Sharjah Insurance Company P.S.C.

Independent Auditors' Report and Financial Statements
For the year ended 31 December 2025

Sharjah Insurance Company P.S.C.
Independent Auditor's Report and Financial Statements

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Board of Directors' Report

The Board of Directors of Sharjah Insurance Company P.S.C. has the honor to disclose the audited financial statements for the year ended 31 December 2025. The following is a summary of the results of the Company's operations for the year ended 31 December 2025:

First: Insurance activity:

Under the guidance of the Board of Directors of the Company to maintain profits achieved in the past couple of years, the Company has continued a conservative underwriting policy to select the business according to the technical results reached as follows:

Operational results:

- Total insurance service revenue for 2025 amounted to AED 39.6 million compared to insurance service revenue of AED 32.1 million for 2024. The insurance service expenses for 2025 amounted to AED 1.2 million compared to insurance service expenses AED (88) million in 2024. The decrease in insurance service expenses in 2025 is primarily attributable to the absence of significant flood-related claims recognized in 2024, which had resulted in a material increase in insurance service expenses. During 2025, these claims were largely settled, with no comparable catastrophic events occurring in the current year.
- A net insurance service result of AED (1.4) million for the year ended 31 December 2025 as compared to net insurance service result of AED (8.2) million for the year ended 31 December 2024 (the "Previous Year").

Second: Investment Activity:

- Investment profits for the year 2025 amounted to AED 65 million compared to AED 19 million in 2024.
- As per the statement of cashflows, The Company acquired financial assets through profit or loss and financial assets through other comprehensive income amounting to AED 31.7 million and AED 0.7 million during the year, respectively, as compared to AED 18.1 million and AED nil in 2024, respectively. The Company sold financial assets through profit and loss and financial assets through other comprehensive income which amounted to AED 18.4 million and AED 15.4 million, respectively, as compared to AED 19.7 million and AED 1.1 million in 2024, respectively.

The Company's net profit after tax for the year 2025 amounted to AED 59.8 million compared to AED 5.0 million for the year 2024.

The main objective of the Company's Board of Directors and its executive management is to maintain and develop the economic entity to the benefit of the country, the citizens, and the investors. Therefore, we are committed to be in the ranks of the competitive company's professionality and committed to apply the highest standards of quality and management governance to meet the requirements of transparency and disclosure.

- The Company renewed the Reinsurance agreements for 2026 on technical basis to ensure the continuation of the underwriting performance and expansion of its operations.

Finally, I would like to thank the Board of Directors and employees for their efforts and hope greater efforts to be done to continue the successful journey.

Yours faithfully,

Ahmed Mohamed Hamad Al Midfa
Chairman

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Independent auditors' report

To the Shareholders of Sharjah Insurance Company PSC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sharjah Insurance Company PSC ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory 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 (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our 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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Key Audit Matters (continued)

Measurement of Insurance contract Liabilities

See Note 10 to the financial statements.

The key audit matter	How the matter was addressed in our audit
The measurement of gross insurance contract liabilities is a key audit matter due to their materiality to the financial statements, and the significant judgements and estimation uncertainty involved. The Company has applied the Premium Allocation Approach ("PAA") for all groups of insurance contracts. The measurement process involves a number of actuarial estimation techniques. These techniques are reliant on underlying data and a number of assumptions which are subjective in nature. Further, significant judgement is required in determining the appropriate measurement approach for group of contracts. Changes to estimation techniques and assumptions can lead to a material impact on the measurement of insurance contract liabilities and a corresponding effect on the statement of profit or loss. Insurance contract liabilities measured using the PAA remain susceptible to a risk that an inappropriate amount of LIC is estimated due to the following elements: • Methods to determine ultimate expected claims are inappropriately determined. • Assumptions used in estimating ultimate expected claims are inappropriately developed. • The methods, assumptions and data are inappropriately applied. The measurement of these liabilities depends on completeness, accuracy and relevant of data used in actuarial models. If the data used in calculating the above insurance contract liabilities is not complete and accurate, then material impacts on financial statements may arise. Specific audit and actuarial expertise is required to evaluate the complex actuarial methodologies and assumptions.	Our audit procedures, supported by our actuarial specialists, included: • Evaluating the design and implementation of key controls over the underwriting and premiums, claims handling and actuarial reserving process for estimation of LIC. • With the support of our actuarial specialists, holding discussions with finance and actuarial staff and Company's actuarial specialists to obtain an understanding of the following: - LIC estimation methodology; and - Key assumptions used and changes thereof. • Assessing the appropriateness of Company's determination of insurance contracts groups and the application of the relevant measurement approaches. • With the support of our actuarial specialists, evaluating methods and assumptions to determine the appropriateness of ultimate expected claims. This included evaluating management's methodology against market practice. • With the support of our actuarial specialists, performing an independent calculation of LIC for a sample of insurance contract groups to challenge management's assumptions used within the LIC calculation. • With the support of our actuarial specialists, checking the mathematical accuracy of the calculations used in measuring the insurance contract liabilities, including the underlying methodologies, assumptions and data applied in the actuarial models. • With the support of our actuarial specialists, evaluating management's method for determining expected premium receipts, including the methodology for allocation of expected premium receipts to coverage periods. • Evaluating the competence, capabilities and objectivity of the Company's external actuarial experts.

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Key Audit Matters (continued)

Measurement of Insurance contract Liabilities (continued)

See Note 10 to the financial statements.

The key audit matter	How the matter was addressed in our audit
	• Testing on a sample basis, the completeness, accuracy and relevance of data used in actuarial models by reconciling to underlying accounting records. • With the support of our actuarial specialists, assessing the adequacy of the disclosures relating to insurance contract liabilities made in the Company's financial statements against the requirements of relevant accounting standards.

Other Matter – Relating to Comparative Information

The financial statements of the Company as at and for the year ended 31 December 2024, excluding the adjustments described in note 35 to the financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on 24 March 2025.

Other Information

Management is responsible for the other information. The other information comprises the Integrated Report, but does not include the financial statements and our auditors' report thereon. We obtained the Board of Directors' Report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Integrated Report after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the 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.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

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Report on Other Legal and Regulatory Requirements

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

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

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

iii) the Company has maintained proper books of account;

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

v) as disclosed in note 8 to the financial statements, the Company has purchased shares during the year ended 31 December 2025;

vi) note 22 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

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

Further, as required by Article (140) of the UAE Federal Decree-Law No. (6) of 2025, and the related Financial Regulations for Insurance Companies, we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit.

KPMG Lower Gulf Limited – SHJ BR

Adil Abid
Registration No.: 5541
Sharjah, United Arab Emirates
Date: 31 MAR 2026

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Statement of financial position
As at 31 December 2025

	Notes	2025 AED	Restated 2024 AED
Assets			
Property and equipment	5	**1,378,838**	1,986,479
Intangible assets	6	**233,391**	82,248
Investments properties	7	**48,245,000**	57,058,000
Investments at fair value through other comprehensive income (FVOCI)	8.1	**37,123,531**	39,810,338
Statutory deposits	9	**10,000,000**	10,000,000
Reinsurance contract assets	10	**23,078,258**	62,205,577
Prepayments and other receivables	11	**7,088,502**	4,160,488
Investments at fair value through profit or loss (FVTPL)	8.2	**210,039,557**	141,207,139
Cash and cash equivalents	12	**41,763,925**	35,589,361
Total assets		**378,951,002**	**352,099,630**
Equity and liabilities			
Capital and reserves			
Share capital	13	**150,000,000**	150,000,000
Statutory reserve	14.1	**62,912,859**	56,932,703
Voluntary reserve	14.2	**30,000,000**	30,000,000
Reinsurance reserve	14.3	**662,046**	525,687
Cumulative changes in fair value of FVOCI investments		**(93,702,258)**	(110,339,069)
Retained earnings		**164,433,563**	124,468,612
Total equity		**314,306,210**	251,587,933
Liabilities			
Provision for employees' end of service indemnity	15	**1,197,284**	1,159,310
Deferred tax liabilities	24	**1,725,626**	589,249
Lease liabilities	17	**707,368**	1,382,076
Insurance contract liabilities	10	**51,742,910**	88,681,048
Reinsurance contract liabilities	10	**1,461,293**	-
Income tax payable	24	**1,205,488**	-
Other payables	16	**6,604,823**	8,700,014
Total liabilities		**64,644,792**	100,511,697
Total equity and liabilities		**378,951,002**	352,099,630

Ahmed Mohamed Hamad Almidfa
Chairman

Comparative figures in the statement of financial position have been restated to conform to the current year presentation, refer to Note 35 for further details.

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

Sharjah Insurance Company P.S.C.
Financial statement

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

	Notes	**2025** **AED**	Restated 2024 AED
Insurance revenue	19	**39,560,565**	32,070,002
Insurance service income /(expenses)	20	**1,191,323**	(88,007,074)
Insurance service result before reinsurance contracts held		**40,751,888**	(55,937,072)
Allocation of reinsurance premiums		**(19,435,388)**	(21,618,018)
Amounts recoverable from reinsurance for incurred claims		**(22,722,900)**	69,330,338
Net (expense)/income from reinsurance contracts held		**(42,158,288)**	47,712,320
Insurance service result		**(1,406,400)**	(8,224,752)
Interest revenue calculated using the effective interest method	21	**413,318**	494,640
Income from investments at fair value	21	**66,810,382**	12,467,685
Income from investment in properties	21	**(2,068,288)**	6,054,729
Net investment income		**65,155,412**	19,017,054
Finance expense from insurance contracts issued	21	**(3,572,594)**	(1,746,647)
Finance income from reinsurance contracts held	21	**3,215,921**	1,411,121
Net insurance finance expense		**(356,673)**	(335,526)
Net insurance and investment results		**63,392,339**	10,456,776
General and administrative expenses	23	**(2,814,112)**	(5,092,286)
Finance cost		**(80,205)**	(108,747)
Profit for the year before tax		**60,498,022**	5,255,743
Taxation	24	**(696,466)**	(246,948)
Profit for the year after tax		**59,801,556**	5,008,795
Basic and diluted earnings per share (in Fils)	18	**39.87**	3.34

Comparative figures in the statement of profit or loss have been restated to conform to the current year presentation, refer to Note 35 for further details.

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

Statement of other comprehensive income
For the year ended 31 December 2025

	2025	2024
	AED	AED
Profit for the year after tax	**59,801,556**	5,008,795
Other comprehensive income before tax:		
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity instruments designated at FVOCI	**12,062,120**	4,255,575
Deferred tax relating to change in fair value	**(1,645,399)**	(342,304)
Other comprehensive income for the year after tax	**10,416,721**	3,913,271
Total Comprehensive Income For the Year after taxation	**70,218,277**	8,922,066

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

Statement of changes in shareholders' 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 FVOCI investments AED	Retained earnings AED	Total equity AED
Balance at 1 January 2024	150,000,000	56,431,823	30,000,000	393,969	(113,800,113)	130,140,188	253,165,867
Profit for the year after tax	-	-	-	-	-	5,008,795	5,008,795
Other comprehensive income for the year after tax	-	-	-	-	3,913,271	-	3,913,271
Transfer to retained earnings on disposal of investments designated at FVOCI	-	-	-	-	(452,227)	452,227	-
Total comprehensive income for the year after tax	-	-	-	-	3,461,044	5,461,022	8,922,066
Transfer to statutory reserves	-	500,880	-	-	-	(500,880)	-
Transfer to reinsurance reserve	-	-	-	131,718	-	(131,718)	-
Dividend (Note 33)	-	-	-	-	-	(10,500,000)	(10,500,000)
Balance at 1 January 2025	**150,000,000**	**56,932,703**	**30,000,000**	**525,687**	**(110,339,069)**	**124,468,612**	**251,587,933**
Profit for the year after tax	**-**	**-**	**-**	**-**	**-**	**59,801,556**	**59,801,556**
Other comprehensive income for the year after tax	**-**	**-**	**-**	**-**	**10,416,721**	**-**	**10,416,721**
Transfer to retained earnings on disposal of investments designated at FVOCI	**-**	**-**	**-**	**-**	**6,220,090**	**(6,220,090)**	**-**
Total comprehensive income for the year after tax	**-**	**-**	**-**	**-**	**16,636,811**	**53,581,466**	**70,218,277**
Transfer to statutory reserves	**-**	**5,980,156**	**-**	**-**	**-**	**(5,980,156)**	**-**
Transfer to reinsurance reserve	**-**	**-**	**-**	**136,359**	**-**	**(136,359)**	**-**
Dividend (Note 33)	**-**	**-**	**-**	**-**	**-**	**(7,500,000)**	**(7,500,000)**
Balance at 31 December 2025	**150,000,000**	**62,912,859**	**30,000,000**	**662,046**	**(93,702,258)**	**164,433,563**	**314,306,210**

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

Statement of cash flows
For the year ended 31 December 2025

	Notes	2025 AED	Restated 2024 AED
Operating activities			
Profit for the year before tax		**60,498,022**	5,255,743
Adjustments:			
Depreciation of property and equipment	5	**820,475**	784,093
Amortization of intangible assets	6	**54,422**	42,242
Provision for employee's end of service benefit	15	**148,211**	245,470
Provision for directors' remuneration	23	**750,000**	1,500,000
Fair value change on investment properties	7	**5,901,267**	(2,989,334)
Investment and other income, net		**(67,701,967)**	(12,964,221)
Gain on sale of property and equipment		**(3,422)**	(1,896)
Finance costs		**80,205**	108,747
Operating cash flow before change in working capital		**547,213**	(8,019,156)
Change in working capital:			
Net reinsurance contract assets		**39,127,319**	(41,775,875)
Net reinsurance contract liabilities		**1,461,293**	-
Net insurance contract liabilities		**(36,938,138)**	52,359,491
Prepayments and other receivables		**(2,928,014)**	1,099,329
Other payables		**(2,095,191)**	5,525,491
Cash generated from operations		**(825,518)**	9,189,280
Employees' end of service benefit paid	15	**(110,237)**	(55,490)
Directors' remuneration paid		**(750,000)**	(750,000)
Net cash (used in)/generated from operating activities		**(1,685,755)**	8,383,790
Investing activities			
Purchase of property and equipment	5	**(212,840)**	(120,496)
Purchase of intangible assets	6	**(205,566)**	(35,200)
Proceeds from disposal of assets		**3,428**	1,905
Purchase of investments designated at FVOCI	8.3	**(656,896)**	-
Purchase of investments designated at FVTPL	8.3	**(31,723,174)**	(18,130,288)
Proceeds from sale of investments designated at FVOCI		**15,405,823**	1,107,876
Proceeds from sales of investments designated at FVTPL		**18,424,659**	19,708,968
Proceeds from disposal of investment properties		**3,390,000**	-
Maturity in fixed deposit with bank	35	**-**	15,000,000
Dividend income received	21	**11,426,672**	9,303,799
Interest income received	21	**413,318**	494,640
Other investment expense, net		**(150,193)**	(85,212)
Net cash generated from investing activities		**16,115,231**	27,245,992
Financing activities			
Finance costs paid		**-**	(61,929)
Lease liabilities paid		**(754,912)**	(790,533)
Dividend paid		**(7,500,000)**	(10,500,000)
Net cash used in financing activities		**(8,254,912)**	(11,352,462)
Net increase in cash and cash equivalents during the year		**6,174,564**	24,277,320
Cash and cash equivalents at the beginning of the year		**35,589,361**	11,312,041
Cash and cash equivalents at the end of the year	12	**41,763,925**	35,589,361
Non-cash transactions, net			
Dividend in kind	21	**654,360**	1,896,000
Addition - right-of-use assets	5	-	2,073,924
Addition - Lease liabilities		-	2,073,924

Comparative figures in the statement of cash flows have been reclassified to conform to the current year presentation, refer to Note 35 for further details.

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

1. Legal status and activities

Sharjah Insurance Company P.S.C. - Sharjah (the "Company") is incorporated as a public shareholding company by an Amiri Decree issued by His Highness, The Ruler of Sharjah on 8 March 1970. The Company is subject to the regulations of U.A.E. UAE Federal Decree-Law No. 32 of 2021 as amended and Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, and the related Financial Regulations for Insurance Companies, and is registered in the Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") (formerly Insurance Authority of U.A.E.) under registration No.12. The Company operates through its head office in Sharjah and has a branch in Dubai. The address of the Company's registered office is P.O. Box 792, Sharjah, United Arab Emirates. The ultimate controlling party of the Company is Mr. Salem Abdullah Salem Al Hosani.

The principal activity of the Company is dealing in general insurance, property, non-property insurance, and life insurance.

2. Application of new and revised International Financial Reporting Standards ("IFRS") Accounting Standards as issued by IASB

New standards, interpretations, and amendments applied on the financial statements.

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

Title	Effective date
Amendment to IAS 21 – The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability	1 January 2025

These standards have been adopted by the Company and did not have a material impact on these financial statements.

Standards issued but not yet effective

The following are new and revised IFRS Accounting standards 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:

Title	Effective date
Amendment to IFRS 9 and 7 – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18 'Presentation and Disclosures in Financial Statements'	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 1- and IAS 28)	Available for optional adoption / effective date deferred indefinitely

3. Statement of compliance with IFRS

This financial statement is for the year ended 31 December 2025 and is presented in 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"). The financial statements also comply with the applicable requirements of UAE Federal Decree-Law No. 32 of 2021, as amended, and UAE Federal Decree-Law No. 6 of 2025, together with the related Financial Regulations for Insurance Companies and other regulations issued by the Central Bank of the UAE.

3. Statement of compliance with IFRS (continued)

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial assets at FVOCI, investment properties, and financial assets at FVTPL which are carried at fair value and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws. Insurance and reinsurance contract liabilities are measured using the Premium Allocation Approach (PAA) under IFRS 17. When contracts are onerous, a loss component is added to reflect the difference between the PAA liability and the fulfilment cash flows. The liability for incurred claims is measured using estimated fulfilment cash flows.

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, prepayments and other receivables, financial assets at FVTPL, income tax payable and other payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties and statutory deposit. The following balances are of mixed nature (including both current and non-current portions): financial assets at FVOCI, reinsurance contract assets, insurance contract assets, insurance contract liabilities, reinsurance contract liabilities, lease liabilities, deferred tax liabilities and provision for employees' end of service indemnity.

4. Material accounting policies

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of these financial statements are consistent with those used in the audited financial statements for the year ended 31 December 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations apply for the first time in 2025.

IFRS 17 Insurance Contracts

Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. Insurance contracts can also transfer financial risk.

Insurance and reinsurance contracts accounting treatment

Level of aggregation

IFRS 17 requires a Company to determine the level of aggregation for applying its requirements. The Company previously applied aggregation levels under IFRS 4, which were significantly higher than the level of aggregation required by IFRS 17. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Company identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Company makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Company has elected to group together those contracts that would fall into different groups only because law or regulation specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. The Company applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided into groups of contracts by quarter of issue and profitability for recognition and measurement purposes.

4. Material accounting policies (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation (continued)

Hence, within each quarter of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by the Company who take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Company, at regular intervals, determines the profitability groupings of each portfolio of contracts by collecting inputs from the pricing and underwriting functions and assess the relevant facts and circumstances which indicate that groups of contracts are onerous at initial recognition.

Below are some of the relevant facts and circumstances that the Company considers:

- Evaluation of expected combines ratios;
- Pricing information;
- Results of similar contracts it has recognized; and
- Environment factors, e.g., a change in market experience or regulations.

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition

The Company recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous.

The Company recognizes a group of reinsurance contracts held:

- If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract; and
- In all other cases, from the beginning of the coverage period of the group. The Company adds new contracts to the group when they are issued or initiated.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting year in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with service.

4. Material accounting policies (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Contract boundary (continued)

A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
- The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

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

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

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

- The extent of future cash flows related to any derivatives embedded in the contracts; and/or
- The length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed, plus or minus any amount arising from the derecognition at that date of the asset or liability recognised for insurance acquisition cash flows that the Company pays or receives before the group of insurance contracts is recognised. There is no allowance for time value of money as the premiums are mostly received within one year of the coverage period.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on to the same basis as insurance contracts that it issues, however, adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

4. Material accounting policies (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting year as the liability for remaining coverage at the beginning of the year:

- Plus, premiums received in the year;
- Minus capitalized insurance acquisition cash flows;
- Plus, any amounts relating to the amortization of the acquisition cash flows recognized as an expense in the reporting year for the group;
- Plus, any adjustment to the financing component, where applicable;
- Minus the amount recognized as insurance revenue for the coverage period; and
- Minus any investment component paid or transferred to the liability for incurred claims.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.
Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance service expenses).

Reinsurance contracts

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Insurance contracts – modification and derecognition

The Company derecognizes insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled, or expired); or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognizes the initial contract and recognizes the modified contract as a new contract.

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

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of insurance contracts issued and reinsurance contracts held on a portfolio basis. Accordingly, portfolios of insurance contracts issued that are in a net asset position and those in a net liability position are presented separately. Similarly, portfolios of reinsurance contracts held that are in a net asset position and those in a net liability position are presented separately.

Any assets or liabilities for insurance acquisition cash flows recognized before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts issued.

The Company disaggregates the total amount recognized in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

4. Material accounting policies (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

Presentation (continued)

The Company disaggregates the change in risk adjustment for non-financial risk between a financial and non-financial portion which will be presented in insurance finance income or expenses and in insurance service result respectively. The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

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

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

For the years presented, all revenue has been recognised on the basis of the passage of time.

Loss components

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

Insurance finance income and expense

Insurance finance income or expenses 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.

The Company recognises insurance finance income or expenses arising from insurance contracts directly in profit or loss. Insurance finance income or expenses comprise the effect of the time value of money and changes in the time value of money, as well as the effect of financial risk and changes in financial risk relating to insurance contracts. The Company does not disaggregate insurance finance income or expenses between profit or loss and other comprehensive income.

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of profit or loss the net income or expense from reinsurance contracts held. This includes the amounts expected to be recovered from reinsurers in respect of incurred claims and an allocation of the reinsurance premiums paid.

Reinsurance cash flows that are contingent on claims on the underlying insurance contracts are treated as part of the claims expected to be reimbursed under the reinsurance contracts held. Amounts relating to investment components and commissions are excluded from the allocation of reinsurance premiums presented in profit or loss.

4. Material accounting policies (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts

Definition, recognition and measurement

The Company issues contracts that transfer insurance risk. Insurance contracts are those contracts that transfer significant insurance risk.

Insurance contracts are classified into two main categories, depending on the duration of risk and whether or not the terms and conditions are fixed

Short-term insurance contracts

These contracts are medical, motor, property, engineering, and short-duration life insurance contracts.

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

Engineering Insurance is an insurance policy that covers a wide range of engineering related risks. It is a comprehensive insurance that provides complete protection against risks associated with erection, testing, and working of any machinery, plant or equipment.

Motor insurance comprises Comprehensive Insurance and Third-Party Insurance. Comprehensive Insurance covers the policy holder for any loss or damage to the policy holder's vehicle caused either by themselves or a third party. It also covers any third party for loss or damage caused by the policy holder. Third Party Insurance, on the other hand only covers the third party for any loss of damage caused by the policy holder.

Short-term insurance contracts (continued)

Property insurance contracts mainly compensate the Company's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Short-duration life insurance contracts (credit life) protect the Company's customers from the consequences of events that would affect the ability of the customer or customer's dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There is no maturity or surrender benefits.

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

Unallocated loss adjustment expense reserves correspond to the provision representing future claim expenses and related handling costs that are not case specific. It represents all other expenses and costs that are related to the adjudication of claims but cannot be assigned to a specific claim and is calculated based on recommendation of Company's external actuarial valuation report.

4. Material accounting policies (continued)

IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Insurance contracts (continued)

Reinsurance contracts

Contracts entered into by the Company with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts are classified as reinsurance contracts. Insurance contracts entered into by the Company under which the contract holder is another insurer are included with insurance contracts. The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance contract assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Insurance contract liabilities

Insurance contract liabilities towards outstanding claims are made for all claims intimated to the Company and still unpaid at the end of the reporting year, in addition for claims incurred but not reported.

The reinsurers' portion of the above outstanding claims and unearned premium is classified as reinsurance contract assets in the financial statements.

Salvage and subrogation reimbursements

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

Revenue recognition

Insurance contract income

Revenue from insurance contracts is measured under revenue recognition criteria stated under insurance contracts in these financial statements (Note 4 under insurance contracts).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Dividend income

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

Rental income

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

4. Material accounting policies (continued)

Foreign currencies

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

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

Employee benefits

Defined benefit plan

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

Defined contribution plan

The Company pays its obligations for UAE citizens into a Social Security and UAE Pension Fund in accordance with the Federal Law No. (57) of 2023 for Pension and Social Security.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any identified impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method proportionately. 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 Statement of profit or loss.

The useful lives considered in the calculation of depreciation for all the assets are 4 - 5 years. Right-of-use assets are depreciated over the lease term of 5 years.

4. Material accounting policies (continued)

Intangible assets

Intangible assets 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 4 years.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year in which they arise. Fair value is determined by an external independent valuator.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of income/loss in the year of retirement or disposal.

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.

Impairment of non-financial assets

At the end of each reporting year, the Company reviews the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use.

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

4. Material accounting policies (continued)

Impairment of non-financial assets (continued)

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

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.

Equity

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

Statutory reserve is required to be created by UAE Federal Decree Law No. (32) of 2021 as described in Note 14.1.

As per Articles of Association, voluntary reserve can be created upon a recommendation of the Board of Directors Note 14.2.

Reinsurance reserve is required to be created in accordance with Insurance Authority's Board of Directors' Decision No. 23 Article 34 of 2019 as described in Note 14.3.

Retained earnings include current year profit and all prior years retained profits.

Leases

Company as lessee

At lease commencement date, the Company recognises a right of use asset and a lease liability on the statement of financial position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Company also assesses the right of use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

4. Material accounting policies (continued)

Leases (continued)

Company as lessee (continued)

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right of-use asset, or profit and loss if the right of use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property and equipment and lease liabilities have been included in as a separate line item as lease liabilities.

Company as lessor

As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Financial Instruments

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 Statement of 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 Company'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 (FVOCI);

(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 FVOCI 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 policies (continued)

Cash and bank and other receivables

Cash and bank, and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

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

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

Financial assets at FVTPL are measured at fair value at the end of each reporting year, with any gains or losses arising on remeasurement recognised in statement of income. Fair value is determined in the manner described in note 28.

A financial asset is held-for-trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividend income on investments in equity instruments at FVTPL is recognised in profit or loss when the Company's right to receive the dividends is established in accordance with IFRS 15 Revenue, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial assets designated at fair value through other comprehensive income (FVOCI)

At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at fair value through other comprehensive income. Designation at fair value through other comprehensive income is not permitted if the equity investment is held for trading.

Investments in equity instruments at fair value through other comprehensive income 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 in equity. When the FVOCI-equity instruments are disposed of, the cumulative gain or loss previously accumulated in the cumulative changes in fair value in equity is not reclassified to profit or loss but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established in accordance with IFRS 15 Revenue.

4. Material accounting policies (continued)

Reclassifications

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting year following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting year, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

The Company recognises loss allowances for expected credit losses (ECL) on bank balances including statutory and fixed deposits and other receivables that are not measured at FVTPL.

No impairment loss is recognised on equity investments.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company recognises loss allowances for bank balances, including statutory and fixed deposits, and other financial receivables based on an expected credit loss approach.

For bank balances and deposits, loss allowances are measured based on expected credit losses that reflect the credit risk of the counterparty, taking into account the nature of the exposure and its short-term maturity.

Loss allowance for financial investments measured at amortised costs are deducted from gross carrying amount of assets.

In measuring expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes quantitative and qualitative information, based on historical experience, current conditions and forward-looking information.

Loss allowances related to bank balances and other financial receivables are recognised in profit or loss.

4. Material accounting policies (continued)

Measurement of ECL

The Company assesses credit risk and measures expected credit losses using a forward-looking approach that incorporates reasonable and supportable information available without undue cost or effort. This assessment considers historical experience, current conditions and forward-looking information that may affect the expected collectability of future cash flows.

For financial assets subject to expected credit loss assessment, a distinction is made between exposures for which credit risk has not increased significantly since initial recognition and exposures for which credit risk has increased significantly since initial recognition.

For exposures where credit risk has not increased significantly since initial recognition, expected credit losses are measured based on losses that result from default events that are possible within the next twelve months. For exposures where credit risk has increased significantly since initial recognition, expected credit losses are measured over the expected life of the financial asset.

Expected credit losses represent a probability-weighted estimate of credit losses and reflect the present value of expected shortfalls in contractual cash flows.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Company assesses whether financial assets carried at amortized costs are credit impaired.

Derecognition of financial assets

The Company derecognizes 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 recognizes 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 recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received, and receivable is recognised in Statement of profit or loss.

On derecognition of a financial asset that is classified as FVOCI equity investment, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to Statement of profit or loss but is reclassified to retained earnings.

4. Material accounting policies (continued)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

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.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, 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. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized with in fair value hierarchy, based on the lowest level of input that is significant to the fair value measurement as a whole.

In addition, for financial reporting purposes, fair value measurements are categorized 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 measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

4. Material accounting policies (continued)

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 tax

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 tax

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 profit or loss and other comprehensive income in which case it is included in statement of profit or loss and other comprehensive income.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 4 to 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 recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

4. Material accounting policies (continued)

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

Classification of investments

Management decides on acquisition of an investment whether it should be classified as FVTPL or FVOCI. The Company classifies investments at FVTPL if they are acquired primarily for the purpose of making a short-term profit by the dealers.

Equity instruments are classified as financial assets measured at FVOCI when they are considered by management to be strategic equity investments that are not held to benefit from changes in their fair value and are not held for trading.

Management is satisfied that the Company's investments in securities are appropriately classified.

Business model assessment

The classification and measurement of financial assets are determined based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of those assets.

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment involves the exercise of judgement and considers all relevant and objective evidence, including how the performance of financial assets is evaluated and reported to key management personnel, how risks affecting performance are identified and managed, and how managers responsible for managing the financial assets are compensated.

As part of this assessment, the Company monitors financial assets that are derecognised prior to contractual maturity in order to understand the reasons for their disposal and to assess whether such disposals are consistent with the business objectives for which the assets are held. This monitoring forms part of the Company's ongoing assessment of whether the business model applied to the remaining financial assets continues to be appropriate.

Where the business model is no longer appropriate, a change in business model is identified and the classification of the affected financial assets is revised prospectively. No changes in business model were identified during the years presented.

Classification of properties

In the process of classifying properties, management has made various judgments. Judgments are needed to determine whether a property qualifies as an investment property, property and equipment, property under development and/or property held for sale. Management develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property and equipment, property under development and property held for sale. In making its judgment, management has considered the detailed criteria and related guidance set out in IAS 2 – Inventories, IAS 16 – Property, Plant and Equipment, and IAS 40 – Investment Property, with regards to the intended use of the property.

4. Material accounting policies (continued)

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

Key sources of estimation uncertainty

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

The ultimate liability arising from claims made under insurance contracts

The estimation of ultimate liability arising from the claims made under insurance contracts is the Company's most critical accounting estimate. There are sources of uncertainty that need to be considered in the estimate of the liability that the Company will eventually pay for such claims. Estimates have to be made both for the expected ultimate cost of claims reported and for the expected ultimate cost of claims incurred but not reported ("IBNR") at the end of each reporting year. Liabilities for unpaid reported claims are estimated using the input of assessments for individual cases reported to the Company and management estimates based on external actuarial assessment, taking into account the historical data of the claims reported and settlement pattern. Such method takes into account the best estimates of the future contractual cash flows estimated based on the historical data. At the end of each reporting year, prior year claims estimates are reassessed for adequacy and changes are made to the provision.

Insurance and reinsurance contracts

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

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to capitalize all acquisition cashflows including for commission expense.

Liability for incurred claims

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

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 policies (continued)

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

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 uses 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:

Financial year	1 year	5 years	10 years	20 years	30 years
31 December 2025	5%	5%	5%	5%	5%
31 December 2024	6.25%	6.25%	6.25%	6.25%	6.25%
31 December 2023	5%	5%	5%	5%	5%
31 December 2022	5%	5%	5%	5%	5%

Risk adjustment for non-financial risk

The Company use Mack method or bootstrapping to determine its risk adjustment for non-financial risk. The bootstrap effectively allows the Company to measure the uncertainty about the amount and timing of the cash flows that arise from non-financial risk since bootstrapping the triangles aims to illustrate the variability of the paid claims.

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

4. Material accounting policies (continued)

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

Key sources of estimation uncertainty (continued)

Revaluation of investment properties

Investment properties are measured at fair value, with changes in fair value recognised in profit or loss. Fair value is determined annually by independent external valuation specialists engaged by the Company.

The fair value of plots of land is determined using market-based valuation techniques, which reflect recent transaction prices for similar properties, adjusted for location, size and other relevant characteristics. The fair value of buildings is determined using income-based valuation techniques, which involve estimating future cash flows and applying appropriate capitalisation or discount rates.

In estimating the fair value of investment properties, management applies judgement in assessing the appropriateness of the valuation methodologies and the key assumptions used. These assumptions include, among others, market rental rates, occupancy levels, operating costs, capitalisation rates and discount rates. The highest and best use of the investment properties is considered to be their current use.

Changes in the key assumptions could result in a material change in the fair value of investment properties in future periods.

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

The measurement of expected credit losses involves significant judgement and estimation uncertainty, including the selection of methodologies, models and data inputs used to estimate credit losses.

In measuring expected credit losses, the Company considers reasonable and supportable information that is available without undue cost or effort, including historical credit loss experience, current conditions and forward-looking information. Key inputs used in the estimation process may include assumptions relating to the likelihood of default, the timing of default events, the exposure at the time of default and the extent of losses expected to be incurred if default occurs.

The Company regularly reviews and validates the models and assumptions used in measuring expected credit losses to ensure that they remain appropriate and that differences between estimated credit losses and actual outcomes are minimised.

Changes in assumptions or estimation techniques could result in a material adjustment to the expected credit loss allowance in future periods.

5 Property and equipment

	Decoration and office improvements AED	Furniture, office equipment and motor vehicles AED	Right of use assets - building AED	Total AED
Cost				
At 1 January 2024	1,720,475	4,207,634	3,511,825	9,439,934
Additions during the year	18,000	102,496	2,073,924	2,194,420
Disposals during the year	-	(34,383)	(3,392,355)	(3,426,738)
At 31 December 2024	1,738,475	4,275,747	2,193,394	8,207,616
Additions during the year	**998**	**211,842**	**-**	**212,840**
Disposals during the year	**-**	**(10,915)**	**(125,787)**	**(136,702)**
At 31 December 2025	**1,739,473**	**4,476,674**	**2,067,607**	**8,283,754**
Accumulated depreciation				
At 1 January 2024	1,720,475	4,052,680	3,090,619	8,863,774
Charge for the year	217	86,756	697,120	784,093
Disposals during the year	-	(34,375)	(3,392,355)	(3,426,730)
At 31 December 2024	1,720,692	4,105,061	395,384	6,221,137
Charge for the year	**4,794**	**108,906**	**706,775**	**820,475**
Disposals during the year	**-**	**(10,909)**	**(125,787)**	**(136,696)**
At 31 December 2025	**1,725,486**	**4,203,058**	**976,372**	**6,904,916**
Net book value				
At 31 December 2025	**13,987**	**273,616**	**1,091,235**	**1,378,838**
At 31 December 2024	17,783	170,686	1,798,010	1,986,479

6 Intangible assets

	Computer software AED
Cost	
At 31 December 2023	949,537
Additions during the year	35,200
At 31 December 2024	984,737
Additions during the year	**205,566**
At 31 December 2025	**1,190,303**
Accumulated amortization	
At 31 December 2023	860,247
Charge for the year	42,243
At 31 December 2024	902,490
Charge for the year	**54,422**
At 31 December 2025	**956,912**
Carrying amount	
At 31 December 2025	**233,391**
At 31 December 2024	82,248

7 Investments properties

	2025 AED	2024 AED
Fair value at the beginning of the year	**57,058,000**	54,068,666
Disposal	**(2,911,733)**	-
Change in fair value during the year	**(5,901,267)**	2,989,334
	48,245,000	57,058,000

i. During the year, the Company received official letter from the Department of Town Planning and Survey, Government of Sharjah, that the land area of its plot No. 807 located in Al Khan has been revised. The actual area has decreased to 1,021.5 square meters (10,995 sq. ft.) 1,169.7 square meters (12,059 sq. ft.), resulting in a reduction of 148.2 square meters. The title deed is yet to be updated to reflect the revised land area as of the reporting date. The Company has an overdraft facility amounting to AED 5,000,000, for which this property has been pledged as security through a mortgage.

ii. During the year, the Company sold three (3) souq shops No. 20 & 21 in block 2, & Shop No. 16 in block 7, located in Sharjah, UAE with the realized gain of AED 1,260,000 (31 December 2024: Nil).

Details of the Company's investment properties and their fair values are as follows:

	2025 AED	2024 AED
Shops located in Sharjah, U.A.E	**37,585,000**	44,975,000
Plots of land located in Sharjah, U.A.E	**4,618,000**	6,170,000
Villas located in Sharjah, U.A.E	**2,992,000**	2,963,000
Building located in Sharjah, U.A.E.	**3,050,000**	2,950,000
	48,245,000	57,058,000

7 Investments properties (continued)

Measurement of fair value

i. Fair value hierarchy

The fair value of the Company's investment properties has been arrived at on the basis of valuations carried by independent external valuers who have appropriate market experience in the valuation of properties in the United Arab Emirates.

The fair value was determined based on the acceptable approach that reflects recent transactions prices for similar properties, and income approach for other properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Investment properties are classified as Level 3 in the fair value hierarchy as at 31 December 2025 (31 December 2024: Level 3) and are located in U.A.E.

ii. Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property and significant unobservable inputs used.

Valuation Technique	Significant unobservable input	Fair value measurement sensitivity to unobservable inputs
Market Approach (Sales Comparison Method)	Observable: Comparable sales prices from active markets, market trends. Unobservable: Adjustments for location, property condition, plot size, and market demand, and market rent adapted range. 2025: AED 420 per sq. ft. on the plot area for land (2024: AED 490 per sq. ft. on the plot area for land)	An increase in comparable price per sq. ft. or more favorable market trends would increase the fair value, and vice versa
Income Approach (Income Capitalisation / Rental Method)	Observable: Market rental rates, capitalization rates (yield), Unobservable: Expected future occupancy, operating expenses, tenant-specific adjustments, and market-driven capitalization rate for shops and building of 8.5% and 8% in 2025, respectively (2024: 6.75% and 7.5%, respectively).	Higher rental income or lower capitalization rate would increase the fair value.
Cost Approach (Depreciated Replacement Cost)	Observable: Replacement cost estimates from market construction data, land values. Unobservable: Depreciation factors, building condition adjustments	Higher replacement cost or lower depreciation would increase the fair value.

7 Investments properties (continued)

Rental income and maturity of lease payments

The property rental income earned by the Company from its investment properties and the direct operating expenses related to the investment properties are as follows:

	2025	2024
	AED	AED
Rental income	**3,609,935**	3,264,500
Direct operating expenses	**(258,645)**	(201,001)
Net income from investment properties (Note 21)	**3,351,290**	3,063,499

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be received after the reporting date.:

	2025	2024
	AED	AED
Less than one year	**1,516,618**	1,466,586
One to two years	**-**	-
Total	**1,516,618**	1,466,586

All existing lease agreements are short-term in nature and are expected to mature within one year from the reporting date. Accordingly, no lease payments are receivable beyond one year.

8 Investment in securities

8.1 Investment carried at fair value through other comprehensive income (FVOCI)

	2025	2024
	AED	AED
Quoted securities	**32,176,890**	34,956,121
Unquoted securities	**4,946,641**	4,854,217
	37,123,531	39,810,338
Within U.A.E	**6,336,398**	12,791,830
In other GCC countries	**30,787,133**	27,018,508
	37,123,531	39,810,338

8.2 Investment carried at fair value through profit or loss (FVTPL)

	2025	2024
	AED	AED
Quoted securities	**210,039,557**	141,159,034
Unquoted securities	**-**	48,105
	210,039,557	141,207,139
Within U.A.E	**154,364,156**	93,395,237
In other GCC countries	**55,675,401**	47,811,902
	210,039,557	141,207,139

The electronic custody of investments designated at FVTPL with fair value of AED 68.02 million (31 December 2024: 41.04 million) are transferred to the bank's appointed broker as security against credit facility granted to the Company (Note 12).

8 Investment in securities (continued)

8.3 Movement in the financial investments

	FVTPL	FVOCI	Total
	AED	AED	AED
At 1 January 2024	139,534,825	36,662,639	176,197,464
Additions	18,130,288	-	18,130,288
Dividend in kind – Shares	1,896,000	-	1,896,000
Disposals	(17,278,617)	(655,646)	(17,934,263)
Changes in fair value	(1,075,357)	3,803,345	2,727,988
As at 31 December 2024	141,207,139	39,810,338	181,017,477
Additions	**31,723,174**	**656,896**	**32,380,070**
Dividend in kind – Shares*	**654,360**	**-**	**654,360**
Disposals	**(15,420,075)**	**(15,405,823)**	**(30,825,898)**
Changes in fair value	**51,874,959**	**12,062,120**	**63,937,079**
As at 31 December 2025	**210,039,557**	**37,123,531**	**247,163,088**

*The Company has received dividend in-kind from Agility Public Warehousing ("Investee"), the share of its wholly owned subsidiary namely Agility Global PLC. As per the authorization given by the Investees ordinary general meeting held on 22 May 2025, every shareholder registered in the Investee's records at the end of the reporting date will receive 82 shares of Agility Global PLC for every 100 shares held in the Investee.

9 Statutory deposits

In accordance with the Federal Decree Law No. (6) of 2025 concerning the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, the Company maintains a bank deposit of AED 10 million (2024: AED 10 million) as a statutory deposit. This deposit cannot be withdrawn without prior approval of the CBUAE and yields an interest rate per annum ranging from 3.2% to 4.1% (2024: ranging from 3.3% to 5.0%).

10 Insurance and reinsurance contracts

The breakdown of the portfolio of insurance and reinsurance contracts issued and reinsurance contracts held are shown at a group of contracts level as shown in the table below:

	31 December 2025			31 December 2024		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED	**AED**	**AED**	AED	AED	AED
Insurance contracts issued						
Commercial Fire & Allied Lines	**(916,862)**	**18,332,234**	**17,415,372**	(1,595,664)	44,305,339	42,709,675
Marine Cargo	**-**	**267,577**	**267,577**	(147,171)	283,157	135,986
Marine Hull	**(75,324)**	**802,713**	**727,389**	(71,894)	796,022	724,128
Personal Motor Comprehensive	**(345,933)**	**22,140,762**	**21,794,829**	(862)	28,469,791	28,468,929
Personal Motor Third Party	**(44,119)**	**1,871,013**	**1,826,894**	(2,028)	1,625,419	1,623,391
Engineering & Construction	**(277,050)**	**7,029,415**	**6,752,365**	(137,230)	10,947,474	10,810,244
Others	**(230,366)**	**3,188,850**	**2,958,484**	(280,936)	4,489,631	4,208,695
Total insurance contracts issued	**(1,889,654)**	**53,632,564**	**51,742,910**	(2,235,785)	90,916,833	88,681,048

10 Insurance and reinsurance contracts (continued)

	31 December 2025			31 December 2024		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED	**AED**	**AED**	AED	AED	AED
Reinsurance contracts held						
Commercial Fire & Allied Lines	**(16,190,448)**	**2,261,285**	**(13,929,163)**	(40,580,767)	3,500,883	(37,079,884)
Marine Cargo	**(229,837)**	**1,287**	**(228,550)**	(234,342)	169,991	(64,351)
Marine Hull	**(693,106)**	**11,349**	**(681,757)**	(647,980)	107,179	(540,801)
Personal Motor Comprehensive	**(4,374,231)**	**5,835,524**	**1,461,293**	(15,725,129)	2,260,877	(13,464,252)
Personal Motor Third Party	**(862,536)**	**233,073**	**(629,463)**	(599,044)	146,399	(452,645)
Engineering & Construction	**(5,978,790)**	**929,290**	**(5,049,500)**	(8,892,855)	1,235,843	(7,657,012)
Others	**(2,651,197)**	**91,372**	**(2,559,825)**	(3,160,786)	214,154	(2,946,632)
Total reinsurance contracts held	**(30,980,145)**	**9,363,180**	**(21,616,965)**	(69,840,903)	7,635,326	(62,205,577)

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 pages.

10 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.

31 December 2025 (Audited)	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component AED	Loss component – onerous contracts AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	**6,742,574**	**1,651,101**	**76,920,726**	**5,602,432**	**90,916,833**
Insurance contract assets as at 1 January	**(1,842,608)**	**10,247**	**(369,414)**	**(34,010)**	**(2,235,785)**
Net insurance contract liabilities as at 1 January	**4,899,966**	**1,661,348**	**76,551,312**	**5,568,422**	**88,681,048**
Insurance revenue	**(39,560,565)**	**-**	**-**	**-**	**(39,560,565)**
Insurance service expenses:					
Incurred claims and other expenses	**-**	**-**	**38,191,277**	**-**	**38,191,277**
Changes to liabilities for incurred claims*	**-**	**-**	**(35,280,004)**	**(4,051,594)**	**(39,331,598)**
Losses on onerous contracts and reversals of those losses	**-**	**(1,183,486)**	**-**	**-**	**(1,183,486)**
Amortisation of insurance acquisition cash flows	**1,132,484**	**-**	**-**	**-**	**1,132,484**
Insurance service result	**(38,428,081)**	**(1,183,486)**	**2,911,273**	**(4,051,594)**	**(40,751,888)**
Finance expense from insurance contracts issued	**-**	**-**	**3,294,173**	**278,421**	**3,572,594**
Total changes in the statement of comprehensive income	**(38,428,081)**	**(1,183,486)**	**6,205,446**	**(3,773,173)**	**(37,179,294)**
Cash flows					
Premiums received	**43,717,916**	**-**	**-**	**-**	**43,717,916**
Claims and other directly attributable expenses paid	**-**	**-**	**(40,538,478)**	**-**	**(40,538,478)**
Insurance acquisition cash flows paid	**(2,938,280)**	**-**	**-**	**-**	**(2,938,280)**
Total cash flows	**40,779,636**	**-**	**(40,538,478)**	**-**	**241,158**
Insurance contract liabilities as at 31 December	**8,585,085**	**472,103**	**42,753,657**	**1,821,719**	**53,632,564**
Insurance contract assets as at 31 December	**(1,333,565)**	**5,759**	**(535,379)**	**(26,469)**	**(1,889,654)**
Net insurance contract liabilities as at 31 December	**7,251,520**	**477,862**	**42,218,278**	**1,795,250**	**51,742,910**

* Changes to liabilities for incurred claims includes changes to liabilities of past and current service

10 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)

31 December 2024 (Audited)	Liabilities for remaining coverage (LRC)		Liabilities for incurred claims (LIC)		
	Excluding loss component AED	Loss component – onerous contracts AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	5,955,633	987,179	29,759,152	2,325,349	39,027,313
Insurance contract assets as at 1 January	(2,535,198)	50,489	(206,476)	(14,573)	(2,705,758)
Net insurance contract liabilities as at 1 January	3,420,435	1,037,668	29,552,676	2,310,776	36,321,555
Insurance revenue	(32,070,002)	-	-	-	(32,070,002)
Insurance service expenses:					
Incurred claims and other expenses	-	-	44,409,380	-	44,409,380
Changes to liabilities for incurred claims*	-	-	38,645,642	3,113,223	41,758,865
Losses on onerous contracts and reversals of those losses	-	623,679	-	-	623,679
Amortisation of insurance acquisition cash flows	1,215,150	-	-	-	1,215,150
Insurance service result	(30,854,852)	623,679	83,055,022	3,113,223	55,937,072
Finance expense from insurance contracts issued	-	-	1,602,223	144,424	1,746,647
Total changes in the statement of comprehensive income	(30,854,852)	623,679	84,657,245	3,257,647	57,683,719
Cash flows					
Premiums received	33,174,357	-	-	-	33,174,357
Claims and other directly attributable expenses paid	-	-	(37,658,610)	-	(37,658,610)
Insurance acquisition cash flows paid	(839,973)	-	-	-	(839,973)
Total cash flows	32,334,384	-	(37,658,610)	-	(5,324,226)
Insurance contract liabilities as at 31 December	6,742,574	1,651,101	76,920,726	5,602,432	90,916,833
Insurance contract assets as at 31 December	(1,842,608)	10,247	(369,414)	(34,010)	(2,235,785)
Net insurance contract liabilities as at 31 December	4,899,966	1,661,348	76,551,312	5,568,422	88,681,048

* Changes to liabilities for incurred claims includes changes to liabilities of past and current service

10 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:

31 December 2025 (Audited)	Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims (AIC)		
	Excluding loss component AED	Loss component – onerous contracts AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract liabilities as at 1 January	**8,595,689**	**(1,244,119)**	**258,092**	**25,664**	**7,635,326**
Reinsurance contract assets as at 1 January	**(365,205)**	**(129,298)**	**(64,290,824)**	**(5,055,576)**	**(69,840,903)**
Net reinsurance contract liabilities/(assets) as at 1 January	**8,230,484**	**(1,373,417)**	**(64,032,732)**	**(5,029,912)**	**(62,205,577)**
An allocation of reinsurance premiums	**19,435,388**	**-**	**-**	**-**	**19,435,388**
Amounts recoverable from reinsurance for incurred claims:					
Amounts recoverable for incurred claims and other expenses	**-**	**-**	**(17,293,858)**	**-**	**(17,293,858)**
Changes to amounts recoverable for incurred claims*	**-**	**-**	**34,935,095**	**3,873,496**	**38,808,591**
Loss recovery on onerous underlying contracts & adjustment	**-**	**1,181,594**	**-**	**-**	**1,181,594**
Changes in non-performance risk of reinsurer	**26,573**	**-**	**-**	**-**	**26,573**
Net expense from reinsurance contracts	**19,461,961**	**1,181,594**	**17,641,237**	**3,873,496**	**42,158,288**
Finance income from reinsurance contracts held	**-**	**-**	**(2,964,425)**	**(251,496)**	**(3,215,921)**
Total changes in the condensed statement of comprehensive income	**19,461,961**	**1,181,594**	**14,676,812**	**3,622,000**	**38,942,367**
Cash flows					
Premiums paid	**(23,067,757)**	**-**	**-**	**-**	**(23,067,757)**
Claims and other directly attributable expenses received	**-**	**-**	**22,020,561**	**-**	**22,020,561**
Reinsurance ceding commission cash flows	**2,693,441**	**-**	**-**	**-**	**2,693,441**
Total cash flows	**(20,374,316)**	**-**	**22,020,561**	**-**	**1,646,245**
Reinsurance contract liabilities as at 31 December	**9,110,679**	**(166,558)**	**399,063**	**19,996**	**9,363,180**
Reinsurance contract assets as at 31 December	**(1,792,550)**	**(25,265)**	**(27,734,422)**	**(1,427,908)**	**(30,980,145)**
Net reinsurance contract liabilities/(assets) as at 31 December	**7,318,129**	**(191,823)**	**(27,335,359)**	**(1,407,912)**	**(21,616,965)**

* Changes to liabilities for incurred claims includes changes to liabilities of past and current service

10 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):

31 December 2024 (Audited)	Assets for remaining coverage (ARC)		Amounts recoverable on incurred claims (AIC)		
	Excluding loss component AED	Loss component – onerous contracts AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract liabilities as at 1 January	3,001,987	(30,031)	685,496	9,666	3,667,118
Reinsurance contract assets as at 1 January	(3,647,781)	(404,609)	(18,077,176)	(1,967,254)	(24,096,820)
Net reinsurance contract assets as at 1 January	(645,794)	(434,640)	(17,391,680)	(1,957,588)	(20,429,702)
An allocation of reinsurance premiums (Restated)	21,618,018	-	-	-	21,618,018
Amounts recoverable from reinsurance for incurred claims: (Restated)					
Amounts recoverable for incurred claims and other expenses	-	-	(28,079,036)	-	(28,079,036)
Changes to amounts recoverable for incurred claims*	-	-	(37,379,392)	(2,949,975)	(40,329,367)
Loss recovery on onerous underlying contracts & adjustment	-	(938,779)	-	-	(938,779)
Changes in non-performance risk of reinsurer	16,844	-	-	-	16,844
Net (revenue)/expense from reinsurance contracts	21,634,862	(938,779)	(65,458,428)	(2,949,975)	(47,712,320)
Finance income from reinsurance contracts held	-	-	(1,288,772)	(122,349)	(1,411,121)
Total changes in the condensed statement of comprehensive income	21,634,862	(938,779)	(66,747,200)	(3,072,324)	(49,123,441)
Cash flows					
Premiums paid	(19,768,864)	-	-	-	(19,768,864)
Claims and other directly attributable expenses received	-	-	20,106,148	-	20,106,148
Reinsurance ceding commission cash flows	7,010,282	-	-	-	7,010,282
Total cash flows	(12,758,582)	-	20,106,148	-	7,347,566
Reinsurance contract liabilities as at 31 December	8,595,691	(1,244,121)	258,092	25,664	7,635,326
Reinsurance contract assets as at 31 December	(365,205)	(129,298)	(64,290,824)	(5,055,576)	(69,840,903)
Net reinsurance contract liabilities/(assets) as at 31 December	8,230,486	(1,373,419)	(64,032,732)	(5,029,912)	(62,205,577)

* Changes to liabilities for incurred claims includes changes to liabilities of past and current service

Comparative figures in the statement of financial position have been restated to conform to the current year presentation, refer to Note 35 for further details.

10 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

	2023 & prior AED	2024 AED	**2025 AED**	**Total AED**
At the end of each reporting year	117,401,699	80,708,535	**23,300,023**	**221,410,257**
One year later	115,604,517	57,031,702	**-**	**172,636,219**
Two years later	107,343,855	-		**107,343,855**
Estimate of cumulative claims	107,343,855	57,031,702	**23,300,023**	**187,675,580**
Cumulative payments to date	95,598,249	42,261,814	**14,452,628**	**152,312,691**
Total gross undiscounted liabilities for incurred claims	11,745,606	14,769,888	**8,847,395**	**35,362,889**
Unallocated loss adjustment expense reserve				**706,139**
Events not in data				**452,322**
Claims payable				**8,320,661**
Total gross undiscounted liabilities for incurred claims				**44,842,012**
Effect of discounting				**(2,623,733)**
Total discounted gross reserves included in the statement of financial position				**42,218,279**
Risk Adjustments				**1,795,250**
Total liability for incurred claims				**44,013,529**

Net insurance contract liabilities at 31 December 2025

	2023 and prior AED	2024 AED	**2025 AED**	**Total AED**
At the end of each reporting year	44,550,678	8,774,772	**12,537,387**	**65,862,837**
One year later	43,482,300	8,599,324	**-**	**52,081,624**
Two years later	41,735,701	-	**-**	**41,735,701**
Estimate of cumulative claims	41,735,701	8,599,324	**12,537,387**	**62,872,412**
Cumulative payments to date	40,500,884	7,776,504	**8,042,044**	**56,319,432**
Total gross undiscounted liabilities for incurred claims	1,234,817	822,820	**4,495,343**	**6,552,980**
Unallocated loss adjustment expense reserve				**706,139**
Claims payable				**8,303,137**
Total gross undiscounted liabilities for incurred claims				**15,562,257**
Effect of discounting				(679,336)
Total discounted gross reserves included in the statement of financial position				**14,882,920**
Risk Adjustments				**595,237**
Total liability for incurred claims				**15,270,259**

11 Prepayments and other receivables

	2025	2024
	AED	AED
Investment custodian receivable	**3,145,049**	601
Bank guarantee	**1,449,195**	1,201,986
Rental receivables, net of expected credit losses*	**831,998**	1,356,362
Prepayments	**789,802**	552,148
Accrued interest	**245,727**	231,072
Other receivables	**626,731**	818,323
	7,088,502	4,160,492

The rental receivables are stated net of expected credit losses amounting to AED 336,122 (31 December 2024: AED Nil).

12 Cash and cash equivalents

	2025	2024
	AED	AED
Cash on hand	**62,087**	1,681
Portfolio accounts	**-**	612,357
Short-term deposit with bank	**-**	10,000,000
Current and call accounts	**41,701,838**	24,975,323
Cash and cash equivalents	**41,763,925**	35,589,361
Banks in UAE	**34,214,830**	31,949,599
Banks in other G.C.C countries	**7,549,095**	3,639,762
Bank balances and cash	**41,763,925**	35,589,361

The interest rate on fixed deposits with banks is ranging from 3.2% to 4.1% (2024: ranging from 3.30 % to 4.35%) per annum. All fixed deposits are held in local banks in the United Arab Emirates.

Bank overdrafts facility
The Company has an active bank overdraft facility which was not utilized during the year ended 31 December 2025 or as at 31 December 2024. This facility provides additional short-term liquidity if required.

The Company availed bank overdrafts facility which is secured by electronic custody of investments designated at FVTPL having fair value of AED 68.02 million (31 December 2024: AED 41.04 million), by the bank's appointed broker. Interest is payable at 1-month EIBOR plus 1.5% per annum.

The Company has an overdraft facility amounting to AED 5,000,000. This facility is collateralized by a mortgage on the property. The property, identified as Plot No-807 located at Al Khan, Sharjah, UAE., is a regular rectangular-shaped plot with an area of 1,021.5 square meters (10,995 sq. ft.) classified under investment property. Interest is payable at 1-month EIBOR plus 2% per annum.

13 Share capital

	2025 AED	2024 AED
Issued, subscribed and fully paid-up 150 million ordinary shares of AED 1 each	**150,000,000**	150,000,000

14 Reserves

14.1 Statutory reserve

In accordance with the UAE Federal Law No. (32) of 2021 concerning Commercial Companies and the Company's Articles of Association, 10% of profit is to be transferred to non-distributable legal reserve. The general assembly may suspend such transfer whenever the balance of the legal reserve equals 50% of the Company's paid up share capital. This reserve is not available for distribution except as stipulated by the Law.

14.2 Voluntary reserve

As per Articles of Association, voluntary reserve can be created upon a recommendation of the Board of Directors and this reserve cannot be utilized for any other purpose unless approved by the Ordinarily General meeting. No transfer to voluntary reserve is made during 2024 and 2025.

14.3 Reinsurance reserve

In accordance with Insurance Authority's Board of Directors' Decision No. 23 Article 34 of 2019, an amount of AED 136,359 (2024 AED 131,718) was transferred from retained earnings to reinsurance reserve. The reserve is not available for distribution and will not be disposed of without prior written approval of Assistant Governor - Insurance Supervision Sector of the Central Bank of the United Arab Emirates (CBUAE).

15 Provision for employees' end of service indemnity

Movements in the net liability were as follows:

	2025 AED	2024 AED
Balance at 1 January	**1,159,310**	969,330
Charge for the year	**148,211**	245,470
Amounts paid during the year	**(110,237)**	(55,490)
Balance at 31 December	**1,197,284**	1,159,310

16 Other payables

	2025 AED	2024 AED
Security deposits	**2,285,327**	1,837,381
Rent received in advance	**1,696,620**	1,638,585
Accrued operating expenses	**1,398,025**	4,063,392
Directors' remuneration payable	**750,000**	750,000
Employee related accruals	**244,160**	217,408
Others	**230,691**	193,248
	6,604,823	8,700,014

17 Lease liabilities

Lease liabilities are included in the statement of financial position as follows:

	2025	2024
	AED	AED
Current	**707,368**	321,138
Non-current	**-**	1,060,938
Total lease liabilities	**707,368**	1,382,076

The Company has leased a building which is recognised as right-of use assets with lease term of 3 years.

The Company's future minimum operating lease payments are as follows

	Within 1 year	**1-3 years**	**Total**
December 31, 2025	**AED**	**AED**	**AED**
Lease payments	**742,499**	**-**	**742,499**
Finance charges	**(35,131)**	**-**	**(35,131)**
Net present value	**707,368**	**-**	**707,368**
December 31, 2024			
Lease payments	401,342	1,096,070	1,497,412
Finance charges	(80,204)	(35,132)	(115,336)
Net present value	321,138	1,060,938	1,382,076

18 Basic and diluted earnings per share

	2025	2024
	AED	AED
Profit for the year after tax (in AED)	**59,801,556**	5,008,795
Number of shares	**150,000,000**	150,000,000
Basic and diluted earnings per share (in Fils)	**39.87**	3.34

Basic and diluted earnings per share have been calculated by dividing the profit for the year by the weighted average number of shares outstanding at the end of the reporting year. Diluted earnings per share as of 31 December 2025 and 31 December 2024 are equivalent to basic earnings per share as the Company did not issue any new instrument that would impact earnings per share when executed.

19 Insurance revenue

	2025	2024
	AED	AED
Amortization of insurance acquisition	**1,132,484**	1,215,150
Amortization of liability for remaining coverage	**38,428,081**	30,854,852
	39,560,565	32,070,002

20 Insurance service expense

	2025 AED	2024 AED
Incurred claims and other expenses	**(38,191,277)**	(44,409,380)
Amortization of insurance acquisition	**(1,132,484)**	(1,215,150)
Changes to liabilities for incurred claims	**39,331,598**	(41,758,865)
Losses on onerous contracts and reversals of those losses	**1,183,486**	(623,679)
	1,191,323	(88,007,074)

21 Investment and other income and net insurance finance income

The table below presents an analysis of total investment income and insurance finance result recognised in statement of profit or loss and OCI for the year:

	2025 AED	2024 AED
Investment and other income		
Amounts recognised in the profit or loss		
Interest income calculated under the effective interest method	**413,318**	494,640
Income from investments at fair value, net		
Gain on disposal of financial investments at FVTPL	**3,004,584**	2,430,351
Unrealised income/(loss) on financial investments at FVTPL	**51,874,959**	(1,075,357)
Dividend income from financial investments	**11,426,672**	9,303,799
Dividend income from financial investments in kind – shares	**654,360**	1,896,000
Other investment expense	**(150,193)**	(87,108)
	66,810,382	12,467,685
Income from investments in properties, net		
Unrealized (loss)/gain in investments in properties	**(5,901,267)**	2,989,334
Rental income from investments in properties, net	**3,351,290**	3,063,499
Gain on sale of investment properties	**478,267**	-
Other investment income	**3,422**	1,896
	(2,068,288)	6,054,729
Total investment income	**65,155,412**	19,017,054
Insurance finance expense from insurance contracts issued		
Due to changes in interest rates and other financial assumptions	**(3,572,594)**	(1,746,647)
Total insurance finance expense from insurance contracts issued	**(3,572,594)**	(1,746,647)
Represented by: Amounts recognised in profit or loss	**(3,572,594)**	(1,746,647)
Reinsurance finance income from reinsurance contracts held		
Due to changes in interest rates and other financial assumptions	**3,215,921**	1,411,121
Total reinsurance finance income from reinsurance contracts held	**3,215,921**	1,411,121
Represented by: Amounts recognised in profit or loss	**3,215,921**	1,411,121
Total investment income, insurance finance income, and reinsurance finance expense	**64,798,739**	18,681,528
Represented by: Amounts recognised in profit or loss	**64,798,739**	18,681,528

22 Related party balances and transactions

Related parties include the Directors of the Company and those entities in which they have the ability to control.

Directors are expected to avoid any action, position, or interest that conflict with an interest of the Company. Details of all transactions in which a director and/or related parties might have actual or potential conflicts are provided to the Board of Directors for their review and approval. When a potential conflict of interest arises, the directors concerned neither participate in the discussions nor exercise any influence over other members of the Board. If a major shareholder or a Director has any conflict of interests with any matter to be considered by the Board of Directors and the Board of Directors determines that such a matter is significant, the decision thereon by the Board of Directors shall be made in the presence of all directors and in the absence of the interested director's vote.

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, being the directors, chief executive office, and his direct reports.

No related party transactions were identified which met the criteria as per the local regulations and the transactions reported below are assessed related party transactions following the requirements of IAS 24.

The Company maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business.

Related Parties as per requirement of IAS 24:

Balance with related parties:

	31 December 2025	31 December 2024
	AED	AED
Directors' affiliates		
Due from policy holders - net	**4,220,319**	1,789,854
(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)		
Due to policy holders	**(113,716)**	(25,296)
(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)		
Outstanding claims payable	**(5,319,783)**	(7,298,431)
Right-of-use asset	**1,091,238**	1,780,441
Lease liability	**(707,367)**	(1,369,908)

22 Related party balances and transactions (continued)

Related party transactions

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

	2025 AED	2024 AED
Directors' affiliates		
Insurance revenue	**4,204,416**	3,687,892
Insurance service expense	**323,053**	4,486,312
Rent paid	**(779,625)**	(779,625)

The remuneration of the Board of Directors is subject to the approval by the shareholders and as per limits set by the UAE Federal Law No. (32) of 2021 concerning Commercial Companies.

Remuneration of key management personnel:

	2025 AED	2024 AED
Directors' remuneration paid	**750,000**	750,000
Salaries and short-term benefits	**720,000**	640,000
End of service benefits	**159,534**	134,877

23 General and administrative expenses

	2025 AED	2024 AED
Staff cost	**7,175,434**	6,701,243
Legal and professional fee	**1,432,439**	1,578,149
Board of director's remuneration (Note 22)	**750,000**	1,500,000
Auditor's remuneration	**721,350**	345,000
Committee sitting remuneration	**165,000**	220,000
Depreciation (Note 5)	**820,475**	784,093
Government and regulatory fees	**391,484**	411,192
Office expenses	**137,266**	90,913
Bank charges	**127,935**	95,659
Amortization (Note 6)	**54,422**	42,242
Miscellaneous	**1,767,591**	3,242,819
	13,543,396	15,011,310
General and administrative expenses relating to underwriting activities	**10,729,284**	9,919,024
Unallocated general and administrative expense	**1,899,112**	3,372,286
Board of director's remuneration (Note 22)	**750,000**	1,500,000
Committee sitting remuneration	**165,000**	220,000
Total Unallocated General and administrative expense	**2,814,112**	5,092,286

General and administrative expenses amounting to AED 10,729,284 (2024: AED 9,919,024) is allocated to the underwriting activities, excluding the director's remuneration and management expenses, which is fully unallocated. Unallocated portion is amounting to AED 2,814,112 (2024: AED 5,092,286).

24 Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law) to enact a Federal corporate tax regime in the UAE. The Corporate Tax regime is effective for the accounting periods beginning on or after 1 June 2023. For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. The UAE CT Law applies to the standalone results of the Company's entities.

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000. The income tax expense is recognised at an amount determined by multiplying the profit before tax for the reporting period ended 31 December 2025 by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the period.

(i) The income tax expense recognised in the statement of profit or loss and other comprehensive income comprises the following:

	2025	2024
	AED	AED
Income statement of profit and loss		
Current income tax expense	**1,205,488**	-
Deferred tax (income) / expense	**(509,022)**	246,948
Total income tax expense	**696,466**	246,948
Statement of Comprehensive income		
Deferred tax expense	**1,645,399**	342,301

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

	Net balance as at 01 January AED	**Recognised in profit and loss AED**	**Recognised in other comprehen sive income AED**	**Net balance at 31 December 2025 AED**	**Deferred tax asset AED**	**Deferred tax liabilities AED**
Investment properties	**(269,040)**	**531,114**	-	**262,074**	**262,074**	-
Investments at FVOCI	**(342,301)**	-	**(1,645,399)**	**(1,987,700)**	-	**(1,987,700)**
Provision for indemnity	**22,092**	**(22,092)**	-	-	-	-
Deferred tax (liabilities) / assets	**(589,249)**	**509,022**	**(1,645,399)**	**(1,725,626)**	**262,074**	**(1,987,700)**

31 December 2024 (Audited)	Net balance as at 01 January AED	Recognised in profit and loss AED	Recognised in other comprehensi ve income AED	Net balance at 31 December AED	Deferred tax asset AED	Deferred tax liabilities AED
Investment properties	-	(269,040)	-	(269,040)	-	(269,040)
Investments at FVTOCI	-	-	(342,301)	(342,301)	-	(342,301)
Provision for indemnity	-	22,092	-	22,092	22,092	-
Deferred tax (liabilities) / assets	-	(246,948)	(342,301)	(589,249)	22,092	(611,341)

24 Taxation (continued)

(ii) Reconciliation of income tax expense:

	2025	2024
	AED	AED
Profit before tax	**60,498,022**	5,255,743
Less: Taxable income not exceeding threshold	**375,000**	375,000
	60,123,022	4,880,743
At United Arab Emirates' statutory income tax rate at 9%	**5,411,072**	439,267
Tax effect of:		
Add: Non-deductible expenses		
Provisions charges for the year (election of realization relief)	-	22,092
Expenditure incurred in deriving exempt income	**229,055**	272,693
(Loss) / Gain on sale of investments designated at FVOCI (upon realization)	**(443,732)**	40,700
50% entertainment expenses	**785**	-
Fines, penalties and recoverable input tax	**4,202**	-
Unrealized loss on change of fair value of Investment properties	**531,114**	-
Less: deductible expenses		
Unrealized gains on investments at FVPL from UAE Companies	**(3,775,146)**	-
Unrealized gains of change in FV of investments properties	-	(269,040)
Dividend Income from UAE Companies	**(751,862)**	(584,058)
Income tax expense	**1,205,488**	-

25 Contingent liabilities and capital commitments

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.

26 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, medical and life insurance contracts. General insurance contracts of the Company include Liability, Property, Motor, 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.

26 Insurance risk (continued)

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 and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its 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 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 and Risk Committee is assisted in its 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 below.

Underwriting strategy

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

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

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).

26 Insurance risk (continued)

Risk management framework (continued)

Frequency and severity of claims (continued)

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 180,000 per vehicle/Event for motor insurance in any policy (2024: AED 60,000 for motor insurance). Similarly, net loss retained for general lines of business will not exceed AED 1,000,000 per event (2024: net loss retained for general lines of business will not exceed 1,000,000 per event). In addition to the overall Company reinsurance program, business units are permitted to purchase additional facultative reinsurance protection, if needed.

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**
Commercial Fire & Allied Lines	**17,415,372**	**(13,929,163)**	**3,486,209**
Marine Cargo	**267,577**	**(228,550)**	**39,027**
Marine Hull	**727,389**	**(681,757)**	**45,632**
Personal Motor Comprehensive	**21,794,829**	**1,461,293**	**23,256,122**
Personal Motor Third Party	**1,826,894**	**(629,463)**	**1,197,431**
Engineering & Construction	**6,752,365**	**(5,049,500)**	**1,702,865**
Miscellaneous	**2,958,484**	**(2,559,825)**	**398,659**
	51,742,910	**(21,616,965)**	**30,125,945**

	As at 31 December 2024		
	Gross	Reinsurance	Net
	AED	AED	AED
Commercial Fire & Allied Lines	42,709,675	(37,079,884)	5,629,791
Marine Cargo	135,986	(64,351)	71,635
Marine Hull	724,128	(540,801)	183,327
Personal Motor Comprehensive	28,468,929	(13,464,252)	15,004,677
Personal Motor Third Party	1,623,391	(452,645)	1,170,746
Engineering & Construction	10,810,244	(7,657,012)	3,153,232
Miscellaneous	4,208,695	(2,946,632)	1,262,063
	88,681,048	(62,205,577)	26,475,471

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 years. 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.

26 Insurance risk (continued)

Risk management framework (continued)

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

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected 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.

The liability for these contracts comprises a provision for IBNR and a provision for reported claims not yet paid at the end of the reporting year.

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 Company'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.

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 net underwriting income/(loss) as follows:

	For the year ended 31 December	
	2025	2024
	AED	AED
Impact of change in loss ratio by + 1%		
Commercial Fire & Allied Lines	**(155)**	1,881
Marine Cargo	**(384)**	82
Marine Hull	**(239)**	70
Personal Motor Comprehensive	**(123,360)**	48,855
Personal Motor Third Party	**(5,359)**	2,719
Engineering & Construction	**(741)**	3,308
Miscellaneous	**(2,306)**	3,292
Total	**(132,544)**	60,207

26 Insurance risk (continued)

Risk management framework (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 year 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 has been selected for individual accident years or groups of accident years within the same class of business. The Company has independent external actuaries are also involved in the valuation of technical reserves of the Company and have used historical data for the past 9 years.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Company's estimation process. The Company believes that the liability for claims reported in the statement of financial position is adequate.

However, it recognizes that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

26 Insurance risk (continued)

Sensitivity analysis

Measured under PAA

2025	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED	Impact on equity gross of reinsurance AED	Impact on equity net of reinsurance AED
Expected loss	**+5%**	**(399,008)**	**(242,297)**	**(399,008)**	**(242,297)**
Discount rate	**+1%**	**548,293**	**139,904**	**548,293**	**139,904**
Expected loss	**-5%**	**330,307**	**200,227**	**330,307**	**200,227**
Discount rate	**-1%**	**(558,371)**	**(149,929)**	**(558,371)**	**(149,929)**

2024	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED	Impact on equity gross of reinsurance AED	Impact on equity net of reinsurance AED
Expected loss	+5%	(541,624)	35,809	(541,624)	35,809
Discount rate	+1%	103,975	(16,293)	103,975	(16,293)
Expected loss	-5%	372,801	(29,784)	372,801	(29,784)
Discount rate	-1%	(193,532)	6,532	(193,532)	6,532

26 Insurance risk (continued)

Sensitivity for contracts measured under PAA

2025	LIC as at 31 December	Impact on LIC	Impact on profit before income tax	Impact on Equity
Net insurance contract liabilities	**44,013,529**			
Net reinsurance contract assets	**28,743,271**			
	15,270,258			
Discount Rate +0.5%				
Net insurance contract liabilities		**43,739,383**	**274,146**	**274,146**
Net reinsurance contract assets		**28,539,076**	**204,195**	**204,195**
		15,200,307	**69,952**	**69,952**
Discount Rate -0.5%				
Net insurance contract liabilities		**44,288,675**	**(275,146)**	**(275,146)**
Net reinsurance contract assets		**28,947,466**	**(204,195)**	**(204,195)**
		15,341,209	**(70,952)**	**(70,952)**
Risk adjustment +5%				
Net insurance contract liabilities		**45,839,597**	**(1,826,068)**	**(1,826,068)**
Net reinsurance contract assets		**30,206,383**	**(1,463,112)**	**(1,463,112)**
		15,633,214	**(362,956)**	**(362,956)**
Risk adjustment -5%				
Net insurance contract liabilities		**42,223,983**	**1,789,546**	**1,789,546**
Net reinsurance contract assets		**27,309,422**	**1,433,849**	**1,433,849**
		14,914,561	**355,697**	**355,697**

2024	LIC as at 31 December	Impact on LIC	Impact on profit before income tax	Impact on Equity
Net insurance contract liabilities	82,119,734			
Net reinsurance contract assets	69,062,644			
	13,057,090			
Discount Rate +0.5%				
Net insurance contract liabilities		82,090,136	29,598	29,598
Net reinsurance contract assets		69,022,459	40,185	40,185
		13,067,677	(10,587)	(10,587)
Discount Rate -0.5%				
Net insurance contract liabilities		82,000,579	119,155	119,155
Net reinsurance contract assets		68,942,663	119,981	119,981
		13,057,916	(826)	(826)
Risk adjustment +5%				
Net insurance contract liabilities		85,763,541	(3,643,807)	(3,643,807)
Net reinsurance contract assets		72,355,249	(3,292,605)	(3,292,605)
		13,408,292	(351,201)	(351,201)
Risk adjustment -5%				
Net insurance contract liabilities		78,548,804	3,570,930	3,570,930
Net reinsurance contract assets		65,835,891	3,226,753	3,226,753
		12,712,913	344,177	344,177

27 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 Decree-Law No. (6) of 2025, concerning Financial Regulations of Insurance Companies issued by the 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, the 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.

	2025	2024
	AED	AED
Total capital held	**150,000,000**	150,000,000
Minimum regulatory capital	**100,000,000**	100,000,000

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

	For the year ended 31 December	
	2025	2024
	AED	AED
Total Capital held	**150,000,000**	150,000,000
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**80,084,106**	80,344,350
Minimum Guarantee Fund (MGF)	**26,694,702**	26,781,450
Basic Own Funds	**221,525,464**	187,677,641
MCR solvency margin - (surplus)	**121,525,464**	87,677,641
SCR solvency margin - (surplus)	**141,441,358**	107,333,106
MGF Solvency Margin - (surplus)	**194,830,762**	160,896,129

The UAE Insurance Companies register of 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.

Further, as per Article (8) of section (2) of financial regulations issued for insurance companies in U.A.E., the Company shall at all times comply with the requirements of solvency margin. As of 31 December 2025, the Company has complied with the requirements of solvency margin.

28 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, 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 year. The following table gives information about how the fair values of these financial assets are determined:

Financial assets	**Fair value as at 31 December 2025 AED**	31 December 2024 AED	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Investment designated at FVOCI						
Quoted equity securities	**32,176,890**	34,956,121	Level 1	Quoted bid prices in an active market	None.	NA
Unquoted equity securities	**4,946,641**	4,854,217	Level 3	Multiple based and OTC based market valuation methods	average 0.7x–1.1x	Higher the net assets value of the investees, higher the fair value
Investment designated at FVTPL						
Quoted equity securities	**210,039,557**	141,159,034	Level 1	Quoted bid prices in an active market	None.	NA.
Unquoted equity securities	-	48,105	Level 3	Multiple based and OTC based market valuation methods	average 0.7x-1.4x	Higher the net assets value of the investees, higher the fair value
	247,163,088	181,017,477				

28 Fair value measurement (continued)

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

There was no transfer between the 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.

The following table provides an analysis of financial assets and non-financial assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

31 December 2025

	Level 1	**Level 2**	**Level 3**	**Total**
	AED	**AED**	**AED**	**AED**
Financial assets at FVOCI				
Quoted equities	**32,176,890**	**-**	**-**	**32,176,890**
Unquoted equities	**-**	**-**	**4,946,641**	**4,946,641**
Financial assets at FVTPL				
Quoted equities	**210,039,557**	**-**	**-**	**210,039,557**
Unquoted equities	**-**	**-**	**-**	**-**
Investment properties	**-**	**-**	**48,245,000**	**48,245,000**
	242,216,447	**-**	**53,191,641**	**295,408,088**

31 December 2024

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
Financial assets at FVOCI				
Quoted equities	34,956,121	-	-	34,956,121
Unquoted equities	-	-	4,854,217	4,854,217
Financial assets at FVOCI				
Quoted equities	141,159,034	-	-	141,159,034
Unquoted equities	-	-	48,105	48,105
Investment properties	-	-	57,058,000	57,058,000
	176,115,155	-	61,960,322	238,075,477

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

Valuation Technique and significant unobservable inputs
Unquoted equity investments are classified as Level 3 under the fair value hierarchy in accordance with IFRS 13 – Fair Value Measurement, as their valuation involves significant unobservable inputs.

As at 31 December 2025, the aggregate fair value of Level 3 investments amounted to AED 4.95 million (2024: AED 4.90 million). Changes in fair value of AED 0.05 million (2024: AED 0.65 million) were recognized in OCI under investments in FVOCI during the period.

28 Fair value measurement (continued)

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

Valuation Technique and significant observable inputs

Valuation Technique	Description / Key Unobservable Inputs
Price-to-Book Multiples (P/B multiples)	Applied for financial and holding companies based on peer comparable in the MENA region. Key unobservable input: selected P/B multiple (average 0.7x–1.1x).
Net Asset Value (NAV)	Used for real estate and investment entities where asset-based values are more reliable. Key unobservable input: adjusted net asset value.
OTC Market Pricing	Based on latest available over-the-counter market prices from Boursa Kuwait, adjusted for thin trading.

Sensitivity
A 10% change in key valuation inputs (e.g. P/B multiples or NAV) would result in an approximate 10% change in the fair value of the affected investments (±AED 0.7 million).

Valuation Process
Valuations are performed by an independent external valuer using the above methodologies.
Note: The above inputs have been applied to the companies for which data was available and considered. For companies with insufficient or unavailable data, these inputs have not been applied.

29 Financial risks

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.

29 Financial risks (continued)

Foreign currency risk (continued)

The carrying amounts of the Company's foreign currency denominated monetary assets relating to Cash and Cash Equivalents, FVPTL and FVOCI and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025	2024	**2025**	2024
	AED	AED	**AED**	AED
Kuwaiti Dinar	**94,458,434**	78,470,172	**-**	-
US Dollars	**516,495**	516,495	**-**	-
Saudi Riyals	**95,777**	95,777	**-**	-
Total	**95,070,706**	79,082,444	**-**	-

Sensitivity Analysis

The Company is exposed to foreign currency risk arising from monetary assets denominated in Kuwaiti Dinar. A reasonably possible change in exchange rates against the UAE Dirham at the reporting date would have affected profit or loss and equity as presented below. The impact on equity reflects the effect on profit or loss after applying a corporate tax rate of 9%. As there is no significant foreign currency denominated monetary liabilities, the sensitivity arises primarily from monetary assets.

	Profit or loss		Equity, net of tax	
Effects in AED	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
31-Dec-25				
Kuwaiti Dinar (5% movement)	**4,722,922**	**(4,722,922)**	**4,297,859**	**(4,297,859)**
31-Dec-24				
Kuwaiti Dinar (5% movement)	3,923,509	(3,923,509)	3,570,393	(3,570,393)

Equity price risk

Equity 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 price risk with respect to its quoted equity investments. The Company limits equity 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.

Based on a reasonably possible change of ±10% in market prices at the reporting date, primarily driven by movements in Boursa Kuwait and UAE financial markets (ADX/DFM), and with all other variables held constant, equity would have increased or decreased by approximately AED 2,928,000 (2024: AED 3,181,000) in respect of FVOCI investments, while profit or loss would have increased or decreased by approximately AED 19,114,000 (2024: AED 12,846,000) in respect of FVTPL investments. The impact is presented net of applicable corporate tax at a rate of 9% and reflects the sensitivity of the fair value of the Company's equity portfolio to changes in market prices.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk relates to its bank deposits. At 31 December 2025, bank deposits carry a fixed interest rate ranging from 3.2% to 4.1% per annum (31 December 2024: 3.3% to 4.4% per annum) and therefore not exposed to cashflow interest rate risk.

29 Financial risks (continued)

Interest rate risk (continued)

The Company's interest sensitive instruments are as follows:

	31-Dec-25			31-Dec-24		
	Fixed-rate	**Variable-rate**	**Total**	Fixed-rate	Variable-rate	Total
Financial instruments						
Assets	**10,000,000**	**-**	**10,000,000**	20,000,000	-	20,000,000
Liabilities	**-**	**-**	**-**	-	-	-
	10,000,000	**-**	**10,000,000**	20,000,000	-	20,000,000
Insurance and reinsurance contracts						
Assets		**23,078,258**	**23,078,258**		62,205,577	62,205,577
Liabilities		**(53,204,203)**	**(53,204,203)**		(88,681,048)	(88,681,048)
		(30,125,945)	**(30,125,945)**		(26,475,471)	(26,475,471)

At the end of the reporting year, if interest rates had been 100 basis points higher or lower, with all other variables held constant, profit or loss would have decreased or increased by approximately AED 301,000 (year ended 31 December 2024: AED 265,000), mainly due to the impact of changes in discount rates on the measurement of insurance and reinsurance contract liabilities.

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.

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

Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as 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 impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

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

The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

29 Financial risks (continued)

Credit risk (continued)

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

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

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

	2025	2024
	AED	AED
Statutory deposit	**10,000,000**	10,000,000
Reinsurance contract assets	**23,078,258**	62,205,577
Other receivables	**6,298,700**	3,608,340
Cash and cash equivalents (excluding cash on hand)	**43,226,953**	35,587,680
Total credit risk exposure	**82,603,911**	111,401,597

The reinsurance contract assets are rated from AA to B.

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

An indicative mapping of how the Company's internal risk grades relate to Moody's ratings is as follows:

Category	Grading	External rating
Low risk	Grade 1	AAA
	Grade 2	AA- to AA+
	Grade 3	A- to A+
	Grade 4	BBB- to BBB+
Fair risk	Grade 5	BB- to BB+
Substandard	Grade 6	CCC- to B+
Doubtful	Grade 7	C to CC
Loss	Grade 8	D

29 Financial risks (continued)

Credit risk (continued)

The table below presents an analysis of bank balances and fixed deposits by external credit rating at the end of the reporting year. Credit ratings are based on Moody's ratings or their equivalent for the Company's main banking relationships.

Bank balances and fixed deposits are subject to credit risk management and monitoring processes, including ongoing assessment of counterparty credit quality using external ratings and internal evaluations, where applicable.

	2025	2024
	AED	AED
A	**1,532,286**	19,990,003
AA	**38,599**	-
BBB	**33,544,193**	11,393,853
BB	**1,000**	3,584,931
B	**7,494,263**	-
Unrated	**678,699**	620,574
	43,289,040	35,589,361

Staging of bank balances and fixed deposits

The table below shows the gross carrying amount and related expected credit loss allowance for bank balances and fixed deposits by stage as at the end of the reporting year:

Stage	**Description**	**Gross carrying amount (AED)**	**Expected credit loss allowance (AED)**
Stage 1	Assets for which credit risk has not increased significantly since initial recognition	**42,204,189**	**440,264**
Stage 2	Assets for which credit risk has increased significantly since initial recognition	**612, 357**	**612,357**
Stage 3	Credit-impaired assets	**472,494**	**472,494**
Total		**43,289,040**	**1,525,115**

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.

29 Financial risks (continued)

Liquidity risk (continued)

The table below summarizes 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 year at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	0 – 2 months AED	**3 to 12 months AED**	**1-5 years AED**	**No maturity or on demand AED**	**Total AED**
31 December 2025					
Financial assets					
FVTPL investments – equity	**-**	**-**	**-**	**210,039,557**	**210,039,557**
FVOCI investments – equity	**-**	**-**	**-**	**37,123,531**	**37,123,531**
Statutory deposit	**-**	**10,000,000**	**-**	**-**	**10,000,000**
Reinsurance contract assets	**-**	**25,410,804**	**-**	**-**	**25,410,804**
Other receivables	**555,250**	**5,743,450**	**-**	**-**	**6,298,700**
Cash and cash equivalents	**-**	**-**	**-**	**41,763,925**	**41,763,925**
	555,250	**41,154,254**	**-**	**288,927,013**	**330,289,395**
Financial liabilities					
Insurance contract liabilities	**-**	**44,013,528**	**-**	**-**	**44,013,528**
Reinsurance contract liabilities	**-**	**(3,332,466)**	**-**	**-**	**(3,332,466)**
Other payables	**1,398,025**	**980,691**	**-**	**2,529,487**	**4,908,203**
Lease liability	**-**	**742,499**	**-**	**-**	**742,499**
	1,398,025	**42,404,252**	**-**	**2,529,487**	**46,331,764**

	0 – 2 months AED	3 to 12 months AED	1-5 years AED	No maturity or on demand AED	Total AED
31 December 2024					
Financial assets					
FVTPL investments – equity	-	-	-	141,207,139	141,207,139
FVOCI investments – equity	-	-	-	39,810,338	39,810,338
Statutory deposit	-	10,000,000	-	-	10,000,000
Reinsurance contract assets	-	69,062,644	-	-	69,062,644
Other receivables	-	3,608,344	-	-	3,608,344
Cash and cash equivalents	-	-	-	35,589,361	35,589,361
	-	82,670,988	-	216,606,838	299,277,826
Financial liabilities					
Insurance contract liabilities	-	82,119,734	-	-	82,119,734
Other payables	4,063,392	943,248	-	2,054,789	7,061,429
Lease liability	12,413	388,929	1,096,070	-	1,497,412
	4,075,805	83,451,911	1,096,070	2,054,789	90,678,575

30 Operational risks

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

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

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

31 Segment information

For management purposes, the Company is organized into two segments: underwriting and investment. Underwriting segment comprises engineering and motor insurance, marine insurance, fire insurance, and other insurances. Investment segment includes investments inside and outside UAE, marketable equity securities, term deposit with banks and investment properties. Segment-wise information is disclosed below. These segments are the basis on which the Company reports its primary segment information to the Managing Director.

31 Segment information

For the year ended 31 December 2025

	Underwriting (AED)								Investments	Total
	Motor Comprehensive	Motor Third Party	Engineering	Fire	Marine Cargo	Marine Hull	Others	Total		
Insurance service revenue	**25,984,838**	**1,179,378**	**2,777,291**	**7,283,266**	**132,319**	**592,854**	**1,610,619**	**39,560,565**	**-**	**39,560,565**
Insurance service expenses	**(20,296,457)**	**(230,652)**	**2,489,611**	**18,209,855**	**(75,372)**	**(102,116)**	**1,196,454**	**1,191,323**	**-**	**1,191,323**
Allocation of reinsurance premiums	**(10,154,172)**	**(512,974)**	**(1,847,283)**	**(5,193,469)**	**(147,240)**	**(456,230)**	**(1,124,020)**	**(19,435,388)**	**-**	**(19,435,388)**
Amounts recoverable from reinsurance for incurred claims	**26,325**	**233,644**	**(2,579,467)**	**(19,869,627)**	**33,327**	**(48,360)**	**(518,742)**	**(22,722,900)**	**-**	**(22,722,900)**
Finance income from insurance contracts issued	**(644,544)**	**(25,726)**	**(506,935)**	**(2,139,825)**	**(11,749)**	**(38,330)**	**(205,485)**	**(3,572,594)**	**-**	**(3,572,594)**
Finance expense from reinsurance contracts held	**571,922**	**11,635**	**436,213**	**2,017,444**	**9,586**	**31,436**	**137,685**	**3,215,921**	**-**	**3,215,921**
Investment Income	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**65,155,412**	**65,155,412**
Segment result	**(4,512,087)**	**655,305**	**769,430**	**307,644**	**(59,129)**	**(20,746)**	**1,096,510**	**(1,763,073)**	**65,155,412**	**63,392,339**
Unallocated costs										**(2,894,317)**
Profit for the period before tax										**60,498,022**
Income tax expense										**(696,466)**
Profit for the period after tax										**59,801,556**
As at 31 Dec 2025										
Segment assets	**-**	**629,463**	**5,049,500**	**13,929,163**	**228,550**	**681,757**	**2,559,825**	**23,078,258**	**305,408,088**	**328,486,346**
Unallocated assets										**50,464,656**
Total assets										**378,951,002**
Segment liabilities	**23,256,122**	**1,826,894**	**6,752,365**	**17,415,372**	**267,577**	**727,389**	**2,958,484**	**53,204,203**	**-**	**53,204,203**
Unallocated liabilities										**11,101,078**
Total liabilities										**64,644,792**

31 Segment information (continued)

For the year ended 31 December 2024

	Underwriting (AED)								Investments	Total
	Motor Comprehensive	Motor Third Party	Engineering	Fire	Marine Cargo	Marine Hull	Others	Total		
Insurance service revenue	17,579,578	981,337	3,658,371	7,361,376	396,270	317,316	1,775,754	32,070,002	-	32,070,002
Insurance service expenses	(40,830,489)	(1,064,840)	(4,597,684)	(39,648,362)	(315,759)	(377,965)	(1,171,975)	(88,007,074)	-	(88,007,074)
Allocation of reinsurance premiums	(12,680,423)	(611,468)	(2,181,461)	(4,377,058)	(283,282)	(268,053)	(1,216,273)	(21,618,018)	-	(21,618,018)
Amounts recoverable from reinsurance for incurred claims	30,156,332	478,253	3,088,381	34,837,544	127,020	177,268	465,540	69,330,338	-	69,330,338
Finance income from insurance contracts issued	(186,981)	(58,604)	(499,709)	(724,311)	(13,062)	(32,750)	(231,230)	(1,746,647)	-	(1,746,647)
Finance expense from reinsurance contracts held	89,975	46,270	432,561	646,290	11,027	27,335	157,663	1,411,121	-	1,411,121
Investment Income	-	-	-	-	-	-	-	-	19,017,054	19,017,054
Segment result	(5,872,008)	(229,052)	(99,541)	(1,904,521)	(77,786)	(156,849)	(220,521)	(8,560,278)	19,017,054	10,456,776
Unallocated costs										(5,201,033)
Profit for the period before tax										5,255,743
Income tax expense										(246,948)
Profit for the period after tax										5,008,795
As at 31 Dec 2024										
Segment assets	13,464,252	452,645	7,657,012	37,079,884	64,351	540,801	2,946,632	62,205,577	258,075,477	320,281,054
Unallocated assets										31,818,576
Total assets										352,099,630
Segment liabilities	28,468,929	1,623,391	10,810,244	42,709,675	135,986	724,128	4,208,695	88,681,048	-	88,681,048
Unallocated liabilities										11,830,649
Total liabilities										100,511,697

32 Gross written premiums

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	**-**	**-**	**-**	**40,164,195**	**40,164,195**
Assumed business					
Foreign	**-**	**-**	**-**	**-**	**-**
Local	**-**	**-**	**-**	**3,919,438**	**3,919,438**
Total assumed business	**-**	**-**	**-**	**3,919,438**	**3,919,438**
Gross written premiums	**-**	**-**	**-**	**44,083,633**	**44,083,633**

31 December 2024	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct written premiums	-	-	-	28,884,768	28,884,768
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	4,163,080	4,163,080
Total assumed business	-	-	-	4,163,080	4,163,080
Gross written premiums	-	-	-	33,047,848	33,047,848

33 Dividends and Director's remuneration

The Company held its General Assembly Meeting on 28 April 2025 and approved to distribute cash dividends of AED 7,500,000 (5 Fils per share) for the year ended 31 December 2024 (AED 10,500,000 (7 Fils per share) for the year ended 31 December 2023) as recommended by the board of directors. The Company has also approved a remuneration for the Board of Directors amounting to AED 750,000 for the fiscal year ended on 31 December 2024 (31 December 2023: AED 750,000).

34 Subsequent events

Subsequent to the reporting date, the Middle East region has experienced heightened geopolitical tensions and military escalations which have increased uncertainty in the regional economic environment, including in the United Arab Emirates. These developments occurred after the reporting date and are considered non-adjusting events in accordance with IAS 10 – Events after the Reporting Period.

The Company has assessed the potential implications of these developments on its operations and financial position. As the Company's primary line of business is motor insurance, the direct exposure to geopolitical risks is currently assessed to be limited. However, depending on how the situation evolves, there could be indirect impacts such as changes in claims costs, policyholder affordability, credit risk exposure, and volatility in financial markets affecting the Company's investments.

At the date of approval of these financial statements, no material financial impact has been identified. Given the evolving nature of the situation, the ultimate financial effect, if any, cannot presently be reliably estimated.

35 Restatement of comparatives

In the current year, the Company identified a presentation reclassification relating to the insurance contract assets and liabilities and reinsurance contract assets and liabilities which were presented on gross basis in the statement of financial position for the year ended 31 December 2024. The impact as at 01 January 2024 is not material.

In accordance with IFRS 17, these balances have been presented considering the carrying value at portfolio level in the statement of financial position for the year ended 31 December 2025 and the comparative figures have been restated accordingly.

Further, during the current year, the Company reallocated the portion of amounts recoverable from reinsurance which relates to reinsurance commission to the allocation of reinsurance premiums in the statement of profit or loss for the year ended 31 December 2025 and the comparative figures have been restated accordingly.

In addition to the above, during the current year, the Company reassessed the classification of short-term fixed deposits of AED 10,000,000 in the statement of cash flows. As a result, fixed deposits with original maturities of less than three months, which were previously classified under investing activities, have now been reclassified as cash and cash equivalents in accordance with IAS 7 Statement of Cash Flows.

In addition to that, during the current year, the Company has revised the classification of rental income net of the related rental expenses arising from investment properties of AED 3,063,499 in the statement of cash flows, presenting such cash flows within operating activities.

Accordingly, the comparative figures for the prior period have been restated to reflect this change in presentation.

Statement of Financial Position

Line item	**31 December 2024 (as previously presented)**	**Reclassification**	**31 December 2024 (restated)**
	AED	**AED**	**AED**
Reinsurance contract assets	69,840,903	(7,635,326)	62,205,577
Insurance contract assets	2,235,785	(2,235,785)	-
Insurance contract liabilities	90,916,833	(2,235,785)	88,681,048
Reinsurance contract liabilities	7,635,326	(7,635,326)	-

35 Restatement of comparatives (continued)

Statement of profit or loss

Line item	31 December 2024 (as previously presented)	Reclassification	31 December 2024 (restated)
	AED	AED	AED
Allocation of reinsurance premiums	(26,108,927)	4,490,909	(21,618,018)
Amounts recoverable from reinsurance for incurred claims	73,821,247	(4,490,909)	69,330,338
Net income from reinsurance contracts held	47,712,320	-	47,712,320

Statement of cash flows

Line item	31 December 2024 (as previously reported)	Reclassification	31 December 2024 as currently reported
	AED	AED	AED
Net cash generated from operating activities	5,320,291	3,063,499	8,383,790
Net cash generated from investing activities	20,309,491	6,936,501	27,245,992
Cash and cash equivalents at the end of the year	25,589,361	10,000,000	35,589,361

The above reclassifications has no impact on the Company's net profit, basic or diluted EPS, total comprehensive income, or equity of the Company for the year ended 31 December 2024.

36 Approval of financial statements

These financial statements were approved by the Board of Directors and authorized for issue on 31 March 2026.