

INTEGRATED REPORT

2025





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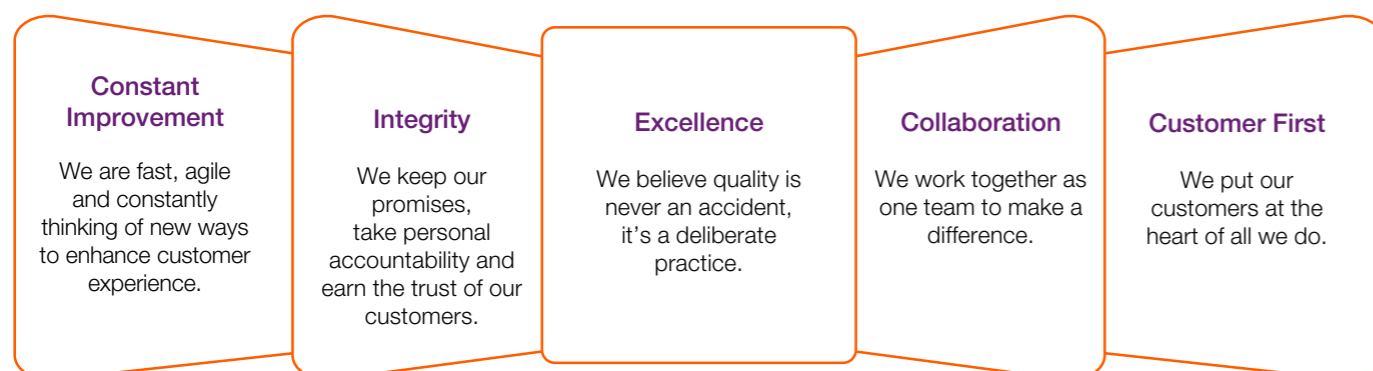
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VISION, MISSION AND VALUES

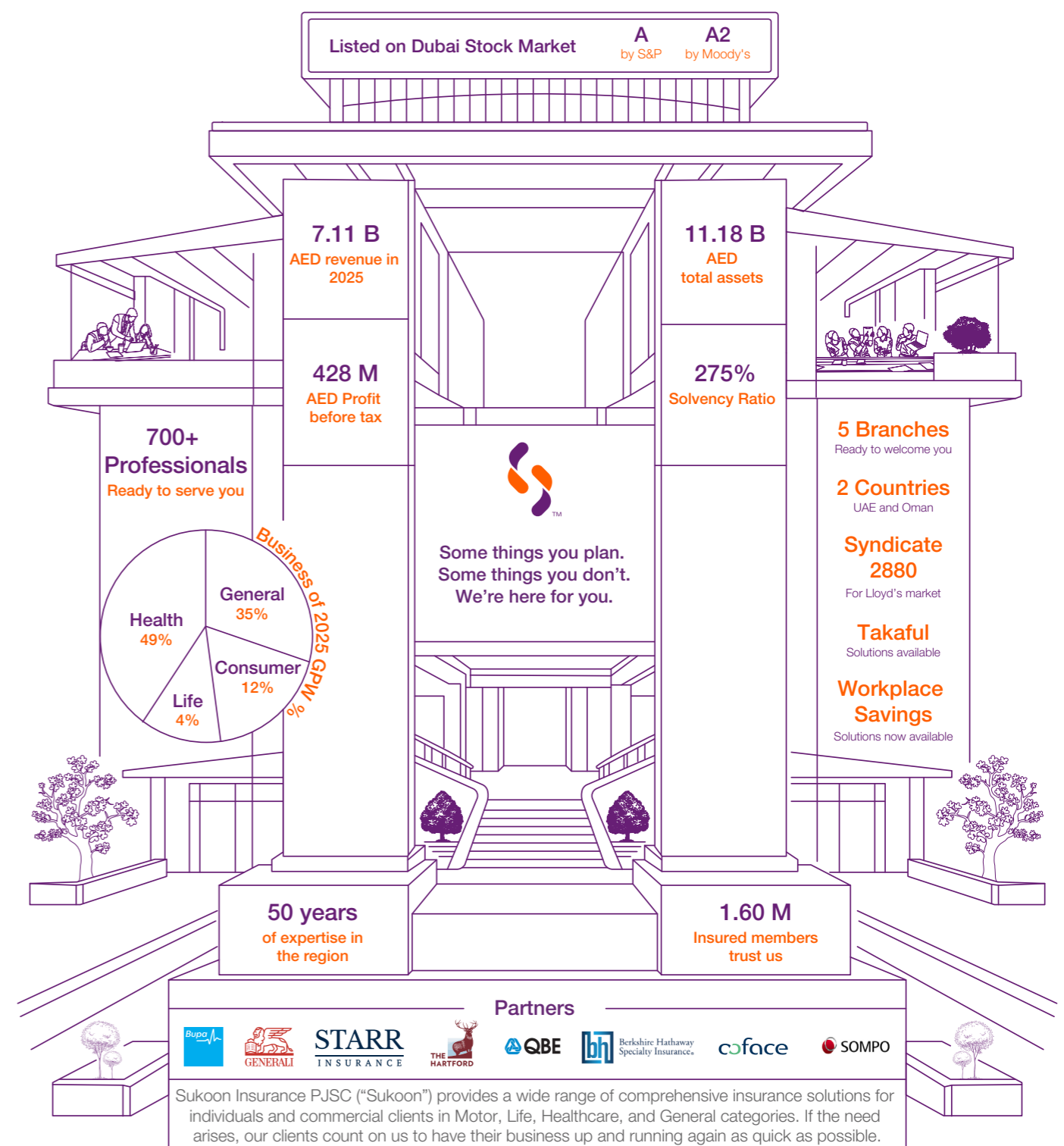


Values

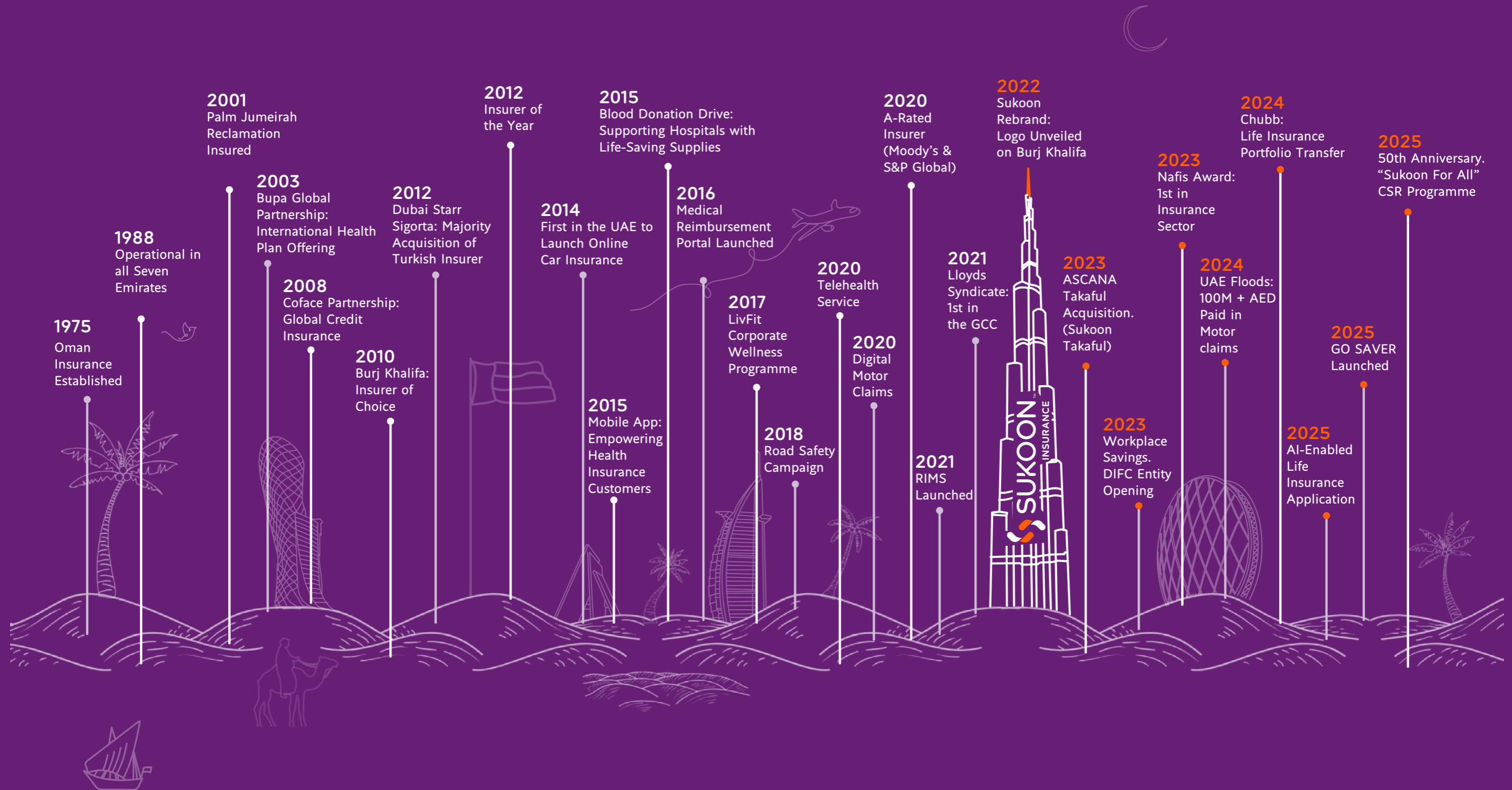
We are guided in everything we do by five core values:



COMPANY AT A GLANCE



50 YEARS OF SUKOON



CHAIRMAN'S STATEMENT

The year marked a period of significant progress and robust execution for Sukoon, distinguished by record financial performance and a series of strategic initiatives that reinforced our standing as a trusted benchmark within the regional insurance landscape. As we commemorate 50 years of protecting the UAE, 2025 stands as a defining chapter, shaped by diligent governance, judicious decision-making, and an unwavering commitment to long-term value creation. Sukoon recorded an all-time high revenue of AED 7 billion, reflecting strong market penetration, disciplined cost management, and a well-diversified portfolio. Net profit before tax reached a record AED 428 million, underscoring the successful execution of our strategy and the resilience of our operating model. Our financial strength is further affirmed by a solvency capital ratio of 275%, a clear indicator of our ability to meet policyholder obligations and withstand market volatility with confidence.

During the year, Sukoon advanced its digital capability agenda with momentum, earning recognition for “Digital Transformation of the Year” at the World Economic Magazine Awards and “Excellence in Digital Transformation” at the Insuretek International Insurance Conference, among others. These accolades reflect a pragmatic, data-driven approach to transformation, focused on enhancing accessibility, reliability, and service quality across customer and partner-facing platforms, including the mySukoon app. The deployment of AI-enabled solutions has further strengthened operational efficiency while mitigating friction across the customer journey.

Sukoon’s performance was further recognized through additional industry honors, including “Insurance Company of the Year 2025” at the Finance Focus MEA Awards and “Best Online Insurance Company – UAE” at the Finance Derivative Awards. These achievements are the result of scrupulous risk management, a nuanced understanding of the customer experience, and a culture that prioritizes accountability over complacency. Looking ahead, Sukoon remains steadfast in its focus on customer satisfaction, technical advancement, and sustainable operational performance. As we move forward, our priorities will continue to be guided by disciplined capital allocation, scalable digital innovation, and a governance framework that is both resilient and responsive.

I extend my sincere appreciation to our shareholders, employees, partners, and stakeholders for their unwavering trust and support. I am confident that Sukoon is well-positioned to navigate the evolving insurance landscape, supported by a leadership team with the acumen, tenacity, and clarity of purpose required to deliver value and contribute meaningfully to the communities and markets we serve.

Badr Abdulla Al Ghurair
Chairman,
Sukoon Insurance

*“What we built over **fifty years** is trust.
Consistency has been our advantage”*



Badr Abdulla Al Ghurair
Chairman

BOARD OF DIRECTORS



Badr Abdulla Al Gurair
Chairman

CEO of Al Ghurair Mobility Transport, overseeing Kabi, one of the UAE's largest taxi fleets, and Zed, a ride-hailing platform. He led the launch of the UAE's first franchise taxi operation and now manages a fleet of over 4,000 vehicles. Under his leadership, Kabi introduced the country's first fully Hybrid/CNG fleet, reflecting a strong sustainability focus. He also serves as a board member at National Cement and has held senior leadership roles across the Al Ghurair Group and Dubai Holding.



Mohamad Abdel Hamid Abdel Razeq
Vice Chairman

Senior IT and transformation leader with over 30 years of experience. He specialises in IT management, strategy, operations, and large-scale transformation across sectors including telecommunications, oil and gas, FMCG, and financial services. His career spans Africa, Asia, Europe, North America, and the Middle East. He also serves as Mashreq Bank's Group Head of Technology.



Abdulla bin Habtoor
Board Member

An accomplished executive with extensive experience in investment and real estate. He is the CEO of Shamal Holding, overseeing a global portfolio spanning real estate, hospitality, and leisure. His previous roles include Chief Portfolio Management Officer at Shamal Holding and senior positions with the Office of HH the Crown Prince of Dubai. He holds a Master of Science in Consulting Psychology and a Bachelor of Science in Business Administration from Alliant International University, USA.



Hamda AlShamali
Board Member

A senior Emirati HR leader with over 20 years of experience building and leading HR functions in banking and insurance sectors. With extensive expertise in employee engagement, performance, retention, and talent development, working with leading local and international organisations. She joined Sukoon's Board of Directors in 2024 and is also a member of Mashreq Bank's Executive Committee, leading its people mandate. She holds a Bachelor of Applied Science in Business Administration from Higher Colleges of Technology, Dubai.



Oliver Lang
Board Member

A senior executive with deep expertise in fintech, insurtech, and financial services. He serves as a Board Member at Swiss Fintech AG and an Advisory Board Member at WeGroup NV, with a strong track record leading high-growth companies, including COO and CEO roles at wefox Group. He is the founder of multiple ventures and has led significant M&A transactions. He holds an MBA from the University of Eberhard Karls Tübingen.



Paolo De Martin
Board Member

A senior leader with extensive global experience in reinsurance and financial services. He previously served as CEO of SCOR Global Life and held CFO roles within the same group, as well as at Converium and GE Insurance Solutions. He holds a Master of Science in Business Economics from Università Ca' Foscari in Venice, Italy.



Saood Abdulaziz Abdulla Ahmad Al Ghurair
Board Member

A finance professional and business leader with experience across local and international banking. With a Bachelor of Science in Finance from the University of San Diego, California. He currently serves as CEO of OTG, NED Investments, and Hattan, since 2018. In 2023, he joined the Board of Directors and Executive Committee of Al Ghurair Investments.

FINANCIAL REPORTS

2025



REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We are pleased to present the financial results of Sukoon Insurance PJSC for the year-ended 31 December 2025.

This year marked a historic milestone as Sukoon proudly celebrated its **50th anniversary**—five decades of trust, innovation, and service excellence. This Golden Jubilee reflects the vision of our founders, the trust of our customers & shareholders and the dedication of our employees, —pillars that have empowered Sukoon to evolve, adapt, and lead in an ever-changing world.

The year has also been exceptional in financial performance, with revenues and profits reaching record highs, setting new benchmarks in our history, and reinforcing Sukoon's position as a market leader, all coinciding with our Golden Jubilee celebration. Propelled by the UAE's robust economic upswing, Sukoon achieved excellent performance across major financial metrics —**the highest in our history**—reflecting the durability of our business model, strength of our capital foundation along with disciplined cost management and investment strategy.

- **Gross Written Premiums for the year topped the AED 7 billion milestone - the highest on record - growing 19% year-on-year.**
- **Net Investment Income** rose to **AED 298 million**, up **43%** year-on-year, supported by strategic reallocations into higher-yielding investments.
- **Profit before tax** reached **AED 428 million**, making a remarkable **47%** growth year-on-year, underscoring Sukoon's continued operational momentum and strategic progress.

Our subsidiary, **Sukoon Takaful**, has gone beyond a turnaround, delivering exceptional profitability for two consecutive years since the acquisition. This achievement reflects the strength of our integration approach and underscores its role as a cornerstone of our long-term growth and diversification strategy.

The UAE continues to attract global capital with Dubai's position as a regional financial hub firmly established, coupled with strong economic fundamentals and regulatory stability, Sukoon is well-positioned to deliver superior risk-adjusted returns. As we step into 2026, designated as the **"Year of Family,"** we reaffirm our commitment to protecting what matters most. Families are at the heart of our purpose, and this year Sukoon will focus on expanding solutions that safeguard health, well-being, and financial security for every household. The year ahead will also be defined by the transformative power of AI—a paradigm shift that is reshaping how businesses operate and deliver value.

By leveraging AI-driven insights and automation into our digital transformation journey, Sukoon aims to provide smarter, faster, and more personalised experiences, ensuring every interaction reflects our promise of care, reliability, and **peace of mind**.

We extend our sincere appreciation to our shareholders, customers, partners, and employees for their unwavering support. Our ambition is clear: to shape the future of insurance through technology, customer-centricity, and sustainable growth.

May God; the Almighty; guide our steps.

On behalf of the Board,

Badr Abdulla Ahmad Al Ghurair
Chairman
28 January 2026

INDEPENDENT

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SUKOON INSURANCE P.J.S.C, DUBAI, UNITED ARAB EMIRATES (UAE)

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of **Sukoon Insurance P.J.S.C.** (the “Company”) and its **subsidiaries** (the “Group”), which comprise the statement of consolidated 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) together with the other ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates (UAE), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

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

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities</p> <p>As at 31 December 2025, insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities amounted to AED 5,569 million, AED 7 million, AED 3,243 million and AED 20 million respectively, as detailed in note 11 and note 12 to the consolidated financial statements.</p> <p>A key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities is the Present value of future cash flows (“PVFCFs”) included in the liability for incurred claims for contracts measured under the Premium Allocation Approach. As at 31 December 2025 this amounted to AED 3,775 million liability and AED 2,679 million asset for insurance contracts and reinsurance contracts respectively.</p> <p>The determination of the PVFCFs for incurred claims represents the Group’s expectations regarding future payments for known and unknown claims including associated expenses and involves actuarial models and several assumptions made by management. Its accuracy is dependent on the input data being correct and requires management to apply significant judgements, make significant estimates and use actuarial models. The risk of error arises as a result of inappropriate choice of actuarial methodologies, techniques and assumptions. Management used an internal and external actuary to assist them in the aforementioned determination.</p> <p>Furthermore, another key element of the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities are the receivables for amounts due net of the impairment allowance. The Group uses the expected credit loss model to estimate the allowance which requires management to apply significant estimates, such as the probability of default, loss given default, exposure at default and discount rate.</p> <p>As a result of all the above factors and the level of audit effort required, we consider the valuation of the PVFCFs included in the liability for incurred claims for contracts measured under the Premium Allocation Approach and the calculation of the impairment allowance on receivables reflected in the valuation of insurance contract liabilities, insurance contract assets, reinsurance contract assets and reinsurance contract liabilities as a key audit matter.</p>	<p>Our audit procedures included, inter alia, the following:</p> <ul style="list-style-type: none">Assessing the key controls related to the integrity of the data used in the process of valuation of the PVFCFs concerning incurred claims to determine if they had been appropriately designed and implemented;Evaluating and testing the data used in the process of valuation of the PVFCFs concerning incurred claims;Testing samples of claims case reserves by comparing the estimated amount of the case reserve to appropriate documentation, such as reports from loss adjusters, confirmations obtained from lawyers, reinsurance contracts etc;Evaluating the objectivity, skills, qualifications and competence of the independent external actuary and reviewing the terms of the actuary’s engagement with the Group to determine if the scope of his work was sufficient for audit purposes. <p>In addition, with the assistance of our internal actuarial specialists, we:</p> <ul style="list-style-type: none">Determined if the calculation methods and the model used were appropriate as at 30 September 2025;Assessed the following key assumptions as at 30 September 2025:<ul style="list-style-type: none">loss ratios;claims development factors; anddiscount rates;Determined if the estimates applied in the current period and prior year were consistent;Developed a point estimate or range based on our understanding of the Group’s business and evaluated the differences between management’s point estimate and our point estimate or range as at 30 September 2025. <p>Furthermore, with the assistance of our internal actuarial specialists, we:</p> <ul style="list-style-type: none">Compared the assumptions and methodologies, used to determine the 31 December 2025 amounts, to those used to determine the 30 September 2025 amounts and investigated any significant changes;Determined that the roll forward calculations from the period ended 30 September 2025 to 31 December 2025 were appropriate. <p>With respect to the receivables, impairment allowance our audit procedures included the following:</p> <ul style="list-style-type: none">Evaluated and tested the data used in the impairment model calculations receivables for amounts due;Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used with the assistance of our internal specialists; andEvaluated and tested balances determined to be individually impaired. <p>We also assessed the disclosures in the consolidated financial statement relating to this matter against the requirements of IFRS Accounting Standards as issued by the IASB.</p>

Other Information

The Board of Directors and management is responsible for the other information, which comprises the Directors’ Report which we obtained prior to the date of this auditor’s report. The other information does not include the consolidated financial statements and our auditor’s report thereon.

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

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

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management 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 disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue

- as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- i. we have obtained all the information we considered necessary for the purposes of our audit;
- ii. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii. the Group has maintained proper books of account;
- iv. the financial information included in the Directors' report is consistent with the books of account of the Group;
- v. as disclosed in Note 10 to the Consolidated financial statements, the Group has investment in securities as at 31 December 2025;
- vi. Note 23 to the consolidated financial statements discloses material related party transactions and balances, 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, during the financial year ended 31 December 2025, contravened any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- viii. Note 35 to the consolidated financial statements discloses the social contributions made during the financial year ended 31 December 2025.

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

Deloitte & Touche (M.E.)

Nurani Subramanian Sundar
Registration No. 5540
29 January 2026
Sharjah
United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 31 December	At 31 December
	Notes	2025 AED'000	2024 AED'000
Assets			
Property and equipment	5	121,752	122,236
Intangible assets	6	44,300	44,300
Investment properties	7	183,935	151,620
Deferred tax assets		4,171	3,062
Statutory deposits	9	199,261	197,590
Financial investments at amortised cost	10.4	3,112,619	2,631,118
Financial investments at fair value through other comprehensive income (FVTOCI)	10.3	1,195,201	953,012
Financial investments at fair value through profit or loss	10.2	1,183,059	1,165,224
Insurance contract assets	11	6,517	4,867
Reinsurance contract assets	12	3,242,753	3,391,741
Prepayments and other receivables	13	322,020	436,417
Deposits with banks	14	1,150,236	992,385
Cash and cash equivalents	14	415,267	332,160
Total assets		11,181,091	10,425,732
Equity and Liabilities			
Equity			
Share capital	15	461,872	461,872
Other reserves	16	1,558,904	1,539,239
Cumulative changes in fair value of securities		35,841	(47,462)
Finance income and expenses reserve		8,042	11,917
Retained earnings		1,292,614	1,015,414
Net equity attributable to the owners of the Company		3,357,273	2,980,980
Non-controlling interests		14,406	12,676
Total equity		3,371,679	2,993,656
Liabilities			
Deferred tax liabilities		7,972	10,015
Employees' end of service benefits	17	47,871	45,425
Insurance contract liabilities	11	5,569,285	5,204,710
Reinsurance contract liabilities	12	20,250	12,593
Investment contract liabilities	19	939,219	987,347
Other payables	18	1,138,815	1,085,986
Bank borrowings	8	86,000	86,000
Total liabilities		7,809,412	7,432,076
Total equity and liabilities		11,181,091	10,425,732

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition, results of operation and cashflows of the Group as of, and for, the periods presented therein.

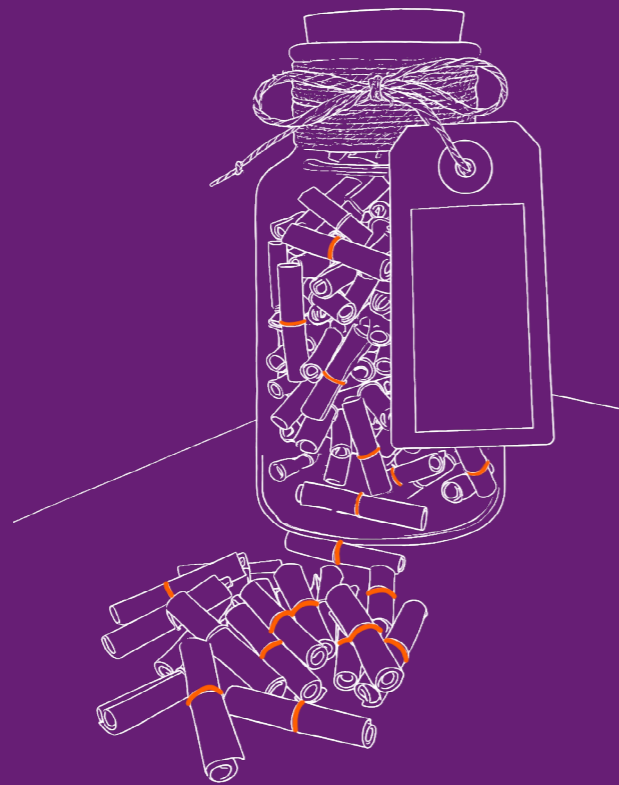
Badr Abdulla Al Ghurair
Chairman

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

Hammad Raza Khan
Interim Chief Executive Officer

50 YEARS OF SUKOON

TIME CAPSULE



This year marks a historic milestone for us - reflecting our 50-year journey of trust, growth and resilience. As part of our golden year celebrations, our Interim CEO and Chief Financial Officer Hammad Khan, F.C.A, unveiled a Time Capsule filled with messages from our employees, to be opened 25 years from now.

The time capsule, now placed at our Head Office, will serve as a meaningful connection between current and future employees and stand as a lasting symbol of our legacy.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December

	Notes	2025 AED'000	2024 AED'000
Insurance revenue	24.1	6,389,447	5,412,729
Insurance service expenses	11	(4,784,820)	(4,293,106)
Insurance service result before reinsurance contracts held		1,604,627	1,119,623
Net expense from reinsurance contracts held	12	(1,343,941)	(887,860)
Insurance service result		260,686	231,763
Interest income from financial assets at amortised cost		195,827	169,414
Other investment income - net		102,227	39,685
Net investment income	20	298,054	209,099
Finance expenses from insurance contracts issued	20	(134,599)	(132,593)
Finance income from reinsurance contracts held	20	104,607	105,290
Net insurance finance expenses		(29,992)	(27,303)
Net insurance and investment result		528,748	413,559
General and administrative expenses	21	(125,595)	(114,411)
Board of directors' remuneration	23.3	(2,200)	(2,250)
Finance costs		(4,174)	(5,089)
Other income/(expense) - net		31,146	(318)
Profit before tax		427,925	291,491
Income tax expenses	33	(63,042)	(24,663)
Profit after tax for the year		364,883	266,828
Attributable to:			
Owners of the Company		362,992	265,711
Non-controlling interests		1,891	1,117
		364,883	266,828
Earnings per share (AED)	22	0.79	0.58

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

	Notes	2025 AED'000	2024 AED'000
Profit for the year		364,883	266,828
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net fair value gains on revaluation of equity investments designated at FVTOCI - net of tax		108,922	55,518
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Finance expense from insurance contracts issued	20	(10,873)	(5,687)
Finance income from reinsurance contracts held	20	6,998	4,550
Net fair value gains/(losses) on revaluation of debt investments at FVTOCI		573	(252)
Total other comprehensive income for the year		105,620	54,129
Total comprehensive income for the year		470,503	320,957
Attributable to:			
Owners of the Company		468,654	319,870
Non-controlling interests		1,849	1,087
		470,503	320,957

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital AED'000	Other reserves AED'000	Cumulative changes in fair value of securities AED'000	Finance income & expenses reserve AED'000	Retained earnings AED'000	Net equity attributable to the owners of the Company AED'000	Non-controlling interests AED'000	Total equity AED'000
At 1 January 2024	461,872	1,521,673	(124,978)	13,054	882,424	2,754,045	15,006	2,769,051
Profit for the year	-	-	-	-	265,711	265,711	1,117	266,828
Other comprehensive income/(loss) for the year	-	-	55,296	(1,137)	-	54,159	(30)	54,129
Total comprehensive income/(loss) for the year	-	-	55,296	(1,137)	265,711	319,870	1,087	320,957
Transfer to contingency reserve (note 16.4)	-	1,295	-	-	(1,295)	-	-	-
Transfer to reinsurance regulatory reserve (note 16.5)	-	16,271	-	-	(16,271)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	22,220	-	(22,220)	-	-	-
Dividend paid (note 34)	-	-	-	-	(92,374)	(92,374)	-	(92,374)
Transaction with non-controlling interest (note 32)	-	-	-	-	(561)	(561)	(3,417)	(3,978)
At 31 December 2024	461,872	1,539,239	(47,462)	11,917	1,015,414	2,980,980	12,676	2,993,656
Profit for the year	-	-	-	-	362,992	362,992	1,891	364,883
Other comprehensive income/(loss) for the year	-	-	109,537	(3,875)	-	105,662	(42)	105,620
Total comprehensive income/(loss) for the year	-	-	109,537	(3,875)	362,992	468,654	1,849	470,503
Transfer to contingency reserve (note 16.4)	-	1,224	-	-	(1,224)	-	-	-
Transfer to reinsurance regulatory reserve (note 16.5)	-	18,441	-	-	(18,441)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	(26,234)	-	26,234	-	-	-
Dividend paid (note 34)	-	-	-	-	(92,374)	(92,374)	-	(92,374)
Transaction with non-controlling interest (note 32)	-	-	-	-	13	13	(119)	(106)
At 31 December 2025	461,872	1,558,904	35,841	8,042	1,292,614	3,357,273	14,406	3,371,679

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December

	Notes	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit for the year before tax		427,925	291,491
Adjustments for:			
Depreciation	5	26,716	25,995
Unrealised fair value gains on investment properties	7	(33,915)	(9,926)
Unrealised losses on financial investments at FVTPL (excluding unit linked investments)	20	16	11
Loss on sale of investment properties	20	50	20,470
Provision for employees' end of service benefits	17	8,569	6,430
(Release)/allowance of impairment of financial investments at amortised cost	10.6	(15)	516
Allowance for impairment of financial investments at FVTOCI		-	(2)
Allowance of impairment on bank balances and deposits		151	133
Dividend income from financial investments at FVTPL and FVTOCI	20	(77,996)	(59,424)
Interest income from financial assets		(189,755)	(167,610)
Net accretion of financial assets measured at amortised cost	10.5	(6,582)	(2,692)
Realised gain on sale of financial investments at FVTOCI	20	-	(180)
Realised gain on sale of financial investments at amortised cost	20	(354)	(257)
Finance costs		4,174	5,089
Interest expense on lease liability		640	832
Other investment expenses		21,900	22,883
Rental income from investment properties	20	(11,554)	(13,201)
Cash receipt on acquisition of a portfolio		-	8,225
Operating cash flows before changes in working capital and payment of employees' end of service benefits and income tax		169,970	128,783
Changes in working capital			
Changes in insurance and reinsurance contract assets/liabilities		515,695	287,642
Decrease/(increase) in prepayment and other receivables		117,251	(202,174)
Increase in other payables		22,349	492,850
(Increase)/decrease in unit linked investments		(17,851)	35,910
Decrease in investment contract liabilities	19	(48,128)	(108,147)
Net cash generated from operations		759,286	634,864
Employees' end of service benefits paid	17	(6,123)	(4,983)
Income tax paid		(27,300)	(809)
Net cash generated from operating activities		725,863	629,072

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December

	Notes	2025 AED'000	2024 AED'000
Cash flows from investing activities			
Purchases of financial investments at FVTOCI	10.5	(312,403)	(365,355)
Proceeds from sale of financial investments at FVTOCI		173,133	194,279
Proceeds from maturities of financial investments at amortised cost		349,050	284,050
Purchases of financial investments at amortised cost	10.5	(814,696)	(978,591)
Dividends received from financial investments at FVTPL and FVTOCI		75,138	57,144
Interest received from deposits and financial investments		182,890	151,187
Rental income received from investment properties		11,558	11,534
Other investment expenses paid		(16,694)	(20,251)
Purchase of property and equipment	5	(26,232)	(17,743)
Proceeds from sale of investment properties		1,550	352,956
Increase in term deposits with original maturities of more than three months		(159,890)	(16,793)
Increase in statutory deposits		(1,671)	(2,062)
Net cash used in investing activities		(538,267)	(349,645)
Cash flows from financing activities			
Dividend paid	34	(92,374)	(92,374)
Principal elements of lease payments		(6,868)	(6,249)
Interest elements of lease payments		(749)	(627)
Finance costs paid		(4,241)	(5,233)
Transaction with non-controlling interest	32	(106)	(3,978)
Net cash used in financing activities		(104,338)	(108,461)
Net increase in cash and cash equivalents		83,258	170,966
Cash and cash equivalents at the beginning of the year		332,441	161,475
Cash and cash equivalents at the end of the year	14	415,699	332,441

For the purpose of the consolidated statement of cash flows, the cash and cash equivalents are before the allowance for impairment as disclosed in note 14.

During the year ended 31 December 2025, the principal non-cash transactions relate to the additions of the lease liability and right of use asset amounting to AED 4,248 thousand each (31 December 2024: the principal non-cash transactions relate to the additions of the lease liability and right of use asset amounting to AED 584 thousand each) (note 5).

The accompanying notes from 1 to 37 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Sukoon Insurance P.J.S.C. (the “Company” or “Sukoon”) is a public joint stock company, which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai. The Company is registered under the UAE Federal Law No. 32 of 2021, as amended, relating to commercial companies. The Company is subject to the regulations of the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business and is registered in the Insurance Companies Register of the Central Bank of the UAE (“CBUAE”) (formerly, the UAE Insurance Authority (“IA”) under registration number 9. The Company is a subsidiary of Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai. The Company’s registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Sukoon Insurance P.J.S.C. and its subsidiaries (note 32). The Company’s ordinary shares are listed on the Dubai Financial Market (“DFM”), United Arab Emirates.

On 8 September 2025, the UAE Federal Decree Law No. (6) of 2025 regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business was issued and came into effect on 16 September 2025 which repealed the UAE Federal Law No. 14 of 2018 and UAE Federal Law No. 48 of 2023. The Group must within a period not exceeding (1) one year from the date of the enforcement of its provisions from 16 September 2025 (“the transitional period”) comply with the provisions of the UAE Federal Decree Law No. (6) of 2025.

The licensed activities of the Company are issuing short term and long term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, engineering, energy, motor, aviation, medical, marine risks, personal accident, individual life (participating and non-participating), group life, credit life and investment linked products.

The Company also operates in the Sultanate of Oman, State of Qatar, England and Wales, the United Kingdom.

2. Application of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”)

2.1 New and revised IFRS Accounting Standards adopted in the consolidated financial statement

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

New and revised IFRS Accounting Standards

Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Effective for annual periods beginning on or after

1 January 2025

2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

New and revised IFRS Accounting Standards

IFRS 9 and IFRS 7 - Amendment regarding the classification and measurement of financial instrument

Effective for annual periods beginning on or after

1 January 2026, earlier application is permitted

IFRS 9 and IFRS 7 - Contracts referencing nature-dependent electricity

1 January 2026, earlier application is permitted

Annual improvements of IFRS Accounting Standards

1 January 2026, earlier application is permitted

IFRS 18 - Presentation and Disclosure in Financial Statements

1 January 2027, earlier application is permitted

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

3. Material accounting policy information

The material accounting policies applied in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to each of the years presented, unless otherwise stated.

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) and interpretation issued by the IFRS Interpretation Committee (“IFRSIC”) applicable to companies under IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and the applicable requirements of the United Arab Emirates (U.A.E.) Federal Law No. 32 of 2021, as amended, the UAE Federal Decree-Law No. (6) of 2025 and the Insurance Authority Board of Directors’ Decision No. (25) of 2014 pertinent to the Financial Regulations for Insurance Companies. The consolidated financial statements comply with IFRS Accounting Standards.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial investments measured at fair value through profit or loss (“FVTPL”), financial investments measured at fair value through other comprehensive income (“FVTOCI”), investment properties measured at fair value.

The Group’s consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents and bank borrowings. The following balances would generally be classified as non-current: property and equipment, intangible assets, investment properties, deferred tax assets, employees’ end of service benefits and statutory deposits. The following balances are of mixed nature (including both current and non-current portions): financial investments, prepayments and other receivables, reinsurance contract assets, reinsurance contract liabilities, insurance contract assets, insurance contract liabilities, investment contract liabilities, other payables and deposits with banks.

The consolidated financial statements are presented in Arab Emirates Dirham (“AED”) and all values are rounded to nearest thousand (“AED’000”) except when otherwise indicated.

3.3 Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company, i.e. its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power over the investee to affect the amount of the investor’s returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other voteholders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and/or ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and consolidated statement of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in ownership interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3.4 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of

the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.4 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

3.6 Revenue recognition

(a) Interest income and expense

Interest income and expense 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.

(b) Dividend income

Dividend income from investments is recognised in the consolidated statement of profit or loss when the Group's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(c) Rental income

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

3.7 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.7.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill.

The carrying of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.7.3 Current and deferred tax for the year

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in United Arab Emirates Dirhams (“AED”), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

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

Exchange differences are recognised in the consolidated statement of profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur which form part of the net investment in a foreign operation, and which are recognised initially in the foreign currency translation reserve and recognised in the consolidated statement of profit or loss
- on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are expressed in United Arab Emirates Dirhams (“AED”), using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in the foreign currency translation reserve. Such exchange differences are recognised in the consolidated statement of profit or loss in the period in which the foreign operation is disposed.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in the consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that does not result in the Company losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each period. Exchange differences arising are recognised in equity.

3.9 Property and equipment

Capital work in progress is carried at cost, less any recognised impairment loss. These assets are classified to the appropriate categories of property and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

Other property and equipment are stated at cost less accumulated depreciation and any identified accumulated impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Software are reported at cost less accumulated depreciation and identified impairment losses, if any. Depreciation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost includes expenditures that can be reliably measured and are directly attributable to the acquisition or development of technically feasible assets management intends to complete and use. This includes the cost of software, perpetual licenses, employee costs and any other cost directly attributable to the design and testing of identifiable software. These assets are controlled by the Group and capitalized only if it will generate probable future economic benefits. Capitalised development costs are recorded as asset and amortised from the point at which asset is available for use.

The useful lives considered in the calculation of depreciation for the assets are as follows:

	Years
Furniture and equipment and leasehold improvements	3 - 9
Motor vehicles	5
Computer hardware and software	3 - 15

3.10 Intangible assets acquired in a business combination

Intangibles acquired separately are measured on initial recognition at cost. The cost of the intangibles acquired in a business combination is at fair value as at the date of acquisition. Following initial recognition, intangibles are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangibles with finite lives are amortised over their respective useful lives and assessed for impairment whenever there is an indication that the intangibles may be impaired. The amortisation expense on intangibles with finite lives is recognised in the consolidated profit or loss account. Intangibles with indefinite lives assessed for impairment annually, or whenever there is an indication that the intangibles may be impaired.

The useful lives of intangible assets arising out of the acquisition of Sukoon Takaful P.J.S.C. ("Sukoon Takaful"), have been estimated to be indefinite.

3.11 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the profit or loss in the year in which they arise.

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

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by independent surveyors and consultants or broker's quotes.

3.12 Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of profit or loss.

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

3.13 Provisions

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

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

50 YEARS OF SUKOON

COMMEMORATIVE BOOK



As we approach end of the year, we are excited to share our 50th year anniversary commemorative book, a collection of inspiring stories from 50 of our employees, one of our key assets in this growth journey.

As we turn the page on this milestone year, we do so with deep gratitude and a renewed commitment to delivering exceptional service. Thank you for 50 remarkable years. Here's to the next chapter and the future that we will continue to build together.





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

3.14 Employee benefits

a. *Defined contribution plan*

UAE national employees of the Group are members of the Government-managed retirement pension and social security benefit scheme (the “scheme”) pursuant to U.A.E. labour law no. 7 of 1999. The Group is required to contribute 12.5% of the “contribution calculation salary” of payroll costs towards the scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the “contribution calculation salary” respectively, to the scheme. The contributions are charged to consolidated statement of profit or loss.

b. *Annual leave and leave passage*

An accrual is made for the estimated liability for employees’ entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

c. *Provision for employees’ end of service benefits*

Provision is made for the full amount of end of service benefit due to non-UAE national employees in accordance with the UAE Labour Law and is based on current remuneration and their period of service at the end of the reporting period. Provisions for employees’ end of service indemnity for the employees working with the entities domiciled in other countries are made in accordance with local laws and regulations applicable in these countries.

3.15 Borrowing costs

Interest expense is recognised in the consolidated statement of profit or loss as it accrues and is calculated by using the effective interest rate method.

3.16 Dividend distribution

Dividend distribution to the Shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Shareholders.

3.17 Financial instruments

a. *Investments and other financial assets*

i. Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

iii. Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- › **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'Net investment income' together with foreign exchange gains and losses. Impairment losses are included within 'Net investment income' in the consolidated statement of profit or loss.
- › **FVTOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net investment income'. Interest income from these financial assets is calculated using the effective interest rate method. Foreign exchange gains and losses are presented in 'Net investment income'.
- › **FVTPL:** Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the consolidated statement of profit or loss and is presented net within 'Net investment income' in the period in which it arises.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss within 'Net investment income' when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL except for unit linked investments are recognised in 'change in fair value of financial investments at FVTPL' included within 'Net investment income'. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

iv. Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group's financial assets are subject to the expected credit loss model.

For other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The expected loss rates are based on the historical credit losses experienced. Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVTOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

b. Other receivables

Other receivables are recognised initially at fair value and subsequently are measured at amortised cost using the effective interest method, less impairment provision. The Group holds the other receivables with the objective to collect the contractual cash flows.

c. Financial liabilities

The Group recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Group opted to measure a liability at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and reported net in the consolidated statement of financial position only when there is a legally enforceable right to set off the recognised amounts and when the Group intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

d. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

e. Deposits with banks with original maturities of more than three months

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

3.18 Leases

Leases are recognised as a right-of-use asset, within "Property and equipment", and a corresponding liability, within "Other payables", at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis which ranges between 3 to 9 years.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate of 3.5% to 5% (2024: 3.5% to 5%) is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability; and
- any lease payments made at or before the commencement date less any lease incentives received.

Extension and termination options are included in several leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable through a mutual agreement between the Group and the lessor. Payments associated with short-term leases of premises are recognised on a straight-line basis as an expense in consolidated statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3.19 Insurance contracts issued and reinsurance contracts held

3.19.1 Insurance and reinsurance contracts issued classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Group to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features (DPF) issued by the Group fall under this category. The Group also issues reinsurance contracts in the normal course of business to compensate other entities for claims arising from one or more insurance contracts issued by those entities.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. An insurance contract with direct participation features is defined as one which, at inception, meets the following criteria:

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

These criteria are assessed at the individual contract level based on the Group’s expectations at the contract’s inception, and they are not reassessed in subsequent periods, unless the contract is modified.

The nature of the contracts issued by the Group, their classification and measurement model are summarized in the table below:

Nature of Contracts	Product classification	Measurement model
Property & Casualty Contracts	Insurance Contracts	PAA
Health Insurance	Insurance Contracts	PAA
Short term life insurance contracts	Insurance Contracts	PAA
Term, Endowment and Universal life insurance contracts	Insurance Contracts	GMM
Unit linked life insurance contracts	Insurance contracts with direct participation features	VFA
Investment contracts without discretionary participation features (DPF)	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9

3.19.2 Level of Aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Group considers the similarity of risks rather than the specific labelling of product lines. The Group has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they 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.

3.19.3 Recognition

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

- the beginning of the coverage period;

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

3.19.4 Combination of insurance contracts

Sometimes, the Group enters into two or more contracts at the same time with the same or related counterparties to achieve an overall commercial effect. The Group accounts for such a set of contracts as a single insurance contract when this reflects the substance of the contracts. When making this assessment, the Group considers whether:

- The rights and obligations are different when looked at together compared to when looked at individually
- The Group is unable to measure one contract without considering the other

3.19.5 Separating components from insurance and reinsurance contracts

The Group assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group’s contracts do not include any distinct components that require separation. Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contacts and are, therefore, non-distinct investment components which are not accounted for separately.

3.19.6 Contract boundary

The measurement of a group of insurance contracts includes all future cash flows expected to arise 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 insurance contract services. A substantive obligation to provide insurance contract 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 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 are not recognised. Such amounts relate to future insurance contracts.

3.19.7 Measurement

The following table sets out the accounting policy choices adopted by the Group:

Measurement models the option is allowed to be applied		IFRS 17 options	Adopted approach
Insurance acquisition cash flows	PAA	Where the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cashflows when incurred or amortizing them over the contract's coverage period.	Insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group using a systematic and rational basis.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	PAA	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	For all contracts measured under the PAA, there is no allowance as the premiums are expected to be received within one year of the coverage period.
Liability for Incurred Claims ("LIC") adjusted for time value of money	PAA	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Group discounts the LIC for the time value of money.

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

3.19.7.1 Insurance contracts measured under the premium allocation approach - Initial and Subsequent Measurement

The Group applies the premium allocation approach to all the insurance contracts (other than long term individual life insurance contracts) that it issues as;

- The coverage period of each contract in the group is one year or less, including insurance contract services 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.

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.

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,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Group pays or receives before the group of insurance contracts is recognised.

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 insurance acquisition cash flows

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As part of Sukoon World Championship programme, and Sukoon’s 50th anniversary celebrations, we crafted a unique travel experience for our 50 top performing broker partners to Maldives. The trip included a 3-night, all-inclusive stay at the newly opened Dusit D2 resort in Maldives. This special trip concluded on the 8th of February marking an exciting end to our 50th anniversary celebrations.



- Plus any amounts relating to the amortisation of the insurance 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 services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Group does not adjust the liability for remaining coverage for any financing component as the premiums are expected to be received within one year of the coverage period. Furthermore, the contracts issued by the Group that are measured under the PAA do not contain any investment components (amounts that would be required to repay to the policyholder in all scenarios with commercial substance).

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 Group and include an explicit adjustment for non-financial risk (the risk adjustment).

When facts and circumstances indicate that a group of contracts has become onerous, the Group performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Group recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

3.19.7.2 Insurance contracts measured other than PAA - Initial and Subsequent Measurement

The Group measures a group of contracts on initial recognition as the sum of the expected fulfilment cash flows within the contract boundary and the contractual service margin representing the unearned profit in the contracts relating to services that will be provided under the contracts.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk. The Group's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Group includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid and expected future claims
- Payments to policyholders resulting from embedded surrender value options
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts
- Transaction-based taxes
- Costs incurred for performing investment activities that enhance insurance coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Group updates its estimates at the end of each reporting period using all newly available information, as well as historic evidence and information about trends. The Group determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Group considers the most recent experience and earlier experience, as well as other information.

The measurement of fulfilment cash flows includes insurance acquisition cash flows which are allocated as a portion of premium to profit or loss (through insurance revenue) over the period of the contract in a systematic and rational way on the basis of the passage of time.

Subsequent measurement:

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided.

For a group of insurance contracts the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- The effect of any new contracts added to the group
- For contracts measured under the GMM, interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that:
 - › Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss; or
 - › Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage
- The effect of any currency exchange differences on the CSM
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

For direct participating contracts measured under the VFA, the Group adjusts the CSM for the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:

- a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
- an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses).

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Unit linked life and universal life insurance contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any surrender charges. All the other contracts issued by the Group do not contain investment components.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognised immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage. For contracts measured under the GMM these changes exclude those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Those differences are determined by comparing (i) the actual investment component that becomes payable in the period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable.
- Changes in the risk adjustment for non-financial risk that relate to future service.

For direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of insurance contracts becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group

depicting the losses recognised.

The Group measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the group comprising the fulfilment cash flows related to past service allocated to the group at that date.

3.19.7.3 Reinsurance contracts held

Reinsurance contracts held are accounted for applying IFRS 17 when they meet the definition of an insurance contract. This includes the condition that the contract must transfer significant insurance risk.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss.

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.

A group of reinsurance contracts held is recognised as follows:

- If the reinsurance contracts provide proportionate coverage, the date the Group initially recognizes any underlying insurance contracts (onerous or not).
- In all other cases, at the beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date.

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer shall end when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage

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, they are 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.

Furthermore, for the reinsurance contracts held the measurement of the cash flows includes, when determined as significant, an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes. Concerning the risk adjustment for non-financial risk the Group determines it so that it represents the amount of risk being transferred to the reinsurer. The long-term individual life reinsurance contracts held are measured using the GMM and all other reinsurance contracts held by the Group are measured using the PAA.

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.

3.19.7.4 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.

3.19.7.5 Insurance acquisition cash flows

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

3.19.7.6 Discount rates

The Group uses the bottom-up approach for the groups of contracts measured under PAA and GMM and the top-down approach for the groups of contracts measured under VFA to derive the discount rates.

For contracts measured under the PAA, the Group disaggregates insurance finance income or expenses for the period to include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The Group determines the insurance finance income or expenses in profit or loss using the discount rates determined at the date of the incurred claim.

3.19.7.7 Risk adjustment for non-financial risk

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 in the range of 65th to 75th percentile, adjusted for diversification. That is, the Group has assessed its indifference to uncertainty for all groups of contracts (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent in the range of 65th to 75th percentile confidence level, adjusted for diversification, 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.

3.19.7.8 Contractual service margin (CSM)

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Group will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of unit linked life insurance contracts, the coverage unit is the unit reserve while for other long term life groups of contracts, the coverage unit is the premiums. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts issued, the number of coverage units in a group reflects the expected pattern of underwriting of the underlying contracts because the level of service provided depends on the number of underlying contracts in force.

The quantity of benefit is the maximum probable loss. The remaining coverage units are reassessed at the end of each reporting period to reflect the expected pattern of service and the expectations of lapses and cancellations of contracts. The remaining coverage is allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

3.19.7.9 Presentation

For presentation in the consolidated statement of financial position, the Group aggregates portfolios of insurance and reinsurance contracts issued and reinsurance contracts held and presents separately, the carrying amount of:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of reinsurance contracts held that are assets
- Portfolios of insurance contracts and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are liabilities

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

The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

The following table sets out the accounting policy choices adopted by the Group:

Measurement models the option is allowed to be applied		IFRS 17 options	Adopted approach
Insurance finance income and expenses	All	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the P&L or OCI option) is applied on a portfolio basis.	For contracts measured under the PAA, the Group applies OCI option. For contracts measured under the GMM and VFA, the Group includes all insurance finance income or expenses for the period in profit or loss.
Disaggregation of risk adjustment	All	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Group disaggregates changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses.
Presentation of income / (expense) from reinsurance contracts held	All	IFRS 17 allows options in presenting income or expenses from reinsurance contracts held, other than insurance finance income or expenses. An alternative would be to gross up this single amount and present separately the amounts recovered from the reinsurer (as income) and an allocation of the premiums paid (as reinsurance expenses) in line items separate from insurance revenue and insurance service expenses.	The Group elected to present a single net amount in net expenses from reinsurance contracts held.

3.19.7.10 Transition

The Group assessed historical information available and determined that all reasonable and supportable information necessary for applying the full retrospective approach was not available for groups of contracts issued prior to the transition date. The Group elected to apply the modified retrospective approach, which was intended to achieve the closest possible outcome to the full retrospective application maximising the use of available information.

The Group has aggregated contracts issued more than one year apart for groups of contracts applying the modified retrospective approach at transition, as it did not have supportable information to aggregate contracts into groups including only contracts issued within one year.

The Group has elected to use the simplification in the modified retrospective approach for determining the CSM or loss

component of the liability for remaining coverage at the transition date. The Group has used the following procedure to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at transition date, adjusted by the cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date.
- Estimated historical discount rates applied to some cash flows in the period prior to 2014 using an observable market interest curve based on discount rate applicable for 2014.
- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before transition. The expected release of risk was determined with reference to the release of risk for similar contracts that the Group has issued subsequent to the transition date.

For contracts measured under the PAA, the Group has elected to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income and reset the cumulative amount of insurance finance income or expenses recognised in other comprehensive income at the transition date to zero.

4. Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Group’s accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

4.1 Measurement of the expected credit loss 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). Explanation of the inputs, assumptions and estimation techniques used in measuring Expected Credit Loss (ECL) is further detailed in note 31 (b).

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.

4.2 Investment properties

The Group values its investment properties at fair value on the basis of market valuations prepared by independent property consultants. The valuations are based on assumptions which are mainly based on market conditions existing at each reporting date. Therefore, any future change in the market conditions could have an impact on the fair value. For further details of the judgments and assumptions made, refer to note 7.

4.3 Liability for incurred claims

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

The main assumption underlying these techniques is that a 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. 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 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. The Group also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

4.4 Assessment of significance of insurance risk

The Group applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Group to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

4.5 Risk adjustment

The Group has used the Value at Risk (VAR) to estimate the risk adjustment using a confidence level (probability of sufficiency) approach in the range of 65th to 75th percentile, adjusted for diversification. That is, the Group has assessed its indifference to uncertainty for all groups of contracts (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent in the range of 65th to 75th percentile confidence level, adjusted for diversification, 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.

4.6 Onerous groups

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.

4.7 Time value of money

The Group adjusts the carrying amount of the insurance contracts assets/liabilities and reinsurance contracts assets/liabilities to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

Under the bottom-up 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 curve itself will either be derived by the Group from risk free assets in the market, or the Group may choose to apply a published risk-free yield curve. The Group has utilised published risk-free yield curves in setting the discount rates under the bottom-up approach. The top-down approach starts with the determination of a reference portfolio. The reference portfolio yield will be taken as the yield on the underlying items to which the liability cashflows are linked.

The Group used the following yield curves to discount cash flows:

2025	Currency	1 Year	5 Year	10 Year	20 Year	30 Year
Contracts under PAA	AED	4.53%	5.31%	6.14%	7.20%	6.12%
Contracts under PAA	OMR	7.21%	7.99%	8.82%	9.88%	8.80%
Contracts under VFA	AED	7.82%	8.56%	9.35%	10.37%	9.33%
Contracts under VFA	USD	7.16%	7.90%	8.69%	9.71%	8.67%
Contracts under GMM	AED	4.53%	5.31%	6.14%	7.20%	6.12%
Contracts under GMM	USD	3.87%	4.65%	5.48%	6.54%	5.46%
Acquired contracts	USD	6.50%	7.28%	8.10%	9.17%	8.09%

2024	Currency	1 Year	5 Year	10 Year	20 Year	30 Year
Contracts under PAA	AED	5.32%	5.57%	5.85%	6.49%	5.59%
Contracts under PAA	OMR	5.32%	5.57%	5.85%	6.49%	5.59%
Contracts under VFA	AED	8.64%	8.88%	9.15%	9.76%	8.90%
Contracts under VFA	USD	8.03%	8.27%	8.54%	9.14%	8.29%
Contracts under GMM	AED	5.32%	5.57%	5.85%	6.49%	5.59%
Contracts under GMM	USD	4.59%	4.85%	5.13%	5.77%	4.87%
Acquired contracts	USD	4.59%	4.85%	5.13%	5.77%	4.87%

5. Property and equipment

	Furniture and equipment AED'000	Computer hardware & software AED'000	Motor Vehicles AED'000	Leasehold Improve-ments AED'000	Right-of-use assets AED'000	Capital work in progress AED'000	Total AED'000
Cost							
Balance at 1 January 2024	51,618	205,839	1,136	9,215	40,829	51,927	360,564
Additions during the year	5	235	-	6	584	16,913	17,743
Transfers during the year	2,806	10,612	113	840	-	(14,371)	-
Disposals during the year	(1,213)	(4,442)	-	-	-	-	(5,655)
Balance at 31 December 2024	53,216	212,244	1,249	10,061	41,413	54,469	372,652
Additions during the year	167	417	-	-	4,248	21,400	26,232
Transfers during the year	633	16,086	-	78	-	(16,797)	-
Disposals during the year	-	-	(15)	-	(5,440)	-	(5,455)
Balance at 31 December 2025	54,016	228,747	1,234	10,139	40,221	59,072	393,429
Accumulated depreciation							
Balance at 1 January 2024	50,328	160,872	936	2,825	15,115	-	230,076
Charge for the year	858	17,320	85	1,185	6,547	-	25,995
Disposals during the year	(1,213)	(4,442)	-	-	-	-	(5,655)
Balance at 31 December 2024	49,973	173,750	1,021	4,010	21,662	-	250,416
Charge for the year	1,225	17,949	96	1,307	6,139	-	26,716
Disposals during the year	-	-	(15)	-	(5,440)	-	(5,455)
Balance at 31 December 2025	51,198	191,699	1,102	5,317	22,361	-	271,677
Net carrying amount							
Balance at 31 December 2025	2,818	37,048	132	4,822	17,860	59,072	121,752
Balance at 31 December 2024	3,243	38,494	228	6,051	19,751	54,469	122,236

6. Intangible Assets

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date with an infinite life (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated impairment loss. The useful life of intangible asset amount to AED 44,300 thousand arising out of the acquisition of Sukoon Takaful on 18 May 2023 have been estimated to be indefinite.

Management has carried out an impairment test for intangible assets at the year end and has concluded that no impairment has taken place.

CSR INITIATIVES 2025

SUKOON FOR ALL



Enhanced branches and partnered with organizations like Mawaheb and Dubai Centre to better serve People of Determination as part of its “Sukoon for All” CSR program.



7. Investment properties

The Group's investment properties represents the fair value of the properties located in Dubai, UAE.

	Plots of land AED'000	Buildings AED'000	Total AED'000
<i>Fair value hierarchy</i>	<i>Level 3</i>	<i>Level 3</i>	
Fair value at 1 January 2024	329,247	185,873	515,120
Disposal during the year	(321,247)	(52,179)	(373,426)
Net increase in fair value during the year (note 20)	960	8,966	9,926
Fair value at 31 December 2024	8,960	142,660	151,620
Disposal during the year	-	(1,600)	(1,600)
Net increase in fair value during the year (note 20)	1,540	32,375	33,915
Fair value at 31 December 2025	10,500	173,435	183,935

Valuation processes

The Group has complied with the requirements of the Insurance Authority Board Decision No. (25) of 2014 with regards to the valuation of the investment properties and were accounted accordingly for the purpose of financial reporting. The Group's investment properties were valued as at 31 December 2025 by independent external professionally qualified valuers who hold recognized relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value is in accordance with relevant appraisal and valuation standards issued by the Royal Institute of Chartered Surveyors (“RICS”).

Valuation techniques underlying management's estimation of fair value

Valuation of the Group's investment properties was determined using either of Discounted Cash Flow (“DCF”), Income capitalization method, and sales comparison methods based on the available inputs.

The DCF method involves forecasting future cash flows from the property based on precisely stated market-based assumptions by adopting an appropriate discount rate and capitalization rate. Income capitalization method considers a market rent that may be achieved based on the comparable evidence and deducting appropriate maintenance and vacancy rates to derive the Net Rent achievable which then capitalized at an appropriate risk yield to derive the Fair Value of the subject property. Sales comparison method considers the value of comparable properties in proximity adjusted for differences in key attributes such as property size and quality of interior fittings.

Sensitivity on the fair value of investment properties based on each methodology is as follows:

For the sales comparison method, if the prices of the comparable properties were to increase / decrease by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by AED 137 thousand (31 December 2024: the fair value would increase / decrease by AED 137 thousand).

For the Income capitalization method, if the capitalization rate were to decrease / increase by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by AED 6,460 thousand / AED 5,215 thousand respectively (31 December 2024: the fair value would increase / decrease by AED 20,020 thousands / AED 15,500 thousand respectively).

For 31 December 2025, under the DCF method, if the capitalization rate were to decrease / increase by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by AED 12,700 thousand / AED 9,850 thousand respectively.

8. Bank borrowings

	2025 AED'000	2024 AED'000
Short term bank loans	86,000	86,000

Short term bank loans are secured by assignment of certain bonds in favor of financial institutions. These loans carry a fixed interest rate of 4.12% per annum (31 December 2024: 5%). Short term loans are utilised for Group's operational activities.

9. Statutory deposits

	2025 AED'000	2024 AED'000
Bank deposit maintained in accordance with UAE Federal Decree-Law No. (6) of 2025	10,000	10,000
Statutory deposit with Central Bank of UAE on behalf of Sukoon Takaful	10,000	10,000
Amount under lien with the Capital Market Authority - Sultanate of Oman	138,553	138,547
Amounts under lien with the Qatar Central Bank	40,708	39,043
	199,261	197,590

The interest rates on statutory deposits with banks range from 3.70% to 5.65% (31 December 2024: 2% to 5.6%) per annum.

10. Financial investments

10.1 Composition of financial investments

The Group's financial investments at the end of reporting period are detailed below.

	2025 AED'000	2024 AED'000
At fair value through profit or loss (note 10.2)	1,183,059	1,165,224
At fair value through other comprehensive income (note 10.3)	1,195,201	953,012
Measured at amortised cost	3,114,028	2,632,542
Less: allowance for impairment as per IFRS 9 on investment at amortised cost (note 10.6)	(1,409)	(1,424)
	5,490,879	4,749,354

10.2 Financial investments at fair value through profit or loss

	Inside UAE		Outside UAE		Total	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Quoted equity	530	546	-	-	530	546
Unit linked investments*	27,681	20,226	1,154,848	1,144,452	1,182,529	1,164,678
	28,211	20,772	1,154,848	1,144,452	1,183,059	1,165,224

* Unit linked investments of AED 1,182,529 thousand (31 December 2024: AED 1,164,678 thousand) comprises of Investment contracts without DPF and Insurance contracts with direct participation features of AED 939,219 thousand (31 December 2024: AED 987,347 thousand) and AED 243,310 thousand (31 December 2024: AED 177,331 thousand) respectively.

10.3 Financial investments at fair value through other comprehensive income (FVTOCI)

	Inside UAE		Outside UAE		Total	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Quoted equity	521,118	448,883	281,970	212,352	803,088	661,235
Quoted bond	20,594	20,023	-	-	20,594	20,023
Quoted fund	-	-	341,911	243,418	341,911	243,418
Unquoted equity	10,240	6,309	5,330	4,921	15,570	11,230
Private equity fund	-	-	14,038	17,106	14,038	17,106
	551,952	475,215	643,249	477,797	1,195,201	953,012

The Group has designated all investments in equity instruments that are not held for trading as FVTOCI. For the year ended 31 December 2025, the Group sold equity investments held at fair value through other comprehensive income amounting to AED 170,423 thousand at the time of sale (31 December 2024: AED 182,340 thousand) in line with the Group's investment strategy. The Group realised profits of AED 25,995 thousand (31 December 2024: losses of AED 6,448 thousand) which were transferred to retained earnings.

10.4 Financial investments measured at amortised cost

	Inside UAE		Outside UAE		Total	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Investments in quoted bonds	1,322,940	1,067,077	1,789,679	1,564,041	3,112,619	2,631,118

These bonds carry coupon rates of 0.9% to 9.4% (31 December 2024: 0.9% to 9.4%) per annum. The Group holds these investments with the objective of receiving the contractual cash flows over the instrument's life. The bonds are redeemable at par from 2026 to 2055 (31 December 2024: 2025 to 2055) based on their maturity dates.

As part of Syndicate-in-a-box initiative ("SIAB") arrangement, Sukoon on behalf of 'OIC Corporate Member Limited' has pledged certain bonds having nominal value of USD 120,950 thousand (equivalent to AED 444,189 thousand) to be held at Lloyd's deposit with the beneficial ownership remaining with Sukoon Insurance P.J.S.C. The net book value of these bonds was AED 467,411 thousand as at 31 December 2025 (31 December 2024: AED 309,534 thousand).

10.5 Movements in financial investments

The movements in financial investments are as follows:

	Fair value through profit or loss AED'000	Fair value through OCI AED'000	Amortised cost AED'000	Total AED'000
At 1 January 2024	1,180,592	718,399	1,923,693	3,822,684
Purchases	231,600	365,355	978,591	1,575,546
Disposals/redemptions	(499,811)	(194,099)	-	(693,910)
Maturities	-	-	(283,793)	(283,793)
Amortisation	-	-	2,692	2,692
Movement in accrued interest	-	-	10,451	10,451
Changes in fair value	232,290	60,112	-	292,402
Allowance for impairment	-	-	(516)	(516)
Transfer of a portfolio	20,553	3,245	-	23,798
At 31 December 2024	1,165,224	953,012	2,631,118	4,749,354
Purchases	310,589	312,403	814,696	1,437,688
Disposals/redemptions	(533,122)	(173,133)	-	(706,255)
Maturities	-	-	(348,696)	(348,696)
Amortisation	-	-	6,582	6,582
Movement in accrued interest	-	-	8,904	8,904
Changes in fair value	240,368	102,919	-	343,287
Release of impairment	-	-	15	15
At 31 December 2025	1,183,059	1,195,201	3,112,619	5,490,879

There were no reclassifications between financial investments categories during the year ended 31 December 2025 and 2024.

10.6 Movement in the allowance for impairment of financial investments measured at amortised cost during the year was as follows:

	2025 AED'000	2024 AED'000
At the beginning of the year	1,424	908
(Release)/allowance during the year	(15)	516
Balance at the end of the year	1,409	1,424

As of 31 December 2025 and 2024, there were no significant concentrations of credit risk for debt instruments measured at amortised cost. The carrying amount reflected above represents the Group's maximum exposure for credit risk for such assets.

11. Insurance contract assets and liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	LRC for contracts under PAA		LRC for contracts not under PAA		LIC for contracts not under PAA	LIC for contracts under PAA		Total
	Excluding loss component AED'000	Loss component AED'000	Excluding loss component AED'000	Loss component AED'000	AED'000	Present value of future cash flows AED'000	Risk adjustment for non-fin-risk AED'000	AED'000
Opening insurance contract liabilities	950,912	17,496	211,773	5,204	4,782	3,753,235	261,308	5,204,710
Opening insurance contract assets	(40,451)	-	(210)	-	-	33,564	2,230	(4,867)
Net balance as at 1 January 2025	910,461	17,496	211,563	5,204	4,782	3,786,799	263,538	5,199,843
Insurance revenue	(6,337,674)	-	(51,773)	-	-	-	-	(6,389,447)
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	-	(1,113)	23,885	4,234,249	93,775	4,350,796
Changes that relate to past service - adjustments to the LIC	-	-	-	-		(131,670)	(141,797)	(273,467)
Losses on onerous contracts and reversal of those losses	-	(2,851)	-	263	-	-	-	(2,588)
Insurance acquisition cash flows amortisation	695,963	-	14,116	-	-	-	-	710,079
Insurance service expenses	695,963	(2,851)	14,116	(850)	23,885	4,102,579	(48,022)	4,784,820
Insurance service result	(5,641,711)	(2,851)	(37,657)	(850)	23,885	4,102,579	(48,022)	(1,604,627)
Finance expense from insurance contracts issued	-	-	480	148	-	135,203	9,641	145,472
Total amounts recognised in comprehensive income	(5,641,711)	(2,851)	(37,177)	(702)	23,885	4,237,782	(38,381)	(1,459,155)
Investment components	-	-	(18,384)	-	18,384	-	-	-
Cash flows								
Premiums received	6,717,868	-	92,575	-	-	-	-	6,810,443
Claims and other directly attributable expenses paid	-	-	-	-	(39,157)	(4,249,266)	-	(4,288,423)
Insurance acquisition cash flows	(688,016)	-	(11,924)	-	-	-	-	(699,940)
Total cash flows	6,029,852	-	80,651	-	(39,157)	(4,249,266)	-	1,822,080
Net balance as at 31 December 2025	1,298,602	14,645	236,653	4,502	7,894	3,775,315	225,157	5,562,768
Closing insurance contract liabilities	1,306,990	14,645	236,960	4,502	7,894	3,773,252	225,042	5,569,285
Closing insurance contract assets	(8,388)	-	(307)	-	-	2,063	115	(6,517)
Net balance as at 31 December 2025	1,298,602	14,645	236,653	4,502	7,894	3,775,315	225,157	5,562,768

11. Insurance contract assets and liabilities (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	LRC for contracts under PAA		LRC for contracts not under PAA		LIC for contracts	LIC for contracts under PAA		Total
	Excluding loss component AED'000	Loss component AED'000	Excluding loss component AED'000	Loss component AED'000	Not under PAA AED'000	Present value of future cash flows AED'000	Risk adjustment for non-fin-risk AED'000	AED'000
Opening insurance contract liabilities	677,795	20,783	146,452	1,895	2,673	3,161,483	234,020	4,245,101
Opening insurance contract assets	(7,366)	-	-	-	-	5,865	567	(934)
Net balance as at 1 January 2024	670,429	20,783	146,452	1,895	2,673	3,167,348	234,587	4,244,167
Insurance revenue	(5,373,315)	-	(39,414)	-	-	-	-	(5,412,729)
Insurance service expenses								
Incurred claims and other directly attributable expenses	-	-	-	(1,294)	17,489	3,885,798	106,706	4,008,699
Changes that relate to past service - adjustments to the LIC	-	-	-	-	(14)	(236,210)	(87,423)	(323,647)
Losses on onerous contracts and reversal of those losses	-	(3,287)	-	4,525	-	-	-	1,238
Insurance acquisition cash flows amortisation	593,061	-	13,755	-	-	-	-	606,816
Insurance service expenses	593,061	(3,287)	13,755	3,231	17,475	3,649,588	19,283	4,293,106
Insurance service result	(4,780,254)	(3,287)	(25,659)	3,231	17,475	3,649,588	19,283	(1,119,623)
Finance (income)/expenses from insurance contracts issued	-	-	(1,004)	78	-	129,538	9,668	138,280
Total amounts recognised in comprehensive income	(4,780,254)	(3,287)	(26,663)	3,309	17,475	3,779,126	28,951	(981,343)
Investment components	-	-	(14,791)	-	14,791	-	-	-
Consideration received for the acquisition of a portfolio (note 36 b)	-	-	28,912	-	-	-	-	28,912
Cash flows								
Premiums received	5,582,595	-	90,148	-	-	-	-	5,672,743
Claims and other directly attributable expenses paid	-	-	-	-	(30,157)	(3,159,675)	-	(3,189,832)
Insurance acquisition cash flows	(562,309)	-	(12,495)	-	-	-	-	(574,804)
Total cash flows	5,020,286	-	77,653	-	(30,157)	(3,159,675)	-	1,908,107
Net balance as at 31 December 2024	910,461	17,496	211,563	5,204	4,782	3,786,799	263,538	5,199,843
Closing insurance contract liabilities	950,912	17,496	211,773	5,204	4,782	3,753,235	261,308	5,204,710
Closing insurance contract assets	(40,451)	-	(210)	-	-	33,564	2,230	(4,867)
Net balance as at 31 December 2024	910,461	17,496	211,563	5,204	4,782	3,786,799	263,538	5,199,843

11. Insurance contract assets and liabilities (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA

	Present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Opening insurance contract liabilities	193,264	6,734	21,761	221,759
Opening insurance contract assets	(921)	53	658	(210)
Net balance as at 1 January 2025	192,343	6,787	22,419	221,549
Changes that relate to current service				
CSM recognised for the services provided	-	-	(5,705)	(5,705)
Change in the risk adjustment for non-financial risk for the risk expired	-	(1,341)	-	(1,341)
Experience adjustments-premium and associated cashflows	913	-	-	913
Experience adjustments-relating to insurance service expenses	(8,752)	-	-	(8,752)
	(7,839)	(1,341)	(5,705)	(14,885)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(618)	763	(145)	-
Changes in estimates that results in onerous contract losses or reversals of such losses	(136)	(873)	-	(1,009)
Contracts initially recognised in the period	(7,456)	1,617	7,111	1,272
Experience adjustment - arising from premiums received in the period that relate to future service	5,136	-	(5,136)	-
	(3,074)	1,507	1,830	263
Insurance service result	(10,913)	166	(3,875)	(14,622)
Finance (income)/expenses from insurance contracts issued	(4,741)	285	5,084	628
Total amounts recognised in comprehensive income	(15,654)	451	1,209	(13,994)
Cash flows				
Premiums received	92,575	-	-	92,575
Claims and other directly attributable expenses paid	(39,157)	-	-	(39,157)
Insurance acquisition cash flows	(11,924)	-	-	(11,924)
Total cash flows	41,494	-	-	41,494
Net balance as at 31 December 2025	218,183	7,238	23,628	249,049
Closing insurance contract liabilities	219,102	7,180	23,074	249,356
Closing insurance contract assets	(919)	58	554	(307)
Net balance as at 31 December 2025	218,183	7,238	23,628	249,049

11. Insurance contract assets and liabilities (continued)

Reconciliation of measurement component of insurance contract balances not measured under the PAA (continued)

	Present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Opening insurance contract liabilities	119,014	5,247	26,760	151,021
Opening insurance contract assets	-	-	-	-
Net balance as at 1 January 2024	119,014	5,247	26,760	151,021
Changes that relate to current service				
CSM recognised for the services provided	-	-	(5,546)	(5,546)
Change in the risk adjustment for non- financial risk for the risk expired	-	(986)	-	(986)
Experience adjustments-premium and associated cashflows	864	-	-	864
Experience adjustments-relating to insurance service expenses	(3,809)	-	-	(3,809)
	(2,945)	(986)	(5,546)	(9,477)
Changes that relate to future service				
Changes in estimates that adjust the CSM	14,711	468	(15,179)	-
Changes in estimates that results in onerous contract losses or reversals of such losses	4,247	(767)	-	3,480
Contracts initially recognised in the period	(6,422)	2,645	4,822	1,045
Experience adjustment - arising from premiums received in the period that relate to future service	4,706	-	(4,706)	-
	17,242	2,346	(15,063)	4,525
Insurance service result	14,297	1,360	(20,609)	(4,952)
Finance (income)/expenses from insurance contracts issued	(17,375)	180	16,268	(927)
Total amounts recognised in comprehensive income	(3,078)	1,540	(4,341)	(5,879)
Consideration received for the acquisition of a portfolio (note 36 b)	28,912	-	-	28,912
Cash flows				
Premiums received	90,147	-	-	90,147
Claims and other directly attributable expenses paid	(30,157)	-	-	(30,157)
Insurance acquisition cash flows	(12,495)	-	-	(12,495)
Total cash flows	47,495	-	-	47,495
Net balance as at 31 December 2024	192,343	6,787	22,419	221,549
Closing insurance contract liabilities	193,264	6,734	21,761	221,759
Closing insurance contract assets	(921)	53	658	(210)
Net balance as at 31 December 2024	192,343	6,787	22,419	221,549

11. Insurance contract assets and liabilities (continued)

Analysis of insurance contracts initially recognised

The below table presents the analysis of insurance contracts not measured under the PAA that were recognised in the period:

For the year ended 31 December 2025	Contracts issued		Acquired contracts	Total AED'000
	Non-onerous contracts originated AED'000	Onerous contracts originated AED'000	Non-onerous contracts acquired AED'000	
Insurance acquisition cash flows	46,315	17,295	-	63,610
Claims and other directly attributable expenses	7,127	3,578	-	10,705
Estimates of present value of future cash outflows	53,442	20,873	-	74,315
Estimates of present value of future cash inflows	(61,268)	(20,503)	-	(81,771)
Risk adjustment for non-financial risk	715	902	-	1,617
CSM	7,111	-	-	7,111
Increase in contract liabilities from contracts recognised during the year	-	1,272	-	1,272

For the year ended 31 December 2024	Contracts issued		Acquired contracts	Total AED'000
	Non-onerous contracts originated AED'000	Onerous contracts originated AED'000	Non-onerous contracts acquired AED'000	
Insurance acquisition cash flows	45,147	16,777	-	61,924
Claims and other directly attributable expenses	10,020	3,481	36,940	50,441
Estimates of present value of future cash outflows	55,167	20,258	36,940	112,365
Estimates of present value of future cash inflows	(59,697)	(20,043)	(39,047)	(118,787)
Risk adjustment for non-financial risk	475	830	1,340	2,645
CSM	4,055	-	767	4,822
Increase in contract liabilities from contracts recognised during the year	-	1,045	-	1,045

Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss for long term individual life insurance contracts issued is provided in the following table:

Number of years until expected to be recognised	2025 AED'000	2024 AED'000
As at 31 December		
1	3,732	3,427
2-5	10,180	10,215
>5	9,716	8,777
Total	23,628	22,419

11. Insurance contract assets and liabilities (continued)

Insurance revenue and CSM by transition method

	New contracts and contracts measured under the full retrospective approach at transition AED'000	Contracts measured under the modified retrospective approach at transition AED'000	Total AED'000
Insurance revenue	38,723	13,050	51,773
Opening CSM as at 1 January 2025	20,504	1,915	22,419
Changes that relate to current service			
CSM recognised for the services provided	5,263	(442)	(5,705)
Changes that relate to future service			
Changes in estimates that adjust the CSM	(684)	539	(145)
Effects of contracts initially recognised in period	7,111	-	7,111
Experience adjustments- arising from premium received in the period that relates to future service	5,137	1	(5,136)
	1,290	540	1,830
Finance expenses/(income) from insurance contracts issued	5,654	570	5,084
Total amount recognised in comprehensive income	1,681	(472)	1209
Closing CSM as at 31 December 2025	22,185	1,443	23,628

Insurance revenue and CSM by transition method

	New contracts and contracts measured under the full retrospective approach at transition AED'000	Contracts measured under the modified retrospective approach at transition AED'000	Total AED'000
Insurance revenue	32,277	7,137	39,414
Opening CSM as at 1 January 2024	20,828	5,932	26,760
Changes that relate to current service			
CSM recognised for the services provided	(4,926)	(620)	(5,546)
Changes that relate to future service			
Changes in estimates that adjust the CSM	(7,737)	(7,442)	(15,179)
Effects of contracts initially recognised in period	4,055	-	4,055
Experience adjustments- arising from premium received in the period that relates to future service	(4,825)	119	(4,706)
	(8,507)	(7,323)	(15,830)
Finance expenses from insurance contracts issued	12,342	3,926	16,268
Total amount recognised in comprehensive income	(1,091)	(4,017)	(5,108)
Acquisition of a portfolio (note 36 b)	767	-	767
Closing CSM as at 31 December 2024	20,504	1,915	22,419

12. Reinsurance contracts assets and liabilities

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

	Excluding loss-recovery component AED'000	Loss-recovery component AED'000	Excluding loss-recovery component AED'000	Loss-recovery component AED'000	Asset for incurred claims for contracts not under PAA AED'000	Asset for incurred claims for contracts under PAA		Total AED'000
						Present value of future cash flows AED'000	Risk adj. for non-financial risk AED'000	
Opening reinsurance contract liabilities	(15,847)	-	(2,702)	35	-	5,572	349	(12,593)
Opening reinsurance contract assets	240,471	679	7,106	4,651	3,673	2,926,926	208,235	3,391,741
Net balance as at 1 January 2025	224,624	679	4,404	4,686	3,673	2,932,498	208,584	3,379,148
Net income/(expense) from reinsurance contracts held								
Reinsurance expenses	(3,362,605)	(679)	(12,250)	-	-	-	-	(3,375,534)
Incurred claims recovery	-	-	-	-	3,509	2,161,612	64,128	2,229,249
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	-	-	(86,034)	(112,632)	(198,666)
Income on initial recognition of onerous underlying contracts	-	-	-	1,446	-	-	-	1,446
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	-	-	(869)	-	-	-	(869)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	1,784	-	(1,098)	-	-	-	686
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	-	(219)	(34)	(253)
Net (expense)/income from reinsurance contracts held	(3,362,605)	1,105	(12,250)	(521)	3,509	2,075,359	(48,538)	(1,343,941)
Finance income from reinsurance contracts held	-	-	422	224	-	103,525	7,434	111,605
Total amounts recognised in comprehensive income	(3,362,605)	1,105	(11,828)	(297)	3,509	2,178,884	(41,104)	(1,232,336)
Cash flows								
Premiums paid net of ceding commissions	3,495,900	-	12,652	-	-	-	-	3,508,552
Recoveries from reinsurance	-	-	-	-	(743)	(2,432,118)	-	(2,432,861)
Total cash flows	3,495,900	-	12,652	-	(743)	(2,432,118)	-	1,075,691
Net balance as at 31 December 2025	357,919	1,784	5,228	4,389	6,439	2,679,264	167,480	3,222,503
Closing reinsurance contract liabilities	(29,497)	-	(1,821)	214	-	10,234	620	(20,250)
Closing reinsurance contract assets	387,416	1,784	7,049	4,175	6,439	2,669,030	166,860	3,242,753
Net balance as at 31 December 2025	357,919	1,784	5,228	4,389	6,439	2,679,264	167,480	3,222,503

12. Reinsurance contracts assets and liabilities (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

	ARC for contracts under PAA		ARC for contracts not under PAA		Asset for incurred claims for contracts not under PAA AED'000	Asset for incurred claims for contracts under PAA		Total AED'000
	Excluding loss-recovery component AED'000	Loss-recovery component AED'000	Excluding loss-recovery component AED'000	Loss-recovery component AED'000		Present value of future cash flows AED'000	Risk adj. for non-financial risk AED'000	
Opening reinsurance contract liabilities	(25,235)	306	-	-	-	11,690	650	(12,589)
Opening reinsurance contract assets	118,998	24	8,145	1,896	1,865	2,438,829	187,106	2,756,863
Net balance as at 1 January 2024	93,763	330	8,145	1,896	1,865	2,450,519	187,756	2,744,274
Net income/(expense) from reinsurance contracts held								
Reinsurance expenses	(3,004,228)	(330)	(8,648)	-	-	-	-	(3,013,206)
Incurred claims recovery	-	-	-	-	4,404	2,309,884	83,932	2,398,220
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	-	-	(205,584)	(71,033)	(276,617)
Income on initial recognition of onerous underlying contracts	-	-	-	1,080	-	-	-	1,080
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	-	-	(1,106)	-	-	-	(1,106)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	679	-	2,706	-	-	-	3,385
Effect of changes in risk of reinsurers' non-performance	-	-	-	-	(3)	371	16	384
Net (expense)/income from reinsurance contracts held	(3,004,228)	349	(8,648)	2,680	4,401	2,104,671	12,915	(887,860)
Finance (expense)/income from reinsurance contracts held	-	-	(1,046)	110	-	102,863	7,913	109,840
Total amounts recognised in comprehensive income	(3,004,228)	349	(9,694)	2,790	4,401	2,207,534	20,828	(778,020)
Consideration received for the acquisition of a portfolio (note 36 b)	-	-	(3,111)	-	-	-	-	(3,111)
Cash flows								
Premiums paid net of ceding commissions	3,135,089	-	9,064	-	-	-	-	3,144,153
Recoveries from reinsurance	-	-	-	-	(2,593)	(1,725,555)	-	(1,728,148)
Total cash flows	3,135,089	-	9,064	-	(2,593)	(1,725,555)	-	1,416,005
Net balance as at 31 December 2024	224,624	679	4,404	4,686	3,673	2,932,498	208,584	3,379,148
Closing reinsurance contract liabilities	(15,847)	-	(2,702)	35	-	5,572	349	(12,593)
Closing reinsurance contract assets	240,471	679	7,106	4,651	3,673	2,926,926	208,235	3,391,741
Net balance as at 31 December 2024	224,624	679	4,404	4,686	3,673	2,932,498	208,584	3,379,148

12. Reinsurance contracts assets and liabilities (continued)

Reconciliation of measurement component of reinsurance contract balances not measured under the PAA

	Present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Opening reinsurance contract liabilities	(2,804)	(140)	277	(2,667)
Opening reinsurance contract assets	(1,962)	1,850	15,542	15,430
Net balance as at 1 January 2025	(4,766)	1,710	15,819	12,763
Changes that relate to current service				
CSM recognised in profit or loss for the services received	-	-	(3,440)	(3,440)
Change in the risk adjustment for non- financial risk for the risk expired	-	(439)	-	(439)
Experience adjustments-relating to incurred claims and other directly attributable expenses recovery	(5,734)	-	-	(5,734)
	(5,734)	(439)	(3,440)	(9,613)
Changes that relate to future service				
Changes in estimates that adjust the CSM	408	311	(719)	-
Contracts initially recognised in the period	(3,315)	664	2,653	2
CSM adjustment for income on initial recognition of onerous underlying contracts	11	-	1,435	1,446
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	-	(1,098)	(1,098)
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	(1,709)	7	1,703	1
	(4,605)	982	3,974	351
Net income/(expense) from reinsurance contracts held	(10,339)	543	534	(9,262)
Finance (expenses)/income from reinsurance contracts held	(233)	134	745	646
Total amounts recognised in comprehensive income	(10,572)	677	1,279	(8,616)
Cash flows				
Premiums paid net of ceding commissions	12,652	-	-	12,652
Recoveries from reinsurance	(743)	-	-	(743)
Total cash flows	11,909	-	-	11,909
Net balance as at 31 December 2025	(3,429)	2,387	17,098	16,056
Closing reinsurance contract liabilities	(1,815)	(91)	298	(1,608)
Closing reinsurance contract assets	(1,614)	2,478	16,800	17,664
Net balance as at 31 December 2025	(3,429)	2,387	17,098	16,056

12. Reinsurance contracts assets and liabilities (continued)

Reconciliation of measurement component of reinsurance contract balances not measured under the PAA (continued)

	Present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Opening reinsurance contract liabilities	-	-	-	-
Opening reinsurance contract assets	(27,704)	1,887	37,722	11,905
Net balance as at 1 January 2024	(27,704)	1,887	37,722	11,905
Changes that relate to current service				
CSM recognised in profit or loss for the services received	-	-	(3,045)	(3,045)
Change in the risk adjustment for non- financial risk for the risk expired	-	(393)	-	(393)
Experience adjustments-relating to incurred claims and other directly attributable expenses recovery	(1,914)	-	-	(1,914)
	(1,914)	(393)	(3,045)	(5,352)
Changes that relate to future service				
Changes in estimates that adjust the CSM	21,423	(173)	(21,250)	-
Contracts initially recognised in the period	(2,585)	310	2,275	-
CSM adjustment for income on initial recognition of onerous underlying contracts	-	-	1,080	1,080
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	-	2,706	2,706
Experience adjustments – arising from ceded premiums paid in the period that relate to future service	5,200	-	(5,200)	-
	24,038	137	(20,389)	3,786
Net income/(expense) from reinsurance contracts held	22,124	(256)	(23,434)	(1,566)
Finance (expenses)/income from reinsurance contracts held	(2,546)	79	1,531	(936)
Total amounts recognised in comprehensive income	19,578	(177)	(21,903)	(2,502)
Consideration received for the acquisition of a portfolio (note 36 b)	(3,111)	-	-	(3,111)
Cash flows				
Premiums paid net of ceding commissions	9,064	-	-	9,064
Recoveries from reinsurance	(2,593)	-	-	(2,593)
Total cash flows	6,471	-	-	6,471
Net balance as at 31 December 2024	(4,766)	1,710	15,819	12,763
Closing reinsurance contract liabilities	(2,804)	(140)	277	(2,667)
Closing reinsurance contract assets	(1,962)	1,850	15,542	15,430
Net balance as at 31 December 2024	(4,766)	1,710	15,819	12,763

12. Reinsurance contracts assets and liabilities (continued)

Analysis of reinsurance contracts initially recognised

The below table presents the analysis of reinsurance contracts held not measured under the PAA that were recognised in the period;

For the year ended 31 December 2025	Reinsurance contracts held		Acquired reinsurance contracts held		Total AED'000
	Contracts originated not in a net gain position	Contracts originated in a net gain position	Contracts acquired not in a net gain position	Contracts acquired in a net gain position	
	AED'000	AED'000	AED'000	AED'000	
Estimates of present value of future cash inflows	15,492	-	-	-	15,492
Estimates of present value of future cash outflows	(18,807)	-	-	-	(18,807)
Risk adjustment for non-financial risk	664	-	-	-	664
CSM	2,653	-	-	-	2,653
Increase in reinsurance contract assets from contracts recognised during the year	2	-	-	-	2

For the year ended 31 December 2024	Reinsurance contracts held		Acquired reinsurance contracts held		Total AED'000
	Contracts originated not in a net gain position	Contracts originated in a net gain position	Contracts acquired not in a net gain position	Contracts acquired in a net gain position	
	AED'000	AED'000	AED'000	AED'000	
Estimates of present value of future cash inflows	15,115	-	9,300	-	24,415
Estimates of present value of future cash outflows	(17,848)	-	(9,152)	-	(27,000)
Risk adjustment for non-financial risk	458	-	(148)	-	310
CSM	2,275	-	-	-	2,275
Increase in reinsurance contract assets from contracts recognised during the year	-	-	-	-	-

Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss for long term individual life reinsurance contracts held is provided in the following table:

Number of years until expected to be recognised	2025 AED'000	2024 AED'000
As at 31 December		
1	2,665	2,528
2-5	6,933	6,723
>5	7,500	6,568
Total	17,098	15,819

12. Reinsurance contracts assets and liabilities (continued)

CSM by transition method

Contracts measured under	New contracts & contracts measured under the full retrospective approach at transition AED'000	2025		
		Modified retrospective approach at transition AED'000	Other contracts AED'000	Total AED'000
Opening CSM as at 1 January	-	15,543	276	15,819
Changes that relate to current service				
CSM recognised in the profit or loss for the services received	(36)	(3,313)	(91)	(3,440)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(11)	(1,576)	(230)	(1,817)
Contracts initially recognised in period	447	3,641	-	4,088
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	5	1,356	342	1,703
	441	3,421	112	3,974
Finance income from reinsurance contracts held	22	723	-	745
Total amount recognised in comprehensive income	427	831	21	1,279
Closing CSM as at 31 December	427	16,374	297	17,098

Contracts measured under	New contracts & contracts measured under the full retrospective approach at transition AED'000	2024		
		Modified retrospective approach at transition AED'000	Other contracts AED'000	Total AED'000
Opening CSM as at 1 January	-	37,722	-	37,722
Changes that relate to current service				
CSM recognised in the profit or loss for the services received	-	(3,034)	(11)	(3,045)
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	(18,599)	55	(18,544)
Contracts initially recognised in period	-	3,355	-	3,355
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	-	(5,432)	232	(5,200)
	-	(20,676)	287	(20,389)
Finance income from reinsurance contracts held	-	1,531	-	1,531
Total amount recognised in comprehensive income	-	(22,179)	276	(21,903)
Closing CSM as at 31 December	-	15,543	276	15,819

13. Prepayments and other receivables

	2025 AED'000	2024 AED'000
Accrued income	4,311	4,171
Prepayments	21,588	25,616
Staff debtors and advances	4,905	4,842
Other receivables (net of expected credit losses)	291,216	401,788
	322,020	436,417

14. Bank balances and cash

	2025 AED'000	2024 AED'000
Deposits with banks with original maturities of more than three months	1,150,236	992,385
Deposits with banks with original maturities within three months	204,289	213,808
Current accounts and cash	211,410	118,633
Less: Allowance for impairment as per IFRS 9	(432)	(281)
	415,267	332,160
Total bank balances and cash	1,565,503	1,324,545
Less: Deposit with banks with original maturities of more than three months	(1,150,236)	(992,385)
Add: Allowance for impairment as per IFRS 9	432	281
Cash and cash equivalents for the purpose of the consolidated statement of cash flows	415,699	332,441

The interest rates on fixed deposits and call accounts with banks range from 0.6% to 5.9% (31 December 2024: 0.1% to 6%) per annum. Bank balances amounting to AED 1,303,784 thousand (31 December 2024: AED 1,114,832 thousand) are held in banks in the United Arab Emirates.

Certain bank balances and deposits with carrying amount of AED 12,935 thousand at 31 December 2025 (31 December 2024: AED 9,126 thousand) are subject to lien in respect of guarantees.

15. Share capital

	2025 AED'000	2024 AED'000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (31 December 2024: 461,872,125 shares of AED 1 each)	461,872	461,872

16. Other reserves

	Statutory reserve AED'000	Strategic reserve AED'000	General reserve AED'000	Contingency reserve AED'000	Reinsurance regulatory reserve AED'000	Total AED'000
Balance at 1 January 2024	230,936	303,750	933,051	19,311	34,625	1,521,673
Transfer from retained earnings to contingency reserve (note 16.4)	-	-	-	1,295	-	1,295
Transfer from retained earnings to reinsurance regulatory reserve (note 16.5)	-	-	-	-	16,271	16,271
Balance at 31 December 2024	230,936	303,750	933,051	20,606	50,896	1,539,239
Transfer from retained earnings to contingency reserve (note 16.4)	-	-	-	1,224	-	1,224
Transfer from retained earnings to reinsurance regulatory reserve (note 16.5)	-	-	-	-	18,441	18,441
Balance at 31 December 2025	230,936	303,750	933,051	21,830	69,337	1,558,904

16.1 Statutory reserve

In accordance with the Commercial Companies Law of the United Arab Emirates and the Company's Articles of Association, 10% of profit for the year is required to be transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid up share capital. The reserve is not available for distribution except in the circumstances stipulated by the law. The shareholders had resolved to discontinue the appropriation as the statutory reserve reached 50% of share capital. Accordingly, no transfer was made during the year for the Company.

16.2 Strategic reserve

The strategic reserve may be utilised for any purpose to be determined by a resolution of the Shareholders of the Company at the general assembly meeting, on the recommendation of the Board of Directors. No transfers have been made to the strategic reserve during the years 2025 and 2024.

16.3 General reserve

In accordance with the amended Articles of Association, 10% of net profit for the year is required to be transferred to a general reserve. The Company may discontinue such annual transfers by a resolution of the general assembly as recommended by the Board, or when the general reserve reaches 50% of the paid-up share capital. The Company has discontinued the appropriation as the general reserve reached 50% of paid-up share capital.

16.4 Contingency reserve – Oman Branch

In accordance with Article 10 (bis) (2) (c) and 10 (bis) (3)(b) of Regulations for Implementing Insurance Companies Law (Ministerial Order 5/80), as amended, of Sultanate of Oman, 10% of the net outstanding claims and IBNR in case of the general insurance business and 1% of the gross life assurance premiums for the year in case of life insurance business at the end of the reporting period is transferred from retained earnings to a contingency reserve until the provision is equal to RO 5 million. In case of insufficient retained earnings or accumulated loss position, the deficit in transfer will be adjusted against retained earnings of future years. The reserves shall not be used without the prior approval of the Capital Market Authority of Sultanate of Oman.

16.5 Reinsurance regulatory reserve – UAE operations

In accordance with Article 34 of the Insurance Authority Board of Directors Decision No. (23) of 2019 effective eighteen months from 15 May 2019, the Group transferred AED 18,441 thousand to the reinsurance regulatory reserve amounting for the year ended 31 December 2025 (31 December 2024: AED 16,271 thousand), being 0.5% of the total reinsurance premiums ceded by the Group in the United Arab Emirates in all classes of business. The Group shall accumulate such provision year on year and not dispose of the provision without the written approval of the Governor of the CBUAE.

17. Employees' end of service benefits

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	45,425	43,978
Charge for the year	8,569	6,430
Paid during the year	(6,123)	(4,983)
Balance at the end of the year	47,871	45,425

18. Other payables

	2025 AED'000	2024 AED'000
Lease liabilities	16,401	19,129
Taxes payable	92,639	42,117
Accrued expenses	234,558	235,997
Other payables	795,217	788,743
	1,138,815	1,085,986

19. Investment contract liabilities

	2025 AED'000	2024 AED'000
At the beginning of the year	987,347	1,095,494
Movement during the year	(48,128)	(108,147)
Balance at the end of the year	939,219	987,347

20. Net investment income and insurance finance income/(expenses)

	2025 AED'000	2024 AED'000
<i>Interest income from financial assets at amortised cost:</i>		
Interest income from financial investments at amortised cost	128,823	95,049
Interest income from bank deposits	67,004	74,365
	195,827	169,414
<i>Other investment income - net:</i>		
Dividend income from financial investments at FVTPL and FVTOCI	77,996	59,424
Interest income from financial investments at FVTOCI	510	888
Rental income from investment properties	11,554	13,201
Fair value gains on investment properties (note 7)	33,915	9,926
Fair value loss on financial investments at FVTPL (excluding unit linked investments)	(16)	(11)
Realised gain on sale of financial investments at amortised cost	354	257
Realised loss on sale of investment properties	(50)	(20,470)
Realised gain on sale of debt investments at FVTOCI	-	180
Other investment expenses	(21,900)	(23,065)
Allowance of impairment on financial investments and bank balances and deposits as per IFRS 9	(136)	(645)
	102,227	39,685
Net investment income	298,054	209,099
<i>Finance expenses from insurance contracts issued</i>		
Change in fair value of underlying assets of contracts measured under the VFA	243	396
Interest accreted	(135,346)	(134,283)
Changes in interest rates and other financial assumptions	(10,354)	(4,700)
Changes in FCF at current rates when CSM is unlocked at locked-in rates	(15)	307
Net finance expenses from insurance contracts issued	(145,472)	(138,280)
Finance expenses from insurance contracts issued recognised in profit or loss	(134,599)	(132,593)
Finance expense from insurance contracts issued recognised in OCI	(10,873)	(5,687)
Net finance expenses from insurance contracts issued	(145,472)	(138,280)
<i>Finance income from reinsurance contracts held</i>		
Interest accreted	104,992	106,122
Changes in interest rates and other financial assumptions	6,659	4,629
Changes in FCF at current rates when CSM is unlocked at locked in rates	(46)	(911)
Net finance income from reinsurance contracts held	111,605	109,840
Finance income from reinsurance contracts held recognised in profit or loss	104,607	105,290
Finance income from reinsurance contracts held recognised in OCI	6,998	4,550
Net finance income from reinsurance contracts held	111,605	109,840

21. General and administrative expenses

	2025 AED'000	2024 AED'000
Staff costs	73,001	68,000
Depreciation	8,539	8,159
Other expenses	44,055	38,252
	<u>125,595</u>	<u>114,411</u>

22. Earnings per share

	2025	2024
Profit for the year attributable to the owners of the Company (AED'000)	<u>362,992</u>	<u>265,711</u>
Weighted average number of shares	<u>461,872,125</u>	<u>461,872,125</u>
Basic and diluted earnings per share (AED)	<u>0.79</u>	<u>0.58</u>

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

23. Related party transactions and balances

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

23.1 Balances with related parties included in the consolidated statement of financial position are as follows:

	2025 AED'000	2024 AED'000
<i>Balances with Major shareholder:</i>		
Cash and bank balances	<u>1,442</u>	<u>54,048</u>
Financial investments	<u>182,182</u>	<u>152,025</u>
Statutory deposits	<u>10,000</u>	<u>10,000</u>
Bank borrowings	<u>86,000</u>	<u>86,000</u>
<i>Due from/(to) Major shareholder:</i>		
Net insurance receivables	<u>12,025</u>	<u>3,863</u>
Net insurance and other payables	<u>(653)</u>	<u>(2,411)</u>
<i>Due from/(to) Directors and businesses over which they exercise significant management influence:</i>		
Net insurance receivables	<u>5,634</u>	<u>12,763</u>
Net insurance and other payables	<u>(2,091)</u>	<u>(4,840)</u>

23.2 Transactions with related parties during the year are as follows:

	2025 AED'000	2024 AED'000
<i>Transactions arising from insurance contracts with Major shareholder:</i>		
Gross insurance premiums	<u>124,720</u>	<u>119,581</u>
Gross claims settled	<u>(54,885)</u>	<u>(52,109)</u>
<i>Other transactions with Major shareholder:</i>		
Interest income	<u>1,195</u>	<u>950</u>
Dividend income	<u>12,782</u>	<u>11,207</u>
Interest and other expenses	<u>(6,102)</u>	<u>(7,383)</u>
Rental expense	<u>(7,235)</u>	<u>(6,884)</u>
<i>Transactions arising from insurance contracts with Directors and businesses over which they exercise significant management influence:</i>		
Gross insurance premiums	<u>31,841</u>	<u>41,350</u>
Gross claims settled	<u>(13,293)</u>	<u>(26,777)</u>
<i>Other transactions with Directors and businesses over which they exercise significant management influence:</i>		
Other expenses	<u>(7,076)</u>	<u>(6,576)</u>

The Group has entered into above transactions with related parties which were made on substantially the same terms, as those prevailing at the same time for comparable transactions with third parties.

23. Related party transactions and balances (continued)

23.3 Compensation of key management personnel

	2025 AED'000	2024 AED'000
Board of directors' remuneration	(2,200)	(2,250)
Salaries and benefits	(5,276)	(5,315)
End of service benefits	(224)	(213)
	<u>(7,700)</u>	<u>(7,778)</u>

24. Segment information

For management purposes, the Group is organised into three business segments, general insurance, life insurance and investments. The general insurance segment mainly comprises property, engineering, energy, medical, motor, general accident, aviation and marine risks. The life insurance segment includes individual life (participating and non-participating), group life, credit life as well as investment linked products. Investment comprises investments (financial and non-financial), deposits with banks and cash management for the Group's own accounts.

Segmental information is presented below:

24.1 Segment insurance revenue

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Non-Life Insurance AED'000	Life Insurance AED'000	Total AED'000	Non-Life Insurance AED'000	Life Insurance AED'000	Total AED'000
Amounts relating to changes in the LRC:						
- Expected incurred claims and other directly attributable expenses	-	30,630	30,630	-	19,150	19,150
- Change in risk adjustment for non-financial risk for the risk expired	-	1,322	1,322	-	963	963
- CSM recognised for the services provided	-	5,705	5,705	-	5,546	5,546
Insurance acquisition cash flow recovery	-	14,116	14,116	-	13,755	13,755
Contracts not measured under PAA	-	51,773	51,773	-	39,414	39,414
Contracts measured under PAA	6,175,430	162,244	6,337,674	5,237,550	135,765	5,373,315
Total insurance revenue	<u>6,175,430</u>	<u>214,017</u>	<u>6,389,447</u>	<u>5,237,550</u>	<u>175,179</u>	<u>5,412,729</u>

24. Segment information (continued)

24.2 Segment results by operating segments

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Non-Life Insurance AED'000	Life Insurance AED'000	Total AED'000	Non-Life Insurance AED'000	Life Insurance AED'000	Total AED'000
Insurance service result from insurance contracts issued	1,529,372	75,255	1,604,627	1,094,799	24,824	1,119,623
Net expense from reinsurance contracts held	(1,294,475)	(49,466)	(1,343,941)	(880,640)	(7,220)	(887,860)
Insurance service result	<u>234,897</u>	<u>25,789</u>	<u>260,686</u>	<u>214,159</u>	<u>17,604</u>	<u>231,763</u>
Net investment income			298,054			209,099
Net insurance finance expenses			(29,992)			(27,303)
General and administrative expenses			(125,595)			(114,411)
Board of directors' remuneration			(2,200)			(2,250)
Finance cost			(4,174)			(5,089)
Other income/(expense) - net			31,146			(318)
Profit before tax			427,925			291,491
Income tax expenses			(63,042)			(24,663)
Profit after tax for the year			<u>364,883</u>			<u>266,828</u>
Attributable to			362,992			265,711
Owners of the Company			1,891			1,117
Non-controlling interests			<u>364,883</u>			<u>266,828</u>

24.3 Segment results by geographical distribution

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	GCC AED'000	Non-GCC AED'000	Total AED'000	GCC AED'000	Non-GCC AED'000	Total AED'000
Insurance service result from insurance contracts issued	1,609,805	(5,178)	1,604,627	1,086,668	32,955	1,119,623
Net expense from reinsurance contracts held	(1,302,152)	(41,789)	(1,343,941)	(843,333)	(44,527)	(887,860)
Insurance service result	307,653	(46,967)	260,686	243,335	(11,572)	231,763
Net investment income	292,113	5,941	298,054	205,516	3,583	209,099
Net insurance finance expenses	(24,333)	(5,659)	(29,992)	(25,172)	(2,131)	(27,303)
General and administrative expenses	(125,040)	(555)	(125,595)	(114,411)	-	(114,411)
Board of directors' remuneration	(2,200)	-	(2,200)	(2,250)	-	(2,250)
Finance cost	(4,174)	-	(4,174)	(5,089)	-	(5,089)
Other income/(expense) - net	28,060	3,086	31,146	1,935	(2,253)	(318)
Profit before tax	472,079	(44,154)	427,925	303,864	(12,373)	291,491
Income tax expenses	(63,042)	-	(63,042)	(24,663)	-	(24,663)
Profit after tax for the year	409,037	(44,154)	364,883	279,201	(12,373)	266,828
Attributable to						
Owners of the Company	407,146	(44,154)	362,992	278,084	(12,373)	265,711
Non-controlling interests	1,891	-	1,891	1,117	-	1,117
	409,037	(44,154)	364,883	279,201	(12,373)	266,828

24.4 Segment assets and liabilities

	As at 31 December 2025				As at 31 December 2024			
	Non-Life Insurance AED'000	Life Insurance AED'000	Investments AED'000	Total AED'000	Non-Life Insurance AED'000	Life Insurance AED'000	Investments AED'000	Total AED'000
Segment assets	5,143,286	1,545,520	4,492,285	11,181,091	5,208,144	1,481,292	3,736,296	10,425,732
Segment liabilities	6,378,732	1,430,680	-	7,809,412	6,036,617	1,395,459	-	7,432,076

24. Segment information (continued)

24.5 Insurance and reinsurance contract assets and liabilities

The table below sets out the carrying amounts of insurance and reinsurance contract assets and liabilities at the end of reporting date, per level of aggregation:

	As at 31 December 2025			As at 31 December 2024		
	Non-Life Insurance AED'000	Life Insurance AED'000	Total AED'000	Non-Life Insurance AED'000	Life Insurance AED'000	Total AED'000
Insurance contract liabilities	5,209,827	359,458	5,569,285	4,886,281	318,429	5,204,710
Insurance contract assets	(6,210)	(307)	(6,517)	(4,657)	(210)	(4,867)
Net	5,203,617	359,151	5,562,768	4,881,624	318,219	5,199,843
Reinsurance contract assets	3,179,111	63,642	3,242,753	3,312,039	79,702	3,391,741
Reinsurance contract liabilities	(18,477)	(1,773)	(20,250)	(9,890)	(2,703)	(12,593)
Net	3,160,634	61,869	3,222,503	3,302,149	76,999	3,379,148

25. Contingent liabilities

At 31 December 2025, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 59 million (31 December 2024: AED 54 million).

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 expect that the outcome of these court cases will have a material impact on the Group's consolidated financial performance or consolidated statement of financial position.

26. Commitments

26.1 Purchase commitments

	2025 AED'000	2024 AED'000
Commitments in respect of uncalled subscription of certain shares held as investments	48,032	42,556
Capital commitments towards acquisitions of property and equipment	21,192	20,220

27. Insurance risk

The Group has a robust process for managing risks in accordance with the groupwide risk appetite. The Enterprise Risk Management (ERM) department supervises the Executive Risk Committee and the Risk Management Framework. The Executive Risk Committee has been established as a second line of defense body but composed of members who holds position to take immediate executive actions to address the risk issues. The Executive Risk Committee convenes at least on a quarterly basis. The Group has an ongoing commitment to maintain an effective risk culture, as it is critical to the Group's success in maintaining and developing an effective risk management system. Accountabilities for the implementation and oversight of particular risks are aligned with individual executives. The risk owners are responsible for ensuring adequate level of review and confirmation of the risk evaluations along with the effectiveness of control.

The Group assesses the exposure to climate change risk by implementing scenario analysis and stress testing based on outcome of the modeling of natural catastrophic events exposure and by reviewing the impact on Group's profitability and solvency. The scenario analysis covers different lines of businesses, countries, perils and return period data. Overall, the outcome shows that the Group is well capitalised to reasonably absorb most of the shocks from the various scenarios included into the stress test.

Additional enhancement implemented for the Risk Management Governance is the establishment of Board Risk Committee ("BRC") in 2021, which validates Enterprise Risk management framework and Risk Appetite of the Company before submitting them to the Board, provides oversight of the management of risks within the Risk management framework and risk appetite approved by the Board.

The Executive Committee oversees the management of insurance risks through its Risk Committee, Reinsurance Committee, Reserving Committee, Large and Strategic accounts forum and Audit Committee. Each of these Committees have a distinct role to play within the risk governance framework.

Insurance risk is the risk arising from the uncertainty around the actual experience and/or policyholder behavior being materially different than expected at the inception of an insurance contract. These uncertainties include the amount and timing of cash flows from premiums, commissions, expenses, claims and claim settlement expenses paid or received under a contract.

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 the estimate. 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.

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.

27.1 Frequency and severity of claims

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, line of business and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

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). Furthermore, the Group’s strategy limits the total exposure to any one territory and the exposure to any one line of business.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses more than the limit defined in the Risk appetite statement in any one event. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are frequently reviewed individually and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

27.2 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, certain claims are settled over a long period of time and element of the claims provision include 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 and changing situation during the claim evaluation. 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 possible that the final outcome will prove to be different from the original liability established. The amount of insurance claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

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 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 claims inflation.

27.3 Process used to decide on assumptions

The risks associated with insurance contracts are complex and subject to several variables that complicate quantitative sensitivity analysis. The Group uses assumptions based on a mixture of internal and market data to measure its claims liabilities. Internal data is derived mostly from the Group’s 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 has reviewed the individual contracts and in particular, the line of business 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 Group uses several statistical methods and actuarial techniques to incorporate the various assumptions made to estimate the ultimate cost of claims. The five methods more commonly used are the Chain Ladder, Expected Loss Ratio, Bornhuetter-Ferguson, Trended Burning Cost and Frequency and Severity methods.

Chain Ladder Method: Chain-ladder methods may be applied to premiums, paid claims, or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. They are less suitable in cases where the insurer does not have a developed claims history for a particular class of business or involves significant changes in terms of process.

Expected Loss Ratio (ELR) Method: The ELR method is used to determine the projected amounts of claims relative to earned premiums. It is used for lines of business that lack past data, while the chain ladder method is used for stable businesses. In certain instances, such as new lines of business, the ELR method may be the only possible way to figure out the appropriate level of loss reserves required.

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

Trended Burning Cost Method: The trended burning cost method projects future claims costs by adjusting the previous year’s costs with a trend factor, which accounts for recent data and seasonal variations. This method helps in accurately estimating future claims, considering both trends and seasonal impacts.

Frequency and Severity Method: The frequency and severity method estimates future claims costs by analysing the number of claims (frequency) and the average cost per claim (severity). By multiplying these two factors, insurers can forecast total claims costs and set accurate ultimate 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.

The Group uses standard actuarial techniques to estimate its loss provisions as mentioned above. Actuarial techniques and/or methodologies used to estimate the loss provisions could vary based on the specific nature of the lines of business. The general excluding motor and group life business typically have a lower frequency and higher severity of claims while the medical and motor business are more attritional in nature i.e., higher frequency and lower severity. For the attritional lines, any inconsistencies in the claims processes could impact the loss development experience assumed in the technical provisions calculation and hence is one of the key assumptions in the estimation of the technical provisions. For the less attritional lines, typically the loss ratio assumptions under the Bornhuetter-Ferguson technique are a key assumption in the estimation of the technical provisions. The Group monitors closely and validates the key assumptions in the estimation of the technical provisions on a periodic basis.

27.4 Claims development process

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date. The Group has not disclosed previously unpublished information about claims development that occurred earlier than five years before the end of the annual reporting period in which it first applied IFRS 17.

Gross claims development

Accident year	Before 2021 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED'000	Total AED'000
At the end of each reporting year							
2021		2,291,477	-	-	-	-	2,291,477
2022		2,253,864	2,519,440	-	-	-	4,773,304
2023		2,248,383	2,567,448	3,194,501	-	-	8,010,332
2024		2,248,165	2,509,887	2,982,970	3,610,789	-	11,351,811
2025		2,238,250	2,472,648	2,896,878	3,882,117	3,764,756	15,254,649
Gross estimates of the undiscounted amount of the claims		2,238,250	2,472,648	2,896,878	3,882,117	3,764,756	15,254,649
Cumulative payments to date		2,041,919	2,291,572	2,589,134	2,690,535	2,176,209	11,789,369
Gross undiscounted liabilities for incurred claims	358,589	196,331	181,076	307,744	1,191,582	1,588,547	3,823,869
Effect of discounting							(163,544)
Effect of risk adjustment for non-financial risk							225,157
Others*							114,990
Total gross liabilities for incurred claims							4,000,472

* Others includes Gross Unallocated loss adjustment expenses reserve and Insurance claims payable

Net claims development

Accident year	Before 2021 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED'000	Total AED'000
At the end of each reporting year							
2021		1,159,214	-	-	-	-	1,159,214
2022		1,112,863	1,168,232	-	-	-	2,281,095
2023		1,097,770	1,175,023	1,371,599	-	-	3,644,392
2024		1,101,377	1,191,562	1,365,322	1,663,621	-	5,321,882
2025		1,117,923	1,224,030	1,420,588	1,934,421	2,056,155	7,753,117
Net estimates of the undiscounted amount of the claims		1,117,923	1,224,030	1,420,588	1,934,421	2,056,155	7,753,117
Cumulative payments to date		1,067,046	1,162,989	1,314,183	1,605,739	1,286,388	6,436,345
Net undiscounted liabilities for incurred claims	78,356	50,877	61,041	106,405	328,682	769,767	1,395,128
Effect of discounting							(45,811)
Effect of risk adjustment for non-financial risk							57,676
Others*							(253,265)
Total net liabilities for incurred claims							1,153,728

* Others includes Net Unallocated loss adjustment expenses reserve, Non-performance risks and Net (re)insurance claims payable.

27.5 Sensitivity analysis

Sensitivity analysis for contracts measured under PAA

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Change in profit or loss		Change in profit or loss	
	Gross AED'000	Net AED'000	Gross AED'000	Net AED'000
Ultimate claims (5% increase)	(200,024)	(57,686)	(202,517)	(45,463)
Ultimate claims (5% decrease)	200,024	57,686	202,517	45,463
Interest rates (0.25% increase)	5,503	1,658	5,265	1,715
Interest rates (0.25% decrease)	(5,539)	(1,649)	(5,302)	(1,712)

Changes in interest rates also impact the other comprehensive income for contracts measured under the PAA due to the accounting policy of the Group to disaggregate the impact of changes in discount rates and other financial variables between the profit and loss and OCI. The 0.25% increase/decrease in interest rates on 31 December 2025 would also result in net increase of AED 1,207 thousand and net decrease of AED 1,215 thousand in the OCI of the year (2024: AED 657 thousand and AED 663 thousand). Therefore, the total impact on equity from a 0.25% increase/decrease in interest rates on 31 December 2025 is AED 2,865 thousand and AED 2,864 thousand respectively (2024: AED 2,372 thousand and AED 2,375 thousand).

The impact on the present value of future cash flows of the changes in underwriting risk variables are presented in the table below on a gross and net of reinsurance basis.

Sensitivity analysis for contracts not measured under PAA

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Gross AED'000	Net AED'000	Gross AED'000	Net AED'000
Present value of future cash flows (LRC)	210,289	220,157	187,561	196,000
Expenses (5% increase)	210,900	220,769	188,124	196,563
Expenses (5% decrease)	209,677	219,546	186,998	195,437
Lapse rates (10% increase)	210,727	219,950	188,278	196,181
Lapse rates (10% decrease)	209,754	220,326	186,701	195,724
Mortality rates (1% increase)	210,988	220,321	188,113	196,120
Mortality rates (1% decrease)	209,589	219,994	187,009	195,880

The changes in the present value of future cash flows mainly affect the CSM to the extent that they do not give rise or relate to onerous contracts. Changes that affect the CSM would have a resulting impact in the profit or loss of the Group as a result of the change in the CSM amortisation during the period.

The impact on the present value of future cash flows of the changes in interest rates are presented in the table below on a gross and net of reinsurance basis.

Sensitivity analysis for contracts not measured under PAA

	For the year ended 31 December 2025		For the year ended 31 December 2024	
	Gross AED'000	Net AED'000	Gross AED'000	Net AED'000
Present value of future cash flows (LRC)	210,289	220,157	187,561	196,000
Interest rates (0.25% increase)	209,960	219,693	186,969	195,279
Interest rates (0.25% decrease)	210,634	220,644	188,161	196,726

For non-direct participating contracts, a change in the present value of future cash flows as a result of discounting future cash flows at revised rates would impact the insurance finance income or expenses recognised in profit or loss. For direct participating contracts the impact of changes in interest rates does not directly impact the profit or loss of the Group considering that the impact is recorded through the CSM which is measured based on current market rates.

27.6 Concentration of insurance risk

The Group's underwriting business is mainly based within GCC countries.

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 arrangement with other parties for reinsurance purposes.

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

The geographical concentration of the Group's insurance contract liabilities is noted below. The disclosure is based on the countries where the business is written:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Non-Life AED'000	Life AED'000	Total AED'000	Non-Life AED'000	Life AED'000	Total AED'000
GCC countries:						
Insurance contract liabilities - net	5,052,366	359,151	5,411,517	4,838,916	318,219	5,157,135
Reinsurance contract assets - net	3,142,178	61,869	3,204,047	3,287,406	76,999	3,364,405
Non GCC countries:						
Insurance contract liabilities - net	151,251	-	151,251	42,708	-	42,708
Reinsurance contract assets - net	18,456	-	18,456	14,743	-	14,743

28. Capital management

The Group's objectives when managing capital are summarised as follows:

- to comply with the insurance capital requirements required by the regulators of the insurance industry where the entities within the Group operate;
- to protect its policy holders' interests;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and
- to provide an adequate return to the shareholders by pricing insurance contracts commensurately with the level of risk.

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the CBUAE identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Group is subject to the Regulations which has been complied with during the year. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these solvency margins as defined in the Regulations and Circular No. CBUAE/BIS/2025/6143 of CBUAE dated 12 November 2025.

	At 31 December 2025 (Unaudited) AED'000	At 31 December 2024 (Audited) AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	1,113,085	985,731
Minimum Guarantee Fund (MGF)	778,276	624,763
Own Funds:		
Basic Own Funds	3,061,121	2,572,657
Minimum Capital Requirement Surplus (over MCR)	2,961,121	2,472,657
Minimum Capital Requirement Surplus (over SCR)	1,948,036	1,586,926
Minimum Capital Requirement Surplus (over MGF)	2,282,845	1,947,894

Based on the CBUAE regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2024: AED 100 million) against which the paid up capital of the Company is AED 462 million (31 December 2024: AED 462 million).

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no changes in the Group’s management of capital during the year.

29. Classification of financial assets and liabilities

a. The table below sets out the Group’s classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2025:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Cash and cash equivalents	-	-	415,267	415,267
Deposits with banks	-	-	1,150,236	1,150,236
Statutory deposits	-	-	199,261	199,261
Financial investments measured at fair value	1,183,059	1,195,201	-	2,378,260
Financial investments measured at amortised cost	-	-	3,112,619	3,112,619
Other receivables (excluding prepayments)	-	-	300,432	300,432
Total	<u>1,183,059</u>	<u>1,195,201</u>	<u>5,177,815</u>	<u>7,556,075</u>
Financial liabilities:				
Investment contract liabilities	939,219	-	-	939,219
Other payables	-	-	1,138,815	1,138,815
Total	<u>939,219</u>	<u>-</u>	<u>1,138,815</u>	<u>2,078,034</u>

b. The table below sets out the Group’s classification of each class of financial assets and liabilities and their carrying amounts as at 31 December 2024:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Cash and cash equivalents	-	-	332,160	332,160
Deposits with banks	-	-	992,385	992,385
Statutory deposits	-	-	197,590	197,590
Financial investments measured at fair value	1,165,224	953,012	-	2,118,236
Financial investments measured at amortised cost	-	-	2,631,118	2,631,118
Other receivables (excluding prepayments)	-	-	410,801	410,801
Total	<u>1,165,224</u>	<u>953,012</u>	<u>4,564,054</u>	<u>6,682,290</u>
Financial liabilities:				
Investment contract liabilities	987,347	-	-	987,347
Other payables	-	-	1,085,986	1,085,986
Total	<u>987,347</u>	<u>-</u>	<u>1,085,986</u>	<u>2,073,333</u>

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values, except for the financial investments measured at amortised cost of which fair value is determined and disclosed in note 30.3 of these consolidated financial statements.

30. Fair value measurements

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

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

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

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

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

Fair value of the Group’s financial assets and liabilities that are measured at fair value on recurring basis

Some of the Group’s financial assets and liabilities are measured at fair value at the end of the reporting period.

30.1 The following table gives information about how the fair values of these financial assets and liabilities measured at fair value are determined:

Fair value as at 31 December						
	2025 AED'000	2024 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets measured at FVTPL						
Unit linked investments	1,182,529	1,164,678	Level 2	Quoted prices in secondary market	None	Not applicable
Quoted equity investments	530	546	Level 3	Net assets as per financial statements	EV/EBITDA Multiple	EV/EBITDA multiple for similar companies will directly impact the fair value calculation
Financial assets measured at FVTOCI						
Quoted equity investments	803,088	661,235	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted fund	341,911	243,418	Level 2	Quoted prices in secondary market	None	Not applicable
Quoted bonds	20,594	20,023	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity and private equity fund	29,608	28,336	Level 3	Multiple based approach and net assets as per financial statements	Price to book value multiple	Price to book value multiple for similar companies will directly impact the fair value calculation.
Financial liabilities measured at FVTPL						
Investment contract liabilities	939,219	987,347	Level 2	Quoted prices in secondary market	None	Not applicable

There were no transfers between any of the levels during the year. There are no other financial liabilities which should be categorised under any of the levels in the above table.

30.2 Reconciliation of Level 3 fair value measurement of financial assets measured at FVTOCI.

	2025 AED'000	2024 AED'000
At 1 January	28,336	30,416
Disposals	(120)	(1,103)
Changes in fair value recognised in other comprehensive income	1,392	(977)
At 31 December	29,608	28,336

30.3 Fair value of financial instruments measured at amortised cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements to approximate their fair values as these are substantially short term in nature and carry market rates of interest.

	Carrying amount AED'000	Fair Value		
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
31 December 2025				
Financial assets:				
Quoted debt investments	3,112,619	3,063,618	-	-
31 December 2024				
Financial assets:				
Quoted debt investments	2,631,118	2,495,876	-	-

30.4 Fair value sensitivity analysis

The following table shows the sensitivity of fair values to 1% increase or decrease in market price as at 31 December 2025 and 31 December 2024 on the consolidated statement of profit or loss:

	Favourable change AED'000	Unfavourable change AED'000
31 December 2025		
Financial assets:		
Quoted debt investments	30,842	(30,842)
31 December 2024		
Financial assets:		
Quoted debt investments	25,180	(25,180)

31. Financial risk

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

These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The risks that the Group primarily faces due to the nature of its investments and liabilities are interest rate risk and equity price risk.

The Group manages these positions within an ALM framework that has been developed to achieve long-term investment returns over its obligations under insurance contracts. The principal technique of the Group's ALM is to match assets to the liabilities arising from insurance contracts with reference to the type of benefits payable to contract holders. For each distinct class of liabilities, a separate portfolio of assets is maintained. The Group has not changed the processes used to manage its risks from previous periods. The Executive Committee oversees the management of financial risks through its Investment Committee and Credit Committee.

The Group's ALM is integrated with the management of the financial risks associated with the Group's other classes of financial assets and liabilities not directly associated with insurance liabilities. The notes below explain how financial risks are managed using the categories utilised in the Group's ALM framework. In particular, the ALM Framework requires the management of interest rate risk, equity price risk and liquidity risk at the portfolio level. Foreign currency and credit risk are managed on a group-wide basis.

a. Market risk

Market risk quantifies the adverse impact due to broad, systemic movements in one or more market risk drivers. Market risk drivers include equity prices, credit spreads, foreign exchange rates and interest rates.

The Group's market risks arise from open positions in (a) foreign currencies and (b) interest bearing assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated - for example, credit spreads, changes in interest rate and changes in foreign currency rates.

i. Foreign currency exchange 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 either the local currencies of the countries where it operates or mainly in US Dollars, to which these local currencies are fixed.

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.

ii. Price risk

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

At the end of the reporting period, if the prices of quoted equity and quoted fund investments are 1% higher / lower as per the assumptions mentioned below and all the other variables were held constant, the Group's other comprehensive income would have increased / decreased by AED 11,450 thousand (31 December 2024: AED 9,047 thousand) in the case of the financial investments at fair value through other comprehensive income and the Group's profit for the year

ended 31 December 2025 would increase / decrease by AED 5 thousand (31 December 2024: AED 5 thousand) in the case of the financial investments at fair value through profit or loss. Additionally, the Group is also exposed to equity price risk through its direct participating issued insurance contracts, where benefits are linked to the fair value of the underlying items. Generally, equity price risk associated with these underlying items is borne by the contract holders, except to the extent of the Group's share in the performance of those underlying items.

Method and assumptions for sensitivity analysis:

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

With respect to unquoted equity and private equity fund, if the net asset value were to increase / decrease by 1% and considering all other assumptions to remain constant, the fair value would increase/decrease by AED 296 thousand (31 December 2024: AED 283 thousand).

iii. Cash flow and fair value interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Group. The Group is exposed to interest rate risk on its financial investments measured at amortised costs and term and statutory deposits that carry fixed interest rates.

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

The sensitivity analyses below have been determined based on the exposure to interest rates for interest-bearing financial assets and liabilities assuming the amount of assets and liabilities 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 17,778 thousand (31 December 2024: AED 16,036 thousand).

The sensitivity analysis of changes in interest rates to the insurance and reinsurance contracts is presented in note 27.5.

b. Credit risk

Credit risk is the risk of loss arising from counterparty that has a financial obligation to the Group and is either unable or unwilling to meet its obligation in full and when it becomes due. The Group has no significant concentrations of credit risk.

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

- Insurance/reinsurance contract assets;
- Other receivables;
- Financial investments;
- Deposits with banks with original maturities of more than three months;
- Statutory deposits; and
- Bank balances and cash

The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of their counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually. At 31 December 2025, the maximum exposure to credit risk from insurance contracts is AED 1,217,592 thousand (31 December 2024: AED 1,096,519 thousand), which primarily relates to premiums receivable for services that the Group has already provided.

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

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of expected credit losses on insurance and reinsurance receivables and subsequent write-offs. The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

The fair value of cash and bank balances and bank deposits as at 31 December 2025 and 31 December 2024 approximates their carrying value.

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

The following financial assets of the Group are subject to the expected credit loss model:

- Debt investments carried at amortised cost;
- Deposits with banks with original maturities of more than three months;
- Statutory deposits; and
- Bank balances and cash

There is no significant concentration of credit risk with respect to cash and cash equivalents, as the Group holds cash accounts in a large number of financial institutions. The credit risk on deposits with banks with original maturities of more than three months, statutory deposits and bank balances and cash is limited because the counterparties are licensed banks with sound financial positions.

All of the entity's debt investments at amortised cost are considered to have low credit risk, and the impairment charge recognised during the year was therefore limited to 12 months' expected losses. Management considers low credit risk for listed bonds to be an investment grade credit rating with at least one major rating agency.

The reinsurance contract assets and reinsurance receivables are with highly rated reinsurers based on the Group internal Risk management framework.

The below table summarises the staging for financial assets using the general approach:

	Stage 1 AED'000	2025 Stage 3 AED'000	Total AED'000	Stage 1 AED'000	2024 Stage 3 AED'000	Total AED'000
Financial investments at amortised cost	3,114,028	-	3,114,028	2,632,542	-	2,632,542
Allowance for impairment	(1,409)	-	(1,409)	(1,424)	-	(1,424)
Debt instruments at FVTOCI	20,594	-	20,594	20,023	-	20,023
Allowance for impairment	-	-	-	(5)	-	(5)
Cash and bank balances, deposits with banks and statutory deposits	1,765,196	-	1,765,196	1,522,416	-	1,522,416
Allowance for impairment	(432)	-	(432)	(281)	-	(281)

c. Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date and its insurance and reinsurance contracts. The Group manages the liquidity risk through a risk management framework for the Group's short, medium and long-term funding and liquidity management requirements by maintaining adequate reserves, sufficient cash and cash equivalent and bank facilities, to ensure that funds are available to meet their commitments for liabilities as they fall due.

The maturity profile is monitored by management to ensure adequate liquidity. The table below summarises the maturity profile of the Group's financial assets including interest receivables, financial liabilities, insurance contract assets/liabilities and reinsurance contract assets/liabilities of which for contracts not measured under the PAA is prepared based on the estimated timing of the expected future cash flows.

2025	Carrying amount AED'000	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	No maturity date AED'000	Total AED'000
Assets						
Statutory deposits	199,261	211,875	-	-	-	211,875
Financial investments at amortised cost	3,112,619	438,453	1,486,335	2,427,317	-	4,352,105
Financial investments at FVTOCI	1,195,201	3,955	8,453	24,231	1,174,607	1,211,246
Financial investments at fair value through profit or loss	1,183,059	153,206	430,179	599,144	530	1,183,059
Insurance contract assets	6,517	4,350	1,601	566	-	6,517
Reinsurance contract assets	3,242,753	2,396,978	819,323	26,452	-	3,242,753
Other receivables (excluding prepayments)	300,432	300,432	-	-	-	300,432
Deposits with banks	1,150,236	1,157,694	15,520	-	-	1,173,214
Cash and cash equivalents	415,267	417,677	-	-	-	417,677
Total	10,805,345	5,084,620	2,761,411	3,077,710	1,175,137	12,098,878
Liabilities						
Bank borrowings	86,000	87,766	-	-	-	87,766
Investment contract liabilities	939,219	121,683	341,668	475,868	-	939,219
Insurance contract liabilities	5,569,285	3,717,395	1,368,203	483,687	-	5,569,285
Reinsurance contract liabilities	20,250	14,969	5,117	164	-	20,250
Other payables (excluding lease liabilities)	1,122,414	1,122,414	-	-	-	1,122,414
Lease liabilities	16,401	5,033	9,624	-	-	14,657
Total	7,753,569	5,069,260	1,724,612	959,719	-	7,753,591

2024	Carrying amount AED'000	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	No maturity date AED'000	Total AED'000
Assets						
Statutory deposits	197,590	116,217	95,818	-	-	212,035
Financial investments at amortised cost	2,631,118	397,318	1,361,588	1,936,447	-	3,695,353
Financial investments at FVTOCI	953,012	973	9,906	27,238	932,989	971,106
Financial investments at fair value through profit or loss	1,165,224	148,436	429,459	586,783	546	1,165,224
Insurance contract assets	4,867	3,257	1,155	455	-	4,867
Reinsurance contract assets	3,391,741	2,626,035	743,007	22,699	-	3,391,741
Other receivables (excluding prepayments)	410,801	410,801	-	-	-	410,801
Deposits with banks	992,385	989,202	17,365	-	-	1,006,567
Cash and cash equivalents	332,160	342,885	-	-	-	342,885
Total	10,078,898	5,035,124	2,658,298	2,573,622	933,535	11,200,579
Liabilities						
Bank borrowings	86,000	88,162	-	-	-	88,162
Investment contract liabilities	987,347	125,836	364,070	497,441	-	987,347
Insurance contract liabilities	5,204,710	3,482,808	1,235,015	486,887	-	5,204,710
Reinsurance contract liabilities	12,593	9,750	2,759	84	-	12,593
Other payables (excluding lease liabilities)	1,066,857	1,066,857	-	-	-	1,066,857
Lease liabilities	19,129	5,108	14,656	-	-	19,764
Total	7,376,636	4,778,521	1,616,500	984,412	-	7,379,433

32. Subsidiaries

Details of the Company’s subsidiaries at 31 December 2025 and 2024 are as follows:

Name of subsidiary	Place of incorporation and operation	Proportion of legal ownership interest		Proportion of voting power held	Principal activity
		2025	2024		
Equator Insurance Agency L.L.C.	Dubai - UAE	99.97%	99.97%	100%	Insurance agency
Synergize Services FZ L.L.C	Dubai - UAE	100%	100%	100%	Management Information technology and transaction processing
OIC Corporate Member Limited	England and Wales - United Kingdom	100%	100%	100%	A limited liability underwriting member of Lloyd's
Oman Insurance Management Services Limited	Dubai - UAE	100%	100%	100%	Insurance management company
Sukoon Workplace Savings Solutions Limited	Dubai - UAE	100%	100%	100%	Acting as an administrator of an employee money purchase scheme
Sukoon Takaful P.J.S.C.*	Dubai - UAE	94.66%	94.61%	94.66%	General and life takaful insurance

* On 4 March 2024, Sukoon Takaful announced that it had received the offer document from Sukoon in regard to the purchase of the shares of the remaining shareholders of Sukoon Takaful. Pursuant to the offer on 2 April 2024, Sukoon has received acceptances for 2,411,030 shares which represent 1.5656% of the shares of Sukoon Takaful at a total purchase value of AED 3,978 thousand. On 12 June 2025, the Company acquired an additional 0.0487% shares in Sukoon Takaful at a purchase value of AED 106 thousand. Upon the purchase of additional 0.0487% of shares, Sukoon holding in Sukoon Takaful increased to 94.6576%.

Summarised financial information of Group's subsidiary - Sukoon Takaful P.J.S.C. that the Company has only non-controlling interests before intragroup elimination is as follows:

	2025 AED'000	2024 AED'000
Statement of financial position		
Total participants' assets	281,107	192,931
Total shareholders' assets	305,188	236,843
Total assets	586,295	429,774
Total participants' liabilities	281,107	192,931
Total shareholders' liabilities	75,853	42,043
Total liabilities	356,960	234,974
Net assets	229,335	194,800
Statement of comprehensive income		
Net takaful income	78,317	32,659
Investment and other income	24,902	29,097
Total expenses	(62,146)	(40,911)
Profit before tax	41,073	20,845
Income tax expenses	(5,764)	(1,858)
Profit after tax	35,309	18,987
Other comprehensive income	(775)	492
Total comprehensive income	34,534	19,479
Statement of cash flows		
Net cash generated from/(used in) operating activities	74,720	(7,136)
Net cash generated (used in)/from investing activities	(65,132)	2,570
Net cash used in financing activities	(661)	(526)
Net change in cash and cash equivalent	8,927	(5,092)

33. Corporate income tax

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 Group is also subject to corporate taxes of foreign operations of the respective jurisdictions at prevailing tax rates. The corporate taxes are payable on the total income after making the adjustments for certain disallowable expenses, exempt income and investment and other allowances.

Recently, in order to align with OECD’s Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025. The Group is in scope of Pillar Two legislation as it operates in jurisdictions that have enacted or substantively enacted Pillar Two legislation and its consolidated revenue exceeds Euro 750 million threshold.

The Group estimates the following current tax expense and top-up taxes related to Pillar Two for the period ended 31 December 2025:

	2025 AED’000	2024 AED’000
Group Corporate Taxes	43,405	24,663
Top-up Taxes	19,637	-
	<u>63,042</u>	<u>24,663</u>

The Effective Tax Rate (ETR) for the period ending 31 December 2025 is 14.7%. The rise in the ETR compared to last year is due to the introduction of DMTT in the UAE.

Furthermore, for the period ended 31 December 2025, the Group has applied the IASB amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

34. Dividends

At the Annual General Meeting held on 28 February 2025, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2024 (At the Annual General Meeting held on 29 February 2024, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2023).

35. Social contributions

The Group made social contributions amounting to AED 366 thousand during the year ended 31 December 2025 (31 December 2024: AED 76 thousand).

36. Other information

- a. The Group established operations in Qatar on 6 January 2008 through an agency agreement entered with a local sponsor valid for an indefinite period. On 25 February 2019, the Qatar Central Bank (“QCB”) did not accept the Group’s application to open a foreign branch. Accordingly, the Group’s management has taken the decision to no longer issue new policies in the State of Qatar. The Group will continue to service the existing policies as per the applicable conditions of the underlying contracts.
- b. On 24 August 2023, Sukoon and Chubb Tempest Life Reinsurance Ltd. acting through its branch office in the UAE (“Chubb UAE”) signed an agreement to transfer the life insurance portfolio of Chubb UAE to Sukoon. The migration of the portfolio was completed on 24 February 2024 (portfolio transfer date) after obtaining necessary approvals from the regulators (the CBUAE, Bermuda Monetary Authority and the Supreme Court of Bermuda).
- c. Gross insurance premium

Details of gross insurance premium are presented as per the CBUAE reporting requirements.

For the year ended 31 December 2025	Life Insurance AED ’000	Fund Accumulation AED ’000	Medical Insurance AED ’000	Property & Liability AED ’000	All types of business combined AED ’000
Direct Written Premiums	233,701	131,616	3,333,039	1,518,862	5,217,218
Inward premiums (both locally and internationally)	8,188	-	64,902	1,817,992	1,891,082
	<u>241,889</u>	<u>131,616</u>	<u>3,397,941</u>	<u>3,336,854</u>	<u>7,108,300</u>

For the year ended 31 December 2024	Life Insurance AED ’000	Fund Accumulation AED ’000	Medical Insurance AED ’000	Property & Liability AED ’000	All types of business combined AED ’000
Direct Written Premiums	198,704	122,852	2,807,400	1,146,685	4,275,641
Inward premiums (both locally and internationally)	733	-	35,982	1,650,685	1,687,400
	<u>199,437</u>	<u>122,852</u>	<u>2,843,382</u>	<u>2,797,370</u>	<u>5,963,041</u>

37. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 28 January 2026.

CORPORATE GOVERNANCE

2025



Sukoon's 2022 rebrand was commemorated with its display on the Burj Khalifa.



CORPORATE GOVERNANCE REPORT 2025

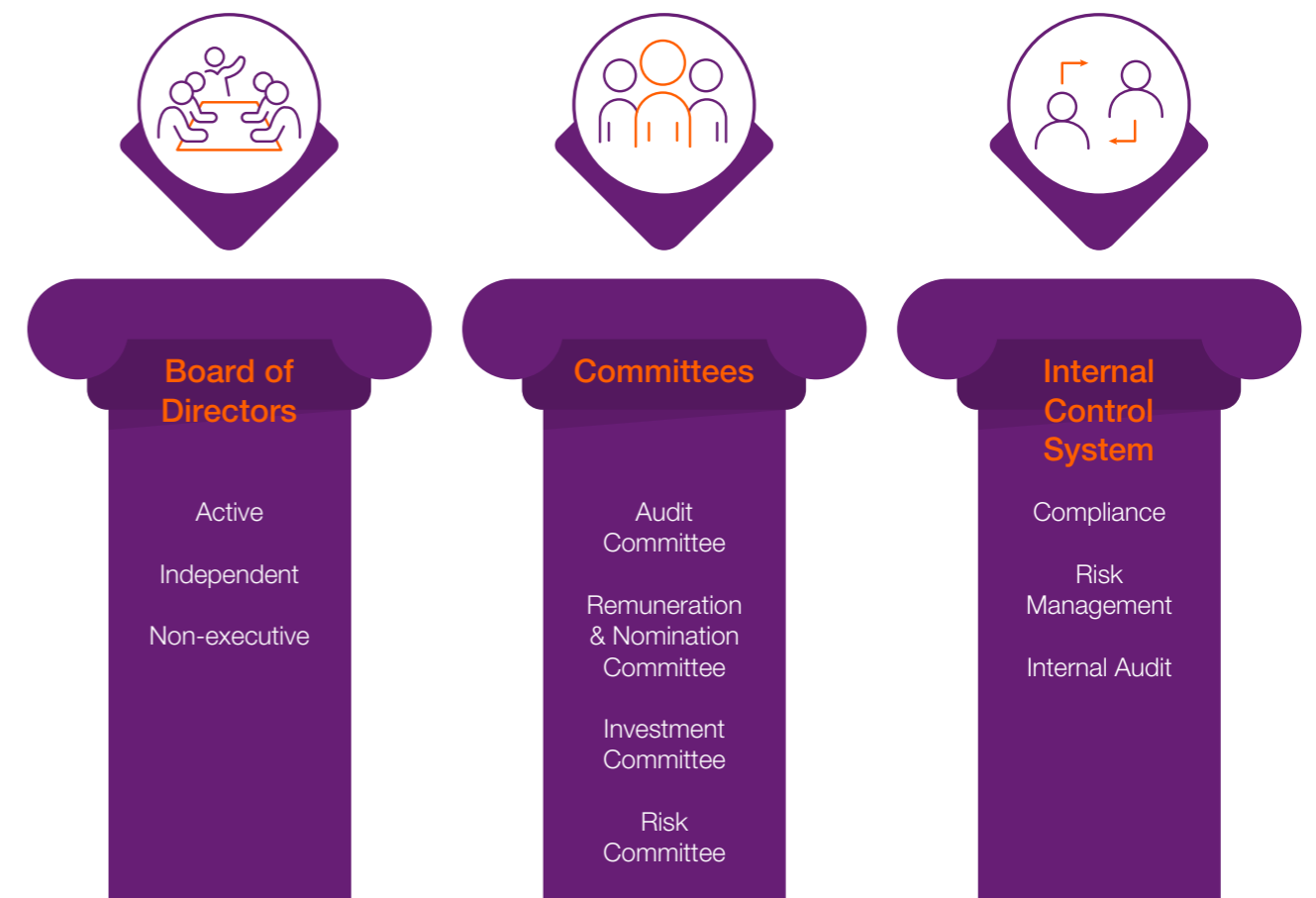
1. Corporate Governance Framework at Sukoon Insurance during 2025

The Board of Directors of Sukoon places strong emphasis on sound corporate governance as a foundation for sustainable long-term growth and organisational prosperity. The Board is committed to safeguarding and enhancing shareholders' rights while recognising the interests of all stakeholders, including employees, customers, suppliers, business partners, and the wider community in which Sukoon operates.

At Sukoon, corporate governance is an ongoing process of development and improvement. In line with this approach, the Board has continued to strengthen governance standards in accordance with the Chairman's Resolution of the Securities and Commodities Authority No. (3) of 2020 concerning the Public Joint Stock Companies Governance Guide, together with other relevant regulatory resolutions. In addition, the Central Bank of the UAE issued Corporate Governance Regulations for Insurance Companies in 2022, aligning governance practices with leading international standards. The Chief Executive Officer and Senior Executive Management work collectively to reinforce internal control systems, which form a critical pillar of Sukoon's governance framework.

To support this commitment, Sukoon has established a comprehensive corporate governance framework governing its operations internally and externally. This framework clearly defines the roles, responsibilities, and accountabilities of the Board of Directors and Executive Management, while ensuring the protection of stakeholders' rights.

The main components of the "Corporate Governance framework" embedded with Sukoon consists of the following:



2. Statement of transactions of the Board members and their first-degree relatives in relation to Sukoon’s securities during 2025 are described below:

Purchase and Sale of the Company’s shares and transactions involving our securities by directors, officers and employees are governed by the Insider Trading Policy. The following table outlines the transactions (sale/purchase) by any of the Board members or their first-degree relatives in relation to Sukoon’s securities during 2025.

Board Member	Position	Shares held at 31 Dec 2025	Total Sales Transactions	Total Purchases Transactions
Badr Al Ghurair	Chairman	None	None	None
Mohamed Abdel Hamid Abdel Razek	Vice-Chairman	None	None	None
Abdulla Bin Habtoor	Board Member	None	None	None
Saood Abdulaziz Abdulla Ahmad Al Ghurair	Board Member	None	None	None
Hamda Al Shamali	Board Member	None	None	None
Oliver Lang	Board Member	None	None	None
Paolo De Martin	Board Member	None	None	None








3. Board of Directors and related information

a. Former Board Members

Name	Abdel Aziz Al Ghurair	Rashed Saif AlShamsi	Nabeel Waheed	Hazem Shish
Type of Directorship	Non-Executive Director (Non-Independent) (Served until February 2025)	Non-Executive Director (Non-Independent) (Served until February 2025)	Non-Executive Director (Independent) (Served until February 2025)	Non-Executive Director (Independent) (Served until February 2025)
Tenure	15 years	13 years	11 years	3 years
Experience	Banking and Finance	Gas / Petroleum	Banking and Finance	Finance and Banking
Qualifications	Bachelor’s degree in industrial engineering	Bachelor’s degree in in Petroleum and Gas Engineering	Bachelor’s degree in Finance	Master of Science in Management
Other memberships & position in any other PJSCs, Other Positions in regulatory or government bodies, or other significant Local business entities	Chairman of UAE Banking Federation Chairman of Masafi LLC Chairman of AbdulAziz Abdullah Al Ghurair Refugee Education Fund Chairman of Abdullah Al Ghurair Education Foundation Chairman of Mashreq Bank Chairman of Abdulla Al Ghurair Group of Companies	Board Member of Mashreq Bank Vice Chairman of Dana Gas Chairman of Al Ghurair Holding Board member of EMARAT Petroleum Board member of Gulf Marine Services Board Member of Sukoon Takaful	Board Member of AGMELCO Ltd Group Head Treasury & Finance- Al Ghurair Investment LLC	Partner at Azura Major shareholder in The Cobbler Board Member of Al Ghurair Investment

3. Board of Directors and related information (Continued)

b. Current Board of Directors formation

							
Type of Directorship	Badr Al Ghurair Non Executive Chairman (Non-Independent)	Mohamed Abdel Hamid Abdel Razek Non-Executive Vice Chairman (Independent)	Hamda Al Shamali Non-Executive Director (Independent)	Oliver Lang Non-Executive Director (Independent)	Paolo De Martin Non-Executive Director (Independent)	Abdulla Bin Habtoor Non-Executive Director (Independent)	Saood Abdulaziz Abdulla Ahmad Al Ghurair Non- Executive Director (Non-Independent)
Tenure	13 Years & 11 Months	1 Year & 8 months	1 year & 9 months	10 Months	10 Months	10 Months	10 Months
Experience	Badr Al Ghurair has been the Non-Executive Chairman since December 2023. Badr Al Ghurair is a visionary leader and is currently the CEO of Al Ghurair Mobility Transport division, overseeing Kabi one of the UAE largest taxi fleets and Zed, a ride hailing app offering personalized journeys.	Mohamed Abdel-Hamid Abdel-Razek has been a member of the Sukoon Board since 2024. He is a highly accomplished IT executive with a wealth of experience, spanning 30 years, in IT Management, Strategy, Operations, and Transformation. He is also Mashreq Bank's ESVP – Group Head of Technology, Transformation and Information in the UAE.	Hamda Al Shamali has been a member of Sukoon Board since 2024. She is a highly accomplished HR Professional with a wealth of experience in building HR Functions from ground up. She's currently Senior Executive Vice President, Group Chief People & Intellectual Capital Officer at Mashreq bank	Oliver has been a member of Sukoon Board since 2025, is experienced senior executive and board professional with a strong background in fintech, insurtech, advisory, and corporate leadership. Serving as a Member of the Board of Directors at Swiss Fintech AG since 2022, and also as a Member of the Advisory Board at WeGroup.	Paolo has been a member of Sukoon Board since 2025. Holding the position of CEO of SCOR Life & Health business, where he provided leadership and execution focus to build a preeminent purpose driven global business. He joined SCOR as a Group CFO in 2007.	Abdulla Bin Habtoor has been a member of Sukoon Board since 2025. Currently holding the position of CEO at Shamal Holding and previously serving as Chief Portfolio Management Officer. He holds several board roles including HSBC Middle East Finance Company, Barajoun Entertainment, and DXB Entertainments.	Saood Al Ghurair has been a member of Sukoon Board since 2025. He Currently serves on the Executive Committee and Board of Directors of Al Ghurair Investments (2023–present), while holding multiple senior leadership positions since 2018, including Vice Chairman & CEO of Masafi LLC, Chairman of Sukoon Takaful and Chief Executive Officer of both NED Investments and OTG.
Qualifications	Bachelor's in Economics from Boston University	Bachelor's of Electrical Engineering from McGill University, Montreal	Bachelor's in Business administration science from Dubai Women's College of Higher Technology	Master of Business Administration from University Eberhard Karls Tübingen	Doctorate in Business Economics from University of Venice	Master of Science in Consulting Psychology and Bachelor of Science in Business Administration from Alliant International University, USA	Bachelor's in business science from University of San Diego, CA
Other memberships & position in any other PJSCs, Other Positions in regulatory or government bodies, or other significant Local business entities	<ul style="list-style-type: none">• CEO of Carstaxi• Board member of Sukoon Takaful PJSC• Board member of National Cement Company• Founder of Huru	<ul style="list-style-type: none">• Group Head of Tech, Transformation and Information at Mashreqbank	<ul style="list-style-type: none">• Senior Executive Vice President, Group Chief People & Intellectual Capital Officer at Mashreq bank• Board member of Sukoon Takaful PJSC	N/A	N/A	<ul style="list-style-type: none">• Director of Leemar Investments FZE• Director of M Falcon FZE• Director of My Falcon FZE• Director of Sea Stallion FZE• Director of Shamal Alternative Investments Ltd.• Director of Shamal HF Investments Ltd• Director of Shamal International Group Limited• Director of Shamal One Limited• Director of Shamal Two Limited• Director of Shamal Yacht FZE (prev. Leemar Yacht FZE)• Director of SIG Development Limited• Director of SIG Private Limited• Director of The Espresso Lab Investments• Director of Extreme Flight FZE• Director of Jiwin Investment FZE	<ul style="list-style-type: none">• CEO of Masafi LLC• CEO of NED Investments LLC• CEO of Hattan Group• CEO of Massar Investments-• Board Member at AL Ghurair Investments LLC• Chairman of Sukoon Takaful PJSC

CSR INITIATIVES

OMNIYAT



In partnership with Omniyat, Sukoon supported academic resources, recreational activities, and social engagement for children with special needs.



c. Female representation percentage in the Board of Directors for 2025



One seat amongst 7 in the Board of Director is reserved for females. Currently this seat is filled by *Hamda Moosa Alshamali*.

d. Remuneration

d.1 Remunerations paid to the board members for the year 2024:

Board Member Name	Amount in AED
Badr Al Ghurair	450,000
Mohamad Abdel Hamid Abdel Razek (Appointed in March 2024)	200,000
Ali Lootah (Resigned in March 2024)	300,000
Abdul Aziz Abdulla Al Ghurair	300,000
Rashid Saif Al Jarwan	300,000
Hazem Shish	300,000
Nabeel Waheed	300,000
Hamda Moosa Abdulla Hussain Alshamali (Appointed in February 2024)	250,000
Total Remuneration	2,400,000

d.2 Remunerations proposed for the Board Members in 2025, subject to the approval of Annual General Assembly:

The Board proposed the total remuneration for the year ended 31 December to be paid in 2026, subject to approval of Annual General Assembly

Board Member Name	Amount in AED
Badr Al Ghurair	450,000
Mohamad Abdel Hamid Abdel Razek	300,000
Abdulla Bin Habtoor	300,000
Saood Abdulaziz Abdulla Ahmad Al Ghurair	300,000
Hamda Al Shamali	300,000
Oliver Lang	300,000
Paolo De Martin	300,000
Total Remuneration	2,250,000

d.3 Details of remunerations and allowances received by Board Members other than for attending Committee meetings:

A total of AED 404,236 was paid to Board Members which related to travel and meeting related expenses for board meetings held in 2025.

Details	Amount in AED
Total travel and meeting related expenses	404,236

d.4 Details of the allowances received by Board Members for attending the Board meetings and Committees emanating from the Board for the fiscal year of 2025.

Sukoon held meetings in relation to Investment Committee, Audit Committee, Nomination & Remuneration Committee and Risk Committee: the details of these meetings will be presented in the next sections. No remunerations have been paid to the Board members for the same.

d.5 The Board during 2025 held 6 Board Meetings.

e. Board of Directors Composition

Sukoon Board of Directors consists of 7 directors out of which 5 of them are independent. The Board of Directors was elected on 28th February 2025.

Board Member	Board Meetings					
	Meeting 1 17-Jan-2025	Meeting 2 18-Mar-2025	Meeting 3 24-Apr-2025	Meeting 4 23-Jul-2025	Meeting 5 29-Oct-2025	Meeting 6 10-Dec-2025
Badr Abdulla Al Ghurair	✓	✓	✓	✓	✓	✓
Mohamed Abdel Razek	✓	✓	✓	✓	✓	✓
Hamda Al Shamali	✓	✓	✓	✓	✓	✓
Rashed Saif Al- Jarwan Al-Shamsi	✓	Served until 28 th February 2025				
Abdul Aziz Abdulla Al Ghurair	A					
Nabeel Waheed	✓					
Hazem Shish	✓					
Abdulla Bin Habtoor (appointed on 28th Feb 2025)	NA	✓	✓	✓	✓	✓
Paolo De Martin (appointed on 28th Feb 2025)	NA	✓	✓	✓	✓	✓
Oliver Lang (appointed on 28th Feb 2025)	NA	✓	✓	✓	✓	✓
Saood Al Ghurair (appointed on 28th Feb 2025)	NA	✓	✓	✓	✓	✓

✓- Present in person; A- Absent with valid reason; AP - Appointed another board member as a Proxy to attend on his behalf

f. Assessment of the Board of Directors and Board Committees

An internal assessment of the Board and its Committees' was completed internally for the year 2025 and the results were reviewed at the Board Nomination and Compensation Committee where it was concluded that the Board continues to operate effectively while also identifying some areas for improvement.

g. Statements of Board Resolutions passed by Circulation:

The Board of Directors has passed the following Board Resolutions by circulation during 2025:

Date	Board resolution
28 th January 2025	<ul style="list-style-type: none">Approved the Financial Statements for 31 December 2024.Approved the External Auditors Report for 31 December 2024Approved the Business Plan for the Year 2025Approved the report of the Board of Directors for 31 December 2024.Recommendation to pay Board Members remuneration for 2024
6 th February 2025	<ul style="list-style-type: none">Resolved to make a recommendation to the General Assembly of shareholders to appoint the External Auditors of the Company for the financial year 2025 and determine their remuneration.Resolved to make a recommendation to the General Assembly of shareholders to distribute cash dividends for the financial year 2024 of 20% of the Share Capital.
17 th February 2025	<ul style="list-style-type: none">Resolved to approve the annual corporate governance report of the financial year 2024
28 th March 2025	<ul style="list-style-type: none">Approved the Increase of the authorized share capital of the Company “Sukoon Workplace Savings Solutions Limited” by USD 2 million (from USD 2 million to USD 4 million) represented by 2,000,000 Ordinary Share(s) of USD 1 each.Approved the Increase of The Paid-up Share Capital of the Company “Sukoon Workplace Savings Solutions Limited” by USD 500,000 (from USD 2 million to USD 2.5 million), represented by 500,000 Ordinary Share(s) of USD 1 each.Recommended the Amendment of the Articles of Association of the Company “Sukoon Workplace Savings Solutions Limited” to reflect the increase in authorised share capital, and the Board of “Sukoon Workplace Savings Solutions Limited” is hereby authorised to effect such amendments.
26 th September 2025	<ul style="list-style-type: none">Resolved to approve the Mid-Year Underwriting performance report and Pricing report as of 30.06.2025
6 th October 2025	<ul style="list-style-type: none">Resolved to approve of Sukoon Insurance PJSC Trade License and its subsidiaries and branches to reflect the name of the new Interim CEO, Hammad Raza Khan, in the manager’s field, replacing the former CEO, Jean-Louis Laurent Josi.

The above-mentioned Board Resolutions were disclosed to the Market.

h. Duties and functions of the Board of Directors carried out by the Executive Management pursuant to authorisation from the Board to the Management, including the period and delegation of authority and powers.

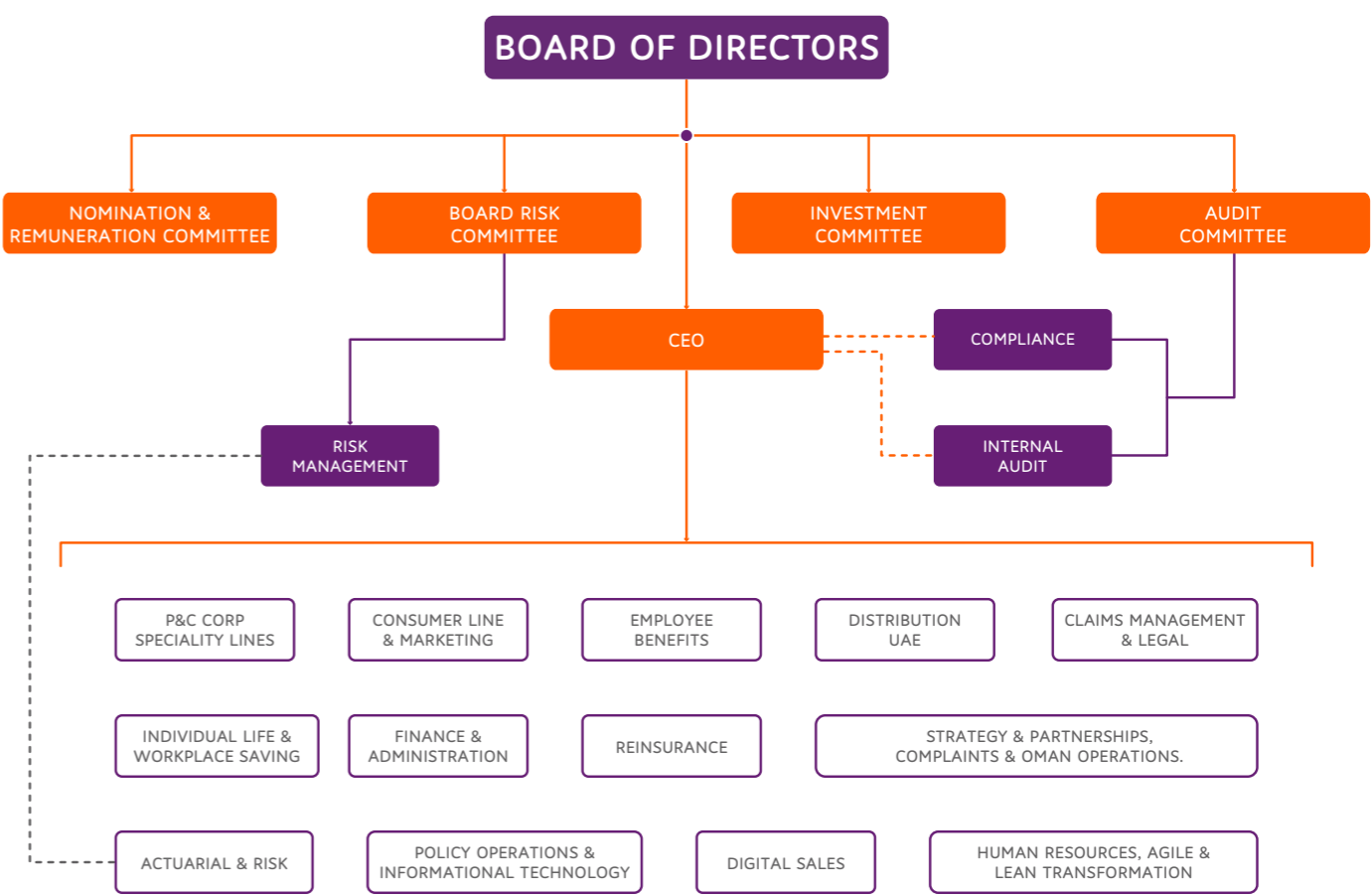
The CEO performs his duties pursuant to the authority delegated to him by the Chairman by virtue of a notarised Power of Attorney. The CEO shall be supported by the Senior Executive team who are responsible for managing the day-to-day business of Sukoon, in line with the Annual Business Plan approved by the Board of Directors.

Name	Delegated authorities	Term of delegation
Jean-Louis Laurent Josi	All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget.	Unlimited unless cancelled (Resigned in September 2025)
Hammad Raza Khan	All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget.	Appointed as Interim CEO on 30th July 2025

i. Details of the transactions made with the related parties (stakeholders) showing the nature of the relationship and type of transaction.

Transactions with Related Parties		Amount in AED
Gross Insurance Premium		
Mashreq Bank, Sukoon and Subsidiaries		124,719,781
Al-Ghurair Group of Companies		24,878,806
Masafi		5,427,504
Abdulla Mohammad Khalifa S Bin Habtoor		36,752
The Cobbler		(483)
Abdulaziz Abdulla Al Ghurair		992,162
Saood Abdulaziz Abdulla Ahmad Alghurair		352,063
Hazem Shish		104,166
Mohamed Salah Abdel Hamid Abdel Razek		8,874
Dana Gas		10,196
Badr Abdulla Ahmad Al Ghurair		31,201
Total Gross Insurance Premium		156,561,022
Gross Claims Settled		
Mashreq Bank & Group		54,885,037
Al Ghurair Group of Companies		9,956,467
Ibrahim Abdulla Ahmed Al Ghurair		1,000
Masafi		3,278,589
Carstaxi		24,672
The Cobbler		3,011
Abdulaziz Abdulla Al Ghurair		17,916
Badr Abdulla Ahmad Al Ghurair		10,869
Total Gross Claims Settled		68,177,561
Other Transactions		
Interest income (Mashreq Bank)		1,195,217
Dividend income (Mashreq Bank)		12,781,956
Investment & Other General expenses (Mashreq Bank)		6,102,147
Rental expense (Mashreq Bank)		7,234,747
Other expenses		7,076,019
Total Other Transactions		34,390,086

j. Sukoon Organisational Structure



k. Details and Positions of the Chief Executive Officers and the Senior Executives of the company

Position	Appointment Date
CEO	01-Apr-18 (Resigned on September 2025)
Interim CEO & Head of Finance	05-Mar-18 (Appointed Interim CEO on 30 July 2025)
Head of Distribution	14- Mar-22
Head of Commercial Lines	23-Oct-23
Head of Consumer Lines & Marketing	02-Jun-13
Head of Employee Benefits	31-Oct-22
Head of Life	01-Jul-14
Head of Claims Managment & Legal	12 Mar -13
Head of Human Resources, Agile & lean transformation	25-Aug-25
Head of Actuarial	02-Jul-15
Head of Strategy & Partnerships, Complaints & Oman Operations	03-Feb-13
Head of IT & Operations	15-Aug-18

The Executive Management Team is responsible for the management of the Company’s core business and drive the implementation of its strategic priorities. The CEO is supported by the Executive Management team who are responsible for managing the day to day operations of Sukoon and in delivering the approved plans of the Board of Directors.

Sukoon’s remuneration policy is based on the principles of competitiveness, equitability, and pay for performance. It is designed to support our strategic business objectives by promoting effective risk management, enhancing employee motivation, and encouraging better performance. We follow a ‘Pay for Performance’ approach that is backed by our incentive-based performance management systems. We also review our compensation packages annually to ensure they are abreast with the current respective market pay practices. There is a structured Variable Pay Program longterm incentive plan for our Senior Management. Our reward framework avoids excessive risk through clawback mechanisms - rewarding employees who in line with the company’s values and encouraging ethical behaviour while ensuring that the interests of our customers, employees, and shareholders are aligned. Total salaries and benefits for the company Senior Management during 2025 was AED 21,639,214 (including gratuity and rewards).

4. External Auditor

Sukoon has assigned its external audit responsibilities to Deloitte & Touche (M.E) (P.O. Box 5470, Sharjah – UAE), a leading professional services firm in the region. Deloitte & Touche (M.E) has been auditing the company’s Financial Statement since 2023 and maintains full independence from Sukoon’s Board of Directors and Executive Management. The auditors also reaffirmed their independence at every Audit Committee meeting throughout the year.

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

a. Fees and Costs of the Audit or Services provided by the External Auditor

Name of the Audit Office	Deloitte & Touche (M.E.)
Number of years served as External Auditor of Sukoon	3 years (appointed in 2023)
Total audit and other regulatory reporting fees for the financial statements of 2025	AED 1,458,450
Fees and costs for services other than auditing the financial statements of 2025; if there are no other fees, this shall be expressly indicated.	AED 38,325
Details and nature of other services provided (if any). If there are no other services, this should be expressly indicated	Professional fees for the purposes of assisting the Company with the submission of the ICV certificate
The other services provided by another external auditor other than the Sukoon’s Auditor during 2025 (if any). If there is no other external auditor, this should be expressly indicated.	Total of AED 1,565,158 in relation to auditing and taxation services of foreign branches and subsidiaries of the Company.

b. Sukoon’s Auditor Reservations included in the Interim and Annual Financial Statements of 2025

No reservations or exceptions have been included by the external auditors within the Interim or the Annual Financial Statements of 2025.

5. Audit Committee (AC)

a. AC Chairman Acknowledgement of his responsibility for the Committee system, review of its work mechanism and effectiveness:

Mohamed Abdel Razek, Chairman of the Audit Committee within Sukoon Insurance, herby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

b. Names of the Audit Committee Members, and its Competencies and Duties

The Audit Committee is formed of two Non-Executive Board members and an expert Non-Executive in internal audit who is not a Board member:



The Audit Committee is governed by the Audit Committee Charter. The Audit Committee Charter outlines the purpose, authority, roles and responsibilities of the Audit Committee and is reviewed and updated annually. The Audit Committee Charter was reviewed, updated and approved by the Audit Committee and the Board of Directors.

c. Audit Committee Purposes

The purpose of audit Committee is to provide a structured, systematic oversight of the Company’s governance, risk management, and internal control practices.

d. Audit Committee Responsibilities



e. Audit Committee Meetings during 2025

The Audit Committee held 4 quarterly meetings during 2025 and an additional special meeting in Q2, 2025. For each meeting, the Committee received the meeting agenda along with the presentation deck. Default quarterly agenda items included Internal Audit update, Compliance update and External Auditor’s quarterly report to the Audit Committee on the Financial Statement were presented. Moreover, External Actuaries Report on statutory reserves was reviewed two times during the year. Internal audit department presented the status of audits, key audit results, key audit issues and status of all open audit action items, overdue action items if any, in the Audit Committee meetings for review. Similarly, Compliance department presented the the status of compliance monitoring, exceptions identified, management remediation plan and status of implementation of corrective action. Where the Audit Committee was not satisfied with the timeline for the issue remediation, it advised the management for timely resolutions. Any overdue items were questioned by the Committee for prompt action from the management.

f. Relations with External Auditors and Actuarial Experts

The Board Audit Committee met with Deloitte and Touche each of its meetings held in 2025. The main agenda items were to review the financial statements, external audit plan, audit scope and timelines for the year 2025, and to discuss status updates. External auditors provided their quarterly report to the Committee on the results of their review of the condensed consolidated interim financial information of the company as well as on the annual financial statements. Reviews included key balance sheet and income statement account balances and their comparison with the previous year, key audit matters and the areas of external audit focus. The independence of auditors was assessed on a quarterly basis as per the regulatory guidance issued by the Central Bank of UAE. External Auditors did not perform any non-audit services during 2025, except assistance provided to the Company with the submission of ICV certificate.

Furthermore, in March 2025 & December 2025, the Audit Committee reviewed the valuation of technical provisions report presented by the appointed actuary, Badri Consultancy representative to ensure adequacy of insurance reserves in the books of accounts of the Company.

Audit Committee Meetings Attendance Record for the year 2025:

Committee Member Name					
	Meeting 1 27-Mar-2025	Meeting 2 28-Apr-2025	Meeting 3 12-Jun-2025	Meeting 4 24-Sep-2025	Meeting 5 16-Dec-2025
Nabeel Waheed	Resigned on 28 th Feb 2025				
Mohamed Abdel Razek	✓	✓	✓	✓	✓
Hassan Ali	✓	✓	✓	✓	✓
Nasser Paracha	Resigned on 28 th Feb 2025				
Saood Al Ghurair	A	✓	✓	Resigned in July 2025	
Oliver Lang	Appointed in July 2025			✓	✓

✓ Present in person – (A) Absent with valid reason

CSR INITIATIVES

AL IBTESAMAH CENTRE



Sukoon invested in educational and developmental programmes including interactive learning and therapy sessions.

6. Nomination and Remuneration Committee (NRC)

a. NRC Chairman Acknowledgement of her responsibility for the Committee system, review of its work mechanism and effectiveness

Hamda Al Shamali, Chairwoman of the NRC within Sukoon Insurance Company PJSC, hereby acknowledges her responsibility for the Committee system within the company, reviewing its work mechanism and ensuring its effectiveness.

b. Details of Nomination and Remuneration Committee members are as follows:



Rashid Al Jarwan and Hazem Shish were Committee members who served till 28th February 2025. In July 2025 Oliver Lang resigned and Saood Al Ghurair was appointed as the new member.

c. Nomination & Remuneration Committee responsibilities

The purpose of the NRC is to assist the company's Board of Directors in fulfilling its oversight responsibilities by ensuring the following:



d. Number of meetings held by the Committee during the fiscal year and the dates of those meetings.

There were two NRC held during 2025:

- 29 January 2025
- 27 May 2025

e. Attendance Record of the meetings of the Nominations and Remuneration Committee

The meeting was attended by all members of the Committee and the agenda was discussed as follows:

- Reviewing of remunerations and salaries granted to the company's staff as compared to the local market.
- Discussing and approving the salaries increments and bonus pool for Sukoon's staff.
- Reviewing of training and development plans and approve the plans.
- Reviewing and agreeing on the nomination process of the board member.
- Evaluating the performance of the board and its Board Members.
- Reviewing of Key Financial HR Policies.

Remuneration & Nomination		
Member Name	Meeting #1 29 January 2025	Meeting #2 27 May 2025
Hamda Al Shamali	✓	✓
Rashed Saif Al Jarwan	✓	Resigned on 28 th February 2025
Hazem Shish	✓	Resigned on 28 th February 2025
Abdulla Bin Habtoor	✓	✓
Oliver Lang	✓	Resigned in July 2025
Saood AIGHurair	Appointed in July 2025	

✓ (present in person; (A) absent for a valid reason

7. Investment Committee (IC)

a. IC Chairman Acknowledgement of his responsibility for the Committee system, review of its work mechanism and effectiveness

Abdullah Habtoor Chairman of the Investment Committee within Sukoon Insurance PJSC, herby acknowledges his responsibility for the Committee system within the company, reviewing its work mechanism and ensuring its effectiveness.

b. Details of Investment Committee members are as follows:

The Investment Committee consists of four members, whose names are indicated as follows:



Abdulla Bin Habtoor

Chairman



Hazem Shish

Member



Paolo De Martin

Member



Hammad Khan

Member

c. Responsibilities of the Investment Committee

The Investment Committee, appointed by the Board of Directors, is tasked with making investment decisions aligned with the company's Corporate Objectives as outlined in the Committee Charter. The Committee's key responsibilities include:



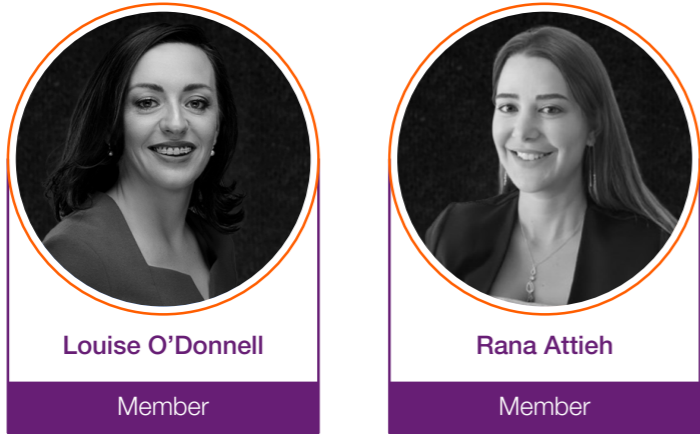
d. Meetings of the Investment Committee during 2025

Member Name	Meetings			
	Meeting 1 13-Jan-25	Meeting 2 29-Apr-25	Meeting 3 28-Jul-25	Meeting 4 22-Oct-25
Rashid Saif Al Jarwan	✓	Resigned on 28 th February 2025		
Abdulla Bin Habtoor	Appointed on 28 th Feb 2025	✓	✓	✓
Hazem Shish	✓	✓	✓	✓
Paolo De Martin	Appointed on 28 th Feb 2025	✓	✓	✓
Jean-Louis Laurent Josi	✓	✓	Resigned in September 2025	
Hammad Khan	✓	✓	✓	✓

✓) Present in person - (A) Absent with valid reason

8. Committee concerned with following up and supervising transactions of the “Insiders” persons

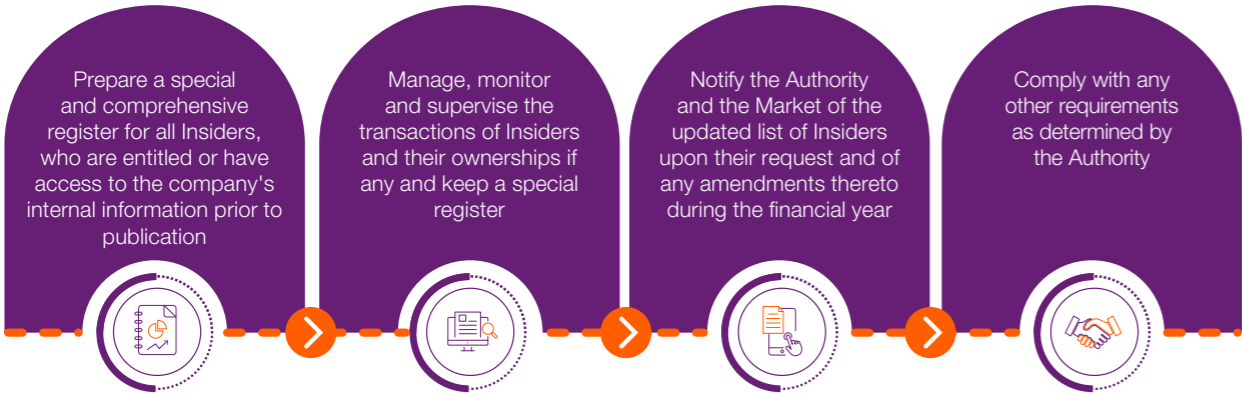
a. Committee members are as follows:



Louise O'Donnell and Rana Attieh members of the Insiders Committee within Sukoon Insurance PJSC, hereby acknowledge their responsibility for the Committee system within the company, reviewing its work mechanism and ensuring its effectiveness.

b. Statement of duties and responsibilities

The Insiders Committee oversees the implementation of an effective process to regularly maintain an updated register for Insiders and monitor their adherence to the Insiders’ trading policy and shall have the following duties.



During 2025 the Committee continued to maintain and update the register of Insiders and notify to Dubai Financial Market any change in the register.

c. Meetings

The Insiders Committee meets as frequently as it determines, but at least once every year. Additional meetings may be requested by any Board member and a quorum shall consist of majority of Committee members. During the year of 2025, the yearly meeting was held on September 12 at Sukoon’s head office to discuss and update the list of insider persons and disclose it on DFM within the set timeline. Both Members were present in the Meetings.

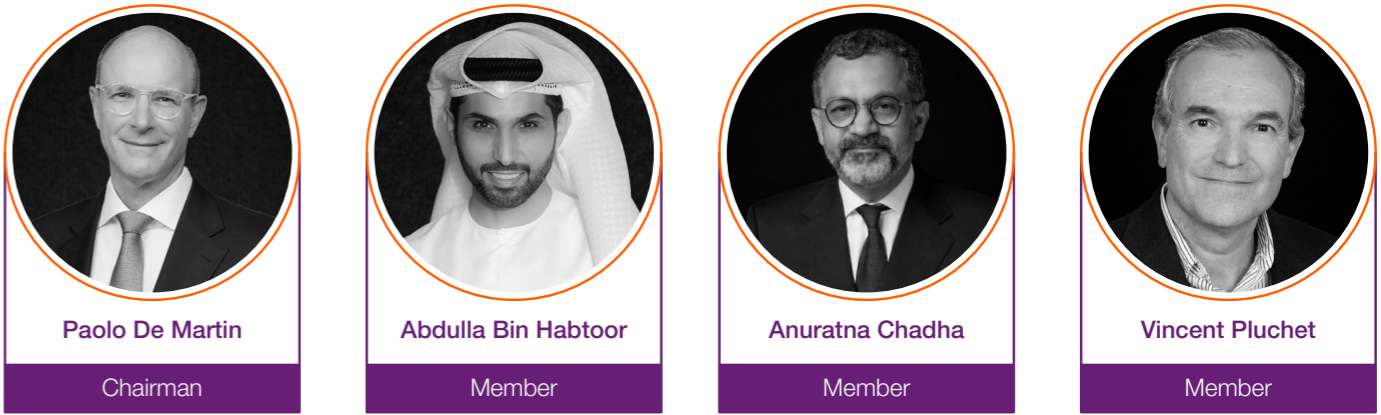
9. Risk Committee

a. Chairman Acknowledgement of his responsibility for the Committee system, review of its work mechanism and effectiveness

Paolo De Martin Chairman of the Board Risk Committee within Sukoon Insurance PJSC, hereby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

b. Details of Board Risk Committee members are as follows:

The Board Risk Committee shall consist of four members, whose names shall be indicated as follows:



CSR INITIATIVES

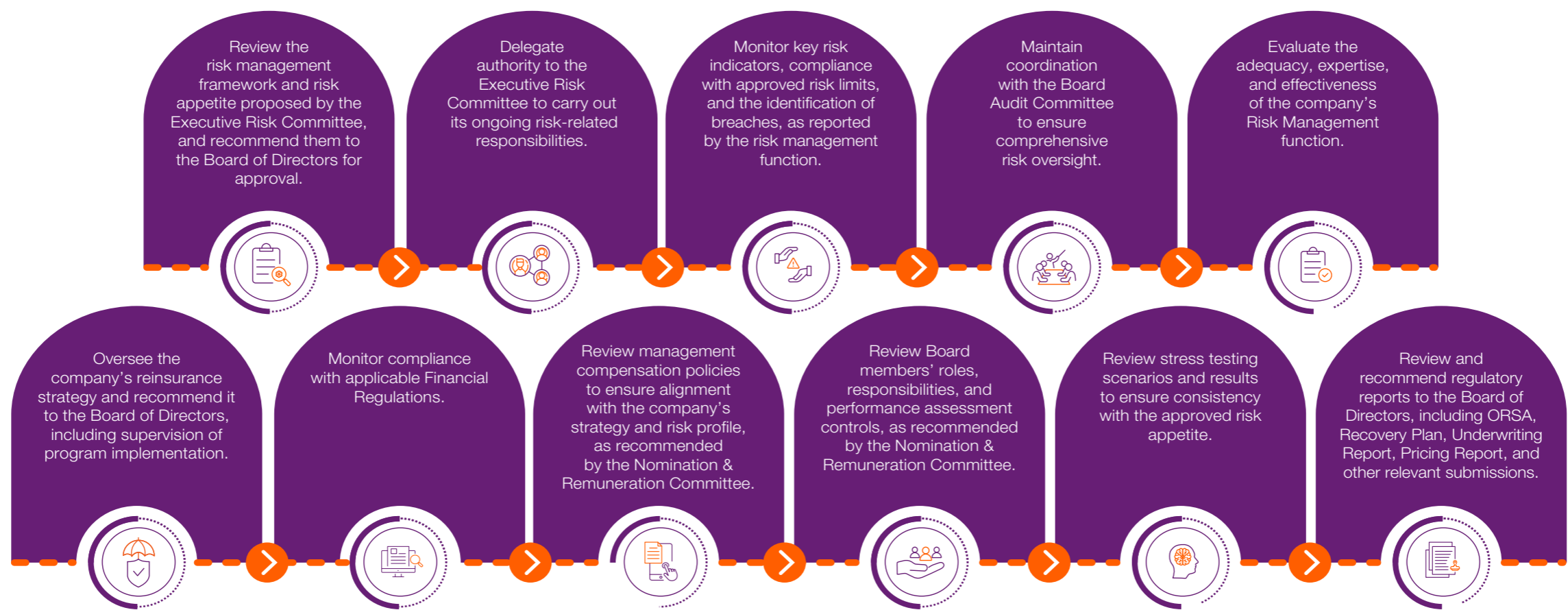
SHIMA REHABILITATION CENTER



Sukoon supported Shima Rehabilitation Center through education, therapy, and skill-building for individuals with special needs.

c. Responsibilities of the Risk Committee

The main responsibilities of the Risk Committee are summarised below:



d. Meetings of the Risk Committee during 2025

Member Name	Meetings				
	Meeting 1 24-Mar-2025	Meeting 2 29-May-2025	Meeting 3 17-Jul-2025	Meeting 4 21-Oct-2025	Meeting 5 11-Dec-2025
Paolo De Martin	✓	✓	✓	✓	✓
Abdulla Bin Habtoor	✓	✓	✓	✓	✓
Anuratna Chadha	✓	✓	✓	✓	A
Vincent Pluchet	✓	✓	✓	✓	✓

10. Internal Control System

The Board of Directors is responsible for the Company's internal control system. The system monitors whether corrective actions are taken where weaknesses are identified.

- No significant internal control issues were identified in 2025



11. Details of the violations committed during the fiscal year, the reasons and actions taken by the Company

Sukoon Insurance Company has not committed any serious violations or breaches during the year of 2025 or in the previous year.

12. Statement of cash and in-kind contributions made by the company during 2025 for community development and environmental conservation.

Sukoon significantly reinforced its commitment to social inclusion and community uplift by launching a series of strategic partnerships with specialised rehabilitation centres. These collaborations focused on supporting holistic education, skill-building, and developmental programmes for individuals and children with special needs, reflecting Sukoon's core belief that true progress is measured by inclusivity.

Sukoon's 2025 CSR initiatives were defined by five pivotal partnerships, all dedicated to creating supportive environments and pathways for growth.

Shima Center for Behavioral Sciences Training

To nurture the potential of individuals with special needs. This initiative focused on providing opportunities for education, therapy, and skill-building to promote confidence and independence. As part of this support, Sukoon contributed AED 20,000 towards the medical treatment of a 4-year-old child with Down syndrome.

Al Ibtesamah Center for Rehabilitation People of Determination

Sukoon invested in educational and developmental programmes. These included interactive learning, therapy sessions, and creative activities designed to nurture creativity and build confidence in students. Sukoon contributed AED 20,000 towards the medical treatment of a 5-year-old child with Down syndrome.

Omniyat People of Determination Rehabilitation Center

Sukoon enhanced learning experiences for children with special needs by contributing resources for academic support, recreational activities, and social engagement, reaffirming its dedication to accessible education. Sukoon contributed AED 20,000 towards care and specialised therapies for a child of determination.

Sara Center for Rehabilitation and Speech Therapy

Supported initiatives that provided educational assistance and developmental opportunities, specifically enhancing learning environments and encouraging social interaction for children with special needs. Sukoon contributed AED 20,000 towards the medical treatment of a 5-year-old child with Down syndrome.

Al Tareq Rehabilitation & Autism Center

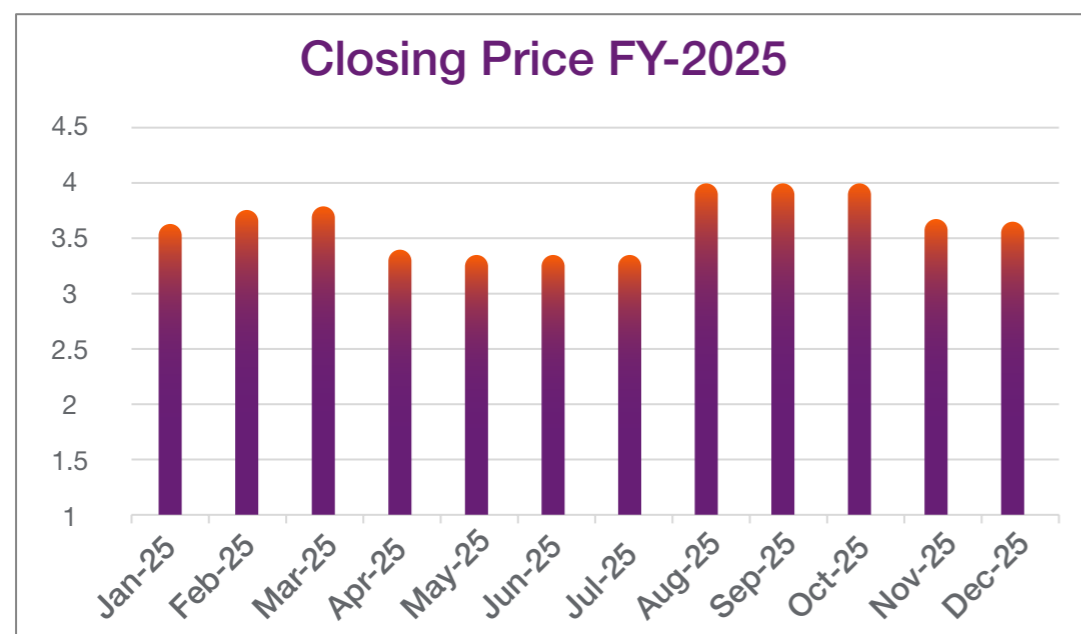
Promote learning, therapy, and recreational activities for children with autism and special needs, underscoring its commitment to promoting equality and empowering every child to reach their full potential. Sukoon contributed AED 20,000 towards the medical treatment of a 1-year-old child with a rare genetic disorder.

13. General Information

a. Statement of the Company's market share price (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2025

Month	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
Highest Price	3.600	3.700	3.700	3.330	3.330	3.330	3.330	4.000	4.000	4.000	3.600	3.600
Lowest Price	3.600	3.700	3.700	3.230	3.330	3.330	3.330	4.000	4.000	4.000	3.600	3.600
Closing Price	3.600	3.700	3.700	3.330	3.330	3.330	3.330	4.000	4.000	4.000	3.600	3.600

Share price at the end of each month during fiscal year 2025



b. Comparative performance of the company's shares with the general market index and sector index to which the company belongs (insurance sector) during 2025

Company's share performance compared to the general market index in 2025

Month	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
Sukoon's Share Price	3.6	3.7	3.7	3.33	3.33	3.33	3.33	4.0	4.0	4.1	3.6	3.6
Dubai Financial Market Index	5180.37	5317.63	5096.24	5307.15	5480.51	5705.76	6159.15	6063.61	5839.64	6059.43	5836.89	6047.09

c. Share Performance compared to the insurance sector in the United Arab Emirates

Month	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025
Sukoon's Share	3.6	3.7	3.7	3.33	3.33	3.33	3.33	4.0	4.1	4.1	3.6	3.6
Insurance Index	3597.35	3724.2	3441.05	3645.1	3806.55	3984.15	4465.3	4305.85	4196.05	4377.00	4120.2	4327.9

d. Distribution of Shareholders' Equity as of 31/12/2025

Shareholder Class	Shareholding Percentage				
	Individuals	Companies	Bank	Government	Total
Local	127,511,624	34,235,201	300,125,300	0	461,872,125
Arab	0	0	0	0	0
Foreign	0	0	0	0	0
Total	27.6079%	7.4123%	64.9802%	0	100%

e. Statement of Shareholders holding 5% of the Company's capital as of 31/12/2025

SN	Name	No. of Shares	Percentage in Capital
01	Mashreq Bank	299,125,300	64.7637%

f. Statement of the distribution of the shareholders according to the size of their ownership as of 31/12/2025

SN	Equity (shares)	No of Shareholders	No of Shares	Percentage of share in capital
01	Less than 50,000	45	421,049	0.091%
02	From 50,000 to 500,000	43	8,494,753	1.839%
03	From 500,000 to 5,000,000	40	80,395,998	17.407%
04	More than 5,000,000	9	372,560,325	80.663%
	Total	137	461,872,125	100%

g. Statement of actions taken with regard to investor relations controls, which presents the following:

Name of Investor Relations Officer and his/her contact information:

Hammad Khan

hammad.khan@sukoon.com

Link to Investor Relations webpage on the Company website: www.sukoon.com/about-us/investors

h. **Statement of the Special Resolutions put forward for discussion at the General Assembly meeting held in 2025 and the actions taken thereon:**

The Company held its Annual General Assembly during 2025 on the 28th February 2025 and no Special Resolutions have been passed therein.

i. **Name of Corporate Secretary in charge of the Board of Directors meetings**

Mrs. Rana Attieh, was appointed as the Board Secretary. Her main responsibilities and duties as the Board Secretary are as follows:

- Prepare the agenda for the Board meetings in coordination with the Chairman of the Board.
- Provide the members of the board with the material of the meetings
- Prepare the minutes of the Board Meetings.
- Follow up with the Executive Management on the implementation of the Resolutions issued by the Board.
- Upload the disclosures related to the Board Meetings on Dubai Financial Market's s website.
- Maintain the minutes of the Board Meetings and the General Assemblies of shareholders in addition to the Board Committee meetings.

j. **Statement of important events during 2025**

In 2025, Sukoon marked a historic milestone with its 50-year anniversary, celebrating five decades of reliability, progress, and commitment to the communities it serves. The year was defined by commemorative initiatives, wholesome partner engagement, and an expansion in inclusion, accessibility, and social responsibility across the UAE and Oman, reflecting Sukoon's legacy and its responsibility toward a more inclusive future.

- Sukoon commemorated its 50-year journey through a series of anniversary initiatives honouring its legacy, values, and evolution. The 50-Year Anniversary Logo was unveiled, symbolising Sukoon's growth, the trust of partners and customers, and its commitment to excellence.
- A time capsule was unveiled, serving as a bridge between Sukoon's past and future.
- A commemorative book was published, chronicling Sukoon's journey from foundation to transformation and capturing key milestones and defining moments.
- The anniversary celebrations culminated in an exclusive event hosted at Atlantis The Palm, bringing together partners, leaders, employees, and stakeholders to honour Sukoon's legacy.
- As part of the Sukoon World Championship programme and the 50th anniversary celebrations, Sukoon curated a bespoke travel experience for its 50 top-performing broker partners. The programme included a three-night, all-inclusive stay at the newly opened Dusit D2 Resort in the Maldives. The trip concluded on 8 February 2026 , marking a memorable close to Sukoon's 50th anniversary celebrations.
- The Sukoon for all CSR programme was highlighted as part of the anniversary year, reinforcing Sukoon's long-term commitment to empowering People of Determination. Sukoon reinforced its commitment to social inclusion by forming strategic partnerships with specialised rehabilitation centres supporting education, therapy, and skill-building for individuals and children with special needs. Five key partnerships shaped Sukoon's CSR efforts during the year, focusing on holistic development and empowerment.
 - Shima Center for Behavioral Sciences Training: contribution towards the medical treatment of a 4-year-old child with Down syndrome.
 - Omniyat People of Determination Rehabilitation Center: contribution towards specialised care and therapies for a child of determination.
 - Al Ibtesamah Center for Rehabilitation People of Determination: contribution towards the medical treatment of a 5-year-old child with Down syndrome.
 - Sara Center for Rehabilitation and Speech Therapy: contribution towards the medical treatment of a 5-year-old child with Down syndrome.
 - Al Tareq Rehabilitation & Autism Center: contribution towards the medical treatment of a 1-year-old child with a rare genetic disorder.
 - Each AED 20,000 contribution represented an individualised medical support donation aimed at addressing urgent treatment and care needs.
- Sukoon For All was established as a three-year CSR commitment with five charitable organisations dedicated to supporting People of Determination. Through this initiative, Sukoon contributed AED 50,000 to each partner organisation, amounting to a total contribution of AED 250,000:
 - Manzil Center
 - Dubai Center for Special Needs
 - Mawaheb
 - Omniyat
 - Sara Rehabilitation and Speech Center

- The initiative focused on accessibility improvements, educational support, therapy programmes, and skill development.
- Sukoon also implemented accessibility enhancements across its premises, including ramps, POD-friendly signage, and designated parking spaces. These efforts align with the UAE's vision of building an inclusive society where every individual is supported and empowered.
- Sukoon Oman participated in the Breast Cancer Awareness Walkathon under the theme “No One Fights Alone”, supporting awareness, early detection, and community solidarity. Employees also took part in the Al Mouj Muscat Marathon, completing the 10 km challenge to promote health, fitness, and community engagement, while supporting local charitable causes.

k. **Statement of the percentage of Emiratisation at the company for the year 2025**

The Emiratisation rate at Sukoon Insurance during the past year is as follows:

- **2021: 14.10%**
- **2022: 15.16%**
- **2023: 23.40%**
- **2024: 22.08%**
- **2025: 26.07%**

l. **Statement of innovative projects and initiatives undertaken by the Company or under development in 2025**

Sukoon continued to advance its digital and product-led innovation agenda, with a strong focus on enhancing customer convenience, expanding institutional offerings, and simplifying access to insurance and savings solutions. Through targeted partnerships, platform enhancements, and first-in-the-region digital features, the Company further strengthened its position as a forward-looking insurer committed to efficiency, accessibility, and participant-centric services.

- Through its fully owned subsidiary, Sukoon Workplace Savings Solutions Limited (SWSS), Sukoon launched the GO SAVER Employee Money Purchase Scheme, offering a structured workplace savings solution for corporates operating within the Dubai International Financial Centre (DIFC).
- As plan administrator, Sukoon Workplace Savings Solutions Limited partnered with CSC, which provides trustee and operator services, ensuring robust governance and operational oversight for the scheme.
- Launched a new AI-powered integration within a videoconferencing tool, enhancing service digitalisation by improving speed, simplicity, and real-time engagement.
- Introduced the first-in-the-region One-Click Motor Quote feature on the mySukoon mobile application, powered by UAE Pass, enabling a simpler, faster, and smarter insurance purchase experience directly within the app. Initiatives under development include:
- OA Call Audit solution with automated upload of call recordings, agent-level feedback after each call, performance scoring for continuous improvement, and multilingual support across English, Hindi, Malayalam, and Arabic.
- WhatsApp Dropoff Journey to automatically engage dropped-off travel customers and motor renewals through targeted messaging, supporting sales nudges and promoting a zero-touch servicing ratio.
- Voice Bot for Motor Renewals designed to automatically initiate outbound calls from T-60, notify customers of upcoming renewals, connect agents for assisted support, and reduce manual effort while accelerating portfolio coverage.
- Real-time Agent Assist platform aimed at improving agent productivity and customer satisfaction through a knowledge-driven support portal, reducing call handling time and enabling agents to operate as multi-product specialists.

SUSTAINABILITY REPORT

2025



THE CEO'S MESSAGE

It is a privilege to introduce the sixth edition of Sukoon Insurance PJSC's ("Sukoon") Environmental, Social, and Governance (ESG) Report, documenting our progress and performance throughout 2025.

As this Sustainability Report follows a landmark year of reflection, we remain acutely aware of the responsibilities that accompany our scale, longevity, and the public's confidence. For Sukoon, sustainability is fundamentally woven into how we protect our policyholders, manage risks, allocate capital, and contribute to the communities we serve. This commitment extends beyond our core business activities to support the people of the UAE through targeted charitable initiatives, strategic partnerships, and contributions designed to address critical social needs. Through our "Sukoon for All" program, we continue to champion health awareness and community-based initiatives, focusing on practical outcomes and local relevance.

Progress over the past year has spanned every operational unit. Sukoon Purple recently enhanced its product offerings, while Sukoon Workplace Savings Solutions (SWSS) expanded access to end-of-service benefits and workplace savings through the DIFC. Furthermore, in the Sultanate of Oman, we focus on the commercial lines of business leveraging our reinsurance strength.

Customer experience remains our primary benchmark for success. Significant enhancements to the mySukoon app have extended comprehensive services across medical and motor lines, while the integration with UAE Pass and biometric authentication have markedly improved both accessibility and security. In Oman, our transition to the '.om' domain has further strengthened our local alignment and digital identity.

From a financial perspective, 2025 represented the most successful year in Sukoon's history. Gross Written Premium (GWP) exceeded AED 7 billion, reflecting a 19% increase, while before-tax profit reached a record AED 428 million. This performance was underpinned by a solvency margin of approximately 275%, maintained through disciplined underwriting and prudent risk management.

The year also coincided with Sukoon's 50th anniversary, celebrated through a nationwide brand campaign and an expanded digital presence. Our efforts were validated by 40+ industry awards across the insurance and takaful sectors. These milestones are a testament to the collective dedication of our teams and the enduring trust of our customers, partners and shareholders.

As Interim CEO and Chief Financial Officer, my focus remains steadfast on financial strength, governance discipline, and the creation of long-term value. Digital adoption, coupled with the responsible use of data and artificial intelligence, will continue to drive our decision-making, efficiency, and transparency, ensuring that human judgment remains the central pillar of our service.

Sukoon's progress is driven by its people; their cooperation, sound decision-making, and shared responsibility are what make our performance possible. With a talented team, a solid balance sheet, and the continued confidence of our stakeholders, Sukoon is exceptionally positioned for the next phase of its journey.

Hammad Khan
Interim CEO,
Chief Financial Officer
Sukoon Insurance

*"We fortify our foundations from the inside out.
Our teamwork gives us strength, and the
consistency with which we support our people."*



Hammad Khan
Interim CEO
Chief Financial Officer

OUR 2025

KEY ACCOMPLISHMENTS

Customer Service

- Won 32 accolades in 2025
- Demonstrated excellence: 87% overall customer satisfaction

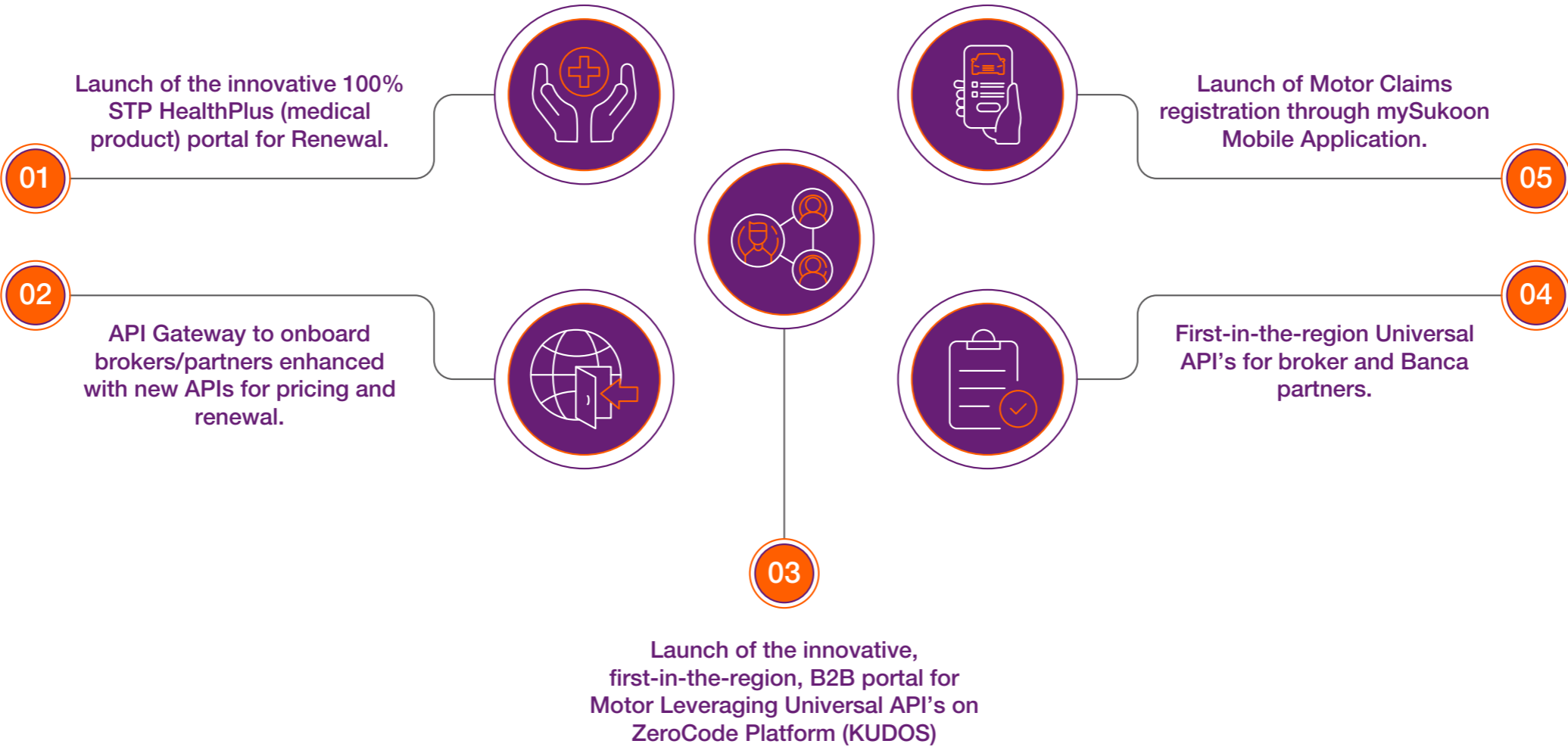
Employee Wellbeing

- Employee Coaching
- LivFit

Increased Shareholder Value

- GPW for the year topped AED 7 billion - the highest on record
- Return on Equity ~11.5%
- Shareholder's equity increased by 12.6% to reach AED 3.37 billion

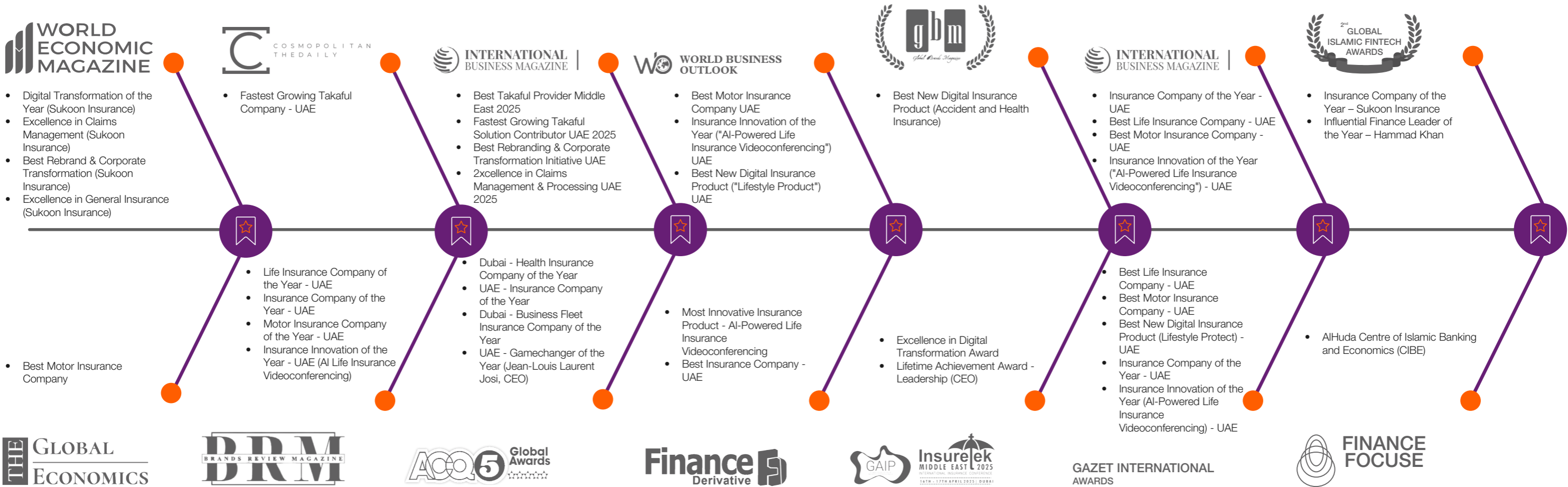
Digitalisation



AWARDS

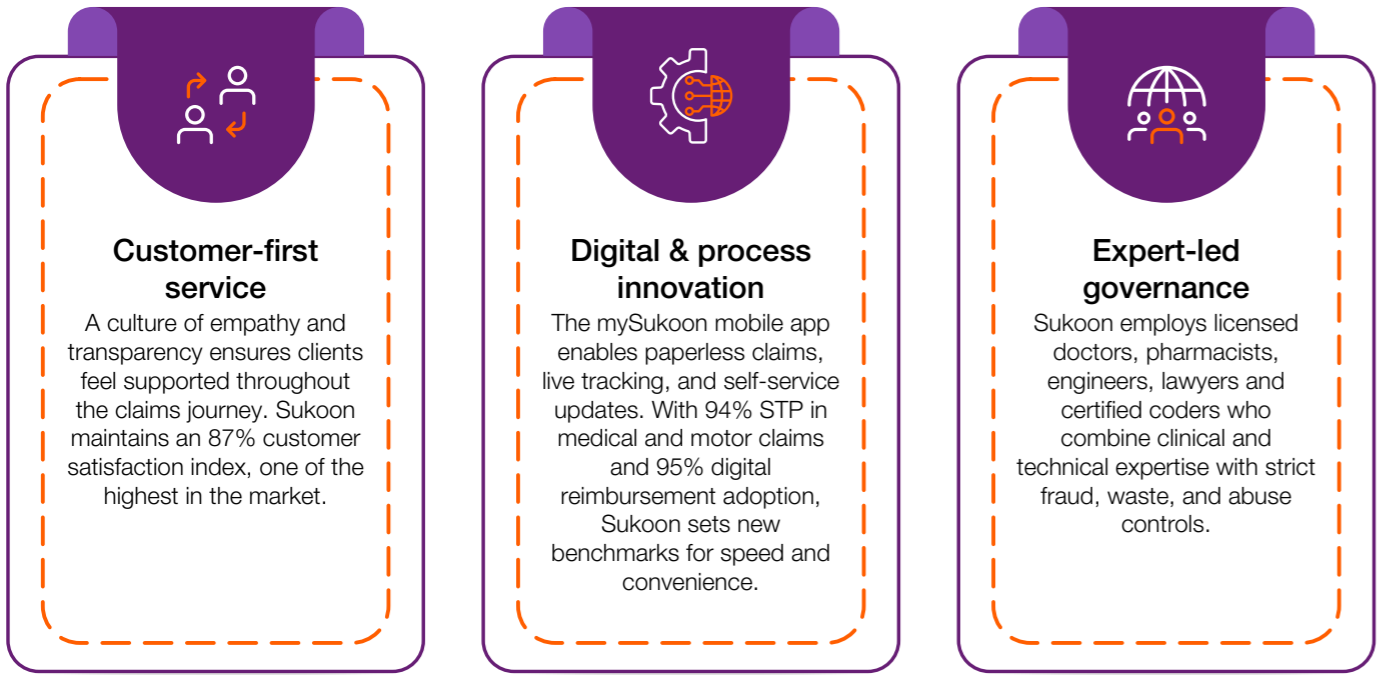
RECEIVED IN 2025

In 2025, Sukoon received broad external recognition across regional and international platforms, reflecting sustained performance across transformation, innovation, customer experience, and operational delivery. These acknowledgements span digital advancement, product development, leadership, and sector excellence, underscoring the organisation’s progress momentum and market relevance. Collectively, they affirm Sukoon’s position as a consistently high-performing insurer within the UAE and wider Middle East.



OUR STRATEGIC PILLARS

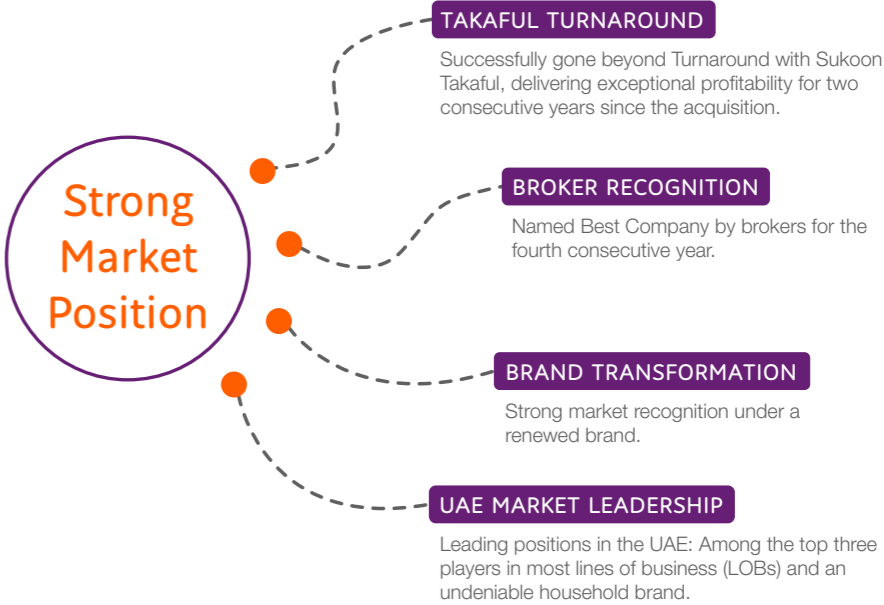
We pledge to continue to be true to our mission, vision & values to bring assurance to our stakeholders' wealth & wellbeing and to be their preferred & trusted partner



Leading the Market



Strong Market Position



Robust Customer Satisfaction

MARKET LEADERSHIP

- A large, diversified insurer ranked among the top three in the region.

INDUSTRY AWARDS

- Recipient of 32 industry awards in 2025, including Insurance Company of the Year (UAE) and multiple digital innovation honours.

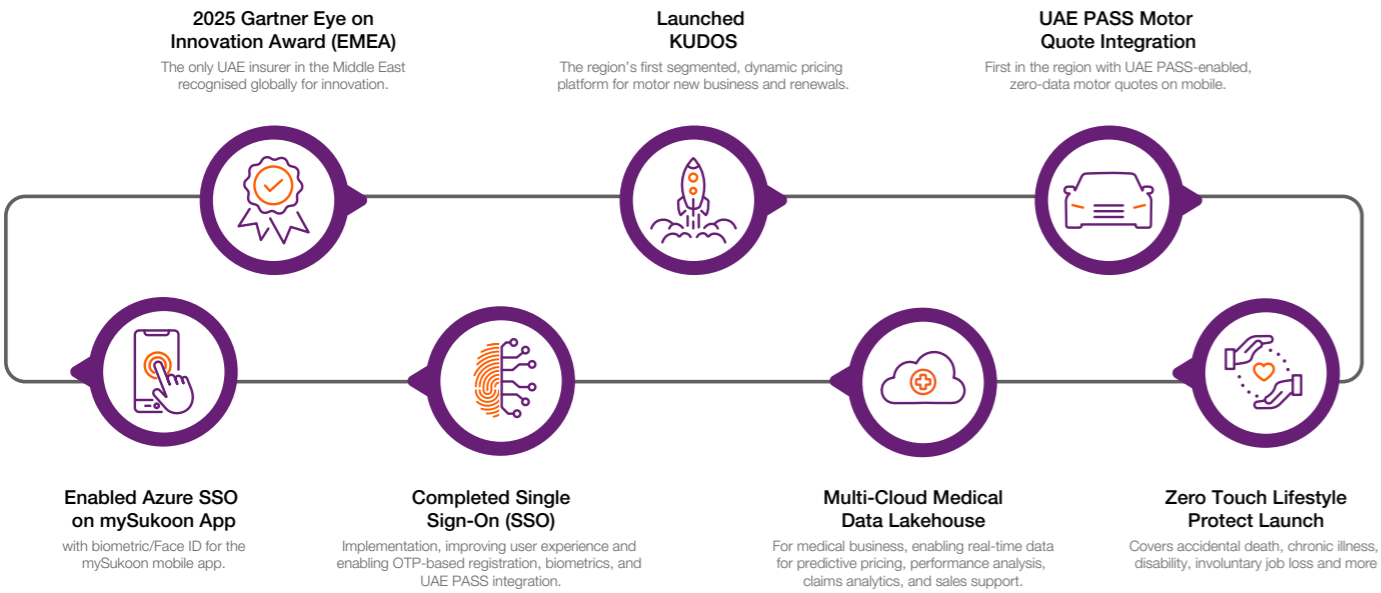
CUSTOMER SATISFACTION

- 87% of customers show satisfaction with services.

KEY AWARDS

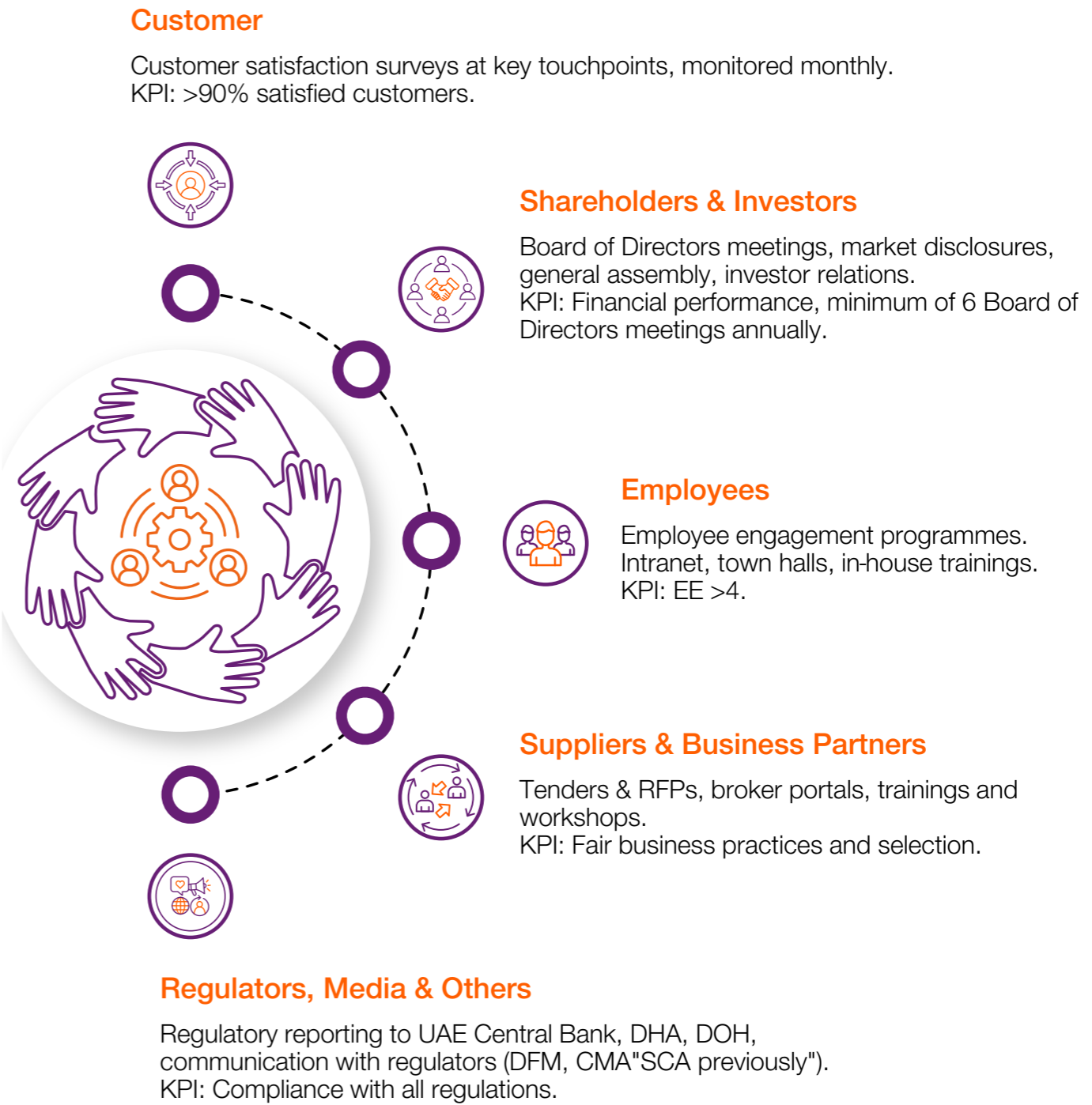
- Insurance Company of the Year (UAE). Insurance
- Innovation of the Year (AI-Powered Life Insurance Videoconferencing).
- Best New Digital Insurance Product (Lifestyle).

Digital Innovator



STAKEHOLDER ENGAGEMENT

We reviewed internally and externally our stakeholder's perspectives and opinions. The process identified the impact we have on each stakeholder group as well as the level of influence each stakeholder group has on our business. We communicate with our stakeholders through multiple channels, listening and seeking their feedback. We have listed below our key stakeholder groups and our engagement methods along with the frequency of engagement.



CSR INITIATIVES

SARA REHABILITATION CENTER

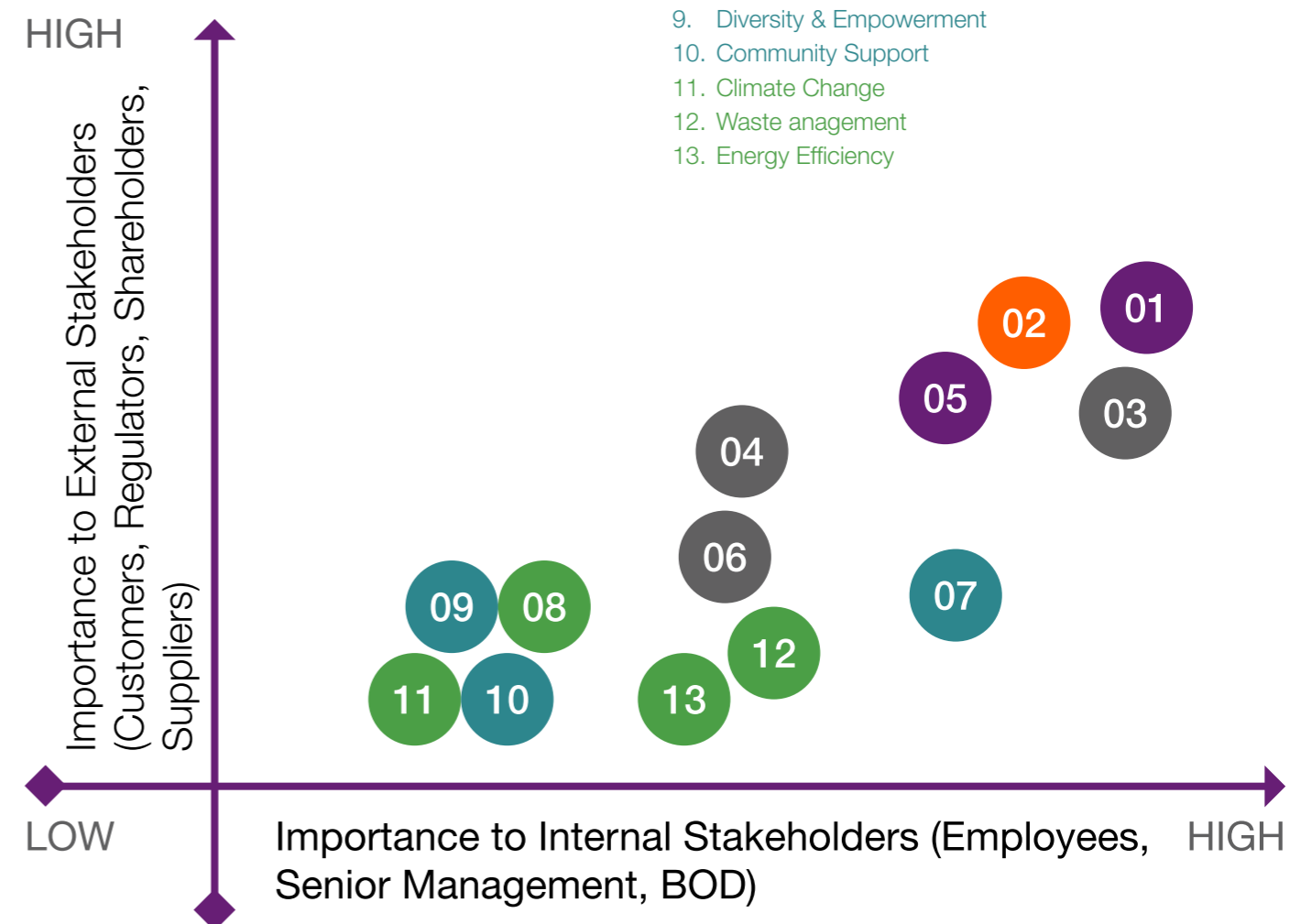


The collaboration provided educational assistance and developmental opportunities for children with special needs.

MATERIALITY

As a result of stakeholder engagement, we identified material topics based on the significance of economic, environmental & social influence it has on our stakeholders. By focusing on materiality, we aim to achieve our sustainable development goals which is also built into our overall strategic objectives and pillars identified for the coming years.

1. Digital Transformation & Innovation.
2. Customer Satisfaction
3. Product responsibility
4. Governance, Ethics & Compliance (Internal)
5. Data Privacy
6. Responsible Investment
7. Employee's Development
8. Utilization of resources
9. Diversity & Empowerment
10. Community Support
11. Climate Change
12. Waste anagement
13. Energy Efficiency



ESG: OUR PRIORITIES

Through our Environment, Social & Governance reports published over the years, we have showcased how the United Nations Sustainable Development Goals (SDGs) are integrated into our operational strategies. We remain dedicated to fostering sustainable business practices while striving to become a regional leader in customer service excellence.

In our continued efforts, we have adopted SDG goals in our insurance activities, aligned to our business models through digitalization, prioritizing risks and opportunities that supports the growth of sustainable business. We at Sukoon are committed to bring gains for our stakeholders in the longer run, promote wellbeing of our employees, contributing to our community and adding value to our customer experience. Based on the Global Reporting Index (GRI) reference, material issues identified were factored into our operational and governance framework.

Our mission to protect one's wealth & well-being is redefined through our many initiatives to care for our people and our community alike, through our wellness programs. Explore our LivFit program, Employee Wellness, Women's Network initiatives to know more.



We at Sukoon make conscious efforts to bring equality in our Workforce & Workplace. We are committed to improving gender representation at Senior Management & Board as well as focusing on Women's Wellness. Know more about our Diversity, Women's Network, and our Women's Leadership.



We aim to empower our employees through an array of professional courses under our Learning & Development, Diversity & Nationalization programs.



As an Industry Leader, we have been a pioneer in innovating insurance products through technology adding to our stakeholder's values as well as empowering our customers, partners, and employees to support sustainable development. See our Technology & Innovation to learn more



We aim to inculcate the culture of responsible spending for a sustainable community and social responsibility towards the growth of the community. We engage in many social activities in giving back to the community.



We are committed to investing in Corporate Governance for ensuring operational excellence and long-term gains for our stakeholders and sustainable operations. We ensure we are compliant with regulations and have high ethical standards for our employees.



GOVERNANCE AND RISK MANAGEMENT

With our strong corporate governance framework, we diligently follow local regulations and laws, while maintaining a robust corporate governance framework

Sukoon considers corporate governance as a critical element in creating a sound working environment that supports achieving the overall long-term goals for all stakeholders. Risk management & Corporate Governance is key to making us perform sustainably.

Governance structures are put well in place to reduce and manage risk in line with achieving Sukoon's strategic objectives and to contribute to building strong ESG goals and action plans. There are key policies which are outlined in the policy section which support us in operating a dynamic risk and governance framework. Furthermore, there are audits done by external and internal experts to ensure adherences to best practices.

1. Pillars of corporate governance framework

a. Board of Directors

- Active
- Independent
- Non-executive

b. Committees

- Audit Committee
- Nomination & Remuneration Committee
- Investment Committee
- Board Risk Committee

c. Internal Control System

- Compliance
- Risk Management
- Internal Audit

2. Board of Directors

Board elections are conducted every three years. The most recent election was held at the Annual General Meeting on 28 February 2025, during which shareholders elected the new Board members through a formal voting process.

The nomination and election process was approved by the Central Bank, the Securities & Commodities Authority, and disclosed to the Dubai Financial Market, and published on the Company's website.

Our Board of Directors meets at least 6 times a year. Responsibility for administering all-risk policies and management of risk are delegated to the Executive management. The Board is appraised on a regular basis to significant risks for Sukoon and manages overall response plans. Board Member evaluation is conducted on annual basis as part of our commitment to corporate governance principles.



3. Board of Directors Committees

a. Board Risk Committee (Meets Quarterly)

The Board Risk Committee convenes quarterly and holds responsibility for shaping the company's comprehensive risk management approach and ensuring its consistent communication across the organisation. The Committee is tasked with developing and recommending the overall risk strategy, risk governance framework, and Risk Appetite Statement (RAS) for the Board's approval. Additionally, it oversees the company's adherence to the established risk governance framework, ensuring operations remain within the defined risk appetite and limits.

b. Nomination and Remuneration Committee (Meets Annually as a Minimum)

The Committee includes three Board members (including the chairman who is an independent member of the board). Responsible for defining parameters for granting remuneration to members of the Board of Directors, annually review the Company's and Senior management performance and annually assess members of the Board, its members and its Committees and make recommendations regarding possible changes.

c. Audit Committee (Meets Quarterly)

The Audit Committee is formed of two Non-Executive Board members and an expert in internal audit who is not a Board member. This Committee is Responsible for reviewing external and internal audit reports, disclosures & financial statements.

d. Investment Committee (Meets Quarterly)

The Investment Committee consists of four members (inclusive of three board members). The Investment Committee, appointed by the Board of Directors, is tasked with making investment decisions aligned with the Company's Corporate Objectives as outlined in the Committee Charter.

4. Management Committees

a. Executive Risk Committee (Meets Quarterly)

The Executive Risk Committee (ERC) serves as a critical component of the Company's enterprise-wide risk management framework, operating under the delegated authority and oversight of the Board Risk Committee (BRC). Its primary function is to operationalise the Risk framework by executing the adherence to risk appetite and strategy defined at the board level. ERC is composed of senior executives from key functional areas, ensuring a comprehensive, cross-departmental perspective on all related risks.

The Committee's responsibilities include the ongoing identification, assessment, mitigation, and monitoring of risks related to strategic objectives, operational processes, compliance, and other material business activities.

To maintain an informed and timely flow of information, the ERC reports to the Board Risk Committee on a quarterly basis, or more frequently as needed. This reporting mechanism provides robust assurance that risk management practices are functioning effectively at the operational level and enables the board to exercise its oversight responsibilities concerning the overall risk profile of the Company. The structured interaction between the ERC and the BRC ensures a clear and integrated risk governance structure, reinforcing accountability and strengthening organisational resilience.

b. Executive Committee (Meets Bi-Monthly)

An executive Committee is a central body composed of key leaders and executives. Its reports to the CEO and meets twice per month.

The executive Committee scope includes but is not limited to the below:

- Oversees the company's strategic planning, risk management, and financial performance.
- Monitors key initiatives and projects of the company.
- Plays a crucial role in decision-making and governance.
- Ensures compliance with Central Bank regulations and all other applicable law and regulations and reports on material matters.



RISK MANAGEMENT
GOVERNANCE

As Sukoon continues to be the leading insurance company in the UAE and GCC and to have a strong market position, the maintenance of a strong governance framework, ensuring the right overview and control at each level of our structure, is central to everything we do. This is achieved through Risk Management Policies & Committees steering them.

Effective governance is much more than Committees: it is about ensuring the stability, consistency, and innovativeness of our business to make sure our customers' expectations are met and exceeded.

Compliance Policies

Sukoon's compliance framework supports ethical conduct, aligns with the Company's objectives, and ensures compliance with applicable local and international regulations.

The Compliance Management System is based on three core programmes:

1. Compliance Monitoring Plan:
Reviewed and updated annually, the plan sets out scheduled reviews to assess first-line compliance with laws, regulations, and internal requirements.
2. Regulatory Compliance Program:
Focuses on maintaining regulatory compliance through proactive risk identification, ongoing monitoring tools, and follow-up actions where required.
3. Operational Policy Compliance:
Ensures that policies and procedures are applied consistently to support effective operations. Clear documentation helps employees understand expected practices and reduces uncertainty.

Sukoon's compliance policies are reviewed and updated annually or as needed. Key areas of focus include Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT), trade and economic sanctions, code of conduct, conflicts of interest, anti-bribery and corruption, and gifts and entertainment.



TECHNOLOGY AND INNOVATION

Sukoon has undergone a significant digital transformation, delivering industry-leading innovations recognised with major digital awards. We continue to leverage digital capabilities to drive sustainable returns, empower customers and employees, and strengthen our ecosystem through integrated digital channels.

Strengthening Our Foundations

Modernised and resilient IT estate resulting in 99.9% service availability over the last 78 months with 100% in the last 9 months.

01

Technology Platforms

- Payment and API gateways enabled for new business, renewals, and endorsements.
- Critical platforms hosted on multi-cloud for scalability.
- First-in-region B2B dynamic pricing (KUDOS) on ZeroCode for new business and renewals.

02

Core Systems Modernisation

- Health Claims system upgraded (Java 21, IBM P10, Oracle 19C).
- Health Policy Admin (Shamil) upgraded (Power 22, IBM P10, Oracle 19C).
- Investment platform upgraded to Advent V24.1 on Oracle Cloud.

03

Data & Medical Ecosystems

- Medical ecosystem development underway.
- Multi-cloud medical data lakehouse delivering real-time business insights.

Digital Channels & Key Initiatives

Modernised and resilient IT estate resulting in 99.9% service availability over the last 78 months with 100% in the last 9 months.

01

Self-Service & Mobile

- 16 self-service portals across the business.
- First-in-region UAE PASS for zero-entry motor quotes.
- Mobile apps for medical, motor, GoSaver, and assistance.
- Azure SSO with biometrics / Face ID on mySukoon.

02

Straight-Through Processing

- 100% STP for B2B motor new business and renewals.
- 100% STP for DHA and Health Plus renewals.
- Self-service B2B motor endorsements, claims, and renewals.

03

Partner & Broker Enablement

- Opti API channel with dynamic pricing for brokers and B2B.
- 24/7 digital consumer and commercial claims via low-code.
- Renamed to Sukoon Insurance PJSC.

Information Security

At Sukoon, security is an integral part of the architectural guidelines. In the last 7 years, we have implemented multiple security products.

01

Compliance & Standards

- ISO 27001:2022 re-certified after migration.
- 98% NESA compliance achieved.

02

Security Operations

- Centralised patching and asset monitoring deployed.
- XDR-based server security with anti-ransomware protection.
- 24/7 SOC upgraded with SOAR, UEBA, and XDR.

03

Threat Intelligence & Cloud Security

- Expanded threat intelligence across dark web, brand, and third parties.
- Cloud and data security posture management implemented.

CUSTOMER ENGAGEMENT

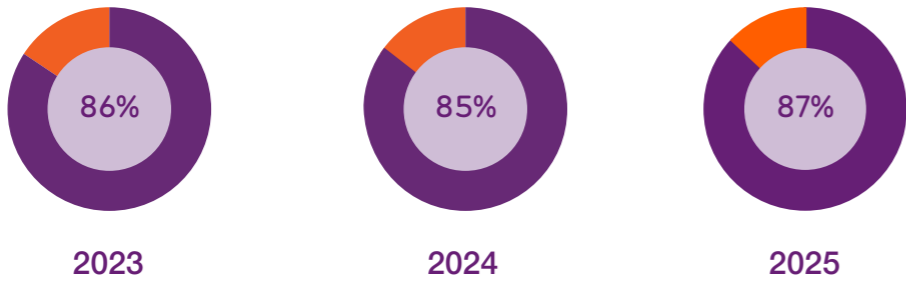


Customer Satisfaction Survey

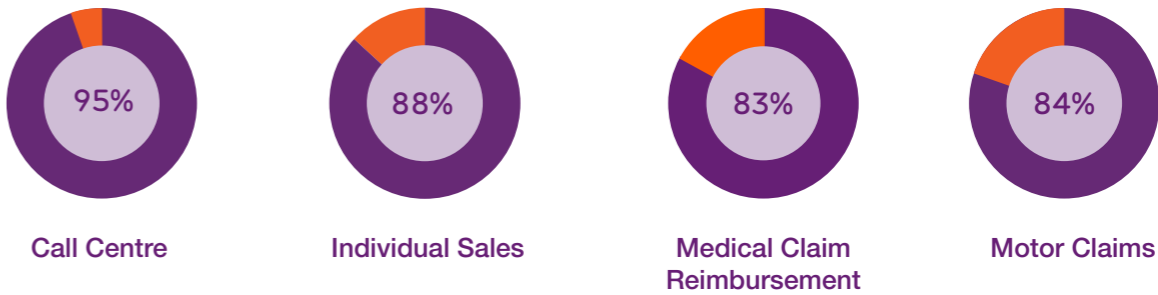
We maintain a structured programme for capturing customer insights, relying on monthly satisfaction assessments to highlight strengths and areas for improvement. These insights feed directly into process refinement and service design. In 2025, we recorded a 87% satisfaction score, reflecting the effectiveness of our efforts and reinforcing our focus on creating consistently smooth and dependable customer experiences. Regular reporting of these indicators supports data-driven decision-making and continuous improvement across the organisation.

Indicators are reported monthly and form the base of measurement as well.

Global Satisfaction Index - 2023 and beyond



Department Indicator



CUSTOMER EMPOWERMENT

Digitally empowered customers aim to ensure a seamless customer experience. We have launched a digital platform for our customers through mobile applications, online accesses, and e-commerce platforms that have really changed the way in which traditional insurance processes are conducted. The tedious tasks of purchasing insurance, finding the right product, getting help, or filing a claim are now just a click away!.



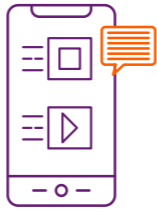
Individual Life
Online Client
Portfolio Platform



Medical Online Portal
My Sukoon - online portal
to help members manage
their insurance & medical
claims.



Digital Commerce
Online purchasing
& renewal of
insurance policies:
• Motor Insurance.
• Purple
• GoSaver
• Lifestyle Protect
• DHA Plus



Mobile Apps
• IMC - Emergency motor
roadside assistance.
• MySukoon - Medical
network geo-localisation
& reimbursement claims.
• MySukoon - Motor claims
registration.
• Livfit - wellness App.

Customer Testimonials

We are known for our exceptional customer service. Here are a few testimonials which bear witness to our commitment to delight our customers at every turn:

“Sukoon insurance is one of the best insurance company in UAE. I got travel insurance for a year and my car insurance with sukoon insurance. Recently I renewed it through kriti and it was smooth process and quickly linked with rta and all I want to say. East and west Sukoon is best.”

- Qasim Umar Rana (for Travel Insurance)

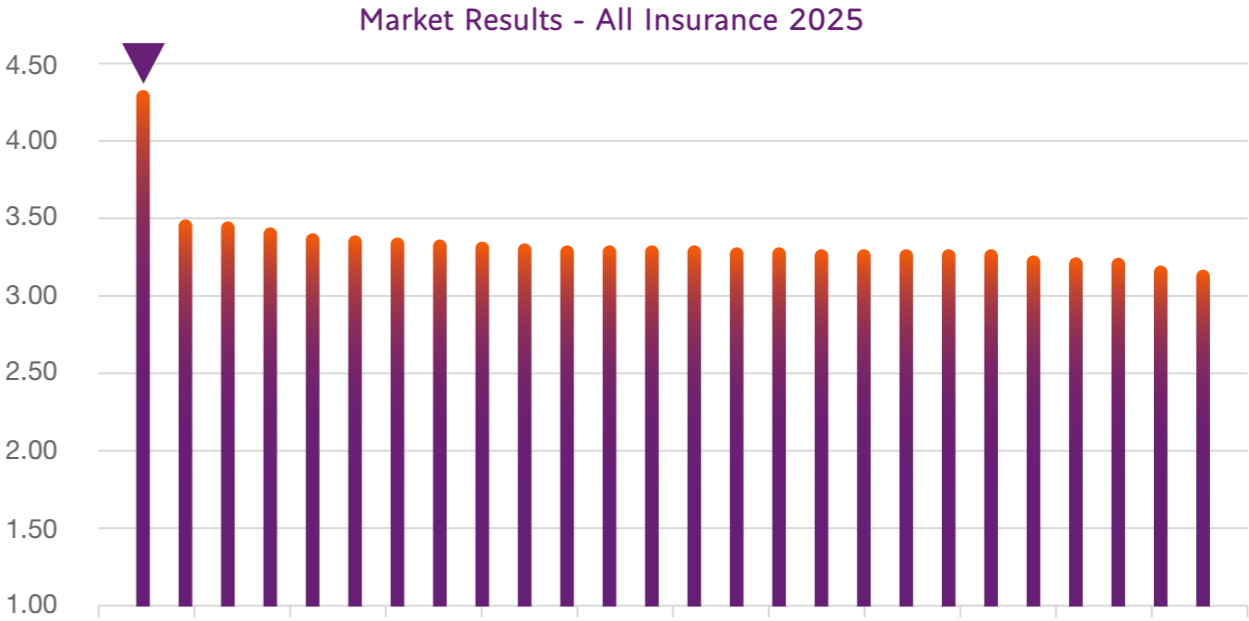
Sukoon has been fantastic at setting up my car insurance. Their service was speedy, effective and they were very helpful. They went above and beyond to support me through the car rego renewal process which can be a little confusing sometimes. Their price is not the cheapest, but sometimes cheap does not mean good. I totally recommend their services.

– Marnie Shillig (for Motor Insurance)



PARTNER ENGAGEMENT

We launch surveys for our brokerage channel on a regular basis which forms a significant part of our distribution network. In 2025, we invited 2,525 individual brokers from 98 different brokerage firms to gauge their satisfaction along five streams – Sales and Underwriting, Policy Servicing, Claims, Finance, and Services – and rank the same vis-à-vis Sukoon's competitors. A consistently high ranking across all areas clearly demonstrates Sukoon's position as the UAE's leading insurer, with excellence as a non-negotiable standard.



In terms of digitalisation, an empowerment strategy similar to the one we have for customers has also been set in place for our partners:

1. SME & EBP Medical

Online process from quotation to policy

2. B2B Platform

Stabilization of the broker platform for motor policies

3. Self-Service Administration

Medical member addition or deletion feature

4. Online Pre-Authorisation Portal

Online pre-authorization request tool for medical providers

5. Individual Life

Portfolio management platform



BRAND AWARENESS

Sukoon Workplace Savings Solutions

In 2025, Sukoon Workplace Savings Solutions (SWSS), based in the Dubai International Financial Centre (DIFC) , introduced the “Go Saver” Employee Money Purchase (EMP) scheme. The Go Saver scheme offers employers a structured platform to manage end-of-service benefits and workplace savings – enhancing employee financial well-being. This strategic move not only broadens Sukoon’s service offerings but also reinforces its brand presence in the financial sector, contributing to increased brand awareness.



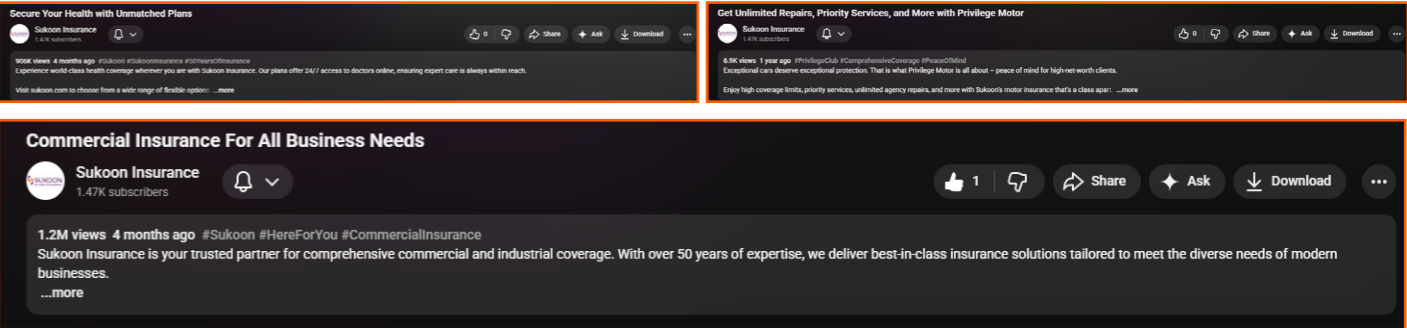
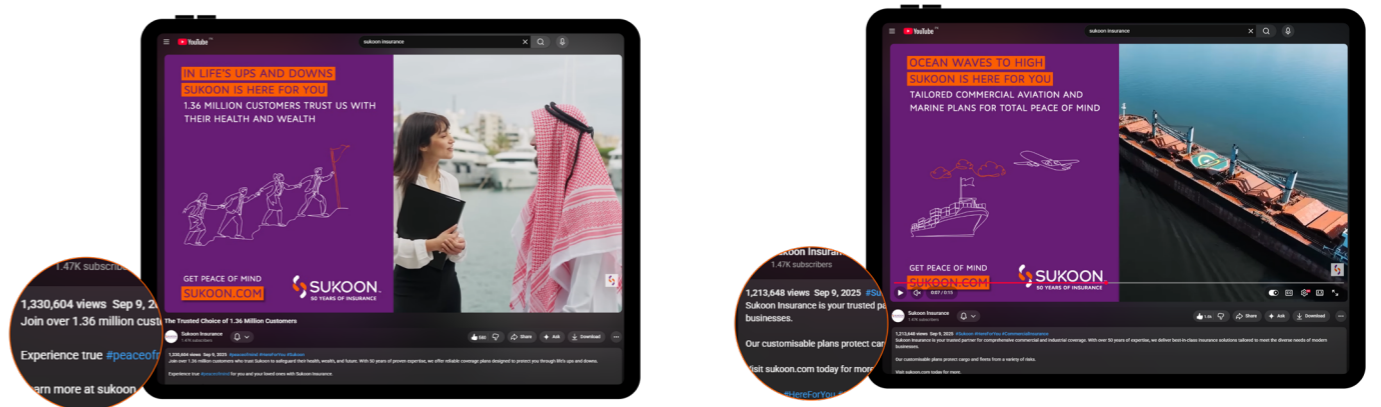
Marketing and PR

The brand campaigns for awareness were run for 6 months in 2025 - from April - June, and September - November. The campaigns generated significant results across various digital metrics.

The campaign delivered 345 million Impressions, resulting in a total Reach of 8.3 million users. Finally, these efforts drove 2.38 million Clicks. Additionally, it achieved a total of 39.4 million Video Views and 16.7 million Listen Completions on Audio Ads.

The brand campaign was supported by a strategy that included newly introduced and leveraged ad formats, which contributed to a notable increase in website traffic. Several key ad formats were introduced:

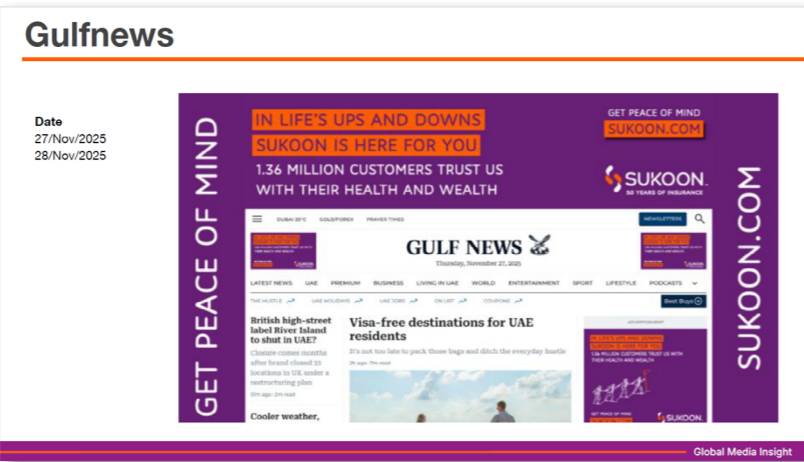
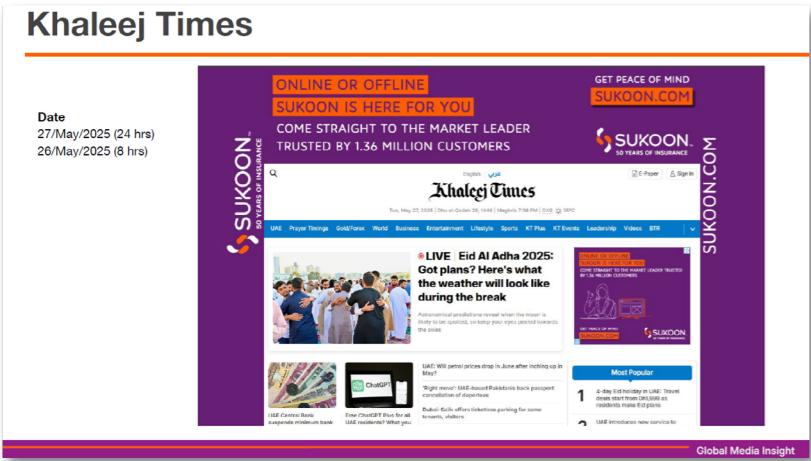
- Interstitial Banner ads (a banner ad format that takes up the whole screen)
- Demand Generation ads, Static Optimized ads, and Amazon DSP ads
- Connected TV (Non-Skippable Ads), which achieved the highest share and rate of completed video views.



The combination of Demand Generation ads, Static Optimised ads, and Interstitial Banner ads drove the highest share of clicks in 2025 and resulted in high Click-Through Rates (CTRs).

This campaign activity coincided with a significant jump in website traffic growth. The months during which the campaign ran - April, May, June, September, October, and November - saw a marked increase in both sessions and users. Sessions jumped from 274,807 in March to 676,802 in April, and users increased from 130,516 to 457,605 in the same period. The trend lines for both sessions and users also show a general upward trajectory throughout the year, peaking in October.

The homepage takeover on Khaleej Times and Gulf News digital formats in November ensured that Sukoon gets maximum visibility and impact.



50 Year Anniversary Events

For fifty years, Sukoon has stood as a symbol of reliability, progress, and commitment to the people and communities we serve. As we mark our 50-year anniversary, we honour a legacy defined by vision, innovation, and a deep sense of responsibility, one that continues to guide us into a promising future.

Sukoon proudly revealed its 50-Year Anniversary Logo which reflects Sukoon's journey of growth, the trust of our partners and customers, and our dedication to excellence. The Sukoon For All CSR programme dedicated to empowering People of Determination symbolises our long-term commitment to building a more inclusive and compassionate society. In addition, unveiling the time capsule served as a bridge between our past and the future.

The Commemorative Book was an elegant chronicle of our journey from foundation to transformation. The publication captures pivotal moments, achievements, and stories that shaped our organisation.





Our 50-year journey culminated in an exclusive anniversary celebration hosted at Atlantis The Palm. This prestigious event brought together distinguished guests, partners, leaders, employees, and friends of the brand to honour Sukoon's legacy and embrace the exciting opportunities ahead.

CSR INITIATIVES SULTANATE OF OMAN



We participated in the annual breast cancer walkathon organised by the Oman Cancer Association (OCA) under the theme “No One Fights Alone”, supporting awareness and solidarity for individuals affected by breast cancer.

HOLISTIC WELLBEING

LivFit: A Comprehensive Wellness Programme

LivFit is a wellness program that we launched to promote a healthier lifestyle. It is now a full-fledged wellness platform for our customers and employees alike.

Sessions at LivFit are aimed at health, lifestyle & awareness, and chronic disease management. In the pre-pandemic era, we held wellness workshops, visiting our employees and customer. Due to the limited social movement in the current time, we quickly adapted, and brought in our online platform to continue to care for our stakeholders and community.

1. Health



Health Risk Assessment



Health Screening



Vaccination (Flu)



Mental Wellbeing

2. Lifestyle & Awareness



Virtual Coaching



Mobile App Fitness Plan



Tobacco Cessation



Corporate Challenges



Video Workout Library



Awareness Literature



Wellness Fair/ Webinars



Virtual Fitness Classes



Discount & Offers

3. Chronic Diseases Management

A Care program to manage conditions & improve quality of life:



Diabetes



Hypertension



Hyperlipidemia

4. Online Presence

LivFit videos and sessions were made available to our customers on our websites, social media platforms as well as our LivFit app.

10.8M
5.5M

Impressions on Facebook
Impressions on Instagram



EMPLOYEE ENGAGEMENT



As the customer is at the heart of it all, our employees are the cornerstones of Sukoon. We have done a great deal to ensure that our employees are happy, healthier, and dedicated to bringing a delightful experience to our customers.

Our dynamic and diverse company culture advocates communication, transparency and accentuates employee engagement.

We aim to create a healthy, cooperative, and friendly environment, empowering employees and helping them flourish throughout their career.

Attracting, developing, and retaining the right talent is the foundation of Sukoon's approach to its people. The company continuously promotes itself as an employer of choice to acquire strong candidates.

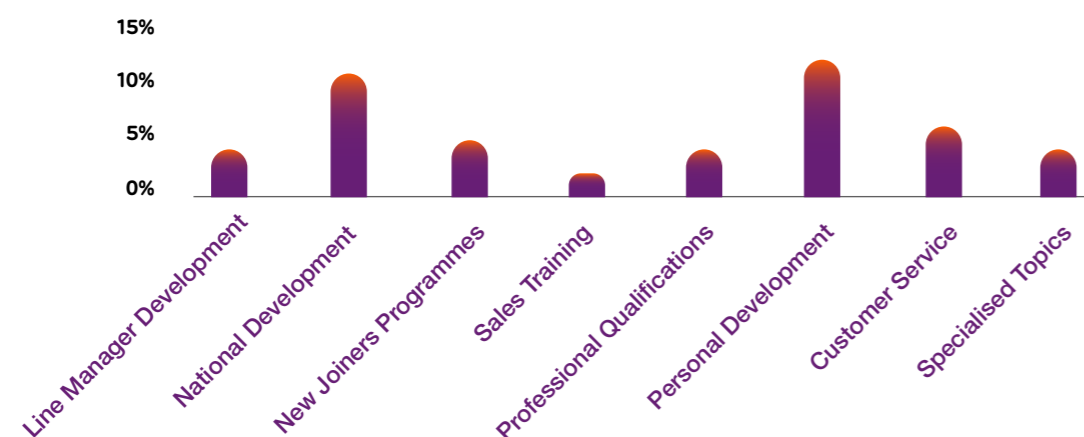
Year	Tenor	Attrition
2025	5.98	14.3%
2024	5.80	14.7%
2023	5.53	15.8%
2022	5.85	13.5%
2021	5.89	14.0%
2020	5.00	8.0%
2019	4.00	13.0%



Sukoon has a variety of engagement initiatives to further enhance its engaged workforce:

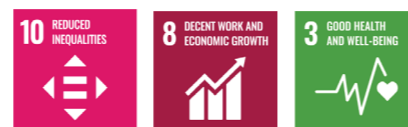


Percentage wise break up of courses in 2025



Professional Qualifications 2025

- Workforce professionalisation focus
- Enhanced customer experience through skilled teams
- Sukoon Learning Academy as licensed CII & LOMA examination centre
- Open access for internal and external candidates
- Investment in LinkedIn Learning
- "Learn with Sukoon" e-learning platform
- Access to current market trends, courses, and articles



50 YEARS OF SUKOON

EMPLOYEE EVENT



An unforgettable evening unfolded as the Sukoon family came together to celebrate its 50-year anniversary. Seeing everyone gathered under one roof was a moment of pride, reflection, and a powerful reminder of what truly defines us.

From our founding vision to the incredible milestones we've achieved, this celebration wasn't just about the past. It was a heartfelt tribute to the passion, dedication, and spirit that will carry us forward into the next 50 years. Here's to more innovation, compassion, and Sukoon in everything we do.



CSR INITIATIVES

AL TAREQ REHABILITATION & AUTISM CENTER



Sukoon partnered to support learning, therapy, and recreational activities for children with autism and special needs.



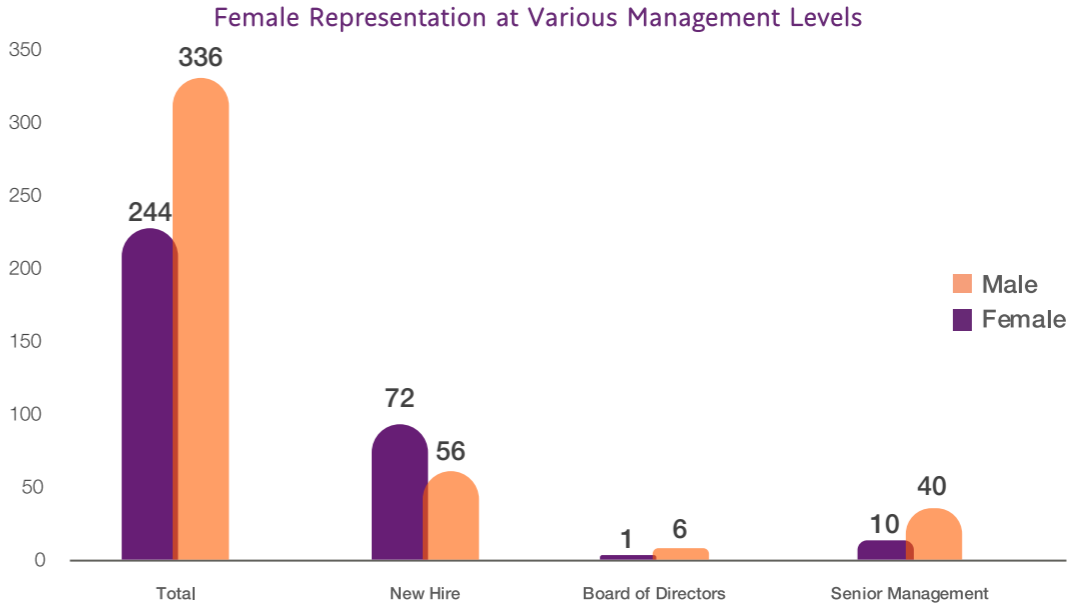
DIVERSITY

With 700+ Employees Across 34 Nationalities, Diversity is Ingrained in Sukoon’s Company Culture.

We celebrate the diversity, experience, and harmony that our employees add to the spirit of the company. With 700+ employees and 34 nationalities, diversity is ingrained in Sukoon’s company culture.



1. Female Representation

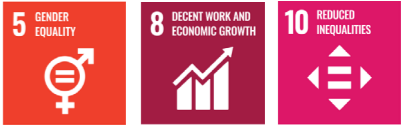
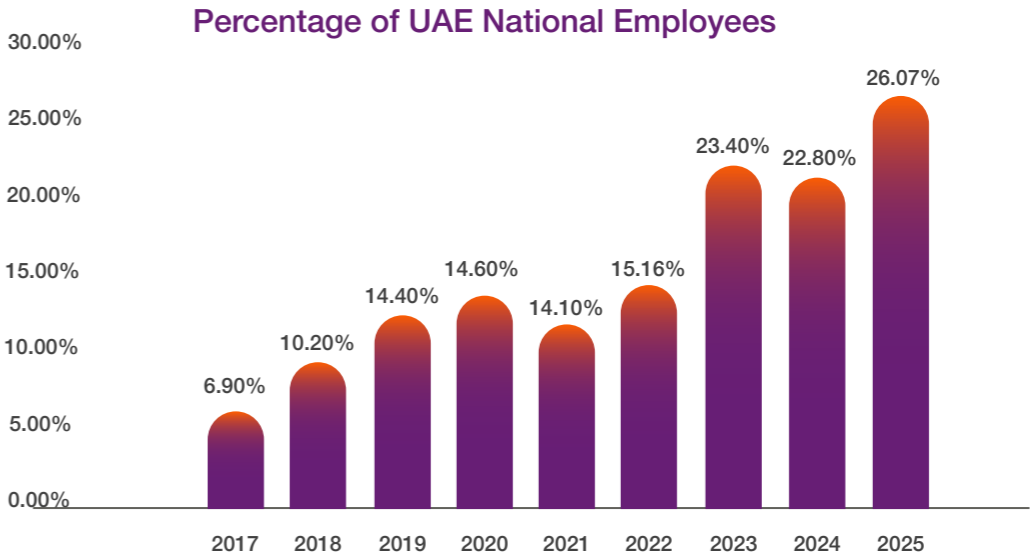


2. Diversity: Emiratisation

Sukoon’s strategy is to increase the number of Emirati talent and successfully integrate the national workforce to core insurance positions, thus enabling our people for a long-term career in the insurance sector.

The Company actively engages with the various pools to attract national employees. These include:

- a. Partnership with the Ministry of Human Resources and Emiratization
- b. Universities and Educational institutions
- c. Government accelerators
- d. National recruitment agencies
- e. Career exhibitions
- f. Social Media



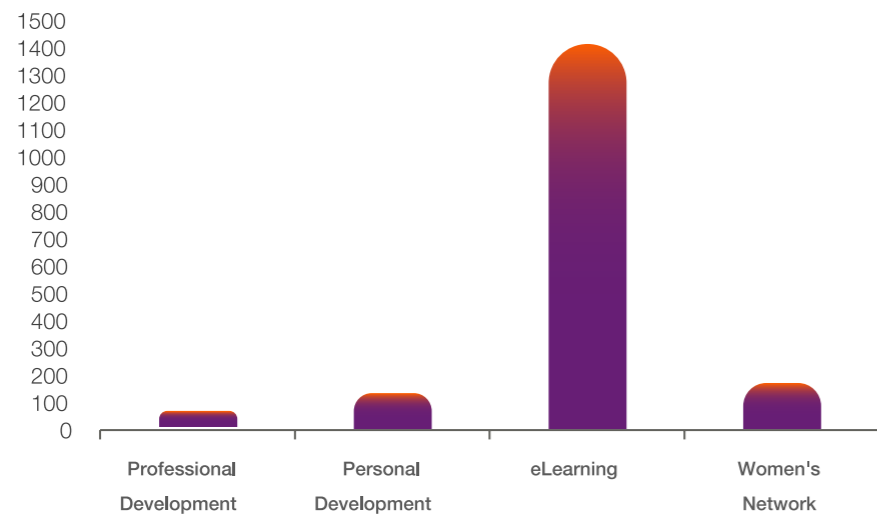
3. National Development

Sukoon's flagship program, 'Insure your Ambition,' exemplifies its steadfast commitment to nurturing the professional and personal growth of Emirati nationals. Designed with precision, the program empowers national recruits to excel in their roles, contributing not only to Sukoon's success but also to the broader community's advancement.

At its core, the program offers a robust training framework, blending essential soft skills development with professional certifications. Sukoon's partnership with the Emirates Institute of Finance reinforces this effort, delivering industry-leading training that keeps employees informed about the latest trends and best practices in the financial sector.

The tailored training under 'Insure your Ambition' addresses the unique needs of Emirati nationals, ensuring they are equipped, motivated, and inspired to realise their career aspirations. This holistic approach highlights Sukoon's dedication to cultivating a highly skilled and empowered workforce, driving both organisational excellence and national development, while fostering a culture of continuous learning and achievement.

UAE National employees spent hours in L&D events in 2025



OUR SOCIAL RESPONSIBILITY

Sukoon significantly reinforced its commitment to social inclusion and community uplift by launching a series of strategic partnerships with specialised rehabilitation centres. These collaborations focused on supporting holistic education, skill-building, and developmental programmes for individuals and children with special needs, reflecting Sukoon's core belief that true progress is measured by inclusivity.

Sukoon's 2025 CSR initiatives were defined by five pivotal partnerships, all dedicated to creating supportive environments and pathways for growth:

01

Shima Rehabilitation Center

Sukoon supported Shima Rehabilitation Center through education, therapy, and skill-building for individuals with special needs.



02

Omniyat

In partnership with Omniyat, Sukoon supported academic resources, recreational activities, and social engagement for children with special needs.



03

Al Ibtesamah Centre

Sukoon invested in educational and developmental programmes including interactive learning and therapy sessions.



04

Sara Rehabilitation Center

The collaboration provided educational assistance and developmental opportunities for children with special needs.



05

Al Tareq Rehabilitation & Autism Center

Sukoon partnered to support learning, therapy, and recreational activities for children with autism and special needs.



By prioritising holistic development and inclusion, Sukoon is committed to ensuring that every person feels valued, included, and empowered to build a brighter and more resilient future.

Additionally, our special CSR initiative Sukoon For All, aims at guaranteeing peace of mind for the People of Determination (POD). It is our commitment to empowering them, unlocking possibilities, and shaping an inclusive society. The efforts from Sukoon include building ramps outside head office and branches, placing POD-friendly signage across premises, and designating 3-4 parking spaces for POD. Also, partnering with 5 exceptional organisations working tirelessly for POD, this initiative also aligns with UAE's vision of creating an inclusive society where every individual is empowered, supported, and given equal opportunities.



Sukoon For All for People of Determination

This year, we've taken meaningful steps to make inclusion a reality. From enhancing our branches to better serve People of Determination, to partnering with incredible organisations like Manzil Center, Dubai Center for Special Needs, Mawaheb, Omniyat, and Sara Rehabilitation and Speech Center, we are proud to support those who dedicate their work to empowerment and equality.

Through accessibility upgrades, financial contributions, and initiatives aligned with the UAE's vision of an inclusive society, we are embracing a cause that defines our legacy: creating a world where every individual feels valued, supported, and given the opportunity to thrive.

Sukoon contributed a total of AED 250,000 to five charitable organisations, Manzil Center, Dubai Center for Special Needs, Mawaheb, Omniyat, and the Sara Rehabilitation and Speech Center, supporting their work in community development and special needs care.

Sultanate of Oman

01

Breast Cancer Awareness Walkathon

We participated in the annual breast cancer walkathon organised by the Oman Cancer Association (OCA) under the theme "No One Fights Alone", supporting awareness and solidarity for individuals affected by breast cancer.



02

Al Mouj Muscat Marathon

We took part in the Muscat Marathon (10 km category), where a portion of ticket proceeds supports local charitable organisations, while promoting wellness, active lifestyles, and community engagement in line with our values.



CSR INITIATIVES

SULTANATE OF OMAN



We took part in the Muscat Marathon (10 km category), where a portion of ticket proceeds supports local charitable organisations, while promoting wellness, active lifestyles, and community engagement in line with our values.

ENVIRONMENTAL RESPONSIBILITY



Category	FY22	FY23	FY24	FY25
Electricity	1,375.10K	1,361.35K	1,361.08K	1,362.44K
Water	2,283.03K	2,270.10K	2,269.88K	2,270.10K

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