



شركة أبوظبي الوطنية للتكاful ش.م.ع.
Takaful Abu Dhabi National Takaful Co. P.S.C

The Integrated Report 2025



Tuesday, 17 March 2026

www.takaful.ae



The integrated report which is include the following:

1. Board Report
2. Auditor Report
3. Annual financial Data and their notes
4. Governance Report
5. Sustainability Report
6. Sharia Control Committee Report
7. Audit Committee Report

Tuesday, 17 March 2026

**Abu Dhabi National
Takaful Company P.S.C.**

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

31 DECEMBER 2025

**Abu Dhabi National
Takaful Company P.S.C.**

DIRECTORS' REPORT

31 DECEMBER 2025

Abu Dhabi National Takaful Company P.S.C.

DIRECTORS' REPORT

For the year ended 31 December 2025

Dear Shareholders, peace be upon you,

It gives us pleasure to present to you the annual report on the Company's activities and its audited financial statements for the year ended 31 December 2025, along with the Fatwa & Sharia'a Supervisory Board, independent auditor reports and a detailed corporate governance report complying with the corporate governance code of UAE Securities and Commodities Authority.

Summary of the Company's performance and financial position for the financial year 2025:

- The total gross contributions reached AED 1 billion as compared to AED 793 million for the last year.
- Net investment income and other income reached AED 88 million compared to AED 54 million for the last year.
- Shareholders net profit for the year ending 31 December 2025 is AED 133 million compared to AED 83 million for the prior year and earnings per share is AED 1.26 compared to AED 0.79 for the last year.
- Total Assets reached AED 1.68 billion compared to AED 1.56 billion at the end of prior year.
- Total cash, bank balances and deposits reached AED 530 million compared to AED 581 million at the end of prior year.
- Shareholder's equity on 31 December 2025 reached AED 601 million compared to AED 495 million end of prior year.

Valued Shareholders

On this occasion, and on your behalf we extend profound gratitude and great appreciation to His Highness Sheikh Mohammed Bin Zayed Al Nahyan, President of UAE May Allah, the Almighty preserve him for his kind patronage to the Islamic insurance industry.

We would like also to express our sincere thanks and appreciation to the Fatwa & Sharia'a Supervisory Board members for their guidance to ensure that we fully abide by the glorious principles of Islamic Sharia'a, Insurance Authority division of Central Bank of United Arab Emirates as well as other concerned parties for their support and cooperation provided to us.

We also seize this opportunity to laud the efforts made by company staff members for their dedication and commitment for the sake of the company success and servicing our policyholders.

Furthermore, we extend our heartfelt thanks to our valued shareholders and other stakeholders inside and outside the UAE for their unlimited support to Abu Dhabi National Takaful Co. PSC.

Finally, we ask the Almighty Allah, to bless our activities and guide us to the right path.

Khamis Buharoon
Chairman of Board of Directors

**Abu Dhabi National
Takaful Company P.S.C.**

FINANCIAL STATEMENTS

31 DECEMBER 2025



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C.**

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C. continued

Report on the Audit of the Financial Statements continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of takaful contract liabilities, takaful contract assets, re-takaful contract assets and re-takaful contract liabilities</p> <p>As at 31 December 2025, the Company has takaful and retakaful contract liabilities and takaful and retakaful contract assets amounting to AED 826.3 million, AED 56.8 million, AED 0.19 million & AED 419.4 million respectively (note 14 & 15).</p> <p>The Company adopted the PAA model to value all its lines of businesses except for Individual Life and Long-Term Credit which have been measured using the General Measurement Model (GMM).</p> <p>The valuation of takaful contract liabilities and assets, including retakaful contract assets and liabilities, requires the use of complex actuarial models and significant management judgment in selecting and applying key actuarial assumptions. These assumptions are inherently subjective and involve a high degree of estimation uncertainty.</p> <p>Given the significance of these balances and the sensitivity of the valuation to changes in key assumptions, this area was considered a key audit matter.</p>	<p>We performed the following procedures with the involvement of our actuarial specialists:</p> <ul style="list-style-type: none">• Obtained an understanding and evaluated the Company's process for determining the key actuarial assumptions;• Assessed the competence, capability and objectivity of the management's appointed external actuary;• Reviewed the methodology, assumptions and other key inputs and to test a sample of the actuarial balances;• Evaluated the data used in the actuarial calculations by substantiating it to source documentation;• Tested on a sample basis, key inputs which includes contribution received, claims paid and commission income by comparing them to appropriate documentation, such as policy documents, reports from loss adjusters, retakaful contracts etc;• Evaluated the calculations, methodology and the underlying assumptions used in loss component assessment and risk adjustment;• Assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS.

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF

ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C. continued

Report on the Audit of the Financial Statements continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of unquoted investments</p> <p>Financial instruments of AED 504.9 million (Note 9 and Note 10) are reported in the financial statements of the Company. Of these financial instruments, financial assets totaling AED 494.9 million are measured at fair value, of which in turn the fair values of AED 178.1 million are calculated using valuation models or based on third-party value indicators. These financial instruments in particular relate to unlisted securities, investments in private equity, and funds.</p> <p>The valuation of level 3 investments is a key audit matter due to the materiality to the financial statements of the Company and the sensitivity thereof to the various unobservable valuation inputs, uncertain future cash flows and assumptions that require considerable judgement.</p>	<p>Our audit included the following audit procedures across the areas considered material:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process adopted by the Company to determine the fair value of unquoted securities; • Inspected the most recent reports provided by the fund managers setting out the controls in place at the fund manager, including consideration of the relevant assurance reports (SOC) on the design, implementation and operating effectiveness of their controls, where available; • We involved our valuation experts to assess the valuation methodology and estimates used in the valuations, and compared the assumptions used in the Company’s models and methodologies to independent external sources where possible; • For a selection of investments in unlisted equity and unlisted real estate, where the Company determined the fair value, we compared the price used by the Company to the 31 December 2025 price quoted by the fund manager; • Assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other information

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C. continued

Report on the Audit of the Financial Statements continued

Other matter

The financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 March 2025.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. 32 of 2021, as amended, and the UAE Federal Decree Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies, Central Bank of the UAE Board of Director's Decision No. (26) of 2014 pertinent to the Financial Regulations for Takaful Companies, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C. continued

Report on the Audit of the Financial Statements continued

Auditor's responsibilities for the audit of the financial statements continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, as amended;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Company;



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ABU DHABI NATIONAL TAKAFUL COMPANY P.S.C. continued**

Report on Other Legal and Regulatory Requirements continued

- v) investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 9 to the financial statements;
- vi) note 20 reflects material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2025; and
- viii) note 34 reflects the social contributions made during the year.

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

For Ernst & Young

Walid J Nakfour
Registration No: 5479

17 March 2026
Abu Dhabi, United Arab Emirates

Abu Dhabi National Takaful Company P.S.C.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	31 December 2025 AED	31 December 2024 AED
ASSETS			
Takaful operations assets			
Re-takaful contract assets	15	419,444,995	459,140,782
Takaful contract assets	14	195,070	10,584
Prepaid expenses and other assets	13	32,283,442	24,458,416
Unit linked investments at fair value through profit or loss		-	393,337
Financial assets measured at fair value through other comprehensive income	9	185,164,711	-
Term deposits	5	463,956,401	412,064,840
Cash and bank balances	5	<u>29,409,970</u>	<u>137,347,595</u>
Total takaful operations assets		<u>1,130,454,589</u>	<u>1,033,415,554</u>
Shareholders' assets			
Property and equipment	6	11,481,448	19,706,474
Right of use assets	7	7,920,000	9,920,554
Statutory deposit	8	10,000,000	10,000,000
Financial assets measured at fair value through other comprehensive income	9	309,691,594	348,325,400
Financial assets measured at amortized cost	10	10,283,000	10,283,000
Investment properties	11	103,375,809	41,115,000
Investment in commodities	12	58,027,240	30,804,570
Prepaid expenses and other assets	13	17,484,737	31,855,695
Deferred tax asset	35	-	763,158
Term deposits	5	15,852,500	2,310,000
Cash and bank balances	5	<u>10,223,635</u>	<u>19,244,696</u>
Total shareholders' assets		<u>554,339,963</u>	<u>524,328,547</u>
TOTAL ASSETS		<u>1,684,794,552</u>	<u>1,557,744,101</u>
LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY			
Takaful operations liabilities			
Takaful contract liabilities	14	826,340,695	839,280,880
Re-takaful contract liabilities	15	56,835,198	47,842,661
Accrued expenses and other liabilities	16	<u>38,145,890</u>	<u>32,930,563</u>
Total takaful operations liabilities		<u>921,321,783</u>	<u>920,054,104</u>
Shareholders' liabilities			
Accrued expenses and other liabilities	16	132,238,802	119,056,834
Deferred tax liability	35	6,422,329	553,169
Lease liability	17	7,593,990	9,501,999
Provision for end of service benefits	18	<u>15,162,671</u>	<u>13,989,707</u>
Total shareholders' liabilities		<u>161,417,792</u>	<u>143,101,709</u>
Total liabilities		<u>1,082,739,575</u>	<u>1,063,155,813</u>

Abu Dhabi National Takaful Company P.S.C.

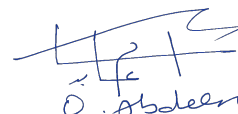
STATEMENT OF FINANCIAL POSITION continued As at 31 December 2025

	<i>Notes</i>	31 December 2025 AED	31 December 2024 AED
Policyholders' fund			
Deficit of family policyholders takaful fund	19	(4,513,808)	(8,058,376)
Deficit of general policyholders takaful fund	19	(17,669,762)	(27,884,783)
Loan (Qard Hasan) from shareholders	19	22,183,570	35,943,159
Investment revaluation reserve	19	<u>738,512</u>	<u>-</u>
Total Policyholders' fund		<u>738,512</u>	<u>-</u>
Shareholders' equity			
Share capital	22	105,000,000	105,000,000
Legal reserve	23	52,500,000	52,500,000
General reserve	24	42,500,000	42,500,000
Re-takaful default reserve	25	12,992,563	10,067,414
Investment revaluation reserve		(62,905,984)	(55,650,672)
Retained earnings		<u>451,229,886</u>	<u>340,171,546</u>
Total shareholders' equity		<u>601,316,465</u>	<u>494,588,288</u>
TOTAL LIABILITIES, POLICYHOLDERS' FUND AND SHAREHOLDERS' EQUITY		<u>1,684,794,552</u>	<u>1,557,744,101</u>

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.



Khamis Buharoon
Chairman of the Board of Directors



Osama Abdeen
Chief Executive Officer

The attached notes 1 to 47 form part of these financial statements.

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Abu Dhabi National Takaful Company P.S.C.

STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	2025 AED	2024 AED
Attributable to policyholders			
Takaful revenue	26	962,580,759	756,906,266
Takaful service expense	27	(689,400,015)	(770,164,752)
Allocation of re-takaful contributions paid	28	(550,213,600)	(431,190,719)
Amounts recovered from re-takaful contracts	28	<u>279,677,161</u>	<u>419,296,228</u>
Takaful service result		2,644,305	(25,152,977)
Investment income	29	23,483,787	23,404,652
Mudareb share	33	(8,219,326)	(8,191,628)
Takaful finance expenses for takaful contracts issued	30	(23,505,930)	(12,682,101)
Re-takaful finance income for re-takaful contracts held	31	<u>19,200,947</u>	<u>10,491,788</u>
Net financial takaful result		<u>10,959,478</u>	<u>13,022,711</u>
Other expenses, net		<u>155,806</u>	<u>(5,822,496)</u>
(Deficit)/surplus of takaful result for the year		<u>13,759,589</u>	<u>(17,952,762)</u>
Attributable to shareholders			
Shareholders' investment and other income, net	32	64,205,920	30,626,933
Mudareb share from policyholders	33	8,219,326	8,191,628
Wakalah fees from policyholders	33	249,785,244	208,597,348
Takaful expense		(115,500,206)	(71,371,178)
General and administrative expenses	34	(75,264,419)	(67,289,852)
(Increase)/decrease in provision of loan (Qard Hasan) from shareholders	19	<u>13,759,589</u>	<u>(17,952,762)</u>
PROFIT FOR THE YEAR BEFORE TAXATION		<u>145,205,454</u>	<u>90,802,117</u>
Income tax expense	35	<u>(12,400,726)</u>	<u>(7,717,327)</u>
PROFIT FOR THE YEAR AFTER TAXATION	36	<u>132,804,728</u>	<u>83,084,790</u>
Basic and diluted earnings per share	37	<u>1.26</u>	<u>0.79</u>

The attached notes 1 to 47 form part of these financial statements.

Abu Dhabi National Takaful Company P.S.C.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 AED	2024 AED
Profit for the year		<u>132,804,728</u>	<u>83,084,790</u>
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of equity investments measured at fair value through other comprehensive income, net of tax		926,498	857,432
Board of Director's remuneration, net of tax	20	(8,190,000)	(6,552,000)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Change in fair value of sukuk investments measured at fair value through other comprehensive income, net of tax		<u>(290,963)</u>	<u>(655,994)</u>
Total other comprehensive loss for the year		<u>(7,554,465)</u>	<u>(6,350,562)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>125,250,263</u>	<u>76,734,228</u>

The attached notes 1 to 47 form part of these financial statements.

Abu Dhabi National Takaful Company P.S.C.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2025

	<i>Share capital AED</i>	<i>Legal reserve AED</i>	<i>General reserve AED</i>	<i>Re-takaful default reserve AED</i>	<i>Investment revaluation reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance at 1 January 2025	105,000,000	52,500,000	42,500,000	10,067,414	(55,650,672)	340,171,546	494,588,288
Profit for the year	-	-	-	-	-	132,804,728	132,804,728
Other comprehensive loss for the year	-	-	-	-	635,535	(8,190,000)	(7,554,465)
Total comprehensive income for the year	-	-	-	-	635,535	124,614,728	125,250,263
Gain on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	-	(11,077,359)	11,077,359	-
Current tax on gain on disposal of equity investments	-	-	-	-	-	(708,598)	(708,598)
Transfer to re-takaful default reserve	-	-	-	2,925,149	-	(2,925,149)	-
Dividends paid (note 21)	-	-	-	-	-	(21,000,000)	(21,000,000)
Transfer from shareholders to policyholders fund	-	-	-	-	3,186,512	-	3,186,512
Balance at 31 December 2025	<u>105,000,000</u>	<u>52,500,000</u>	<u>42,500,000</u>	<u>12,992,563</u>	<u>(62,905,984)</u>	<u>451,229,886</u>	<u>601,316,465</u>
Balance at 1 January 2024	105,000,000	52,500,000	42,500,000	7,627,958	(53,578,630)	295,402,196	449,451,524
Profit for the year	-	-	-	-	-	83,084,790	83,084,790
Other comprehensive loss for the year	-	-	-	-	201,438	(6,552,000)	(6,350,562)
Total comprehensive income for the year	-	-	-	-	201,438	76,532,790	76,734,228
Gain on disposal of financial assets classified at fair value through other comprehensive income	-	-	-	-	(2,273,480)	2,853,070	579,590
Current tax on gain on disposal of equity investments	-	-	-	-	-	(677,054)	(677,054)
Transfer to re-takaful default reserve	-	-	-	2,439,456	-	(2,439,456)	-
Dividends paid (note 21)	-	-	-	-	-	(31,500,000)	(31,500,000)
Balance at 31 December 2024	<u>105,000,000</u>	<u>52,500,000</u>	<u>42,500,000</u>	<u>10,067,414</u>	<u>(55,650,672)</u>	<u>340,171,546</u>	<u>494,588,288</u>

The attached notes 1 to 47 form part of these financial statements.

Abu Dhabi National Takaful Company P.S.C.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	2025 AED	2024 AED
OPERATING ACTIVITIES			
Profit for the period before taxation		145,205,454	90,802,117
Adjustments for:			
Depreciation of property and equipment	6	1,875,464	1,930,431
Depreciation of right of use asset	7	2,000,554	586,464
Investment and other income		(30,557,857)	(47,774,531)
Net movement in provision for end of service benefits	18	1,172,964	266,980
Net movement in expected credit loss		3,544,144	(108,181)
Movement in fair value of investments properties	11	(31,472,392)	(957,500)
Movement in fair value of commodities	12	(22,472,057)	(5,188,825)
Gain on disposal of commodities		(52,198)	-
Finance cost on takaful and re-takaful contracts, net		4,304,983	2,190,313
Finance cost on lease liability	17	265,991	81,981
Gain on disposal of investment properties		(135,000)	(562,500)
Gain on disposal of property and equipment		(5,232,348)	(2,548)
Corporate tax paid		(7,232,926)	-
Operating profit before movements in working capital		61,214,776	41,264,201
Decrease/(increase) in prepaid and other assets		6,545,933	1,695,571
Increase in re-takaful contract assets		58,896,734	(263,066,777)
Decrease/(increase) in takaful contract assets		(1,496,488)	1,198,397
Decrease/(increase) in unit linked investments		393,337	1,183,150
Increase in takaful contract liabilities		(36,446,113)	213,058,146
Increase/(decrease) in re-takaful contract liabilities		8,992,533	27,246,118
(Decrease)/ increase in accrued expenses and other liabilities		16,469,378	(24,350,261)
Directors' remuneration paid		(7,200,000)	(6,448,826)
Net cash generated/ (used in) from operating activities		<u>107,370,090</u>	<u>(8,220,281)</u>
INVESTING ACTIVITIES			
Net movement in investments		(142,558,621)	4,606,338
Purchase of investment properties	11	(20,302,898)	-
Proceeds from sale of investment properties		720,000	13,940,000
Purchase of commodities	12	(10,383,401)	(10,018,558)
Proceeds from sale of property and equipment		10,993,980	2,570
Proceeds from sale of commodities		5,684,984	-
Purchase of property and equipment	6	(10,482,589)	(754,585)
Investment and other income received		30,557,857	47,774,531
Movement in term deposits		(28,165,762)	61,076,125
Net cash (used in)/generated from investing activities		<u>(163,936,450)</u>	<u>116,626,421</u>
FINANCING ACTIVITY			
Dividends paid	21	(21,000,000)	(31,500,000)
Lease payments	17	(2,174,000)	(1,087,000)
Net cash used in financing activity		<u>(23,174,000)</u>	<u>(32,587,000)</u>
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		<u>(79,740,360)</u>	<u>75,819,140</u>
Cash and cash equivalents at the beginning of the year		<u>156,592,291</u>	<u>80,773,151</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>76,851,931</u>	<u>156,592,291</u>

The attached notes 1 to 47 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 CORPORATE INFORMATION

Abu Dhabi National Takaful Company PSC (the “Company”) is a public shareholding company which was incorporated in Abu Dhabi, United Arab Emirates (“UAE”) on 16 November 2003. The Company is registered in accordance with the Federal Decree Law No. (32) of 2021 as amended, relating to commercial companies, and of Federal Decree-Law No. (6) of 2025. The Company is subject to the regulations of the U.A.E. Federal Law No. 48 of 2023 concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates 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 071.

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

The Company carries out takaful and retakaful activities of all classes in accordance with the provisions of the U.A.E. Federal Decree-Law No. 48 of 2023. The Company is domiciled and operates in the UAE and its registered address is P.O. Box 35335, Abu Dhabi, UAE.

The financial statements of the Company for the year ended 31 December 2025 have been authorised for issue in accordance with a resolution of the Board of Directors on 17 March 2026.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

2.1 New and revised IFRS adopted in the financial statements

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

New and revised IFRSs	Effective for annual periods beginning or after
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Amendments to IAS 24 Lack of exchangeability	1 January 2025
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2.2 New and revised IFRS in issue but not yet effective and not early adopted

New and revised IFRSs	Effective for annual periods beginning or after
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IFRS 9 and IFRS 7 — Amendment regarding the classification and measurement of financial instrument	1 January 2026, earlier application is permitted
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IFRS 9 and IFRS 7 — Amendment regarding the Contracts referencing nature dependent electricity	1 January 2026, earlier application is permitted
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IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027,
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IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027,
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) continued

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

New and revised IFRSs	Effective for annual periods beginning or after
Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)	Effective date deferred indefinitely. Adoption is still permitted.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these 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

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standards Board (IASB) and complies with the applicable requirements of U.A.E Federal Law No. 32 of 2021, as amended, relating to commercial companies, and of Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business and the Insurance Authority Board of Directors’ Decision No. (26) of 2014 pertinent to the Financial Regulations for Takaful Companies.

Adhering to the Article 3.3 of Section 7 of the Financial Regulations for Takaful Companies issued by Insurance Authority (FRTC) and the relevant Shariah Board decisions, Company has not considered shareholders’ expenses. Only a Wakala fee was considered while applying the requirement of IFRS 17. Policy acquisition cost and general and administrative expenses accounts along with associated balance sheet items are part of the shareholders’ accounts and presented separately.

The Company’s statement of financial position is not presented using a current / non-current classification. However, the balances which would generally be classified as current includes bank balances and cash and other receivables. The balances which would generally be classified as non-current includes property and equipment, right of use assets and liabilities, investment properties, employees’ end of service benefits and statutory deposits. The following balances are of mixed nature (including both current and non-current portions): financial assets, retakaful contract assets, retakaful contract liabilities, takaful contract liabilities, deferred acquisition cost and accrued expenses and other liabilities. Further, the presentation of the line items in the Statement of Financial Position and the Statement of Financial Performance is in accordance with financial statement forms as prescribed in Financial Regulations for Takaful Companies.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.2 Basis of preparation

These financial statements have been prepared on the historical cost basis except for investment properties, investment in commodities and certain financial instruments that are measured at fair values as at the end of each reporting date, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements are presented in UAE Dirhams (AED) being the functional and presentation currency of the Company.

3.3 Takaful contracts issued and re-takaful contracts held

Takaful and re-takaful contracts issued classification

The Company issues takaful contracts in the normal course of business, under which it accepts significant takaful risk from its policyholders. As a general guideline, the Company determines whether it has significant takaful risk, by comparing benefits payable after an insured event with benefits payable if the insured event had not occurred. The Company also issues re-takaful contracts in the normal course of business to compensate other entities for claims arising from one or more takaful contracts issued by those entities.

Level of Aggregation

The Company identifies portfolios by aggregating takaful contracts that are subject to similar risks and managed together. In grouping takaful contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company 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 takaful contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

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

Recognition

Groups of takaful 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 Company determines that a group of contracts becomes onerous.

Combination of takaful contracts

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

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

Separating components from takaful and re-takaful contracts

The Company assesses its takaful and re-takaful 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 Company applies IFRS 17 to all remaining components of the (host) takaful contract. Currently, the Company's contracts do not include any distinct components that require separation.

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Contract boundary

The measurement of a group of takaful 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 a takaful contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the contributions, or in which the Company has a substantive obligation to provide the policyholder with takaful contract services. A substantive obligation to provide takaful contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- Both of the following criteria are satisfied:
 - i. The Company has the practical ability to reassess the risks of the portfolio of takaful 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
 - ii. The pricing of the contributions 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 contributions or claims outside the boundary of the takaful contract are not recognised. Such amounts relate to future takaful contracts.

Measurement

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

	Measurement models the option is allowed to be applied	IFRS 17 options	Adopted approach
Takaful 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 takaful acquisition cashflows when incurred or amortizing them over the contract's coverage period.	Takaful acquisition cash flows are allocated to related groups of takaful 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 contribution due date is no more than a year, an entity is not required to make an adjustment for accretion of profit on the LRC.	For all contracts measured under the PAA, there is no adjustment to reflect the time value of money and the effect of financial risk as the contributions 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 Company discounts the LIC for the time value of money.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

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

	Measurement models the option is allowed to be applied	IFRS 17 options	Adopted approach
Takaful 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 all contracts within the scope of IFRS 17 the Company includes all takaful 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 takaful service result. Instead, it can choose to split the amount between the takaful service result and takaful finance income or expenses.	The Company does not disaggregate changes in the risk adjustment for non-financial risk between takaful service result and takaful finance income or expenses.
Presentation of income / (expense) from re-takaful contracts held	All	IFRS 17 allows options in presenting income or expenses from re-takaful contracts held, other than takaful 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 contribution paid (as re-takaful expenses) in line items separate from takaful revenue and takaful service expenses.	The Company elected to present separately the amounts recovered from re-takaful contracts and an allocation of re-takaful contributions paid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

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

The Company applies the premium allocation approach to all the takaful contracts (other than long term credit family takaful and individual family takaful contracts) that it issues and re-takaful contracts (other than those covering long term credit family takaful and individual family takaful contracts) that it holds as;

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

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

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The contributions, if any, received at initial recognition
- Minus any takaful acquisition cash flows at that date,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for takaful acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of takaful contracts is recognised.

The Company 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 contributions received in the period
- Minus takaful acquisition cash flows
- Plus any amounts relating to the amortisation of the takaful 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 takaful revenue for the services provided in the period
- Minus any investment component paid or transferred to the liability for incurred claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company 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 Company performs a test for onerousness. If the amount of the fulfilment cash flows exceeds the carrying amount of the LRC, the Company recognises the amount of the difference as a loss in profit or loss and increases the LRC for the corresponding amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

Takaful contracts measured other than PAA - Initial and Subsequent Measurement

The Company 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 Company'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 Company 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 Company includes all cash flows that are within the contract boundary including:

- Contributions 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 takaful acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Transaction-based taxes
- Other costs specifically chargeable to the policyholder under the terms of the contract

The Company 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 Company determines its current expectations of probabilities of future events occurring at the end of the reporting period. In developing new estimates, the Company considers the most recent experience and earlier experience, as well as other information.

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

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

For a group of takaful 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, profit 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 takaful revenue because of the transfer of takaful 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

Takaful contracts measured other than PAA - Initial and Subsequent Measurement continued

For direct participating contracts measured under the VFA, the Company adjusts the CSM for the change in the amount of the Company'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 Company'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 takaful service expenses) and creating a loss component; or
- an increase in the amount of the Company'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 takaful service expenses).

The Company 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 takaful revenue and takaful service expenses.

Individual family unit linked contracts have explicit surrender values. The investment component excluded from takaful revenue and takaful service expenses is determined as the surrender value specified in the contractual terms less any surrender charges. All the other contracts issued by the Company 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 contribution receipts (and any related cash flows such as takaful acquisition cash flows) and the estimate, at the beginning of the period, of the amounts expected. Differences related to contributions received (or due) related to current or past services are recognised immediately in profit or loss while differences related to contributions 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 takaful 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 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 takaful contracts becomes onerous, the Company 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 Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

The Company measures the carrying amount of a group of takaful 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 Company comprising the fulfilment cash flows related to past service allocated to the group at that date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

Re-takaful contracts held

Re-takaful contracts held are accounted for by applying IFRS 17 when they meet the definition of a takaful contract. This includes the condition that the contract must transfer significant takaful risk.

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

Portfolios of re-takaful contracts held are assessed for aggregation separately from portfolios of takaful contracts issued. Applying the grouping requirements to re-takaful contracts held, the Company aggregates re-takaful 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 re-takaful contracts held is recognised as follows:

- If the re-takaful contracts provide proportionate coverage, the date the Company initially recognizes any underlying takaful contracts (onerous or not).
- In all other cases, at the beginning of the coverage period of the group of re-takaful contracts. However, if the Company recognises an onerous group of underlying takaful contracts on an earlier date and the related re-takaful contract was entered into before that earlier date, then the group of re-takaful 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 Company 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 Company measures its re-takaful assets for a group of re-takaful contracts that it holds on the same basis as takaful contracts that it issues. However, they are adapted to reflect the features of re-takaful contracts held that differ from takaful contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Where the Company recognises a loss on initial recognition of an onerous group of underlying takaful contracts or when further onerous underlying takaful contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of re-takaful contracts held depicting the recovery of losses. The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying takaful contracts and the percentage of claims on the underlying takaful contracts the Company expects to recover from the group of re-takaful contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to takaful contracts covered by the group of re-takaful contracts held where some contracts in the underlying group are not covered by the group of re-takaful contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. The company applies coverage units—aligned with the CSM release pattern—as the systematic and rational basis for determining the amortization or allocation of the loss-recovery component.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

Modification and derecognition

The Company derecognises takaful 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 Company derecognises the initial contract and recognises the modified contract as a new contract

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

Takaful acquisition cash flows

The Company includes takaful acquisition cash flows in the measurement of a group of takaful contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of takaful contracts to which the group belongs. These are essentially the Wakala Charges levied by the shareholders on each policy at time of inception and recognized as income attributable to shareholders.

Discount rates

The Company uses the bottom-up approach for the groups of contracts measured under PAA, GMM and VFA to derive the discount rates. For GMM and VFA business, the bottom-up approach is calculated as below:

Discount Rate = Risk free rate (RFR) + Volatility adjustment (VA) + Country Risk Premium (CRP), where RFR reflects US-pegged EIOPA rates.

Risk adjustment for non-financial risk

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach in the range of 60th to 70th percentile, adjusted for diversification. That is, the Company 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 60th to 70th percentile confidence level, adjusted for diversification, less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

The selection of Risk Adjustment percentile is linked to inherent volatility of underlying risk. For relatively stable lines (Motor and Medical), a 60th percentile has been chosen while for other lines a more conservative 70th percentile has been chosen.

Contractual service margin (CSM)

The CSM is a component of the asset or liability for the group of takaful contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of takaful contracts is recognised in profit or loss as takaful revenue in each period to reflect the takaful contract services provided under the group of takaful 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 takaful contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

Contractual service margin (CSM) continued

The number of coverage units in a group is the quantity of takaful contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. The coverage unit for the long-term credit family takaful is the expected claim cost. The coverage units for Unit-Linked portfolio are the expected sum at risk plus the cash value.

The total coverage units of each group of takaful 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 re-takaful 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.

Transition from IFRS 4 to IFRS 17

On transition date, 1 January 2022, the Company:

- Applied the following approaches to identify, recognise and measure the groups of takaful contracts issued and re-takaful contracts held:
 - The full retrospective approach was used for groups of short-term takaful contracts issued and both long-term and short-term groups of re-takaful contracts held.
 - The full retrospective approach was used for groups of long-term Credit family takaful contracts issued unless this was impracticable, in which case either the modified retrospective approach or fair value approach was used.
- Derecognised any existing balances that would not exist had IFRS 17 always applied.
- Recognised any resulting net difference in policyholder fund.

The Company assessed historical information available and determined that all reasonable and supportable information necessary to apply the full retrospective approach was not available for those groups of contracts for which the modified retrospective and fair value approaches were used.

Modified Retrospective Approach

The objective of the modified retrospective approach is to achieve the closest possible outcome to the full retrospective approach maximising the use of available information. In applying the modified retrospective approach the Company has used the following permitted modification to determine the CSM:

- Estimated historical discount rates applied to cash flows in the period prior to 2016 using an observable market yield curve based on discount rate applicable for 2016.

Fair Value Approach

Under the fair value approach, the CSM at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. In determining fair value, the Company applied the requirements of IFRS 13 Fair Value Measurement. Specifically, the fair value of the takaful contracts was measured as the sum of (a) the present value of the cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and (b) an additional margin.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.3 Takaful contracts issued and re-takaful contracts held continued

Measurement continued

Fair Value Approach continued

Differences in the Company's approach to measuring fair value from the IFRS 17 requirements for measuring fulfilment cash flows gave rise to a CSM at 1 January 2022. In particular, in measuring fair value the Company included a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the takaful contracts. In determining this margin, the Company considered certain risks that were not reflected in the fulfilment cash flows, that a market participant would consider. When applying the fair value transition approach the Company determined the discount rate at the transition date.

3.4 Revenue recognition

Dividend income

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

Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the income statement.

Other income

Other income is accrued on a time basis, by reference to the principal outstanding and at the effective rate of return applicable.

3.5 Foreign currencies

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retransferred 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 statement of income in the period in which they arise.

3.6 Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses, if any. The cost of property and equipment is their purchase cost, together with any incidental expenses of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the statement of income during the financial period in which they are incurred.

Depreciation is calculated so as to write off the cost of property and equipment on a straight-line basis over their expected useful economic lives.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.6 Property and equipment continued

The principal annual rates used for this purpose are:

Building	3.33%
Furniture, fixtures and office equipment	20%
Computer equipment and accessories	20 - 33.33%
Motor vehicles	25%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of income.

3.7 Investment properties

Investment properties are held for the generation of income or capital appreciation and are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement 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 income statement in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use.

3.8 Impairment of tangible assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use.

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.9 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle 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 reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination. Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

3.10 Income tax

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

3.10.1 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 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 Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the 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.

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

3.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in the 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.

3.11 Leases

Leases are recognised as a right-of-use asset and a lease liability at the date at which the leased asset is available for use by the Company. 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 profit 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.11 Leases continued

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 rate implicit in the lease. If that rate cannot be determined, the lessee's incremental financing rate of 3% 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.

3.12 Employee benefits

An accrual is made for 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 reporting period.

Provision is also made for end of service benefits due to non-UAE national employees in accordance with the Company's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period.

Pension contributions are made in respect of UAE national employees to the Abu Dhabi Pension Authority, calculated in accordance with Government regulations, such contributions are charged to the statement of income during the employees' period of service.

3.13 Financial assets

Classification and measurement

The Company has the following financial assets: cash and cash equivalents, contributions and retakaful balances receivables, investments at fair value through other comprehensive income and investments at fair value through profit or loss. The classification depends on the nature of the financial asset and is determined at the time of initial recognition.

Cash and cash equivalents

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

Investments at fair value through other comprehensive income (equity instruments)

Investments at fair value through other comprehensive income (equity instruments) are initially recorded at cost and subsequently measured at fair value. Subsequent changes in fair value and gains or losses arising on disposal are recognised in other comprehensive income and dividend income is credited to statement of income when the right to receive the dividend is established.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.13 Financial assets continued

Investments at fair value through other comprehensive income (debt instruments)

Investments at fair value through other comprehensive income (debt instruments) are initially recorded at cost and subsequently measured at fair value. profit, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Investments at fair value through profit or loss

Investments at fair value through profit or loss are initially recorded at cost and subsequently measured at fair value. Subsequent changes in fair value and gains or losses arising on disposal are recognised in statement of income, profit from debt securities is recognized in statement of income and dividend income is credited to statement of income when the right to receive the dividend is established.

Investments at amortised cost

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows. Subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. For financial assets and liabilities carried at amortised cost, management believes that the carrying values of these instruments approximates to their fair values and therefore, no ECL allowance has been recognised.

Derecognition of financial assets

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

Impairment of financial assets

The Company applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortised cost and debt instruments classified as FVOCI. Assets migrate through the three stages based on the change in credit quality since initial recognition.

a) Overview

The Company is recording the allowance for expected credit losses for debt financial assets not held at FVTPL. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.13 Financial assets continued

Impairment of financial assets continued

a) Overview continued

Based on the above process, the Company categorizes its FVOCI assets into stages as described below:

Stage 1: When financial instruments are first recognised, the Company recognises an allowance based on 12 month ECLs. Stage 1 also include financial instruments where the credit risk has improved and the has been reclassified from Stage 2.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECLs. Stage 2 also includes instruments for which the credit risk has improved and that have been reclassified from Stage 3.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and treated, along with the profits calculated. When transitioning financial assets from stage 2 to stage 3, the percentage of provision made for such assets should not be less than the percentage of provision made before transition. Purchased or originated credit impaired assets are financial assets that are credit impaired on initial recognition and are recorded at fair value at original recognition and profit is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The accounts which are restructured due to credit reasons in past 12 months will be classified under stage 2.

b) The calculation of ECLs

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon.
- The Exposure at Default ("EAD ") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to receive, including from the realisation of any collateral.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.13 Financial assets continued

Impairment of financial assets continued

b) *The calculation of ECLs* continued

The mechanics of the ECL method are summarised below:

Stage 1: The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For financial asset considered credit-impaired, the Company recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

c) *Forward looking information*

The Company, for forward looking information, relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

3.14 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

3.14 Financial liabilities and equity instruments continued

Other liabilities and accruals

Other liabilities and accruals are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective rate of return, with the expense recognised on an effective yield basis.

The effective rate of return is a method of calculating the amortised cost of a financial liability and of allocating the expense over the relevant period. The effective rate of return is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

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

3.15 Investment in commodities

Investment in commodities, which are commodities held to for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment in commodities is measured at fair value. Gains or losses arising from changes in the fair value of investment commodities are included in profit or loss in the period in which they arise.

An investment commodity is derecognised upon disposal. Any gain or loss arising on derecognition of the commodity (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the commodity is derecognised.

3.16 Deficit in policyholders' fund

Deficit in the policyholders' fund is financed by the shareholders through a profit free loan "Qard Hasan". The Company maintains a full provision against such loans.

3.17 Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

While applying the accounting policies as stated in Note 3, management of the Company has made certain judgements, estimates and assumptions 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. Revision to accounting estimates are recognised in the period of the revision 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. The significant judgements and estimates made by management, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are:

Fair value of investment properties

External valuers may be involved for valuation of significant assets, such as investment properties. Selection criteria for valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY continued

Fair value of unquoted equity investments

Fair valuation of unquoted equity investments is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments, net asset base of investee or other valuation models.

Assessment of significance of takaful risk:

The Company applies its judgement in assessing whether a contract transfers to the issuer significant takaful risk. A contract transfers significant takaful risk only if an insured event could cause the Company 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.

Risk adjustment

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach in the range of 60th to 70th percentile, adjusted for diversification. That is, the Company 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 60th to 70th percentile confidence level, adjusted for diversification, less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

The selection of Risk Adjustment percentile is linked to inherent volatility of underlying risk. For relatively stable lines (Motor and Medical), a 60th percentile has been chosen while for other lines a more conservative 70th percentile has been chosen.

Onerous groups

The Company uses significant judgement to determine at what level of granularity the Company 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.

Time value of money

The Company adjusts the carrying amount of the takaful contracts liabilities and re-takaful contracts assets 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 and adjusted with a country risk premium. The Company used the following yield curves to discount cash flows:

	<i>1 year</i> <i>AED</i>	<i>5 year</i> <i>AED</i>	<i>10 year</i> <i>AED</i>	<i>20 year</i> <i>AED</i>	<i>30 year</i> <i>AED</i>
2025					
Contracts under PAA	4.44%	4.48%	4.85%	5.29%	5.24%
Contracts under GMM and VFA	4.44%	4.48%	4.85%	5.29%	5.24%
2024					
Contracts under PAA	5.95%	4.69%	4.64%	4.65%	4.42%
Contracts under GMM and VFA	5.21%	5.05%	5.10%	5.13%	4.87%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

**4 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY** continued

Liability for incurred claims for contracts measured under the PAA

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

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. 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 Company 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.

Measurement of future cash flows for contracts not measured under the PAA

The measurement of a group of takaful contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and also from applicable law and regulation. Cash flows are considered to be outside of the contract boundary if the Company has the practical ability to reprice existing contracts to reflect their reassessed risks and if the contract's pricing for coverage up to the date of reassessment considers only the risks till that next reassessment date.

The following assumptions were used when estimating future cash flows:

Mortality rates

Mortality risks are inherent in most lines of business. The assumptions are set based on the internal experience of the Company when there are sufficient volumes of data to support a credible investigation. When internal experience is not sufficient, the assumptions are set with reference to industry/reinsurance experience and commonly used tables.

Lapse and surrender rates

Lapse and surrenders assumptions relate to the rate by which policyholders cancel/surrender their policies. The assumptions are set in line with recent Company experience, by adjusting for expected improvements/deteriorations where necessary.

Expenses

No expense assumptions are set for any business line, given the nature of takaful operations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

5 CASH AND CASH EQUIVALENTS

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Takaful operations assets		
Cash and bank balances	29,409,970	137,347,595
Term deposits	464,132,577	412,290,989
Expected credit loss	<u>(176,176)</u>	<u>(226,149)</u>
	493,366,371	549,412,435
Less: term deposits with original maturity of more than three months	(426,914,251)	(412,290,989)
Add: expected credit loss on term deposit	<u>176,176</u>	<u>226,149</u>
Cash and cash equivalents	<u>66,628,296</u>	<u>137,347,595</u>
Shareholders' assets		
Cash and bank balances	10,223,635	19,244,696
Term deposits	<u>15,852,500</u>	<u>2,310,000</u>
	<u>26,076,135</u>	21,554,696
Less: term deposits with original maturity of more than three months	<u>(15,852,500)</u>	<u>(2,310,000)</u>
Cash and cash equivalents	<u>10,223,635</u>	<u>19,244,696</u>
Takaful operations assets	66,628,296	137,347,595
Shareholders' assets	<u>10,223,635</u>	<u>19,244,696</u>
	<u>76,851,931</u>	<u>156,592,291</u>
Total cash and bank balances	<u>76,851,931</u>	<u>156,592,291</u>
Total term deposits	<u>479,808,901</u>	<u>414,374,840</u>

Term deposits represent deposits held with Islamic financial institutions in the UAE, are denominated in UAE dirhams and carry expected profit at the prevailing market rates ranging from 3.35% to 4.45% per annum (2024: 4.1% to 5.5% per annum).

Movement in expected credit loss are as follows:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Opening balance	226,149	-
(Release) /provision during the year	<u>(49,973)</u>	<u>226,149</u>
Closing balance	<u>176,176</u>	<u>226,149</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

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6 PROPERTY AND EQUIPMENT

	<i>Building AED</i>	<i>Furniture, fixtures and equipment AED</i>	<i>Computer equipment and accessories AED</i>	<i>Motor vehicles AED</i>	<i>Total AED</i>
2025					
Cost:					
At 1 January 2025	25,196,436	9,810,511	9,891,925	1,220,716	46,119,588
Additions	-	9,788,177	169,852	524,560	10,482,589
Disposals	(6,213,705)	(6,815,150)	(62,987)	(375,228)	(13,467,070)
Transfer to investment properties*	(18,982,731)	-	-	-	(18,982,731)
At 31 December 2025	<u>-</u>	<u>12,783,538</u>	<u>9,998,790</u>	<u>1,370,048</u>	<u>24,152,376</u>
Accumulated depreciation:					
At 1 January 2025	8,057,351	9,150,886	8,250,530	954,347	26,413,114
Charge for the year	770,158	203,002	743,836	158,468	1,875,464
Disposals	(915,297)	(6,492,996)	(58,694)	(238,451)	(7,705,438)
Relating to transfer to investment properties*	(7,912,212)	-	-	-	(7,912,212)
At 31 December 2025	<u>-</u>	<u>2,860,892</u>	<u>8,935,672</u>	<u>874,364</u>	<u>12,670,928</u>
Net carrying amount: 31 December 2025	<u>-</u>	<u>9,922,646</u>	<u>1,063,118</u>	<u>495,684</u>	<u>11,481,448</u>
2024					
Cost:					
At 1 January 2024	25,196,436	9,753,211	9,242,789	1,220,716	45,413,152
Additions	-	70,980	683,605	-	754,585
Disposals	-	(13,680)	(34,469)	-	(48,149)
At 31 December 2024	<u>25,196,436</u>	<u>9,810,511</u>	<u>9,891,925</u>	<u>1,220,716</u>	<u>46,119,588</u>
Accumulated depreciation:					
At 1 January 2024	7,215,707	8,929,555	7,567,810	817,738	24,530,810
Charge for the year	841,644	235,008	717,170	136,609	1,930,431
Disposals	-	(13,677)	(34,450)	-	(48,127)
At 31 December 2024	<u>8,057,351</u>	<u>9,150,886</u>	<u>8,250,530</u>	<u>954,347</u>	<u>26,413,114</u>
Net carrying amount: 31 December 2024	<u>17,139,085</u>	<u>659,625</u>	<u>1,641,395</u>	<u>266,369</u>	<u>19,706,474</u>

*During the year, the Company transferred AED 11,070,519 from Buildings to Investment Property, representing the reclassification of assets that now meet the definition of investment property as per IAS 40.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

7 RIGHT OF USE ASSET

During the year, the Company has entered into a lease agreement. Below is the carrying amount of right of use asset recognized and movement during the year.

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
As at 1 January	9,920,554	-
Addition during the year	-	10,507,018
Depreciation charged during the year	<u>(2,000,554)</u>	<u>(586,464)</u>
As at 31 December	<u>7,920,000</u>	<u>9,920,554</u>

8 STATUTORY DEPOSIT

In accordance with the requirements of the Federal Law No. (48) of 2023, the Company maintains a bank deposit of AED 10,000,000 which cannot be utilised without the consent of the UAE Central Bank. The statutory deposit is held with an islamic bank in the UAE, a related party (note 20).

9 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Financial assets measured at fair value through other comprehensive income	<u>494,856,305</u>	<u>348,325,400</u>
	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Policyholders' assets		
Quoted securities		
Sukuks	187,621,011	-
Expected credit losses on Sukuk	<u>(2,456,300)</u>	<u>-</u>
Total quoted securities for Policyholders assets	<u>185,164,711</u>	<u>-</u>
Total quoted and unquoted securities for Policyholders assets	<u>185,164,711</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

9 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME continued

	<i>31 December</i> 2025 <i>AED</i>	<i>31 December</i> 2024 <i>AED</i>
Shareholders' assets		
Quoted securities		
Equity securities	131,615,167	54,019,611
Sukuks	-	129,790,705
Expected credit losses on Sukuk	<u>-</u>	<u>(174,185)</u>
Total quoted securities for shareholders assets	<u>131,615,167</u>	<u>183,636,131</u>
Unquoted securities		
Unlisted equities	<u>178,076,427</u>	<u>164,689,269</u>
Total unquoted securities for shareholders assets	<u>178,076,427</u>	<u>164,689,269</u>
Total quoted and unquoted securities for shareholders assets	<u>309,691,594</u>	<u>348,325,400</u>
Movement in expected credit loss are as follows:		
	2025 <i>AED</i>	2024 <i>AED</i>
Opening balance	174,185	508,515
Provision /Reversals during the year	<u>2,282,115</u>	<u>(334,330)</u>
Closing balance	<u>2,456,300</u>	<u>174,185</u>
	31 December 2025 <i>AED</i>	31 December 2024 <i>AED</i>
Quoted securities	316,779,878	183,636,131
Unquoted securities	<u>178,076,427</u>	<u>164,689,269</u>
	<u>494,856,305</u>	<u>348,325,400</u>

Investments include AED 76.9 million (2024: AED 119.4 million) registered in the name of custodians who are holding these investments on behalf of the Company through investment agreements.

Unquoted equity securities are valued primarily based on net assets of the investees unless recent transactions provide evidence of the current fair value. The Company has classified these as level 3 investments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

9 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME continued

The geographical concentration of investments is as follows:

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Within UAE	202,154,479	133,044,992
Outside UAE	<u>292,701,826</u>	<u>215,280,408</u>
Total investments	<u>494,856,305</u>	<u>348,325,400</u>

The movement in investments are as follows:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Opening balance	348,325,400	352,579,538
(Disposal)/addition during the year, net	151,353,865	(1,418,938)
loss on disposal of investments	(11,798,888)	(2,273,480)
Unrealized gain/(loss)	<u>6,975,928</u>	<u>(561,720)</u>
Closing balance	<u>494,856,305</u>	<u>348,325,400</u>

10 FINANCIAL ASSETS MEASURED AT AMORTIZED COST

The table below sets out the classification of each class of financial assets and liabilities along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the carrying values of these instruments approximates to their fair values.

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Shareholders' assets		
<i>Unquoted securities</i>		
Murabaha placement	<u>10,283,000</u>	<u>10,283,000</u>
Total securities for shareholders assets	<u>10,283,000</u>	<u>10,283,000</u>

The geographical concentration of investments is as follows:

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Within UAE	-	-
Outside UAE	<u>10,283,000</u>	<u>10,283,000</u>
Total investments	<u>10,283,000</u>	<u>10,283,000</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

10 FINANCIAL ASSETS MEASURED AT AMORTIZED COST continued

The movement in investments are as follows:

	2025 AED	2024 AED
Opening balance	10,283,000	10,283,000
Addition during the year	<u>-</u>	<u>-</u>
Closing balance	<u>10,283,000</u>	<u>10,283,000</u>

11 INVESTMENT PROPERTIES

	31 December 2025 AED	31 December 2024 AED
At 1 January	41,115,000	53,535,000
Addition during the year	20,302,898	-
Transfer from property and equipment (Note 6)	11,070,519	-
Disposal during the year	(585,000)	(13,377,500)
Change in fair value	<u>31,472,392</u>	<u>957,500</u>
	<u>103,375,809</u>	<u>41,115,000</u>

The Company enters into operating leases for its investment properties. Amounts recognized in profit or loss in respect of investments properties are as follows:

	2025 AED	2024 AED
Rental income from investment properties	4,892,970	2,737,787
Operating expenses for properties generating rental income	<u>(1,063,180)</u>	<u>(1,167,371)</u>
Net income arising from investment properties	<u>3,829,790</u>	<u>1,570,416</u>

Investment properties are stated at fair value which represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The investment properties were valued as at 31 December 2025 by independent valuers at AED 103,375,809 (2024: AED 41,115,000) using comparable method and investment method (also known as income approach) of valuation.

The Comparable Method analyses recent sales transactions of similar properties in a similar location, applying adjustments to reflect differences to the property, including location, specification, age, design and layout.

The Investment Method analyses the market rent of similar properties in a similar location and applying capitalization rate on given rent. The capitalization rate applied to the income is implicit of factors such as rental growth, perceived covenant strength, in addition to the specification and location of the property. The investment properties are classified as Level 3. There were no transfers between Level 1 and 2 or to Level 3 during current and previous year.

There are no restrictions on the realisability of investment properties. The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance or enhancements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

12 INVESTMENT IN COMMODITIES

The Company has invested in physical gold and silver commodities which has been classified at fair value through profit and loss. The commodity market value is determined from the commodities market which is a secondary market and accordingly it has been classified under level 2 investment. There were no transfers between Level 1 and 3 or to Level 2 during current year. Movement in investment in commodities are as follows:

	<i>31 December 2025 AED</i>	<i>31 December 2024 AED</i>
At 1 January	30,804,570	15,597,187
Additions during the year	10,383,401	10,018,558
Disposals during the year	(5,632,788)	-
Change in fair value	<u>22,472,057</u>	<u>5,188,825</u>
	<u>58,027,240</u>	<u>30,804,570</u>

13 PREPAID EXPENSES AND OTHER ASSETS

	<i>31 December 2025 AED</i>	<i>31 December 2024 AED</i>
Accrued investment income	10,190,118	11,539,029
Prepayments	4,436,994	3,374,857
Other assets	<u>35,141,067</u>	<u>41,400,225</u>
	<u>49,768,179</u>	<u>56,314,111</u>
Takaful operations assets	32,283,442	24,458,416
Shareholders' assets	<u>17,484,737</u>	<u>31,855,695</u>
	<u>49,768,179</u>	<u>56,314,111</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES

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

	<i>LRC</i>		<i>LIC for contracts under PAA</i>			<i>Total AED</i>
	<i>Excluding loss components AED</i>	<i>Loss Components AED</i>	<i>LIC for contracts not measured under PAA AED</i>	<i>Present value of future cash flows AED</i>	<i>Risk adjustment for non-financial risk AED</i>	
Opening takaful contract assets	(10,584)	-	-	-	-	(10,584)
Opening takaful contract liabilities	<u>354,828,039</u>	<u>7,886,477</u>	<u>31,114,624</u>	<u>436,288,780</u>	<u>9,162,960</u>	<u>839,280,880</u>
Net balance at 1 January 2025	<u>354,817,455</u>	<u>7,886,477</u>	<u>31,114,624</u>	<u>436,288,780</u>	<u>9,162,960</u>	<u>839,270,296</u>
Takaful revenue	<u>(962,580,759)</u>	-	-	-	-	<u>(962,580,759)</u>
Takaful service expenses						
Incurring benefits and expenses	-	-	23,317,995	429,083,489	8,744,457	461,145,941
Changes that relate to past service - adjustments to LIC	-	-	(8,870,407)	(10,329,047)	(5,023,062)	(24,222,516)
Losses on onerous contracts and reversal of those losses	-	3,389,462	-	-	-	3,389,462
Amortisation of takaful acquisition cash flows	<u>249,087,128</u>	-	-	-	-	<u>249,087,128</u>
Takaful service expenses	<u>249,087,128</u>	<u>3,389,462</u>	<u>14,447,588</u>	<u>418,754,442</u>	<u>3,721,395</u>	<u>689,400,015</u>
Takaful finance expenses through profit and loss	7,169,981	506,328	922,862	14,909,662	-	23,508,833
Net foreign exchange income or expense	(13)	26	(2,916)	-	-	(2,903)
Investment components	<u>(431,769)</u>	-	<u>431,769</u>	-	-	-
Total changes in statement of profit and loss	<u>(706,755,432)</u>	<u>3,895,816</u>	<u>15,799,303</u>	<u>433,664,104</u>	<u>3,721,395</u>	<u>(249,674,814)</u>
Cash flows						
Contributions received	956,863,309	-	-	-	-	956,863,309
Claims paid	-	-	(5,523,926)	(450,177,126)	-	(455,701,052)
Directly attributable expenses paid	-	-	(698,115)	-	-	(698,115)
Takaful acquisition cash flows	<u>(263,913,999)</u>	-	-	-	-	<u>(263,913,999)</u>
Total cash flow	<u>692,949,310</u>	-	<u>(6,222,041)</u>	<u>(450,177,126)</u>	-	<u>236,550,143</u>
Net balance at 31 December 2025	<u>341,011,333</u>	<u>11,782,293</u>	<u>40,691,886</u>	<u>419,775,758</u>	<u>12,884,355</u>	<u>826,145,625</u>
Closing takaful contract assets	(1,490,432)	-	-	1,256,884	(38,478)	195,070
Closing takaful contract liabilities	<u>342,501,765</u>	<u>11,782,293</u>	<u>40,691,886</u>	<u>418,518,874</u>	<u>12,845,877</u>	<u>826,340,695</u>
Net closing balance 31 December 2025	<u>341,011,333</u>	<u>11,782,293</u>	<u>40,691,886</u>	<u>419,775,758</u>	<u>12,884,355</u>	<u>826,145,625</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES continued

Reconciliation of the liability for remaining coverage and the liability for incurred claims for takaful contracts continued

	<i>LRC</i>		<i>LIC for contracts under PAA</i>			<i>Total AED</i>
	<i>Excluding loss components AED</i>	<i>Loss Components AED</i>	<i>LIC for contracts not measured under PAA AED</i>	<i>Present value of future cash flows AED</i>	<i>Risk adjustment for non-financial risk AED</i>	
Opening takaful contract assets	(3,638,846)	-	-	2,271,137	158,728	(1,208,981)
Opening takaful contract liabilities	<u>329,973,926</u>	<u>15,970,064</u>	<u>31,612,781</u>	<u>230,769,198</u>	<u>10,487,868</u>	<u>618,813,837</u>
Net balance at 1 January 2024	<u>326,335,080</u>	<u>15,970,064</u>	<u>31,612,781</u>	<u>233,040,335</u>	<u>10,646,596</u>	<u>617,604,856</u>
Takaful revenue	<u>(756,906,266)</u>	-	-	-	-	<u>(756,906,266)</u>
Takaful service expenses						
Incurred benefits and expenses	-	-	21,025,049	572,249,085	9,898,249	603,172,383
Changes that relate to past service - adjustments to LIC	-	-	(12,886,147)	(8,199,994)	(11,381,885)	(32,468,026)
Losses on onerous contracts and reversal of those losses	-	(8,004,007)	-	-	-	(8,004,007)
Amortisation of takaful acquisition cash flows	<u>207,464,402</u>	-	-	-	-	<u>207,464,402</u>
Takaful service expenses	<u>207,464,402</u>	<u>(8,004,007)</u>	<u>8,138,902</u>	<u>564,049,091</u>	<u>(1,483,636)</u>	<u>770,164,752</u>
Takaful finance expenses through profit and loss	5,243,819	(79,556)	863,325	6,654,525	-	12,682,113
Net foreign exchange income or expense	13	(24)	(1)	-	-	(12)
Investment components	<u>(3,348,717)</u>	-	<u>3,348,717</u>	-	-	-
Total changes in statement of profit and loss	<u>(547,546,749)</u>	<u>(8,083,587)</u>	<u>12,350,943</u>	<u>570,703,616</u>	<u>(1,483,636)</u>	<u>25,940,587</u>
Cash flows						
Contributions received	791,374,698	-	-	-	-	791,374,698
Claims paid	-	-	(11,716,154)	(367,455,171)	-	(379,171,325)
Directly attributable expenses paid	-	-	(1,132,946)	-	-	(1,132,946)
Takaful acquisition cash flows	<u>(215,345,574)</u>	-	-	-	-	<u>(215,345,574)</u>
Total cash flow	<u>576,029,124</u>	-	<u>(12,849,100)</u>	<u>(367,455,171)</u>	-	<u>195,724,853</u>
Net balance at 31 December 2024	<u>354,817,455</u>	<u>7,886,477</u>	<u>31,114,624</u>	<u>436,288,780</u>	<u>9,162,960</u>	<u>839,270,296</u>
Closing takaful contract assets	(10,584)	-	-	-	-	(10,584)
Closing takaful contract liabilities	<u>354,828,039</u>	<u>7,886,477</u>	<u>31,114,624</u>	<u>436,288,780</u>	<u>9,162,960</u>	<u>839,280,880</u>
Net closing balance 31 December 2024	<u>354,817,455</u>	<u>7,886,477</u>	<u>31,114,624</u>	<u>436,288,780</u>	<u>9,162,960</u>	<u>839,270,296</u>

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For the year ended 31 December 2025

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES continued

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

	<i>Present value of future cash flows AED</i>	<i>Risk adjustment for non- financial risk AED</i>	<i>CSM AED</i>	<i>Total AED</i>
Opening takaful contract assets	-	-	-	-
Opening takaful contract liabilities	<u>152,393,761</u>	<u>5,917,329</u>	<u>15,281,338</u>	<u>173,592,428</u>
Net balance at 1 January 2025	<u>152,393,761</u>	<u>5,917,329</u>	<u>15,281,338</u>	<u>173,592,428</u>
Changes related to current services				
CSM recognized for service provided	-	-	(5,620,609)	(5,620,609)
Risk adjustment recognized for the risk expired	-	(772,177)	-	(772,177)
Experience adjustments	<u>9,567,467</u>	<u>217,188</u>	-	<u>9,784,655</u>
	<u>9,567,467</u>	<u>(554,989)</u>	<u>(5,620,609)</u>	<u>3,391,869</u>
Changes related to future services				
Contracts initially recognized in the period	(2,795,340)	271,659	2,523,682	1
Changes in estimates that adjust CSM	(1,994,180)	(25,502)	2,019,681	(1)
Changes in estimates that result in onerous contracts or reversal of losses	<u>4,299,440</u>	<u>76,802</u>	-	<u>4,376,242</u>
	<u>(490,080)</u>	<u>322,959</u>	<u>4,543,363</u>	<u>4,376,242</u>
Changes that relate to past service				
Changes that relate to past service – adjustments to LIC	<u>(9,117,107)</u>	<u>246,611</u>	-	<u>(8,870,496)</u>
Takaful Service result	(39,720)	14,581	(1,077,246)	(1,102,385)
Takaful finance expenses through profit and loss	7,961,394	-	637,778	8,599,172
Net foreign exchange income or expense	<u>(2,772)</u>	<u>(138)</u>	<u>7</u>	<u>(2,903)</u>
Total changes in statement of profit and loss	<u>7,918,902</u>	<u>14,443</u>	<u>(439,461)</u>	<u>7,493,884</u>
Cash flows				
Contribution received	(8,228,551)	-	-	(8,228,551)
Claims paid	(5,523,926)	-	-	(5,523,926)
Directly attributable expenses paid	(698,115)	-	-	(698,115)
Takaful acquisition cash flows	<u>(2,404,389)</u>	-	-	<u>(2,404,389)</u>
Total cash flow	<u>(16,854,981)</u>	-	-	<u>(16,854,981)</u>
Net balance at 31 December 2025	<u>143,457,682</u>	<u>5,931,772</u>	<u>14,841,877</u>	<u>164,231,331</u>
Closing takaful contract assets	-	-	-	-
Closing takaful contract liabilities	<u>143,457,682</u>	<u>5,931,772</u>	<u>14,841,877</u>	<u>164,231,331</u>
Net closing balance 31 December 2025	<u>143,457,682</u>	<u>5,931,772</u>	<u>14,841,877</u>	<u>164,231,331</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES continued

Reconciliation of measurement component of takaful contract balances not measured under the PAA continued

	<i>Present value of future cash flows AED</i>	<i>Risk adjustment for non- financial risk AED</i>	<i>CSM AED</i>	<i>Total AED</i>
Opening takaful contract assets	-	-	-	-
Opening takaful contract liabilities	<u>154,773,837</u>	<u>7,871,468</u>	<u>24,554,650</u>	<u>187,199,955</u>
Net balance at 1 January 2024	<u>154,773,837</u>	<u>7,871,468</u>	<u>24,554,650</u>	<u>187,199,955</u>
Changes related to current services				
CSM recognized for service provided	-	-	(6,821,093)	(6,821,093)
Risk adjustment recognized for the risk expired	-	(1,072,826)	-	(1,072,826)
Experience adjustments	<u>5,909,861</u>	<u>175,718</u>	-	<u>6,085,579</u>
	<u>5,909,861</u>	<u>(897,108)</u>	<u>(6,821,093)</u>	<u>(1,808,340)</u>
Changes related to future services				
Contracts initially recognized in the period	(2,666,845)	333,186	3,124,678	791,019
Changes in estimates that adjust CSM	7,552,457	(960,031)	(6,592,426)	-
Changes in estimates that result in onerous contracts or reversal of losses	<u>7,219,756</u>	<u>(223,481)</u>	-	<u>6,996,275</u>
	<u>12,105,368</u>	<u>(850,326)</u>	<u>(3,467,748)</u>	<u>7,787,294</u>
Changes that relate to past service				
Changes that relate to past service – adjustments to LIC	<u>(12,679,443)</u>	<u>(206,706)</u>	-	<u>(12,886,149)</u>
Takaful Service result				
Takaful finance expenses through profit and loss	5,335,786	(1,954,140)	(10,288,841)	(6,907,195)
Net foreign exchange income or expense	<u>5,012,071</u>	<u>-</u>	<u>1,015,520</u>	<u>6,027,591</u>
	<u>(22)</u>	<u>1</u>	<u>9</u>	<u>(12)</u>
Total changes in statement of profit and loss	<u>10,347,835</u>	<u>(1,954,139)</u>	<u>(9,273,312)</u>	<u>(879,616)</u>
Cash flows				
Contribution received	2,780,101	-	-	2,780,101
Claims paid	(11,716,154)	-	-	(11,716,154)
Directly attributable expenses paid	(1,132,946)	-	-	(1,132,946)
Takaful acquisition cash flows	<u>(2,658,912)</u>	<u>-</u>	<u>-</u>	<u>(2,658,912)</u>
Total cash flow	<u>(12,727,911)</u>	<u>-</u>	<u>-</u>	<u>(12,727,911)</u>
Net balance at 31 December 2024	<u>152,393,761</u>	<u>5,917,329</u>	<u>15,281,338</u>	<u>173,592,428</u>
Closing takaful contract assets				
Closing takaful contract assets	-	-	-	-
Closing takaful contract liabilities	<u>152,393,761</u>	<u>5,917,329</u>	<u>15,281,338</u>	<u>173,592,428</u>
Net closing balance 31 December 2024	<u>152,393,761</u>	<u>5,917,329</u>	<u>15,281,338</u>	<u>173,592,428</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES continued

Analysis of takaful contracts initially recognized

	31 December 2025			31 December 2024		
	<i>Non-onerous contracts originated AED</i>	<i>Onerous contracts originated AED</i>	<i>Total AED</i>	<i>Non-onerous contracts originated AED</i>	<i>Onerous contracts originated AED</i>	<i>Total AED</i>
Claims and other directly attributable expenses	1,213,097	-	1,213,097	2,440,029	3,754,446	6,194,475
Acquisition cost				2,397,484	-	2,397,484
Estimates of present value of future cash outflows	3,371,486	-	3,371,486	4,837,513	3,754,446	8,591,959
Estimates of present value of future cash inflows	6,166,826	-	6,166,826	(8,258,960)	(2,999,844)	(11,258,804)
Risk adjustment for non-financial risk	271,659	-	271,659	296,769	36,417	333,186
CSM	<u>2,523,681</u>	<u>-</u>	<u>2,523,681</u>	<u>3,124,678</u>	<u>-</u>	<u>3,124,678</u>
Increase in takaful contract liabilities from contracts recognised during the year	<u>=</u>	<u>=</u>	<u>=</u>	<u>-</u>	<u>791,019</u>	<u>791,019</u>

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 is provided in the following table:

	Number of years until expected to be recognized						Total AED
	0 - 1 years AED	1 - 2 years AED	2 - 3 years AED	3 - 4 years AED	4 - 5 years AED	>5 years AED	
2025							
Long term individual family takaful contracts issued	4,113,322	2,673,322	1,593,303	1,024,514	810,833	4,626,583	14,841,877
2024							
Long term individual family takaful contracts issued	4,306,889	2,859,681	1,721,049	1,010,630	787,086	4,596,003	15,281,338

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

14 TAKAFUL CONTRACT ASSETS AND LIABILITIES continued

Takaful revenue and CSM by transition method

	<i>Contracts measured under the modified retrospective approach at transition AED</i>	<i>Contracts measured under the fair value approach at transition AED</i>	<i>New contracts and contracts measured under the full retrospective approach at transition AED</i>	<i>Total AED</i>
2025				
Takaful revenue	106,665	10,336,188	10,546,933	20,989,786
Opening CSM as at 1 January 2025	—	6,477,233	<u>8,804,105</u>	15,281,338
Changes that relate to current service				
CSM recognised for the services provided	<u>(3,705)</u>	<u>(1,019,637)</u>	<u>(4,597,266)</u>	<u>(5,620,608)</u>
Changes that relate to future service				
Changes in estimates that adjust the CSM	10,447	1,286,041	723,193	2,019,681
Effects of contracts initially recognised in period	—	—	<u>2,523,681</u>	<u>2,523,681</u>
Finance expenses from takaful contracts issued	—	180,940	456,839	637,779
Net foreign exchange income or expense	—	—	<u>7</u>	<u>7</u>
Total amount recognised in profit or loss	<u>6,742</u>	<u>447,344</u>	<u>(893,546)</u>	<u>(439,460)</u>
Closing CSM as at 31 December 2025	<u>6,742</u>	<u>6,924,577</u>	<u>7,910,559</u>	<u>14,841,878</u>
2024				
Takaful revenue	<u>103,611</u>	<u>12,188,054</u>	<u>12,148,111</u>	<u>24,439,776</u>
Opening CSM as at 1 January 2024	<u>37,468</u>	<u>15,357,914</u>	<u>9,159,268</u>	<u>24,554,650</u>
Changes that relate to current service				
CSM recognised for the services provided	—	<u>(871,763)</u>	<u>(5,949,330)</u>	<u>(6,821,093)</u>
Changes that relate to future service				
Changes in estimates that adjust the CSM	(39,123)	(8,505,015)	1,951,712	(6,592,426)
Effects of contracts initially recognised in period	—	—	<u>3,124,678</u>	<u>3,124,678</u>
Finance expenses from takaful contracts issued	1,655	496,097	517,768	1,015,520
Net foreign exchange income or expense	—	—	<u>9</u>	<u>9</u>
Total amount recognised in profit or loss	<u>(37,468)</u>	<u>(8,880,681)</u>	<u>(355,163)</u>	<u>(9,273,312)</u>
Closing CSM as at 31 December 2024	—	<u>6,477,233</u>	<u>8,804,105</u>	<u>15,281,338</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15 RE-TAKAFUL CONTRACTS ASSETS AND LIABILITIES

Reconciliation of changes in re-takaful contracts held by remaining coverage and incurred claims

	Remaining coverage excluding loss-recovery component AED	Remaining coverage loss-recovery component AED	Incurred claims for contracts not measured under PAA AED	Incurred claims for contract under PAA		Total AED
				Present value of future cash flows AED	Risk adjustment for non-financial risk AED	
Opening re-takaful contract assets	90,462,056	6,086,835	29,975,709	325,555,590	7,060,592	459,140,782
Opening re-takaful contract liabilities	(49,403,225)	-	-	1,465,801	94,763	(47,842,661)
Net balance at 1 January 2025	<u>41,058,831</u>	<u>6,086,835</u>	<u>29,975,709</u>	<u>327,021,391</u>	<u>7,155,355</u>	<u>411,298,121</u>
Net income or expense from re-takaful contracts held						
Allocation of re-takaful contribution	(550,213,600)	-	-	-	-	(550,213,600)
Amounts recoverable for claims and other expenses	-	-	21,725,995	279,718,712	5,982,892	307,427,599
Changes that relate to past service – adjustments to AIC	-	-	(8,615,849)	(19,226,761)	(3,146,658)	(30,989,268)
Changes in loss recovery component	-	3,394,360	-	-	-	3,394,360
Effect of changes in the risk of reinsurers non-performance	19,451	-	(346)	(174,632)	-	(155,527)
Net (expense)/income from re-takaful contracts held	<u>(550,194,149)</u>	<u>3,394,360</u>	<u>13,109,800</u>	<u>260,317,319</u>	<u>2,836,234</u>	<u>(270,536,436)</u>
Re-takaful finance income through profit and loss	6,713,856	-	891,768	11,598,264	-	19,203,888
Net foreign exchange income or expense	(4)	41	(2,977)	-	-	(2,940)
Total changes in statement of profit and loss	<u>(543,480,297)</u>	<u>3,394,401</u>	<u>13,998,591</u>	<u>271,915,583</u>	<u>2,836,234</u>	<u>(251,335,488)</u>
Cash flows						
Contributions paid to re-takaful	509,043,456	-	-	-	-	509,043,456
Recoveries from re-takaful	-	-	(4,840,884)	(301,555,408)	-	(306,396,292)
Total cash flows	<u>509,043,456</u>	<u>-</u>	<u>(4,840,884)</u>	<u>(301,555,408)</u>	<u>-</u>	<u>202,647,164</u>
Net balance at 31 December 2025	<u>6,621,990</u>	<u>9,481,236</u>	<u>39,133,416</u>	<u>297,381,566</u>	<u>9,991,589</u>	<u>362,609,797</u>
Closing re-takaful contract assets	68,193,528	9,481,236	39,133,416	292,795,917	9,840,898	419,444,995
Closing re-takaful contract liabilities	(61,571,538)	-	-	4,585,649	150,691	(56,835,198)
Net closing balance 31 December 2025	<u>6,621,990</u>	<u>9,481,236</u>	<u>39,133,416</u>	<u>297,381,566</u>	<u>9,991,589</u>	<u>362,609,797</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15 RE-TAKAFUL CONTRACTS ASSETS AND LIABILITIES continued

Reconciliation of changes in re-takaful contracts held by remaining coverage and incurred claims continued

	Remaining coverage excluding loss-recovery component AED	Remaining coverage loss-recovery component AED	Incurred claims for contracts not measured under PAA AED	Incurred claims for contract under PAA		Total AED
				Present value of future cash flows AED	Risk adjustment for non-financial risk AED	
Opening re-takaful contract assets	21,357,697	5,969,851	30,284,182	121,880,032	6,090,455	185,582,217
Opening re-takaful contract liabilities	(56,075,412)	-	-	33,822,656	1,656,213	(20,596,543)
Net balance at 1 January 2024	<u>(34,717,715)</u>	<u>5,969,851</u>	<u>30,284,182</u>	<u>155,702,688</u>	<u>7,746,668</u>	<u>164,985,674</u>
Net income or expense from re-takaful contracts held						
Allocation of re-takaful contribution	(431,190,719)	-	-	-	-	(431,190,719)
Amounts recoverable for claims and other expenses	-	-	22,522,071	428,339,863	7,655,935	458,517,869
Changes that relate to past service – adjustments to AIC	-	-	(15,624,248)	(15,028,248)	(8,247,248)	(38,899,744)
Changes in loss recovery component	-	116,998	-	-	-	116,998
Effect of changes in the risk of reinsurers non-performance	(465,663)	-	(354)	27,122	-	(438,895)
Net (expense)/income from re-takaful contracts held	<u>(431,656,382)</u>	<u>116,998</u>	<u>6,897,469</u>	<u>413,338,737</u>	<u>(591,313)</u>	<u>(11,894,491)</u>
Re-takaful finance income through profit and loss	5,072,568	-	828,798	4,590,422	-	10,491,788
Net foreign exchange income or expense	5	(14)	9	-	-	-
Total changes in statement of profit and loss	<u>(426,583,809)</u>	<u>116,984</u>	<u>7,726,276</u>	<u>417,929,159</u>	<u>(591,313)</u>	<u>(1,402,703)</u>
Cash flows						
Contributions paid to re-takaful	502,360,355	-	-	-	-	502,360,355
Recoveries from re-takaful	-	-	(8,034,749)	(246,610,456)	-	(254,645,205)
Total cash flows	<u>502,360,355</u>	<u>-</u>	<u>(8,034,749)</u>	<u>(246,610,456)</u>	<u>-</u>	<u>247,715,150</u>
Net balance at 31 December 2024	<u>41,058,831</u>	<u>6,086,835</u>	<u>29,975,709</u>	<u>327,021,391</u>	<u>7,155,355</u>	<u>411,298,121</u>
Closing re-takaful contract assets	90,462,056	6,086,835	29,975,709	325,555,590	7,060,592	459,140,782
Closing re-takaful contract liabilities	(49,403,225)	-	-	1,465,801	94,763	(47,842,661)
Net closing balance 31 December 2024	<u>41,058,831</u>	<u>6,086,835</u>	<u>29,975,709</u>	<u>327,021,391</u>	<u>7,155,355</u>	<u>411,298,121</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15 RE-TAKAFUL CONTRACTS ASSETS AND LIABILITIES continued

Reconciliation of measurement component of re-takaful contract balances not measured under the PAA

	<i>Present value of future cash flows AED</i>	<i>Risk adjustment for non- financial risk AED</i>	<i>CSM AED</i>	<i>Total AED</i>
Opening re-takaful contract assets	(5,058,784)	4,938,546	25,136,332	25,016,094
Opening re-takaful contract liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net balance at 1 January 2025	<u>(5,058,784)</u>	<u>4,938,546</u>	<u>25,136,332</u>	<u>25,016,094</u>
Changes related to current services				
CSM recognized for services received	-	-	(4,778,590)	(4,778,590)
Risk adjustment recognized for the risk expired	-	(611,349)	-	(611,349)
Experience adjustments	<u>8,846,314</u>	<u>199,283</u>	<u>-</u>	<u>9,045,597</u>
	<u>8,846,314</u>	<u>(412,066)</u>	<u>(4,778,590)</u>	<u>3,655,658</u>
Changes related to future services				
Contracts initially recognized in the period	(2,684,912)	236,129	2,448,783	-
Changes in estimates that adjust CSM	(187,932)	(160,866)	348,800	2
Changes in loss recovery component	<u>-</u>	<u>-</u>	<u>3,454,447</u>	<u>3,454,447</u>
	<u>(2,872,844)</u>	<u>75,263</u>	<u>6,252,030</u>	<u>3,454,449</u>
Changes that relate to past service				
Changes that relate to past service – adjustments to AIC	<u>(8,857,529)</u>	<u>241,679</u>	<u>-</u>	<u>(8,615,850)</u>
Effect of changes in the risk of reinsurers non-performance	<u>19,105</u>	<u>-</u>	<u>-</u>	<u>19,105</u>
Takaful Service result	<u>(2,864,954)</u>	<u>(95,124)</u>	<u>1,473,440</u>	<u>(1,486,638)</u>
Takaful finance income through profit and loss	6,786,460	-	819,166	7,605,626
Net foreign exchange income or expense	<u>(2,829)</u>	<u>(141)</u>	<u>30</u>	<u>(2,940)</u>
Total changes in statement of profit and loss	<u>3,918,677</u>	<u>(95,265)</u>	<u>2,292,636</u>	<u>6,116,048</u>
Cash flows				
Contributions paid to re-takaful	16,343,547	-	-	16,343,547
Recoveries from re-takaful	<u>(4,840,884)</u>	<u>-</u>	<u>-</u>	<u>(4,840,884)</u>
Total cash flows	<u>11,502,663</u>	<u>-</u>	<u>-</u>	<u>11,502,663</u>
Net closing balance 31 December 2025	<u>10,362,556</u>	<u>4,843,281</u>	<u>27,428,968</u>	<u>42,634,805</u>
Closing re-takaful contract assets	10,362,556	4,843,281	27,428,968	42,634,805
Closing re-takaful contract liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net closing balance 31 December 2025	<u>10,362,556</u>	<u>4,843,281</u>	<u>27,428,968</u>	<u>42,634,805</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15 RE-TAKAFUL CONTRACTS ASSETS AND LIABILITIES continued

Reconciliation of measurement component of re-takaful contract balances not measured under the PAA continued

	<i>Present value of future cash flows AED</i>	<i>Risk adjustment for non- financial risk AED</i>	<i>CSM AED</i>	<i>Total AED</i>
Opening re-takaful contract assets	(8,258,583)	5,969,015	22,576,597	20,287,029
Opening re-takaful contract liabilities	-	-	-	-
Net balance at 1 January 2024	(8,258,583)	5,969,015	22,576,597	20,287,029
Changes related to current services				
CSM recognized for services received	-	-	(5,502,710)	(5,502,710)
Risk adjustment recognized for the risk expired	-	(746,232)	-	(746,232)
Experience adjustments	<u>9,250,517</u>	<u>166,232</u>	-	<u>9,416,749</u>
	<u>9,250,517</u>	<u>(580,000)</u>	<u>(5,502,710)</u>	<u>3,167,807</u>
Changes related to future services				
Contracts initially recognized in the period	(3,121,701)	471,749	2,649,952	-
Changes in estimates that adjust CSM	2,044,344	(735,544)	(1,308,800)	-
Changes in loss recovery component	-	-	<u>5,967,304</u>	<u>5,967,304</u>
	<u>(1,077,357)</u>	<u>(263,795)</u>	<u>7,308,456</u>	<u>5,967,304</u>
Changes that relate to past service				
Changes that relate to past service – adjustments to AIC	(15,437,575)	(186,674)	-	(15,624,249)
Effect of changes in the risk of reinsurers non-performance	<u>(466,017)</u>	-	-	<u>(466,017)</u>
Takaful Service result	<u>(7,730,432)</u>	<u>(1,030,469)</u>	<u>1,805,746</u>	<u>(6,955,155)</u>
Takaful finance income through profit and loss	5,147,374	-	753,995	5,901,369
Net foreign exchange income or expense	<u>6</u>	-	<u>(6)</u>	-
Total changes in statement of profit and loss	<u>(2,583,052)</u>	<u>(1,030,469)</u>	<u>2,559,735</u>	<u>(1,053,786)</u>
Cash flows				
Contributions paid to re-takaful	13,817,603	-	-	13,817,603
Recoveries from re-takaful	<u>(8,034,752)</u>	-	-	<u>(8,034,752)</u>
Total cash flows	<u>5,782,851</u>	-	-	<u>5,782,851</u>
Net closing balance 31 December 2024	<u>(5,058,784)</u>	<u>4,938,546</u>	<u>25,136,332</u>	<u>25,016,094</u>
Closing re-takaful contract assets	<u>(5,058,784)</u>	<u>4,938,546</u>	<u>25,136,332</u>	<u>25,016,094</u>
Closing re-takaful contract liabilities	-	-	-	-
Net closing balance 31 December 2024	<u>(5,058,784)</u>	<u>4,938,546</u>	<u>25,136,332</u>	<u>25,016,094</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15 RE-TAKAFUL CONTRACTS ASSETS AND LIABILITIES continued

Analysis of re-takaful contracts held initially recognized

	31 December 2025			31 December 2024		
	<i>Contracts originated not in a net gain position</i>	<i>Contracts originated in a net gain position</i>	<i>Total</i>	<i>Contracts originated not in a net gain position</i>	<i>Contracts originated in a net gain position</i>	<i>Total</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Estimates of present value of future cash inflows	-	3,199,902	3,199,902	3,780,501	60,130	3,840,631
Estimates of present value of future cash outflows	-	1,723,078	1,723,078	(6,904,267)	(58,065)	(6,962,332)
Risk adjustment for non-financial risk	-	236,129	236,129	471,669	80	471,749
CSM	-	<u>2,448,783</u>	<u>2,448,783</u>	<u>2,652,097</u>	<u>(2,145)</u>	<u>2,649,952</u>
Increase in retakaful contract liabilities 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 is provided in the following table:

Number of years until expected to be recognised	<i>Long term individual family re-takaful contracts issued 2025</i>	<i>Long term individual family re-takaful contracts issued 2024</i>
	<i>AED</i>	<i>AED</i>
As at 31 December		
0-1	5,117,924	5,380,511
1-2	3,865,553	3,843,032
2-3	2,998,657	2,604,700
3-4	2,268,768	1,851,086
4-5	1,898,373	1,555,134
>5	<u>11,279,693</u>	<u>9,901,869</u>
	<u>27,428,968</u>	<u>25,136,332</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

15 RE-TAKAFUL CONTRACTS ASSETS AND LIABILITIES continued

CSM by transition method

	<i>Contracts measured under the modified retrospective approach at transition AED</i>	<i>Contracts measured under the fair value approach at transition AED</i>	<i>New contracts and contracts measured under the full retrospective approach at transition AED</i>	<i>Total AED</i>
2025				
Opening CSM as at 1 January 2025	-	-	<u>25,136,332</u>	<u>25,136,332</u>
Changes that relate to current service				
CSM recognised for the services provided	-	-	<u>(4,778,590)</u>	<u>(4,778,590)</u>
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	348,800	348,800
Effects of contracts initially recognised in period	-	-	2,448,783	2,448,783
Changes in recoveries of losses in onerous underlying contracts that adjust the CSM	-	-	<u>3,454,447</u>	<u>3,454,447</u>
Finance expenses from takaful contracts issued	-	-	819,166	819,166
Net foreign exchange income or expense	-	-	<u>30</u>	<u>30</u>
Total amount recognised in comprehensive income	-	-	<u>(504,977)</u>	<u>(504,977)</u>
Closing CSM as at 31 December 2025	<u>-</u>	<u>-</u>	<u>27,428,968</u>	<u>27,428,968</u>
2024				
Opening CSM as at 1 January 2024	-	-	<u>22,576,597</u>	<u>22,576,597</u>
Changes that relate to current service				
CSM recognised for the services provided	-	-	<u>(5,502,710)</u>	<u>(5,502,710)</u>
Changes that relate to future service				
Changes in estimates that adjust the CSM	-	-	(1,308,800)	(1,308,800)
Effects of contracts initially recognised in period	-	-	2,649,952	2,649,952
Changes in recoveries of losses in onerous underlying contracts that adjust the CSM	-	-	<u>5,967,304</u>	<u>5,967,304</u>
Finance expenses from takaful contracts issued	-	-	753,995	753,995
Net foreign exchange income or expense	-	-	<u>(6)</u>	<u>(6)</u>
Total amount recognised in comprehensive income	-	-	<u>2,559,735</u>	<u>2,559,735</u>
Closing CSM as at 31 December 2024	<u>-</u>	<u>-</u>	<u>25,136,332</u>	<u>25,136,332</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

16 ACCRUED EXPENSES AND OTHER LIABILITIES

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Accrued expenses	10,049,805	1,509,267
Corporate income tax payable	7,321,131	7,193,212
Unearned rental income	1,029,642	2,205,317
Other liabilities	<u>151,984,114</u>	<u>141,079,601</u>
	<u>170,384,692</u>	<u>151,987,397</u>
Takaful operations liabilities	38,145,890	32,930,563
Shareholders' liabilities	<u>132,238,802</u>	<u>119,056,834</u>
	<u>170,384,692</u>	<u>151,987,397</u>

17 LEASE LIABILITY

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
At 1 January	9,501,999	-
Addition during the year	-	10,507,018
Finance cost accrued during the year	265,991	81,981
Payments made during the year	<u>(2,174,000)</u>	<u>(1,087,000)</u>
At 31 December	<u>7,593,990</u>	<u>9,501,999</u>

18 PROVISION FOR EMPLOYEE'S END OF SERVICE BENEFITS

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
At 1 January	13,989,707	13,722,727
Charged during the year	1,910,255	1,710,596
Paid during the year	<u>(737,291)</u>	<u>(1,443,616)</u>
At 31 December	<u>15,162,671</u>	<u>13,989,707</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

19 MOVEMENT IN POLICYHOLDERS' FUNDS

	<i>Deficit of family policyholders' funds AED</i>	<i>Deficit of general policyholders takaful funds AED</i>	<i>Loan (Qard Hasan) from shareholders AED</i>	<i>Investment revaluation reserve AED</i>	<i>Total AED</i>
At 1 January 2025	(8,058,376)	(27,884,783)	35,943,159	-	-
Surplus/(deficit) in the reporting year	3,544,568	10,215,021	-	-	13,759,589
Loan (Qard Hasan) received/repaid	-	-	(13,759,589)	-	(13,759,589)
Transfer from shareholder to policyholder	-	-	-	(3,186,512)	(3,186,512)
Unrealized (loss) / gain on investments	-	-	-	5,164,496	5,164,496
Gain / (loss) on disposal of investments	-	-	-	(294,160)	(294,160)
Deferred tax on unrealized gain	-	-	-	(945,312)	(945,312)
At 31 December 2025	<u>(4,513,808)</u>	<u>(17,669,762)</u>	<u>22,183,570</u>	<u>738,512</u>	<u>738,512</u>
At 1 January 2024	(16,769,788)	(1,220,609)	17,990,397	-	-
Surplus/(deficit) in the reporting year	8,711,412	(26,664,174)	-	-	(17,952,762)
Loan (Qard Hasan) received from shareholders	-	-	17,952,762	-	17,952,762
At 31 December 2024	<u>(8,058,376)</u>	<u>(27,884,783)</u>	<u>35,943,159</u>	<u>-</u>	<u>-</u>

20 RELATED PARTIES

Related parties comprise the shareholders, directors and key management personnel of the Company and those entities in which they have a significant interest and the ability to control or exercise significant influence in financial and operational decisions. Details of significant transactions with related parties in the normal course of business are as follows:

	<i>Shareholders AED</i>	<i>Directors and their related parties AED</i>	<i>Key management personnel AED</i>	<i>Total AED</i>
Balances as at 31 December 2025				
Statutory deposit (note 8)	10,000,000	-	-	10,000,000
Investment in sukuk	4,557,719	-	-	4,557,719
Due from related parties	1,106,639	1,110,396	-	2,217,035
Due to related parties	<u>226,010</u>	<u>614</u>	<u>-</u>	<u>226,624</u>
<i>Transactions for the year ended 31 December 2025</i>				
Gross contributions written	147,829,834	44,925,149	-	192,754,983
Takaful expenses	19,063,200	5,497	-	19,068,697
Profit on term deposits	1,152,690	-	-	1,152,690
Profit on sukuk	319,508	-	-	319,508
Short-term benefits	-	-	8,180,909	8,180,909
Long-term benefits	<u>-</u>	<u>-</u>	<u>610,839</u>	<u>610,839</u>
Balances as at 31 December 2024				
Statutory deposit (note 8)	10,000,000	-	-	10,000,000
Investment in sukuk	4,659,962	-	-	4,659,962
Due from related parties	13,561	1,039,093	-	1,052,654
Due to related parties	<u>5,327,584</u>	<u>-</u>	<u>-</u>	<u>5,327,584</u>
<i>Transactions for the year ended 31 December 2024</i>				
Gross contributions written	113,918,196	30,093,040	-	144,011,236
Takaful expenses	7,751,784	-	-	7,751,784
Profit on term deposits	1,838,462	-	-	1,838,462
Profit on sukuk	318,632	-	-	318,632
Short-term benefits	-	-	7,969,046	7,969,046
Long-term benefits	<u>-</u>	<u>-</u>	<u>224,048</u>	<u>224,048</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

20 RELATED PARTIES continued

The remuneration of key management personnel is based on the remuneration agreed in their employment contracts as approved by the Board of Directors.

Meeting allowances for the year ended 31 December 2025 of AED 345,000 (2024: AED 510,000) were paid to all committees members.

Directors' remuneration in relation to the year ended 31 December 2025 of AED 9,000,000 (2024: AED 7,200,000) which is subject to the approval of the shareholders at the forthcoming Annual General Meeting, was proposed and reflected in other comprehensive income in the statement of comprehensive income.

21 DIVIDENDS

For the year ended 31 December 2024, cash dividend of AED 21,000,000 at a rate of AED 0.2 per share was approved by shareholders on 24 April 2025 and paid in May 2025.

For the year ended 31 December 2023, cash dividend of AED 31,500,000 at a rate of AED 0.3 per share was approved by shareholders on 16 April 2024 and paid in April 2024.

22 SHARE CAPITAL

	<i>31 December</i> 2025 <i>AED</i>	<i>31 December</i> 2024 <i>AED</i>
<i>Authorised, issued and fully paid</i>		
105,000,000 (2024: 105,000,000 shares of AED 1 each)	<u>105,000,000</u>	<u>105,000,000</u>

At 31 December 2025, 43,743,000 shares or 41.66% of total share capital (2024: 43,743,000 shares or 41.66% of total share capital) were held by Abu Dhabi Islamic Bank PJSC and 61,257,000 shares or 58.34% of total share capital of total share capital (2024: 61,257,000 shares or 58.34% of total share capital) were held by UAE nationals and other institutions.

23 LEGAL RESERVE

In accordance with the provisions of the UAE Federal Decree Commercial Companies Law No. (32) of 2021, as amended, and the Company's articles of association, the Company is required to transfer annually to a legal reserve account an amount equivalent to 10% of its annual net profit, until such reserve reaches 50% of the paid up capital of the Company. This reserve is not available for distribution.

24 GENERAL RESERVE

Transfers to and from the general reserve are made at the discretion of the Board of Directors and are subject to the shareholders' approval. This reserve may be used for such purposes as they deem fit.

25 RE-TAKAFUL DEFAULT RESERVE

The transfer from retained earnings to re-takaful default reserve is made in accordance with the Insurance Authority (IA) of UAE's Board of Directors Decision No. (23) of 2019 concerning instructions organizing reinsurance operations. The directive requires to allocate an amount equals to 0.5% of the total re-takaful contribution ceded by the Company in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the Company or default in its financial position.

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

26 TAKAFUL REVENUE

The following table presents an analysis of takaful revenue recognised in the year:

	2025	2024
	AED	AED
Expected benefits incurred	11,145,779	13,384,558
CSM recognized for the service provided	5,620,609	6,821,093
Recovery of acquisition cash flows	2,690,320	2,314,650
Expected expenses incurred	829,789	904,716
Change in the risk adjustment for the risk expired	<u>703,290</u>	<u>1,014,759</u>
Contracts not measured under PAA	20,989,787	24,439,776
Contracts measured under PAA	<u>941,590,972</u>	<u>732,466,490</u>
Total takaful revenue	<u>962,580,759</u>	<u>756,906,266</u>

27 TAKAFUL SERVICE EXPENSES

The following table presents an analysis of takaful service expenses recognized in the year:

	2025	2024
	AED	AED
Incurred benefits	460,447,825	602,039,437
Amortisation of takaful acquisition cash flows	249,087,128	207,464,402
Reversal of losses on onerous contracts	3,389,462	(8,004,007)
Incurred directly attributable expenses	698,115	1,132,946
Changes that relate to past service - adjustments to LIC	<u>(24,222,515)</u>	<u>(32,468,026)</u>
Total takaful service expense	<u>689,400,015</u>	<u>770,164,752</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

28 NET INCOME OR EXPENSE FROM RE-TAKAFUL CONTRACTS HELD

The following table presents an analysis of income or expense from re-takaful contracts recognised in the year:

	2025	2024
	AED	AED
Expected recovery of claims and other expenses	12,680,401	13,105,323
CSM recognized for service received	4,778,590	5,502,710
Change in the risk adjustment for the risk expired	<u>611,349</u>	<u>746,232</u>
Contracts not measured under PAA	18,070,340	19,354,265
Contracts measured under PAA	<u>532,143,260</u>	<u>411,836,454</u>
Allocation of re-takaful contribution	<u>550,213,600</u>	<u>431,190,719</u>
Amounts recovered for claims and other expenses	307,427,596	458,517,869
Changes that relate to past service – recoverable claims and other expenses	(30,989,268)	(38,899,744)
Change of loss recovery components	3,394,360	116,998
Effect of changes in the risk of reinsurers non-performance	<u>(155,527)</u>	<u>(438,895)</u>
Amounts recoverable from reinsurer and incurred expenses	<u>279,677,161</u>	<u>419,296,228</u>
Net expense from re takaful contracts held	<u>270,536,439</u>	<u>11,894,491</u>

29 POLICYHOLDERS' INVESTMENT INCOME, NET

	2025	2024
	AED	AED
Return on short-term investment accounts and deposits	17,018,027	23,630,801
Dividend income and profit on investments, net	5,779,457	-
Gain on disposal of investments, net	<u>945,312</u>	<u>-</u>
	23,742,796	23,630,801
Investment expenses	<u>(259,009)</u>	<u>(226,149)</u>
	<u>23,483,787</u>	<u>23,404,652</u>

30 TAKAFUL FINANCE EXPENSES/(INCOME) FOR TAKAFUL CONTRACTS ISSUED

The following table presents an analysis of takaful finance expenses/income recognised in the year:

	2025	2024
	AED	AED
Profit accreted to takaful contracts	19,533,975	16,855,496
Effect of changes in profit rates and other financial assumptions	4,047,536	(4,523,824)
Effect of unlocking CSM at locked-in rates and FCF at current rates	(72,678)	350,441
Net foreign exchange income or expense	<u>(2,903)</u>	<u>(12)</u>
Total takaful finance expense for takaful contracts issued recognized in profit or loss	<u>23,505,930</u>	<u>12,682,101</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

31 RE-TAKAFUL FINANCE INCOME/EXPENSE FOR RE-TAKAFUL CONTRACTS HELD

The following table presents an analysis of re-takaful finance income/expenses recognised in the year:

	2025	2024
	AED	AED
Profit accreted to re-takaful contracts held	15,975,562	13,316,136
Effect of changes in profit rates and other financial assumptions	3,160,532	(3,772,401)
Effect of unlocking CSM at locked-in rates and FCF at current rates	67,793	948,053
Net foreign exchange income or expense	<u>(2,940)</u>	<u>-</u>
Total re-takaful finance income for re-takaful contracts held recognized in profit or loss	<u>19,200,947</u>	<u>10,491,788</u>

32 SHAREHOLDER'S INVESTMENT AND OTHER INCOME, NET

	2025	2024
	AED	AED
Increase in fair value of investment properties (note 11)	31,472,392	957,500
Investment income on commodities	22,472,057	5,140,564
Dividend income and profit on investments, net	19,809,105	24,361,753
Gain on disposal of property and equipment	5,232,348	2,548
Rental income, net (note 11)	3,829,790	1,570,416
Return on short-term investment accounts and deposits	3,764,182	2,167,737
(Loss) on disposal of investments, net	(223,783)	(510,456)
Gain on disposal of investment properties	<u>135,000</u>	<u>562,500</u>
	86,491,091	34,252,562
Investment expenses and Expected credit loss	<u>(22,285,171)</u>	<u>(3,625,629)</u>
	<u>64,205,920</u>	<u>30,626,933</u>

33 MUDAREB SHARE AND WAKALAH FEES

The shareholders manage the policyholders' investment fund and charge 35% (2024: 35%) of investment income earned by policyholders' investment fund as mudareb share.

The shareholders manage the takaful operations for the policyholders and charge 26.4% (2024: 27.3%) of gross takaful contributions as wakalah fees.

34 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	2024
	AED	AED
Staff costs	59,123,762	54,776,087
Depreciation of right of use asset	2,000,554	586,464
Depreciation of property and equipment	1,875,464	1,930,431
Rental expenses	840,875	628,669
Other expenses	<u>11,423,764</u>	<u>9,368,201</u>
	<u>75,264,419</u>	<u>67,289,852</u>

Social contribution included in staff costs for the year ended 31 December 2025 amounts to AED 871,136 (2024: AED 840,174).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

35 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 CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company’s accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision. The corporate taxes are payable on the total income after making the adjustments for certain disallowable expenses, exempt income and investment and other allowances.

Income tax expenses recognised in statement of profit or loss, statement of comprehensive income and statement of changes in shareholders’ equity are as follows:

	2025	2024
	AED	AED
<i>Statement of profit or loss</i>		
Current tax expense	7,462,247	7,164,158
Deferred tax expense	<u>4,938,479</u>	<u>553,169</u>
Net Income tax expense recognised in the statement of profit or loss	<u>12,400,726</u>	<u>7,717,327</u>
<i>Statement of other comprehensive income</i>		
Current tax credit	(810,000)	(648,000)
Deferred tax expense/credit	<u>1,399,680</u>	<u>(763,158)</u>
Net income tax expense/credit recognised in the statement of other comprehensive income	<u>589,680</u>	<u>(1,411,158)</u>
	2025	2024
	AED	AED
<i>Statement of changes in equity</i>		
Current tax expense	<u>708,598</u>	<u>677,054</u>
Net Income tax expense/ credit recognised in the statement of profit or loss	<u>708,598</u>	<u>677,054</u>

Following is the analysis of deferred tax assets/(liabilities) presented in the statement of financial position:

	2025	2024
	AED	AED
Deferred tax assets	-	763,158
Deferred tax liabilities	<u>(6,422,329)</u>	<u>(553,169)</u>
Net deferred tax assets / (liabilities)	<u>(6,422,329)</u>	<u>209,989</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

36 PROFIT FOR THE YEAR

The Company's combined net profit for the year for policyholder and shareholder, before Qard Hasan provision is AED 132,804,728(31 December 2024: AED 83,084,790).

37 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year as follows:

	<i>2025</i>	<i>2024</i>
Profit for the year (AED)	<u>132,804,728</u>	<u>83,084,790</u>
Weighted average number of shares outstanding at 1 January	<u>105,000,000</u>	<u>105,000,000</u>
Total weighted average share at 31 December	<u>105,000,000</u>	<u>105,000,000</u>
Basic and diluted earnings per share (AED)	<u>1.26</u>	<u>0.79</u>

38 SEGMENT INFORMATION

For operating purposes, the Company is organised into two main business segments:

- Underwriting of takaful business incorporating all classes of takaful including fire, marine, motor, general accident, engineering, medical and family takaful. This business is conducted fully within the UAE.
- Investments incorporating investments in UAE marketable equity securities, short-term investments with banks and other securities.

Information regarding the Company's reportable segments is presented below:

Segment revenue and results

	<i>2025</i>			<i>2024</i>		
	<i>Underwriting AED</i>	<i>Investments AED</i>	<i>Total AED</i>	<i>Underwriting AED</i>	<i>Investments AED</i>	<i>Total AED</i>
Direct revenues	962,580,759	87,689,707	1,050,270,466	756,906,266	54,031,585	810,937,851
Direct costs	(825,651,414)	-	(825,651,414)	(644,833,073)	-	(644,833,073)
Finance (cost), net	(4,304,983)	-	(4,304,983)	(2,190,313)	-	(2,190,313)
Other (expenses)/income	<u>155,806</u>	<u>-</u>	<u>155,806</u>	<u>(5,822,496)</u>	<u>-</u>	<u>(5,822,496)</u>
Segment results	132,780,168	87,689,707	220,469,875	104,060,384	54,031,585	158,091,969
Unallocated costs			<u>(87,665,147)</u>			<u>(75,007,179)</u>
Profit for the year			<u>132,804,728</u>			<u>83,084,790</u>

Revenue reported above represents revenue generated from external customers and third parties. There were no inter-segment revenues in the year (2024: AED nil).

The accounting policies of the reportable segments are the same as the Company's accounting policies used in the annual audited financial statements for the year ended 31 December 2025, except for adoption of new and amended standards as set out in note 2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

38 SEGMENT INFORMATION continued

Segment assets and liabilities

	<i>As at 31 December 2025</i>			<i>As at 31 December 2024</i>		
	<i>Underwriting AED</i>	<i>Investments AED</i>	<i>Total AED</i>	<i>Underwriting AED</i>	<i>Investments AED</i>	<i>Total AED</i>
Segment assets	451,923,507	1,195,984,860	1,647,908,367	483,609,782	1,011,888,438	1,495,498,220
Unallocated assets	-	-	36,886,185	-	-	62,245,881
Total assets	<u>451,923,507</u>	<u>1,195,984,860</u>	<u>1,684,794,552</u>	<u>483,609,782</u>	<u>1,011,888,438</u>	<u>1,557,744,101</u>
Segment liabilities	1,017,940,822	-	1,017,940,822	1,016,574,105	-	1,016,574,105
Unallocated liabilities	-	-	63,798,753	-	-	46,581,708
Total liabilities	<u>1,017,940,822</u>	-	<u>1,082,739,575</u>	<u>1,016,574,105</u>	-	<u>1,063,155,813</u>
Capital expenditure			<u>10,482,589</u>			<u>754,585</u>

39 CONTINGENT LIABILITIES AND COMMITMENTS

Commitments

As at 31 December 2025 and 31 December 2024, the Company does not have any commitments.

Guarantees

At 31 December 2025, the guarantees, other than those relating to claims for which provisions are held, amounting to AED 326,561 (31 December 2024: Nil) had been issued on behalf of the Company by its banker in the ordinary course of business.

Legal claim contingency

The nature of contingencies is disclosed unless it is considered as remote. The Company is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or statement of financial position.

40 TAKAFUL RISK

The risk under any one takaful contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of a takaful contract, this risk is random and therefore unpredictable.

For a portfolio of takaful contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its takaful contracts is that the actual claims and benefit payments exceed the estimated amount of the takaful liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Takaful 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 takaful 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 Company has developed its takaful underwriting strategy to diversify the type of takaful risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

40 TAKAFUL RISK continued

Frequency and severity of claims

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

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

The retakaful arrangements include excess and catastrophe coverage. The Company has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once in 3 years and adjusted to reflect the latest information on the underlying facts, current law jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlement of claims to reduce its exposure to unpredictable developments.

Sources of uncertainty in the estimation of future claim payments

Claims on takaful contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and an element of the claims provision includes incurred but not reported claims ("IBNR"). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, 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 takaful contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

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

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

Where possible, the Company 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 projection 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 Company's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. The initial loss -ratio estimate is an important assumption in the estimation technique and is based on previous years experience, adjusted for factors such as contribution rate changes, anticipated market experience and historical claims inflation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

40 TAKAFUL RISK continued

Process used to decide on assumptions

The risks associated with the takaful contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual takaful contracts carried out at the end of the reporting period to derive data for the contracts held. The Company has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The choice of selected results for each accident year of each class of business depends on an assessment of the techniques 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 Company's of accident years within the same class of business.

Claims development process

The following schedules reflect the actual claims (based on yearend estimates including IBNR) compared to the previous estimates for the last four years on an accident year basis:

Accident year (Ultimate Claims)

	<i>Before 2022</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>Total</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Gross						
<i>At the end of each reporting year</i>						
2022	782,525,491	236,371,768	-	-	-	1,018,897,259
2023	629,885,937	236,252,306	355,401,046	-	-	1,221,539,289
2024	508,794,276	240,656,994	325,236,520	599,751,937	-	1,674,439,727
2025	330,288,845	237,791,214	340,947,457	567,160,949	453,552,050	1,929,740,515
Gross estimates of the undiscounted amount of the claims	330,288,845	237,791,214	340,947,457	567,160,949	453,552,050	1,929,740,515
Cumulative payments to date (paid claims)	318,320,651	214,702,578	313,985,313	416,592,636	245,605,158	1,509,206,336
Gross undiscounted liabilities for incurred claims	11,968,194	23,088,636	26,962,144	150,568,313	207,946,892	420,534,179
Effect of discounting						(17,057,063)
Effect of risk adjustment for non-financial risk						12,884,355
Others*						16,298,641
Total gross liabilities for incurred claims						432,660,112
Net						
<i>At the end of each reporting year</i>						
2022	239,523,177	75,695,120	-	-	-	315,218,297
2023	190,877,936	76,778,610	126,014,144	-	-	393,670,690
2024	147,133,935	81,072,122	124,613,890	154,518,466	-	507,338,413
2025	92,068,561	80,006,631	129,682,377	144,475,118	164,650,252	610,882,939
Net estimates of the undiscounted amount of the claims	92,068,561	80,006,631	129,682,377	144,475,118	164,650,252	610,882,939
Cumulative payments to date (Paid Claims)	88,254,200	75,932,069	118,515,526	122,770,517	88,088,212	493,560,524
Net undiscounted liabilities for incurred claims	3,814,361	4,074,562	11,166,850	21,704,601	76,562,040	117,322,414
Effect of discounting						(4,411,081)
Effect of risk adjustment for non-financial risk						2,892,766
Others*						9,482,859
Total net liabilities for incurred claims						125,286,958

* Others includes unallocated loss adjustment expenses reserve, non-performance risks and claim payables and recoverable.

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

40 TAKAFUL RISK continued

Sensitivity analysis

Sensitivity analysis for contracts measured under PAA	<i>For the year ended 31 December 2025</i>		<i>For the year ended 31 December 2024</i>	
	<i>LIC AED</i>	<i>Impact on LIC AED</i>	<i>LIC AED</i>	<i>Impact on LIC AED</i>
Takaful contract liabilities	(432,660,113)		(445,451,740)	
Re-takaful contract assets	307,373,155		334,176,746	
Net takaful contract liabilities	(125,286,958)		(111,274,994)	
			5% increase – LIC	
Takaful contract liabilities	(454,293,118)	(21,633,006)	(467,724,327)	(22,272,587)
Re-takaful contract assets	322,741,813	15,368,658	350,885,583	16,708,837
Net takaful contract liabilities	(131,551,305)	(6,264,348)	(116,838,744)	(5,563,750)
			5% decrease – LIC	
Takaful contract liabilities	(411,027,107)	21,633,006	(423,179,153)	22,272,587
Re-takaful contract assets	292,004,497	15,368,658	317,467,909	(16,708,837)
Net takaful contract liabilities	(119,022,610)	6,264,348	(105,711,244)	5,563,750
Sensitivity analysis for contracts not measured under PAA	<i>For the year ended 31 December 2025</i>		<i>For the year ended 31 December 2024</i>	
	<i>Net takaful and re-takaful contract assets and liabilities AED</i>	<i>Impact on net takaful and re-takaful contract assets and liabilities AED</i>	<i>Net takaful and re-takaful contract assets and liabilities AED</i>	<i>Impact on net takaful and re-takaful contract assets and liabilities AED</i>
Takaful contract liabilities	(164,231,333)		(173,592,428)	
Re-takaful contract assets	154,389,341		25,016,094	
Net takaful contract liabilities	(9,841,992)		(148,576,334)	
			10% increase – Lapses	
Takaful contract liabilities	(165,076,476)	(845,143)	(174,555,639)	(963,211)
Re-takaful contract assets	155,028,150	638,809	25,737,763	721,669
Net takaful contract liabilities	(10,048,326)	(206,334)	(148,817,876)	(241,542)
			1% increase – Mortality	
Takaful contract liabilities	(164,583,560)	(352,227)	(173,992,603)	(400,175)
Re-takaful contract assets	154,716,054	326,713	25,373,822	357,728
Net takaful contract liabilities	(9,867,506)	(25,514)	(148,618,781)	(42,447)

Concentration of takaful risk

Substantially all of the Company's underwriting activities are carried out in the UAE.

In common with other takaful companies, in order to minimise financial exposure arising from large takaful claims, the Company, in the normal course of business, enters into arrangement with other parties for retakaful purposes.

To minimise its exposure to significant losses from retakaful insolvencies, the Company evaluates the financial condition of its retakaful and monitors concentration of credit risk arising from similar geographic regions, activities or economic characteristics of the retakaful companies. The Company remains liable to its participants for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the retakaful agreements..

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

41 FINANCIAL RISK

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful assets and 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 takaful and investment contracts. The risks that the Company primarily faces due to the nature of its investments and underwriting business are market price risk, credit risk and liquidity risk.

Fair value of financial instruments

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

An analysis of financial instruments that are measured subsequent to initial recognition at fair value into levels 1 to 3 is provided in note 42.

Capital risk management

The Company has established the following capital management objectives, policies and approach to manage the risks that affect its capital position.

The Company's objectives when managing capital are:

- to comply with the capital requirements required by the UAE Federal Law No. (48) of 2023 regarding the Establishment of the Insurance Authority and Insurance Operations
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing takaful contracts commensurately with the level of risk.

In UAE, the local takaful regulator specifies the minimum amount and type of capital that must be held by the Company in addition to its takaful liabilities. The minimum required capital (presented below) must be maintained at all times throughout the year. The Company is subject to local takaful solvency regulations with which it has complied during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

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

	<i>31 December 2025 AED</i>	<i>31 December 2024 AED</i>
Total shareholders' equity	<u>601,316,465</u>	<u>494,588,288</u>
Minimum regulatory capital	<u>100,000,000</u>	<u>100,000,000</u>

The UAE Insurance Authority has issued resolution No. 42 for 2009 setting the minimum subscribed or paid-up capital of AED 100 million for establishing an takaful firm and AED 250 million for a retakaful firm. The resolution also stipulates that at least 75 percent of the capital of the insurance companies established in the UAE should be owned by UAE or Gulf Cooperation Council national individuals or corporate bodies. The Company is complying with the above requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

41 FINANCIAL RISK continued

Material accounting policies

Details of the material accounting policy information and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the financial statements.

Categories of financial instruments

	<i>31 December 2025 AED</i>	<i>31 December 2024 AED</i>
Financial assets		
Statutory deposit	10,000,000	10,000,000
Investments	505,139,305	358,608,400
Cash and bank balances (including term deposit)	<u>519,442,506</u>	<u>570,967,131</u>
Total	<u>1,034,581,811</u>	<u>939,575,531</u>

Profit return rate risk management

The Company is not exposed to significant rate of return risks as its assets returns are repriced frequently.

The Company's rate of return risk is mainly attributable to its bank deposits and sukuks.

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

Foreign currency risk

The Company is not exposed to significant foreign currency risk as substantially all financial assets and financial liabilities are denominated in AED or US Dollars to which the AED is pegged.

Market price risk

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

At the end of the year, if the prices of quoted equity investments and net asset value of unquoted equity investments are 1% higher/lower and all the other variables were held constant, the Company's other comprehensive income would have increased/decreased by AED 1,780,764 (31 December 2024: AED 1,646,893). With respect to investment in commodities, if the prices of commodities are 1% higher/lower and all the other variables were held constant, the Company's profit for the year ended 31 December 2025 would increase / decrease by AED 580,272 (31 December 2024: AED 308,046).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

41 FINANCIAL RISK continued

Credit risk management

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

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

- Retakafuls' share of takaful liabilities;
- Amounts due from retakaful in respects of claims already paid;
- Amounts due from takaful contract holders;
- Amounts due from takaful intermediaries; and
- Amounts due from banks for its bank balances and fixed deposits.

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

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

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company.

Management information reported to the Company includes details of provisions for impairment on takaful receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are mitigated by ongoing credit evaluation of their financial condition. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for retakaful is carried out by the Company. Management believes that the concentration of credit risk is mitigated by high credit rating and financial stability of its policy holders.

The credit risk on liquid funds maintained with banks is limited because the counterparties are reputable local banks closely monitored by the regulatory body.

At 31 December 2025, all of the deposits were placed with 9 banks (2024: 8 banks). Management is confident that this concentration at year end does not result in any credit risk to the Company as these banks are major banks operating in the UAE and are highly regulated by the Central Bank.

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

The re-takaful contract assets and re-takaful receivables are with highly rated reinsurers based on the Company's internal Risk management framework.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

41 FINANCIAL RISK continued

Liquidity risk management

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. Bank facilities, the policy holders and the retakaful, are the major sources of funding for the Company and the liquidity risk for the Company is assessed to be low.

Maturity analysis of assets and liabilities

The table below shows an analysis of undiscounted assets and liabilities analysed according to when they are expected to be recovered or settled:

	<i>Current AED</i>	<i>Non-current AED</i>	<i>Total AED</i>
31 December 2025			
<i>Assets excluding takaful and re-takaful contract assets</i>			
Cash and bank balances including bank deposits	519,442,506	-	519,442,506
Statutory deposits	10,000,000	-	10,000,000
Unit linked investments at fair value through profit or loss	-	-	-
Financial assets designated at fair value through other comprehensive income	494,856,305	-	494,856,305
Financial assets designated at amortized cost	-	10,283,000	10,283,000
Investment in commodities	58,027,240	-	58,027,240
Prepaid expenses and other assets	49,768,179	-	49,768,179
Property and equipment	-	11,481,448	11,481,448
Right of use assets	-	7,920,000	7,920,000
Investment property	-	<u>103,375,809</u>	<u>103,375,809</u>
Total assets excluding takaful and re-takaful contract assets	<u>1,132,094,230</u>	<u>133,060,257</u>	<u>1,265,154,487</u>
<i>Liabilities excluding takaful and re-takaful contract liabilities</i>			
Accrued expenses and other liabilities	170,384,692	-	170,384,692
Deferred tax liability	6,422,329	-	6,422,329
Lease liability	2,174,000	5,419,990	7,593,990
Provision for end of service benefits	<u>15,162,671</u>	<u>-</u>	<u>15,162,671</u>
Total liabilities excluding takaful and re-takaful contract liabilities	<u>194,143,692</u>	<u>5,419,990</u>	<u>199,563,682</u>

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

41 FINANCIAL RISK continued

Maturity analysis of assets and liabilities continued

	<i>Current</i> <i>AED</i>	<i>Non-current</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<i>31 December 2024</i>			
<i>Assets excluding takaful and re-takaful contract assets</i>			
Cash and bank balances including bank deposits	570,967,131	-	570,967,131
Statutory deposits	10,000,000	-	10,000,000
Unit linked investments at fair value through profit or loss	393,337	-	393,337
Financial assets designated at fair value through other comprehensive income	348,325,400	-	348,325,400
Financial assets designated at amortized cost	-	10,283,000	10,283,000
Investment in commodities	30,804,570	-	30,804,570
Prepaid expenses and other assets	56,314,111	-	56,314,111
Deferred tax asset	763,158	-	763,158
Property and equipment	-	19,706,474	19,706,474
Right of use assets	-	9,920,554	9,920,554
Investment property	-	<u>41,115,000</u>	<u>41,115,000</u>
Total assets excluding takaful and re-takaful contract assets	<u>1,017,567,707</u>	<u>81,025,028</u>	<u>1,098,592,735</u>
<i>Liabilities excluding takaful and re-takaful contract liabilities</i>			
Accrued expenses and other liabilities	151,987,397	-	151,987,397
Deferred tax liability	553,169	-	553,169
Lease liability	1,908,009	7,593,990	9,501,999
Provision for end of service benefits	<u>13,989,707</u>	<u>-</u>	<u>13,989,707</u>
Total liabilities excluding takaful and re-takaful contract liabilities	<u>168,438,282</u>	<u>7,593,990</u>	<u>176,032,272</u>

A maturity analysis for portfolios of takaful contracts issued that are liabilities is presented below.

The analysis is presented by estimated timing, of the estimates of the present value of the future cash flows, for each of the first five years after the reporting date and in aggregate beyond the first five years.

As per IFRS-17 (132b), An entity is not required to include in these analyses liabilities for remaining coverage measured under the PAA approach, and accordingly, these balances have been excluded.

The Company does not have any re takaful contract liabilities except for remaining coverage measured under PAA approach, which has been excluded from below analysis.

	<i>Up to 1 Year</i> <i>AED</i>	<i>1-2 year</i> <i>AED</i>	<i>2-3 year</i> <i>AED</i>	<i>3-4 year</i> <i>AED</i>	<i>4-5 year</i> <i>AED</i>	<i>>5 year</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<i>31 December 2025</i>							
Takaful contract liabilities	365,101,051	100,991,129	45,227,205	36,727,215	14,208,863	33,340,627	595,596,090
<i>31 December 2024</i>							
Takaful contract liabilities	402,559,656	112,411,710	31,467,598	20,515,863	11,945,669	40,143,670	619,044,166

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

42 FAIR VALUE OF FINANCIAL INSTRUMENTS

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>	<i>Total</i> <i>AED</i>
31 December 2025				
Financial assets measured at fair value through other comprehensive income	316,779,878	-	178,076,427	494,856,305
Unit linked investments at fair value through profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>316,779,878</u>	<u>-</u>	<u>178,076,427</u>	<u>494,856,305</u>
31 December 2024				
Financial assets measured at fair value through other comprehensive income	183,636,131	-	164,689,269	348,325,400
Unit linked investments at fair value through profit or loss	<u>393,337</u>	<u>-</u>	<u>-</u>	<u>393,337</u>
	<u>184,029,468</u>	<u>-</u>	<u>164,689,269</u>	<u>348,718,737</u>

During the year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued primarily based on net assets of the investees unless recent transactions provide evidence of the current fair value for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Abu Dhabi National Takaful Company P.S.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

43 SOLVENCY MARGIN

Section 2 of the Financial Regulations for Takaful Companies (the “Regulations”) issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to takaful liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the period. The Company 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 Company and the total capital held to meet these solvency margins as defined in the Regulations.

	<i>(Unaudited)</i> 30 September 2025 AED	<i>31 December</i> <i>2024</i> <i>AED</i>
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	161,106,436	111,868,759
Minimum Guarantee Fund (MGF)	94,808,474	80,662,142
Basic Own Funds	435,671,268	387,024,475
Ancillary Own Funds		-
MCR Solvency Margin – Surplus	<u>335,671,268</u>	<u>287,024,475</u>
SCR Solvency Margin – Surplus	<u>274,564,832</u>	<u>275,155,716</u>
MGF Solvency Margin – Surplus	<u>340,862,794</u>	<u>306,362,333</u>

44 OTHER INFORMATION

<i>Description</i>	<i>Family takaful</i> <i>(without medical</i> <i>and fund</i> <i>accumulation)</i> <i>AED</i>	<i>Fund</i> <i>accumulation</i> <i>AED</i>	<i>Medical</i> <i>takaful</i> <i>AED</i>	<i>Property</i> <i>and liability</i> <i>(without</i> <i>medical)</i> <i>AED</i>	<i>All type of</i> <i>business</i> <i>combined</i> <i>AED</i>
2025					
Direct written contribution	125,517,401	-	298,475,595	309,992,306	733,985,302
<i>Assumed business</i>					
Foreign	-	-	<u>2,331,955</u>	<u>127,423,278</u>	<u>129,755,233</u>
Local	<u>-</u>	<u>-</u>	<u>2,587,922</u>	<u>135,480,189</u>	<u>138,068,111</u>
Total assumed business	<u>-</u>	<u>-</u>	<u>4,919,877</u>	<u>262,903,467</u>	<u>267,823,344</u>
Total Gross written contribution	<u>125,517,401</u>	<u>-</u>	<u>303,395,472</u>	<u>572,895,773</u>	<u>1,001,808,646</u>
2024					
Direct written contribution	79,103,224	-	241,608,500	247,822,459	568,534,183
<i>Assumed business</i>					
Foreign	-	-	<u>3,515,002</u>	<u>106,345,686</u>	<u>109,860,688</u>
Local	<u>-</u>	<u>-</u>	<u>298,642</u>	<u>114,559,052</u>	<u>114,857,694</u>
Total assumed business	<u>-</u>	<u>-</u>	<u>3,813,644</u>	<u>220,904,738</u>	<u>224,718,382</u>
Total Gross written contribution	<u>79,103,224</u>	<u>-</u>	<u>245,422,144</u>	<u>468,727,197</u>	<u>793,252,565</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

45 CONVENTIONAL PRESENTATION OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS

Below is the conventional presentation of statement of financial statements:

	<i>31 December 2025 AED</i>	<i>31 December 2024 AED</i>
ASSETS		
Property and equipment	11,481,448	19,706,474
Right of use assets	7,920,000	9,920,554
Investment properties	103,375,809	41,115,000
Statutory deposit	10,000,000	10,000,000
Deferred tax asset	-	763,158
Prepaid expenses and other assets	49,768,179	56,314,111
Re-takaful contract assets	419,444,995	459,140,782
Takaful contract assets	195,070	10,584
Unit linked investments at fair value through profit or loss	-	393,337
Financial assets measured at fair value through other comprehensive income	494,856,305	348,325,400
Financial assets measured at amortized cost	10,283,000	10,283,000
Investment in commodities	58,027,240	30,804,570
Term deposits	442,590,575	414,374,840
Cash and cash equivalents	<u>76,851,931</u>	<u>156,592,291</u>
TOTAL ASSETS	<u>1,684,794,552</u>	<u>1,557,744,101</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Provision for end of service benefits	15,162,671	13,989,707
Lease liability	7,593,990	9,501,999
Deferred tax liability	6,422,329	553,169
Income tax payable	7,321,131	7,193,212
Re-takaful contract liabilities	56,835,198	47,842,661
Takaful contract liabilities	911,696,181	916,777,048
Accrued expenses and other liabilities	<u>77,708,075</u>	<u>67,298,017</u>
Total liabilities	<u>1,082,739,575</u>	<u>1,063,155,813</u>
Shareholders' equity		
Share capital	105,000,000	105,000,000
Legal reserve	52,500,000	52,500,000
General reserve	42,500,000	42,500,000
Re-takaful default reserve	12,992,563	10,067,414
Investment revaluation reserve	(62,167,472)	(55,650,672)
Retained earnings	<u>451,229,886</u>	<u>340,171,546</u>
Total equity	<u>602,054,977</u>	<u>494,588,288</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>1,684,794,552</u>	<u>1,557,744,101</u>

For the purpose of preparing the statement financial position – conventional presentation, certain reclassifications were made within the Company's total liabilities between takaful contract liabilities and accrued expenses and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

45 CONVENTIONAL PRESENTATION OF STATEMENT OF FINANCIAL POSITION AND STATEMENT OF PROFIT OR LOSS continued

Below is the conventional presentation of statement of profit or loss:

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Takaful revenue	962,580,759	756,906,266
Takaful service expense	(555,114,977)	(632,938,582)
Allocation of re-takaful contributions paid	(550,213,600)	(431,190,719)
Amounts recovered from re-takaful contracts	<u>279,677,161</u>	<u>419,296,228</u>
Takaful service result	136,929,343	112,073,193
Investment income	87,689,707	54,031,585
Other income (expenses), net	155,806	(5,822,496)
Takaful finance expenses for takaful contracts issued	(23,505,930)	(12,682,101)
Re-takaful finance income for re-takaful contracts held	19,200,947	10,491,788
General and administrative expenses	<u>(75,264,419)</u>	<u>(67,289,852)</u>
Profit before tax	<u>145,205,454</u>	<u>90,802,117</u>
Income tax expense	<u>(12,400,726)</u>	<u>(7,717,327)</u>
Profit for the period	<u>132,804,728</u>	<u>83,084,790</u>
Basic and diluted earnings per share	<u>1.26</u>	<u>0.79</u>

46 OTHER MATTER

On 27 October 2022, the Company reached an initial agreement to acquire the individual life takaful portfolio from Dubai Islamic Insurance & Reinsurance Company PJSC (AMAN). The agreement was subject to certain requirements before the acquisition of the portfolio would be completed. Pending the satisfaction of these requirements the ongoing responsibility for the management of the portfolio and its liabilities remained solely the responsibility of Dubai Islamic Insurance & Reinsurance Company PJSC (AMAN).

As the requirements for the acquisition of the portfolio have not been met, the board of directors have decided not to proceed further with the acquisition. The Company has therefore notified Dubai Islamic Insurance & Reinsurance Company PJSC (AMAN) of its decision to terminate the agreement in accordance with its terms and conditions.

47 SUBSEQUENT EVENTS

Subsequent to the reporting date, the Board of Directors has proposed a cash dividend of AED 30 million (AED 0.286 per share) for the year ended 31 December 2025. This proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting.

On the basis of information available to us and a review of the events occurring between 31 December 2025 and the date of authorization of these financial statements, we confirm that there have been no other material events, including events related to the US-Iran war, which require adjustment of or disclosure in the financial statements or notes thereto.



تكافل

Takaful

ش.م.ع

شركة أبوظبي الوطنية للتكافل

Abu Dhabi National Takaful Co. P.S.C



Corporate Governance Report 2025

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Introduction

Abu Dhabi National Takaful Company – PSC is a national public shareholding company, established in Abu Dhabi, United Arab Emirates (UAE), on 16 November 2003, with a paid-up capital of AED 105,000,000. The company aims to provide Takaful insurance solutions for the regional market. Its core business activities and investments are conducted in accordance with Islamic Shari’a principles.



20+
Years
of expertise



500k+
Customers
trust us



A.M Best
A– Excellent Rating,
10 consecutive years



Fitch
A– Excellent Rating,
4 consecutive years

A statement of the procedures taken to complete the corporate governance system during 2025, and how they are applied

Abu Dhabi National Takaful Company – PSC – Takaful, is presenting its annual report, in which it shows its commitment to corporate governance system and principles, We, in Abu Dhabi National Takaful, believe that corporate governance is an integral part of our growth and development, as it is based on justice, responsibility, transparency, which we consider the starting point of unlimited success.

Abu Dhabi National Takaful is committed to the provisions of Islamic Shari'a in all its transactions and activities, which gives the governance more depth, since the Shari'a also called for these principles.

As of 2009, the Company has started to implement the provisions of Ministerial Resolution No. (518) of 2009 Concerning Governance Rules and Corporate Discipline Standards, immediately after its publication, through developing an action plan as follows:

- Issuing special procedures for corporate governance.
- Forming committees directly from the Board of Directors, taking into consideration the conditions that must be met by its members.
- Establishing an internal control department and appointing a Head of Internal Control Department who is fully authorized to carry out his duties in order to achieve the objectives in this regard.
- Adopting code of Professional Conduct.
- Setting rules governing the transactions of the Board members and the employees as well, regarding the securities issued by the company.

The Company aims to secure the shareholders' rights through achieving the general objectives of the governance, and implementing these criteria and rules (i.e governance rules).

The company submits its annual report on the implementation of the governance rules, this report is made available to the shareholders at the general assembly meeting to discuss its articles as well as published on the company's website. In addition, the Capital Market Authority (CMA) is provided with a copy of the report for information and advice if necessary.

Subsequently, CMA issued the Chairman's Decision No. 7 R.M of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies , the Company reviewed this decision and amended its procedure to ensure full compliance.

Moreover, the company observed, reviewed and amended its procedures to meet with CMA's Chairman Board Decision No. 03 R.M of 2020 concerning Approval of Joint Stock Companies Governance Guide.

During 2025, the Company engaged with an external consultant to conduct a comprehensive review of its corporate governance policies and framework. The objective of this exercise was to ensure compliance with the Corporate Governance requirements issued by the Central Bank of the UAE under Notice No. 24 of 2022, as well as any relevant updates issued by the Capital Market Authority.

Any amendments or enhancements identified through this review will be implemented on or before 30 April 2026 to ensure full compliance with the applicable regulatory requirements.

A statement of the transactions of the members of the board of directors, and spouses and children thereof in the company securities during 2025

Company Policy:

The company has followed and implemented a mechanism that governs the rules of dealing with the Board members and their direct relatives and/or any of the insiders of the base data in the securities of the company, and aims to obtain:

- The equality of all investors in accessing the company's data.
- Identifying and reporting of any suspicion of insiders from achieving any personal gain from this accessing.
- Increasing the transparency on the disclosure.
- Increasing the investors' confidence in the shares of the Company.

Rules adopted by the Company:

Subject to the provisions of Article (14) of The Authority's Board of Director's Decision No. (2) of 2001 Concerning the Regulations as to Trading, Clearing, Settlement, Transfer of Ownership and Custody of Securities. As well as all decisions issued in this regard, the Company has adopted a series of rules and controls governing the dealings of all insiders of the Company's data in its own securities, which consist in:

- Members of the Board and employees are entitled to invest in the Company's shares under the stipulated conditions. They shall notify the Capital Market Authority, and Abu Dhabi Securities Exchange, as well as the Chief Executive Officer about this investment.

- It is not allowed to the Chairman, the Board members, the CEO or any person (insider) who has access to the core data of the listed company to act on his own/others by dealing in the securities of the Company itself, or in the securities of the parent company or affiliate or sister of that company, during the following periods:

1. (10) business days before the announcement of any material information that may affect the price of the stock up or down, unless this information is a result of sudden events.
2. (15) days before the end of the quarterly, semi-annual or annual financial period, until disclosure of the financial statements.

- The provisions of the law shall be taken into account when any of the above-mentioned persons act by themselves/others by dealing in the securities of the company itself or in the securities of the parent company, subsidiary or affiliate of that company, any contrary dealing shall be void.
- In the course of carrying out their duties, the Board of Directors and the employees shall be fully aware of and understand all applicable laws, rules and regulations in order to be able to comply with them in all circumstances. Any benefits that

may be granted to the employees or opportunities for cash and non-cash benefits, as well as any paid compensation shall be in accordance with the conflict of interest policy. Therefore, the employees must carry out their duties by applying the principles of integrity, honesty and adherence to professional standards.

- Board members should immediately inform the Chairman when any personal material interests arise against the Company's affairs. In this context, any personal financial interest resulting in any financial transaction with any entity related to the Company that reach to or exceed AED 5 Million shall be notified to the Chairman immediately.
- Board members should refrain from participating in discussions during Board meetings if any personal interest of their own is discussed.
- If a shareholder (represented by a member of the Board of Directors) has a conflict of interest in any matter that may affect the value and volume of the investment in the Company's shares, the Board shall meet and issue its decision on this matter excluding the Board member – or the representatives of this shareholder – of voting. And in exceptional cases, such matters can be resolved through a special committee formed for this purpose.
- Each Board member should – once taking office – disclose to the Company the nature of the positions he holds in public shareholding companies and others, important commitments as well, specifying the time allocated to them, any changes that may arise once occur.
- Each Board member shall – annually – disclose to the Company the nature of their transactions in the securities issued by the Company, the parent company or its subsidiaries or sister companies.
- The Board of Directors is responsible for overseeing the compliance with disclosure policy and take any corrective action, if necessary
- The Board has formed a committee to manage, follow up, and supervising the transactions of insiders and their property, maintain their register and submit periodic reports and statements to ADX in accordance with the articles 12 and 13 of the Chairman Decision (Capital Market Authority) No. 7 R.M of 2016 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies and Corporate Governance standards issued by CBUAE number 24/2022. Accordingly, no member of the Board or their spouses/sons have made or declared any transactions on the Company's securities during the year 2025.

A statement of the transactions of the members of the board of directors, and spouses and children thereof in the company securities during 2025

Sr No.	Name	Position/Relationship	Shares Held at 31 Dec 2025	Total Sale Transactions	Total Purchase Transactions
1	Khamis Mohamed Buharoon Alshamsi	Chairman	-	-	-
2	Khalid Abdalla Deemas Alsuwaidi	Vice Chairman	-	-	-
3	Khalifa Abdulla Khamis Al Romaiti	Board Member	-	-	-
4	Khalid Ali Ibrahim Jaseem Almansoori	Board Member	-	-	-
5	Naser Mohamed Naser Al Mur Al Zaabi	Board Member	-	-	-
6	Abdullatif Abdullah Al Mulla	Board Member	-	-	-
7	Metha Mohamedalsharif Yousif Alhashmi	Board Member	-	-	-
8	Abdulla Zaid Mohamed Alshehhi	Board Member	-	-	-
9	Aysha Ahmad Sultan Al Hallami	Board Member	-	-	-

The balance of owned shares shall be shown, regardless there are transactions during the year or not.

Board of Directors Composition

The Board of Directors is considered the representative of the Company's shareholders. It is the body that is primarily responsible for the company's business. It is committed to providing general instructions, approving the business strategies, plans, and budgets, following up the operational policy, business process, as well as the internal control system of all types.

The current Board of Directors consists of nine members elected on 11/04/2023 and 16/11/2023 for period of three years ending in 2026. All members have the expertise and qualifications that qualify them to manage the Company, and they have the ability to read and understand the financial statements thoroughly, considering their long experience in insurance and the business management scope.

A Statement of the current Board of Directors (BOD) composition (adding the names of the independent and appointed BOD members) using the table below:



**Khamis Mohamed Khamis
Buharoon Alshamsi**

Chairman, Non-executive

Since
22/03/2008

Experience

He has experience in the area of accounting and audit as well as he worked as a head of the inspection team of banks in the Central Bank. He has also significant experience in the management of several business corporations and financial institutions.

Memberships and positions in any other joint-stock companies

- Board Member of Agthia Company
- Vice Chairman Of Alpha Data

Positions in any other supervisory, governmental or business entities

- Executive member in Royal Capital

Qualifications

- Bachelor degree in Business Management and Accounting



**Khalid Abdalla Deemas
Alsuwaidi**

Deputy Chairman, Non-executive

Since
22/03/2008

Experience

He has considerable expertise in managing business corporations.

Memberships and positions in any other joint-stock companies

- Board Member of Abu Dhabi Commercial Bank

Positions in any other supervisory, governmental or business entities

- CEO of Das Holding

Qualifications

- MBA



**Khalifa Abdulla Khamis Al
Romaithi**

Board Member, Non-executive

Since
22/03/2008

Experience

He has considerable expertise in investment as well as in the business management.

Memberships and positions in any other joint-stock companies

- Chairman of Emirates Driving Company
- Board Member of Taraf Masdar City Development
- Board Member of Masdar City

Positions in any other supervisory, governmental or business entities

Executive Director UAE Real Estate- Mubadala

Qualifications

- Bachelor in Business Management

A Statement of the current Board of Directors (BOD) composition (adding the names of the independent and appointed BOD members) using the table below:



**Khalid Ali Ibrahim Jasem
Almansoori**
Board Member, Non-executive

Since

20/03/2010

Experience

He has experience in studying and developing the economic activities of companies and developing their resources. He has good experience in managing several private projects and developing the resources.

Memberships and positions in any other joint-stock companies

- Board Member of Saudi Finance Company
- Board Member of Burooj Properties

Positions in any other supervisory, governmental or business entities

Owner of Circle Consultants
Executive Chairman- MPM Properties

Qualifications

- Master degree in Innovation and Entrepreneurship



**Naser Mohamed Naser Al
Mur Al Zaabi**
Board Member,

Since

9/11/2014

Experience

Experience in banking and operations management.

Memberships and positions in any other joint-stock companies

- Chairman of Ruya Bank

Positions in any other supervisory, governmental or business entities

- Chief Operating Officer of Das Holding
- Advisor at Presidential Court

Qualifications

- Bachelor in Business Management and Marketing



Abdullatif Abdullah Al Mulla
Board Member, Non-executive/Independent

Since

16/11/2023

Experience

Experience in real estate and information technology.

Memberships and positions in any other joint-stock companies

N/A

Positions in any other supervisory, governmental or business entities

- Chairman of IMDAD

Qualifications

- Masters in Economical & Social Development and Management
- Masters in Corporate Communication

A Statement of the current Board of Directors (BOD) composition (adding the names of the independent and appointed BOD members) using the table below:



**Metha Mohamedalsharif
Yousif Alhashmi**
Board Member, Non-executive

Since
21/11/2022

Experience
Experience in banking and insurance.

Memberships and positions in any other joint-stock companies
NA

Positions in any other supervisory, governmental or business entities

- Group Chief Credit Officer of Abu Dhabi Islamic Bank

Qualifications

- BA in Management
- B.SC in Computer Science



Abdulla Zaid Mohamed Alshehhi
Board Member, Non-executive

Since
26/12/2023

Experience
Experience in banking.

Memberships and positions in any other joint-stock companies
NA

Positions in any other supervisory, governmental or business entities

- Global Head of International Business of Abu Dhabi Islamic Bank

Qualifications

- B.SC in Science
- Master in Business Administration



Aysha Ahmad Sultan Al Hallami
Board Member,
Non-executive/Independent

Since
16/11/2023

Experience
Experience in investments.

Memberships and positions in any other joint-stock companies
NA

- Board Member of Abu Dhabi Commercial Bank

Positions in any other supervisory, governmental or business entities

- Deputy Director at Abu Dhabi Investment Authority

Qualifications

- BA of banking
- Master in banking & finance



A statement of women's representation in the Board of Directors in 2025

Women representation in the board is 2/9.

A statement of reasons why no women were nominated for the membership of the Board of Directors (for example: no women were nominated for the membership of the Board of Directors)

N/A



A statement of the remuneration of the Board:

The Company's policy for determining Board remuneration states that proposed remunerations are submitted by the Board to the General Assembly for discussion and approval. The Company adheres to the following regulations governing Board remuneration:

- Article 171 of Federal Law No. 32 of 2021 on Commercial Companies in the UAE.
- Article 29 of the Chairman of Authority's Board of Directors Decision No. 3 R.M of 2020 on Institutional Discipline and Governance of Public Shareholding Companies.
- Articles 32 & 58 of the Company's Articles of Association.
- Decision 24/2022 of the Central Bank of the UAE regarding the governance of insurance companies.

Generally stipulated that the Chairman and the members of the Board of Directors shall be entitled to a predetermined remuneration if it doesn't exceed 10% of the profits for the financial year. The Company may also pay any additional expenses, fees, bonuses or monthly salary to the extent decided by the Board of Directors for any Board Member if – such member – works in any committee or makes special efforts or performs additional duties to serve the company, beyond his normal duties as a Board member. An attendance allowance may not be paid to the Chairman or the Board member for the Board meetings.



Total remunerations paid to the members of the Board of Directors for the year 2024

At the General Assembly of the company held on 24/04/2025, the shareholders approved the predetermined remuneration of AED 7,200,000/- payable to the Board of directors as a bonus for the financial year ended 31/12/2024, as approved by the AGM in accordance with the provisions of the said articles and laws above.



Total remunerations proposed to be paid to the members of the Board of Directors for the year 2025, which shall be presented in the annual General Assembly for approval.

At the General Assembly of the company which will be held on 24/04/2026, it is proposed to the General Assembly to approve the predetermined remuneration of the members of the Board to be AED 9,000,000 for the year ended 31/12/2025, in accordance with the provisions and laws above-mentioned.

A statement of the details of allowances for attending the sessions of committees derived from the BOD, which were paid to the BOD members for the fiscal year 2025 using the table below:

Each member of the Board of Directors received an amount of 7,500/- AED for the attendance allowance for each committee meeting during the year 2025, according to the following detail:

#	Board Member	Committee	Meetings Attended	Allowances Paid
1	Mr. Khamis Mohamed Khamis Buharoon Alshamsi	Strategy & Investment Committee	2	AED 15,000/-
2	Mr. Khalid Abdalla Deemas Alsuwaidi	Strategy & Investment Committee	0	AED -
3	Mr. Abdulla Zaid Mohamed Alhelali Alshehhi	Strategy & Investment Committee	2	AED 15,000/-
4	Mr. Khalifa Abdulla Khamis Al Romaiti	Strategy & Investment Committee	2	AED 15,000/-
		Remuneration & Nomination Committee	3	AED 22,500/-
5	Mr. Khalid Ali Ibrahim Jasem Almansoori	Remuneration & Nomination Committee	3	AED 22,500/-
		Strategy & Investment Committee	2	AED 15,000/-
6	Mr. Naser Mohamed Naser Al Mur Al Zaabi	Strategy & Investment Committee	2	AED 15,000/-
		Remuneration & Nomination Committee	3	AED 22,500/-
7	Mrs. Metha Mohamedalsharif Yousif Alhashmi	Strategy & Investment Committee	2	AED 15,000/-
		Audit Committee	5	AED 37,500/-
		Risk Committee	4	AED -
		Insider's Trading	2	AED -
8	Mr. Abdullatif Abdullah Ahmed Al Mulla	Audit Committee	5	AED 37,500/-
		Risk Committee	4	AED -
		Strategy & Investment Committee	2	AED 15,000/-
		Insider's Trading	2	AED -
		Remuneration & Nomination Committee	3	AED 22,500/-
9	Mrs. Aysha Ahmed Sultan Al Hallami	Audit Committee	5	AED 37,500/-
		Risk Committee	4	AED -
		Strategy & Investment Committee	2	AED 15,000/-
		Insider's Trading	2	AED -
		Remuneration & Nomination Committee	3	AED 22,500/-

Details of the additional allowances, salaries or fees received by a Board member other than the allowances for attending to the committees and their reasons.

N/A

The number and dates of BOD meetings held during the FY 2025 as well as the attendance frequency by all the members, in person and online or by proxy.

#	Date of the meeting	Number of Attendees	Number of attendance by proxy	Names of absent members
1	Wednesday 12th Feb 2025	8	1	Mr. Khalid Abdalla Deemas Alsuwaidi
2	Thursday, 13th March 2025	9	0	-
3	Tuesday, 13th May 2025	9	1	Mr. Naser Mohamed Naser Al Mur Al Zaabi
4	Tuesday, 12th August 2025	9	0	-
5	Tuesday, 11th November 2025	8	1	Mr. Khalifa Abdulla Khamis Al Romaithi
6	Monday, 29th December 2025	9	0	-

Number of the Board resolutions passed during the 2025 fiscal year, along with its meeting dates.

Has not made any decisions need to be disclosed.

- On 08/01/2025, the board of directors approved the Establishment of New Sharia Committee members in line with regulation No. 4496.2023 re Standard Re Shari’ah Governance for Takaful Insurance Companies
- On 25/03/2025, the Board of Directors approved by circulation the actuarial report of underwriting performance review for the year 2024
- On 04/08/2025, the board of directors approved the sale of the company-owned office located in Regal Tower-business Bay – Dubai.
- On 25/09/2025, the Board of Directors approved by circulation the actuarial report of underwriting and pricing for the period ending on 30 June 2025.
- On 04/12/2025, approved relocating the company’s headquarters from the 25th floor of Tamouh Tower, Marina Square, Al Reem Island, Abu Dhabi, to the leased office located in the Landmark Tower, Corniche, Abu Dhabi.

A statement of the BOD’s tasks and functions which were performed by the Executive Management pursuant to an authorization by the BOD to the Management, stating the period and validity of the delegation.

Subject to the provisions of the Articles of Association of the Company, and in accordance with the interests of the business, the Chairman of the Board has given to the Executive Management represented by the CEO, a fixed-term mandate, ending on 10/02/2027, granting him the powers upon the business needs, and the nature of the company’s activity as well, explaining the cases that require prior approval or instructions from the Board. These tasks can be summarized as follows:

- Managing the company’s business and providing instructions to the executive in line with the company’s strategic goals and policies prescribed by the Board and the provisions of the law/legislations related to the company’s activities.
- Providing the Board with accurate/periodic reports on the financial position and actions taken in risk management, in order to enable the Board to review the objectives, plans, and policies, and to question the executive management about their performance.
- Providing the regulatory bodies (Ministry of Economy – Capital Market Authority (CMA)- Abu Dhabi Securities –CBUAE... etc.) with any information, data, and documents which required in accordance with the provisions of the law, regulations issued under any of them.
- Make recommendations regarding any necessary proposals concerning the company’s operations.
- Managing the company’s investments and funds in accordance with the directions of the Board, signing the respective contracts on behalf of the company and representing it in its relations with others.
- Managing the workflow of the contracts and agreements and the negotiation about them.
- Appointing/dismissing the employees, in accordance with the policy determined by the Nomination and Remuneration Committee emanating from the Board, in a manner that does not conflict with the laws.
- Representing the company before all stages of courts, with the right to delegate lawyers and experts and isolate them.
- Delegating representatives for the company to do some partial tasks which will facilitate the work operations.
- All the powers granted above shall not contradict the laws and regulations.

A statement of the details of transactions made with the related parties (stakeholders), indicating details of significant transactions with the related party (affiliate company and major shareholder) were within the company’s normal business scope as follows:

Ser .	Statement of related parties	Clarifying the nature of relationship	Type of transaction	Value of transaction
1	Affiliate company and major shareholder	Affiliate company and major shareholder	Gross contributions written (insurance premium)	AED192,754,983
2	Major shareholder	Major shareholder	Takaful expenses	AED19,063,200
3	Major shareholder	Major shareholder	Profit from the term deposits	AED1,152,690
4	Major shareholder	Major shareholder	Profit from sukuk	AED319,508

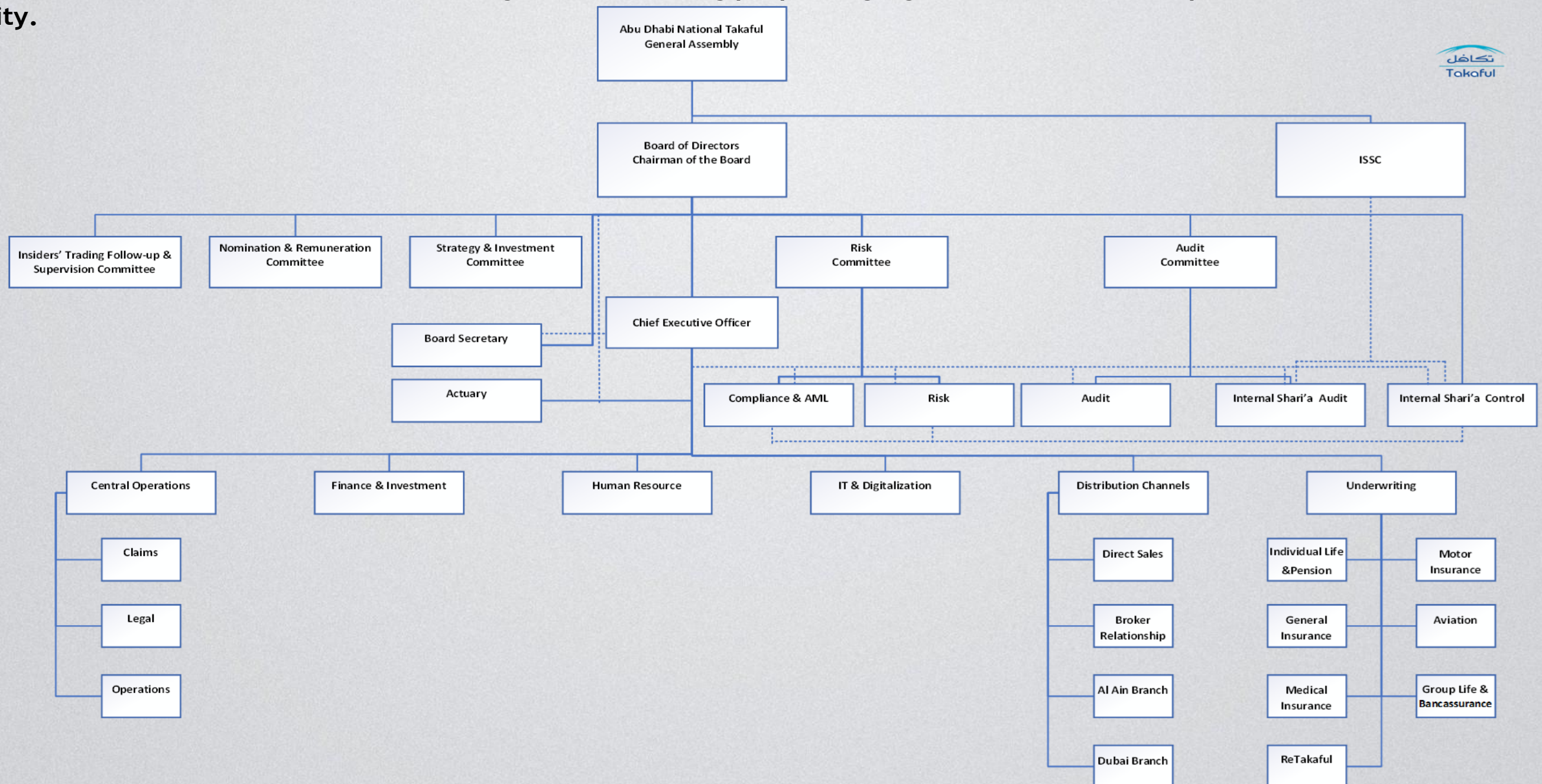
Note: There are no transactions equal to or exceeding 5% of the company’s capital during the year 2025

Board Assessments

As part of ADNTC’s commitment to fostering effective governance and continuous improvement, the Company conducts comprehensive assessments of the Board of Directors, its committees, and executive management. This assessment process includes:

- Annual Internal Evaluations: The performance of the Board, its members, and committees is evaluated annually by the Nominations and Remuneration Committee along with the Chairman, with support from the Board Secretary as needed. Independent consultants may be engaged, if necessary, to assist with this process. Moreover, The BOD has carried out an assessment in the year 2025 in full compliance with the above standards.
- Independent Assessments: Every third year, an independent professional entity with no interest or relationship with the Company, its Board members, or executive management is appointed to assess the Board, its members, and committees. Noting that this exercise will be carried out in year 2027 as per the new regulations.

The Company’s organizational structure as approved by the board of directors clearly defines roles and responsibilities across the Board, its committees, and Senior Management, ensuring proper segregation of duties, transparent information flow, and accountability.



A detailed statement of the senior executive staff in the first and second levels according to the Company's organizational structure (as set out in chart above), their positions and appointment dates, and total salaries and benefits paid thereto, using the table below:

An elite of qualified, long experience was chosen in each field. The following are statement of senior executives of the Company:

S/N	Position	Date of Appointment	Total salaries & allowances paid in 2025	Total Bonuses paid in 2025
1	Chief Executive Officer	14/03/2010	2,684,895	Not defined
2	Deputy Chief Executive Officer – Technical Affairs	30/01/2007	903,162	Not defined
3	CFO	24/07/2016	647,500	Not defined
4	Head of Internal Control	01/06/2004	495,602	Not defined
5	Head of Internal Sharia Control	29/11/2020	546,500	Not defined
6	Senior Manager-Actuary	28/05/2018	522,000	Not defined
7	Head of Compliance & AML	14/08/2007	520,500	Not defined
8	Head of Distribution-Dubai & NE	15/02/2016	767,500	Not defined
9	Head of HR	19/01/2022	612,500	Not defined
10	Senior Manager - IT	28/04/2019	480,750	Not defined

The report will be updated after approval of any executive management bonuses or any other bonuses.

External Auditor

A brief about the external auditor of the Company's to the shareholders.

Ernst & Young (EY) is a leading global provider of assurance, tax, strategy and transactions, consulting, and technology services. Their network of member firms operates in more than 150 countries and territories, with over 700 offices and approximately 393,000 people worldwide. Learn how EY is building a better working world at www.ey.com. EY's presence in the Middle East and North Africa (MENA) region dates back to 1923, making it the longest-serving Big Four firm in the region. With over 8,000 professionals across 26 offices in 15 countries, EY MENA provides a full range of assurance, tax, strategy, transactions, consulting, and technology services. EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients, and each member firm engages directly and independently with its own clients and shall only be liable for its own acts or omissions and not those of any other member firm.

A statement of the fees or costs of auditing or the services provided by the external auditor, using the table below:

Name of the audit office and partner auditor	Ernst & Young Walid J Nakfour
Number of years he served as the company external auditor	1
Number of years the company served as external auditor	1
Total audit fees for 2025 in (AED)	AED320,000.00
Fees and costs of other private services other than auditing the financial statements for 2025 (AED), if any, and in case of absence of any other fees, this shall be expressly stated.	AED44,000.00
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	Approving financial statistics provided to the supervisory authorities according to the request of these authorities.
Statement of other services that an external auditor other than the company accounts auditor provided during 2025 (if any). In the absence of another external auditor, this matter is explicitly stated.	None

A statement of the qualified opinions made by the company's external auditor in the interim and annual financial statements for 2025. In the absence of any qualified opinions, this shall be stated clearly.

None



Audit Committee

Due to the company's commitment to implementing the standards of corporate governance and discipline, the company's Board has formed the following committees:

- Audit Committee
- Risk Committee
- Nomination & Remuneration Committee
- Insiders' Trading Follow-up & Supervision Committee
- Strategy & Investment Committee

Audit Committee

Following the election of the board of directors at the company's AGM on 11/04/2023, and during the second AGM on 16/11/2023 and according to the board of directors decision on 06/03/2024, the board finalized the structure and authorities of its committees in accordance with the company's charter, Articles of Association, and the CMA Chairman's Board Decision No. 03 R.M of 2020 concerning Approval of Joint Stock Companies Governance Guide and Corporate Governance standards No.24-2022 issued by CBUAE.

The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensure its effectiveness.

"(Abdullatif Al Mulla), Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."

The names of members of the audit committee, and a statement of its functions and the duties assigned thereto.

s/r	Name	Position	Category in the Board
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	Chairman of the Committee	Board Member/Non-executive/Independent
2	Mrs. Aysha Ahmad Sultan Al Hallami	Member	Board member-non -executive/Independent
3	Mrs. Metha Mohamedalsharif Yousif Alhashmi	Member	Board member/non -executive

Audit Committee

The duties of Audit Committee:

The committee shall convene at least once every three months or whenever the need arises, with a minute written by the Committee secretary and reviewed by the committee members. The committee, chaired by Mr. Abdullatif Al Mulla, was established following the Board of Directors Meetings 2-2024 held on 6 March 2024.

The committee operates under the authority outlined in the company's charters, Articles of Association, the SCA's Board Decision No. (03 RM) of 2020 regarding the Standards of Institutional Discipline and Governance for Public Shareholding Companies, and the Corporate Governance Standards No. 24-2022 issued by the CBUAE.

Summary of key tasks and duties of The Audit Committee is as follows:

- **Management Oversight:** Evaluate Senior Management's performance and their adherence to Board directives.
- **Internal Control:** Monitor internal controls, financial reporting risks, and audit processes, and meet regularly with internal and external auditors.
- **Compliance & Legal Adherence:** Ensure compliance with laws, regulations, and Shari'ah provisions, and follow up on audit recommendations.
- **Audit Oversight:** Nominate, terminate, and oversee external auditors, as well as approve internal audit plans and ensure independence.
- **Financial Reporting Integrity:** Ensure accuracy of financial statements, accounting policies, and disclosures.
- **Whistleblower & Reporting:** Enable confidential reporting of violations and prepare annual reports for shareholders on audit independence.
- **Shari'ah Compliance:** Oversee internal and external Shari'ah audits and ensure adherence to Islamic Shari'ah provisions.
- **Board Coordination:** Work with Senior Management, the Board, and auditors on key financial and governance matters.
- **Internal Audit Effectiveness:** Review internal audit reports, monitor corrective actions, and ensure sufficient resources for control functions.
- **Related Party Transactions:** Review and manage conflicts of interest in transactions and submit recommendations to the Board.

Audit Committee

The number and dates of the meetings held by the audit committee during the Year 2025 to discuss issues related to the financial statements and any other issues, and a statement of the attendance frequency in person or online by the committee’s members.

Date & No. of Meeting		1/2025	2/2025	3/2025	4/2025	5/2025
		7 January 2025	12 March 2025	12 May 2025	11 August 2025	10 November 2025
#	Board Member					
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	✓	✓	✓	✓	✓
2	Mrs. Metha Mohamedalsharif Yousif Alhashmi	✓	✓	✓	✓	✓
3	Mrs. Aysha Ahmed Sultan Al Hallami	✓	✓	✓	✓	✓

In line with the Corporate Governance Standards for Insurance Companies (CBUAE circular 24/2022), Article 5 section 20c clause 9, the Audit Committee members held two exclusive meetings with the external auditors on 12th March 2025 and 10th November 2025 without the presence of representatives from senior management.

Annual Audit Committee report:

1) Significant matters reviewed by the committee concerning the financial statements and the manner in which these matters were addressed.

The Audit Committee focused on ensuring the accuracy, transparency, and compliance of the company's financial statements with accounting standards. Key areas included reviewing financial reporting processes, assessing management’s judgments and estimates, and ensuring alignment with policies and regulations. The committee collaborated with external auditors and the finance team to ensure compliance.

2) An explanation of how the committee assessed the independence and effectiveness of the external audit process, the approach taken for appointing or reappointing the external auditor, and information on the tenure of the current audit firm.

The Audit Committee evaluated the external audit process, focusing on the auditors' independence, objectivity, and methodology. They met twice with the auditors without management presence, reviewed the auditor’s tenure, and concluded that the audit process remained effective and independent.

3) A statement outlining the committee’s recommendation regarding the appointment, reappointment, or dismissal of the external auditor, along with reasons why the Board of Directors may reject this recommendation.

Following a thorough evaluation, the Audit Committee recommended the appointment of Ernst & Young Middle East as external auditor for 2025. The Board approved the appointment, which was ratified at the AGM.

Audit Committee

4) An explanation of how the independence of the external auditor is maintained when providing non-audit services to the company.

The Audit Committee has established controls to maintain the external auditor's independence, including pre-approval of non-audit services, monitoring their scope, and requiring the auditor's declaration of independence.

5) Actions taken or planned by the committee to address any deficiencies or weaknesses in the event of failures in internal control or risk management.

The Audit Committee assessed internal audit reports to identify gaps in controls and risk management, working with internal audit and management on a quarterly basis to address issues and implement corrective actions to strengthen systems and practices.

6) Evidence that the committee has reviewed all internal audit reports with medium and high risks, issued from the internal audit, to determine whether they stem from significant violations or weaknesses in internal controls.

The committee monitored corrective actions through quarterly reports, focusing on medium- and high-risk issues to ensure timely resolution of major weaknesses.

7) Comprehensive information about the corrective action plan to address substantial deficiencies in risk management and internal control systems.

There was no significant internal control deficiencies were identified during the year 2025.

8) Documentation demonstrating that the committee has audited all transactions made with related parties, the observations or results thereof, and the extent of compliance with applicable laws in this regard.

The Audit Committee reviewed related party transactions for legal compliance, ensuring they were conducted at arm's length, in the company's best interest, and with accurate disclosure.

Risk Committee

Risk Committee

Following the election of the board of directors at the company's AGM on 11/04/2023, and during the second AGM on 16/11/2023 and according to the board of directors decision on 06/03/2024, the board finalized the structure and authorities of its committees in accordance with the company's charter, Articles of Association, and the CMA Chairman's Board Decision No. 03 R.M of 2020 concerning Approval of Joint Stock Companies Governance Guide and Corporate Governance standards No.24-2022 issued by CBUAE.

The names of members of the Risk committee, and a statement of its functions and the duties assigned thereto.

s/r	Name	Position	Category in the Board
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	Chairman of the Committee	Board Member/Non-executive/Independent
2	Mrs. Aysha Ahmad Sultan Al Hallami	Member	Board member-non -executive/Independent
3	Mrs. Metha Mohamedalsharif Yousif Alhashmi	Member	Board member/non -executive

The duties of Risk Committee:

- The committee shall convene at least once every three months or whenever the need arises, with minutes written by the Committee secretary and reviewed by the committees members. The committee, chaired by Mr. Abdullatif Al Mulla, was established following the Board of Directors Meetings 2-2024 held on 6 March 2024.
- The committee operates under the authority outlined in the company's charters, Articles of Association, the CMA's Board Decision No. (03 RM) of 2020 regarding the Standards of Institutional Discipline and Governance for Public Shareholding Companies, and the Corporate Governance Standards No. 24-2022 issued by the CBUAE.

Risk Committee

Summary of key tasks and duties of The Risk Committee is as follows:

- **Risk Management:** Propose, monitor, and update risk management policies, risk appetite, and assessments.
- **Reinsurance Strategy:** Oversee and ensure consistent implementation of reinsurance strategy.
- **Compliance:** Assess adherence to financial regulations and ensure implementation of the highest standard of compliance and governance.
- **Shari'ah Risks:** Manage and oversee Shari'ah non-compliance risks, including framework approval and reporting.
- **AML & CFT:** Approve and review AML, CFT, and sanctions compliance frameworks, policies, and risk appetite.
- **Audit & Compliance Oversight:** Ensure timely closure of audit findings, and review & evaluate the compliance reports and the compliance team.
- **Financial Institutions:** Approve relationships with correspondent financial institutions based on recommendations.

The number and dates of the meetings held by the Risk committee during the year 2025 to discuss issues related to the financial statements and any other issues, and a statement of the attendance frequency in person or online by the committee's members.

Date & No. of Meeting		1/2025	2/2025	3/2025	4/2025
		12 March 2025	12 May 2025	11 August 2025	10 November 2025
#	Board Member				
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	✓	✓	✓	✓
2	Mrs. Metha Mohamedalsharif Yousif Alhashmi	✓	✓	✓	✓
3	Mrs. Aysha Ahmed Sultan Al Hallami	✓	✓	✓	✓

Nomination & Remuneration Committee

Nomination & Remuneration Committee

The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, his review of its work mechanism and ensuring its effectiveness.

“(Naser Mohamed Naser Al Mur Al Zaabi), Nomination and Remuneration Committee Chairman, acknowledges his responsibility for the committee system in the Company, his review of its work mechanism and ensuring its effectiveness.”

The names of members of the Nomination and Remuneration Committee, and a statement of its functions and the duties assigned thereto.

S/r	Name	The position in the committee	His Board category
1	Mr. Naser Mohamed Naser Al Mur Al Zaabi	Chairman of the Committee	Non-executive/Independent
2	Mr. Abdullatif Abdullah Ahmed Al Mulla	Member	Non-executive/Independent
3	Mr. Khalid Ali Ibrahim Jasem Almansoori	Member	Non-executive
4	Mr. Khalifa Abdulla Khamis Al Romaithi	Member	Non-executive
5	Ms. Aysha Ahmad Sultan Al Hallami	Member	Non-executive/Independent

Following the election of the board of directors at the company's AGM on 11/04/2023, and during the second AGM on 16/11/2023, and according to the board of directors decision on 06/03/2024, the board finalized the structure and authorities of its committees in accordance with the company's charter, Articles of Association, and the CMA Chairman's Board Decision No. 03 R.M of 2020 concerning Approval of Joint Stock Companies Governance Guide and Corporate Governance standards No.24- 2022 issued by CBUAE, including the following:

- Ensure the independence of the members.
- Formulating and reviewing on annual basis, the policy for granting bonuses, benefits, incentives and salaries at the company.
- Identify the company's needs of competencies at the level of senior executive management and employees and the bases of their selection.
- Prepare the human resources and training policy in the company and observe its application and review it periodically.
- Approve the Board of Directors (BOD)'s training Plan on AML And Corporate Governance for 2025.
- Ensure the ongoing maintenance and review of succession plans for Board members and Senior Management.

Nomination & Remuneration Committee

A statement of the number and dates of the meetings held by the committee during the year 2025, stating the frequency of attendance in person or online by all the members of the committee.

Date & Meeting No.		1/2025	2/2025	3/2025
		06-Feb-25	10-Feb-25	11-Mar-25
#	Board Member			
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	✓	✓	✓
2	Mr. Khalid Ali Ibrahim Jasem Almansoori	✓	✓	✓
3	Mr. Naser Mohamed Naser Al Mur Al Zaabi	✓	✓	✓
4	Mr. Khalifa Abdulla Khamis Al Romaithi	✓	✓	✓
5	Mrs. Aysha Ahmed Sultan Al Hallami	✓	✓	✓

Insiders' Trading Follow-up & Supervision Committee



Insiders' Trading Follow-up & Supervision Committee

The Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness.

“(Abdullatif Abdullah Ahmed Al Mulla) acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, review of its work mechanism and ensuring its effectiveness.”

The names of members of the Insiders' Trading Follow-Up and Supervision Committee, and a statement of its functions and the duties assigned thereto.

s/r	Name	Position	Category in the Board
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	Chairman of the Committee	Board Member/Non-executive/Independent
2	Mrs. Aysha Ahmad Sultan Al Hallami	Member	Board member-non -executive/Independent
3	Mrs. Metha Mohamedalsharif Yousif Alhashmi	Member	Board member/non -executive

A statement of the number and dates of the meetings held by the Insiders' Trading Follow-up & Supervision Committee during the year 2025 to discuss issues related to the financial statements and any other issues, and a statement of the attendance frequency in person or online by the committee's members.

Date & No. of Meeting		1/2025	2/2025
		12 May 2025	10 November 2025
#	Board Member		
1	Mr. Abdullatif Abdullah Ahmed Al Mulla	✓	✓
2	Mrs. Metha Mohamedalsharif Yousif Alhashmi	✓	✓
3	Mrs. Aysha Ahmed Sultan Al Hallami	✓	✓

This committee was formed effective 10 March 2024 according to BOD decision dated 06 March 2024, the board of directors decided its committee's structure and authorities as per the listed authorization described in company charters, Article of Association and CMA's Chairman Board Decision No. 03 R.M of 2020 concerning Approval of Joint Stock Companies Governance Guide and Corporate Governance standards No.24-2022 issued by CBUAE.

A summary of the Committee's activities in 2025.

- The Committee met on 12/05/2025 and confirmed that the company was not notified of any sale or purchase of the company shares by insiders.
- The Committee met on 10/11/2025 and confirmed that the company was not notified of any sale or purchase of the company shares by insiders.

Strategy & Investment Committee



Strategy & Investment Committee

Strategy & Investment Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensure its effectiveness.

"(Khalifa Abdulla Khamis Al Romaithi). The Strategy & Investment Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."

The Board of Directors has set the Strategy & Investment Committee in accordance with the basis of investing the rights of the participants (Takaful policyholders) contained in the decision of the Board of Directors of Insurance Authority No. (26) /2014 regarding the Financial Instructions for Takaful Companies.

The names of the members of the Strategy & Investment Committee, and a statement of its functions and the duties assigned thereto.

S/r	Name	The position in the committee	Board category
1	Mr. Khalifa Abdulla Khamis Al Romaithi	Chairman of the Committee	Non-executive
2	Mr. Abdullatif Abdullah Ahmed Al Mulla	Member	Non-executive/Independent
3	Mr. Khalid Khalid Ali Ibrahim Jaseem Almansoori	Member	Non-executive
4	Mr. Naser Mohamed Naser Al Mur Al Zaabi	Member	Non-executive/Independent
5	Ms. Aysha Ahmad Sultan Al Hallami	Member	Non-executive/Independent
6	Mr. Abdulla Zaid Mohamed Alhelali Alshehhi	Member	Non-executive
7	Mrs. Metha Mohamedalsharif Yousif Alhashmi	Member	Non-executive

Strategy & Investment Committee



A statement of the number and dates of the meetings held by the committee during the year 2025, stating the frequency of attendance in person or online by all the members of the committee.

Note: Mr. Khamis Buharoon Al Shamsi (Chairman) and Mr. Khalid Deemas Al Suwaidi (Vice Chairman) are invited to the Strategy and Investment Committee Meetings.

Date & Meeting no.		1/2025	2/2025
		20 June 2025	29 October 2025
#	Board Member		
1	Mr. Khamis Mohamed Khamis Buharoon Alshamsi	✓	✓
2	Mr. Khalifa Abdulla Khamis Al Romaithi	✓	✓
3	Mr. Abdulla Zaid Mohamed Alhelali Alshehhi	✓	✓
4	Mr. Khalid Ali Ibrahim Jasem Almansoori	✓	✓
5	Mr. Naser Mohamed Naser Al Mur Al Zaabi	✓	✓
6	Mrs. Metha Mohamedalsharif Yousif Alhashmi	✓	✓
7	Mr. Abdullatif Abdullah Ahmed Al Mulla	✓	✓
8	Mrs. Aysha Ahmed Sultan Al Hallami	✓	✓

Details of the additional allowances, salaries or fees received by a committee member other than the allowances for attending to the committees and their reasons.

The Board of Directors, approved additional fees and expenses totaling AED 1,800,000 equally distributed among the members of the Strategy & Investment Committee, in recognition of their contributions to enhancing the company’s investment performance and long-term financial sustainability during FY2024.



Internal Control System

Internal control is essential to the application of the governance system, as it aims to establish an assessment of the risk management framework, to examine the effectiveness of the control and properly applying of the governance, and to ensure that the company and its employees comply with the provisions of laws, and the internal policies, as well as reviewing the data that presented to the senior management of the Company. It is also a crucial and necessary basis to ensure the accuracy of the financial statements. Accordingly, and in accordance with the rules of the governance, the Board of Directors of the Company (in the meeting No. 1 /2010) decided on 22/02/2010 to establish The Internal Control Department, and should be directly reporting to the Board (according to the rules of governance). The Internal Control Department periodically submits written reports to the Board of Directors on the procedures, findings and recommendations reached by it and with absolute transparency. The functions entrusted to it shall be carried out in accordance with the above-mentioned resolution.

Under the new Corporate Governance regulation issued by the Central Bank of the UAE (CBUAE) under Circular No. 24/22, independent control functions have been established, including Internal Audit, Risk Management, Compliance, Actuarial functions, Sharia internal control and Sharia Audit. These functions are designed to operate autonomously, with direct reporting lines/access to the Board of Directors. This ensures that these critical areas of oversight can communicate independently with the Board, as required by the regulation, thereby enhancing governance, transparency, and accountability within the organization.

Duties of Control functions are as follows:

1. Evaluate the Enterprise Risk Management framework applied in the company.
2. Ensure that the company adherence to the Corporate governance requirements.
3. Ensure the commitment of the company and its employees to the provisions of the laws, regulations, and the internal policies and procedures.
4. Evaluate the work of the company's internal committees and their efficiency to reduce the risks facing the company, and make appropriate recommendations to correct their weaknesses.
5. Reviewing the financial statements presented to the Company's senior management, which are used in preparing the financial statements.
6. Comparing and analyzing actual financial results with previous estimates and setting explanations, solutions, and recommendations thereon.
7. Coordinating with the external auditors of the company and other regulatory authorities regarding the exchange of information and responding to their inquiries and observations in cooperation with the concerned departments in the Company, and follow up correction of violations and as well as following up the recommendations contained in their reports.
8. Prepare internal audit reports of the internal audit engagement conducted according to the approved audit plan as well as ad hoc assignments, and report them to the board on periodic basis.



Internal Control System

9. Imposing additional controls on some departments through ensuring:
 - I. Effectiveness and efficiency of the Company's operations.
 - II. Controls over the financial transactions (payment, exchange, transfer, deduction, etc.)
 - III. The accuracy of the financial statement.
 - IV. The reliability of the Data transmitted and processed throughout the company's operating system
 - V. Matching internal data with the data from external sources.
 - VI. Matching the annual financial results with the financial records and general ledgers.
 - VII. Taking appropriate action to safeguard the company's assets and records.

The BOD's acknowledgement of its responsibility for the Internal Control System in the Company and its review of the functioning mechanism of internal control and ensuring its effectiveness.

The Board of Directors acknowledges and reviews the company's internal control system and verifies its effectiveness through the Internal Control Department, which provides regular and periodic reports to the Board, Audit & Risk Committees, and executive management.

The name, qualifications, and date of appointment of the Director of Internal Control Department.

As part of implementation of Corporate Governance measures by the Company in 2010, Mr. Zainudeen Faizan Mohamed was appointed as the Manager of this department. He has over 20 years of Banking and Insurance Industry experience including Financial Control positions held with HSBC Bahrain and Takaful International Bahrain previously. He holds professional qualifications ACMA, CIRM & CFE relating to Management Accounting, Risk Management & Fraud Examination.

The name, qualifications, and date of appointment of the Compliance Officer.

In 2017 Mr. Mustafa Hassoun, the Legal Department Manager – has been appointed as Compliance Officer, he has a Bachelor's degree in Sharia and Law since 2004.

How the Internal Control Department handle any significant issues in the company, or issues disclosed in the annual reports and accounts
The Internal Control Department provides the Board with periodic reports on its work, including the problems experienced by the company and the manner of dealing with, and the best solution as well, despite that the company did not face any major problems.

Number of reports issued by the Internal Control Department to the Company's Board of Directors.

The Internal Control Department issued eight audit reports in 2025.

Internal Control System

Number of reports issued by the Risk management Department to the Company's Board of Directors.

The Internal Control Department issued four Risk management reports in 2025.

Details of the violations committed during 2025, explaining their causes, how to address them and avoid their recurrence in the future.

According to the reports submitted by the Internal Control Department, the Company did not face any significant violations during the fiscal year 2025. The company considers that the absence of these errors is part of the success achieved through the good practices formulated by the Board and Executive Management.

A statement of the cash and in-kind contributions made by the company during the year 2025 toward the local community development and environmental conservation. (in case there are no contributions, it should be stated that the company did not make any contributions).

Clients:

- Offered wellness programs to our major medical insurance clients, aligned with global wellness initiatives.

Employees:

- Organized a General Wellness Day to promote employee health and wellbeing.
- Hosted a Ramadan Suhoor for employees and their families.
- Organized a padel tournament at ADNEC Summer Sports to encourage physical activity and teamwork.
- Organized a Global Village visit for female employees to promote team bonding.
- Celebrated Emirati Women's Day with employees by conducting inspiring workshop, sharing positive messages and traditional Emirati cuisine.
- Celebrated Eid Al Etihad with employees through engaging cultural activities.
- All community and CSR initiatives were supported through voluntary employee.

Local & Global Affairs:

- During Ramadan, packed and distributed 100 food parcels to UAE workers.
- During Summer, packed and distributed 100 care packs to UAE workers.
- During Back-to-School, packed and distributed 100 school bags with stationery to refugee children.
- During Pink October, offered exclusive discounts to MOHRE & MOF female employees for Female Care – Critical Illness Insurance.
- Planted 19 Mangroves trees at Jubail Island in support of environmental sustainability.

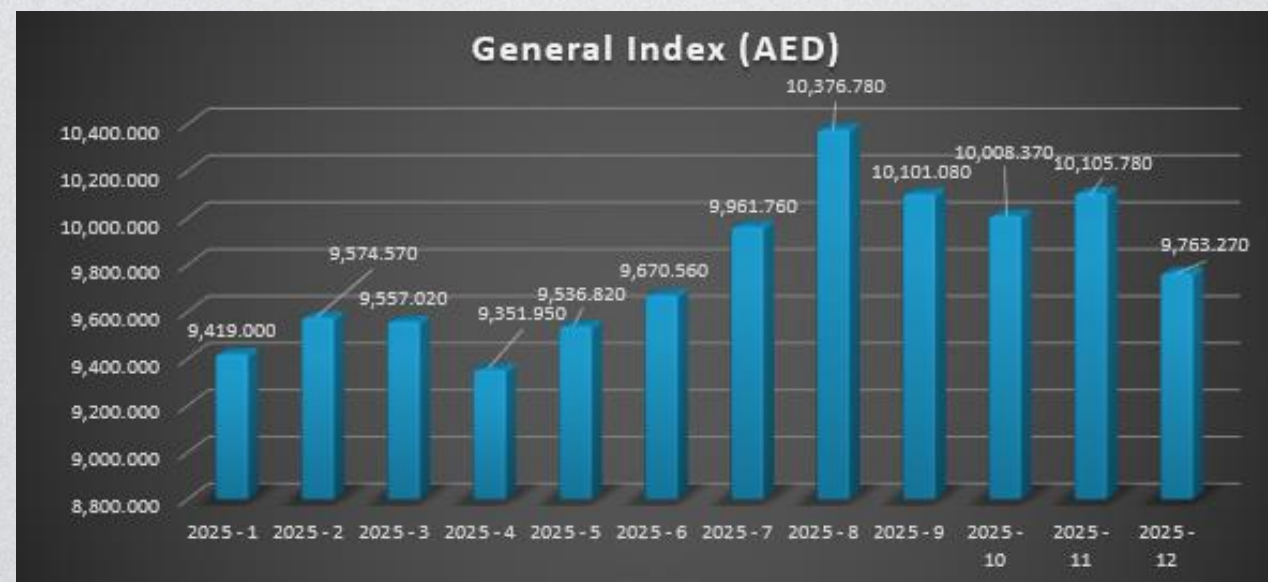
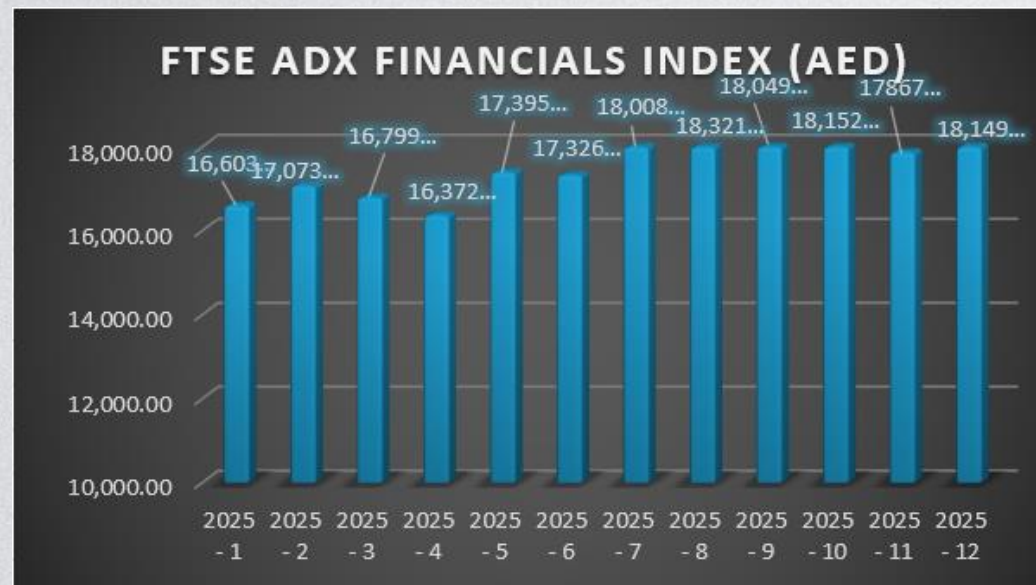


General Information

A statement of the Company share price in the Market (closing price, highest price, lowest price) in the end of each month during year 2025.

2025	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
The price	5.25	4.47	5.87	5.18	4.83	5.55	5.54	6.70	7.00	4.85	5.18	5.75
Lowest price	4.03	4.27	4.03	4.51	4.20	4.40	4.30	4.50	5.68	4.85	4.37	4.02
Highest price	5.76	6.00	5.88	5.87	5.50	5.55	5.74	6.70	7.00	7.00	5.75	5.75

A statement of the comparative performance of the company's shares with the market index and the sector index to which the company belongs during year 2025.





General Information

A statement of shareholding distribution as of 31/12/2025 (individuals, companies, governments) classified as follows: local, GCC, Arab, foreign using the table below:

S/N	Shareholder Category	Percentage of Shares Held			
		Individual	Companies	Government	Total
1	Local	9.64%	90.36%	0	100%
2	GCC	0	0	0	
3	Arab	0	0	0	
4	Foreign	0	0	0	
5	Total	9.64%	90.36%	0	100%

A statement of the shareholders who hold 5% or more of the Company's capital as of 31/12/2025 using the table below:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital
1	Abu Dhabi Islamic Bank	41.66%	43,747,429
2	Tasameem Real Estate Co. LLC (Tasameem)	26.97%	28,323,074
3	East & West Group	11.73%	12,312,788
3	Bond Investments Ltd	6.75%	7,084,975

A statement of shareholders distribution by the size of equity as of 31/12/2025 using the table below:

S/N	Share(s) Owned	Number of Shareholders	Number of Share Held	% of the Shares Held of the Capital
1	Less than 50,000	1,426	5,291,295	5.04%
2	From 50,000 to less than 500,000	45	4,714,807	4.49%
3	From 500,000 to less than 5,000,000	4	3,525,632	3.36%
4	More than 5,000,000	4	91,468,266	87.11%



General Information

A statement of the procedures taken with respect to the controls of investors' relations, indicating the following:

- **The name and contact information of the Investors' Relations Manager**
- **The link of the Investor Relations webpage on the website of the Company.**

The Company has appointed an officer for all the functions related to Investor Relations with the tasks stipulated in the Chairman Decision (Securities and Commodities Authority) No. 3 R.M of 2020 concerning the Standards of Institutional Discipline and Governance of Public Shareholding Companies.

The appointed Investor Relations Officer (Mr. Evan Ramadan, Chief Financial Officer) is fluent in English and Arabic, with very good qualification, and has practical experience in business and accounting along with capable knowledge in the legal requirements. He has also full knowledge of the company's activities and opportunities and the required skills to communicate with investors.

A special Investor Relations page has also been created on the company's website, which includes Investor Relations data and means of communication, and all reports related to the financial results.

A committee with six senior employees of the Company (Executive Risk Management Committee) has been set up to deal with any crisis and contingencies facing the Company. The committee will develop a communication plan with investors and the media regarding the practical steps taken by the Company to face the contingency. And appoint an official spokesperson to take care of the corporate communication.

The current Investor Relations Officer is **Evan Ramadan, CFO:**

024107700- 024107722 - Mob; 00971502898765 Fax. 024107800 - Evan.Ramadan@takaful.ae

The e-link of the Investor Relations page on the company's website is:

<https://www.takaful.ae/investor-relations/>

A statement of the special resolutions presented to the General Assembly held in 2025 and the procedures taken with respect thereto.

N/A.



The Rapporteur of the Board meetings, and his/her appointment date and his/ her qualifications and experiences and a statement of his/ her duties during the year.

On 12/11/2024 Mrs. Areej Housa, was appointed as Rapporteur of Board Meetings. Mrs. Areej holds a BA in Business Administration – International Business and CII certification from Chartered Insurance Institute – Uk.

Her duties include coordination between members regarding the meetings of the Board of Directors and its committees. She also coordinates with members of top management to collect topics for discussion in meetings and distribute them to members. She also reports on the minutes of board meetings along with the related decisions and follows up on implementation.

A statement of the significant events that took place in the Company in 2025

- In February 2025, Fitch Ratings has affirmed Abu Dhabi National Takaful (ADNTC) Insurer Financial Strength (IFS) rating at ‘A-‘: with a Stable outlook for the third consecutive year.
- In December 2025, Abu Dhabi National Takaful Company (PSC) announced that it has regained the financial strength rating to A- (Excellent), and the long-term credit rating A- from the global rating agency A.M. Best, while the forward-looking for credit ratings is stable, maintaining one of the highest rating given to a Takaful operator in the worldwide, for the 10th consecutive year.

Statement of Emiratization percentage in the Company at the end of 2021, 2022, 2023, 2024 & 2025.

- At the end of 2021, the Emiratization rate represented 19% of the total number of employees in the company.
- At the end of 2022, the Emiratization rate represented 21.2% of the total number of employees in the company
- At the end of 2023, the Emiratization rate represented 21.2% of the total number of employees in the company
- At the end of 2024, the Emiratization rate represented 21.12% of the total number of employees in the company.
- At the end of 2025, the Emiratization rate represented 29.19% of the total number of employees in the company.

Note that the company is subject to the Emiratization Strategy (points system) in accordance with the Cabinet Decision No. (267/10/3) of 2015, regarding the Emiratization Strategy in banking and insurance sectors, where the determination of target points was in accordance with the number of written premiums at 107, The company, in turn, supported the national economy and participated in achieving the government vision, over-achieving the target and delivering an impressive score of 130 points. Additionally, the company was recognized for this impressive achievement and awarded by Nafis for an amount of AED 300,000.



A statement of the innovative projects and initiatives implemented by the Company which were under development during 2025.

ADNTC implemented various strategies to further enhance its digital platforms and operations.

Our major accomplishments during our journey in technology and automation during 2025 include:

- In house developed APIs for new Business channels and regulators.
- Deployed AML Screening System.
- Integration with DOH systems to generate the medical continuity certificates.
- Revamping company website for seamless navigation and increased traffic.
- ISO-27001 -2022 Recertification.
- Adopting AI in internal functions and processes to enhance operational efficiency and reduce repetitive tasks.
- Enhanced iTakaful B2C & B2B portals for multiple insurance products
- The following products are available online for customers:
 - I. Individual Medical
 - II. Takaful Protection Plan for School Fees
 - III. Male Care Takaful Plan
 - IV. Female Care Takaful Plan
 - V. Personal Accident Takaful Plan
 - VI. Motor Takaful Plan
 - VII. Jet Ski
 - VIII. Home

Chairman's Statement

————— “ —————

The Chairman of the Board of Directors confirms that all internal policies required to ensure compliance with the Central Bank's Regulations and Standards on Corporate Governance, risk management, internal controls, compliance, internal audit, financial reporting, external audit, outsourcing, and Compliance with Islamic Sharia'ah and internal Sharia'ah audit, have been implemented and reviewed for adequacy by the Board, within the last year.



**Signature of
Board Chairman**

Date: 11/03/2026



**Signature of
Audit Committee Chairman**

Date: 11/03/2026



**Signature of Nomination & Remuneration
Committee Chairman**

Date: 11/03/2026



**Signature of Internal Control
Department Director**

Date: 11/03/2026



Company Official Seal



شركة أبوظبي الوطنية للتكافل ش.م.ع.
Takaful Abu Dhabi National Takaful Co. P.S.C



تقرير الاستدامة للعام 2025

2025 Sustainability Report

8002244

www.takaful.ae



Abu Dhabi National Takaful Company P.S.C (Takaful) was established in November 2003 as the first takaful insurance operators in Abu Dhabi with the aim of providing sharia'a compliant insurance products and services in the UAE.

Abu Dhabi National Takaful Co. PSC is a public shareholding company with a paid-up capital of Dirhams .105,000,000.00 and was listed on the Abu Dhabi Securities Exchange (ADX) in April 2005; stock symbol TKFL.

With its Head Office in Abu Dhabi, the company operations cover the entire UAE with branches in Abu Dhabi, Al Ain and Dubai.



شركة أبوظبي الوطنية للتكافل أسست في شهر نوفمبر من عام 2003 كأول شركة تأمين تكافلي في أبوظبي بهدف توفير حلول تأمين تتوافق مع الشريعة الإسلامية في دولة الإمارات العربية المتحدة.

شركة أبوظبي الوطنية للتكافل تأسست برأس مال مدفوع قدره 105,000,000 مليون درهم إماراتي وهي مدرجة في سوق أبوظبي للأوراق المالية منذ إبريل 2005 تحت رمز TKFL.

تتمتع الشركة بحضور واسع داخل الدولة حيث تغطي عملياتها أبوظبي ودبي والعين.



MESSAGE FROM THE CEO

Abu Dhabi National Takaful Co. P.S.C ('Takaful') is a major player as a Takaful insurance solutions' provider in the UAE, with an A- Financial Strength Rating by A.M. Best and A- Insurer Financial Strength (IFS) Rating by Fitch Ratings.

As a Shari'a compliant insurance solutions provider, we continue to exceed expectations in achieving strong financial results, backed by excellent customer service and wide products offerings' across General Takaful, Family Takaful & Medical Takaful.

In our aim to sustain transparency with our stakeholders, and as we strive to serve the community and contribute to the development of the insurance industry, we disclose in this report our Environmental, Social and Governance (ESG) approach.

As a leading Takaful operator in the UAE, we have always been keen to prove the success of the Takaful concept as a profitable business model. Supported by our strong and sustainable financial results, we were empowered to integrate multiple (ESG) factors within our insurance and investment operations.

Our strategy forward is to further engage our stakeholders with our continuous efforts to serve the UAE's environment and insurance industry.

Osama Abdeen
Chief Executive Officer

رسالة الرئيس التنفيذي



تعد شركة أبوظبي الوطنية للتكافل (تكافل) لاعبا رئيسيا في قطاع التأمين مع تمتعها بتصنيف دولي قوي A- من قبل وكالة التصنيف العالمية "إيه إم بست" ومن وكالة "فيتش" للتصنيف المالي العالمي. وبصفتنا مقدم للحلول التأمينية المتوافقة مع أحكام الشريعة الإسلامية، فإننا نعمل، وباستمرار، لتجاوز التوقعات من خلال تحقيق نتائج مالية قوية، مدعومة بخدمة العملاء المتميزة بالإضافة إلى المنتجات الواسعة والمبتكرة في مجال التأمين العام والتأمين التكافلي العائلي والتأمين التكافلي الصحي.

ضمن جهودنا لتعزيز الشفافية مع حملة الأسهم والأطراف ذات العلاقة، تحرص شركتنا ليكون لها دورا مجتمعا بالمساهمة الفعالة في تطوير سوق التأمين. ونوضح في هذا التقرير دورنا ضمن المقاييس البيئية والاجتماعية والحوكمة التي تم دمجها مع استراتيجيات الشركة ودعمها بأدائها المالي القوي والمستدام سواء على صعيد عمليات التأمين أم على صعيد الاستثمارات.

ونحن ندأب ونتطلع لنزود حملة الأسهم والأطراف ذات العلاقة لنتقني بجهودنا أكثر في خدمة مجتمعنا وسوق التأمين.

أسامة عابدين
الرئيس التنفيذي

ABOUT THIS REPORT



عن هذا التقرير

Through this report we demonstrate the company's strategies to establish, monitor and enhance our commitment to ADX ESG disclosure guidance. We do that by striving to align our business and operational strategies embedding key sustainable development goals.

خلال هذا التقرير نشرح استراتيجيات الشركة المتبعة لإنشاء، مراقبة وتطوير التزامنا بمعايير الاستدامة البيئية والحوكمة الاجتماعية الصادرة عن سوق أبوظبي للأوراق المالية ودمجها ضمن استراتيجيتنا وإدارة عملياتنا لتحقيق أهداف الاستدامة.



MISSION VISION



To offer innovative and diversified Sharia'a compliant products and services with high quality customer service.



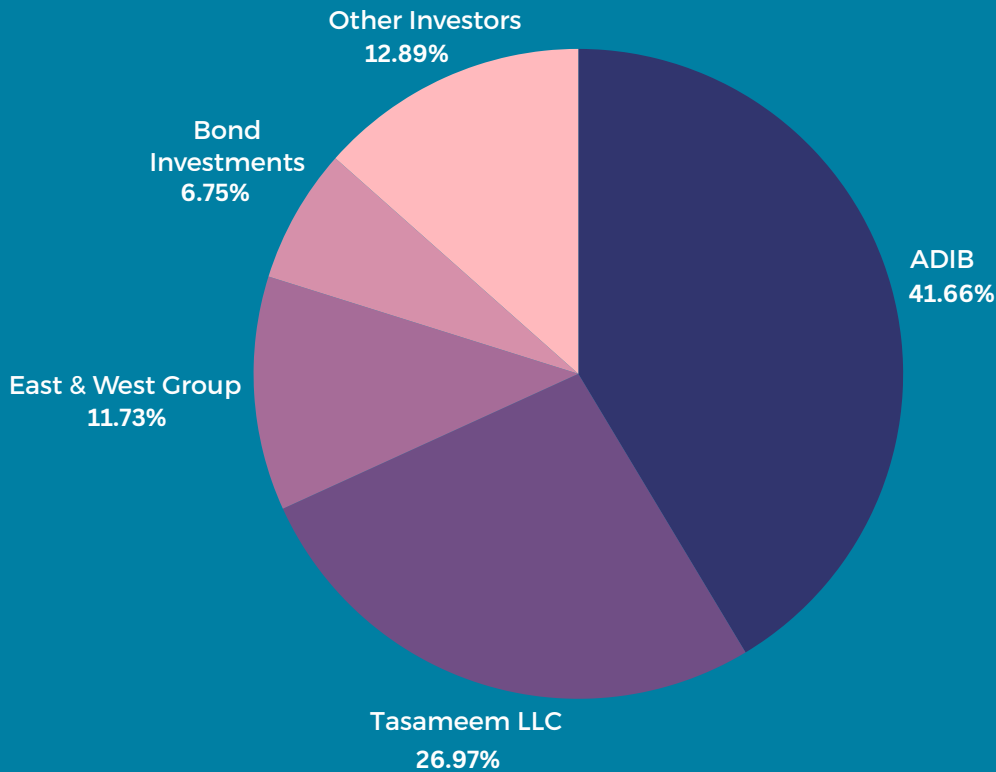
To be the Takaful operator of first choice in the region.

Takaful Company of First Choice

ADNTC OWNERSHIP STRUCTURE

هيكل ملكية الشركة

31 Dec 2025



For more information please visit ADX link:

للمزيد من المعلومات:

<https://www.adx.ae/en/main-market/company-profile/overview?symbols=TKFL&secCode=TKFL>

2025 Sustainability Report

AWARDS AND RECOGNITIONS

الجوائز والتكريمات

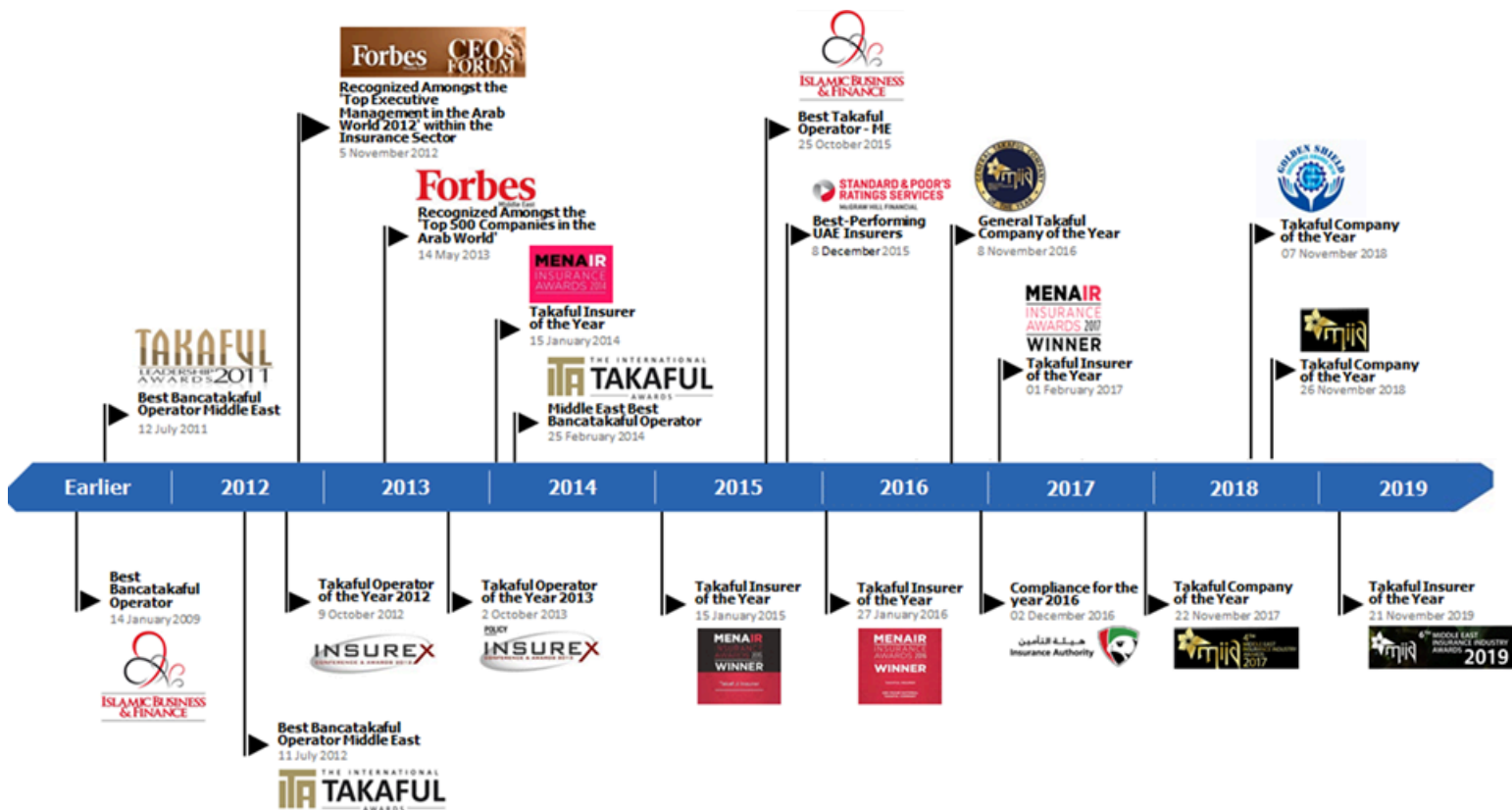
RECENT AWARDS

Takaful Specialist
MENA II Awards 2025



AWARDS AND RECOGNITIONS

الجوائز والتكريمات



FINANCIAL PERFORMANCE

الأداء المالي



₹ 1Bn+

The company achieved an accumulated Shareholders Profit of over 1 bn dirhams from 2010-2025

حققت الشركة أرباحًا تراكمية للمساهمين تجاوزت مليار درهم إماراتي خلال الفترة من 2010 إلى 2025

₹ 601M

The company has achieved self-funded increase in equity from 73 M dirhams (2009) to 601 M dirhams (2025).

حققت الشركة ارتفاعا ذاتيا في الحقوق المالية من 73 مليون درهم في عام 2009 إلى 601 مليون درهم في عام 2025

395%

Company Assets Increased by 395% from 337 M dirhams in 2009 to 1,7 Bn dirhams in 2025.

ارتفعت أصول الشركة بنسبة 395% من 337 مليون درهم عام 2009 لتصل إلى 1.7 مليار درهم في عام 2025

₹ 145M

The company reported shareholder's **profit** of 145 million dirhams for the year 2025

حققت الشركة ربحا كليا مُقدَّر ب 145 مليون درهم إماراتي لعام 2025

FINANCIAL RATING

التصنيف المالي



حصلت الشركة للعام العاشر على التوالي على تصنيف القوة المالية A- من وكالة التصنيف العالمية إيه إم بست للتصنيف المالي في عام 2025 كما حصلت الشركة على ذات التصنيف من وكالة التصنيف العالمية فيتش للعام الثالث على التوالي.

ADNTC's Financial Strength Rating was re-affirmed for the 10th consecutive year as **A- (Excellent)** by **A.M. Best** international financial rating agency in 2025.

ADNTC's Insurer Financial Strength Rating was re-affirmed as **A- (Outlook Stable)** by **Fitch Ratings** international financial rating agency for the 3rd consecutive year in 2025.

DEVELOPMENT GOALS

أهداف التنمية



OUR APPROACH

نهج الشركة



At ADNTC, we strive to align ESG metrics with our business strategies and embed them within our business model. While constructing our business plan, we use the ESG metrics as a reference that complements our objectives and support them.

في شركة أبوظبي الوطنية للتكافل، نسعى إلى مواءمة معايير البيئة والمسؤولية الاجتماعية والحوكمة (ESG) مع استراتيجيات أعمالنا، ودمجها ضمن نموذج أعمالنا. وأثناء إعداد خطتنا الاستراتيجية، نستخدم مؤشرات ESG كمرجع يُكَمِّل أهدافنا ويدعم تحقيقه.



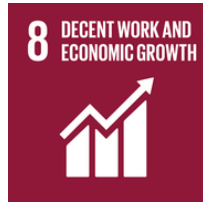
OUR STRATEGIC PILLARS AND ESG

استراتيجية الشركة وأهداف الاستدامة



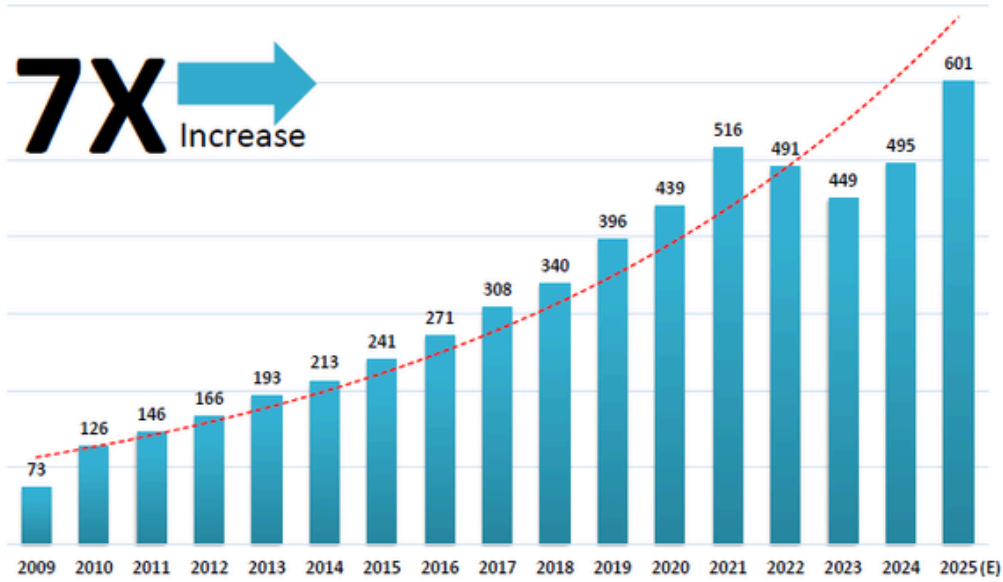
The value created at the UAE level by ADNTC's strategy and business model over time translates into economic and social development.

القيمة التي تحققها استراتيجية ونموذج أعمال الشركة على مستوى دولة الإمارات مع مرور الوقت تترجم إلى التنمية الاقتصادية والاجتماعية.



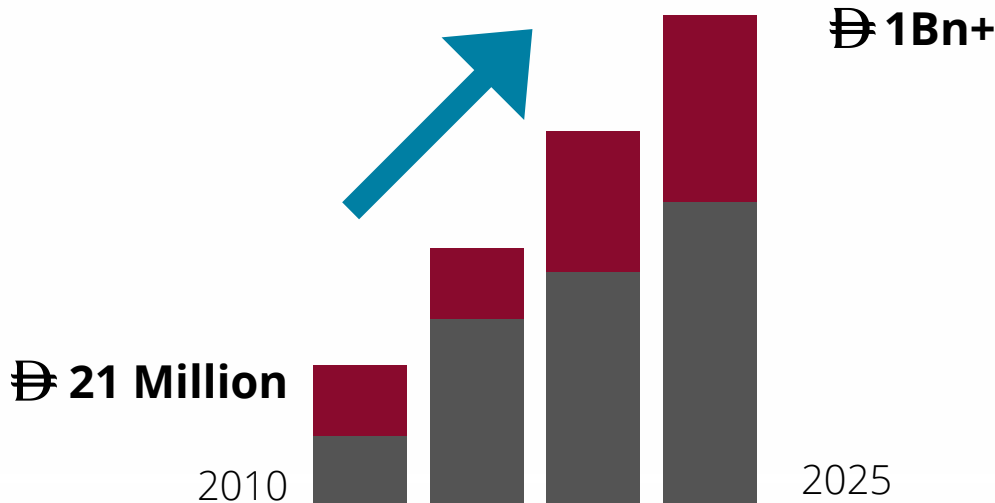
Shareholders' Equity

حقوق المساهمين



Accumulated Shareholders Net Profit

صافي أرباح المساهمين المتراكمة



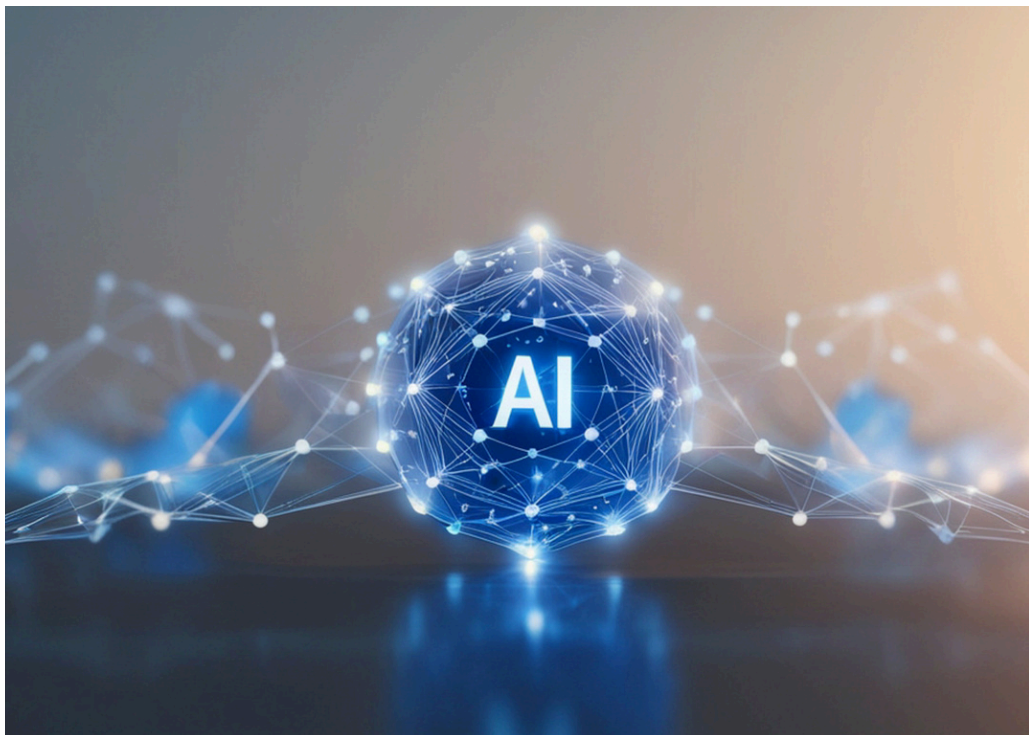


Our Approach

Digital transformation remains a key strategic focus for ADNTC, enabling the company to stay aligned with emerging technologies in the insurance industry.

By leveraging advanced digital solutions and Artificial Intelligence (AI), we enhance operational efficiency, improve customer experiences, and enable smarter decision-making.

As we advance this journey, we remain mindful of our impact on stakeholders and the environment, promoting sustainable operations through automation, optimized digital workflows, and reduced paper use.



نهج الشركة

التحول الرقمي يظل أحد الركائز الاستراتيجية الرئيسية لشركة أبوظبي الوطنية للتكافل، حيث يمكن الشركة من مواكبة التقنيات الناشئة في قطاع التأمين.

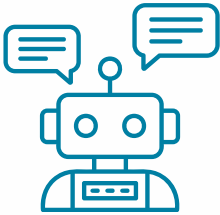
ومن خلال الاستفادة من الحلول الرقمية المتقدمة وتقنيات الذكاء الاصطناعي (AI)، نعزز كفاءة العمليات، ونحسن تجربة العملاء، وندعم اتخاذ قرارات أكثر ذكاءً.

ومع تقدمنا في هذه المسيرة، نحرص على مراعاة أثر أعمالنا على أصحاب المصلحة والبيئة، ونعمل على تعزيز الاستدامة التشغيلية من خلال الأتمتة، وتحسين سير العمل الرقمي، وتقليل استخدام الورق.



Digital Transformation & AI

Enhancing operational excellence through AI-driven automation and innovative digital solutions.



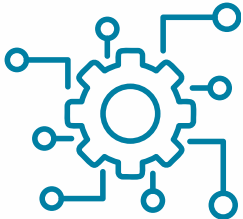
AI Takaful Bots

Automating insurance and claims processing



Lead Management System

Streamlining sales lead tracking



Medical Continuity Certificate

DOH-integrated bulk certificate generation



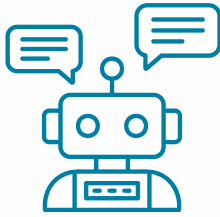
Centralized Takaful API

Connecting banks and business partners



التحول الرقمي والذكاء الاصطناعي

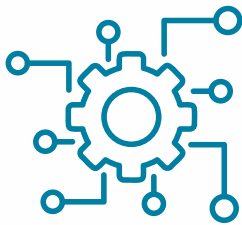
تعزيز الكفاءة والتميز التشغيلي عبر الأتمتة المعتمدة على الذكاء الاصطناعي وتبني الحلول الرقمية المبتكرة.



روبوتات الشركة المدعومة بالذكاء الاصطناعي لتحسين عمليات التأمين ومعالجة المطالبات رقمياً



نظام إدارة العملاء المحتملين تسهيل إدارة ومتابعة العملاء المحتملين.



شهادة استمرارية التأمين الصحي ربط إصدار الشهادات مع دائرة الصحة



واجهة برمجة تطبيقات مركزية ربط البنوك وشركاء الأعمال

OPERATIONAL EFFICIENCY



As part of our Paperless Office initiative, we implemented Workflow and Document Management Systems and transitioned to NFC-enabled digital business cards to reduce paper usage



The average electricity consumption for the year 2025 approx. 200,746 KWH

Reduced by 15,833 KWH compared to last year, reflecting improved energy efficiency



الكفاءة التشغيلية



كجزء من مبادرة المكتب بلا ورق (**Paperless Office**)، قمنا بتطبيق أنظمة إدارة سير العمل وإدارة الوثائق، كما انتقلنا إلى استخدام بطاقات أعمال رقمية مزودة بتقنية NFC بهدف تقليل استخدام الورق.



متوسط استهلاك الكهرباء لعام 2025 بلغ حوالي 200,746 كيلوواط ساعة. انخفض بمقدار 15,833 كيلوواط ساعة مقارنة بالعام الماضي، مما يعكس تحسّن كفاءة استخدام الطاقة.



STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة

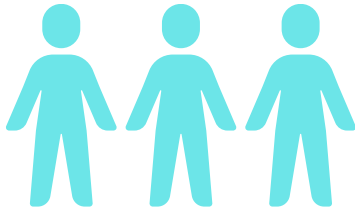
3 GOOD HEALTH
AND WELL-BEING



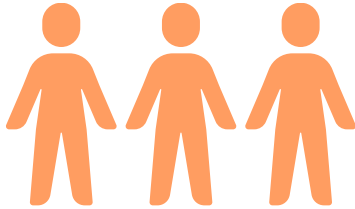
5 GENDER
EQUALITY



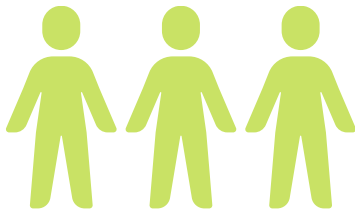
4 QUALITY
EDUCATION



الموظفين
Employees



العملاء
Customers



المساهمين
Shareholders

STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة



Health & Safety



Employees:



Organized General Wellness Day for all employees, encouraging health-check ups and much more.

24 June 2025



Organized a padel tournament at ADNEC Summer Sports, encouraging employee participation and sportsmanship, and rewarded the top performers.

1 August 2025



In collaboration with Aster Clinics, we facilitated vaccines for all our staff and their family members for Flu on an annual basis.

30 September to 14 October 2025

STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة

3 GOOD HEALTH
AND WELL-BEING



5 GENDER
EQUALITY



4 QUALITY
EDUCATION



الصحة والسلامة

الموظفين:

تنظيم يوم للصحة العامة لجميع الموظفين، يتضمن فحوصات صحية وأنشطة توعوية لتعزيز نمط حياة صحي.

24 June 2025



تنظيم بطولة بادل ضمن فعاليات ADNEC Summer Sports لتعزيز مشاركة الموظفين والروح الرياضية وتكريم الفائزين.

1 August 2025



بالتعاون مع عيادات أستر (Aster Clinics)، قمنا بتسهيل توفير لقاحات الإنفلونزا بشكل سنوي لجميع الموظفين وأفراد عائلاتهم.

30 September to 14 October 2025



STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة

3 GOOD HEALTH AND WELL-BEING



5 GENDER EQUALITY



4 QUALITY EDUCATION



Customers:



Awareness campaign on BASMAH Patient Support Program, an initiative by Dubai Health Insurance Corporation (DHA). Encouraging eligible Dubai residents to undergo free screening and treatment for Cancer, through eligible providers within their medical insurance network. Via sms. email and social media.

Yearly



In par with global wellness initiatives, the company continues to offer wellness programs to our major medical insurance clients.

Yearly

STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة

3 GOOD HEALTH
AND WELL-BEING



العملاء:

شاركت الشركة عبر حساباتها على مواقع التواصل الاجتماعي بدعم حملة بسملة لدعم المرضى وهي المبادرة التي تقدمها هيئة دبي للصحة. المبادرة تشجع قاطني مدينة دبي على إجراء فحوصات دورية للكشف المبكر عن مرض السرطان عبر سلسلة من مزودي التأمين الصحي. سنوياً



تماشياً مع المبادرات العالمية للرفاهية، تواصل الشركة تقديم برامج الرفاهية لعملائنا الرئيسيين في التأمين الصحي. سنوياً



STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة



Shareholders:



In the spirit of Ramadan, our employees packed and distributed 100 food parcels to UAE workers.

19 March 2025



As part of our CSR initiative, our employees packed and distributed 100 care packs to UAE workers.

19 June 2025



In support of Back-to-School, our employees packed and distributed 100 school bags with stationery to refugee children.

12 August 2025



In support of Pink October, we offered exclusive discounts to MOHRE & MOF female employees for Female Care - Critical Illness Insurance.

7 & 9 October 2025



Planted 19 Mangroves trees at Jubail Island in support of environmental sustainability.

20 December 2025

STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة

3 GOOD HEALTH
AND WELL-BEING



المساهمين:



تجسيداً لقيم العطاء خلال شهر رمضان، شارك موظفونا في تعبئة وتوزيع 100 طرد غذائي للعمال في دولة الإمارات.

19 March 2025



ضمن مبادرتنا الاجتماعية، قام موظفونا بتعبئة وتوزيع 100 حزمة رعاية للعمال في دولة الإمارات.

19 June 2025



دعمًا لمبادرة العودة إلى المدارس، قام موظفونا بتعبئة وتوزيع 100 حقيبة مدرسية مزودة بالقرطاسية للأطفال اللاجئين.

12 August 2025



دعمًا لشهر التوعية بسرطان الثدي، قدمنا خصومات حصرية لموظفات وزارة الموارد البشرية والتوطين (MOHRE) ووزارة المالية (MOF) على تأمين الأمراض الحرجة الخاص برعاية المرأة.

7 & 9 October 2025



قمنا بزراعة 19 شجرة من أشجار القرم (المانغروف) في جزيرة الجبيل دعمًا للاستدامة البيئية.

20 December 2025



STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة

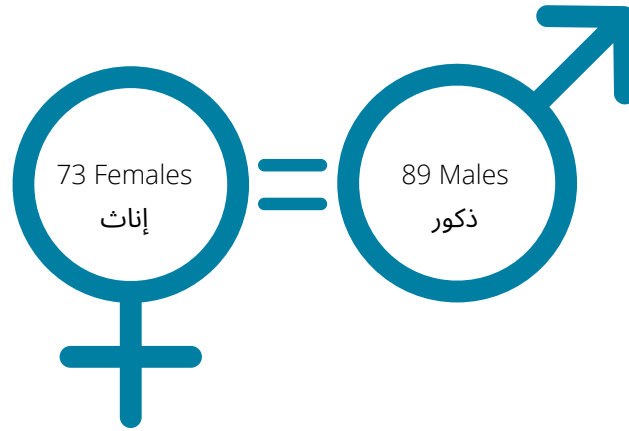


نحن فخورون بسياستنا المتبعة بما يخص المساواة بين الجنسين في نطاق العمل ونفخر بتزايد أعداد الإناث في المناصب الإدارية.



We take pride in our approach towards gender equality at workplace which is evident by the increasing number of women leadership in managerial roles across all functions.

Headcount by Gender as at 31 Dec 2025
تعداد موظفين الشركة حسب الجنس حتى 31 ديسمبر 2025



Ethnic Diversity as at 31 Dec 2025
التنوع العرقي بين الموظفين حتى 31 ديسمبر 2025



STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة



Training & Development

In 2025, total 237 training courses were delivered across classroom, virtual, functional, soft skills, and e-learning formats, reflecting ADNTC's flexible and inclusive approach to employee development.



CBUAE/ Insurance Authority/EIBFS



UAE Nationals Development Program



In-house training



Sharing of Knowledge

STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة



التدريب والتطوير

في عام 2025، تم تقديم 237 دورة تدريبية عبر التدريب الحضوري والافتراضي والوظيفي وتنمية المهارات والتعلم الإلكتروني، بما يعكس نهج ADNTC المرن في تطوير الموظفين.



التدريب عبر المصرف
المركزي ومركز
الإمارات للدراسات
المصرفية



برنامج تطوير الكوادر
الوطنية الإماراتية



برامج التدريب
الداخلية



برنامج نشر
المعرفة

STAKEHOLDERS' SATISFACTION

رضا الأطراف
ذات العلاقة



Emiratization

التوطين

تفخر الشركة بكونها إحدى الشركات المكرمة سنويا من الجهات المختصة لتميزها في التوطين متجاوزة النسب المطلوبة.

The company takes pride of its achievements in the Emiratization Program exceeding the targeted points on annual basis.



Targeted Points 107



وزارة الموارد البشرية
والتوطين
MINISTRY OF HUMAN RESOURCES
& EMIRATISATION



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.



Training & Development التدريب والتطوير

I

In-house training is being encouraged for all employees by Head of Department's and senior managers on multiple and diversified topics. In addition, job rotation across departments is part of employees training program.

يتم تشجيع التدريب الداخلي لكافة الموظفين من قبل مدراء الدوائر والمدراء التنفيذيين في مجالات وموضوعات متعددة ومتنوعة. إضافة إلى ذلك، يُعدّ التدوير الوظيفي بين الأقسام جزءاً أساسياً من برنامج تطوير الموظفين.

II

Special training programs are being delivered to employees on specific mandatory requirements such as: AML/CFT, Anti Bribery, Cyber Security, Code of Conduct and others.

يتم تزويد موظفينا بشكل دوري بالتدريبات المتعلقة بالمتطلبات الأساسية المتبعة من الهيئات ذات العلاقة مثل الامتثال الوظيفي ومكافحة غسيل الأموال والأمن السيبراني وغيرها.

III

All employees are scheduled on annual basis to pursue the courses offered by Central Bank of UAE and EIBFS to enhance business and insurance knowledge.

تحدد الشركة سنويا جدول تدريبي يشمل كل الموظفين للمواد والمواضيع التي توفرها كل من هيئة التأمين والمصرف المركزي و معهد الإمارات للدراسات المصرفية سواء في مجال التأمين أو إدارة الأعمال.





Our Approach:

At Abu Dhabi National Takaful, we strive to continuously develop and monitor our corporate governance practices providing utmost transparency and long-term value to our shareholders.

نهج الشركة:

نسعى في شركة أبو ظبي الوطنية للتكافل بشكل مستمر إلى تطوير ومتابعة ممارسات الحوكمة المؤسسية لدينا، بهدف تحقيق أعلى مستويات الشفافية وتعزيز القيمة المستدامة طويلة الأجل لمساهميننا.





In 2023 We have amended our Article of Association (AOA) to meet the latest rules and regulations of ADX, CBUAE & SCA.

في عام ٢٠٢٣، قمنا بتعديل نظامنا الأساسي ليتوافق مع أحدث القواعد واللوائح الصادرة عن سوق أبوظبي للأوراق المالية، ومصرف الإمارات المركزي، وهيئة سوق المال.

During 2025, the Company engaged an external consulting firm to conduct a comprehensive review of its corporate governance policies and framework. The objective of this exercise was to ensure alignment with the Corporate Governance requirements issued by the Central Bank of the UAE under Notice No. 24 of 2022, as well as any relevant updates issued by the Securities and Commodities Authority.

خلال عام ٢٠٢٥، تعاقدت الشركة مع شركة استشارية خارجية لإجراء مراجعة شاملة لسياسات وإطار حوكمة الشركات لديها. وكان الهدف من هذه المراجعة ضمان التوافق مع متطلبات حوكمة الشركات الصادرة عن مصرف الإمارات العربية المتحدة المركزي بموجب الإشعار رقم ٢٤ لسنة ٢٠٢٢، بالإضافة إلى أي تحديثات ذات صلة صادرة عن هيئة سوق المال.

Any amendments or enhancements identified through this review will be implemented by 30 April 2026 to ensure continued compliance with the applicable regulatory requirements.

سيتم تطبيق أي تعديلات أو تحسينات يتم تحديدها من خلال هذه المراجعة بحلول ٣٠ أبريل ٢٠٢٦ لضمان استمرار الامتثال للمتطلبات التنظيمية المعمول بها.



CORPORATE GOVERNANCE الحوكمة

Abu Dhabi National Takaful company believe that corporate governance is an integral part of our progress and development.

تؤمن شركة أبوظبي الوطنية للتكافل أن حوكمة الشركات هي جزء أساسي من تقدمها وتطورها



Special Procedures for corporate governance

إجراءات خاصة لحوكمة الشركات



Internal Control Department

إدارة الرقابة الداخلية



Code of Professional Conduct

قواعد السلوك المهني



Insider Trading Policy

سياسة التداول بناءً على معلومات داخلية



Board of Directors Declarations

افصاحات مجلس الإدارة



Whistle-blowing Policy

سياسة الإبلاغ عن المخالفات



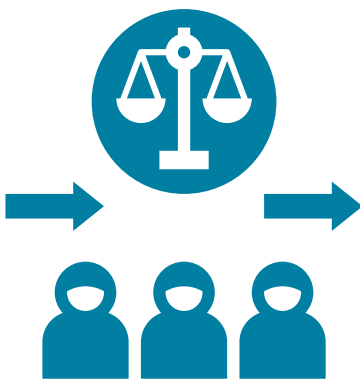


We have an evolving risk management framework that we consider a central part of our operation. Our Board of Directors receives periodical update on our risk position.

Our risk registrar is quarterly updated by the Internal control department in coordination with departmental risk champions.



We are ISO certified since 2022



AT ADNTC, we pay significant attention to good house-keeping with the following in place:

- Code of ethics
- Cyber Security Policy
- Conflict of Interest
- Anti-Money Laundry
- Departmental Policies and Procedures



CORPORATE GOVERNANCE الحوكمة

لدينا إطار عمل متطور لإدارة المخاطر نعتبره جزءاً أساسياً من عملياتنا. يتلقى مجلس إدارتنا تحديثات دورية بشأن وضعنا من حيث المخاطر. يتم تحديث سجل المخاطر لدينا بشكل ربع سنوي من قبل إدارة الرقابة الداخلية بالتنسيق مع ممثلي المخاطر في الأقسام.

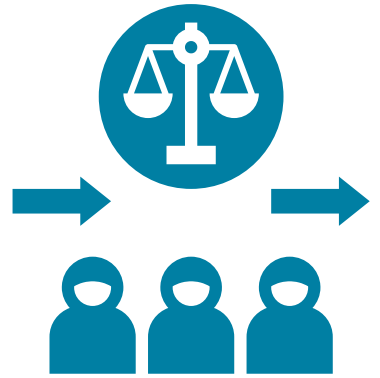


نحن معتمدون من ISO منذ عام 2022.



في شركة أبوظبي الوطنية للتكافل، نولي اهتماماً كبيراً بالإدارة الداخلية الجيدة من خلال تطبيق ما يلي:

- قواعد السلوك
- سياسة أمن المعلومات
- سياسة تضارب المصالح
- مكافحة غسيل الأموال
- السياسات والإجراءات الخاصة بالأقسام





شركة أبوظبي الوطنية للتكافل ش.م.ع.
Abu Dhabi National Takaful Co. P.S.C



شكراً
Thank You

8002244

www.takaful.ae



Annual Report of the Internal Shari'ah Supervision Committee of (Abu Dhabi National Takaful Company P.S.C)

Issued on: Tuesday, March 03, 2026, corresponding to Ramadan 14,1447

To: Shareholders of (Abu Dhabi National Takaful Company P.S.C) (“the Company”)

After greetings,

Pursuant to requirements stipulated in the relevant laws, regulations and standards (“the Regulatory Requirements”), the Internal Shari'ah Supervision Committee of the Company (“ISSC”) presents to you the ISSC’s Annual Report for the financial year ending on 31 December 2025 (“Financial Year”).

1. Responsibility of the ISSC

In accordance with the Regulatory Requirements and the ISSC’s charter, the ISSC’s responsibility is stipulated as to:

- undertake Shari'ah supervision of all businesses, activities, products, services, contracts, documents and business charters of the Company; and the Company’s policies, accounting standards, operations and activities in general, memorandum of association, charter, financial statements, allocation of expenditures and costs, and distribution of profits between participants’ accounts and shareholders’ accounts (“Company’s Activities”) and issue Shari'ah resolutions in this regard, and
- determine Shari'ah parameters necessary for the Company’s Activities, and the Company’s compliance with Islamic Shari'ah Provisions within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority (“HSA”) to ascertain compliance of the Company with Islamic Shari'ah Provisions.

The senior management is responsible for compliance of the Company with Islamic Shari'ah Provisions in accordance with the HSA’s resolutions, fatwas, and opinions, and the ISSC’s resolutions within the framework of the rules, principles, and standards set by the HSA (“Compliance with Islamic Shari'ah Provisions”) in all Company’s Activities, and the Board bears the ultimate responsibility in this regard.

2. Shari'ah Standards

The ISSC shall comply with the Shari'ah standards issued and approved by the HSA.

3. Duties Fulfilled by the ISSC During the Financial Year

The ISSC conducted Shari'ah supervision of the Company's Activities by reviewing those Activities, and monitoring them through the internal Shari'ah control division, internal Shari'ah audit division, in accordance with the ISSC's authorities and responsibilities, and pursuant to the Regulatory Requirements in this regard. The ISSC's activities included the following:

- a. Convening (Four) meetings during the year.
- b. Issuing fatwas, resolutions and opinions on matters presented to the ISSC in relation to the Company's Activities.
- c. Reviewing and monitoring compliance of policies, procedures, accounting standards, operating model and product structures, contracts, documentation, business charters, and other documentation submitted by the Company to the ISSC for approval.
- d. Reviewing the Takaful Insurance operating model, underlying contracts and supporting materials (e.g. underwriting and claims settlement manual/guidelines etc.).
- e. Reviewing and approving the Company's products, services and marketing materials.
- f. Reviewing and approving the policy and procedures that govern Takaful Insurance Accounts (e.g. segregation of accounts and transparent financial resources flow between the accounts etc.), surplus distribution, and deficit coverage.
- g. Ensuring the compliance of the segregation between Takaful Insurance accounts and shareholders accounts, allocation of costs and expenditures on the accounts, and the underwriting surplus policy with Islamic Shari'ah Provisions.
- h. Reviewing the financial statements of the Company to ensure compliance with Islamic Shari'ah provisions.
- i. Reviewing the investment policy and approving the Shari'ah screening criteria to ensure the investment activities in both shareholders' accounts and participants' accounts, are comply with the Provisions of Islamic Shari'ah.
- j. Reviewing the risk ceding arrangements of the participants' account with other insurance companies (Retakaful insurance, conventional reinsurance, co-insurance with Takaful insurance/conventional insurance companies) and confirming its compliance with Islamic Shari'ah Provisions.
- k. Supervision through the internal Shari'ah control division, internal Shari'ah audit division, of the Company's Activities including supervision of executed transactions and adopted procedures on the basis of samples selected from executed transactions, and reviewing reports submitted in this regard.
- l. Providing guidance to relevant parties in the Company – to rectify (where possible) incidents cited in the reports prepared by internal Shari'ah control division, internal Shari'ah audit division and issuing of resolutions to set aside revenue derived from transactions in which non-compliances were identified for such revenue to be disposed towards charitable purposes.
- m. Approving corrective and preventive measures related to identified incidents to preclude their reoccurrence in the future.
- Reviewing the Zakat calculation and specifying the amount of Zakat due on each share of the Company. The amount of Zakat per every Company share is around AED(0.0927) for the year ended 31/12/2025
- n.

- o. Communicating with the Board and its subcommittees, and the senior management of the Company (as needed) concerning the Company's compliance with Islamic Shari'ah Provisions.

The ISSC sought to obtain all information and interpretations deemed necessary in order to reach a reasonable degree of certainty that the Company is compliant with Islamic Shari'ah Provisions.

4. Independence of the ISSC

The ISSC acknowledges that it has carried out all of its duties independently and with the support and cooperation of the senior management and the Board of the Company. The ISSC received the required assistance to access all documents and data, and to discuss all amendments and Shari'ah requirements.

5. The ISSC's Opinion on the Shari'ah Compliance Status of the Company

Premised on information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Shari'ah Provisions, the ISSC has concluded with a reasonable level of confidence, that the Company's Activities are in compliance with Islamic Shari'ah Provisions, except for the incidents of non-compliance observed, as highlighted in the relevant reports. The ISSC also provided directions to take appropriate measures in this regard.

The ISSC formed its opinion, as outlined above, exclusively on the basis of information perused by the ISSC during the financial year.

Signatures of members of the Internal Shari'ah Supervision Committee of the Company

Professor Dr. MOHD ABDULRAHIM SULTAN ALOLAMA

Chairman of
the
Committee



Sh. Dr. ALI HUSAIN ALJUNAIDI

Vice
Chairman of
the
Committee



Sh. Dr. OSAID KAILANI

Committee
member



Annual Report of the Audit Committee for the Year 2025

1. Introduction:

In compliance with Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and in line with the company's governance framework, the Audit Committee has prepared this annual report to provide a comprehensive overview of its activities throughout the year 2025. The report is signed by the Chairman of the Audit Committee and forms part of the annual governance report issued by the company. The Chairman will also be present at the Annual General Assembly meeting to address any questions regarding the contents of this report.

The Audit Committee has the following duties and responsibilities:

1. Assess the adequacy of Senior Management and their adherence to Board directives.
2. Evaluate internal controls, including regular meetings with key personnel and external auditors, to mitigate financial reporting risks, such as fraud.
3. Ensure compliance with relevant laws and regulations.
4. Nominate external auditors, determine their fees, and oversee their termination when necessary.
5. Oversee the internal audit function, including understanding audit resources, hiring and evaluating the head of internal audit, and approving the audit plan.
6. Approve the appointment and dismissal of the head of internal audit.
7. Follow up on audit recommendations and ensure their proper implementation.
8. Ensure the accuracy and integrity of financial statements, assessing accounting policies and adherence to relevant standards and regulations.
9. Meet with internal and external auditors at least twice a year without Senior Management present to maintain auditor independence.
10. Provide a confidential reporting system for staff to report violations of financial reporting or internal controls.
11. Report to shareholders on the Audit Committee's functions, the audit's independent nature, and the company's financial practices.
12. Ensure integrated reporting to the Central Bank.
13. Evaluate the company's internal policies for compliance with Islamic Shari'ah provisions.
14. Assess the internal Shari'ah audit function's effectiveness, including reviewing reports and facilitating the work of the Internal Shari'ah Audit Division
15. Review the external Shari'ah audit results, facilitating the work of the external Shari'ah auditor and reviewing their reports.
16. Invite a member of the Internal Shari'ah Supervisory Committee to meetings where Shari'ah audit reports are discussed to ensure compliance.
17. Review and assess the company's financial and accounting policies and procedures.
18. Monitor the integrity of financial statements, focusing on changes in accounting policies, management discretion, and auditing amendments, ensuring compliance with legal and accounting standards.
19. Coordinate with the Board, Senior Management, and CFO to ensure the Audit Committee's duties are performed.
20. Address unusual clauses or issues raised by auditors or management and ensure corrective actions are taken.

21. Recommend the selection, resignation, or discharge of the auditor to the Board, including reasons if the Board rejects the recommendation.
22. Establish a policy for contracting with auditors and ensure actions are taken, submitting a report to the Board.
23. Ensure the external auditor's independence and compliance with laws and regulations.
24. Review and ensure the establishment of effective internal control systems within the company.
25. Review findings from investigations into internal control issues and ensure corrective measures are implemented.
26. Coordinate between internal and external auditors on internal control matters.
27. Ensure resources for control functions are sufficient and assess their effectiveness.
28. Follow up on internal audit reports and corrective actions taken for issues raised.
29. Establish procedures for staff to confidentially report violations and ensure independent investigations.
30. Monitor compliance with the company's code of conduct and ensure ethical practices.
31. Review related party transactions and manage conflicts of interest, providing recommendations to the Board.
32. Ensure the Audit Committee's code of conduct is followed in carrying out its duties.
33. Present findings and recommendations to the Board on relevant issues, as well as any additional matters the Board determines.
34. Address any other issues as directed by the Board

2. Membership and Qualifications

The Audit Committee consists of highly qualified individuals with diverse expertise in financial management, corporate governance, and sustainability practices.

Members' Details

Name	Qualifications	Role	Period of Service
Mr. Abdullatif Al Mulla	Masters in Economical & Social development and Management, Masters in corporate communication	Chairman	10 March 2024 – Present
Ms. Meitha Alhashemi	BA in Management , B.SC in Computer Science	Member	10 March 2024 – Present
Ms. Aysha Ahmed Al Hallami	Bachelors in finance and Masters in finance & Banking.	Member	10 March 2024 – Present

3. Meetings and Attendance

During the reporting period, the Audit Committee convened 5 meetings to discuss and oversee various issues critical to its mandate.

Meeting Details

Date	Key Agenda Items Discussed
7 January 2025	External Auditor presentation – Year end 2024 External Audit Plan Internal audit reports by the internal audit team, findings, status of previously reported audit observations, status of the audit plan.
12 March 2025	Review of 2024 Year-End Financial Reporting, Exclusive meeting with External Auditors, Appointment of external auditor for the financial year 2025. Internal audit reports by the internal audit team, findings, status of previously reported audit observations, status of the audit plan.
12 May 2025	Review of Q1 2025 Financial Reporting, Internal Audit updates and reports, other compliance matters.
11 August 2025	Review of Q2 2025 Financial Reporting, Internal Audit updates and reports, other compliance matters.
10 November 2025	Review of Q3 2025 Financial Reporting, Exclusive meeting with External Auditors, Internal Audit updates.

Attendance Summary

Name	Meetings Attended	Attendance Rate (%)
Mr. Abdullatif Al Mulla	5	100%
Ms. Meitha Alhashemi	5	100%
Ms. Aysha Ahmed Al Hallami	5	100%

Meeting Effectiveness:

The committee ensured thorough discussions, with each member contributing actively to decision-making.

4. Significant Matters Considered by the Committee in Relation to the Financial Statements

The Audit Committee has focused on several key matters concerning the financial statements of the company during the year, ensuring they were accurate, transparent, and compliant with relevant accounting standards. Some significant matters included

1. Review of financial reporting processes and oversight of management's financial statement preparation.
2. Assessment of the impact of key judgments and estimates made by management, particularly in areas such as revenue recognition, impairment of assets, and provisions for liabilities.
3. Scrutiny of the integrity and fairness of the financial reporting process and its alignment with both internal policies and external regulations..

To address these matters, the committee worked closely with the external auditors and the finance team, holding detailed discussions and reviewing reports on the financial statements to ensure compliance and transparency.

5. Independence and Effectiveness of the External Audit Process:

The Audit Committee has conducted a thorough evaluation of the external audit process for the year, which included:

- Analyzing the external auditor's independence, objectivity, and competence. The committee assessed whether there were any conflicts of interest or situations that could impair the auditors' independence.
- Reviewing the methodology employed by the external auditors to ensure that it was robust and effective in identifying risks and evaluating the company's financial practices.
- The Audit Committee members had met with External Auditors exclusively without the presence of management twice during the year 2025.

Additionally, the committee assessed the tenure of the current audit firm and discussed the implications of this tenure on the overall audit process. The committee's evaluation supported the continued effectiveness and independence of the audit process.

6. Recommendation Regarding Appointment, Reappointment, or Dismissal of the External Auditor:

After a thorough evaluation of the external auditor's performance, independence, and effectiveness, the Audit Committee has made the following recommendations:

The appointment of the external auditor for the year 2025 was confirmed by the audit committee via circulation, the committee confirmed this decision. Accordingly, Ernst & Young was recommended for appointment at the upcoming AGM to be external auditors for FY 2025. The Board has subsequently approved the appointment, which was ratified in the Annual General Meeting (AGM) dated 24 April 2025.

7. Ensuring the Independence of the External Auditor for Non-Audit Services:

The Audit Committee has implemented procedures to safeguard the independence of the external auditor, ensuring that no non-audit services are provided by the auditor. In the event that any non-audit services are considered in the future, the following controls are in place:

- Any proposed non-audit services to be provided by the external auditor will be pre-approved by the Audit Committee.
- The scope of any non-audit services will be closely monitored to prevent potential conflicts of interest and ensure that the integrity of the audit process remains unaffected
- Declaration of independence by the external auditor to the audit committee

8. Assessment and Resolution of Internal Control and Risk Management Issues

The Audit Committee has thoroughly assessed internal audit reports, focusing on identifying any gaps, deficiencies, or weaknesses in internal controls and risk management systems. In response to any such issues, the committee worked with internal audit and management to determine the root causes and oversaw the development and implementation of corrective actions aimed at strengthening the company's internal control systems and improving risk management practices. Additionally, the committee closely monitored the progress of these corrective actions through quarterly follow-up reports. Particular attention was given to medium- and high-risk reports, with the committee ensuring timely and effective resolution of any major failures or weaknesses identified.

There were no significant internal control deficiencies identified during the year 2025.

9. Review of Transactions with Related Parties:

The Audit Committee has reviewed all transactions concluded with related parties, ensuring full compliance with applicable laws and regulations. This review included:

- Ensuring that all transactions were conducted on an arm's length basis.
- Assessing whether the transactions were in the best interest of the company and its shareholders.
- Reviewing related party disclosures to ensure accuracy and compliance with regulatory requirements.

Conclusion:

The Audit Committee remains committed to ensuring that the company's financial reporting, risk management, and internal control systems are robust and effective. Through our continuous oversight and collaboration with management and external auditors, we strive to uphold the highest standards of corporate governance.

This report is submitted by the Chairman of the Audit Committee and will be included as part of the company's annual governance report. The Chairman will be available at the Annual General Assembly meeting to address any questions or concerns regarding this report.



Mr. Abdullatif Al Mulla

Chairman, Audit Committee
11 March 2026

A wide-angle photograph of the Dubai skyline, featuring numerous skyscrapers of varying heights and colors. The buildings are reflected in the clear blue water of the sea. In the foreground, several traditional wooden dhow sailboats with colorful sails are visible on the water. The sky is a bright blue with scattered white clouds. The text "Thank You" is overlaid in the center of the image in a dark blue, italicized serif font.

Thank You