. The results are diversified using the Correlation matrix provided within the CBUAE e-Forms. For a given confidence interval, the diversification benefit is determined for all reserving portfolios combined and is then allocated to each portfolio based on the proportional approach where the weight of each portfolio is the undiversified risk adjustment amount.

5 Property and equipment

	Furniture and fixtures AED	Office equipment AED	Motor vehicles AED	Computer equipment AED	Total AED
Cost					
At 1 January 2024	2,850,069	1,212,381	401,556	4,954,692	9,418,698
Additions during the year	-	-	554,997	81,373	636,370
Disposals during the year	-	-	(401,556)	(8,277)	(409,833)
Write offs during the year	(354,860)	(249,630)	-	(112,631)	(717,121)
At 31 December 2024	2,495,209	962,751	554,997	4,915,157	8,928,114
Additions during the year	**428**	**2,672**	**-**	**611,380**	**614,480**
Disposals during the year	**-**	**-**	**-**	**(2,162)**	**(2,162)**
Write offs during the year	**(1,019,494)**	**(578,233)**	**-**	**(3,586,390)**	**(5,184,117)**
At 31 December 2025	**1,476,143**	**387,190**	**554,997**	**1,937,985**	**4,356,315**
Accumulated depreciation					
At 1 January 2024	2,766,272	1,155,508	401,556	4,610,612	8,933,948
Charge for the year	37,972	32,964	57,812	236,816	365,564
Disposals during the year	-	-	(401,553)	(8,274)	(409,827)
Write offs during the year	(354,848)	(249,629)	-	(112,624)	(717,101)
At 31 December 2024	2,449,396	938,843	57,815	4,726,530	8,172,584
Charge for the year	**28,359**	**14,606**	**138,749**	**151,640**	**333,354**
Disposals during the year	**-**	**-**	**-**	**(2,162)**	**(2,162)**
Write offs during the year	**(1,019,451)**	**(578,171)**	**-**	**(3,586,074)**	**(5,183,696)**
At 31 December 2025	**1,458,304**	**375,278**	**196,564**	**1,289,934**	**3,320,080**
Net book value					
At 31 December 2025	**17,839**	**11,912**	**358,433**	**648,051**	**1,036,235**
At 31 December 2024	45,813	23,908	497,182	188,627	755,530

6 Intangible assets

	Computer software AED
Cost	
At 1 January 2024	14,912,237
Additions during the year	876,089
At 31 December 2024	15,788,326
Additions during the year	**515,738**
At 31 December 2025	**16,304,064**
Accumulated amortisation	
At 1 January 2024	10,442,845
Charge for the year	1,608,543
At 31 December 2024	12,051,388
Charge for the year	**4,252,676**
At 31 December 2025	**16,304,064**
Carrying amount	
At 31 December 2025	**-**
At 31 December 2024	3,736,938

The Company continued to use these assets at 31 December 2025.

7 Financial assets

The Company's financial investments at the end of reporting year are detailed below:

	2025 **AED**	2024 AED
Financial assets at fair value through other comprehensive income	**332,722,129**	222,803,341
Allowance for expected credit loss on financial assets at fair value through other comprehensive income	**(502,250)**	(285,661)
	332,219,879	222,517,680

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

The movement in the financial assets at fair value through profit or loss is as follows:

	FVTPL equity AED
Balance at 1 January 2025	**-**
Additions during the year	**29,971,680**
Disposals during the year	**(31,280,480)**
Realised gain on disposal of fair value through profit or loss investments	**1,308,800**
Balance at 31 December 2025	**-**

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

	2025 **AED**	2024 AED
Quoted debt securities	**316,520,183**	218,769,807
Quoted equity securities	**16,201,946**	4,033,534
Allowance for expected credit loss	**(502,250)**	(285,661)
	332,219,879	222,517,680

The composition of financial investment split between inside the UAE and outside the UAE as at 31 December 2025 and 31 December 2024 is as follows:

	Inside UAE		**Outside UAE**		**Total**	
	2025 **AED**	2024 AED	**2025** **AED**	2024 AED	**2025** **AED**	2024 AED
FVTOCI:						
Quoted debt securities	**250,162,424**	142,617,393	**65,855,509**	75,866,753	**316,017,933**	218,484,146
Quoted equity securities	**16,201,946**	4,033,534	**-**	-	**16,201,946**	4,033,534
	266,364,370	146,650,927	**65,855,509**	75,866,753	**332,219,879**	222,517,680

7 Financial assets (continued)

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

FVTOCI investments comprise of quoted equity and debt securities within the G.C.C. region except one investment valued at AED 9.6 million as at 31 December 2025 (31 December 2024: AED 9.1 million) which is an investment outside the G.C.C. region. The Company has designated all investments in equity securities that are not held for trading as at FVTOCI. Debt securities carry an interest rate ranging from 1.75% to 7.5% per annum (31 December 2024: 1.75% to 7.75%) and they are redeemable at par from 2026 to 2037 (31 December 2024: 2025 to 2035) based on their maturity dates. There are no significant concentration of credit risk for debt securities and the carrying amount reflected above represents the Company's maximum exposure to credit risk for such assets.

The movement in the financial assets at fair value through other comprehensive income is as follows:

	FVTOCI debt AED	**FVTOCI equity AED**	**Total AED**
Balance at 1 January 2025	**218,484,146**	**4,033,534**	**222,517,680**
Additions during the year	**160,837,703**	**11,020,728**	**171,858,431**
Matured during the year	**(12,562,190)**	**-**	**(12,562,190)**
Disposals during the period	**(57,117,279)**	**-**	**(57,117,279)**
Realised loss on disposal of FVTOCI investments	**(118,726)**	**-**	**(118,726)**
Net change in fair value	**6,059,953**	**1,147,684**	**7,207,637**
Amortisation of premium on FVTOCI debt investments to profit or loss	**650,915**	**-**	**650,915**
Allowance for expected credit loss	**(216,589)**	**-**	**(216,589)**
Balance at 31 December 2025	**316,017,933**	**16,201,946**	**332,219,879**

	FVTOCI debt AED	FVTOCI equity AED	Total AED
Balance at 1 January 2024	131,348,329	3,835,742	135,184,071
Additions during the year	96,544,785	-	96,544,785
Matured during the year	(11,282,338)	-	(11,282,338)
Net change in fair value	1,648,938	428,470	2,077,408
Impairment charges	-	(230,678)	(230,678)
Amortisation of premium on FVTOCI debt investments to profit or loss	322,074	-	322,074
Allowance for expected credit loss	(97,642)	-	(97,642)
Balance at 31 December 2024	218,484,146	4,033,534	222,517,680

Details of provision for expected credit loss were as follows:

	2025 AED	2024 AED
Balance at the beginning of the year	**285,661**	188,019
Provision for expected credit loss during the year	**216,589**	97,642
Balance at the end of the year	**502,250**	285,661

There were no reclassifications between financial investment categories during 2025 and 2024.

All the investments in scope of the expected credit loss model are in stage 1.

8 Statutory deposit

A deposit of AED 10 million (31 December 2024: AED 10 million) has been placed with a local bank (the "Bank"), in accordance with Article (92) of the Federal Decree Law No. (6) of 2025. This deposit has been pledged to the Bank as security against a guarantee issued by the Bank in favour of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the CBUAE and bears an interest rate of 4.6% per annum (31 December 2024: 5.15% per annum).

9 Insurance and reinsurance contracts

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

	31 December 2025			31 December 2024		
	Assets AED	**Liabilities AED**	**Net AED**	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	**-**	**(117,235,742)**	**(117,235,742)**	-	(108,675,562)	(108,675,562)
General and Motor	**-**	**(455,390,442)**	**(455,390,442)**	-	(370,918,036)	(370,918,036)
Total insurance contracts issued	**-**	**(572,626,184)**	**(572,626,184)**	-	(479,593,598)	(479,593,598)
Reinsurance contracts held						
Life and Medical	**35,996,193**	**(17,720,136)**	**18,276,057**	51,708,098	(26,787,062)	24,921,036
General and Motor	**283,098,145**	**(13,211,106)**	**269,887,039**	179,870,155	(1,133,036)	178,737,119
Total reinsurance contracts held	**319,094,338**	**(30,931,242)**	**288,163,096**	231,578,253	(27,920,098)	203,658,155

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

The Company disaggregates information to provide disclosure in respect of major product lines separately: Life and Medical and General and Motor. This disaggregation has been determined based on how the Company is managed.

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

9 Insurance and reinsurance contracts (continued)

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

2025	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	**31,980,781**	**1,267,568**	**73,187,607**	**2,239,606**	**110,402,718**	**4,226,867**	**246,579,254**	**9,709,197**	**479,593,598**
Insurance revenue	**(272,162,793)**	**-**	**-**	**-**	**(260,242,876)**	**-**	**-**	**-**	**(532,405,669)**
Insurance service expenses	**33,217,719**	**(1,267,568)**	**169,109,680**	**1,083,808**	**55,399,080**	**(4,049,405)**	**230,494,977**	**2,623,155**	**486,611,446**
Incurred claims and other expenses	**-**	**-**	**166,968,240**	**5,916,578**	**-**	**-**	**285,137,549**	**9,366,776**	**467,389,143**
Amortisation of insurance acquisition cash flows	**33,217,719**	**-**	**-**	**-**	**55,399,080**	**-**	**-**	**-**	**88,616,799**
Reversal on onerous contracts	**-**	**(1,267,568)**	**-**	**-**	**-**	**(4,049,405)**	**-**	**-**	**(5,316,973)**
Changes to liabilities for incurred claims	**-**	**-**	**2,141,440**	**(4,832,770)**	**-**	**-**	**(54,642,572)**	**(6,743,621)**	**(64,077,523)**
Insurance service result	**(238,945,074)**	**(1,267,568)**	**169,109,680**	**1,083,808**	**(204,843,796)**	**(4,049,405)**	**230,494,977**	**2,623,155**	**(45,794,223)**
Insurance finance expenses	**-**	**-**	**1,239,079**	**-**	**-**	**-**	**6,386,110**	**-**	**7,625,189**
Total changes in the statement of comprehensive income	**(238,945,074)**	**(1,267,568)**	**170,348,759**	**1,083,808**	**(204,843,796)**	**(4,049,405)**	**236,881,087**	**2,623,155**	**(38,169,034)**
Cash flows									
Premiums received	**268,775,472**	**-**	**-**	**-**	**236,944,169**	**-**	**-**	**-**	**505,719,641**
Claims and other expenses paid	**-**	**-**	**(160,833,699)**	**-**	**-**	**-**	**(129,090,153)**	**-**	**(289,923,852)**
Insurance acquisition cash flows paid	**(30,601,518)**	**-**	**-**	**-**	**(53,992,651)**	**-**	**-**	**-**	**(84,594,169)**
Total cash flows	**238,173,954**	**-**	**(160,833,699)**	**-**	**182,951,518**	**-**	**(129,090,153)**	**-**	**131,201,620**
Net insurance contract liabilities as at 31 December	**31,209,661**	**-**	**82,702,667**	**3,323,414**	**88,510,440**	**177,462**	**354,370,188**	**12,332,352**	**572,626,184**

9 Insurance and reinsurance contracts (continued)

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

2024	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	34,353,198	6,361,717	104,322,433	3,172,496	47,557,195	-	158,387,942	10,515,311	364,670,292
Insurance revenue	(289,534,391)	-	-	-	(214,530,209)	-	-	-	(504,064,600)
Insurance service expenses	31,040,203	(5,094,149)	183,845,659	(1,079,798)	52,622,454	4,226,867	215,124,620	(1,470,836)	479,215,020
Incurred claims and other expenses	-	-	240,766,075	6,553,592	-	-	303,505,279	13,447,539	564,272,485
Amortisation of insurance acquisition cash flows	31,040,203	-	-	-	52,622,454	-	-	-	83,662,657
(Reversal)/losses on onerous contracts	-	(5,094,149)	-	-	-	4,226,867	-	-	(867,282)
Changes to liabilities for incurred claims	-	-	(56,920,416)	(7,633,390)	-	-	(88,380,659)	(14,918,375)	(167,852,840)
Insurance service result	(258,494,188)	(5,094,149)	183,845,659	(1,079,798)	(161,907,755)	4,226,867	215,124,620	(1,470,836)	(24,849,580)
Insurance finance expenses	-	-	3,117,215	146,908	-	-	9,719,102	664,722	13,647,947
Total changes in the statement of comprehensive income	(258,494,188)	(5,094,149)	186,962,874	(932,890)	(161,907,755)	4,226,867	224,843,722	(806,114)	(11,201,633)
Cash flows									
Premiums received	297,860,716	-	-	-	276,320,761	-	-	-	574,181,477
Claims and other expenses paid	-	-	(218,097,700)	-	-	-	(136,652,410)	-	(354,750,110)
Insurance acquisition cash flows paid	(41,738,945)	-	-	-	(51,567,483)	-	-	-	(93,306,428)
Total cash flows	256,121,771	-	(218,097,700)	-	224,753,278	-	(136,652,410)	-	126,124,939
Net insurance contract liabilities as at 31 December	31,980,781	1,267,568	73,187,607	2,239,606	110,402,718	4,226,867	246,579,254	9,709,197	479,593,598

9 Insurance and reinsurance contracts (continued)

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

2025	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	(43,993,342)	833,320	94,147,491	720,629	(29,648,118)	797,122	201,654,131	7,067,020	231,578,253
Reinsurance contract liabilities as at 1 January	(49,883,700)	-	22,362,677	733,961	(3,248,911)	1,138	2,015,246	99,491	(27,920,098)
Net reinsurance contract (liabilities)/assets as at 1 January	(93,877,042)	833,320	116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155
Allocation of reinsurance premiums	(117,605,954)	-	-	-	(100,864,662)	-	-	-	(218,470,616)
Amounts recoverable from reinsurers for incurred claims	-	(833,320)	88,051,267	354,812	-	(798,260)	125,283,757	2,425,437	214,483,693
Amounts recoverable for incurred claims and other expenses	-	-	91,211,243	1,509,323	-	-	172,857,150	5,715,463	271,293,179
Reversal on onerous underlying contracts	-	(833,320)	-	-	-	(798,260)	-	-	(1,631,580)
Changes to amounts recoverable for incurred claims	-	-	(3,159,976)	(1,154,511)	-	-	(47,573,393)	(3,290,026)	(55,177,906)
Net income or expense from reinsurance contracts held	(117,605,954)	(833,320)	88,051,267	354,812	(100,864,662)	(798,260)	125,283,757	2,425,437	(3,986,923)
Reinsurance finance income	-	-	1,818,954	-	-	-	4,980,879	-	6,799,833
Effect of changes in non-performance risk of reinsurers	-	-	(381,509)	-	-	-	(1,091,561)	-	(1,473,070)
Total changes in the statement of comprehensive income	(117,605,954)	(833,320)	89,488,712	354,812	(100,864,662)	(798,260)	129,173,075	2,425,437	1,339,840
Cash flows									
Premiums paid	133,011,420	-	-	-	111,227,989	-	-	-	244,239,409
Amounts received	-	-	(111,060,649)	-	-	-	(50,013,659)	-	(161,074,308)
Total cash flows	133,011,420	-	(111,060,649)	-	111,227,989	-	(50,013,659)	-	83,165,101
Net reinsurance contract (liabilities) /assets as at 31 December	(78,471,576)	-	94,938,231	1,809,402	(22,533,702)	-	282,828,793	9,591,948	288,163,096
Reinsurance contract assets as at 31 December	(34,583,916)	-	69,662,250	917,859	(14,881,548)	-	288,550,405	9,429,288	319,094,338
Reinsurance contract liabilities as at 31 December	(43,887,660)	-	25,275,981	891,543	(7,652,154)	-	(5,721,612)	162,660	(30,931,242)
Net reinsurance contract (liabilities) /assets as at 31 December	(78,471,576)	-	94,938,231	1,809,402	(22,533,702)	-	282,828,793	9,591,948	288,163,096

9 Insurance and reinsurance contracts (continued)

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

2024	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	(97,734,272)	3,410,024	167,495,655	2,083,673	(47,922,094)	-	140,820,820	8,158,680	176,312,486
Reinsurance contract liabilities as at 1 January	-	-	-	-	(2,841,204)	-	1,386,870	56,078	(1,398,256)
Net reinsurance contract assets/(liabilities) as at 1 January	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230
Allocation of reinsurance premiums	(115,741,938)	-	-	-	(98,942,242)	-	-	-	(214,684,180)
Amounts recoverable from reinsurers for incurred claims	-	(2,576,704)	87,675,279	(720,406)	-	798,260	117,524,500	(1,576,023)	201,124,906
Amounts recoverable for incurred claims and other expenses	-	-	109,889,759	3,915,404	-	-	179,307,296	9,330,445	302,442,904
(Reversal) /recovery on onerous underlying contracts	-	(2,576,704)	-	-	-	798,260	-	-	(1,778,444)
Changes to amounts recoverable for incurred claims	-	-	(22,214,480)	(4,635,810)	-	-	(61,782,796)	(10,906,468)	(99,539,554)
Net income or expense from reinsurance contracts held	(115,741,938)	(2,576,704)	87,675,279	(720,406)	(98,942,242)	798,260	117,524,500	(1,576,023)	(13,559,274)
Reinsurance finance income	-	-	5,386,133	91,323	-	-	8,248,630	527,776	14,253,862
Effect of changes in non-performance risk of reinsurers	-	-	(3,294,350)	-	-	-	2,333,391	-	(960,959)
Total changes in the statement of comprehensive income	(115,741,938)	(2,576,704)	89,767,062	(629,083)	(98,942,242)	798,260	128,106,521	(1,048,247)	(266,371)
Cash flows									
Premiums paid	119,599,168	-	-	-	116,808,511	-	-	-	236,407,679
Amounts received	-	-	(140,752,549)	-	-	-	(66,644,834)	-	(207,397,383)
Total cash flows	119,599,168	-	(140,752,549)	-	116,808,511	-	(66,644,834)	-	29,010,296
Net reinsurance contract assets/(liabilities) as at 31 December	(93,877,042)	833,320	116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155
Reinsurance contract assets as at 31 December	(43,993,342)	833,320	94,147,491	720,629	(29,648,118)	797,122	201,654,131	7,067,020	231,578,253
Reinsurance contract liabilities as at 31 December	(49,883,700)	-	22,362,677	733,961	(3,248,911)	1,138	2,015,246	99,491	(27,920,098)
Net reinsurance contract assets/(liabilities) as at 31 December	(93,877,042)	833,320	116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155

9 Insurance and reinsurance contracts (continued)

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

Gross Insurance contract liabilities at 31 December 2025

	2016 and prior AED	2017 AED	2018 AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	2025 AED	**Total AED**
At the end of each reporting year	1,063,379,507	206,708,854	289,482,870	513,297,622	399,077,423	336,940,079	305,201,495	374,069,629	441,747,840	441,362,831	**441,362,831**
One year later	1,049,998,527	191,259,704	261,270,119	482,305,594	385,519,890	305,803,750	274,240,481	341,938,852	385,131,980	-	**385,131,980**
Two years later	1,047,623,817	186,630,620	255,518,050	501,177,149	383,412,064	298,506,099	271,671,896	344,320,761	-	-	**344,320,761**
Three years later	1,033,651,330	186,389,070	254,421,507	487,632,634	361,017,796	275,892,712	269,461,102	-	-	-	**269,461,102**
Four years later	1,031,214,261	185,210,124	253,471,505	390,269,413	359,368,451	276,151,920	-	-	-	-	**276,151,920**
Five years later	1,024,881,234	183,898,132	250,802,385	389,503,857	359,722,955	-	-	-	-	-	**359,722,955**
Six years later	1,022,784,257	178,989,230	250,100,685	387,642,266	-	-	-	-	-	-	**387,642,266**
Seven years later	911,653,578	178,510,230	250,325,682	-	-	-	-	-	-	-	**250,325,682**
Eight years later	912,124,523	178,552,340	-	-	-	-	-	-	-	-	**178,552,340**
Nine years later	912,643,710	-	-	-	-	-	-	-	-	-	**912,643,710**
Estimate of cumulative claims	912,643,710	178,552,340	250,325,682	387,642,266	359,722,955	276,151,920	269,461,102	344,320,761	385,131,980	441,362,831	**3,805,315,547**
Cumulative payments to date	(911,163,892)	(178,430,298)	(249,552,498)	(387,507,659)	(356,150,020)	(266,415,802)	(257,525,689)	(330,774,024)	(307,468,520)	(150,517,673)	**(3,395,506,075)**
Unallocated loss adjustment expense reserve	17,975	964	7,620	60,447	123,769	336,349	409,519	457,729	2,571,991	7,449,887	**11,436,250**
Claims receivable	21	1,061	523	3,250	37,313	76,963	145,462	1,355,003	5,942,569	11,177,126	**18,739,291**
Total gross undiscounted liabilities for incurred claims	1,497,814	124,067	781,327	198,304	3,734,017	10,149,430	12,490,394	15,359,469	86,178,020	309,472,171	**439,985,013**
Attributable expenses											**5,940,087**
Effect of discounting											**(8,852,245)**
Total discounted gross reserves included in the statement of financial position											**437,072,855**
Risk Adjustments											**15,655,766**

9 Insurance and reinsurance contracts (continued)

Net Insurance contract liabilities at 31 December 2025

	2016 and prior AED	2017 AED	2018 AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	2025 AED	**Total AED**
At the end of each reporting year	718,231,329	113,561,285	125,097,160	267,264,348	229,561,512	158,645,424	177,133,830	171,226,992	175,693,824	172,419,642	**172,419,642**
One year later	721,240,889	105,199,030	112,608,458	256,386,377	224,471,018	153,057,798	167,647,611	166,725,820	162,325,527	-	**162,325,527**
Two years later	717,670,445	105,136,987	107,627,969	271,131,930	223,476,717	153,077,743	167,598,109	166,739,776	-	-	**166,739,776**
Three years later	713,922,637	100,585,664	107,566,657	259,069,664	222,004,134	151,366,375	166,170,170	-	-	-	**166,170,170**
Four years later	713,190,105	100,051,847	107,299,494	171,078,744	221,587,641	154,935,299	-	-	-	-	**154,935,299**
Five years later	711,856,838	99,535,024	106,527,746	168,915,423	222,958,870	-	-	-	-	-	**222,958,870**
Six years later	711,307,976	97,937,921	103,716,095	170,430,915	-	-	-	-	-	-	**170,430,915**
Seven years later	676,259,294	97,857,804	103,750,722	-	-	-	-	-	-	-	**103,750,722**
Eight years later	676,233,489	97,867,805	-	-	-	-	-	-	-	-	**97,867,805**
Nine years later	676,256,763	-	-	-	-	-	-	-	-	-	**676,256,763**
Estimate of cumulative claims	676,256,763	97,867,805	103,750,722	170,430,915	222,958,870	154,935,299	166,170,170	166,739,776	162,325,527	172,419,642	**2,093,855,489**
Cumulative payments to date	(676,176,267)	(97,842,138)	(103,567,983)	(168,018,779)	(220,413,231)	(149,417,340)	(162,565,471)	(162,588,195)	(143,938,123)	(95,681,078)	**(1,980,208,605)**
Unallocated loss adjustment expense reserve	17,975	964	7,620	60,447	123,769	336,349	409,519	457,729	2,571,991	7,449,887	**11,436,250**
Claim payable – net	(15)	(1,960)	(1,845)	(27,696)	(191,035)	(247,372)	(475,570)	(1,961,302)	(17,286,755)	(62,143,606)	**(82,337,156)**
Total net undiscounted liabilities for incurred claims	98,456	24,671	188,514	2,444,887	2,478,373	5,606,936	3,538,648	2,648,008	3,672,640	22,044,845	**42,745,978**
Attributable expenses											**16,681,430**
Non-performance risk of reinsurers											**1,840,086**
Effect of discounting											**(1,961,663)**
Total discounted net reserves included in the statement of financial position											**59,305,831**
Net risk adjustments											**4,254,416**

10 Other receivables

	2025	2024
	AED	AED
Accrual of interest and other income	**4,588,966**	2,726,910
Advances and prepayments	**4,087,026**	3,603,433
Due from related parties	**1,064,657**	-
Other receivables	**9,008,563**	8,223,079
	18,749,212	14,553,422
Allowance for expected credit loss	**(4,926,490)**	(4,944,756)
	13,822,722	9,608,666

Included in other receivables is an amount of AED 3.9 million (31 December 2024: AED 3.9 million) for the exposure to a foreign bank that does not meet the recognition and classification requirements of bank balances and fixed deposits. This balance relates to receivables other than those due from policyholders and reinsurers.

Movement in the allowance for expected credit loss was as follows:

	2025	2024
	AED	AED
Balance at the beginning of the year	**4,944,756**	4,944,733
(Reversal) /charge during the year	**(18,266)**	23
Balance at the end of the year	**4,926,490**	4,944,756

11 Cash and cash equivalents

	2025	2024
	AED	AED
Cash in hand	**15,897**	18,298
Current accounts with banks	**11,433,660**	97,489,967
Fixed deposits with original maturities of three months or less	**-**	20,000,000
	11,449,557	117,508,265

12 Deposits

	2025	2024
	AED	AED
Fixed deposits with original maturities greater than three months	**159,971,957**	177,584,958
Fixed deposits under lien	**4,208,000**	864,147
Allowance for expected credit loss	**(39,670)**	(71,217)
Total fixed deposits	**164,140,287**	178,377,888

Fixed deposit with carrying amount of AED 4,000,000 as at 31 December 2025 (31 December 2024: AED 864,147) are under lien against letters of guarantee amounting to AED 590,000 (31 December 2024: AED 590,000). The interest rates on fixed deposits with banks range between 4% to 5.1% per annum (31 December 2024: 4% to 5.6% per annum). All fixed deposits are held in local banks in the United Arab Emirates.

12 Deposits (continued)

Details of allowance for expected credit loss as per IFRS 9 were as follows:

	2025 **AED**	2024 AED
Balance at the beginning of the year	**71,217**	122,537
Reversal of expected credit loss during the year	**(31,547)**	(51,320)
Balance at the end of the year	**39,670**	71,217

All the bank balances and fixed deposits in scope of the expected credit loss model are in stage 1 and there have been no movements between the stages during the year.

13 Share capital

	2025 **AED**	2024 AED
Authorised, issued and fully paid:		
121.275 million ordinary shares of AED 1 each	**121,275,000**	121,275,000

(31 December 2024: 121.275 million ordinary shares of AED 1 each)

14 Reserves

Statutory reserve

In accordance with the Companies Law, and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law. Accordingly, during the year ended 31 December 2025, the Company transferred AED 4,319,438 to statutory reserves (31 December 2024: AED 1,543,864).

Voluntary reserve

As per the Company's Articles of Association, the Company has maintained a voluntary reserve upon the recommendation of the Board of Directors. This reserve cannot be utilised for any other purpose unless approved by the Shareholders' General Assembly. During the year, following the approval of the Shareholders at the Annual General Meeting held on 20 March 2025, the Company transferred the voluntary reserve to extinguish all accumulated losses.

Reinsurance reserve

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has transferred AED 1,181,906 to the 'Reinsurance Reserve' being 0.5% of the total insurance premium ceded to reinsurers during the year ended 31 December 2025 (year ended 31 December 2024: AED 1,391,048). The Company shall accumulate such provision year on year and shall not dispose of the reserve without the written approval to be from the Central Bank of the UAE..

15 Provision for employees' end of service indemnity

	2025 **AED**	2024 AED
Balance at 1 January	**6,760,628**	6,345,883
Charge for the year	**1,170,562**	1,094,838
Payment during the year	**(98,174)**	(680,093)
Balance at 31 December	**7,833,016**	6,760,628

16 Bank borrowings

	2025 AED	2024 AED
Bank overdrafts	**-**	74,911,911

As at 31 December 2025, the Company repaid all bank overdrafts. As at 31 December 2024 Overdraft facilities were secured against fixed deposits carrying value of AED 82,855,670. The overdraft carried an interest rate of 0.5% above the interest rate earned on the fixed deposits secured against the overdraft facilities and was repayable on demand.

17 Other payables

	2025 AED	2024 AED
Other payable balances	**4,164,581**	2,333,622
Accrued expenses	**2,316,256**	2,001,972
Payables to suppliers	**1,031,154**	663,100
Due to related parties	**872,744**	1,342,035
	8,384,735	6,340,729

Accrued expenses relate to amounts incurred in the normal course of business such as fees payable to regulators and other professionals.

18 Deferred tax liability

	2025 AED	2024 AED
Deferred tax arising in respect of:		
Recognised in OCI:		
Net change in fair value of debt securities designated at FVTOCI	**(693,800)**	(148,405)

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	Net balance at 1 January 2025 AED	Recognised in profit or loss AED	Recognised in other comprehensive income AED	Net balance at 31 December AED
2025				
Financial assets	**(148,405)**	**-**	**(545,395)**	**(693,800)**
2024				
Financial assets	**-**	**-**	**(148,405)**	**(148,405)**

19 Income tax expense

	2025 AED	2024 AED
Income statement:		
Current tax	**(5,036,228)**	(1,487,606)
Statement of comprehensive income		
Current tax	**(103,291)**	(38,562)
Deferred tax	**(545,396)**	(148,405)

Relationship between tax expense and accounting profit:

	2025 AED	2024 AED
Profit for the year before taxation	**48,230,603**	16,926,245
Basic exemption limit	**(375,000)**	(375,000)
Tax applicable profit	**47,855,603**	16,551,245
Tax at the applicable rate of 9%	**(4,307,004)**	(1,489,612)
Effect of items that are not considered in determining taxable income - net		
Exempt income	**26,733**	19,475
Non-deductible expenses	**(275,472)**	(17,469)
Adjustment in respect of prior year	**(480,485)**	-
Income tax expense	**(5,036,228)**	(1,487,606)
Profit for the year after taxation	**43,194,375**	15,438,639

20 Insurance service expenses

	Life and Medical AED	General and Motor AED	Total AED
For the year ended 31 December 2025			
Incurred claims and other expenses	**172,884,818**	**294,504,325**	**467,389,143**
Amortisation of insurance acquisition cash flows and other expenses	**33,217,719**	**55,399,080**	**88,616,799**
Reversal on onerous contracts	**(1,267,568)**	**(4,049,405)**	**(5,316,973)**
Changes to liabilities for incurred claims	**(2,691,330)**	**(61,386,193)**	**(64,077,523)**
	202,143,639	**284,467,807**	**486,611,446**
For the year ended 31 December 2024			
Incurred claims and other expenses	247,319,667	316,952,818	564,272,485
Amortisation of insurance acquisition cash flows and other expenses	31,040,203	52,622,454	83,662,657
(Reversal)/losses on onerous contracts	(5,094,149)	4,226,867	(867,282)
Changes to liabilities for incurred claims	(64,553,806)	(103,299,034)	(167,852,840)
	208,711,915	270,503,105	479,215,020

21 Total investment income and net insurance financial result

The table below presents an analysis of total investment income and insurance financial results recognised in profit or loss during the year:

For the year ended 31 December 2025	Life and Medical AED	General and Motor AED	Total AED
Investment income - net			
Amounts recognised in the profit or loss			
Interest income	**7,285,141**	**13,634,382**	**20,919,523**
Dividend income from financial investments	**-**	**297,030**	**297,030**
Realised loss on disposal of financial investments at FVTOCI	**-**	**(118,726)**	**(118,726)**
Realised gain on financial investments at FVTPL	**-**	**1,308,800**	**1,308,800**
Other income	**394**	**6**	**400**
	7,285,535	**15,121,492**	**22,407,027**
Insurance finance income/(expense) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	**(1,111,172)**	**(5,608,386)**	**(6,719,558)**
Due to changes in interest rates and other financial assumptions	**(127,907)**	**(777,724)**	**(905,631)**
Total insurance finance expense from insurance contracts issued	**(1,239,079)**	**(6,386,110)**	**(7,625,189)**
Reinsurance finance income/(expense) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	**1,722,141**	**4,368,563**	**6,090,704**
Changes in non-performance risk of reinsurer	**(381,508)**	**(1,091,561)**	**(1,473,069)**
Due to changes in interest rates and other financial assumptions	**96,812**	**612,316**	**709,128**
Reinsurance finance income from reinsurance contracts held	**1,437,445**	**3,889,318**	**5,326,763**
Net insurance finance expense	**198,366**	**(2,496,792)**	**(2,298,426)**

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

The table below presents an analysis of total investment income and insurance financial results recognised in statement of profit or loss in the year:

For the year ended 31 December 2024	Life and Medical AED	General and Motor AED	Total AED
Investment income - net			
Amounts recognised in the profit or loss			
Interest income	4,850,202	11,671,303	16,521,505
Dividend income from financial investments	-	216,396	216,396
Impairment losses on financial investments at FVTOCI	-	(230,676)	(230,676)
Other income	62,905	31,349	94,254
	4,913,107	11,688,372	16,601,479
Insurance finance income/ (expense) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(3,328,894)	(10,396,752)	(13,725,646)
Due to changes in interest rates and other financial assumptions	64,771	12,928	77,699
Total insurance finance expense from insurance contracts issued	(3,264,123)	(10,383,824)	(13,647,947)
Reinsurance finance income/ (expense) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	5,578,866	8,645,322	14,224,188
Changes in non-performance risk of reinsurer	(3,294,350)	2,333,391	(960,959)
Due to changes in interest rates and other financial assumptions	(101,410)	131,084	29,674
Reinsurance finance expense from reinsurance contracts held	2,183,106	11,109,797	13,292,903
Net insurance finance (expense)/ income	(1,081,017)	725,973	(355,044)

22 Social contributions

Social contributions during the year ended 31 December 2025 amounted to AED 20,000 (31 December 2024: AED 8,700).

23 Basic and diluted earnings per share

	2025	2024
Profit for the year after tax (in AED)	**43,194,375**	15,438,639
Number of shares	**121,275,000**	121,275,000
Basic and diluted earnings per share after tax (in AED)	**0.36**	0.13

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

24 Related party balances and transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party. Related parties include the Company's major shareholders, directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel. The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

At the end of the reporting year, amounts due from/to related parties were as follows:

	2025	2024
	AED	AED
Due from related parties		
Due from Parent Company (insurance contract liabilities)	**38,992,823**	1,726,948
Due from Parent company (other receivables)	**1,064,657**	-
Due from Directors (insurance contract liabilities)	**99,230**	200,602
Due from other related parties under common control (insurance contract liabilities)	**15,618,814**	28,638,058
	55,775,524	30,565,608
Due to related parties		
Due to Parent company (other payables)	**(869,354)**	(1,773,553)

Balances receivable from related parties are interest-free and repayable on demand.

	2025	2024
	AED	AED
Balances		
Fixed deposits placed with Parent company	**89,637,058**	109,484,594
Bank balances placed with Parent company	**10,511,224**	21,577,467
Bank borrowing from Parent company	**-**	(49,999,009)

24 Related party balances and transactions (continued)

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

	2025	2024
	AED	AED
Insurance revenue (Parent company)	**122,285,826**	120,861,029
Insurance revenue (Directors)	**2,382,648**	241,761
Insurance revenue (other related parties)	**127,263,976**	101,663,511
Insurance service expenses (Parent company)	**(60,088,921)**	(69,631,945)
Insurance service expenses (Directors)	**(341,537)**	(42,956)
Insurance service expenses (other related parties)	**(64,340,972)**	(48,753,849)
Other expenses (Parent company)	**(5,430,073)**	(1,957,325)
Investment income (Parent company)	**4,519,267**	4,671,013

During the year ended 31 December 2025, the Company has purchased financial assets at AED 200.6 million (31 December 2024: AED 96.5 million) and disposed AED 88 million of financial assets (31 December 2024: nil) through the Parent company which included perpetual bonds of the Parent Company amounting to AED 30 million purchased and sold during the year (31 December 2024: Nil).

Key management personnel compensation

	2025	2024
	AED	AED
Board of Directors' remuneration	**927,686**	1,141,979
Short-term benefits	**10,642,543**	8,457,212
Long-term benefits	**309,991**	297,527
	11,880,220	9,896,718

25 Other operating expenses

	2025	2024
	AED	AED
Professional fees	**6,936,196**	5,266,958
Staff cost	**3,897,491**	3,652,051
Information technology	**2,531,223**	2,008,151
Amortisation of intangible assets	**1,828,651**	691,673
Board of Directors' remuneration	**927,686**	1,141,979
Rental costs – operating leases	**594,207**	399,432
Communication expenses	**285,471**	275,997
Provision for bad debt	**185,043**	36,229
Depreciation of property and equipment & write off	**143,523**	157,203
Utilities and maintenance	**114,428**	100,655
Administration expenses	**93,311**	79,016
Bank charges	**50,760**	39,191
Travel and entertainment expenses	**34,045**	44,593
Marketing expenses	**18,258**	11,167
License expenses and membership fees	**-**	23,841
	17,640,293	13,928,136

Other operating expenses relate to items that do not form part of insurance service result.

26 Other underwriting income

Other underwriting income includes admin fee earned for Credit Islamic Business on fronting arrangements with other insurance companies in the UAE.

27 Contingent liabilities

	2025	2024
	AED	AED
Letters of guarantee	**10,590,000**	10,605,000

Letters of guarantee includes AED 10 million (31 December 2024: AED 10 million) issued in favour of the CBUAE. The above guarantees were issued in the normal course of business. The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

28 Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable. The Company writes the general, motor medical and life insurance contracts. General insurance contracts of the Company include Liability, Property, Fire, Marine and Engineering insurance contracts. Medical insurance contracts include both individual and group medical insurance contracts. Life insurance contracts include group, retail and credit life insurance contracts.

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit Committee and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. These Committees report regularly to the Board of Directors on their activities.

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

The Company's Audit Committee and Risk Committee oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee and Risk Committee are assisted in their oversight role by Internal Audit and Risk functions.

Two key elements of the Company's insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed on the next page.

28 Insurance risk (continued)

Underwriting strategy

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

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect capital resources.

Ceded reinsurance contains credit risk, as discussed in the financial risk management note. The Company 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 Company enters into a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances.

Frequency and severity of claims

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

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

The reinsurance arrangements include excess of loss and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses of a set limit of AED 700,000 per vehicle and AED 1,500,000 per event for motor insurance losses (2024: AED 700,000 for motor losses per vehicle/event). For medical insurance losses, the retention limit is set for AED 100,000 per member in any policy (2024: AED 100,000 for medical insurance losses). Similarly, net loss retained for general lines of business will not exceed AED 3,000,000 for a risk loss and AED 5,000,000 for event losses (2024: net loss retained for business will not exceed 2,250,000 for a risk and for event losses AED 4,500,000). In addition to the overall Company reinsurance program, business units are permitted to purchase additional facultative reinsurance protection, if needed.

28 Insurance risk (continued)

Frequency and severity of claims (continued)

The following tables disclose the concentration of insurance liabilities by line of business. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from the insurance contracts:

	As at 31 December 2025		
	Gross	**Reinsurance**	**Net**
	AED	**AED**	**AED**
Life and Medical	**117,235,742**	**(18,276,057)**	**98,959,685**
Motor and General	**455,390,442**	**(269,887,039)**	**185,503,403**
	572,626,184	**(288,163,096)**	**284,463,088**

	As at 31 December 2024		
	Gross	Reinsurance	Net
	AED	AED	AED
Life and Medical	108,675,562	(24,921,036)	83,754,526
Motor and General	370,918,036	(178,737,119)	192,180,917
	479,593,598	(203,658,155)	275,935,443

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. The estimation of Incurred But Not Reported (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until several months, quarters & sometimes years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. The Company involved an independent external actuary as well if deemed necessary. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

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

28 Insurance risk (continued)

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

The amount of insurance claims is in some cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are based on Actuarial calculation which can be based purely on historical development of claims or Expected Loss Ratios or a combination of both. The method and weightage are based on the merit of the line of business. The Expected Loss-Ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The initial estimate of the loss ratios used for the current year before and after reinsurance are analysed below by line of business where the insured operates for current and prior year premium earned.

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Gross loss ratio	**Net loss ratio**	Gross loss ratio	Net loss ratio
Motor	**54%**	**62%**	106%	85%
Marine and aviation	**19%**	**14%**	12%	7%
Medical	**78%**	**71%**	79%	72%
Life	**18%**	**4%**	15%	2%
Engineering, fire, general accidents and others	**117%**	**68%**	95%	66%

The Company believes that the claim liabilities under insurance contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact insurance service expenses as follows:

	For the year ended 31 December	
	2025	2024
	AED	AED
Impact of change in loss ratio by +/- 1%		
Medical	**946,588**	1,054,804
Motor	**1,301,122**	910,476
Engineering, fire, general accidents and others	**226,705**	186,830
Life	**415,023**	420,752
Marine and aviation	**11,132**	12,234
	2,900,570	2,585,096

28 Insurance risk (continued)

Process used to decide on assumptions

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

The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims. The two methods more commonly used are the chain-ladder and the Bornhuetter-Ferguson methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year. Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

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

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that a weighted average of different techniques have been selected for individual accident years or groups of accident years within the same class of business. The Company has an internal actuary, and independent external actuaries are also involved in the valuation of technical reserves of the Company.

The Company did not change its assumptions for the valuation of the insurance contract liabilities during the year other than those disclosed.

Concentration of insurance risk

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

To minimise its exposure to significant losses from reinsurer insolvencies, the Company primarily deals with reputed counter parties and monitors the receivable position from these parties on a regular basis.

29 Capital risk management

The Company's objectives when managing capital, which the Company considers to be the equity as shown in the statement of financial position, are:

- to comply with the insurance capital requirements required by UAE Federal Decree Law No. (6) of 2025, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates (CBUAE) and regulation of its operations;
- to protect its policyholders' interests;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In the UAE, CBUAE specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

The table below summarises the minimum required capital of the Company and the total capital held.

	As at 31 December	
	2025	2024
	AED	AED
Total capital held	**121,275,000**	**121,275,000**
Minimum regulatory capital	**100,000,000**	**100,000,000**

The CBUAE has issued resolution no. 42 for 2009 setting the minimum subscribed or paid up capital of AED 100 million for establishing insurance companies and AED 250 million for reinsurance companies. The resolution also stipulates that at least 75 percent of the capital of the insurance companies established in the UAE should be owned by UAE or GCC national individuals or corporate bodies. The Company is in compliance with these rules.

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the year. The Company is subject to solvency regulations which it has complied with during the year. The Company 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 Company and the total capital held to meet these required Solvency Margins.

	2025	2024
	AED	AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**111,594,844**	88,794,091
Minimum Guarantee Fund (MGF)	**80,768,955**	68,521,539
Basic Own Funds	**156,872,910**	142,975,622
MCR Solvency Margin - Minimum Capital Requirement surplus	**56,872,910**	42,975,622
SCR Solvency Margin - Solvency Capital Requirement surplus	**45,278,066**	54,181,531
MGF Solvency Margin – Minimum Guarantee Fund surplus	**76,103,955**	74,454,083

30 Fair value measurements

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

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

- Level 1 the fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting year. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.
- Level 2 the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are unobservable, the instrument is included in Level 2.
- Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

The fair values of financial assets and financial liabilities are determined using the same valuation techniques and assumptions as those used for the year ended 31 December 2024.

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

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined:

	Fair value as at		**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Financial assets	**31 December 2025 AED**	31 December 2024 AED				
FVTOCI:						
Quoted Debt securities	**316,017,933**	218,484,146	Level 1	Quoted bid prices in an active market	None	N/A
Quoted equity securities	**16,201,946**	4,033,534	Level 1	Quoted bid prices in an active market	None	N/A

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

31 Financial risk

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

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks may arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

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

Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations and consequently the Company has not hedged its foreign currency exposure.

Equity and debt price risk

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

At the end of the reporting period, if the equity and debt prices are 10% higher / lower as per the assumptions mentioned below and all the other variables were held constant, the Company's other comprehensive income for the year ended 31 December 2025 would have increased / decreased by AED 33,221,988 (year ended 31 December 2024: AED 22,251,768).

Method and assumptions for sensitivity analysis:

- The sensitivity analysis has been done based on the exposure to equity and debt price risk as at the end of the reporting period.
- As at the end of the reporting period if equity and debt prices are 10% higher / lower on the market value uniformly for all equity and debt while all other variables are held constant, the impact on profit and other comprehensive income for the year has been shown above.
- A 10% change in equity and debt prices has been used to give a realistic assessment as a plausible event.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Company. The Company is not significantly exposed to interest rate risk on its financial investments in debt instruments and term deposits since they carry fixed interest rates. As such, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

31 Financial risk (continued)

Interest rate risk (continued)

The Company generally manages to minimise the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The Company is exposed to interest rate risk on:

(i) Liability for incurred claims; and
(ii) Asset for incurred claims.

The below tables show the impact of 1% change in risk adjustment and discounting on liability for incurred claims and assets for incurred claims:

31 December 2025

	Impact on profit gross of reinsurance	**Impact on profit net of reinsurance**	**Impact on equity gross of reinsurance**	**Impact on equity net of reinsurance**
	AED	**AED**	**AED**	**AED**
Risk Adjustment				
1% increase	**(4,120,652)**	**(1,224,899)**	**(4,120,652)**	**(1,224,899)**
1% decrease	**4,120,652**	**1,224,899**	**4,120,652**	**1,224,899**
Discounting				
1% increase	**1,852,572**	**395,757**	**1,852,572**	**395,757**
1% decrease	**(1,881,829)**	**(401,956)**	**(1,881,829)**	**(401,956)**

31 December 2024

	Impact on profit gross of reinsurance	Impact on profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
	AED	AED	AED	AED
Risk adjustment				
1% increase	(3,377,459)	(1,235,804)	(3,377,459)	(1,235,804)
1% decrease	(3,377,459)	(1,235,804)	(3,377,459)	(1,235,804)
Discounting				
1% increase	1,596,923	318,633	1,596,923	318,633
1% decrease	(1,618,683)	(328,719)	(1,618,683)	(328,719)

31 Financial risk (continued)

Credit risk

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

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

- reinsurance contract assets;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders;
- amounts due from insurance intermediaries;
- amounts due from other insurance companies;
- investments in debt instruments;
- cash and cash equivalents excluding cash in hand; and
- fixed deposits

The Company has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by Management annually. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

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

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of provisions for expected credit loss on insurance and other receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are mitigated by ongoing credit evaluation of their financial condition. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

The carrying amount of financial assets recorded in the financial statements, which is net of expected credit loss losses, represents the Company's maximum exposure to credit risk.

For insurance and other receivables, the Company applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss provision for insurance and other receivables. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions.

Bank balances and fixed deposits balance at the end of year, AED 100 million (2024: AED 121 million) is placed with one bank. The credit risk on liquid funds is limited because the single largest counterparty is a UAE sovereign bank.

31 Financial risk (continued)

Credit risk (continued)

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

	As at 31 December	
	2025	2024
	AED	AED
Aa3	**428,322**	75,689,702
A1	**-**	1,189
A3	**20,547,091**	66,344,094
Baa1	**164,614,431**	163,758,269
Ba1	**-**	92,899
	185,589,844	305,886,153

The Company's financial assets at FVTOCI are held across various countries. The table below presents an analysis of financial assets at FVTOCI by rating agency designation at the end of the reporting period based on Moody's rating or its equivalent:

	As at 31 December	
	2025	2024
	AED	AED
Aa2	**70,116,654**	35,507,140
Aa3	**37,995,686**	49,615,491
A1	**78,571,025**	14,218,518
A2	**10,047,483**	20,626,041
A3	**20,380,033**	24,044,257
Baa1	**1,033,125**	15,734,078
Baa2	**9,646,523**	-
Ba1	**49,560,600**	34,689,347
B1	**39,970,092**	21,270,595
Not rated	**14,898,658**	6,812,213
	332,219,879	222,517,680

All the Company's debt investments measured at fair value through other comprehensive income are considered to have low credit risk, and the charge recognised during the year was therefore limited to 12 months' expected losses. A 10% increase / (decrease) in the probability of default and loss given default estimates as at 31 December 2025 would result in an increase / (decrease) of AED 113,219 (2024: increase / (decrease) of AED 88,077) in total expected credit loss allowances on FVTOCI investments, bank balances and fixed deposits.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities to ensure that funds are available to meet its commitments for liabilities as they fall due.

31 Financial risk (continued)

Liquidity risk (continued)

The table below summarises the maturity profile of the Company's financial assets, financial liabilities, insurance contract liabilities and reinsurance contracts assets held. The maturity analysis has been presented on a contractual undiscounted cash flow basis except for insurance contract liabilities and reinsurance contract assets held which have been presented on their expected cash flows.

The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	Less than 1 year AED	**1-5 years AED**	**5+ years AED**	**No maturity AED**	**Total AED**
31 December 2025					
Financial assets					
FVTOCI investments – debt	**22,500,726**	**87,422,639**	**206,094,568**	**-**	**316,017,933**
FVTOCI investments – equity	**-**	**-**	**-**	**16,201,946**	**16,201,946**
Statutory deposit	**-**	**-**	**-**	**10,000,000**	**10,000,000**
Other receivables (excluding advances and prepayments)	**5,423,803**	**1,129,870**	**3,182,023**	**-**	**9,735,696**
Deposits	**59,146,387**	**104,993,900**	**-**	**-**	**164,140,287**
Cash and cash equivalents	**11,449,557**	**-**	**-**	**-**	**11,449,557**
	98,520,473	**201,203,848**	**201,619,152**	**26,201,946**	**527,545,419**
Financial liabilities					
Other payables (excluding accrued expenses)	**6,068,479**	**-**	**-**	**-**	**6,068,479**
	6,068,479	**-**	**-**	**-**	**6,068,479**
31 December 2024					
Financial assets					
FVTOCI investments – debt	11,673,150	118,996,157	87,814,839	-	218,484,146
FVTOCI investments – equity	-	-	-	4,033,534	4,033,534
Statutory deposit	-	-	-	10,000,000	10,000,000
Other receivables (excluding advances and prepayments)	3,362,463	1,456,979	1,185,791	-	6,005,233
Deposits	168,010,091	10,367,797	-	-	178,377,888
Cash and cash equivalents	117,508,265	-	-	-	117,508,265
	300,553,969	130,820,933	89,000,630	14,033,534	534,409,066
Financial liabilities					
Bank borrowings	74,911,911	-	-	-	74,911,911
Other payables (excluding accrued expenses)	4,338,757	-	-	-	4,338,757
	79,250,668	-	-	-	79,250,668

31 Financial risk (continued)

Liquidity risk (continued)

	Less than 1 year AED	1-5 years AED	5+ years AED	Total AED
31 December 2025				
Reinsurance contract assets	**305,899,907**	**13,190,226**	**4,205**	**319,094,338**
Insurance contract liabilities	**553,769,606**	**18,850,253**	**6,325**	**572,626,184**
Reinsurance contract liabilities	**30,931,242**	**-**	**-**	**30,931,242**
	584,700,848	**18,850,253**	**6,325**	**603,557,426**

	Less than 1 year AED	1-5 years AED	5+ years AED	Total AED
31 December 2024				
Reinsurance contract assets	129,076,421	99,616,130	2,885,702	231,578,253
Insurance contract liabilities	329,626,174	144,018,836	5,948,588	479,593,598
Reinsurance contract liabilities	12,883,268	15,036,830	-	27,920,098
	342,509,442	159,055,666	5,948,588	507,513,696

Operational risk

Operational risk is the risk of loss arising from system failures, human error, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access, authorisation, and reconciliation procedures, staff education and assessment processes.

32 Segment information

The Company is organised into two segments: Life and Medical as one segment and Motor and General as the other segment.

These segments are the basis on which the Company reports its primary segment information to the Chief Executive Officer. Insurance revenue represent the total income arising from insurance contracts. The Company does not conduct any business outside the UAE. There are no transactions between the business segments.

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

	For the year ended 31 December 2025		
	Life and Medical AED	**Motor and General AED**	**Total AED**
Insurance revenue	**272,162,793**	**260,242,876**	**532,405,669**
Insurance service expenses	**(202,143,639)**	**(284,467,807)**	**(486,611,446)**
Insurance service result before reinsurance contracts held	**70,019,154**	**(24,224,931)**	**45,794,223**
Allocation of reinsurance premiums	**(117,605,954)**	**(100,864,662)**	**(218,470,616)**
Amounts recoverable from reinsurance	**87,572,759**	**126,910,934**	**214,483,693**
Net (expenses)/income from reinsurance contracts held	**(30,033,195)**	**26,046,272**	**(3,986,923)**
Investment income – net	**7,285,535**	**15,121,492**	**22,407,027**
Finance expenses from insurance contracts issued	**(1,239,079)**	**(6,386,110)**	**(7,625,189)**
Finance income from reinsurance contracts held	**1,437,445**	**3,889,318**	**5,326,763**
Net insurance finance (expense)/income	**198,366**	**(2,496,792)**	**(2,298,426)**
Other operating expenses	**(9,038,272)**	**(8,602,021)**	**(17,640,293)**
Other underwriting income	**3,954,995**	**-**	**3,954,995**
Profit for the year before tax	**42,386,583**	**5,844,020**	**48,230,603**

32 Segment information (continued)

	For the year ended 31 December 2024		
	Life and Medical AED	Motor and General AED	Total AED
Insurance revenue	289,534,391	214,530,209	504,064,600
Insurance service expenses	(208,711,915)	(270,503,105)	(479,215,020)
Insurance service result before reinsurance contracts held	80,822,476	(55,972,896)	24,849,580
Allocation of reinsurance premiums	(115,741,938)	(98,942,242)	(214,684,180)
Amounts recoverable from reinsurance	84,378,169	116,746,737	201,124,906
Net (expenses) / income from reinsurance contracts held	(31,363,769)	17,804,495	(13,559,274)
Investment income - net	4,913,107	11,688,372	16,601,479
Finance expenses from insurance contracts issued	(3,264,123)	(10,383,824)	(13,647,947)
Finance income from reinsurance contracts held	2,183,106	11,109,797	13,292,903
Net insurance finance (expense) / income	(1,081,017)	725,973	(355,044)
Other operating expenses	(6,739,569)	(7,188,567)	(13,928,136)
Other underwriting income	3,317,640	-	3,317,640
Profit / (loss) for the year before tax	49,868,868	(32,942,623)	16,926,245

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

	As at 31 December 2025		
	Life and Medical AED	**Motor and General AED**	**Total AED**
Total assets	**231,564,941**	**620,198,077**	**851,763,018**
Total equity	**87,464,959**	**139,170,048**	**226,635,007**
Total liabilities	**144,099,982**	**481,028,029**	**625,128,011**

	As at 31 December 2024		
	Life and Medical AED	Motor and General AED	Total AED
Total assets	236,897,908	537,185,312	774,083,220
Total equity	42,615,705	134,265,978	176,881,683
Total liabilities	194,282,203	402,919,334	597,201,537

32 Segment information (continued)

Gross written premium

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

31 December 2025	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	**97,531,221**	**-**	**181,421,833**	**244,835,300**	**523,788,354**
Assumed Business					
Foreign	**-**	**-**	**-**	**-**	**-**
Local	**-**	**-**	**-**	**327,284**	**327,284**
Total Assumed Business	**-**	**-**	**-**	**327,284**	**327,284**
Gross Written Premiums	**97,531,221**	**-**	**181,421,833**	**245,162,584**	**524,115,638**

31 December 2024	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	97,844,849	-	165,244,752	299,543,718	562,633,319
Assumed Business					
Foreign	-	-	-	-	-
Local	-	-	-	37,967	37,967
Total Assumed Business	-	-	-	37,967	37,967
Gross Written Premiums	97,844,849	-	165,244,752	299,581,685	562,671,286

33 Dividend and Directors' remuneration

At the Annual General Meeting held on 20 March 2025, the shareholders approved not paying a dividend and approved Board of Directors' remuneration of AED 400,000 and an amount of AED 10,000 as a sitting fee for each member for the Board committees and AED 13,000 for each meeting that they chaired for the year ended 31 December 2024. (At the Annual General Meeting held on 21 March 2024, the shareholders approved not paying a dividend and approved Board of Directors' remuneration of AED 400,000 and an amount of AED 10,000 as a sitting fee for each member for the Board committees for the year ended 31 December 2023).

34 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial statements as at and for the year ended 31 December 2025.

35 Approval of the financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 27 January 2026 and published on 2 February 2026 following approval from the Central Bank of the United Arab Emirates.

36 Comparatives

Certain prior period amounts have been updated to conform to current year's presentation. Such regrouping did not affect previously reported profit for the year or equity.

RAKINSURANCE

CORPORATE GOVERNANCE REPORT

2025

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Governance, Transparency and Accountability

Ras Al Khaimah National Insurance Company PSC (RAKINSURANCE or the Company) has established a comprehensive and robust corporate governance framework aligned with the "three lines of defence" model. This framework is designed to embed a strong control environment, reinforce a culture of accountability, and uphold the highest standards of ethical conduct and professional behaviour, thereby supporting the effective achievement of the Company's strategic and operational objectives. The governance framework is underpinned by the Company's Corporate Governance Policy and supporting procedures, which collectively promote sound decision-making, prudent management, and sustainable long-term value creation.

During 2025, RAKINSURANCE devoted considerable effort and resources to further strengthening and aligning its governance policies, procedures, and practices with the Central Bank of the United Arab Emirates' Regulation and Standards for Insurance Companies. These initiatives were undertaken in parallel with maintaining full compliance with Decision No. (3/Chairman) of 2020 issued by the Chairman of the Board of Directors of the Securities and Commodities Authority concerning the Approval of the Joint Stock Companies Governance Guide (the "SCA Corporate Governance Guide – Decision 3/RM 2020"), as well as other applicable regulatory requirements and internationally recognised best practices.

The Company remains firmly committed to the continuous enhancement of its corporate governance standards. RAKINSURANCE proactively seeks to identify and adopt leading governance and business practices and to implement clear, comprehensive, and consistently applied policies across the organisation. These practices are intended to ensure efficient, effective, and transparent operations, protect shareholders' rights, and reinforce the confidence of all stakeholders.

The Board of Directors (the Board) plays a central role in the governance framework, with primary responsibility for safeguarding and enhancing long-term value for stakeholders, including shareholders and policyholders. The Board is responsible for setting the Company's strategic direction, approving key policies, and exercising effective oversight of executive management to ensure that robust corporate governance principles are embedded throughout the organisation.

The day-to-day management of the Company is delegated to executive management under the leadership of the Chief Executive Officer (CEO). Executive management is accountable to the Board for the Company's operational and financial performance and is assessed against clearly defined strategic objectives, performance metrics, and key performance indicators. A clear separation of roles and responsibilities is maintained between the Chairman and the Chief Executive Officer, ensuring an appropriate balance of authority. The Chairman is responsible for leading and managing the Board, while the Chief Executive Officer is responsible for managing the executive team and overseeing the Company's business operations.

To support the effective discharge of its duties, the Board has established five Board committees: the Audit Committee, the Risk Committee, the Nomination and Remuneration Committee, the Investment Committee (Life and General), and the Insider Committee. The Board delegates specific authorities to these committees, as permitted under applicable laws, regulations, and the Company's Articles of Association, to enhance governance effectiveness, operational efficiency, and the depth of oversight over specialised matters. Each committee operates in accordance with formally approved Terms of Reference that clearly define its roles, responsibilities, and authority.

Through this structured and disciplined corporate governance framework, RAKINSURANCE provides assurance that the Company's performance is subject to effective oversight and control, and that its directors, management, and employees act responsibly, ethically, and in the best interests of the Company and its stakeholders.

Board of Directors

The Board of Directors of RAKINSURANCE is comprised of individuals with diverse skills, relevant industry knowledge, experience and professional backgrounds. These qualities contribute to the desired level of diversity for the Company.

The Board comprises of seven (7) non-executive members. Three (3) Directors are considered "non-independent" due to either the tenure of exceeding 12 years or their executive roles within the Group company. The majority of the Board members are UAE Nationals.

In 2025, the Board and its committees held a total of twenty-three (23) meetings. According to the Company's Articles of Association, the Board is required to meet at least six (6) times a year and may convene additional meetings as necessary, as determined by the Chairman or Vice-Chairman in their absence. Meetings will only take place if a quorum is reached.

The details of the Board of Directors members of RAKINSURANCE are as below

Name	**Shaikh Omar Saqr Khaled Humaid Alqasimi**
Position and Membership Capacity	Chairman – Independent, Non-Executive
Experience and qualifications	As the Executive Manager of the Investment and Development Office of Ras Al Khaimah, H.H. Shaikh Omar Al Qasimi has built an impressive 14-year career in financial analysis, procurement, investment, and credit rating. H.H. Shaikh Omar Alqasimi's diverse range of experiences has equipped His Highness with a valuable skill set that enables His Highness to effectively handle rating-related issues and strengthen government relations.
Period spent as a Board member from the date of first election	2 years and 8 months
Membership and positions at any other joint stock companies	NIL
Main positions at any other important regulatory, government or commercial entity	• Investment and Development Office, Ras Al Khaimah- Executive Manager • Gulf Cement Company PSC – Chairman

Name	**Mr. Ahmed Essa Ahmed Alnaeem**
Position and Membership Capacity	Vice Chairman – Non- Independent, Non-executive

Experience and qualifications	With almost 4 decades of experience, Mr. Alnaeem has successfully headed six (6) different companies, including the Ras Al Khaimah Electricity and Water Authority, RAK National Oil Company, and RAK Gas, where Mr. Alnaeem has served as the General Manager. In addition to Mr. Alnaeem's impressive corporate achievements, Mr. Alnaeem has also held key positions in various ministries, the Ras Al Khaimah Municipal Council, and the Ras Al Khaimah Chamber of Commerce and Industry and Agriculture.
Period spent as a Board member from the date of first election	12 years
Membership and positions at any other joint stock companies	NIL
Main positions at any other important regulatory, government or commercial entity	• Chairman – Emirates Travel Agency • Chairman – Ras Al Khaimah Trade Centre • Chairman – Al Naeem Mall • Chairman – Al Naeem City Centre • Chairman – Al Naeem Group LLC • Board Member – Majan Printing and Packaging

Name	**Mrs. Aarefa Saleh Hareb Alfalahi**
Position and Membership Capacity	Board Member – Independent, Non-executive
Experience and qualifications	With Mrs. Alfalahi's exceptional commercial and visual awareness, Mrs. Alfalahi is dedicated to driving sales and managing profit and loss with a customer-centric approach. In addition to Mrs. Alfalahi's impressive corporate achievements, Mrs. Alfalahi holds board positions in some of the most reputable organisations in the UAE. Furthermore, Mrs. Alfalahi is actively engaged in social responsibility initiatives and is a highly respected figure in the community. Mrs. Alfalahi holds a master's degree in business administration.
Period spent as a Board member from the date of first election	7 years 9 months
Membership and positions at any other joint stock companies	Vice President at Mashreqbank PSC
Main positions at any other important regulatory, government or commercial entity	• Board Member – RAK Chamber of Commerce and Industry • Board Member - Saud Bin Saqr Establishment for Youth Enterprises Development • Vice Chairlady - Al Mataf Traditional Boat Rowing Art Society • Board Member - RAK SME Association • Board Member - UAE Scout Association • Board Member - Gulf Cement Company PSC

Name	Mr. Bernhard Urs Schluep
Position and Membership Capacity	Board Member – Independent, Non-executive
Experience and qualifications	Mr. Schluep is an Independent Non-Executive Director & Business Transformation expert. Mr. Schluep brings a strong 30-year track record in Insurance and banking as a sought-after international corporate leader and crisis manager, working on the ground in Europe, the Middle East, Asia, Africa and the Americas.
Period spent as a Board member from the date of first election	2 years and 8 months
Membership and positions at any other joint stock companies	NIL
Main positions at any other important regulatory, government or commercial entity	• Chairman - Dextra Rechtsschutz AG

Name	Mrs. Futooh Abdulaziz Hasan Alzayani
Position and Membership Capacity	Board Member – Independent, Non-executive
Experience and qualifications	Mrs. Alzayani has over 40 years of experience in executive management, underwriting and business development in the regional and international insurance and re-insurance industry. This includes leading roles at regulatory & development authorities in the GCC region. Mrs. Futooh holds a degree in Bachelor's Business Studies.
Period spent as a Board member from the date of first election	2 years and 8 months
Membership and positions at any other joint stock companies	• Board member - Arab Insurance Group ("ARIG")
Main positions at any other important regulatory, government or commercial entity	NIL

Name	Mr. Safwan Humood Mohammed Ghaleb Alsebaiha
Position and Membership Capacity	Board Member – Non- Independent, Non-executive
Experience and qualifications	With over 23 years of industry experience, Mr. Ghaleb is a highly accomplished professional, having spent 20 years honing his skills in the Information Technology field and the past 3 years focused on Risk Management. Mr. Ghaleb possesses extensive knowledge in IT management, infrastructure, services delivery, and operations, and is also

	well-versed in information security, operational risk, and business continuity. Mr. Ghaleb holds a bachelor's degree in business administration with honor second class.
Period spent as a Board member from the date of first election	2 years and 8 months
Membership and positions at any other joint stock companies	Deputy Chief Risk Officer at the group
Main positions at any other important regulatory, government or commercial entity	NIL

Name	**Mr. Dongjun Choi**
Position and Membership Capacity	Board Member – Non- Independent, Non-executive
Experience and qualifications	Mr. Dongjun Choi joined the National Bank of Ras Al Khaimah PSC ("RAKBANK") in March 2022 as Chief Customer Officer and is leading the Customer & Strategic Analytics function, which includes Group Strategy, Digital Transformation & Enterprise Program Management Office, Center of Excellence (CoE) for Advanced Analytics, Brand & Marketing, and Customer Excellence & Protection functions. Mr. Choi has a diverse portfolio of experiences across financial services. In 28+ years of international experience, and has managed teams in Asia-Pacific, Greater China, UK, Middle East and Africa, and the US. Mr. Choi joins RAKINSURANCE from AXA Asia where Mr. Choi was the Chief Strategy and Customer Officer of Asia & Chairman of China, accountable for all business functions and driving the growth of AXA's strategic region. Mr. Choi holds a Master of Business Administration degree from Northwestern University.
Period spent as a Board member from the date of first election	1 year and 10 months
Membership and positions at any other joint stock companies	Group Chief Customer Officer at the group
Main positions at any other important regulatory, government or commercial entity	NIL

Board Gender Diversity

RAKINSURANCE places strong emphasis on the value of diverse perspectives in corporate decision-making. It recognizes that individuals with varied backgrounds, experiences, and viewpoints contribute unique insights that enhance the quality of governance. In line with this commitment, the Company actively seeks and considers diverse perspectives at all leadership levels.

RAKINSURANCE's Board of Directors includes two Independent, Non-Executive members, Mrs. Aarefa Saleh Hareb Alfalahi and Mrs. Futooh Abdulaziz Hasan Alzayani. Their appointment marks a significant step toward strengthening gender representation on the Board. With their inclusion, women now constitute 29% of the Board, underscoring the Company's broader commitment to embedding diversity and inclusiveness within its leadership structure.

Board of Directors Members' Remuneration and Allowance

Board Remuneration:
The allowance paid to the committee members was limited to the independent Board members only who makes special efforts or performs additional work to serve the Company in addition to the regular duties as a member of the Board of Directors of the Company. The following table sets out the total Board fixed fees paid to each of the RAKINSURANCE Board of Directors during the year ended 31 December 2025.

Board Members	Position	Remuneration paid in 2025
Mrs. Aarefa Saleh Hareb Alfalahi	Director	100,000
Mr. Bernhard Urs Schluep	Director	150,000
Mrs. Futooh Abdulaziz Hasan Alzayani	Director	150,000

The total remuneration paid to the Board members for the year 2024 was AED400,000. The proposed remuneration of AED690,000 for 2025 financial year will be recommended for approval by the shareholders at the 2026 AGM.

Board Allowance:
The Independent Board members were paid an allowance of AED10,000 as sitting fees for each member for attendance of the board committees' meetings with an increase of 30% over that amount to the Chair of each committee.

Board Members	Committee Name and Number of Meetings Attended				Allowance Amount paid in 2025
	BRC	BIC	BNRC	BAC	
Mrs. Aarefa Saleh Hareb Alfalahi	N/A	N/A	N/A	5	65,000
Mr. Bernhard Urs Schluep	5	4	3	5	180,000
Mrs. Futooh Abdulaziz Hasan Alzayani	5	N/A	3	N/A	95,000

No additional allowances, salaries or fees received by a Board member for the fiscal year 2025.

Board Meetings 2025

The Board of Directors of RAKINSURANCE convened six (6) meetings during 2025. The agenda along with the Board documents were circulated in advance. The details of the names of the Board members and attendance at the Board meetings are given below.

Directors:

Member's Name	Position	Designation
Sheikh Omar Saqr Khaled Humaid Alqasimi	Chairman	Independent
Ahmed Essa Al Naeem	Vice Chairman	Non-Independent
Aarefa Saleh Al Falahi	Member	Independent
Bernhard Urs Schluep	Member	Independent
Futooh Abdulaziz Alzayani	Member	Independent
Safwan Ghaleb Alsebaiha	Member	Non-Independent
Dongjun Choi	Member	Non-Independent

Meetings and attendance in 2025

SN	Meeting Dates	Total Number of attendances	Absent	Attendance%
1.	22nd January 2025	7	-	100%
2.	17th April 2025	7	-	100%
3.	17th July 2025	6	Dongjun Choi	85%
4.	23rd September 2025	5	Safwan Ghaleb Ahmed Essa Al Naeem	71%
5.	10th November 2025	7	-	100%
6.	15th December 2025	7	-	100%

No attendance by proxy for the year 2025

Board Resolutions

Outside of Board meetings, a total of nine (9) written resolutions were issued and unanimously approved by the Board during the year. These resolutions were operational in nature and did not have any impact on the Company's share price.

- Resolution dated: 25 Feb 2025: Annual Performance Budget & Retention Payment
- Resolution dated: 22 April 2025: Motor Underwriting and Claims Policy
- Resolution dated: 30 April 2025: Recovery Report
- Resolution dated: 30 April 2025: Own Risk Solvency Assessment - ORSA Report
- Resolution dated: 8 May 2025: Establishment of Nebras Open Finance Company LLC
- Resolution dated: 28 July 2025: Appointment of Interim Head of Human Resources
- Resolution dated: 27 September 2025: Mid-Year Pricing Action Plan

- Resolution dated: 30 September 2025: Appointment of Interim Head of Compliance
- Resolution dated 11 November 2025: Fraud Risk Management Policy

Board Evaluation

The Board assessed and evaluated its own performance, as well as that of its Committees and the individuals, to ensure an appropriate balance of skills, diversity, knowledge, and collective experience, commensurate with the size, complexity, and risk profile of the Company. Accordingly, the Board Nomination & Remuneration Committee along with the support of the Board Secretary, facilitated the 2025 internal Board evaluation.

Evaluation Methodology
A structured performance evaluation questionnaires were developed and circulated to all Directors. The questionnaires were designed to encourage critical and objective feedback and self-assessment, including reflection on areas for potential improvement. To avoid limiting responses to close-ended questions, participants were invited to provide comments and recommendations under each evaluation theme.

The questionnaire comprised many questions measured on a seven-point rating scale. Feedback was collected on an anonymous basis.

Evaluation Scope
The Board evaluation focused on the following areas:

- Governance structure
- Board strategy and stakeholder management
- Board processes and decision-making procedures
- Board Committees' roles and responsibilities
- Strategic oversight
- Board engagement with senior management
- Risk management and governance
- Auditors oversight
- Performance of individual Board members
- Areas for improvement and continuous development

Annual General Assembly Meeting

In 2025, RAKINSURANCE held its Annual General Assembly Meeting on 20th March 2025. The resolution from the Annual General Assembly meeting was disclosed to the Abu Dhabi Securities Exchange (ADX) and on the Company's website.

One special resolution was approved related to release the voluntary reserve to offset accumulated losses of the company.

Board Committees

The Board has established the minimum permanent committees responsible for Audit, Risk, Nomination and Compensation as stipulated by applicable laws and regulations. Additionally, the Board has established an Investment Committee. The Board may also establish any specialised committee to monitor, study, or implement any matters as it deems suitable.

Board Audit Committee (BAC)

The Board has established the Audit Committee to assist the Board in the oversight, monitoring and reviewing the following for the Company and all its businesses:

1. The quality and integrity of financial statements and financial reporting.
2. The effectiveness of governance, risk management and internal control systems including compliance with laws, regulations and the Company's Code of Conduct.
3. The Company's Internal Audit ("IA") Function, the statutory audit process and the External Auditor.

Committee's Members:

Member's Name	Position	Designation
Mrs. Aarefa Al Falahi	Chairlady	Independent
Mr. Bernhard U. Schluep	Member	Independent
Mr. Dongjun Choi	Member	Non- Independent

Meetings and attendance in 2025

During the year 2025, RAKINSURANCE held four (4) meetings. The details of attendance are as follows:

SN	Meeting Dates-2025	Total Number of attendances	Absent	Attendance%
1.	22nd January 2025	3	-	100%
2.	17th April 2025	3	-	100%
3.	17th July 2025	2	Dongjun Choi	66%
4.	21st October 2025	3	-	100%

The Audit Committee's annual report:

During the year, the Audit Committee continued to discharge its responsibilities in overseeing the integrity of financial reporting, the effectiveness of internal controls and risk management systems, and the independence and performance of the external auditor.

- **Financial Reporting Oversight:** The Committee reviewed the integrity of the Company's financial statements, key accounting policies, and significant financial reporting judgments. Particular attention was given to material estimates, disclosures, and compliance with applicable reporting standards to ensure that significant matters were appropriately evaluated and transparently communicated.

- **External Auditor Oversight and Effectiveness:** The Committee maintained formal policies governing the tendering, appointment, reappointment, and removal of the external auditor. The effectiveness of the external audit process was assessed through review of the auditor's terms of engagement, annual audit plan, audit progress, and communication with management. The Committee also evaluated auditor independence, ensuring compliance with regulatory requirements and safeguarding objectivity through strict controls on the provision of non-audit services, including approval procedures and remuneration thresholds.
  Where applicable, the Committee provides recommendations to the Board regarding the appointment or reappointment of the external auditor and monitors auditor tenure to ensure continued independence and effectiveness.

- **Internal Control and Risk Management Oversight:** The Committee reviewed Internal Audit reports on the effectiveness of the Company's internal control framework and monitored management's responsiveness to audit observations. Identified deficiencies in internal control or risk management were tracked, with corrective actions implemented or planned in response to audit findings and regulatory observations.
  All internal audit reports identifying medium- and high-risk matters were reviewed by the Committee to assess whether such matters indicated significant violations or material weaknesses. Management action plans were monitored to ensure timely remediation and strengthening of control environments.

- **Related-Party Transactions:** Internal Audit conducted its annual review of related-party transactions, and the results were presented to the Board Audit Committee. The 2025 review was communicated to the Committee in January 2026, with a formal report scheduled for presentation at the upcoming meeting

The Audit Committee Chairlady's acknowledgment of her responsibility for the Committee system at the Company:
Mrs. Aarefa Saleh Hareb Alfalahi, the Audit Committee Chairlady acknowledges her responsibility for the BAC system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

Board Risk Committee (BRC)

The Board has established the Risk Committee to assist the Board of Directors in the oversight of risk appetite and risk profile in relation to capital position, capital liquidity, Company's solvency, stress tests and the effectiveness of the Company's risk management framework. In addition, to the review and monitor of the Company's financial crime risk appetites, monitoring and overseeing the brand and reputation of the Company ensuring reputation risk is consistent with Company's risk appetite.

1. The Risk Committee covers the following material risks as a minimum but not limited to:
   a. Insurance Risk
   b. Credit Risk
   c. Liquidity Risk
   d. Operational Risk
   e. Fraud Risk
   f. Information Technology and Cyber Risk
   g. Market Risks (i.e. Interest Rate Risk)
   h. Business Continuity Risk
   i. Outsourcing Risk

2. The Company's compliance framework specifically relating Compliance Risks, Anti Money Laundering, Sanctions, Regulatory Compliance, Subsidiaries Compliance, Corporate Governance and Legal including approval of policies (as relevant) relating to these areas.
3. The Committees' role is one of oversight, recognizing that management is responsible for executing the Company's risk management.

Committee's Members:

Member's Name	Position	Designation
Mrs. Futooh Abdulaziz Hasan Alzayani	Chairlady	Independent
Mr. Bernhard Urs Schluep	Member	Independent
Mr. Safwan Ghaleb	Member	Non- Independent

Meetings and attendance in 2025
During the year 2025, RAKINSURANCE held four (5) meetings. The details of attendance are as follows:

SN	Meeting Dates-2025	Total Number of attendances	Absent	Attendance%
1.	11th March 2025	3	-	100%
2.	16th May 2025	3	-	100%
3.	16th July 2025	3	-	100%
4.	11th August 2025	3	-	100%
5.	10th November 2025	3	-	100%

The Risk Committee Chairlady's acknowledgment of her responsibility for the Committee system at the Company:
Mrs. Futooh Abdulaziz Hasan Alzayani, the Risk Committee Chairlady acknowledges her responsibility for the BRC system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

Board Nomination & Remuneration Committee (BNRC)

The Board Nominations & Remuneration Committee (BNRC) has been established by the Board to ensure that the BNRC support the strategic aims of the business and assist the Board of Directors to enable the (i) nomination and election of Board of Directors members who have technical skills and experience required to serve the interests of the Company and (ii) recruitment, motivation and retention of senior executives while complying with the requirements of regulatory and governance bodies, satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population.

Committee's Members:

Member's Name	Position	Designation
Mr. Bernhard Urs Schluep	Chairman	Independent
Mrs. Futooh Abdulaziz Hasan Alzayani	Member	Independent
Mr. Dongjun Choi,	Member	Non- Independent

Meetings and attendance in 2025

During 2025, RAKINSURANCE held three (3) meetings. The details of attendance are as follows:

SN	Meeting Dates-2025	Total Number of attendances	Absent	Attendance%
1.	25th February,2025	3	-	100%
2.	25th September,2025	3	-	100%
3.	15th December,2025	3	-	100%

The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company:
Mr. Bernhard Urs. Schluep, the Board Nomination & Remuneration Committee Chairman's acknowledges his responsibility for the BNRC system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

Board Investment Committee (BIC)

The Board has established the Investment Committee to review the investment strategy of the, review the investment proposals, monitor the investment portfolio performance and set up action plans to achieve the investment income as per the Company's growth plans and the risk appetite.

Committee's Members:

Member's Name	Position	Designation
Mr. Dongjun Choi,	Chairman	Non- Independent
Mr. Bernhard Urs Schluep	Member	Independent
Mr. Safwan Ghaleb Alsebaiha	Member	Non-Independent

Meetings and attendance:
During 2025, RAKINSURANCE held three (4) meetings. The details of attendance are as follows:

SN	Meeting Dates-2025	Total Number of attendances	Absent	Attendance%
1.	17th March,2025	3	-	100%
2.	30th June,2025	3	-	100%
3.	15th September,2025	3	-	100%
4.	26th November,2025	3	-	100%

The Chairman of the Board Investment Committee acknowledgment of his responsibility for the Committee system at the Company:
Mr. Dongjun Choi, the Board Investment Committee's Chairman acknowledges his responsibility for the BIC system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

The Supervision and Follow-up Committee of insider's transactions (Insiders Committee)

The Board has approved the establishment of a Management-level Supervision and Follow-up Committee for Insider Transactions (the "Insiders Committee"). The Committee is composed of executive members drawn from the Company's management team, including — but not limited to — the CEO, CFO, CCO, CLO, and CRO. The CEO serves as Chairman of the Committee.

The Committee's responsibilities and activities during the year include:

- Supervising insiders' trading activities, transactions, and ownership positions.
- Maintaining a comprehensive and up-to-date register of all insiders within the Company and the Group.
- Submitting required statements and reports to the Abu Dhabi Securities Exchange, as applicable.
- Monitoring trading blackout periods and ensuring timely notification to all insiders.

The Chairman of the Supervision and Follow-up Committee of insider's transactions acknowledgment of his responsibility for the Committee system at the Company:
Mr. Sanjeev Badyal, the Committee's Chairman acknowledges his responsibility for the Insiders Committee system in the Company, and for the review of its work mechanism and for ensuring its effectiveness.

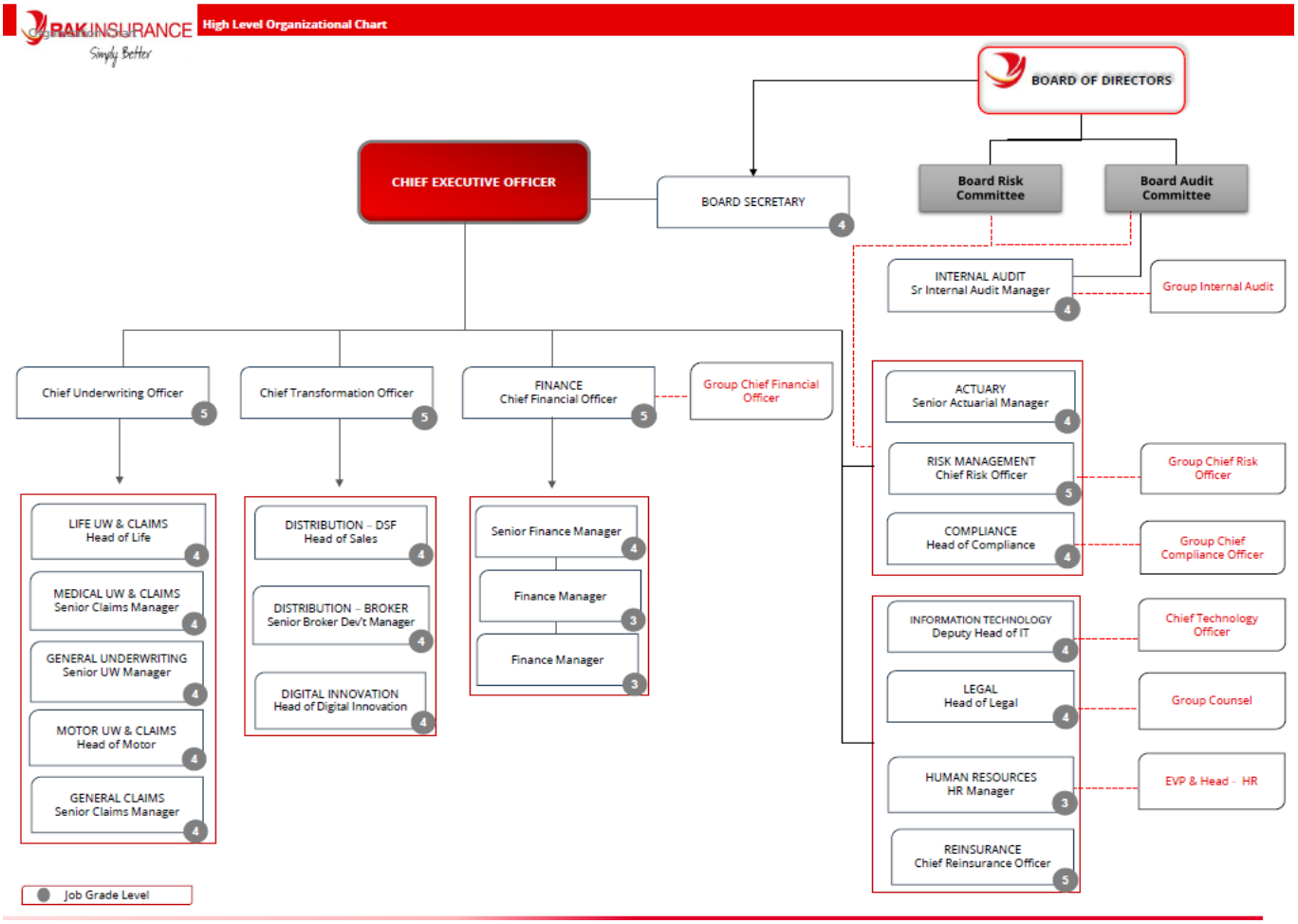
Executive Management

Board and Senior Management roles and responsibilities are clearly defined, creating a transparent and trusting environment. This allows the Board to effectively challenge and guide Management.

Senior Management works within a structured framework and authorisations set by the Board. The Executive Management team assists the Chief Executive Officer (CEO) in developing strategies, budgets, and policies, while also managing key operational issues and ensuring smooth internal communication. The Board delegates authority to the CEO through the power of attorney who, with the Executive Management team's support, oversees the Company's day-to-day operations.

Name of the authorized person	Power of authorization	Duration of the authorization
Sanjeev Badyal	Power of Attorney	02-July-2027

Organizational Structure



The Senior Executive in the first and second grade

SN	Position	Date of appointment	Total salaries and allowances paid in 2025 (AED)	Total bonuses paid for 2025	Any other bonuses in cash/in kind for 2025 or due to be paid in the future
1	Chief Executive Officer	18-Aug-2022	10,119,610	These bonuses will be determined after review and approval by the Board.	Not Applicable
2	Chief Financial Officer	01-Oct-2020			
3	Chief Commercial Officer	02-Nov-1996			
4	Chief Reinsurance Officer	02-Feb-2020			
5	Chief Risk Officer	01-Oct-2024			
6	Chief Transformation Officer	01-May-2023			
7	Head of Motor Underwriting and Claims	07-Nov-2022			
8	Head of Life	26-Jan-2014			
9	Senior Claims Manager	26-Apr-2015			
10	Senior Actuarial Manager	25-Feb-2020			
11	Head of Legal	21-Jan-2022			
12	Head of Internal Audit	07-Jun-2023			
13	Head of General Underwriting[1]	26-Feb-2025			
14	Head of Human Resources[2]	09-Jun-2025			
15	Head of Compliance[3]	13-Oct-2025			

[1] Head of General Underwriting (Property & Casualty) joined on 26th February 2025

[2] Head of HR joined on 09th June 2025

[3] Head of Compliance joined on 13th October 2025

Internal Controls

Internal Control System

The Internal Control System is developed with a disciplined approach to ensure integrity, ethical values and competence while adapting to regulatory and market changes. Aligned with the COSO Internal Control Framework, it follows the "three lines of defense" model, where the second line—comprising Risk, Compliance, and Actuarial functions—oversees material risks and maintains a robust control environment. This includes ensuring compliance and the reliability of financial and non-financial information, ultimately providing reasonable assurance regarding the achievement of objectives in operations, reporting, and compliance.

Risk Based Approach: A detailed risk assessment methodology has been established as part of the risk management strategy which is set out in the Risk Management Strategy and Framework Document to assess the Internal Control environment of the Company and its business activities. Aligned to the organisational risk management processes, this methodology enables Risk & Compliance to be strategically and operationally aligned with the risks facing the organisation.

Control Environment: RAKINSURANCE's control environment establishes the foundation for internal control through standards, processes, and structures. The Company is committed to a strong tone at the top, emphasizing integrity, accountability, and ethical conduct.

To uphold a robust control environment, RAKINSURANCE shall implement the following:

1. **Integrity & Ethical Values:** Maintain and enforce high ethical standards and ensure all employees comply with codes of conduct.
2. **Board Oversight:** The Board shall exercise independent oversight of internal control. In addition to that, Senior Management will enforce a comprehensive code of conduct.
3. **Structure & Responsibilities:** Define and communicate organizational structure, reporting lines, and authority delegation.
4. **Human Resources:** Implement policies to attract, develop, and retain competent employees. In addition to establishing HR procedures for performance management.
5. **Accountability:** Hold individuals accountable for internal control responsibilities and ensure employees possess the necessary skills and understanding of internal controls.

Acknowledgement by the Board of its responsibility for the Company's Internal Control System, review of its work mechanism and ensuring its effectiveness.

In response to the requirement of Article 8 of the Ministerial Resolution No. 518 of 2009 in regard to the Internal Control, the Compliance, Risk and Internal Control/Audit function of the Company was established in 2010.
The management is concentrating the efforts to update the respective policy on the Internal Controls to comply with the provisions pertaining to Article 68 of the SCA Corporate Governance Guide Decision 3/RM 2020 and Article 7 of the CBUAE Regulation and Standards for Insurance Companies. The Policy will be submitted to the Board of Directors to be acknowledged and approved as the Board is responsible for the application, review and efficiency of RAKINSURANCE's internal control system.

The Board Audit Committee & the Board Risk Committee, in conjunction with the Internal Auditor, Compliance and Risk Officers shall ensure the adequacy of the internal control framework within the Company.

External Auditor

Grant Thornton (GT) is a global network with over 73,000 professionals in member firms in over 150 countries. They provide assurance services in Audit, Advisory and Tax. GT has been established in the UAE region for more than 55 years servicing public and private entities and with 3 offices across the UAE and over 700 employees, GT has become one of the leading professional services firms in the country.

The external auditor is completely independent from the executive management and the Board of Directors. No other external auditors were appointed other than the current external auditor during the year ended 31 December 2025.

The fees and costs for the audit or services from the external auditor are detailed in the schedule below.

Name of the audit office	Grant Thornton Audit and Accounting Limited (Dubai Branch)	**Name of the audit partner**	Dr.Osama El Bakry
Number of years served as the company's external auditor.		Three years	
Number of years of the Engagement Partner auditing the financial statements		Two years	
Total fees for auditing the (Interim and annual) financial statements of 2025.		IFRS Financial statements (3 quarterly review and one year end audit) under IFRS 17 Total Audit and Reviews – AED327,488	
Fees and costs of the special services other than the auditing of the financial statements in 2024 (in AED), if any, and in case there are no other fees, this shall be expressly stated.		Agreed upon procedures such as AML, E-forms, Separate Financials Life & Non-Life, ICFR Audit etc. AED 143,827	
Details and nature of other services provided (if any)		No other services provided	
Nature and Description of Non-Audit Services Provided by the External Auditor		No other non-audit services provided	
Statement of the other services that an External Auditor other than the Company's accounts auditor provided during 2025 (if any).		Name: N/A Details: There is no external auditor other than the Company's accounts auditor.	

There were no reservations mentioned by the auditors in their opinion on the financial statements for the year ended 31 December 2025.

Compliance Officer, qualifications and date of appointment

Mrs. Renuka Padmanabhan, the Head of Compliance was appointed on 19th September 2023 and worked with RAKINSURANCE till 15th August 2025. Mrs. Padmanabhan holds a master's degree in commerce & accounting from the University of Madras, India. Mrs. Renuka transitioned to the group in 2002. Over the course of 21 years, she has navigated through various divisions including Compliance within the group.

Mr. Mahmoud Farihāt, Head of Compliance, joined RAKINSURANCE on 13th October. He has over thirteen years of practical experience in the insurance sector and has previously held several senior management positions, including:

- Senior Compliance Manager at Insurance House – UAE
- Chairman of the Risk and Compliance Committee at the Jordan Insurance Federation
- Manager of Compliance, Risk, and Quality Control Departments at Euro Arab Insurance Group – Jordan
- Manager of Compliance, Risk, and Quality Control Departments at Arabia – Jordan

Mr. Farihāt holds a Master's degree in Business Administration (MBA) and has obtained several professional certifications, including Certified Anti-Money Laundering Specialist (ACAMS), Certified Risk Manager (CRM), Certified Risk and Crisis Manager (CRCM), Specialized Insurance Certificate (Cert. CII), and Certified Trainer of Trainers (CTOT).

Internal Auditor, qualifications and date of appointment

Mr. Deepak Kumar, the Senior Manager Internal Audit (SMIA) was appointed by the Board Audit Committee on 25th April 2024. Mr. Kumar is a certified internal audit professional with over 12 years of internal audit, governance and risk management experience across regional markets. Mr. Kumar leads a team of dedicated, qualified internal audit staff with adequate regional financial services experience.

Mr. Deepak Kumar's position was changed to Head of Internal Audit (HIA) in October 2025. The corresponding update to the organizational structure remains pending Board approval to formally align with this change and is expected to be implemented in Q1 2026.

Risk officer, qualifications and date of appointment

Mr. Adnan Taha Abu Alhaija has over 25 years of experience in C-level and senior management roles across Risk Management, Insurance, IT, and Information Security within the MENA region. His expertise spans strategic planning, corporate governance, and sustainability. He was appointed by the Board of Directors on 08th July 2024. His key professional qualifications include:

- CMIRM – Certified Risk Professional, Institute of Risk Management (UK)
- CIRM – International Certificate, Institute of Risk Management (UK)
- SIRM – Specialist (Financial Services), Institute of Risk Management (UK)
- CertCII – Certificate in Insurance, Institute of Risk Management (UK)
- CertFS – Certificate in Sustainability, Association of Chartered Certified Accountants (UK)
- MSc Computer Science, Al AlBayat University, Jordan
- BSc Computer Science and Information Systems, Philadelphia University

How the Internal Control Department dealt with any major problems at the company, or those that were disclosed in the annual reports and accounts:

a) The Risk Function:

Is the second line of defense including Risk, Compliance, Finance and Legal functions. The key objectives of the Risk function are to implement, embed and maintain strong risk governance and controls. This is achieved through regular reviews of the most critical risks, reporting to the Board Risk Committee and the Board. The Risk Dashboard provides a comprehensive overview of top risks, including their associated mitigating actions and a risk scoring system (probability and impact scores) to determine their severity. Furthermore, emerging risks are closely monitored and reported. Currently, the Company is recruiting efforts are underway to enhance the risk framework, aiming to fortify the governance and control environment.

b) Internal Audit:

Internal audits and control effectiveness reviews are conducted throughout the year as per the Audit Plan approved by the Board Audit Committee. Key audit observations are captured in audit reports that are issued periodically. These reports are presented to the Board Audit Committee on a quarterly basis and summarise audit observations and opportunities for process and control improvement, implications from a risk perspective as well as management responses and action plans.

All audit observations are logged and tracked via the Internal Audit system to completion. Regular follow-up is done with Management to ensure that remedial actions are completed, and open risks identified by Internal Audit are adequately mitigated. Long outstanding audit observations are reported to the Board Audit Committee.

c) Whistleblowing:

A whistleblowing policy is designed as a control to help safeguard the integrity of RAKINSURANCE financial reporting, its business dealings and to support adherence with its code of conduct. Protocols by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, business conduct or relevant matters are defined within the policy, including procedures for the following:

- The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- The confidential submission by employees of the Company (which may be anonymous) of concerns on any matter, including those regarding questionable accounting or auditing matters.

d) Investigations and Resolution:

All whistleblower cases will be recorded, reviewed and investigated under the direction of the Head of Compliance who evaluates the complaint in accordance with the policy and reports findings to Audit Committee as appropriate.

e) Reports issued by the Internal Control Department:

Internal Audit issued eight (8) auditing reports to the Company's Board Audit Committee during 2025.

f) Details of the violations committed during the year 2025:

RAK Insurance received five (5) violation notices in 2025, where two (2) notices from the CBUAE and three (3) notices from the Department of Health (DoH) – Abu Dhabi. Details are as follows:

- Non-compliance with CBUAE Notice (10 March 2025).
- Violation of Article 22 – Decretal Federal Law No. (48) of 2023 (13 March 2025).
- DoH Violation Decision – Ref. VIO-2025-015 (30 June 2025).
- DoH Circular 62/2025 – Unified Agreement Non-Compliance.
- DoH Violation Decision – Ref. HSVIO-2025-003284 (30 September 2025).

Cash and In-Kind Contributions for Community Development and Environment Preservation

RAKINSURANCE acknowledges the significance of its corporate social responsibility, striving to create a meaningful impact on the community it serves and the environment.

As part of this commitment, the Company undertook several noteworthy initiatives throughout 2025, with contributions focusing on environmental preservation, community and social welfare, and employees' health and wellbeing.

1. Environmental responsibility

RAKINSURANCE demonstrated its commitment to environmentally conscious practices through the following initiatives:

- **Paperless transaction initiative:** This endeavour reinforces RAKINSURANCE's commitment to digital transformation while consistently reminding employees of the value of paper conservation. As a result, approximately 95% of all insurance policies across its lines of business are now sent digitally, significantly reducing the company's paper consumption.

- **Partnership with Endoshred:** RAKINSURANCE has partnered with Endoshred, a company specialising in proper paper disposal and recycling. This collaboration ensures that the company's paper waste is handled responsibly and sustainably. For 2025, RAKINSURANCE has allocated AED 3300 and have saved a total of 4 trees from destruction.

2. Community and Social engagement

RAKINSURANCE is actively engaged with the local community of Ras Al Khaimah through several initiatives aimed at fostering social solidarity and providing community support:

- **Holy month of Ramadan "RAKINSURANCE Sharing is Giving" campaign:** During the holy month of Ramadan in February, RAKINSURANCE organised its "Sharing is Giving" campaign. As part of its corporate social responsibility, RAKINSURANCE distributed 870 food packs to the labour camps of its valued partners namely: Beta Transport, Indiga Solid Surface, Al Nuaimi Group, Ceramin, and Kludi RAK all based in Ras Al Khaimah. This initiative, which had a total investment of AED 8700, reinforced the Company's commitment to the community.

- **"Ftoorkom Aleena" Initiative:** RAKINSURANCE employees were invited to participate in the "Ftoorkom Aleena" (Arabic: فطوركم علينا) initiative, an activity focused on promoting social volunteerism. RAKINSURANCE volunteers took time and effort, including its Board member Mrs. Aarefa Saleh Al Falahi, to support this event, which reached a milestone of 1,500 volunteers across the UAE in 2025.

- **Blood Donation campaign:** In early 2025, RAKINSURANCE joined the group ESG team and partner Blueberries for a blood donation campaign at the group HQ in Ras Al Khaimah. RAKINSURANCE employees volunteered for this initiative, which collectively drew a total of 120 volunteers.

3. RAKINSURANCE Employees' Health and Well-being

Recognising that a healthy workforce is fundamental to a healthy community, RAKINSURANCE prioritised the well-being of its employees through the following activities:

- **Pass the Cup of Sunshine campaign:** A three-day mental health awareness initiative that took place from 13-15 May 2025. It aims to enhance employees' wellbeing and cultivate a positive work environment through two main activities:

    1) **Specialist-led session:** RAKINSURANCE invited an expert who gave an insightful talk on promoting mental health practices.
    2) **Gratitude activity:** Employees were given a structured opportunity to express appreciation and gratitude toward their colleagues, which helped foster a more supportive workplace culture. Total spent for this initiative was AED3000.

- **Flu Vaccine campaign:** To promote a safe and healthy environment for all RAKINSURANCE employees, the Company had hosted a flu vaccine drive at its RAK Head Office in September 2025. All staff were invited to take advantage of this initiative to protect themselves, their families and colleagues during this flu season.

- **Breast cancer awareness:** October is Breast Cancer Awareness month. Last 28 October 2025, RAKINSURANCE employees were requested to wear pink to symbolize unity and support for those affected by the disease, reinforcing the message that timely check-ups can save lives. Total expenditure is AED 2000.

- **RAKINSURANCE Wellness Day:** Mid November 2025, RAKINSURANCE in collaboration with RAK Hospital and NAS Neuron hosted a wellness day for its employees. An expenditure of AED3000 was allocated for this event. The event provided employees with a range of health services, including blood pressure and blood sugar testing, BMI checks, dental and optical screenings with doctor consultations, and a yoga session.

4. Significant events that took place in the Company in 2025

In November 2025, RAKINSURANCE proudly had its 54th UAE National Day office celebration. The occasion was marked with a ceremony and a delightful buffet for all staff to enjoy. This celebration served as a moment to honor the UAE's remarkable journey from its humble beginnings to becoming a thriving, modern nation. Employees gathered to share in the spirit of unity and appreciation for the country's rich heritage and progress.

Transactions with Related Parties

a) Details of transactions made with the related parties in 2025

RAKINSURANCE has established a comprehensive Related Party Transactions Policy that sets out clear procedures for the identification, assessment, monitoring, and reporting of exposures to related parties. In the ordinary course of business, the Company engaged in transactions with certain related parties, including its major shareholder, parent company and directors. All such transactions are conducted on an arm's-length basis and in the ordinary course of business at agreed upon interest and commission rates.

SN	The Related Party and the nature of relationship	Type of transaction	Total Value of all transactions
1.	Board Members and Shareholders	Insurance revenue (other related parties)	127,263,976
2.	Board Members and Shareholders	Insurance revenue (directors)	2,382,648
3.	Board Members and Shareholders	Insurance service expenses (directors)	341,537
4.	Board Members and Shareholders	Insurance service expenses (other related parties)	64,340,972
5.	Parent Company	Insurance revenue (parent company)	122,285,826
6.	Parent Company	Insurance service expenses (parent company)	60,088,921
7.	Parent Company	Fixed Deposit placements	89,637,058
8.	Parent Company	Bank balances	10,511,224
9.	Parent Company	Other expenses (Parent company)	5,430,073
10.	Parent Company	Interest income on fixed deposits	4,519,267
11.	Parent Company	Due from Parent company (insurance contract liabilities)	38,992,823
12.	Parent Company	Due from Parent company (other receivables)	1,064,657
13.	Board Members and Shareholders	Due from Directors (insurance contract liabilities)	99,230
14.	Board Members and Shareholders	Due from other related parties under common control (insurance contract liabilities)	15,618,814
15.	Parent Company	Due to Parent company (other payables)	869,354

b) Transactions carried out by the company with the related parties during 2025, that are equal to 5% or more of the Company's capital

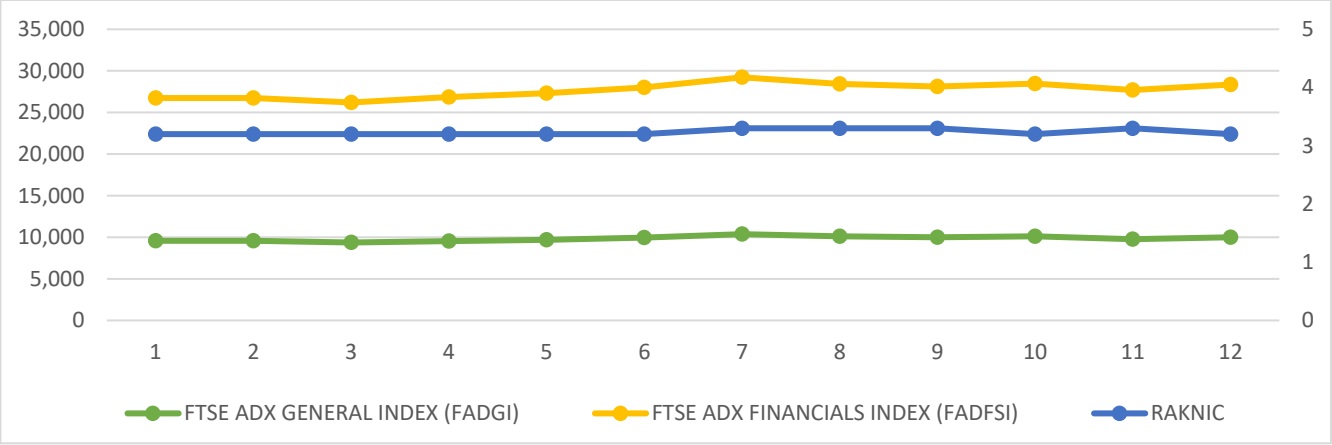
SN	Name of the party	Type of transaction	Amount
1.	National Bank of Ras Al Khaimah	Fixed deposit placements	72,572,251
2.	National Bank of Ras Al Khaimah	Fixed deposit maturities	88,902,925
3.	National Bank of Ras Al Khaimah	Purchase of Investment	29,971,680
4.	National Bank of Ras Al Khaimah	Sale of Investment	30,778,967
5.	Stevin Rock L.L.C.	Insurance premium booked	6,548,202
6.	Stevin Rock L.L.C.	Premium collection	6,778,993
7.	National Bank of Ras Al Khaimah	Settlement of BAU intercompany transactions	13,601,868
8.	National Bank of Ras Al Khaimah	Overdraft settlement	50,000,000
9.	National Bank of Ras Al Khaimah	Overdraft drawdown	50,000,000
10.	National Bank of Ras Al Khaimah	Premium collection	20,503,222

Investor Relations

a) The company's market share price at the end of each month during the fiscal year 2025:

Month	High	Low	Close
31-Jan	3.2	3.2	3.2
28-Feb	3.2	3.2	3.2
31-Mar	3.2	3.2	3.2
30-Apr	3.2	3.2	3.2
31-May	3.2	3.2	3.2
30-Jun	3.2	3.2	3.2
31-Jul	3.3	3.1	3.3
31-Aug	3.3	3.3	3.3
30-Sep	3.3	3.3	3.3
31-Oct	3.3	3.2	3.2
30-Nov	3.3	3.7	3.3
31-Dec	3.2	3.2	3.2

b) The comparative performance of the company's shares with the general market index and the financials index for year 2025.



Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ADGI	9,586	9,565	9,369	9,534	9,685	9,958	10,371	10,095	10,015	10,100	9,747	9,993
RAKNIC	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.2	3.3	3.2
FTSE ADX	17,167	17,161	16,835	17,332	17,642	18,065	18,859	18,322	18,118	18,370	17,962	18,349

c) The Shareholders distribution as of 31st December 2025:

SN	Shareholder Classification	Number of Shares			
		Individuals	Companies	Governments	Total

1	Local	20.6%	79.40%	0.00%	100.00%
2	GCC	0.00%	0.00%	0.00%	0.00%
3	Arab	0.00%	0.00%	0.00%	0.00%
4	Foreign	0.00%	0.00%	0.00%	0.00%
	Total	20.6%	79.40%	0.00%	100.00%

d) The shareholders owning 5% or more of the Company's capital as at 31 December 2025.

SN	Name	Number of Shares	Percentage % of shares
1	National Bank of Ras Al Khaimah PSC	96,088,366	79.23%
2	Ahmed Issa Ahmed Al Naeem	19,468,154	16.05%

e) The ownership and transactions of the Board of Directors' members, and their spouses and children in the Company securities during 2025, according to the following schedule

SN	Name	Position / Kinship	Shares owned as on 31-Dec-2025	Total sale	Total purchase
1	Ahmed Essa Al Naeem	Vice Chairman	19,468,154	-	58,154
2	Mohamed Ahmed Essa al Naeem	Son of the Vice Chairman	-	1,000	-
3	Sally Ahmed Essa Ahmed al Naeem	Daughter of the Vice Chairman	400	-	-

f) The shareholders distribution by the size of equity as 31 December 2025

SN	Share Ownership	Shareholders number	Owned Shares	Percentage % of Shares
1	Less than 50,000	28	202,762	0.16%
2	From 50,000 to less than 500,000	8	1,699,543	1.37%
3	From 500,000 to less than 5,000,000	6	3,846,175	3.171%
4	More than 5,000,000	2	115,556,520	95.28%

g) The measures taken regarding the controls of investor relationships:

RAKINSURANCE appointed the Investor Relations Manager who will assist in all of the Investor Relations enquiries.

The name and contact details of the Investor's Relations Manager:

Name : Mrs. Abeer Hilwenji
Email : investorrelations@rakinsurance.com
Mobile/WhatsApp No. : +971 56 218 1980

The link of the Investor Relations webpage on the website of the Company:

Website page : https://www.rakinsurance.com/investor-relations/

Secretary of the Board of Directors:

The Board of Directors appointed Mrs. Abeer Hilwenji as Secretary to the Board of Directors on 17th April 2025. Mrs. Hilwenji has six years of solid and practical experience supporting the Board and Board Committees, with strong expertise in paralegal services and corporate governance.

She has extensive exposure to Board members, stakeholders, shareholders, and the management team through the effective performance of her role, successfully managing related challenges to ensure compliance with internal policies and external regulatory requirements.

Mrs. Hilwenji is a certified Board Secretary and holds a recognized certificate in Board Secretarial Practice issued by Informa Connect, certified by CPD, as well as certification from the HAWKAMAH Institute for Corporate Governance and Dubai Financial Market (DFM). She also holds a Diploma in Corporate Governance from the Corporate Governance Institute.

Emiratisation Update:

Reference to Notice No.2705/2022, Central Bank of the UAE has allocated the new target below. The target points are segregated into operational target points and recruitment target points.

The Company has fully completed the Emiratisation targeted points for the year 2025.

Target Points	2025	Achieved Points
Operational	105	150
Recruitment	8	8

The Company's Emiratisation percentage for year 2025 is 27.23%. As for the previous years, the Company achieved Emiratisation percentages of 24.44% in 2024 and 20% in 2023.

Innovative projects and Company's initiatives

At **RAKINSURANCE**, innovation and continuous improvement are at the core of our strategy to optimize processes and enhance customer experience. In 2025, our transformation journey accelerated significantly, driven by the following key initiatives:



RAKCONNECT – B2B Digital Portal

A comprehensive platform for retail insurance, offering:

- Motor, Travel, Individual Life, and Individual Medical Insurance
- Instant quotations, secure payments, and seamless policy issuance

Aggregator API Integration

We integrated our products with leading UAE aggregator platforms through API connectivity, expanding market reach and improving accessibility.



WhatsApp FNOL (First Notification of Loss)
Enabled customers to report motor claims conveniently via WhatsApp, ensuring faster response times and improved customer satisfaction.

Complaints Management System Developed to:

- Streamline resolution processes

Utilize data analytics to reduce complaints and enhance service quality





Direct-to-Customer (B2C) digital Sales Channels
Introduced retail insurance purchase (motor and travel) options through:

- WhatsApp

These initiatives have:

- **Strengthened market penetration**
- **Enhanced digital presence**
- **Driven process efficiency and revenue growth**
- **Increased brand awareness**

RAKINSURANCE remains committed to fostering innovation across processes, systems, and services to fulfil its responsibilities toward customers and stakeholders.

Statement of the Board

The Board of Directors of Ras Al Khaimah National Insurance is fully committed to the highest standards of compliance with all applicable laws, regulations, and supervisory requirements of the United Arab Emirates.

The Board further confirms that the Company has established, implemented, and continuously maintained a comprehensive framework of internal policies, procedures, and controls designed to ensure full and ongoing compliance with the regulations, directives, and standards issued by the Central Bank of the UAE and the Securities and Commodities Authority.

This framework covers, corporate governance, risk management, internal controls, compliance, internal audit, financial reporting, and external audit, and is subject to regular review and enhancement to reflect regulatory developments and leading governance practices. The Board exercises active oversight to ensure the effectiveness of these arrangements and remains fully accountable for promoting a strong culture of compliance, transparency, and sound corporate governance across the Company.

Board Nomination & Remuneration Committee Chairman
Bernhard Schluep

Board Audit Committee Chairlady
Aarefa Al Falahi

Internal Auditor
Deepak Kumar

Board of Directors Chairman
Shaikh Omar Saqr Khaled Al Qasimi

Date: 17/3/2026

Company's Stamp

RAK NATIONAL INSURANCE CO. 526 RAK Insurance

RAK INSURANCE
Simply Better

Acting Today for a Better Tomorrow

Sustainability Report **2025**



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Message from **CEO**

Dear Stakeholders,

Building on the momentum of 2024, RAKINSURANCE advanced in 2025 with greater clarity of purpose and a firm commitment to creating long-term value for our customers, communities, and the UAE economy. Sustainability is not an ambition—it is a responsibility that guides how we operate, innovate, and lead.

In a rapidly changing insurance landscape, we remained focused on delivering protection that is inclusive, relevant, and future-ready. Strong governance, ethical leadership, and digital progress enabled us to strengthen trust and resilience across our operations.

Social impact remained a priority in 2025, highlighted by our Free Life Cover for Car Insurance campaign delivered from October to December for Filipino and Indian communities. By extending protection beyond vehicles, the initiative supported family financial security and inclusion. We also advocated community health and well-being through cancer awareness programs, mental health, and workplace wellness initiatives—reflecting our belief that sustainable businesses help build stronger, healthier societies.

On the environmental front, we reduced our footprint through greater digital adoption and paperless processes, lowering emissions while enhancing efficiency and customer experience. As climate-related risks continue to reshape our industry, sustainability remains central to our long-term strategy and alignment with the UAE's green transition. Strong governance underpins this progress, with transparent leadership, disciplined risk management, and ethical conduct safeguarding stakeholder interests with our efforts further recognized by industry awards for Emiratisation and customer experience.

This ESG report reflects our commitment to people, planet, and principles, and our focus on continuous improvement toward a more sustainable future.

Sincerely,

Sanjeev Badyal
Chief Executive Officer



About This **Report:**

This 2025 Sustainability Report marks a pivotal milestone for RAKINSURANCE, as we broaden our commitment to transparency and stakeholder engagement. The content herein provides a comprehensive overview of our Environmental, Social, and Governance (ESG) approach, illustrating how sustainability is embedded into our strategic objectives, daily operations, and forward-looking ambitions.

Scope & Framework

- **Organizational boundary:**

This report covers RAKINSURANCE's Head Office and branches for the reporting period 1 January 2025 to 31 December 2025.

- **Standards and Frameworks:**

We draw guidance from internationally recognized standards, including the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD), ensuring our disclosures are designed to align with global best practices.

- **Operational boundary:**

Environmental performance disclosures include Scope 1 (direct fuel use) and Scope 2 (purchased electricity). Scope 3 emissions and other indirect impacts are currently outside the operational boundary of this report. However, RAKINSURANCE is currently assessing relevant Scope 3 categories and intends to progressively enhance disclosures.

Intended Audience & Material Topics

- The report is designed for shareholders, customers, employees, regulators, and other partners, showcasing how we address material issues such as governance integrity, climate resilience, workforce development, and digital innovation.
- To determine these topics, we continuously engage with internal and external stakeholders, aligning our efforts with key strategic pillars of sustainable growth, risk management, and customer-centric solutions.

Intended Audience & Material Topics

- All data and statements within this report are based on the best available information at the time of publication.
- We recognize the importance of evolving our reporting capabilities and will continue refining our ESG metrics, enhancing data accuracy, and broadening our disclosures in subsequent reports.

Reporting Methodology

- **Estimation and allocation methodology (shared premises):**

RAKINSURANCE occupies office premises within a shared building. Electricity and freshwater consumption were allocated using an occupancy-based estimation method. RAKINSURANCE's consumption was estimated as approximately 9% of total building consumption, based on employee share of total building occupancy. This approach was applied consistently across electricity and freshwater. Recycled water consumption is based on greywater plant records.

- **Baseline and restatement:**

Electricity consumption data reported in the prior year was found to be inaccurate due to recalculation of the allocation basis and data inputs. Accordingly, 2025 is treated as the baseline year for electricity-related performance tracking, and year-on-year comparisons will be established from 2025 onward.

- **Data Quality Improvement Plan**

RAKINSURANCE is strengthening the quality and auditability of environmental data. We will focus on improving measurement accuracy and consistency going forward. Key actions include refining the shared-premises allocation approach beyond headcount to incorporate floor area and operating hours, formalising data governance through clear ownership, review and sign-off controls, and maintaining a change-control protocol so any future methodology updates are transparently documented and, where relevant, historical data is restated to preserve comparability.

RAKINSURANCE remains committed to continuous improvement in how we serve our stakeholders and safeguard our shared future. This report stands as both a testament to what we have achieved and a promise of what is yet to come.



Who **We Are**

Business **Overview**

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07 Mission, Vision and Values
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About RAK
(Business Profile)

Ras Al Khaimah National Insurance Company P.S.C. (RAKINSURANCE), one of the oldest and most established insurers in the United Arab Emirates, has been a trusted name in the UAE's insurance sector since its inception in 1978. Known for its commitment to innovation, customer service, and operational excellence, RAKINSURANCE has built a strong reputation as a reliable and forward-thinking insurer. In 2025, the company reported insurance revenue of AED 532.4million, reflecting its consistent growth and solid market presence.

As a public joint stock company, RAKINSURANCE is majority-owned by RAKBANK Group, holding a 79.23% stake, with its shares publicly traded on the Abu Dhabi Securities Exchange (ADX). Over the years, the company has expanded its reach and influence within the UAE insurance market, offering comprehensive solutions to a diverse client base across various sectors.

RAKINSURANCE places a strong emphasis on compliance and regulatory standards, ensuring that its operations adhere to both local and international frameworks. The company has established a robust Anti-Money Laundering and Combating the Financing of Terrorism (AML-CFT)framework, actively educating its workforce through regular AML & Sanctions Trainingsessions. These programs align with regulatory guidelines issued by the Central Bank of the UAE (CBUAE) and other key authorities, ensuring that RAKINSURANCE remains vigilant in safeguarding its services from illicit activities.

In addition to its focus on compliance, RAKINSURANCE upholds a strongcorporate governancestructure, adhering to the "three lines of defense" model to promote transparency, accountability, and ethical practices across the organization. The Board of Directors, comprising seven members, oversees strategic decisions, while specialized committees manage key areas such as audit, risk, investment, and remuneration. The company's governance framework is fully aligned with the Securities and Commodities Authority (SCA) Corporate Governance Guide, ensuring adherence to the highest industry standards.

RAKINSURANCE has also demonstrated a clear commitment to sustainability and ESG (Environmental, Social, and Governance)principles. In its Sustainability Report 2024, the company highlighted its alignment with the United Nations Sustainable Development Goals (SDGs), focusing on responsible operations, stakeholder engagement, and community support. In 2025, RAKINSURANCE further strengthened its focus on employee and community well-being by launching wellness programs,promoting mental health awareness, and supporting local initiatives aimed at enhancing quality of life.

Through continuous improvement and the adoption of advanced technologies, RAKINSURANCE strives to enhance customer experience, streamline operations, and stay ahead in the dynamic UAE insurance market.

With over four decades of expertise, a solid governance framework, and a clear focus on sustainability, compliance, and well-being, RAKINSURANCE continues to strengthen its position as a trusted and progressive insurer, committed to driving long-term value for its stakeholders while contributing to the UAE's evolving insurance landscape.



Mission

We aim to be a leading customer – focused insurer in the UAE, offering convenient access to innovative and competitive insurance products across multiple channels to individuals and businesses.

Vision

To offer 'Simply Better' insurance solutions for all our customers across the UAE**.** Being one of the oldest and established insurers in the country, RAKINSURANCE strives to continuously provide and develop insurance products and services in the UAE thereby creating additional value for our customers.

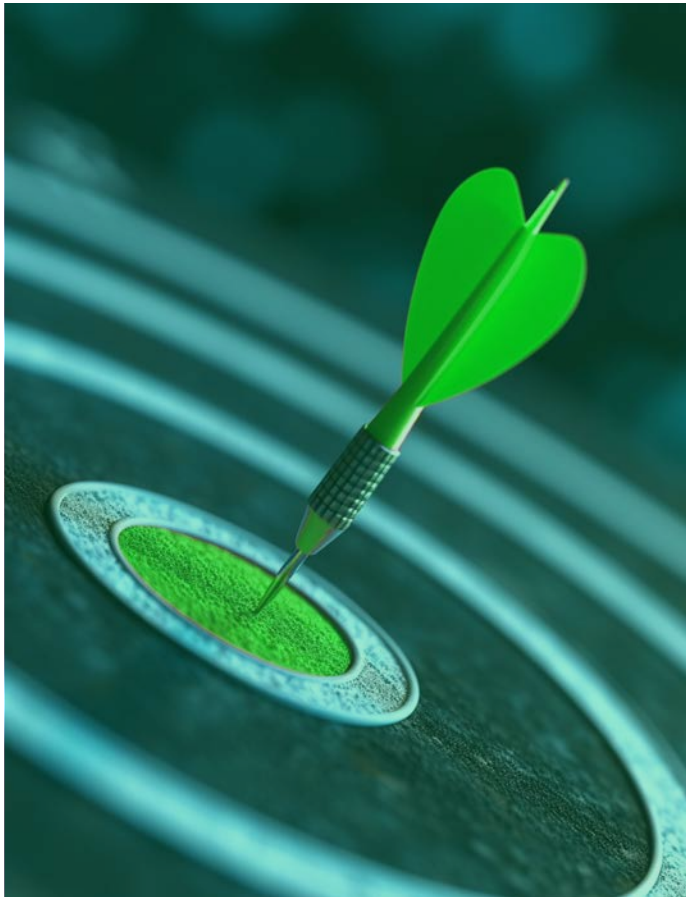
Our Values

Integrity
We know trust is fundamental and to be trusted we must remain competent and honest.

Transparency
We disclose all product Terms and Conditions with the use of simple language on our website and at various points of sale.

Collaboration
We build diverse teams to generate better ideas and act as responsible partners with all our stakeholders & regulators to serve the wider interests of society.

Accountability
We recognize that ultimately, we are accountable to our shareholders, and we focus unrelentingly on maximizing long term shareholder and asset value.



Our Strategy

Balanced Risk Profile:

- Develop a resilient risk profile that balances growth and stability.
- Focus on deepening customer loyalty through tailored solutions.

Goal-Oriented Employee Engagement:

- Promote a culture of goal-driven performance.
- Engage employees in achieving organizational objectives.

Digital & Technological Innovation:

- Invest in continuous development of the mobile app and online portal.
- Leverage technology to boost operational efficiency and customer experience.

Sustainable Growth Initiatives:

- Prioritize sensible, sustainable growth through continuous improvement.
- Focus on long-term value creation over short-term gains.

Our Commitments

Customer-Centric Approach:

- Dedication to meeting the needs and expectations of customers across the UAE.
- Ensure easy access to products and seamless claims management through digital platforms.

Continuous Improvement:

- Ongoing efforts to enhance products, services, and processes.
- Strive for operational excellence in every aspect.

Enterprise Risk Management (ERM):

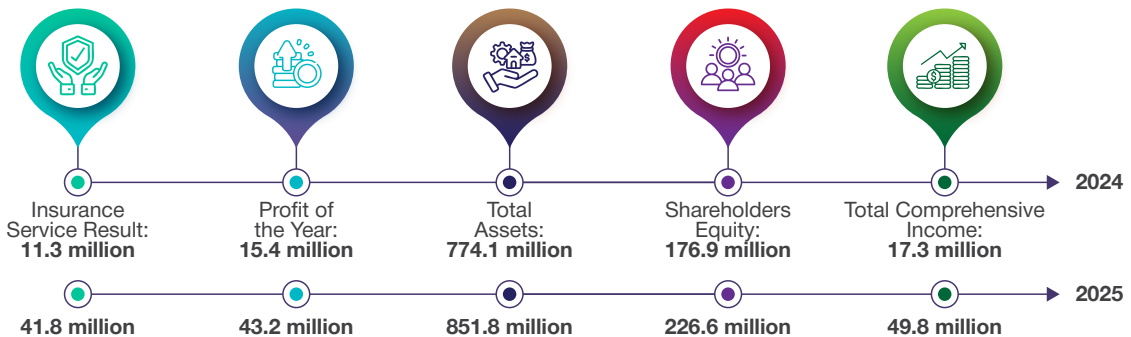
- Strengthen the ERM Framework to ensure robust risk controls and compliance.

Employee Development & Emiratisation:

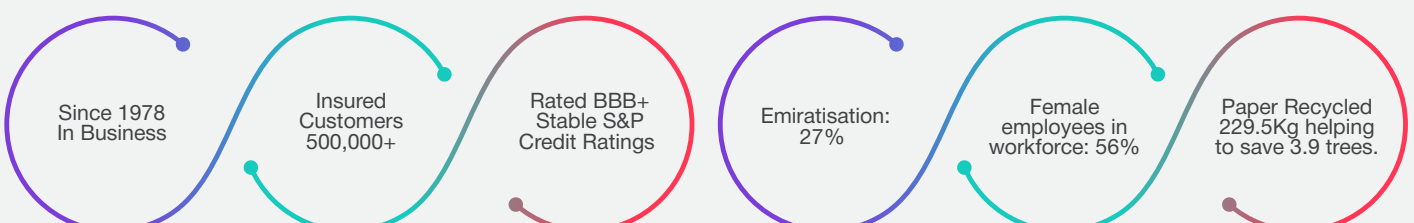
- Invest in staff engagement and continuous employee development.
- Support the Emiratisation strategy by empowering UAE national employees.

Sustainability Highlights

Financial Highlights (in AED):



Key Highlights:



Awards



2025

NAFIS Awards 2025
Exceptional Efforts in Emiratization –
Silver



2025

RAKBANK WAVE Awards 2025
Awesome Customer
Experience – Bronze



2024

RAKBANK WAVE Awards 2024
Winning Performance –
Silver



2019

Best Contact Center
Customer Happiness Summit and
Awards Runner up - 2019

MENA IR
AWARDS 2018

2018

Insurance Awards
By the MENA IR
Insurance Awards 2018



2018

UAE Medical Insurance Company of the Year
by the Frost and Sullivan



2018

Best New Call Centre Best Call Center
for Financial Services



2018

Insights
Digital Initiative of the Year
2018 Winner



2016

Best Corporate Governance Insurance
Middle East 2015 & 2016
by the Ethical Boardroom Corporation, UK

MENA IR
AWARDS 2015

2015

Most Innovative Insurer - Technology
By the
MENA IR Insurance Awards 2015



2014

Best Corporate Governance (GCC)
By the
Capital Finance International (CFi) Insurance Awards, UK



Cultivating **Success**

Ethical **Governance**

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17 Ethics and Corruption
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Highlighting Our
Dedication to Governance



29% Female
Board Diversity



UAE Data
Protection Laws



Whistler Blower
Policy



AML Training
Induction



Risk Management
Training



Robust Committee
Oversight



Sustainability
Training



Security Awareness
Training

Board of **Directors**

Governance, Transparency & Accountability

At RAKINSURANCE, strong corporate governance is fundamental to achieving strategic objectives and maintaining transparency, integrity, and accountability. The Board of Directors plays a pivotal role in providing strategic direction, overseeing management performance, ensuring compliance with applicable laws and regulations, and integrating sustainability principles into the company's decision-making process.

Board Composition & Leadership

RAKINSURANCE Board of Directors comprises seven (7) members, including both independent and non-independent directors bringing a broad and collective range of professional expertise and industry experience. The Board is responsible for setting the Company's strategic direction, approving key policies, and exercising effective financial and operational oversight. The corporate governance framework is design to align with international best practices and to promote ethical conduct, accountability and long-term value creation for all stakeholders.



Diverse Governance **Structures**

Board Of **Directors**



Sheikh Omar Saqr Khaled Al Qasimi
Independent, non-executive Chairman



Ahmed Essa Al Naeem
Non-independent, non-executive Vice Chairman



Aarefa Saleh Al Falahi
Independent, non-executive Board member



Bernhard Schluep
Independent, non-executive Board member



Futooh Al Zayani
Independent, non-executive Board member



Safwan Ghaleb
Non-independent, non-executive Board member



Dongjun (DJ) Choi
Non-independent, non-executive Board member

Management **Team**



Sanjeev Badyal
Chief Executive Officer



Shehreyar Azim
Chief Financial Officer



Claude Zoghbi
Chief Commercial Officer

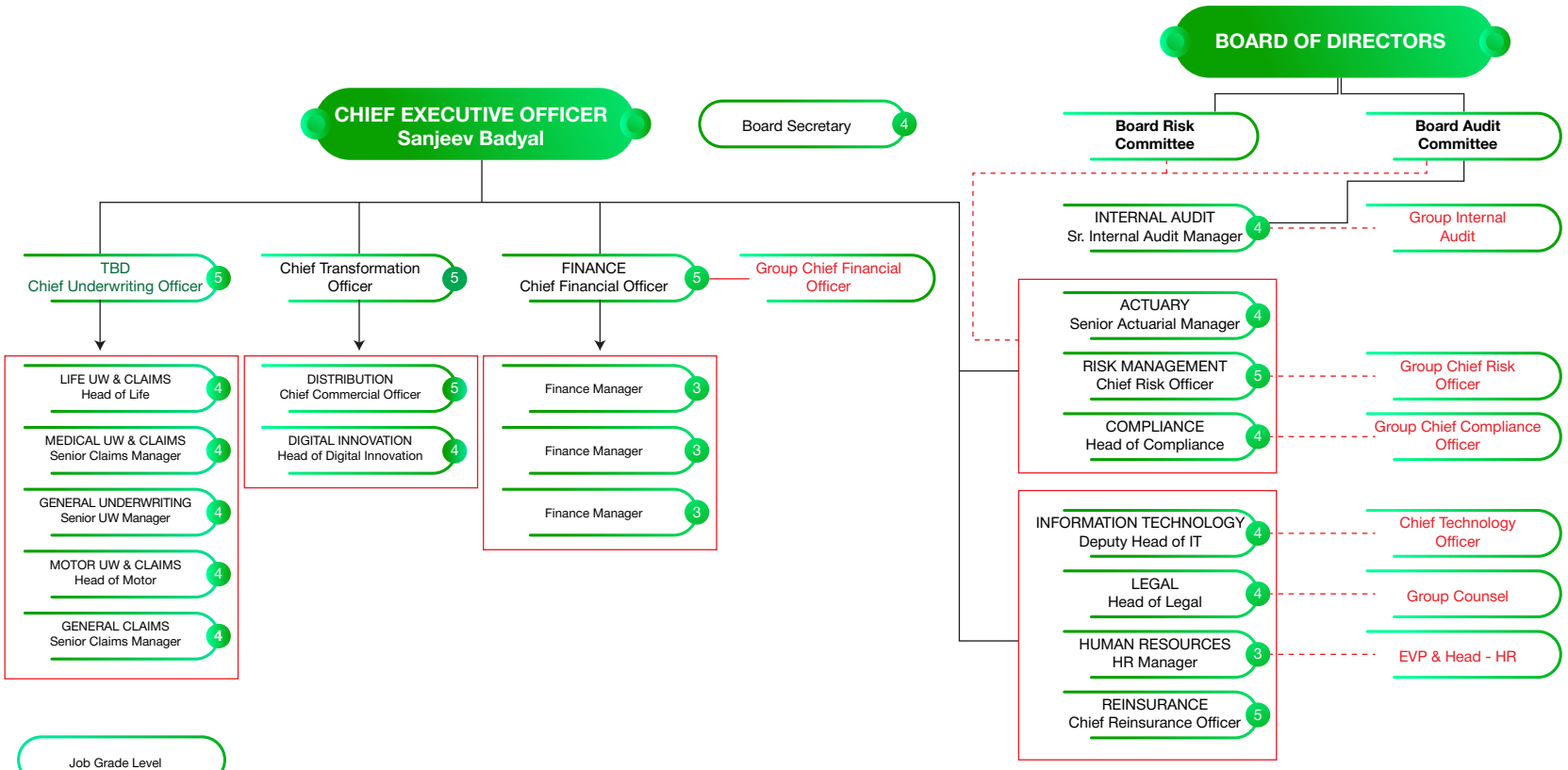


Adnan Abu Alhaija
Chief Risk Officer



Zohaib Arshad
Chief Reinsurance Officer

Organizational **Structure**



Role of the Highest Governance Body **and Its Responsibilities**

BOARD COMMITTEES

The Board operates through specialized committees to ensure effective oversight and decision-making:

Audit Committee

Responsible for financial integrity, internal controls, and compliance.

Risk Committee

Responsible for oversight of the Company's risk management framework, including risk appetite, financial crime prevention, and ESG-related risks.

Nomination & Remuneration Committee

Oversees board and executive appointments, succession planning, performance evaluations, remuneration frameworks, and the promotion of diversity, including gender diversity, at board and senior management levels.

Investment Committee

Responsible for approving the investment strategies, ensuring alignment with the Company's risk profile, strategic objectives, and long-term sustainability considerations.

Ethics and **Corruption**

RAKINSURANCE upholds a strong ethical foundation, ensuring that all business operations are conducted with integrity, fairness, and accountability. The company is dedicated to preventing corruption and unethical practices at all levels. The company is committed to fostering a culture of integrity, transparency, and accountability through the following key policies:

1. Code of Ethics and Conduct

The Code of Ethics and Conduct sets forth the ethical principles and behavioral expectations for all employees, executives, and Board members. It ensures:

- Ethical decision-making in daily business operations.
- Compliance with legal and regulatory requirements.
- Protection against conflicts of interest.
- Fair and responsible interactions with stakeholders.

2. Whistleblowing Policy

RAKINSURANCE encourages a transparent and responsible workplace where unethical activities can be reported without fear of retaliation. The Whistleblowing Policy:

- Provides employees and stakeholders with a confidential channel to report concerns.
- Ensures anonymity and protection for whistleblowers.
- Is reviewed periodically to strengthen governance and internal controls.

3. Anti-Money Laundering (AML) & Combating the Financing of Terrorism (CFT)

RAKINSURANCE fully complies with UAE laws and best practices to prevent financial crimes. The company:

- Conducts rigorous due diligence on clients and business partners.
- Implements AML/CFT training programs for employees.
- Enforces strict monitoring and reporting mechanism

4. Fraud Risk Management Policy and Framework

The Fraud Risk Management Framework serves as a comprehensive system to protect the organization's assets, reputation, and stakeholders by preventing, detecting, and mitigating fraudulent activities. It aims to create a structured approach to manage fraud risks effectively. The specific objectives may include:

- Developing measures to minimize the occurrence of fraud and deter potential perpetrators.
- Implementing processes, tools, and systems to identify and uncover instances of fraud at an early stage.
- Establishing protocols for timely and thorough investigations of suspected fraud incidents
- Promoting a culture of fraud awareness and providing relevant training to employees at all levels

5. Third-Party Risk Management (TPRM) Policy

Third Party Risk Management (TPRM) is the policy framework by which RAKNIC identifies, assesses, manages, and continuously monitors risks arising from third party relationships to ensure effective operations and compliance with applicable regulatory requirements. This policy applies to all third-party arrangements entered by RAKINSURANCE across its business activities, functions, and processes.

The objectives of the Third-Party Risk Management Policy are to establish principles, guidance, and an overarching process for managing risks associated with third-party arrangements in line with regulatory requirements and leading global practices. This shall be achieved by:

- Establishing clear governance and oversight through the organizational structure
- Defining and assigning roles and responsibilities for stakeholders involved in TPRM
- Implementing activity risk profiling and third-party risk categorization
- Establishing risk management processes for third-party risk assessment, treatment, and reporting.

Customer Privacy & Data Security

At RAKINSURANCE, protecting customer data is a cornerstone of our governance framework. We are dedicated to maintaining the confidentiality, integrity, and security of personal information in line with applicable data protection requirements including but not limited to the UAE Federal Decree-Law No. 45 of 2021 on the Protection of Personal Data.

Data Collection and Responsible Usage

We collect and process personal data for defined and legitimate purposes such as policy administration, underwriting, claims handling, customer support, fraud prevention and regulatory compliance. Depending on the product and service, this may include customer identification and contact information, policy and claims information, and health information required for underwriting or claims handling, subject to appropriate safeguards.

We prioritize transparency through customer privacy notices and communications, and we continue to strengthen our privacy practices including consent and related controls as part of our ongoing efforts.

Robust Data Protection Measures:

RAKINSURANCE maintains a formal incident response and data breach notification procedure in accordance with applicable UAE data protection requirements.

- **Encryption:**
  All data is encrypted during transit and at rest, including when stored outside the UAE.
- **Access Control:**
  Strict protocols ensure only authorized personnel can access sensitive data.
- **Multi-Factor Authentication (MFA):**
  Reinforces account security with multiple verification steps.
- **Training & Awareness:**
  Regular staff training to prevent data breaches and recognize cyber threats.
- **Patch Management:**
  Continuous updates to software and systems to close security vulnerabilities.

Advanced Security Tools

- Endpoint Detection and Response (EDR)
- Data Loss Prevention (DLP)
- Next-Generation Firewalls
- Intrusion Prevention System (IPS)
- Web Application Firewall (WAF)
- DDoS Protection

Regulatory Compliance & Data Privacy:
RAKINSURANCE ensures full compliance with data privacy laws, both locally and internationally:

- **International Data Transfers:**
  Adheres to UAE laws with appropriate safeguards for data sent abroad.
- **Cookies & Tracking:**
  Transparent use of cookies and analytics tools, with clear opt-out options.

Anti-Money Laundering (AML) & Sanctions Compliance: Our AML framework aligns with Federal Decree-Law No. 10 of 2025 and the associated Cabinet Resolution No. 134 of 2025:

- **Customer Due Diligence (CDD):**
  Robust verification including KYC, PEP screening, and sanctions compliance.

- **Suspicious Transaction Reporting (STR):**
  RAKINSURANCE ensures compliance with UAE regulatory requirements by submitting STRs via the GoAML platform to the UAE Financial Intelligence Unit (FIU).

- **Sanctions Screening:**
  Continuous monitoring against global sanctions lists.

- **Employee Training:**
  Regular AML and sanctions compliance training.

Governance & Accountability We have dedicated Data Protection and Compliance Officers overseeing data privacy and AML compliance. Regular audits and reviews ensure adherence to regulatory standards and best practices.

Customer Privacy & Support:
At RAKINSURANCE, safeguarding customer data and ensuring privacy are at the core of our values. We recognize the trust our customers place in us and are deeply committed to protecting their personal information at every touchpoint. Maintaining the highest standards of data protection is not just a compliance requirement, it's a responsibility we take seriously. We go above and beyond regulatory obligations to ensure that all customer data is managed securely, transparently, and with the utmost care. Every initiative we undertake is built around protecting the privacy of our customers and providing them with safe and seamless interactions.

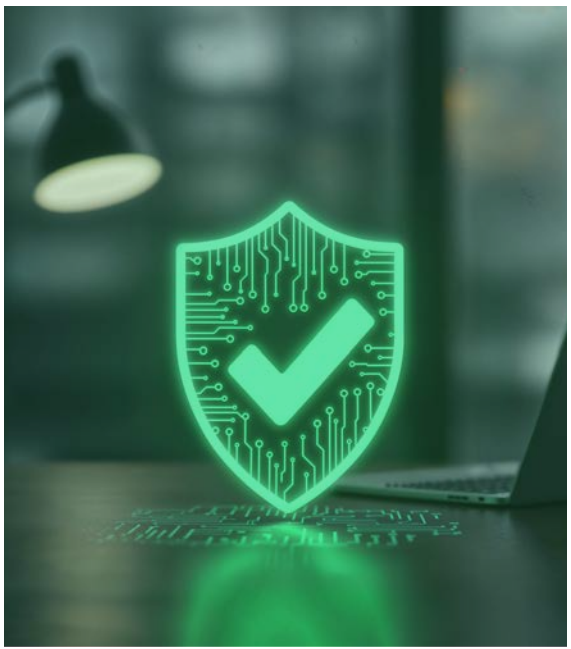
Security, Governance and Operations
RAKINSURANCE applies technical and organizational measures to protect personal data, and these measures include role-based access controls, incident management processes, defined handling procedures, and controls to manage third party risks.

Digital Enablement and Customer Services
RAKINSURANCE continues to leverage digital solutions to support customer engagement and operational effectiveness while applying appropriate governance and data protection controls. Digital processes are implemented in a controlled manner with defined procedures, access restrictions, and oversight to ensure personal data is handled securely.

Customer service processes including complaint handling are supported by systems and workflows designed to protect confidentiality and limit access to customer information to authorized personnel only. These measures aim to enhance service quality and responsiveness while maintaining appropriate safeguards for personal data.

Digital Enablement and Customer Services
RAKINSURANCE has established privacy governance foundations including the development of data protection policies and standards that define our approach to the lawful, transparent, and secure handling of personal data, the creation of Records of Processing Activities providing an enterprise wide overview of how personal data is collected and used across our operations, and our privacy notice was updated to enhance clarity and transparency.

RAKINSURANCE reaffirms commitment to maintaining the highest standards of data privacy and security, safeguarding the trust of customers, and supporting our ESG goals of governance integrity and ethical business conduct.





Sustainability at **RAKINSURANCE**

Sustainability **at RAK**

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22 Stakeholder Engagement
23 Materiality Assessment

RAKINSURANCE Commitment to Sustainable Development Goals (SDGs) **and Global Reporting Initiatives (GRIs)**

Safeguarding today, empowering tomorrow – shaping a sustainable future by protecting lives, promoting well-being, and fostering environmental stewardship.

This section highlights RAKINSURANCE's sustainability performance, reflecting the environmental, social, and economic impacts of its operations and activities. The report is aligned with international best practices and sustainability standards to demonstrate RAKINSURANCE's dedication to responsible business conduct and transparency.

RAKINSURANCE's responsibility towards sustainability is deeply rooted in its purpose of safeguarding lives, assets, and businesses. The company believes that by protecting what matters most, it not only creates value for its customers but also contributes to a more inclusive and resilient society. This commitment is driven by the understanding that sustainable business practices are essential for long-term success and positive societal impact.

The sustainability reporting process is guided by RAKINSURANCE's ESG framework, which is overseen by senior management and supported by cross-functional teams. The report serves as a communication tool for stakeholders, including investors, regulators, employees, clients, business partners, and communities, reflecting RAKINSURANCE's dedication to building long-term value and transparency.

The UN 2030 Agenda for Sustainable Development provides a comprehensive framework to address critical environmental, social, and economic challenges. RAKINSURANCE recognizes the importance of the Sustainable Development Goals (SDGs) and is dedicated to aligning its ESG strategy with the global sustainability agenda. As an insurance provider, RAKINSURANCE plays a fundamental role in strengthening societal resilience by offering protection against unforeseen risks, supporting economic stability, and promoting well-being.

RAKINSURANCE's approach to sustainability is aligned with the applicable UN Sustainable Development Goals (SDGs), recognizing the interconnected nature of environmental, social, and economic challenges. The company aims to integrate sustainability across its operations, supporting value creation for both stakeholders and society while contributing to relevant sustainable development objectives.

Environmental stewardship is one of the main topics of RAKINSURANCE's sustainability discussion. The company aims to comply with environmental related regulation. Additionally, RAKINSURANCE recognizes the importance of climate action and continues to evaluate its business operations to mitigate environmental impacts and support the transition to a low-carbon economy.

Social responsibility remains a cornerstone of RAKINSURANCE's business philosophy. The company actively promotes employee well-being, diversity, and inclusion while supporting community development initiatives. Through strategic partnerships and philanthropic programs, RAKINSURANCE contributes to education, health, and social welfare projects that empower communities and enhance quality of life.

Governance plays a critical role in RAKINSURANCE's sustainability framework. The company upholds the highest standards of corporate governance, business ethics, and regulatory compliance. Transparent decision-making processes, risk management practices, and stakeholder engagement are integral to maintaining trust and accountability across its operations. RAKINSURANCE is committed to aligning its sustainability disclosures with the Global Reporting Initiative (GRI) framework, enhancing transparency and ensuring comprehensive ESG reporting.

RAKINSURANCE is dedicated to enhance best sustainability and disclosure practices recommended by ADX through multi-year ESG KPIs, Board attendance disclosure, and external/limited assurance of ESG data. This dedication reflects the company's proactive approach to embedding responsible business practices and ensuring that its ESG performance is communicated in a clear and measurable manner. By aligning with these regulatory frameworks, RAKINSURANCE aims to strengthen its contribution to the UAE's broader sustainability agenda.



Stakeholder **Engagement**

At RAKINSURANCE, stakeholders are central to our sustainability journey. Representing diverse groups impacted by our operations, they play a vital role in shaping our business practices. We are committed to open communication, fostering transparency, and integrating their insights into our decision-making processes.

Engaging with stakeholders helps us understand their expectations, address concerns, and align our strategies with evolving needs. This collaborative approach strengthens our commitment to ESG (Environmental, Social, and Governance) principles, enhancing business resilience, mitigating risks, and driving long-term value for both the company and society.

Stakeholder engagement not only helps us address key concerns but also unlocks opportunities for innovation, partnerships, and shared value creation. By aligning our sustainability priorities with stakeholder expectations, we aim to strengthen our market position, explore new business avenues, and contribute to the collective advancement of sustainable development.

STAKEHOLDER CATEGORY	WHY WE ENGAGE	ENGAGEMENT METHODS	PURPOSE OF ENGAGEMENT
CUSTOMERS	To improve customer service, understand the unique needs of our customers, improve customer satisfaction, and ensure better customer retention.	• Industry Benchmarking • Complaint and Suggestion Portal • Regular Communication • Digital Engagement (Mobile App, Social Media) • Website interactions	• Enhance customer satisfaction • Gather insights for service improvements • Promote sustainable insurance products • Build trust through transparent communication
MANAGEMENT & EMPLOYEES	To understand customer expectations, improve service quality, and ensure customer satisfaction	• Company events • Open Door Policy • Performance Appraisals • Exit Interviews • Internal Company Announcements • Mental Health & Wellbeing • Regular Meeting • Company's Portal • Training & Development Initiatives	• Foster an inclusive workforce • Drive internal sustainability initiatives • Improve workplace well-being • Enhance employee retention • Support employee well-being
SHAREHOLDERS	To maintain transparency, communicate financial performance, and address concerns regarding business strategy, sustainability practices, and long-term value creation	• Regular Communication • Interactions with Board members via Board meetings • Engagement during AGM • Investor Relations • Annual Reports & Sustainability Reports	• Align ESG strategies with financial growth • Maintain transparency in business performance • Address shareholder expectations on ESG matters
REGULATORY & INDUSTRY BODIES	To ensure compliance with legal and regulatory requirements and maintain ethical business practices	• Regular reporting and meetings with Central Bank of UAE • Quarterly financial reporting with SCA • Regular reporting • Announcements with ADX • Compliance Audit • Webinars	• Ensure adherence to financial and sustainability regulations • Align business practices with market-driven ESG standards • Demonstrate accountability and transparency
BUSINESS & FINANCIAL PARTNERS	To build long-term partnerships, ensure responsible business practices, and foster collaboration on sustainability initiatives	• Regular business coordination with Reinsurers • Day to day business activities • Partnerships & Collaborations	• Promote ethical claims management • Encourage sustainable underwriting practices • Foster digital innovation
IMPROVE GOVERNANCE TRANSPARENCY	To improve the quality of life for underserved groups, deliver social impact, and align CSR initiatives with community needs	• Community-related initiatives • Donations • Volunteering • CSR Initiatives	• Support community well-being • Engage in sustainability awareness • Enhance corporate reputation through social impact

Materiality **Assessment**

RAKINSURANCE's materiality assessment plays a pivotal role in identifying and prioritizing ESG factors that significantly impact its operations, stakeholders, and long-term sustainability. The assessment process involves active engagement with key stakeholders, including customers, employees, shareholders, regulators, and society, to gain insights into their expectations and concerns. Through this process, RAKINSURANCE evaluates various ESG topics such as data privacy and security, business ethics, environmental footprint, customer satisfaction, and employee well-being to determine their relevance and potential impact on the company's business model and strategic objectives.

The results of the materiality assessment help RAKINSURANCE align its sustainability strategy with both stakeholder priorities and regulatory requirements. High-priority topics, including ethical governance, digital innovation, environmental sustainability, and customer engagement, form the foundation of the company's ESG initiatives. This approach enables RAKINSURANCE to address the most pressing issues, enhance stakeholder trust, and contribute to the broader sustainability agenda, reinforcing its approach to responsible business practices and long-term value creation.





Nurturing Nature, **Securing the Future**

Environment

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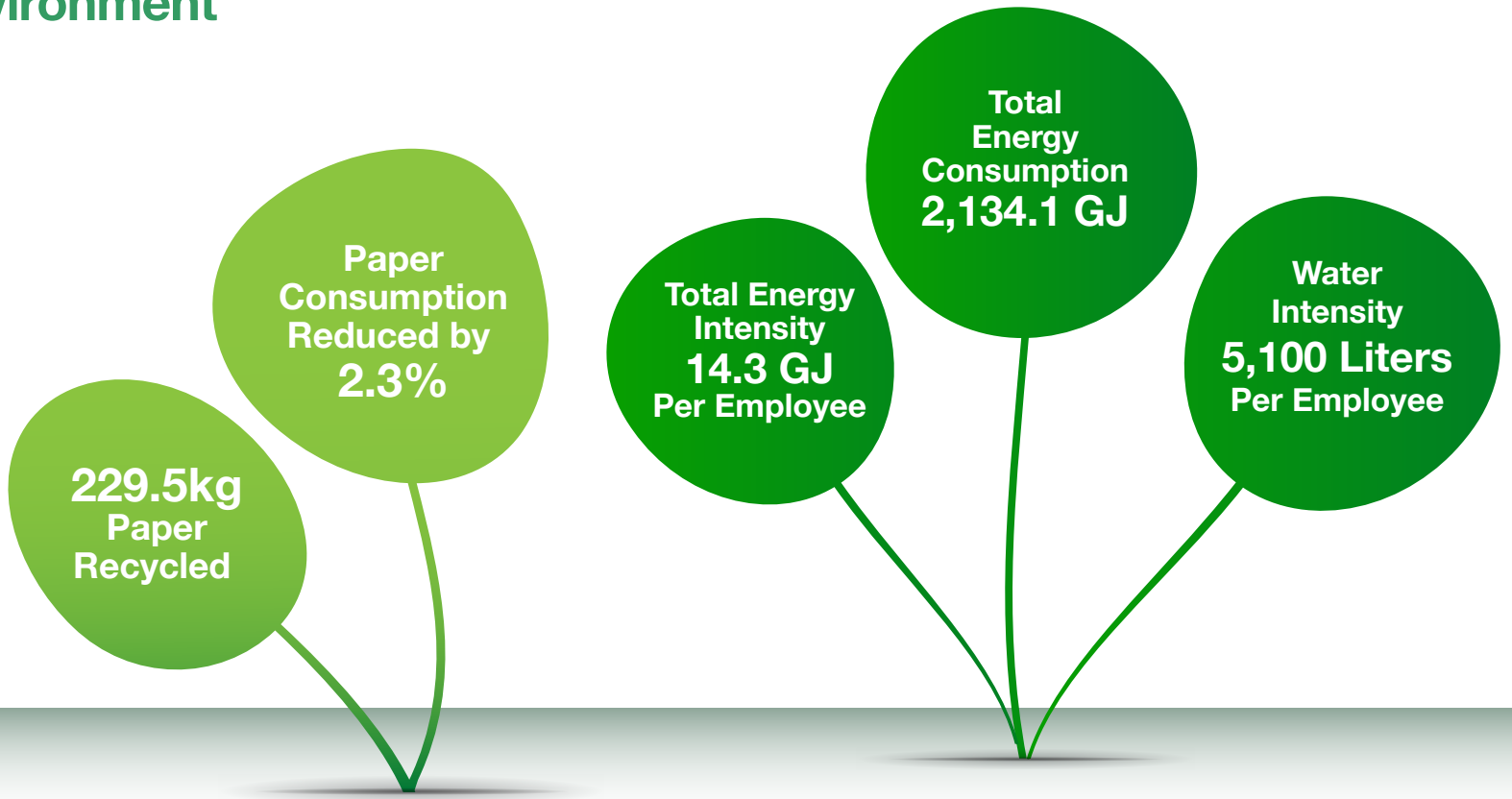
Highlighting Our Dedication to Environment



Preserving **Our Planet**

Sustaining Tomorrow, Protecting Today — Empowering Progress through Responsible Resource Management and Climate Resilience

RAKINSURANCE is dedicated to reducing its environmental footprint through precise monitoring and efficient resource management. This year, we have refined our reporting boundaries to provide a more accurate picture of our impact across our Head Office and operational branches.

Reporting Boundary & Scope

- Head Office (RAK): Energy and water data is calculated based on a 9% allocation of the building's total consumption, corresponding to our occupancy share.
- Branches (Nakheel & Abu Dhabi): Data is derived from direct utility bills.
- Exclusions: The Dubai branch is currently excluded from this report due to data unavailability; however, we aim to integrate it into future reporting cycles.
- Employee Denominator: Intensity metrics are calculated based on a total workforce of 149 employees (Head Office: 118, Nakheel: 26, Abu Dhabi: 5).

Direct Energy Consumption (Scope 1)

Direct energy consumption refers to the fuel used by our company-owned vehicles for business operations. We monitor this through financial records of fuel spending, converting the value to energy units to track efficiency.

Performance Overview:

Our total direct energy consumption for 2025 was 107,933 kWh, driven by fleet operations at both our Headquarters and branches. Notably, our Headquarters fleet achieved a year-over-year reduction in fuel spending, reflecting successful route optimization efforts.

Table 1: Direct Energy Consumption (Fuel)

Location / Source	Spend (AED)	Consumption (kWh)	Energy (GJ)
Head Office Fleet	19,006.00	60,186	216.7
Branches Fleet	15,078.16	47,747	171.9
Total Scope 1	**34,084.16**	**107,933**	**388.6**

Indirect Energy Consumption (Scope 2)

Indirect energy represents the electricity purchased to power our offices, including lighting, central cooling, and equipment.

Performance Overview:

- Head Office: We utilized 432,018 kWh, representing our verified 9% share of the headquarters building's total electricity load (4.80 GWh).
- Branches: The Nakheel and Abu Dhabi branches combined contributed 52,859 kWh to our footprint.

Table 2: Indirect Energy Consumption (Electricity)

Location	Metering Source	Consumption (kWh)	Energy (GJ)
Head Office	Allocated Share (9%)	432,018	1,555.3
Branches	Direct Utility Bills	52,859	190.3
Total Scope 2		**484,877**	**1,745.6**

Total Energy & Intensity

By consolidating our Direct (Fuel) and Indirect (Electricity) consumption, we arrive at our total operational energy footprint. This comprehensive view allows us to track our efficiency relative to our workforce size.

Performance Overview:

In 2025, RAKINSURANCE consumed a total of 592,810 kWh (2,134 GJ) of energy. Based on our workforce of 149 employees, our energy intensity stands at 3,979 kWh per employee.

Table 3: Total Energy Profile & Intensity

Indicator	2025 Value	Unit
Total Energy Consumption	592,810	kWh
Total Energy in Gigajoules	2,134.1	GJ
Total Employees	149	FTEs
Energy Intensity (kWh)	3,979	kWh / Employee
Energy Intensity (GJ)	14.3	GJ / Employee

Water Stewardship

We track freshwater withdrawal across our network and actively practice water recycling at our Headquarters to reduce strain on municipal supplies.

Methodology:

- **Head Office:** Calculated as 9% of the building's total verified water usage (1.37 million Gallons).
- **Branches:** Derived from direct meter readings.

Performance Overview:

Our total freshwater withdrawal was 759,849 Liters. However, our commitment to sustainability is evident in our gray water treatment system at Headquarters, which recycles 306,312 Liters of water for landscaping and non-potable use every year, helping us save water and achieve optimum water consumption.

Table 4: Water Consumption & Intensity

Indicator	2025 Value	Unit
Head Office Freshwater	561,521	Liters
Branches Freshwater	198,328	Liters
Total Freshwater Withdrawal	759,849	Liters
Water Recycled (HQ)	306,312	Liters
Total Water Use (Fresh + Recycled)	1,066,161	Liters
Water Intensity (Freshwater)	5,100	Liters / Employee

Waste Management

RAKINSURANCE is also committed to reducing waste generation and promoting responsible waste management practices. As part of our commitment to environmental sustainability RAKINSURANCE partied with Endorsed as an agreement to reduce paper usage and promote recycling. Through this initiative we successfully recycled a total of 229.5KG of paper, saving more than 3.9 Trees. Additionally, agreements such as contracts and non-disclosure agreements (NDAs) are securely signed through electronic signature solutions, ensuring efficiency, security, and sustainability in our processes. Policy documentation, including endorsements, is created via the ESKA system and converted to PDF for electronic communication with clients and brokers.

In 2025, our paper consumption decreased by 2.3% compared to the previous year, underscoring our dedication to minimizing resource use. Additionally, we have implemented waste segregation systems to ensure proper disposal of recyclable materials. Looking ahead, we are exploring partnerships with recycling vendors to enhance our waste management efforts and further minimize our environmental impact.

Looking ahead, RAKINSURANCE will be exploring Optimum Utilization of Energy as part of our broader sustainability vision. By blending innovation with environmental responsibility, we aim to create a more sustainable future where business success goes hand in hand with protecting the planet.

At RAKINSURANCE, sustainability is not just a corporate obligation, it's a collective journey where every small step brings us closer to a greener tomorrow.



Climate Risk Management Oversight:
Strengthening Resilience Across Insurance Practices

RAKINSURANCE acknowledges the profound impact of climate change on the insurance industry and is committed to integrating climate risk considerations into its business practices. The company has adopted comprehensive measures to assess, mitigate, and manage climate-related risks across its products, underwriting processes, and claims management framework. This proactive approach involves quantitative analysis of Company's exposure, use of CAT modeling and assessment of climate related risks to each business segment.

1. Climate-Related Insurance Solutions

RAKINSURANCE offers a diverse range of insurance products designed to protect clients against climate-related risks and environmental hazards:

- **Natural Catastrophe Coverage:** The comprehensive "all-risk" policy protects clients against natural catastrophes, including storms, floods, and water damage. As the policy does not explicitly exclude climate change-related events — such as intensified storms or rainfall influenced by cloud seeding in the UAE — clients benefit from extensive protection.

- **Named Perils Coverage:** The Policies provide coverage against specified risks such as fire, lightning, explosion, storm, flood, earthquake, and water damage. By offering coverage on a named-perils basis, the company maintains greater control over its exposure to high-risk climate-related events.

- **Pollution Liability Coverage:** While standalone environmental liability and renewable energy insurance are not currently offered, accidental pollution endorsements embedded within liability policies provide limited coverage against pollution incidents. This includes recent claims related to pollution clean-up under oil risk coverage.

- **Environmental Pollution legal liability:** New product introduced by AIG reinsurers to cover below specifically pollution arising from gradual operations for industrial and contractors during build up stage
  - Biodiversity damage
  - On and off-site clean-up costs
  - On and off-site third-party liability, bodily injury and property damage caused by pollution release
  - Loss arising from gradual as well as sudden and
  - accidental pollution conditions
  - Defenseand assessment of pollution incidents
  - Mitigation expenses

2. Climate-Related Claims Experience

RAKINSURANCE's claims experience highlights the growing financial impact of climate change:

- In 2024 April Rain anotable 70 million / 311 Claimswas recorded last year due to extreme weather events, reflecting the increasing severity and frequency of climate-related losses.While in December 2025 during the Rainstorm anotable8 million / 43 Claimswererecorded.

- While pollution-related claims remain minimal, the company continues to monitor emerging environmental risks and maintain coverage through pollution endorsements under liability policies.

3. Climate Risk Integration in Underwriting

RAKINSURANCE has embedded climate risk considerations into its underwriting practices to enhance risk management:

Policy Wordings for Risk Control:

- Providescomprehensive protection without explicitly excluding climate-related risks.
- This enables more controlled risk exposure by limiting coverage to named perils, particularly in regions prone to natural catastrophes.

- **Risk-Based Underwriting Decisions:** Coverage for high-risk properties such as those with substandard construction or open-air storage is restricted to named perils to minimize exposure.

- **Dynamic Pricing and Risk Assessment:** The company regularly reviews its pricing models to reflect the evolving nature of climate risks, adjusting premiums and deductibles in high-exposure areas like flood-prone regions.

4. Strengthening Climate Resilience

RAKINSURANCE continues to provide solutions that supportclimate resiliencethrough strategic initiatives:

- **Expanded Coverage Offerings:** Exploring opportunities to introduce environmental liability and renewable energy insurance products to support climateaction goals.

- **Data-Driven Risk Management:** Leveraging climate data and weather pattern analysis to refine underwriting guidelines and anticipate emerging risks.

- **Sustainable Business Growth:** Aligning product development strategies with broader sustainability objectives, including potential partnerships to promote climate-resilient solutions.

By integrating climate risk management into its core business functions, RAKINSURANCE reinforces its commitment to both client protection and environmental responsibility. This forward-looking approach strengthens the company's resilience against climate change while supporting a more sustainable future.



Empowering Communities, **Enriching Lives**

Social

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Highlighting
Our Dedication to Society



Fostering an Inclusive Workforce:
Embracing Gender Diversity and Inclusion at RAKINSURANCE

At RAKINSURANCE, our peopleare our greatest asset, building an inclusive workforcelies at the heart of our sustainability vision. Diversity is not only acknowledged but celebrated, forming a core element of our corporate identity.

We are dedicated to fostering a workplace culturewhere gender diversity and inclusion are deeply embedded, ensuring equal opportunitiesfor all employees, regardless of gender, background, or identity.Our approach to gender diversity is centered on creating equitablepathways for professional growth, leadership, and participation. We have implemented policies that promote work-life balance, guarantee equal pay, and uphold strict anti-discrimination standards. These measures empower employees to thrive in an environment that values and respects their individuality.Women are well-representedacross various levels of the organization, including management and senior leadership roles, reflecting our commitment to fostering a diverse leadership pipeline.Inclusionis reflected in our daily practices and organizational culture. We cultivate a workplace where every voice is heard, and diverse perspectives contribute to innovation and progress. Training programs, awareness initiatives, and inclusive leadershippractices are inplace to reduce unconscious bias and strengthen a sense of belonging. Post-training outcomes are monitored to ensure tangible results, such as promotions and certifications, supporting continuous professional growth.RAKINSURANCE's Human Resourcesteam plays a vital role in embracing gender diversity, ensuring that inclusivity is embedded in every aspect of the employee journey. HR has established fair hiring and promotionpractices that focus on merit and potential, guaranteeing equal opportunitiesfor all candidates. Equal pay and benefits are maintained across the organization, with employee benefits determined by job grade level rather than gender. HR actively supports career growthfor all employees, providing development opportunities regardless of gender. while also ensuring they can maintain a healthy balance between their personal and professional lives.

At RAKINSURANCE, fostering an inclusive workforce strengthensnot only our company but also the communities we serve. Gender diversity and inclusion form the foundation of a resilient, forward-thinkingorganization committed to sustainable growth. By investing in our people, we aim to create long-lasting, positive impacts that extend beyond the workplace and into society.

Board Of Director 2025

Male	Female
5	2

Total Employee Count

2023	2024	2025
162	180	189

Male Employee Count

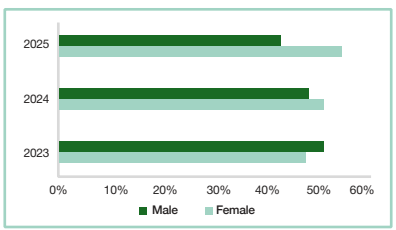
2023	2024	2025
84	88	83

Female Employee Count

2023	2024	2025
78	92	106

Total Number of New Hired Employee by Gender

Female	27
Male	10



Driving Fairness, Equity and Loyalty:
Linking Pay Structures to Workforce Success

We nurture an inclusive, equitable culture where all employees feel truly valued and empowered.

At RAKINSURANCE, we are deeply committed to fostering an environment where every employee feels valued, compensated, and motivated to grow. A key element of thiscommitment is ensuring equitable pay structures that reflect not just market standards but also the contributions of our people at every level.

In 2025, our CEO pay ratio stood at 19.07, a rise from 17.86 in 2024. While this increase highlights evolving leadership responsibilities and market dynamics, we remain focused on maintaining a balance that ensures competitive and fair wages across the organization. Pay equity isn't just about numbers; it's about reinforcing trust and transparency, ensuring that leadership success resonates throughout the entire company.

This commitment to fairness is mirrored in our approach to employee retention. In 2025, our employee turnover rate was 12%, a significant improvement from18% in 2024. This notable reduction reflects our continuous efforts to create a supportive environment—where professional growth, inclusion, and well-being remain at the core of our values. Despite industry challenges, this decrease underscores the positive impact ofour initiatives on employee satisfaction and loyalty.

We recognize that compensation and retention are deeply interconnected. By aligning leadership rewards with the broader workforce experience, we strive to cultivate a workplacewhere ambition is nurtured, contributions are recognized, and every employee sees a clear path forward. Our goal is to not only attract top talent but also to retain and empower them, ensuring that RAKINSURANCE remains a place where people feel valued and inspired to thrive.

Employee Turnover Ratio

2023	2024	2025
30%	18%	12%



Embracing **Global Talent**

Bridging Cultures and Expertise at RAKINSURANCE

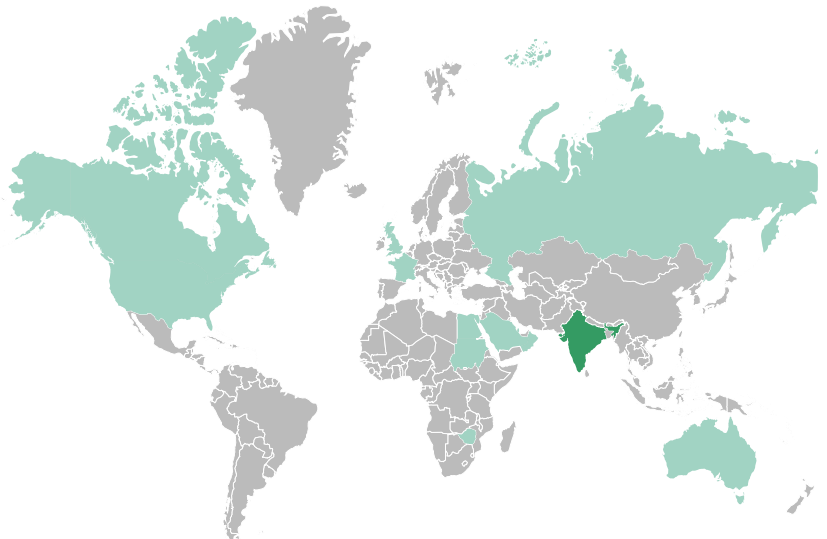
At RAKINSURANCE, we recognize that the strength of any organization lies in its people. Our commitment to fostering a workplace that embraces global talent is rooted in the belief that diversity of thought, culture, and experience drives innovation and long-term success. We are proud to cultivate an environment where individuals from various backgrounds come together to share ideas, collaborate, and grow.

This commitment begins at the top. Our board and senior leadership team embody the spirit of global diversity, with members who bring a wide range of cultural, educational, and professional experiences to the table. This mix of backgrounds ensures that our strategic decisions are informed by global perspectives, helping us navigate complex markets and better understand the diverse needs of our stakeholders. Having leaders who have worked across different regions and industries enriches our decision-making processes and strengthens our ability to respond to a rapidly evolving world.

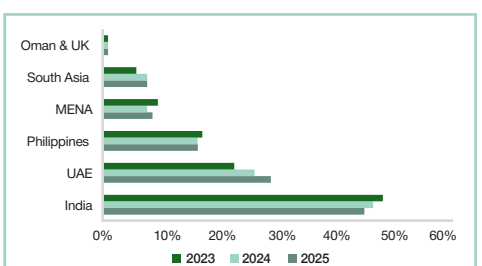
Our workforce reflects this same commitment to diversity. With employees representing various nationalities, cultures, and regions, RAKINSURANCE thrives on a blend of perspectives that fuels creativity and innovation. This cultural mosaic enables us to approach challenges from multiple angles, fostering solutions that are inclusive and impactful. It also allows us to better serve our diverse customer base, as we understand the unique needs and expectations of different communities.

We don't view diversity as a simple statistic—it's a core value that shapes how we operate. We strive to create an inclusive environment where everyone feels seen, heard, and valued. Our policies and practices are designed to ensure equal opportunities for growth and advancement, regardless of background or nationality. By championing this inclusive approach, we foster a sense of belonging that empowers our employees to perform at their best.

At RAKINSURANCE, embracing global talent isn't just about building a diverse workforce—it's about creating a dynamic ecosystem where ideas flourish, people feel empowered, and innovation thrives. We believe that by fostering a culture of inclusion and respect, we not only strengthen our organization but also contribute positively to the broader community we serve.



Geographical Coverage			
	2023	2024	2025
India	46%	44%	42%
UAE	20%	24%	27%
Philippines	16%	15%	15%
MENA	8%	8%	8%
South Asia	8%	6%	7%
Oman & UK	1%	1%	1%



Fostering a Culture of Care and Community

At RAKINSURANCE, we believe that the health and wellbeing of our employees and community are fundamental to our long-term success. Our commitment extends beyond the workplace, promoting holistic wellness and fostering a supportive environment where individuals can thrive physically, mentally, and socially.

In 2025, RAKINSURANCE undertook several initiatives to promote health, wellness, and community engagement. As part of our dedication to employee wellbeing, we organized the RAKINSURANCE Wellness Day 2025 in collaboration with RAK Hospital, Steps Clinic and NAS Neuron. The event featured comprehensive health screenings, including blood pressure and sugar tests, BMI checks, and doctor consultations.

During the holy month of Ramadan, RAKINSURANCE hosted an Iftar dinner.This gathering celebrated the spirit of unity and gratitude, with the partners' Iftar welcoming over 120 attendees.

In 2025, RAKINSURANCE celebrated its 54th UAE National Day at the office, fostering cultural appreciation and employee engagement.

On International Children's Cancer Day, RAKINSURANCE proudly participated in raising awareness among individuals about this important day and stood in unity with children who are fighting cancer and their families. We are committed to supporting those affected by cancer and to contributing to awareness efforts for a future where hope and care reach all children.

These initiatives reflect RAKINSURANCE's holistic approach to health and wellbeing, focusing on fostering a supportive and inclusive workplace while positively impacting the wider community.



Emiratisation

At RAKINSURANCE, we recognize the importance of contributing to the UAE's national development goals by actively supporting Emiratisation. Our commitment goes beyond meeting regulatory requirements; it reflects our dedication to empowering local talent, fostering inclusive growth, and contributing to the sustainable development of the nation's economy.

In alignment with Notice No. 2705/2022 issued by the Central Bank of the UAE, RAKINSURANCE has consistently worked towards achieving and surpassing Emiratisation targets. The Central Bank's framework divides target into operational and recruitment points, guiding companies in their efforts to integrate Emirati talent into their workforce meaningfully.

In 2025, RAKINSURANCE successfully fulfilled its Emiratisation goals, surpassing expectations. We achieved 150 operational points against a target of 105, demonstrating our proactive approach to integrating Emirati talent into key operational roles. Additionally, we met the recruitment target by securing all 8 recruitment points, reflecting our focus on attracting and onboarding qualified Emirati professionals.

Our Emiratisation rate reached 27.23% in 2025, marking a significant improvement over previous year. This upward trajectory highlights the continuous progress we've made, with a notable increase from 2023 to 2024 and a further positive shift from 2024 to 2025. These results showcase our long-term commitment to nurturing local talent and promoting the active participation of UAE Nationals across various levels of the organization.

Beyond meeting numerical targets, RAKINSURANCE focuses on creating meaningful career pathways for Emirati employees. We invest in training, mentorship programs, and professional development opportunities to empower our Emirati workforce to thrive and advance within the company. Our goal is to foster an environment where UAE Nationals can contribute to strategic initiatives, gain leadership experience, and play a pivotal role in shaping the future of the company.

At RAKINSURANCE, Emiratisation is more than a policy—it's a core part of our vision to support the UAE's socio-economic development. We will continue to build on this momentum, striving to create more opportunities for Emirati talent and contributing to a diverse, inclusive, and forward-thinking workplace.

Empowering Emirati Talent

- **Focused Recruitment:** Attracting and onboarding qualified Emirati talent aligned with national Emiratisation goals.
- **Skill Development:** Providing tailored training, mentorship, and upskilling programs to enhance professional growth.
- **Career Progression:** Establishing clear pathways for advancement into key operational and leadership roles.
- **Inclusive Work Culture:** Fostering a supportive environment that promotes diversity, engagement, and empowerment.

2023	2024	2025
20%	24.44%	27.23%

Training & **Development**

At RAKINSURANCE, we recognize that continuous learningand skill developmentare essential for both personal and organizational growth. Our comprehensive trainingand development programsare designed to enhance employee capabilities, ensure workplace safety, promote regulatory compliance, and foster leadership across all levels.

Health and Safety Training:
We prioritize the well-being of our employees by providing dedicated health and safety training. Each employee receives between 4 to 5 hours of focused instruction, ensuring they are equipped to handle potential workplace hazards and maintain a safe working environment.

Technical Skills Enhancement:
Staying ahead in a dynamic industry requires strong technical competencies. Our technical skills training programs are designed to upskill employees, ensuring they remain adept with the latest tools, technologies, and industry best practices. These sessions are available to all team members, supporting their professional growth and enhancing overall operational efficiency.

Anti-Money Laundering (AML) Training:
As part of our commitment to regulatory compliance and ethical practices, RAKINSURANCE provides comprehensive Anti-Money Laundering (AML) training. This program educates employees on identifying and mitigating money laundering risks, understanding legal obligations, and implementing effective reporting procedures. The AML training strengthens our organizational defenses against financial crimes and ensures adherence to global compliance standards.

Risk Management Training:
To enhance our risk mitigation strategies, RAKINSURANCE provides risk management training that equips employees with the knowledge to identify, assess, and manage various business risks. This training supports our commitment to maintaining operational resilience and safeguarding the company against potential threats.

Technical Skills Enhancement:
Staying ahead in a dynamic industry requires strong technical competencies. Our technical skills training programs are designed to upskill employees, ensuring they remain adept with the latest tools, technologies, and industry best practices. These sessions are available to all team members, supporting their professional growth and enhancing overall operational efficiency.

Security Awareness Training
In today's world of technological evolution, which is constantly shifting to digital transformation, cybersecurity has become the responsibility of all of us. RAKINSURANCE launched a security awareness training program as a commitment to safeguarding ourcompany's information and assets. The training ensures every employee is equipped with the essential knowledge needed to be protected from potential security threats like AI phishing scams, personalized attacked, Ransomware attack, data protection and safe internet practices.



GRI and ADX
Content Index

GRI Standard	Disclosure	Content	Pg No.	ADX Alignment	Relevant SDGs
GRI 2: General Disclosures 2021	GRI 2-1: Organizational details	About RAK Mission, Vision and Values	6 & 7		
	GRI 2-2: Entities included in the organization's sustainability reporting	About This Report	4 & 21	G7. Sustainability Reporting G8. Disclosure practices	
	GRI 2-7: Employees	Fostering an Inclusive Workforce	31		
	GRI 2-9: Governance structure and composition	Organizational Structure	16		
		Board of Directors	13		
	GRI 2-10 Nomination and selection of the highest governance body	Diverse Governance Structures	14	G1. Board Diversity	
	GRI 2-12: Role of the highest governance body in overseeing the management of impact	Role of the Board Committees in Governance	17	G2. Board Indepedence	
	GRI 2-22: Statement on sustainable development strategy	Message from CEO	3		
	GRI 2-23: Policy commitment	Code of Conduct	17		
	GRI 2-26: Mechanisms for seeking advice and raising concerns	Whistleblower Policy	17	G5. Ethics & Prevention of Corruption	
	GRI 2-27: Compliance with laws and regulations	Fraud Risk Management Policy	17		
	GRI 2-28 Membership association	Awards	10		
	GRI 2-29: Approach to stakeholder engagement	Stakeholder Engagement	22		
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	GRI 3-2: List of material topics				
GRI 201: Economic Performance 2016	GRI 201-2: Financial implications and other risks and opportunities due to climate change	Climate Risk Management Oversight	28	E10. Climate Risk Mitigation	
GRI 205: Anti-corruption 2016	GRI 205-2: Communication and training about anti-corruption policies and procedures	AML & CFT	17		

Environment

GRI Standard	Disclosure	Content	Pg No.	ADX Alignment	Relevant SDGs
GRI 302: Energy 2016	GRI 302-1:Energy consumption within the organization	Preserving Our Planet		E1. GHG Emissions	
				E2. Emissions Intensity	
GRI 303: Water & Effluents	GRI 303-5: Water consumption			E3. Energy Usage	
				E4. Energy Intensity	
GRI 306: Waste 2020	GRI 306-1: Waste generation and significant waste-related impacts	Waste Management		E6. Water Usage	

Social

GRI Standard	Disclosure	Content	Pg No.	ADX Alignment	Relevant SDGs
				S3. Employee Turnover	
GRI 401: Employment 2016	GRI 401-1: New employee hires and employee turnover	Driving Fairness, Equity and Loyalty		S4. Gender Diversity	
GRI 404: Training and Education 2016	GRI 404-2: Programs for upgrading employee skills and transition assistance programs	Training & Development			
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1: Diversity of governance bodies and employees	Embracing Global Talent			
	GRI 102: General Disclosures	Emiratisation		S11. Nationalisation	
		Health And Wellbeing		S8. Global Health & Safety	

Governance

GRI Standard	Disclosure	Content	Pg No.	ADX Alignment	Relevant SDGs
GRI 418: Customer Privacy	GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Privacy and Data Security		G6.1 Data Privacy	

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