

**Dubai Insurance Company PJSC  
and its subsidiaries**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2025 (AUDITED)**



## **Board of Directors report for the year 2025**

Dear shareholders,

Peace and blessings upon you.

The Board of Directors is pleased to present to you the fifty-fourth report on your company's businesses during the year 2025.

Firstly, I would like to provide an overview of the most important numbers and results in the General Balance Sheet:

- 1- Insurance revenues amounted to 3.440 billion dirhams, compared to 2.990 billion dirhams for the year 2024.
- 2- The company achieved net insurance profits of 160 million dirhams, compared to 108 million dirhams for the year 2024.
- 3- The company achieved net profits for the year of 191 million dirhams, compared to 132 million dirhams for the year 2024.
- 4- The company's total assets amounted to 4.316 billion dirhams, compared to 3.488 billion dirhams for the year 2024.
- 5- Total shareholders' equity amounted to 1.172 billion dirhams, compared to 938 million dirhams for the year 2024.

Dear Shareholders:

Your company has — by the grace of God — achieved strong results in terms of annual income and gross profits, and we expect to maintain our fourth place ranking among insurance companies nationwide.

The impact and consequences of the heavy rainfall that occurred in February and April 2024 are still negatively affecting the results of the Motor Insurance line. Although we achieved 40% growth due to price increases, we have not yet realized an underwriting profit. As for the other lines of insurance, except for Health Insurance, they have achieved good profits, and we expect this profitability to continue in 2026.

At the beginning of the year, the Northern Emirates Health Insurance Pool was launched under the leadership of Dubai Insurance, with the participation of ten national companies, to provide health insurance services to nearly one million workers. We are working to increase awareness of this product among workers and to enhance participation, with the aim of making health insurance universal across all Emirates in the country.

In addition, a travel insurance program for visitors to the Emirate of Dubai was launched in cooperation with the General Directorate of Residency and Foreigners Affairs. The scope of this product will be expanded to cover all types of visas and their durations.

We are also in the process of expanding the Worker Protection product managed by your company to include all employees in the free zones of the Emirate of Dubai, whose number exceeds approximately one million workers.

**2026 plan:**

We are looking to improve our ranking among the leading companies in terms of growth in income and profits.

We are targeting a 10% increase in income with a 10% increase in net profits.

**Management report and analysis**

(in millions )

Item	2025	2024
Insurance Revenue	3,440	2,990
Insurance service expenses	2,281	2,055
Insurance service result	160	108
Investment Income	83	63
Profit for the year after tax	191	132
Total assets	4,316	3,488
Shareholders' equity	1,172	938

**1- Important events and developments:**

- The credit rating agency AMBest and Fitch and Moody's rated the company with a grade of A.
- The percentage of income received through digitization of insurance documents reached about 60% of total premium income.

**2- Expected capital spending:**

A) Development of computer systems and digitization.

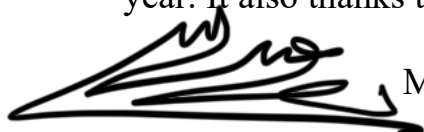
## B) Construction of the Company's headquarters in Oud Metha area

Dear Sirs:

The Board of Directors makes the following recommendations, hoping for your approval:

1. Listen to and approve the Board of Directors' Report on the Company's activity and its financial position for the fiscal year ended on 31/12/2025.
2. Listen to and approve the Auditor's Report for the fiscal year ended on 31/12/2025
3. Discuss and approve the Company's balance sheet and profit and loss account for the fiscal year ended on 31/12/2025
4. Consider the Board of Directors' proposals concerning the distribution of cash dividends of 100% of capital in equal to 100 fills per share & 100 million Dhs in total.
5. Consider the Board of Director's proposal to distribute a cash remuneration to the Board members and to determine the amount thereof.
6. Discharge the members of the Board of Directors for the fiscal year ended on 31/12/2025, or remove them and file a liability action against them, as the case may be.
7. Discharge the auditors for the fiscal year ended on 31/12/2025, or remove them and file a liability action against them, as the case may be.
8. Appoint the auditors for 2026 and determine their fees.

At the conclusion of this report, the Board of Directors would like to record its thanks to all those dealing with the company and its appreciation to the company's management and all its employees for the efforts they have made during the past year. It also thanks the auditors for their continued cooperation.



May God's peace, mercy, and blessings be upon you

**Buti Obaid Al Mulla**

**Chairman of the Board**

**Dubai Insurance Company PJSC**  
**Consolidated financial statements**  
**For the year ended 31 December 2025**

	<b>Pages</b>
Report on the audit of the consolidated financial statements	1-6
Consolidated statement of financial position	7
Consolidated statement of profit or loss	8
Consolidated statement of comprehensive income	9
Consolidated statement of changes in equity	10
Consolidated statement of cash flows	11
Notes to the consolidated financial statements	12 - 64

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUBAI INSURANCE COMPANY PJSC AND ITS SUBSIDIARIES**

### **Report on the audit of the consolidated financial statements**

#### ***Opinion***

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

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

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUBAI INSURANCE COMPANY PJSC AND ITS SUBSIDIARIES (continued)

### Report on the audit of the consolidated financial statements (continued)

#### Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
<p><b>Valuation of insurance contract liabilities, reinsurance contracts assets specifically the actuarial assumptions and methodology, actuarial modelling and policyholder data as these involve complex and significant judgements about future events (both internal and external) to the business for which small changes can result in a material impact to the resultant valuation.</b></p> <p><b>As at 31 December 2025, insurance contract liabilities and reinsurance contracts assets amounted to AED 2,415 million and AED 1,610 million respectively.</b></p> <p><b>The Group adopted the PAA model to value its general insurance and short-term life contracts.</b></p> <p><b>Misstatement that occurs in relation to valuation of insurance contract liabilities and reinsurance contact assets would affect the liabilities and assets under insurance and reinsurance contracts and related income statement accounts.</b></p> <p><b>Based on the above factors which involves significant judgements and estimation, this is to be considered as a key audit matter.</b></p>	<p>The work that we performed to address this key audit matter, included the following procedures:</p> <ul style="list-style-type: none"> <li>• Performed risk assessment on the economic assumptions to determine the key assumptions and assessed the reasonableness of management's approach to deriving these assumptions.</li> <li>• We engaged our EY actuarial specialists to review the methodology, assumptions and other key inputs and to test a sample of the actuarial balances.</li> <li>• Evaluated the skills, qualifications, and competence of the Group's appointed actuary to assess if actuary's conclusions are sufficient for audit purposes.</li> <li>• We obtained an understanding and reviewed the Group's process for determining the key actuarial assumptions and checked their reasonability against external data and industry trends where possible.</li> <li>• Assessed the method used by management in deriving the key assumptions and considered the reasonableness of assumptions derived by procedures that includes benchmarking to other market data, assessing the rationale for changes to key assumptions over time.</li> <li>• On a sample basis, performed claims testing on incurred claims to supporting documents such as reports from loss adjusters, confirmations obtained from lawyers.</li> <li>• Assessed the reasonableness of expense assumptions including management's determination of the split of expenses between qualifying and non-qualifying expenses.</li> <li>• Assessed management's analysis of changes in the reserves and tested the rationale given for key changes year on year.</li> </ul>



## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUBAI INSURANCE COMPANY PJSC AND ITS SUBSIDIARIES (continued)**

### **Report on the audit of the consolidated financial statements (continued)**

#### **Key audit matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Valuation of insurance contract liabilities, reinsurance contracts assets specifically the actuarial assumptions and methodology, actuarial modelling and policyholder data as these involve complex and significant judgements about future events (both internal and external) to the business for which small changes can result in a material impact to the resultant valuation. (continued)</b>	<ul style="list-style-type: none"> <li>• Obtained an understanding of management's approach to determining the risk adjustment and considered the reasonableness of the approach and derived risk adjustment.</li> <li>• Evaluated the appropriateness of the methodology applied based on facts and circumstances.</li> <li>• On a sample basis, developed a point estimate or range based on our understanding of the Group's business, and evaluated the differences between management's point estimate and our point estimate or range.</li> </ul>

#### ***Other matter***

The consolidated financial statements of the Group for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those statements on 20 February 2025.

#### ***Other information***

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUBAI INSURANCE COMPANY PJSC AND ITS SUBSIDIARIES (continued)**

### **Report on the audit of the consolidated financial statements (continued)**

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Group's Articles of Association and the UAE Federal Law No. (32) of 2021, as amended and the UAE Federal Decree Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies, Central Bank of the UAE Board of Directors' Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
DUBAI INSURANCE COMPANY PJSC AND ITS SUBSIDIARIES (continued)**

**Report on the audit of the consolidated financial statements (continued)**

***Auditor's responsibilities for the audit of the consolidated financial statements (continued)***

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
DUBAI INSURANCE COMPANY PJSC AND ITS SUBSIDIARIES (continued)**

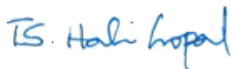
**Report on other legal and regulatory requirements**

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

- i) the Group has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Group's Articles of Association and the UAE Federal Law No. (32) of 2021, as amended;
- iv) the consolidated financial information included in the Directors' report is consistent with the books of account of the Group;
- v) investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 10 to these consolidated financial statements;
- vi) notes 23 reflect material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended, or of its Articles of Association which would have material impact on its activities or its financial position; and
- viii) note 6 reflects the social contributions made during the year.

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

Ernst & Young Middle East (Dubai Branch)



Thodla Hari Gopal  
Registration No. 689


17 February 2026

Dubai, United Arab Emirates

**Dubai Insurance Company PJSC and its subsidiaries**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
<b>ASSETS</b>			
Property and equipment	8	58,868	57,445
Investment properties	9	60,372	61,115
Financial assets	10	1,318,902	995,602
Reinsurance contract assets	12	1,609,676	1,453,966
Statutory deposit	14	10,000	10,000
Prepayments and other receivables	13	52,734	42,377
Cash and cash equivalents	15	1,205,677	868,226
<b>TOTAL ASSETS</b>		<b>4,316,229</b>	<b>3,488,731</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	100,000	100,000
Statutory reserve	17	50,000	50,000
General reserve	17	50,000	50,000
Reinsurance reserve	17	47,873	34,619
Cumulative changes in fair value of FVTOCI investments	17	406,624	322,786
Retained earnings		517,629	380,225
<b>TOTAL EQUITY</b>		<b>1,172,126</b>	<b>937,630</b>
<b>LIABILITIES</b>			
Bank loan	20	44,579	39,043
Employees' end of service benefits	19	10,640	8,320
Income tax payable	22	18,099	9,647
Deferred tax liability	21	15,372	7,652
Insurance contract liabilities	12	2,415,388	1,999,103
Other payables		640,025	487,336
<b>TOTAL LIABILITIES</b>		<b>3,144,103</b>	<b>2,551,101</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,316,229</b>	<b>3,488,731</b>

These consolidated financial statements were authorised for issue on 9 February 2026 by the Board of Directors and signed on their behalf by:

  
Buti Obaid Almulla  
Chairman

  
Khalid Abdulwahid Hassan AlRustamani  
Vice Chairman

The attached accompanying notes 1 to 29 form part of these consolidated financial statements.

Dubai Insurance Company PJSC and its subsidiaries

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
For the year ended 31 December 2025

	<i>Notes</i>	<b>2025 AED'000</b>	<b>2024 AED'000</b>
Insurance revenue	12	<b>3,440,443</b>	2,989,716
Insurance service expenses	3	<b>(2,280,875)</b>	(2,055,673)
<b>Insurance service result before reinsurance contracts held</b>		<b>1,159,568</b>	934,043
Allocation of reinsurance premiums	12	<b>(2,114,101)</b>	(1,803,198)
Amounts recoverable from reinsurance for incurred claims		<b>1,114,326</b>	977,387
<b>Net expenses from reinsurance contracts held</b>		<b>(999,775)</b>	(825,811)
<b>Insurance service result</b>		<b>159,793</b>	108,232
Interest income	4	<b>32,907</b>	25,153
Other investment income	4	<b>50,505</b>	37,466
Insurance finance expense for insurance contracts issued	4	<b>(11,543)</b>	(9,560)
Reinsurance finance income for reinsurance contracts held	4	<b>13,342</b>	8,226
<b>Net insurance financial result</b>	4	<b>1,799</b>	(1,334)
<b>Net insurance and investment results</b>		<b>245,004</b>	169,517
Other income		<b>395</b>	43
Other operating expenses		<b>(36,082)</b>	(27,611)
<b>PROFIT FOR THE YEAR BEFORE TAX</b>		<b>209,317</b>	141,949
Income tax expense	22	<b>(18,667)</b>	(9,647)
<b>PROFIT FOR THE YEAR AFTER TAX</b>		<b>190,650</b>	132,302
<b>Basic and diluted earnings per share (AED)</b>	7	<b>1.906</b>	1.323

The attached accompanying notes 1 to 29 form part of these consolidated financial statements.

Dubai Insurance Company PJSC and its subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025 AED'000</b>	<b>2024 AED'000</b>
Profit for the year after tax		<b>190,650</b>	132,302
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net change in fair value of equity investments designated at FVTOCI	10	<b>131,566</b>	92,415
Deferred tax liability on unrealized gain on equity investments designated at FVOCI	21	<b>(7,720)</b>	(7,652)
<b>Other comprehensive income for the year</b>		<b>123,846</b>	84,763
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>314,496</b>	217,065

The attached accompanying notes 1 to 29 form part of these consolidated financial statements.

Dubai Insurance Company PJSC and its subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>General reserve AED'000</i>	<i>Reinsurance reserve AED'000</i>	<i>Cumulative changes in fair value of investments AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total equity AED'000</i>
Balance at 1 January 2024	100,000	50,000	50,000	23,601	251,429	315,535	790,565
Profit for the year after tax	-	-	-	-	-	132,302	132,302
Other comprehensive income for the year	-	-	-	-	84,763	-	84,763
Total comprehensive income for the year	-	-	-	-	84,763	132,302	217,065
Transferred to retained earnings on sale of investments at FVTOCI	-	-	-	-	(13,406)	13,406	-
Dividend paid (Note 18)	-	-	-	-	-	(70,000)	(70,000)
Transfer to reinsurance reserve (Note 17)	-	-	-	11,018	-	(11,018)	-
Balance at 31 December 2024	100,000	50,000	50,000	34,619	322,786	380,225	937,630
Balance at 1 January 2025	100,000	50,000	50,000	34,619	322,786	380,225	937,630
Profit for the year after tax	-	-	-	-	-	190,650	190,650
Other comprehensive income for the year	-	-	-	-	123,846	-	123,846
Total comprehensive income for the year	-	-	-	-	123,846	190,650	314,496
Transferred to retained earnings on sale of investments at FVTOCI	-	-	-	-	(40,008)	40,008	-
Dividend paid (Note 18)	-	-	-	-	-	(80,000)	(80,000)
Transfer to reinsurance reserve (Note 17)	-	-	-	13,254	-	(13,254)	-
<b>Balance at 31 December 2025</b>	<b>100,000</b>	<b>50,000</b>	<b>50,000</b>	<b>47,873</b>	<b>406,624</b>	<b>517,629</b>	<b>1,172,126</b>

The attached accompanying notes 1 to 29 form part of these consolidated financial statements.



# Dubai Insurance Company PJSC and its subsidiaries

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025 AED'000</b>	<b>2024 AED'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the year before tax		<b>209,317</b>	141,949
<i>Adjustments for:</i>			
Depreciation of property and equipment	8	<b>5,942</b>	5,136
Depreciation on investment property	9	<b>743</b>	743
Provision for employees' end of service	19	<b>2,476</b>	1,927
Realised loss on disposal of financial asset at fair value through profit and loss on equity instruments	10	<b>(363)</b>	-
Change in fair value of financial assets at FVTPL		<b>(27)</b>	225
Realised gain on disposal of investment property	4	<b>(13,826)</b>	-
Expenses on investment property		<b>416</b>	-
Interest income	4	<b>(32,907)</b>	(25,153)
Dividend income	4	<b>(36,968)</b>	(38,709)
Operating cash flows before changes in working capital		<b>134,803</b>	86,118
<i>Changes in working capital:</i>			
Reinsurance contract assets		<b>(155,710)</b>	(274,164)
Insurance contract liabilities		<b>416,286</b>	329,907
Prepayment and other receivables		<b>(10,357)</b>	19,702
Other payables		<b>161,156</b>	123,983
Net cash generated from operations		<b>546,178</b>	285,546
Employees' end of service indemnity paid	19	<b>(156)</b>	(565)
Tax paid	22	<b>(10,214)</b>	-
<b>Net cash generated from operating activities</b>		<b>535,808</b>	284,981
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	8	<b>(51,538)</b>	(8,964)
Proceeds from sale of investment property	9	<b>58,000</b>	-
Purchase of investments held at amortised cost	10	<b>(30,348)</b>	(58,880)
Proceeds from sale of investments held at amortised cost	10	<b>15,347</b>	-
Purchase of investments at FVTOCI	10	<b>(38,817)</b>	(81,986)
Proceeds from sale of investments at FVTOCI	10	<b>77,320</b>	17,058
Bank deposits invested		<b>(371,265)</b>	(271,306)
Proceeds from maturity of bank deposits		<b>147,366</b>	401,105
Proceeds from sale of investments at FVTPL	10	<b>583</b>	2,500
Expenses on investment property		<b>(416)</b>	-
Interest received	4	<b>32,907</b>	17,817
Dividend received	4	<b>36,968</b>	38,709
<b>Net cash (used in)/ generated from investing activities</b>		<b>(123,893)</b>	56,053
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Borrowing from bank	20	<b>94,325</b>	116,270
Payment of bank loan	20	<b>(88,789)</b>	(77,227)
Dividends paid	18	<b>(80,000)</b>	(70,000)
<b>Net cash used in financing activities</b>		<b>(74,464)</b>	(30,957)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>337,451</b>	310,077
Cash and cash equivalents at beginning of the year		<b>868,226</b>	558,149
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>1,205,677</b>	868,226

The attached accompanying notes 1 to 29 form part of these consolidated financial statements.

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1 CORPORATE INFORMATION

Dubai Insurance Company PJSC (the “Company”) is a public joint stock company registered under the UAE Federal Law No. (32) of 2021, as amended and the U.A.E. Federal Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies. The Company mainly issues short term insurance contracts in connection with worker protection fund, motor, marine, fire, engineering and general accident (collectively known as general insurance) and group life and medical risks (collectively referred to as medical and life insurance). The Company also invests its funds in investment securities and properties. The registered address of the Company is P.O. Box 3027, Dubai, United Arab Emirates. The Company operates in the United Arab Emirates and most of the insurance policies are issued in the United Arab Emirates. The shares of the Company are listed on the Dubai Financial Market.

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

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (the “Group”). The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% on taxable profits above AED 375,000. The tax charge for the year ended 31 December 2025 is AED 18,667 thousand.

### 2 MATERIAL ACCOUNTING POLICY INFORMATION

#### 2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance IFRS Accounting Standards as issued by the IASB and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. (32) of 2021, as amended (“Companies Law”) relating to commercial companies and United Arab Emirates (UAE) Federal Decree Law No. (6) of 2025 concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE (“CBUAE”), CBUAE Board of Directors’ Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies and regulation of its operations. These consolidated financial statements are presented in UAE Dirhams and all values are rounded to the nearest thousand (“AED’000”).

#### 2.2 BASIS OF CONSOLIDATION

The Group comprises of the Company and the under-mentioned subsidiaries company:

<i>Subsidiaries</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Ownership</i>
Insurance Pool for Communication And Consulting Services L.L.C	Human Resources Consultancy	United Arab Emirates	100%
DIN Care Services L.L.C	Customer Care Center	United Arab Emirates	100%
ILOE Call Services L.L.C	Call Centers Services	United Arab Emirates	100%
DIN Portal L.L.C	I.T Services	United Arab Emirates	100%
DIN Novus Management Consultancies L.L.C	Management Consulting	United Arab Emirates	100%
Din Care Services India Private Limited*	BPO Services	India	100%
Al Imtinan Funds Administration LLC **	Administrative services of investment funds	United Arab Emirates	51%

The Group established two new subsidiaries during the year.

\* Din Care Services Private Limited India was incorporated during 14 January 2025 for Back-office support operations, Business Process Outsourcing (BPO), Knowledge Process Outsourcing (KPO) and Information Technology Enabled services for communication and consultation purposes.

\*\* Al Imtinan Funds Administration LLC was incorporated during 25 July 2024 for administrative services of investment funds.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 2.2 BASIS OF CONSOLIDATION (continued)

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

A change in the ownership interest of a subsidiaries, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiaries, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The financial statements of all subsidiaries included in the consolidated financial statements are prepared for the same reporting period as those of the parent company.

### 2.3 BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention except for the measurement at fair value of financial assets carried at fair value through profit or loss and fair value through other comprehensive income and the provision for employee end of service benefits which is calculated in line with UAE labour law.

The Group presents its consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current), presented in the notes.

### 2.4 STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE FROM 1 JANUARY 2025

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

<i>Standard number</i>	<i>Title</i>	<i>Effective date</i>
IAS 21	Lack of exchangeability – Amendments to IAS 21	1 January 2025

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

### 2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 2.5 STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

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

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The above standards, amendments and interpretations are not expected to have any material impact on the consolidated financial statements of the Group. The Group is assessing the impact of IFRS 18 on the consolidated financial statements.

#### 2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### (a) IFRS 17 Insurance contracts

###### *Recognition*

The Group recognises 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 Group recognises 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 Group adds new contracts to the group when they are issued or initiated.

###### *Contract boundary*

The Group 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 period in which the Group can compel the policyholder to pay the premiums, or in which the Group has a substantive obligation to provide the policyholder with services. A substantive obligation to provide services ends when:

- The Group 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 Group 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. The Group 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 Group 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 Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(a) IFRS 17 Insurance contracts (continued)**

***Measurement - Premium allocation approach***

***Insurance contracts – initial measurement***

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

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

For a group of contracts that is not onerous at initial recognition, the Group 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 Group 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 Group measures its reinsurance assets for a group of reinsurance contracts that it holds on 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.

***Insurance contracts – subsequent measurement***

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

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

The Group 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 Group 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 to profit or loss.

***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 Group derecognises 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 Group derecognises the initial contract and recognises the modified contract as a new contract.

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

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(a) IFRS 17 Insurance contracts (continued)**

***Level of Aggregation***

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

For each portfolio of contracts, the Group determines the appropriate level at which reasonable and supportable information is available to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Group uses significant judgement to determine at what level of granularity the Group has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Group aggregates reinsurance contracts held concluded within a calendar year (annual cohorts) into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any.

***Presentation***

The Group has presented separately, in the consolidated statement of financial position, the carrying amount of groups of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts held that are assets and groups of reinsurance contracts held that are liabilities.

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

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

The Group disaggregate 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 Group 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 period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group 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 Group 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 periods presented, all revenue has been recognised on the basis of the passage of time.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(a) IFRS 17 Insurance contracts (continued)**

***Insurance service expenses***

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

***Loss components***

The Group 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 Group 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 Group disaggregates insurance finance income or expenses between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Group's financial assets are also measured at FVTOCI.

***Net income or expense from reinsurance contracts held***

The Group presents separately on the face of the consolidated statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Group treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the consolidated statement of profit or loss and other comprehensive income.

***Classification of insurance contracts***

Insurance contracts issued by the Group are classified into two main categories, depending on the duration of risk being: short-term insurance contracts and long-term insurance contracts.

***Short-term insurance contracts***

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

Medical insurance contracts protect the Group's customers against the risk of incurring medical expenses. Medical selection is part of the Group'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.

Marine insurance covers the loss or damage of ships, cargo, terminals, and any transport by which the property is transferred, acquired, or held between the points of origin and the final destination.

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, resting, and working of any machinery, plant or equipment.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(a) IFRS 17 Insurance contracts (continued)**

***Short-term insurance contracts (continued)***

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.

Involuntary Loss of Employment (ILOE) insurance mandatory scheme protects employees against the risk of income loss due to involuntary unemployment. Coverage provides a percentage of the employee's basic salary for a defined period. Eligibility criteria, premium structures, and benefit payouts are determined by regulations and vary based on employment history and salary.

Property insurance contracts mainly compensate the Group'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).

Casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events.

Short-duration life insurance contracts (credit life) protect the Group'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.

**(b) Interest income and expense**

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

**(c) Dividend income**

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

**(d) Rental income**

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

**(e) Commissions earned**

Commissions earned are recognised at the time policies are written.

**(f) Investment income**

- (i) Interest income is recognised on a time proportion basis.
- (ii) Dividend income is accounted for when the right to receive payment is established.
- (iii) Rental income is recognised as income over the period to which it relates.



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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(g) Claims and expenses recognition**

Claims, comprising amounts payable to contract holders and third parties and related loss adjustment expenses, net of salvage and other recoveries, are charged to income as incurred.

The Group generally estimates its claims based on previous experience. Independent loss adjusters normally estimate property claims. Any difference between the provisions at the reporting date and settlements and provisions for the following year is included in the underwriting account for that year.

**(h) Finance cost**

Interest paid is recognised in the consolidated statement of income as it accrues and is calculated by using the effective interest rate method. Accrued interest is included within the carrying value of the interest-bearing financial liability.

**(i) Policy acquisition costs**

Commissions and other costs directly related to the acquisition and renewal of insurance contracts are charged to the consolidated statement of income when incurred.

**(j) General and administration expenses**

Direct expenses of general insurance business are charged to respective departmental revenue accounts. Indirect expenses of the general insurance business are allocated to departmental revenue accounts on the basis of gross retained premiums of each department. Other administration expenses are charged to the consolidated statement of income.

**(k) Foreign currency translation**

The presentation currency is UAE Dirhams (AED). This is also the functional currency of the Group. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All foreign exchange differences are taken to the consolidated statement of income, except when it relates to items when gains or losses are recognised directly in equity, the gain or loss is then recognised net of the exchange component in the consolidated statement of comprehensive income.

**(l) Segment reporting**

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- a) The medical and life insurance segment offers short term group health and life insurance. Revenue from this segment is derived primarily from insurance premium, fees and commission income.
- b) The general insurance segment comprises insurance to individuals and businesses. General insurance products offered include motor, marine, fire, engineering, general accident and miscellaneous. These products offer protection of policyholder's assets and indemnification of other parties that have suffered damage as a result of policyholder's accident, e.g., employee liability claims and asbestos. Revenue in this segment is derived primarily from insurance premiums.

No operating segments have been aggregated to form the above reportable operating segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the consolidated financial statements. Unallocated administrative expenses are managed on a group basis and are not allocated to individual operating segments.

No inter-segment transactions occurred in 2025 and 2024. If any transaction were to occur, transfer prices between operating segments would be set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results will include those transfers between business segments which will then be eliminated on consolidation.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(m) Product classification**

Insurance contracts are those contracts when the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, security price, commodity price, foreign exchange rate, index of price or rates, a credit rating or credit index or other variable.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can however be reclassified as insurance contracts after inception, if insurance risk becomes significant.

**(n) Property and equipment**

Property and equipment are recorded at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of property and equipment as follows:

Furniture and equipment	4 years
Motor vehicles	4 years

No depreciation is charged on land.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognised.

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

**(o) Investment properties**

The Group has elected to adopt the cost model for investment properties. Accordingly, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Building	40 years
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No depreciation is charged on freehold land.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(p) Fair value measurement**

The Group measures financial instruments, such as, equity instruments, and non-financial assets such as investment properties (for disclosure purposes), at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 11.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described in note 11, based on the lowest level input that is significant to the fair value measurement as a whole.

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

**(q) Financial instruments**

*Recognition and measurement*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

A financial asset and financial liability is offset, and the net amount is reported in the consolidated financial statements only when there is legally enforceable right to set off the recognised amount and the Group intends either to settle on a net basis or realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Group.

*Financial assets*

All financial assets are recognised and derecognised on trade date when 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. Financial assets are initially measured at fair value, plus transaction costs. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(q) Financial instruments (continued)**

*Classification and initial measurement of financial assets*

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32 Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

*Financial assets at amortised cost and the effective interest method*

Debt instruments are measured at amortised cost if both of the following conditions are met:

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

*Cash and cash equivalents*

Cash and cash equivalents, which include cash on hand and current accounts with banks, are classified as financial assets at amortised cost.

*Insurance and other receivables, deposits and statutory deposits*

Insurance and other receivables (excluding prepayments), deposits and statutory deposits 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.

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

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading. The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Dividends on these investments in equity instruments at FVTOCI are recognised in consolidated statement of profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(q) Financial instruments (continued)**

**Financial assets (continued)**

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

The fair value is determined in line with the requirements of IFRS 9 'Financial Instruments', which does not allow for measurement at cost. Fair value is determined in the manner described in Note 11. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

*Impairment of financial assets*

IFRS 9's impairment requirements use forward looking information under Expected credit loss (ECL) model for the financial assets measured at amortised cost which consist of insurance and other receivables (excluding prepayments), cash and cash equivalents, investments at amortised cost and due from related parties.

*Measurement of ECLs*

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. The Group considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of "investment grade".

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2). Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*Insurance and other receivables*

The Group makes use of a simplified approach in accounting for insurance and other and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of insurance receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

**Financial liabilities**

Group's financial liabilities include bank loan and insurance and reinsurance payables.

*Classification and initial measurement of financial liabilities*

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(q) Financial instruments (continued)**

***Derecognition of financial instruments***

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement
- The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognised in the consolidated statement of profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

**(r) Reinsurance contracts held**

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Group may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the consolidated statement of income. Gains or losses on buying reinsurance are recognised in the consolidated statement of profit or loss immediately at the date of purchase and are not amortised. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(r) Reinsurance contracts held (continued)**

The Group also assumes reinsurance risk in the normal course of business for life insurance and general insurance contracts where applicable. Premiums and claims on assumed reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance. Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party. Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the consolidated statement of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured.

Where the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The Group calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held. The Group uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage.

***Modification and derecognition***

The Group derecognises 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. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

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

**(s) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the consolidated statement of financial position.

**(t) Provisions**

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

**(u) Employees' end of service benefits**

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

With respect to its UAE national employees, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

**(v) Contingencies**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(w) Taxation**

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

***Current***

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

***Deferred taxation***

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except

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

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

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

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

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

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

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



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

**2.6 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**(w) Taxation (continued)**

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

**(x) Value added tax (VAT)**

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

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

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

**2.7 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. These factors could include:

**Judgments and estimates**

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

*Insurance and reinsurance contracts*

The Group applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Group's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Group 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 Group is eligible and chooses to capitalise all insurance acquisition cashflows upon payments.

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

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 Group'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.

Dubai Insurance Company PJSC and its subsidiaries

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

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

**2.7 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)**

**Judgements and estimates (continued)**

*Liability for remaining coverage (continued)*

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

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

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

**Discount rates**

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

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

		<i>1 year</i>		<i>3 years</i>		<i>5 years</i>		<i>10 years</i>		<i>20 years</i>	
		<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
Insurance contracts issued											
AED		<b>4.07%</b>	5.21%	<b>3.98%</b>	5.09%	<b>4.11%</b>	5.05%	<b>4.48%</b>	5.10%	<b>4.92%</b>	5.13%
Reinsurance contracts held											
AED		<b>4.07%</b>	5.21%	<b>3.98%</b>	5.09%	<b>4.11%</b>	5.05%	<b>4.48%</b>	5.10%	<b>4.92%</b>	5.13%

**Risk adjustment for non-financial risk**

The Group use Mack method or bootstrapping to determine its risk adjustment for non-financial risk. The bootstrap effectively allows the Group 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 Group 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 Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80th percentile. That is, the Group 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 80th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

#### 2.7 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

##### Estimation uncertainty

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

##### Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's length market transactions;
- current fair value of another instrument that is substantially the same; and
- the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or other valuation models.

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

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

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

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

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

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

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

### 3 INSURANCE SERVICE EXPENSES

For the year ended 31 December 2025

	<i>Life and Medical AED'000</i>	<i>General and Motor AED'000</i>	<i>Total AED'000</i>
Incurring claims and other expenses	1,015,632	890,083	1,905,715
Amortisation of insurance acquisition cash flows	168,442	404,607	573,049
Losses on onerous contracts and reversals of those losses	15,170	(24,995)	(9,825)
Changes to liabilities for incurred claims	(8,127)	(179,937)	(188,064)
	<b>1,191,117</b>	<b>1,089,758</b>	<b>2,280,875</b>

For the year ended 31 December 2024

	<i>Life and Medical AED'000</i>	<i>General and Motor AED'000</i>	<i>Total AED'000</i>
Incurring claims and other expenses	925,798	751,275	1,677,073
Amortisation of insurance acquisition cash flows	133,311	354,548	487,859
Losses on onerous contracts and reversals of those losses	12,072	29,671	41,743
Changes to liabilities for incurred claims	(16,536)	(134,466)	(151,002)
	<b>1,054,645</b>	<b>1,001,028</b>	<b>2,055,673</b>

Dubai Insurance Company PJSC and its subsidiaries

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**4 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT**

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

*For the year ended 31 December 2025*

	<i>Life and Medical AED'000</i>	<i>General and Motor AED'000</i>	<i>Total AED'000</i>
<b>Investment income</b>			
<b>Amounts recognised in the profit or loss</b>			
Interest income	-	32,907	32,907
Dividend income from financial investments	5,062	31,907	36,969
Gain on disposal of investment property (Note 9)	-	13,826	13,826
Other income	-	(290)	(290)
	<u>5,062</u>	<u>78,350</u>	<u>83,412</u>
<b>Insurance finance expenses from insurance contracts issued</b>			
Interest accreted to insurance contracts using			
current financial assumptions	(5,437)	(5,962)	(11,399)
Due to changes in interest rates and other financial assumptions	(45)	(99)	(144)
	<u>(5,482)</u>	<u>(6,061)</u>	<u>(11,543)</u>
<b>Total insurance finance expenses from insurance contracts issued</b>	<u>(5,482)</u>	<u>(6,061)</u>	<u>(11,543)</u>
Represented by:			
Amounts recognised in profit or loss	<u>(5,482)</u>	<u>(6,061)</u>	<u>(11,543)</u>
<b>Reinsurance finance income from reinsurance contracts held</b>			
Interest accreted to reinsurance contracts using			
current financial assumptions	3,163	9,965	13,128
Due to changes in interest rates and other financial assumptions	29	185	214
	<u>3,192</u>	<u>10,150</u>	<u>13,342</u>
<b>Reinsurance finance income from reinsurance contracts held</b>	<u>3,192</u>	<u>10,150</u>	<u>13,342</u>
Represented by:			
Amounts recognised in profit or loss	<u>3,192</u>	<u>10,150</u>	<u>13,342</u>
<b>Total insurance finance expenses and reinsurance finance income</b>	<u>(2,290)</u>	<u>4,089</u>	<u>1,799</u>
Represented by:			
Amounts recognised in profit or loss	<u>(2,290)</u>	<u>4,089</u>	<u>1,799</u>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 4 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT (continued)

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

*For the year ended 31 December 2024*

	<i>Life and medical AED'000</i>	<i>General and motor AED'000</i>	<i>Total AED'000</i>
Investment income			
Amounts recognised in profit or loss			
Interest income	-	25,153	25,153
Dividend income from financial investments	5,210	33,499	38,709
Other income	-	(1,243)	(1,243)
	<u>5,210</u>	<u>57,409</u>	<u>62,619</u>
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(2,776)	(7,578)	(10,354)
Due to changes in interest rates and other financial assumptions	165	629	794
Total insurance finance expenses from insurance contracts issued	<u>(2,611)</u>	<u>(6,949)</u>	<u>(9,560)</u>
Represented by:			
Amounts recognised in profit or loss	<u>(2,611)</u>	<u>(6,949)</u>	<u>(9,560)</u>
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	1,316	7,568	8,884
Due to changes in interest rates and other financial assumptions	(62)	(596)	(658)
Reinsurance finance income from reinsurance contracts held	<u>1,254</u>	<u>6,972</u>	<u>8,226</u>
Represented by:			
Amounts recognised in profit or loss	<u>1,254</u>	<u>6,972</u>	<u>8,226</u>
Total insurance finance expenses and reinsurance finance income	<u>(1,357)</u>	<u>23</u>	<u>(1,334)</u>
Represented by:			
Amounts recognised in profit or loss	<u>(1,357)</u>	<u>23</u>	<u>(1,334)</u>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5 SEGMENT INFORMATION

The Group is organised into two segments: Life and Medical as one segment and Motor and General as the other segment. These segments information to the Chief Executive Officer. Insurance revenue represent the total income arising from insurance contracts. The Group does not conduct any business outside the UAE. There are no transactions between the business segments. The following is an analysis of the Group's consolidated statement of profit or loss classified by major segments:

#### For the year ended 31 December 2025

	<i>Life and medical AED'000</i>	<i>Motor and general AED'000</i>	<i>Total AED'000</i>
Insurance revenue	1,134,530	2,305,913	3,440,443
Insurance service expenses	(1,191,117)	(1,089,758)	(2,280,875)
<b>Insurance service result before reinsurance contracts held</b>	<b>(56,587)</b>	<b>1,216,155</b>	<b>1,159,568</b>
Allocation of reinsurance premiums	(512,364)	(1,601,737)	(2,114,101)
Amounts recoverable from reinsurance	553,528	560,798	1,114,326
<b>Net income / (expenses) from reinsurance contracts held</b>	<b>41,164</b>	<b>(1,040,939)</b>	<b>(999,775)</b>
Interest income	-	32,907	32,907
Other investment income	5,062	45,443	50,505
Finance expenses from insurance contracts issued	(5,482)	(6,061)	(11,543)
Finance income from reinsurance contracts held	3,192	10,150	13,342
<b>Net insurance financial result</b>	<b>(2,290)</b>	<b>4,089</b>	<b>1,799</b>
Other income	-	395	395
Other operating expenses	(10,102)	(25,980)	(36,082)
<b>Profit for the year before tax</b>	<b>(22,753)</b>	<b>230,070</b>	<b>209,317</b>

#### For the year ended 31 December 2024

	<i>Life and medical AED'000</i>	<i>Motor and general AED'000</i>	<i>Total AED'000</i>
Insurance revenue	1,030,323	1,959,393	2,989,716
Insurance service expenses	(1,054,645)	(1,001,028)	(2,055,673)
<b>Insurance service result before reinsurance contracts held</b>	<b>(24,322)</b>	<b>958,365</b>	<b>934,043</b>
Allocation of reinsurance premiums	(462,764)	(1,340,434)	(1,803,198)
Amounts recoverable from reinsurance	496,094	481,293	977,387
<b>Net income / (expenses) from reinsurance contracts held</b>	<b>33,330</b>	<b>(859,141)</b>	<b>(825,811)</b>
Interest income	-	25,123	25,123
Other investment income	5,210	32,286	37,496
Finance expenses from insurance contracts issued	(2,611)	(6,949)	(9,560)
Finance income from reinsurance contracts held	1,253	6,973	8,226
<b>Net insurance financial result</b>	<b>(1,358)</b>	<b>24</b>	<b>(1,334)</b>
Other income	-	43	43
Other operating expenses	(4,962)	(22,649)	(27,611)
<b>Profit for the year before tax</b>	<b>7,898</b>	<b>134,051</b>	<b>141,949</b>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 5 SEGMENT INFORMATION (continued)

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

#### As at 31 December 2025

	<i>Life and medical AED'000</i>	<i>Motor and general AED'000</i>	<i>Total AED'000</i>
Total assets	<b>510,365</b>	<b>3,805,864</b>	<b>4,316,229</b>
Total liabilities	<b>525,766</b>	<b>2,618,337</b>	<b>3,144,103</b>

#### As at 31 December 2024

	<i>Life and medical AED'000</i>	<i>Motor and general AED'000</i>	<i>Total AED'000</i>
Total assets	417,162	3,071,569	3,488,731
Total liabilities	376,405	2,174,696	2,551,101

#### 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

	<i>Life Insurance AED'000</i>	<i>Fund Accumulation AED'000</i>	<i>Medical Insurance AED'000</i>	<i>Property &amp; Liability AED'000</i>	<i>All types of Business Combined AED'000</i>
Direct written premiums	<b>3,377</b>	-	<b>1,199,158</b>	<b>2,413,941</b>	<b>3,616,476</b>
Assumed business					
Foreign	-	-	-	<b>35,516</b>	<b>35,516</b>
Local	-	-	<b>6,565</b>	<b>472,868</b>	<b>479,433</b>
Total assumed business	-	-	<b>6,565</b>	<b>508,384</b>	<b>514,949</b>
Gross written premiums	<b>3,377</b>	-	<b>1,205,723</b>	<b>2,922,325</b>	<b>4,131,425</b>

#### 31 December 2024

	<i>Life Insurance AED'000</i>	<i>Fund Accumulation AED'000</i>	<i>Medical Insurance AED'000</i>	<i>Property &amp; Liability AED'000</i>	<i>All types of Business Combined AED'000</i>
Direct written premiums	2,605	-	1,060,456	1,874,153	2,937,214
Assumed business					
Foreign	-	-	-	7,280	-
Local	-	-	16,928	363,280	387,488
Total assumed business	-	-	16,928	370,560	387,488
Gross written premiums	2,605	-	1,077,384	2,244,713	3,324,702

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 6 OTHER OPERATING EXPENSES

Operating expenses allocable to the underwriting and non-underwriting activities include mainly the following:

	2025 AED'000	2024 AED'000
Staff costs	14,363	13,201
Director fees	5,484	6,017
Office expenses	2,160	1,860
Rental costs – short term operating leases*	398	384
Social contributions **	1,000	-
Other expenses	12,677	6,149
	<b>36,082</b>	<b>27,611</b>

\* The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) and for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

\*\* Social contributions were paid to Islamic Affairs & Charitable Activities Department.

### 7 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year after tax, by the weighted average number of shares outstanding during the year as follows:

	2025 AED'000	2024 AED'000
Profit for the year after tax	190,650	132,302
Weighted average number of shares outstanding during the year ('000)	100,000	100,000
Earnings per share	1.906	1.323

No figures for diluted earnings per share are presented as the Group has not issued any instruments which would have an impact on earnings per share when exercised.

### 8 PROPERTY AND EQUIPMENT

	Land and building AED'000	Capital work in progress AED'000	Furniture and equipment AED'000	Motor vehicles AED'000	Total AED'000
<b>Cost:</b>					
At 1 January 2024	64,235	-	28,208	1,579	94,022
Additions during the year	-	-	8,964	-	8,964
At 31 December 2024	64,235	-	37,172	1,579	102,986
Additions during the year	44,156	1,552	5,830	-	51,538
Transfer to investment property *(44,173)	-	-	-	-	(44,173)
<b>At 31 December 2025</b>	<b>64,218</b>	<b>1,552</b>	<b>43,002</b>	<b>1,579</b>	<b>110,351</b>



# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 8 PROPERTY AND EQUIPMENT (continued)

	<i>Land and building AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Furniture and equipment AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Total AED'000</i>
<b>Accumulated depreciation:</b>					
At 1 January 2024	18,393	-	20,989	1,023	40,405
Charge for the year	-	-	4,945	191	5,136
At 31 December 2024	18,393	-	25,934	1,214	45,541
Charge for the year	-	-	5,760	182	5,942
<b>At 31 December 2025</b>	<b>18,393</b>	<b>-</b>	<b>31,694</b>	<b>1,396</b>	<b>51,483</b>
<b>Net carrying amount:</b>					
<b>At 31 December 2025</b>	<b>45,825</b>	<b>1,552</b>	<b>11,308</b>	<b>183</b>	<b>58,868</b>
<b>Net carrying amount:</b>					
At 31 December 2024	45,842	-	11,238	365	57,445

\* Included in property and equipment is new land purchased during the year with an intention to be the location for the corporate head office, situated in the Emirate of Dubai, United Arab Emirates with a carrying value of AED 44,156 thousand. In view of this, the plot of land already held and intended to be the location for the corporate head office and carried at cost of AED 44,173 thousand has been moved to Investment property.

### 9 INVESTMENT PROPERTIES

	<i>Freehold land AED'000</i>	<i>Land and building AED'000</i>	<i>Total AED'000</i>
<b>Cost:</b>			
At 1 January 2024	15,626	48,092	63,718
At 31 December 2024	15,626	48,092	63,718
Transfer from property and equipment *	44,173	-	44,173
Disposals *	(44,173)	-	(44,173)
At 31 December 2025	<b>15,626</b>	<b>48,092</b>	<b>63,718</b>
<b>Accumulated depreciation:</b>			
At 1 January 2024	-	1,860	1,860
Charge for the year	-	743	743
At 31 December 2024	-	2,603	2,603
Charge for the year	-	743	743
At 31 December 2025	<b>-</b>	<b>3,346</b>	<b>3,346</b>
<b>Net carrying amount:</b>			
<b>At 31 December 2025</b>	<b>15,626</b>	<b>44,746</b>	<b>60,372</b>
<b>Net carrying amount:</b>			
At 31 December 2024	15,626	45,489	61,115

\* The Group has transferred a plot of land with a carrying value of AED 44,173 thousand from property and equipment as disclosed in Note 8 and during the year, this plot of land was sold during the year for AED 58,000 thousand resulting in a gain of AED 13,826 thousand recognised in consolidated statement of profit and loss.

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 9 INVESTMENT PROPERTIES (continued)

Investment properties comprise of properties as mentioned below:

#### *Lands at Nad Al Shiba First, Dubai*

There are two lands at Nad Al Shiba are carried at cost and the fair value of the investment properties as of 31 December 2025, based on a valuation undertaken by an independent qualified valuer, amounted to AED 23,023 thousand each (2024: AED 17,800 thousand).

#### *Land and Building at Satwa, Dubai*

The property is carried at cost and the fair value of the investment property as of 31 December 2025, based on an average of valuation undertaken by independent qualified valuers, amounted to AED 45,457 thousand (2024: AED 33,040 thousand). The rental income of the building included: building income of AED 2,161 thousand (2024: AED 1,915 thousand) and rental expenses of AED 2,577 thousand (2024: AED 2,602 thousand).

The fair value of investment properties has been determined using level 3 fair value hierarchy.

### 10 FINANCIAL ASSETS

	<i>Carrying value</i>		<i>Fair value</i>	
	<i>2025</i>	<i>2024*</i>	<i>2025</i>	<i>2024*</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>Financial instruments</i>				
At fair value through profit or loss (Note 10(a))	<b>345</b>	902	<b>345</b>	902
At fair value through other comprehensive income (Note 10(b))	<b>830,449</b>	745,128	<b>830,449</b>	745,128
At amortised cost (Note 10(c))	<b>488,108</b>	249,572	<b>488,448</b>	249,522
	<b>1,318,902</b>	995,602	<b>1,319,242</b>	995,552

\*Certain amounts shown here do not correspond to the 2024 consolidated financial statements and reflect classifications as detailed in Note 28.

This is due to reclassification of fixed deposits amounting to AED 210,383 thousand with original maturity less than 3 months period into cash and cash equivalents from financial assets.

#### 10(a) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
Shares - quoted	<b>345</b>	902

The financial instruments at fair value through profit or loss includes sale of securities amounting to AED 583 thousand (2024: AED 2,500 thousand). The realised loss on sale amounted to AED 363 thousand (2024: Nil) has been recognised in consolidated statement of profit or loss.

#### 10(b) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
Shares – quoted (within UAE)	<b>580,451</b>	503,922
Shares – unquoted (outside UAE)	<b>244,934</b>	239,676
Shares – unquoted (within UAE)	<b>5,064</b>	1,530
	<b>830,449</b>	745,128

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 10 FINANCIAL ASSETS (continued)

#### 10(b) FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (continued)

The financial instruments at fair value through other comprehensive income includes additions of AED 38,817 thousand (2024: AED 81,986 thousand) and sale of securities amounting to AED 77,320 thousand (2024: 17,058 thousand). The fair value gain amounting to AED 131,566 thousand (2024: AED 92,415 thousand) has been recognised in the consolidated statement of comprehensive income.

#### 10(c) FINANCIAL INSTRUMENTS AT AMORTISED COST

	2025 AED'000	2024 AED'000
Debt securities *	86,844	102,206
Bank deposits**	401,264	147,366
	<u>488,108</u>	<u>249,572</u>

\* The debt securities measured at amortised cost includes additions of AED 30,348 thousand (2024: AED 58,880 thousand) and sale of securities amounting to AED 15,347 thousand (2024: Nil).

\*\*Bank deposits within the United Arab Emirates are with an effective interest rate of 3.60% to 4.25%.

Certain amounts shown here do not correspond to the 2024 consolidated financial statements and reflect classifications as detailed in Note 28.

	2025 AED'000	2024 AED'000
<i>Amortised cost</i>		
Debt securities (within UAE)	37,302	66,422
Debt securities (outside UAE)	49,542	35,784
	<u>86,844</u>	<u>102,206</u>

The investments carry interest at an effective interest rate 4% to 4.5% per annum. The maturity profile of these debt instruments is shown below:

#### 31 December 2025

	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	21,796	15,506	37,302
Debt securities (outside UAE)	45,837	3,705	49,542
	<u>67,633</u>	<u>19,211</u>	<u>86,844</u>

#### 31 December 2024

	Less than 5 years AED'000	More than 5 years AED'000	Total AED'000
Debt securities (within UAE)	36,161	30,261	66,422
Debt securities (outside UAE)	35,784	-	35,784
	<u>71,945</u>	<u>30,261</u>	<u>102,206</u>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 11 FAIR VALUE OF FINANCIAL INSTRUMENTS

#### Determination of fair value and fair values hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>fair value</i> <i>AED'000</i>
<b>At 31 December 2025</b>				
<i>At fair value through profit or loss:</i>				
Quoted equity securities	<b>345</b>	-	-	<b>345</b>
<i>At fair value through other comprehensive income:</i>				
Quoted equity securities	<b>580,451</b>	-	-	<b>580,451</b>
Unquoted equity securities*	-	-	<b>249,998</b>	<b>249,998</b>
	<b>580,451</b>	-	<b>249,998</b>	<b>830,449</b>
	<b>580,796</b>	-	<b>249,998</b>	<b>830,794</b>
<b>At 31 December 2024</b>				
<i>At fair value through profit or loss:</i>				
Quoted equity securities	902	-	-	902
<i>At fair value through other comprehensive income:</i>				
Quoted equity securities	503,922	-	-	503,922
Unquoted equity securities*	-	-	241,206	241,206
	503,922	-	241,206	745,128
	504,824	-	241,206	746,030

\*Fair value of unquoted investments has been determined by the management based on Market Value and Net Assets Value techniques as at 31 December 2025, using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees.

Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**11 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

**Movements in level 3 financial instruments measured at fair value**

*31 December 2025*

	<i>At 1 January 2025 AED'000</i>	<i>Purchases AED'000</i>	<i>Sales AED'000</i>	<i>Total loss recorded in OCI AED'000</i>	<i>At 31 December 2025 AED'000</i>
<b>Financial instruments</b>					
<i>At fair value through other comprehensive income</i>					
Unquoted investments	<u>241,206</u>	<u>32,088</u>	<u>(18,735)</u>	<u>(4,561)</u>	<u>249,998</u>

*31 December 2024*

	<i>At 1 January 2024 AED'000</i>	<i>Purchases AED'000</i>	<i>Sales AED'000</i>	<i>Total loss recorded in OCI AED'000</i>	<i>At 31 December 2024 AED'000</i>
<b>Financial instruments</b>					
<i>At fair value through other comprehensive income</i>					
Unquoted investments	<u>174,149</u>	<u>77,027</u>	<u>(8,113)</u>	<u>(1,857)</u>	<u>241,206</u>

**Asset for which fair value approximates carrying value**

For financial assets and financial liabilities that have short term maturities (less than three months) it is assumed that the carrying amounts approximate their fair values. This assumption is also applied to insurance receivables, reinsurance payables, demand deposits and savings accounts without specific maturity. Fair value of quoted bonds is based on price quotations at the reporting date.

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

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

	<i>31 December 2025</i>			<i>31 December 2024</i>		
	<i>Assets AED'000</i>	<i>Liabilities AED'000</i>	<i>Net AED'000</i>	<i>Assets AED'000</i>	<i>Liabilities AED'000</i>	<i>Net AED'000</i>
<b>Insurance contracts issued</b>						
Life and Medical	-	508,791	(508,791)	-	363,703	(363,703)
General and Motor	-	1,906,597	(1,906,597)	-	1,635,400	(1,635,400)
	-	2,415,388	(2,415,388)	-	1,999,103	(1,999,103)
<b>Reinsurance contracts held</b>						
Life and Medical	291,682	-	291,682	253,971	-	253,971
General and Motor	1,317,994	-	1,317,994	1,199,995	-	1,199,995
	1,609,676	-	1,609,676	1,453,966	-	1,453,966

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

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

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

Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)**

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

2025	<i>Life and Medical</i>				<i>General and Motor</i>				<i>Total</i> <i>AED'000</i>
	<i>Liabilities for remaining coverage</i>	<i>Liabilities for incurred claims</i>	<i>Liabilities for incurred claims</i>	<i>Liabilities for incurred claims</i>	<i>Liabilities for remaining coverage</i>	<i>Liabilities for incurred claims</i>	<i>Liabilities for incurred claims</i>	<i>Liabilities for incurred claims</i>	
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cashflows AED'000</i>	<i>Risk adjustment AED'000</i>	
<b>Insurance contract liabilities as at 1 January</b>	114,461	12,072	232,534	4,635	1,432,306	29,671	161,311	12,113	1,999,103
<b>Insurance revenue</b>	(1,134,530)	-	-	-	(2,305,913)	-	-	-	(3,440,443)
<b>Insurance service expenses</b>	168,442	15,170	1,008,791	(1,285)	404,607	(24,995)	709,589	556	2,280,875
Incurred claims and other expenses	-	-	1,012,734	2,899	-	-	879,496	10,586	1,905,715
Amortisation of insurance acquisition cash flows	168,442	-	-	-	404,607	-	-	-	573,049
Losses on onerous contracts and reversals of those losses	-	15,170	-	-	-	(24,995)	-	-	(9,825)
Changes to liabilities for incurred claims	-	-	(3,943)	(4,184)	-	-	(169,907)	(10,030)	(188,064)
<b>Insurance service result</b>	(966,088)	15,170	1,008,791	(1,285)	(1,901,306)	(24,995)	709,589	556	(1,159,568)
Insurance finance expenses	-	-	5,423	59	-	-	5,906	155	11,543
<b>Total changes in the consolidated statement of comprehensive (loss)/income</b>	(966,088)	15,170	1,014,214	(1,226)	(1,901,306)	(24,995)	715,495	711	(1,148,025)
<b>Cash flows</b>									
Premiums received	1,095,555	-	-	-	2,790,179	-	-	-	3,885,734
Claims and other expenses paid	-	-	(882,392)	-	-	-	(822,138)	-	(1,704,530)
Insurance acquisition cash flows	(130,144)	-	-	-	(486,750)	-	-	-	(616,894)
<b>Total cash flows</b>	965,411	-	(882,392)	-	2,303,429	-	(822,138)	-	1,564,310
<b>Net insurance contract liabilities as at 31 December</b>	<b>113,784</b>	<b>27,242</b>	<b>364,356</b>	<b>3,409</b>	<b>1,834,429</b>	<b>4,676</b>	<b>54,668</b>	<b>12,824</b>	<b>2,415,388</b>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

2024

	Life and Medical				General and Motor				Total AED'000
	Liabilities for remaining coverage	Liabilities for incurred claims	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Liabilities for remaining coverage	Liabilities for incurred claims	Estimates of the present value of future cashflows AED'000	Risk adjustment AED'000	
	Excluding loss component AED'000	Loss component AED'000			Excluding loss component AED'000	Loss component AED'000			
Insurance contract liabilities as at 1 January	112,724	-	184,480	5,846	1,118,094	-	236,332	11,720	1,669,196
Insurance revenue	(1,030,323)	-	-	-	(1,959,393)	-	-	-	(2,989,716)
Insurance service expenses	133,311	12,072	910,473	(1,211)	354,548	29,671	616,416	393	2,055,673
Incurred claims and other expenses	-	-	907,710	18,088	-	-	754,728	(3,453)	1,677,073
Amortisation of insurance acquisition cash flows	133,311	-	-	-	354,548	-	-	-	487,859
Losses on onerous contracts and reversals of those losses	-	12,072	-	-	-	29,671	-	-	41,743
Changes to liabilities for incurred claims	-	-	2,763	(19,299)	-	-	(138,312)	3,846	(151,002)
Insurance service result	(897,012)	12,072	910,473	(1,211)	(1,604,845)	29,671	616,416	393	(934,043)
Insurance finance income	-	-	2,610	-	-	-	6,950	-	9,560
Total changes in the consolidated statement of comprehensive (loss)/income	(897,012)	12,072	913,083	(1,211)	(1,604,845)	29,671	623,366	393	(924,483)
Cash flows									
Premiums received	1,049,310	-	-	-	2,295,653	-	-	-	3,344,963
Claims and other expenses paid	-	-	(865,029)	-	-	-	(698,387)	-	(1,563,416)
Insurance acquisition cash flows	(150,561)	-	-	-	(376,596)	-	-	-	(527,157)
Total cash flows	898,749	-	(865,029)	-	1,919,057	-	(698,387)	-	1,254,390
Net insurance contract liabilities as at 31 December	114,461	12,072	232,534	4,635	1,432,306	29,671	161,311	12,113	1,999,103



Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (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)

2025	<i>Life and Medical</i>				<i>General and Motor</i>				<i>Total</i> <i>AED'000</i>
	<i>Assets for remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		<i>Assets for remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cashflows AED'000</i>	<i>Risk adjustment AED'000</i>	
Reinsurance contract assets as at 1 January	138,988	6,974	106,331	1,677	854,291	20,650	314,702	10,353	1,453,966
An allocation of reinsurance premiums	(512,364)	-	-	-	(1,601,737)	-	-	-	(2,114,101)
Amounts recoverable from reinsurers for incurred claims	-	-	522,298	1,558	-	-	468,018	4,805	996,679
Amortisation of insurance acquisition cash flows	66	-	-	-	284,667	-	-	-	284,733
Loss recovery on onerous underlying contracts	-	10,717	-	-	-	(16,149)	-	-	(5,432)
Changes to amounts recoverable for incurred claims	-	-	20,480	(1,591)	-	-	(171,988)	(8,554)	(161,653)
<b>Net (expense)/income from reinsurance contracts held</b>	<b>(512,298)</b>	<b>10,717</b>	<b>542,778</b>	<b>(33)</b>	<b>(1,317,070)</b>	<b>(16,149)</b>	<b>296,030</b>	<b>(3,749)</b>	<b>(999,774)</b>
Reinsurance finance income	-	-	3,171	21	-	-	10,018	132	13,342
<b>Total changes in the consolidated statement of comprehensive (loss)/income</b>	<b>(512,298)</b>	<b>10,717</b>	<b>545,949</b>	<b>(12)</b>	<b>(1,317,070)</b>	<b>(16,149)</b>	<b>306,048</b>	<b>(3,617)</b>	<b>986,432</b>

Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (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)

2025

2025	Life and Medical				General and Motor				Total AED'000
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cashflows AED'000	Risk adjustment AED'000	
Cash flows	479,061	-	-	-	1,896,229	-	-	-	2,375,290
Amounts received	(57)	-	(485,648)	-	(244,658)	-	(502,785)	-	(1,233,148)
Total cash flows	479,004	-	(485,648)	-	1,651,571	-	(502,785)	-	1,142,142
Reinsurance contract assets as at 31 December	105,694	17,691	166,632	1,665	1,188,792	4,501	117,965	6,736	1,609,676

Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)**

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

2024	<i>Life and Medical</i>				<i>General and Motor</i>				<i>Total</i> AED'000
	<i>Assets for remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		<i>Assets for remaining coverage</i>		<i>Amounts recoverable on incurred claims</i>		
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cash flows AED'000</i>	<i>Risk adjustment AED'000</i>	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>Estimates of the present value of future cashflows AED'000</i>	<i>Risk adjustment AED'000</i>	
Reinsurance contract assets as at 1 January	72,220	-	83,715	2,768	708,649	-	301,595	10,855	1,179,802
An allocation of reinsurance premiums	(462,764)	-	-	-	(1,340,434)	-	-	-	(1,803,198)
Amounts recoverable from reinsurers for incurred claims	-	6,974	490,209	(1,091)	-	20,650	461,147	(502)	977,387
Amounts recoverable for incurred claims and other expenses	-	-	476,722	7,518	-	-	599,099	22,967	1,106,306
Loss recovery on onerous underlying contracts	-	6,974	-	-	-	20,650	-	-	27,624
Changes to amounts recoverable for incurred claims	-	-	13,487	(8,609)	-	-	(137,952)	(23,469)	(156,543)
Net (expense)/income from reinsurance contracts held	(462,764)	6,974	490,209	(1,091)	(1,340,434)	20,650	461,147	(502)	(825,811)
Reinsurance finance income	-	-	1,253	-	-	-	6,973	-	8,226
Total changes in the consolidated statement of comprehensive (loss)/income	(462,764)	6,974	491,462	(1,091)	(1,340,434)	20,650	468,120	(502)	(817,585)

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)

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

2024	Life and Medical				General and Motor				Total AED'000
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cashflows AED'000	Risk adjustment AED'000	
Cash flows									
Premiums paid	529,532	-	-	-	1,486,076	-	-	-	
Amounts received	-	-	(468,846)	-	-	-	(455,013)	-	
Total cash flows	529,532	-	(468,846)	-	1,486,076	-	(455,013)	-	
Reinsurance contract assets as at 31 December	138,988	6,974	106,331	1,677	854,291	20,650	314,702	10,353	

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Group'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 consolidated statement of financial position. The following tables illustrate the Group's estimate of total liability for incurred claims for the years up to 2025.

Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)**

**Gross insurance contract liabilities at 31 December 2025**

	<i>2018 and prior AED'000</i>	<i>2019 AED'000</i>	<i>2020 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2023 AED'000</i>	<i>2024 AED'000</i>	<i>2025 AED'000</i>	<i>Total AED'000</i>
<i>Motor and General</i>									
At the end of each reporting year	426,927	143,018	271,651	198,418	167,126	237,925	759,525	814,015	3,018,695
One year later	428,118	149,910	326,264	212,445	214,920	299,090	688,582	-	2,319,329
Two years later	429,537	148,738	338,322	215,488	212,856	300,146	-	-	1,645,087
Three years later	424,290	145,925	351,634	226,791	214,645	-	-	-	1,363,285
Four years later	424,402	145,783	332,373	179,001	-	-	-	-	1,081,559
Five years later	418,923	140,295	309,783	-	-	-	-	-	869,001
Six years later	420,000	139,768	-	-	-	-	-	-	559,968
Seven years later	387,057	-	-	-	-	-	-	-	387,057
Estimate of cumulative claims	387,057	139,768	309,783	179,001	214,645	300,146	688,582	814,015	3,033,086
Cumulative payments to date	385,208	141,213	308,896	178,850	212,050	301,084	704,269	697,389	2,929,200
Unallocated loss adjustment expense reserve	-	-	-	-	-	-	-	-	2,255
Claims payable	-	-	-	-	-	-	-	-	(49,992)
Total gross undiscounted liabilities for incurred claims	1,849	(1,686)	886	150	2,595	(938)	(15,687)	116,716	56,149
Effect of discounting									(1,481)
Total discounted gross reserves included in the consolidated statement of financial position									54,668
Risk Adjustments									12,824

Dubai Insurance Company PJSC and its subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (continued)**

**Gross insurance contract liabilities at 31 December 2025**

<i>Life and Medical</i>	<i>2018 and prior AED'000</i>	<i>2019 AED'000</i>	<i>2020 AED'000</i>	<i>2021 AED'000</i>	<i>2022 AED'000</i>	<i>2023 AED'000</i>	<i>2024 AED'000</i>	<i>2025 AED'000</i>	<i>Total AED'000</i>
At the end of each reporting year	<b>109,903</b>	<b>92,937</b>	<b>90,105</b>	<b>153,957</b>	<b>219,061</b>	<b>516,408</b>	<b>804,378</b>	<b>1,005,053</b>	<b>2,991,802</b>
One year later	<b>129,812</b>	<b>114,335</b>	<b>106,909</b>	<b>204,016</b>	<b>264,561</b>	<b>571,951</b>	<b>767,646</b>	-	<b>2,159,230</b>
Two years later	<b>130,293</b>	<b>114,561</b>	<b>107,312</b>	<b>204,567</b>	<b>272,985</b>	<b>592,087</b>	-	-	<b>1,421,806</b>
Three years later	<b>130,305</b>	<b>116,064</b>	<b>107,375</b>	<b>204,608</b>	<b>273,913</b>	-	-	-	<b>832,265</b>
Four years later	<b>130,306</b>	<b>116,064</b>	<b>107,375</b>	<b>204,677</b>	-	-	-	-	<b>558,422</b>
Five years later	<b>130,306</b>	<b>116,370</b>	<b>107,450</b>	-	-	-	-	-	<b>354,127</b>
Six years later	<b>130,352</b>	<b>116,370</b>	-	-	-	-	-	-	<b>246,723</b>
Seven years later	<b>130,352</b>	-	-	-	-	-	-	-	<b>130,352</b>
Estimate of cumulative claims	<b>130,352</b>	<b>116,370</b>	<b>107,450</b>	<b>204,677</b>	<b>273,913</b>	<b>592,087</b>	<b>767,646</b>	<b>1,005,053</b>	<b>3,197,549</b>
Cumulative payments to date	<b>130,353</b>	<b>116,370</b>	<b>107,450</b>	<b>204,607</b>	<b>273,731</b>	<b>591,171</b>	<b>744,726</b>	<b>728,773</b>	<b>2,897,106</b>
Unallocated loss adjustment expense reserve	-	-	-	-	-	-	-	-	<b>1,319</b>
Claims payable	-	-	-	-	-	-	-	-	<b>67,183</b>
Total gross undiscounted liabilities for incurred claims	-	-	<b>75</b>	<b>70</b>	<b>182</b>	<b>916</b>	<b>22,920</b>	<b>276,281</b>	<b>368,945</b>
Effect of discounting									<b>(4,589)</b>
Total discounted gross reserves included in the consolidated statement of financial position									<b>364,356</b>
Risk Adjustments									<b>3,409</b>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 13 PREPAYMENTS AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
VAT receivables	17,619	20,955
Accrued interest receivable	9,376	7,335
Prepayments	3,271	3,899
Staff debtors and advances	276	149
Restricted receivable*	8,404	1,654
Other receivables	13,788	8,385
	<u>52,734</u>	<u>42,377</u>

\* Restricted receivable are pledged as security for the bank guarantees as disclosed in note 26.

### 14 STATUTORY DEPOSIT

	2025 AED'000	2024 AED'000
<b>Bank deposits:</b>		
Amounts that cannot be withdrawn without the prior approval of the Ministry of Economy in accordance with Article 42 of Federal Law No. 6 of 2007	<u>10,000</u>	<u>10,000</u>

The bank deposit expires after one year and is renewable every year and earns an interest of 4.10% per annum (2024: 5.00%) per annum.

### 15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts:

	2025 AED'000	2024* AED'000
Cash on hand	11	55
Cash at banks	963,467	657,788
Deposits with original maturity less than three months	242,199	210,383
	<u>1,205,677</u>	<u>868,226</u>

Cash and cash equivalents are within United Arab Emirates, Europe and GCC.

*\*Certain amounts shown here do not correspond to the 2024 consolidated financial statements and reflect classifications as detailed in Note 28.*

*This is due to reclassification of fixed deposits amounting to AED 210,383 thousand with original maturity less than 3 months period into cash and cash equivalents from financial assets.*

### 16 SHARE CAPITAL

	2025 AED'000	2024 AED'000
Issued and fully paid 100,000,000 shares of AED 1 each (2024: 100,000,000 shares of AED 1 each)	<u>100,000</u>	<u>100,000</u>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 17 RESERVES

#### NATURE AND PURPOSE OF RESERVES

##### Statutory reserve

In accordance with UAE Commercial Companies Law and the Company's Articles of Association, the Group has resolved to discontinue the annual transfer of 10% of the consolidated profit for the year since the statutory reserve reached 50% of the paid-up share capital. The reserve is not available for distribution, except in the circumstances stipulated by the UAE Commercial Companies Law.

##### General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. During the year, no transfer was made (31 December 2024: nil) was transferred to the general reserve from retained earnings. This reserve may be used for such purposes as deemed appropriate by the Board of Directors.

##### Reinsurance reserve

In accordance with Central Bank of the United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 13,254 thousand (31 December 2024: AED 11,018 thousand) based on the reinsurance share of premium at a rate of 0.5% was transferred from retained earnings to reinsurance reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the United Arab Emirates.

##### Cumulative changes in fair value of investments

This reserve records fair value changes on financial instruments held at fair value through other comprehensive income.

### 18 DIVIDENDS

For the year ended 31 December 2024, the shareholders at the annual general meeting dated 9 April 2025 approved a cash dividend of 80% (AED 0.80 per share) totalling AED 80 million. For the year ended 31 December 2023, the shareholders at the annual general meeting dated 20 March 2024 approved a cash dividend of 70% (AED 0.70 per share) totalling AED 70 million.

### 19 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2025 AED'000	2024 AED'000
Balance as at 1 January	8,320	6,958
Charge for the year	2,476	1,927
Payments during the year	(156)	(565)
Balance as at 31 December	<u>10,640</u>	<u>8,320</u>

### 20 BANK LOAN

During the year, the Group obtained invoice discounting facility from Mashreq Bank. Credit limit for invoice discounting facility is up to AED 400 million. This facility can be utilised solely for the purpose of medical portfolio at the commission of 3 months EIBOR+1.40% per annum on daily outstanding balance, payable monthly in arrears.



## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 20 BANK LOAN (continued)

	2025 AED'000	2024 AED'000
At the beginning of the year	39,043	-
Borrowings from bank	94,325	116,270
Payments during the year	(88,789)	(77,227)
At the end of the year	<u>44,579</u>	<u>39,043</u>

#### 21 DEFERRED TAX LIABILITY

	2025 AED'000	2024 AED'000
Deferred tax arising in respect of:		
<i>Recognised in OCI:</i>		
Net change in fair value of equity investments designated at FVTOCI	<u>15,372</u>	<u>7,652</u>

Deferred taxes arising from temporary differences are summarised as follows on next page:

	<i>Net balance at 1 January 2025 AED'000</i>	<i>Recognised in profit or loss AED'000</i>	<i>Recognised in other comprehensive income AED'000</i>	<i>Net balance at 31 December 2025 AED'000</i>
Deferred tax liability	<u>7,652</u>	<u>-</u>	<u>7,720</u>	<u>15,372</u>

#### 22 INCOME TAX EXPENSE

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new Corporate Tax (CT) regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% corporate tax.

The introduction of Pillar 2 represents a significant development in international tax policy, aiming to ensure a fairer distribution of tax revenues among jurisdictions. The Group has assessed the implications of Pillar 2 and meets the safe harbor test resulting in zero top-up tax as of year ended 31 December 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax.

	2025 AED'000	2024 AED'000
<b>Consolidated statement of profit or loss:</b>		
Current tax	<u>18,667</u>	<u>9,647</u>
<b>Consolidated statement of comprehensive income</b>		
Deferred tax	<u>7,720</u>	<u>7,652</u>

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 22 INCOME TAX EXPENSE (continued)

The movement of the income tax payables in the consolidated statement of financial position is as follows:

	2025 AED'000	2024 AED'000
At the beginning of the year	9,647	-
Tax payable formed during the year	18,666	9,647
Payments during the year	(10,214)	-
At the end of the year	18,099	9,647

Reconciliation of the accounting profit to the tax expense is as below:

	2025 AED'000	2024 AED'000
Accounting profit before tax	209,317	141,949
Standard deduction	(375)	(375)
	208,942	141,574
At United Arab Emirates' statutory income tax rate at 9%	18,839	12,775
Tax at the applicable rate of 9%	(18,804)	(12,742)
<i>Effect of items that are not considered in determining taxable income - net</i>		
Exempt income	2,382	3,175
Realised gain	(1,656)	(75)
Non-deductible expenses	(21)	(5)
Additional tax payment for previous year	(568)	-
Income tax expense	(18,667)	(9,647)
Effective tax rate	8.92%	6.80%

As of September 2025, corporate tax paid to Federal Tax Authority amounted to AED 10,214 thousand.

#### 23 RELATED PARTY TRANSACTIONS

Related parties represent, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Group's management.

The significant balances outstanding at 31 December in respect of related parties included in the consolidated financial statements are as follows:

	2025 AED'000	2024 AED'000
<i>Affiliates of major shareholders:</i>		
Insurance contract liabilities	27,666	57,169

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 23 RELATED PARTY TRANSACTIONS (continued)

The income and expenses in respect of related parties included in the consolidated financial statements are as follows:

	2025 AED'000	2024 AED'000
<i>Affiliates of major shareholders:</i>		
Insurance service revenue	20,558	47,925
Insurance service expenses	(11,715)	(81,649)
Rent received	59	57
Rent paid	(346)	(394)

Compensation of the key management personnel is as follows:

	2025 AED'000	2024 AED'000
Short term employee benefits	10,460	9,837
End of service benefits	1,393	303
	11,853	10,140

Outstanding balances at the year-end arise in the normal course of business. For the years ended 31 December 2025 and 31 December 2024, the Group has recorded expected credit losses of AED 205 thousand and AED 11 thousand on balances owed by related parties respectively.

#### 24 DIRECTORS' REMUNERATION

Directors' remuneration have been included in consolidated statement of profit or loss of amounting AED 5,484 thousand (2024: 6,017 thousand)

#### 25 RISK MANAGEMENT

##### (a) Governance framework

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

The Group's risk management function is carried out by the board of directors, with its associated committees. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to the Chief Executive Officer and senior managers.

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

The Group's enterprise risk management framework is established to identify and analyse the key risks faced by the Group to set appropriate controls and manage those risks. As part of the risks identification process, the Group uses risk-based capital model to assess the capital requirement and uses stress analysis to apply changes to capital. The Group's risk appetite is derived from the changes to capital.

**25 RISK MANAGEMENT (continued)**

**(b) Capital management framework**

The primary objective of the Group's capital management is to comply with the regulatory requirements in the UAE and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group fully complied with the externally imposed capital requirements and no changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024.

**(c) Regulatory framework**

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

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

**(d) Asset liability management (ALM) framework**

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Group manages these positions to achieve long-term investment returns in excess of its obligations under insurance contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance contracts by reference to the type of benefits payable to contract holders.

The Chief Executive Officer actively monitors the ALM to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance contracts.

The Chief Executive Officer regularly monitors the financial risks associated with the Group's other financial assets and liabilities not directly associated with insurance liabilities.

**25A 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 nature of an insurance contract, this risk is random and therefore unpredictable. Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location and type of industry covered.

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

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

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

**25 RISK MANAGEMENT (continued)**

**25A Insurance risk (continued)**

***Frequency and severity of claims***

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

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

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes. The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered. For medical insurance, the main risks are illness and related healthcare costs. For group life and personal accident, the main risks are claims from death and permanent or partial disability. The Group generally does not offer medical insurance to walk-in customers. Medical, group life and personal accident insurance are generally offered to corporate customers with large population to be covered under the policy.

***Reinsurance risk***

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Group, in the normal course of business, enters into arrangements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is affected under treaty, facultative and excess of loss reinsurance contracts.

To minimise its exposure to significant losses from reinsurer insolvencies, the Group evaluates the financial condition of its reinsurers. The Group deals with reinsurers approved by the Board of Directors.

The five largest reinsurers account for 89% of amounts due from reinsurance companies at 31 December 2025 (2024: 94%). The maximum theoretical credit risk exposure in this connection is mainly in Europe.

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

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some 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 Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

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

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 25 RISK MANAGEMENT (continued)

##### 25A Insurance risk (continued)

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

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

Where possible, the Group adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

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

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

<i>Type of risk</i>	<i>Year ended 31 December 2025</i>		<i>Year ended 31 December 2024</i>	
	<i>Gross loss ratio</i>	<i>Net loss ratio</i>	<i>Gross loss ratio</i>	<i>Net loss ratio</i>
Life insurance	40%	22%	108%	73%
General insurance	41%	68%	50%	55%

###### *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. Internal data is derived mostly from the Group's quarterly claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. The Group has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

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

###### *Sensitivity*

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

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 25 RISK MANAGEMENT (continued)

#### 25A Insurance risk (continued)

##### *Sensitivity (continued)*

2025

	<i>Change in assumptions</i>	<i>Impact on net profit gross of reinsurance AED'000</i>	<i>Impact on net profit net of reinsurance AED'000</i>	<i>Impact on equity gross of reinsurance AED'000</i>	<i>Impact on equity net of reinsurance AED'000</i>
Loss reserves	5%	34,564	18,760	34,564	18,760
Risk Adjustment	5%	812	392	812	392
Discount rate	0.5%	(749)	(233)	(749)	(233)
Loss reserves	-5%	(34,564)	(18,760)	(34,564)	(18,760)
Risk Adjustment	-5%	(812)	(392)	(812)	(392)
Discount rate	-0.5%	754	234	754	234

2024

	<i>Change in assumptions</i>	<i>Impact on net profit gross of reinsurance AED'000</i>	<i>Impact on net profit net of reinsurance AED'000</i>	<i>Impact on equity gross of reinsurance AED'000</i>	<i>Impact on equity net of reinsurance AED'000</i>
Loss reserves	5%	21,984	7,331	21,984	7,331
Risk Adjustment	5%	837	236	837	236
Discount rate	0.5%	(973)	(174)	(973)	(174)
Loss reserves	-5%	(21,984)	(7,331)	(21,984)	(7,331)
Risk Adjustment	-5%	(837)	(236)	(837)	(236)
Discount rate	-0.5%	982	175	982	175

#### 25B Financial risk

The Group's principal financial instruments include financial assets and financial liabilities which comprise financial investments (at fair value through profit or loss and other comprehensive income), receivables arising from insurance and reinsurance contracts, statutory deposits, cash and cash equivalents, trade and other payables, and re-insurance balance payables.

The Group does not enter into derivative transactions.

The main risks arising from the Group's financial instruments are credit risk, geographical risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The board reviews and agrees policies for managing each of these risks and they are summarised below:

##### ***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all classes of financial assets held by the Group, the maximum exposure to credit risk to the Group is the carrying value as disclosed in the consolidated statement of financial position.

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 25 RISK MANAGEMENT (continued)

##### 25B Financial risk (continued)

###### *Credit risk (continued)*

The following policies and procedures are in place to mitigate the Group's exposure to credit risk:

- The Group only enters into insurance and reinsurance contracts with recognised, credit worthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables from insurance and reinsurance contracts are monitored on an ongoing basis in order to reduce the Group's exposure to bad debts.
- The Group seeks to limit credit risk with respect to agents and brokers by setting credit limits for individual agents and brokers and monitoring outstanding receivables.
- The Group's investments at fair value through profit or loss or OCI are managed by the Chief Executive Officer in accordance with the guidance of the Chairman and the supervision of the Board of Directors.
- The Group's bank balances are maintained with a range of international and local banks in accordance with limits set by the management.

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

	Notes	2025 AED'000	2024 AED'000
Financial assets	10	1,318,902	995,602
Reinsurance contract assets	12	1,609,676	1,453,966
Other receivables (excluding prepayments)	13	49,463	38,478
Statutory deposits	14	10,000	10,000
Cash and cash equivalents	15	1,205,677	868,226
<b>Total credit risk exposure</b>		<b>4,193,718</b>	<b>3,366,272</b>

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

All the Group's investments in bonds measured at amortised cost are considered to have low credit risk and the loss allowance recognised is based on the 12 months expected loss. Management considers "low credit risk" for bonds to be those with high quality external credit ratings (investment grade). The credit risk in respect of deposits with banks (including statutory deposits) and cash and cash equivalent held with banks are managed via diversification of bank deposits and are only with major reputable financial institutions. Reinsurance assets and the associated risks including Group's appropriate measure have been discussed in detail in the "Reinsurance risk" section. Other receivables (excluding prepayments) have been determined by management not to have a material credit risk hence no allowance for expected credit losses has been recognized as at 31 December 2025 (2024: Nil).



# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 25 RISK MANAGEMENT (continued)

#### 25B Financial risk (continued)

##### *Credit risk (continued)*

The table on as follow provides information regarding the credit risk exposure of the Group by classifying financial assets according to the Group's credit rating of counterparties:

##### 31 December 2025

	<i>High grade AED'000</i>	<i>Neither past due nor impaired Standard grade AED'000</i>	<i>Sub-standard grade AED'000</i>	<i>Past due and impaired AED'000</i>	<i>Total AED'000</i>
Financial assets	-	1,318,902	-	-	1,318,902
Reinsurance assets	-	1,609,676	-	-	1,609,676
Other receivables (excluding prepayments)	-	49,463	-	-	49,463
Statutory deposits	10,000	-	-	-	10,000
Cash and cash equivalents	1,205,677	-	-	-	1,205,677
	<u>1,215,677</u>	<u>2,978,041</u>	<u>-</u>	<u>-</u>	<u>4,193,718</u>

##### 31 December 2024

	<i>High grade AED'000</i>	<i>Neither past due nor impaired Standard grade AED'000</i>	<i>Sub-standard grade AED'000</i>	<i>Past due and impaired AED'000</i>	<i>Total AED'000</i>
Financial assets	-	995,602	-	-	995,602
Reinsurance assets	-	1,453,966	-	-	1,453,966
Other receivables (excluding prepayments)	-	38,478	-	-	38,478
Statutory deposits	10,000	-	-	-	10,000
Cash and cash equivalents	868,226	-	-	-	868,226
	<u>878,226</u>	<u>2,488,046</u>	<u>-</u>	<u>-</u>	<u>3,366,272</u>

##### *Geographical risk*

The Group has geographical risk exposure. Such exposure arises from investments, cash and cash equivalents and insurance contracts concentrated within certain geographical areas. The investments and cash and cash equivalents are primarily with local companies and financial institutions. The risk arising from insurance contracts is concentrated mainly in the United Arab Emirates. The geographical concentration of risks is similar to previous year.

In accordance with the requirement of the Securities and Commodities Authority (Circular dated 12-10-2011) following are the details of the geographical concentration of assets in the Group's consolidated financial statements as of 31 December 2025:

#### (a) Investment property

Investment property represents the Group's investment in a freehold land and building situated in the Emirate of Dubai, United Arab Emirates.

#### (b) Financial instruments – investments

Investments in financial assets represent investments in quoted and unquoted shares of companies incorporated within and outside the United Arab Emirates and investments in bonds issued locally and outside United Arab Emirates.

**25 RISK MANAGEMENT (continued)**

**25B Financial risk (continued)**

*Geographical risk (continued)*

**(c) Cash and cash equivalents**

Cash and cash equivalents of the Group are with banks registered and operating in the United Arab Emirates and in Europe.

***Currency risk***

Currency risk refers to the potential for financial instrument values to vary due to fluctuations in foreign exchange rates. The Group faces limited exchange rate risks since most of its monetary assets and monetary liabilities are denominated in United Arab Emirates dirham (AED) and/or in US Dollars, to which this local currency is fixed. Other currency transactions also there but the impact is immaterial. Management considers the likelihood of significant losses from exchange rate fluctuations to be minimal. As a result, the Group has not implemented hedging strategies for its foreign currency exposure.

## Dubai Insurance Company PJSC and its subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

#### 25 RISK MANAGEMENT (continued)

##### 25B Financial risk (continued)

###### *Liquidity risk*

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with insurance contracts and financial liabilities when they fall due. Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The table below summarises the maturity of the assets and liabilities of the Group based on remaining contractual settlement dates.

	31 December 2025				31 December 2024			
	<i>Less than one year AED'000</i>	<i>More than one year AED'000</i>	<i>No maturity date AED'000</i>	<i>Total AED'000</i>	<i>Less than one year AED'000</i>	<i>More than one year AED'000</i>	<i>No maturity date AED'000</i>	<i>Total AED'000</i>
<b>Assets</b>								
Financial assets	401,264	86,844	830,794	1,318,902	147,366	102,206	746,030	995,602
Prepayments and other receivables	52,734	-	-	52,734	42,377	-	-	42,377
Statutory deposits	10,000	-	-	10,000	10,000	-	-	10,000
Cash and cash equivalents	1,205,677	-	-	1,205,677	868,226	-	-	868,226
<b>Total assets</b>	<b>1,669,675</b>	<b>86,844</b>	<b>830,794</b>	<b>2,587,313</b>	<b>1,067,969</b>	<b>102,206</b>	<b>746,030</b>	<b>1,916,205</b>
<b>Liabilities</b>								
Bank loan	44,579	-	-	44,579	39,043	-	-	39,043
Other payables	640,025	-	-	640,025	487,336	-	-	487,336
<b>Total liabilities</b>	<b>684,604</b>	<b>-</b>	<b>-</b>	<b>684,604</b>	<b>526,379</b>	<b>-</b>	<b>-</b>	<b>526,379</b>

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 25 RISK MANAGEMENT (continued)

#### 25B Financial risk (continued)

##### *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. Floating rate instruments expose the Group to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

The Group is exposed to interest rate risk on certain of its investment in financial instruments held at fair value through profit or loss, designated upon initial recognition, statutory deposits and bank loan. The Group limits interest rate risk by monitoring changes in interest rates in the currencies in which its cash and interest-bearing investments and borrowings are denominated.

##### *Interest rate sensitivity*

The effective interest rates for all major classes of interest-bearing financial instruments as at 31 December, are as follows:

	<i><b>Total AED'000</b></i>	<i><b>Effective interest rate %</b></i>
<b>31 December 2025</b>		
Time deposits	<b>643,463</b>	<b>3.5% to 4.25%</b>
<b>31 December 2024</b>		
Time deposits	357,749	4.40% to 5.00%

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing financial assets assuming the amount of assets at the end of the reporting period were outstanding for the whole year.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2025 would increase/decrease by AED 6,434 thousand (2024: AED 3,577 thousand).

##### *Equity price risk*

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Group's investment portfolio.

The effect on equity (as a result of a change in the fair value of equity instruments held as financial assets at fair value through others comprehensive income at 31 December 2025 and 31 December 2024) and on consolidated statement of income (as a result of changes in fair value of equity instruments held as financial assets through profit or loss) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	<b>2025</b>			<b>2024</b>		
	<i><b>Change in equity price %</b></i>	<i><b>Effect on equity AED'000</b></i>	<i><b>Effect on consolidated statement of profit or loss AED'000</b></i>	<i><b>Change in equity price %</b></i>	<i><b>Effect on equity AED'000</b></i>	<i><b>Effect on consolidated statement of profit or loss AED'000</b></i>
All investments – (Dubai Financial Market and Abu Dhabi Stock Market)	<b>10</b>	<b>83,044</b>	<b>35</b>	10	74,512	90

# Dubai Insurance Company PJSC and its subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 25 RISK MANAGEMENT (continued)

#### 25C Operational risk

Operational risk is the risk of loss arising from systems 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 lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

### 26 CONTINGENCIES

#### *Contingent liabilities*

At 31 December 2025 the Group had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 9,810 thousand (2024: AED 2,784 thousand).

#### *Legal claims*

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

#### *Capital and lease commitments*

At 31 December, the Group's capital and short-term lease commitments are payable as follows:

	2025 AED'000	2024 AED'000
Short-term lease commitments - less than one year	101	138

### 27 CAPITAL RISK MANAGEMENT (UNAUDITED)

The solvency regulations identify the required Solvency Margin to be held on consolidated basis in addition to insurance liability.

As per Article (8) of Section 2 of the financial regulations issued for insurance companies issued by the CBUAE, the Group has to maintain a solvency margin. The Group has incorporated in its policies and procedures the necessary procedure to ensure continuous and full compliance with such regulations.

The table below summaries the consolidated Minimum Capital Requirement ("MCR"), Minimum Guarantee Fund ("MGF") and Solvency Capital Requirement ("SCR") of the Group and the total capital held to meet the required Solvency Margins as defined in the Regulations and Circular No. CBUAE/BIA/2025/6143 of CBUAE dated 12 November 2025.

#### Summary of Solvency Margin Analysis

	31 December 2025 AED'000	31 December 2024 AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	447,652	403,573
Minimum Guarantee Fund (MGF)	372,949	267,427
Basic Own Funds	879,122	633,518
MCR Solvency Margin - Surplus	779,122	533,518
SCR Solvency Margin - Surplus	431,470	229,944
MGF Solvency Margin - Surplus	506,173	366,090

Above numbers are based on eforms and are unaudited.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**28 COMPARATIVE FIGURES**

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

	<i>31 December 2024 AED (Audited)</i>	<i>31 December 2024 AED</i>	<i>31 December 2024 AED (Audited)</i>
	<i>Previously reported</i>	<i>Reclassified</i>	<i>After reclassification</i>
Financial assets	1,205,985	(210,383)	995,602
Cash and cash equivalents	657,843	210,383	868,226

This is due to reclassification of fixed deposits amounting to AED 210,383 thousand with original maturity less than 3 months period into cash and cash equivalents from financial assets.

**29 SUBSEQUENT EVENTS**

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