

# INTEGRATED REPORT

2025



**Sukoon Takaful** operates as a single, interdependent body, one that feels instinctively familiar because its logic is mirrored throughout the natural world.

Along the shores of Abu Dhabi, dugongs graze seagrass that in turn shelters marine life; coral formations sustain entire underwater communities; in the desert, the ghaf thrives, the oryx survives, the date palm provides sustenance, each element relying on another in a cycle of provision and return. Even the beehive, assembled through tireless collective labour, stands as a visible testament to what a collective purpose can produce.



**Sukoon Takaful** arises from the same principle, individuals pooling resources, safeguarding one another, allowing mutual trust to create a community founded on symbiosis. What follows is an account of that collective endeavour, sculpted by cooperation, foresight, and sustained by the belief that strength multiplies when it is held in common.



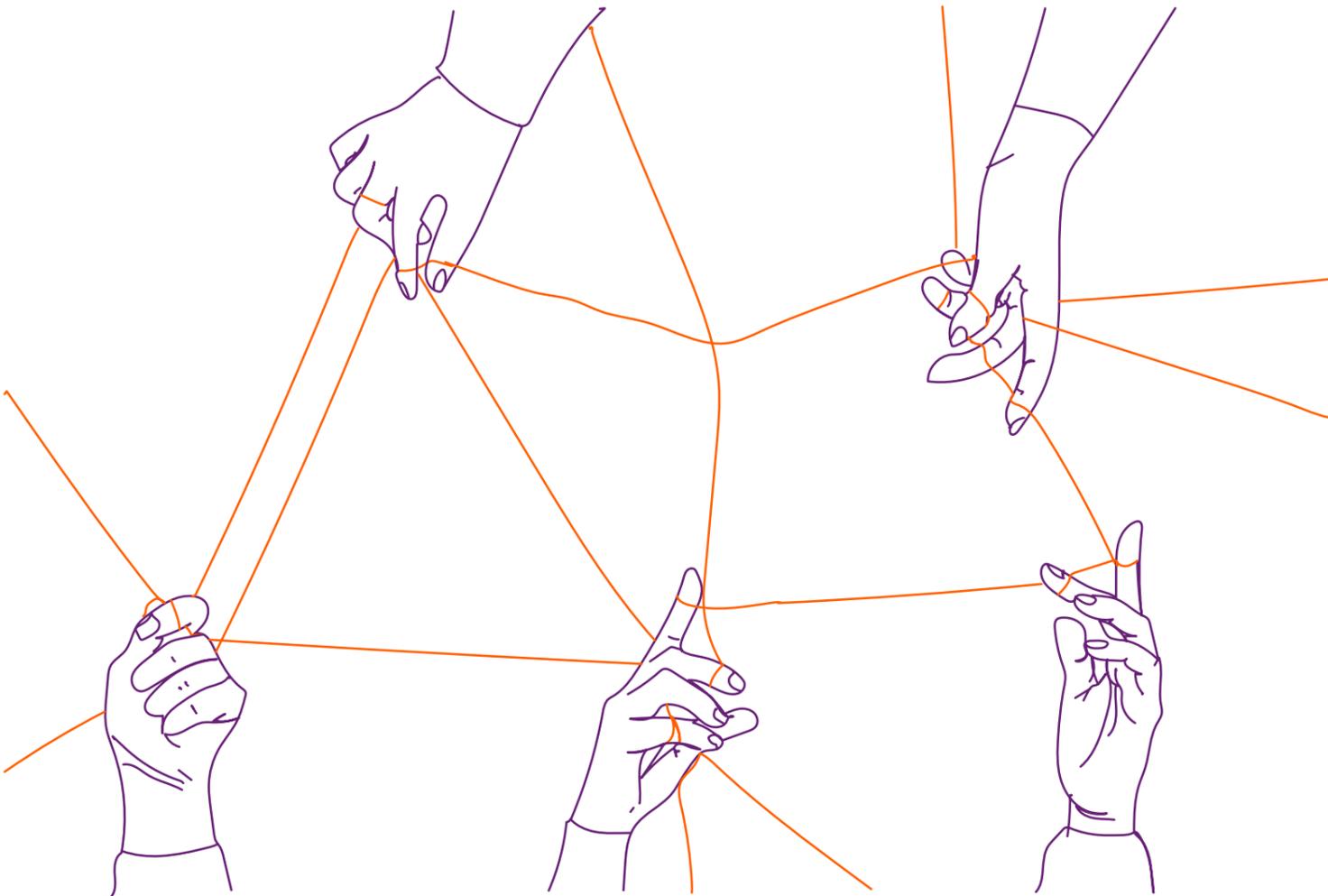
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# ABOUT US

Sukoon Takaful, operates as a Sharia-compliant insurance provider offering a comprehensive range of Takaful solutions, including property, motor, family, marine and general accident coverage. In 2023, the Company – formerly known as Arabian Scandanavian Insurance Company (ASCANA) – was acquired by Sukoon Insurance PJSC, leading to its rebranding as Sukoon Takaful. And it has become a fully national entity and a publicly listed Company (PLC).

Today, we are a subsidiary of Sukoon Insurance PJSC and operate under the supervision of the UAE Central Bank's Insurance Supervision Department, Dubai Financial Market (DFM), and the Securities and Commodities Authority (SCA). We are a key player in the Dubai Financial Market and the world's first insurance Company to transition entirely from conventional to Takaful operations.



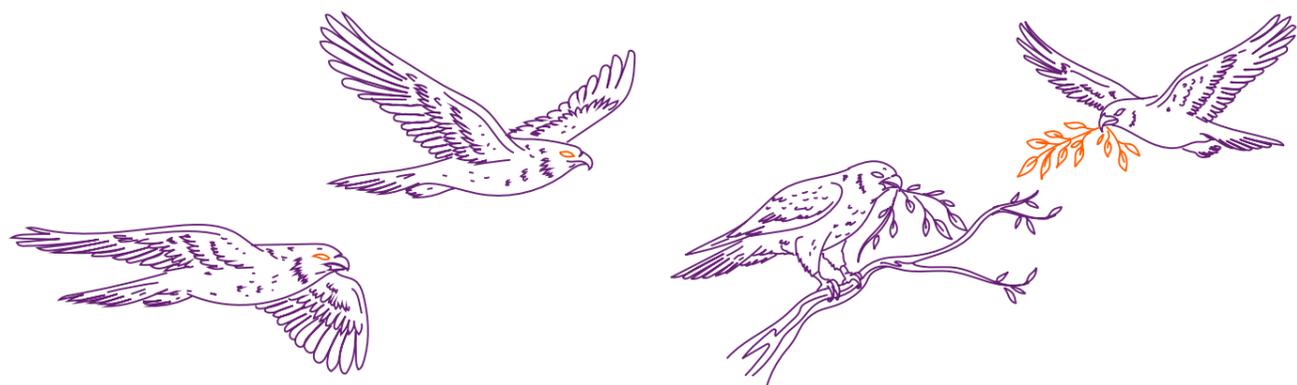
# VISION, MISSION & VALUES

## PEREGRINE FALCON



The UAE's National Bird, is widely associated with foresight, its extraordinary and elevated vantage symbolising the ability to anticipate change and see beyond the immediate horizon. In flight, it moves with controlled precision, reflecting disciplined execution. When tablishing a nest, the falcon carefully chooses secure ground and steadfastly protects its eggs, safeguarding the source of future generations.



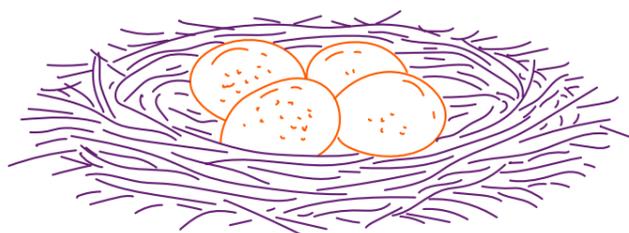


### Vision

Our vision is to be the most trusted Takaful provider, delivering innovative, Sharia-compliant solutions that protect stakeholders and support the UAE's growth. Backed by an 'A' credit rating from Standard & Poor's, we offer a comprehensive range of Takaful coverage across major insurance lines, governed by a Board of Directors and an independent Shariah Board. Headquartered in Dubai, our team of specialists serves clients across Dubai and the Northern Emirates with reliable, ethical solutions.

### ESG Mission

We are committed to sustained, profitable growth while maximising stakeholder value within a disciplined risk framework that ensures long-term stability. Guided by transparency, sustainability, and ethical conduct, we aim to contribute positively to society while positioning our national Company at the forefront of the global insurance industry through innovation, efficiency, and adherence to international best practices.



### Values Engagement

Through understanding and responding to our stakeholder's needs.

### Excellence

Through expertise, efficiency and sound decision-making in all we do.

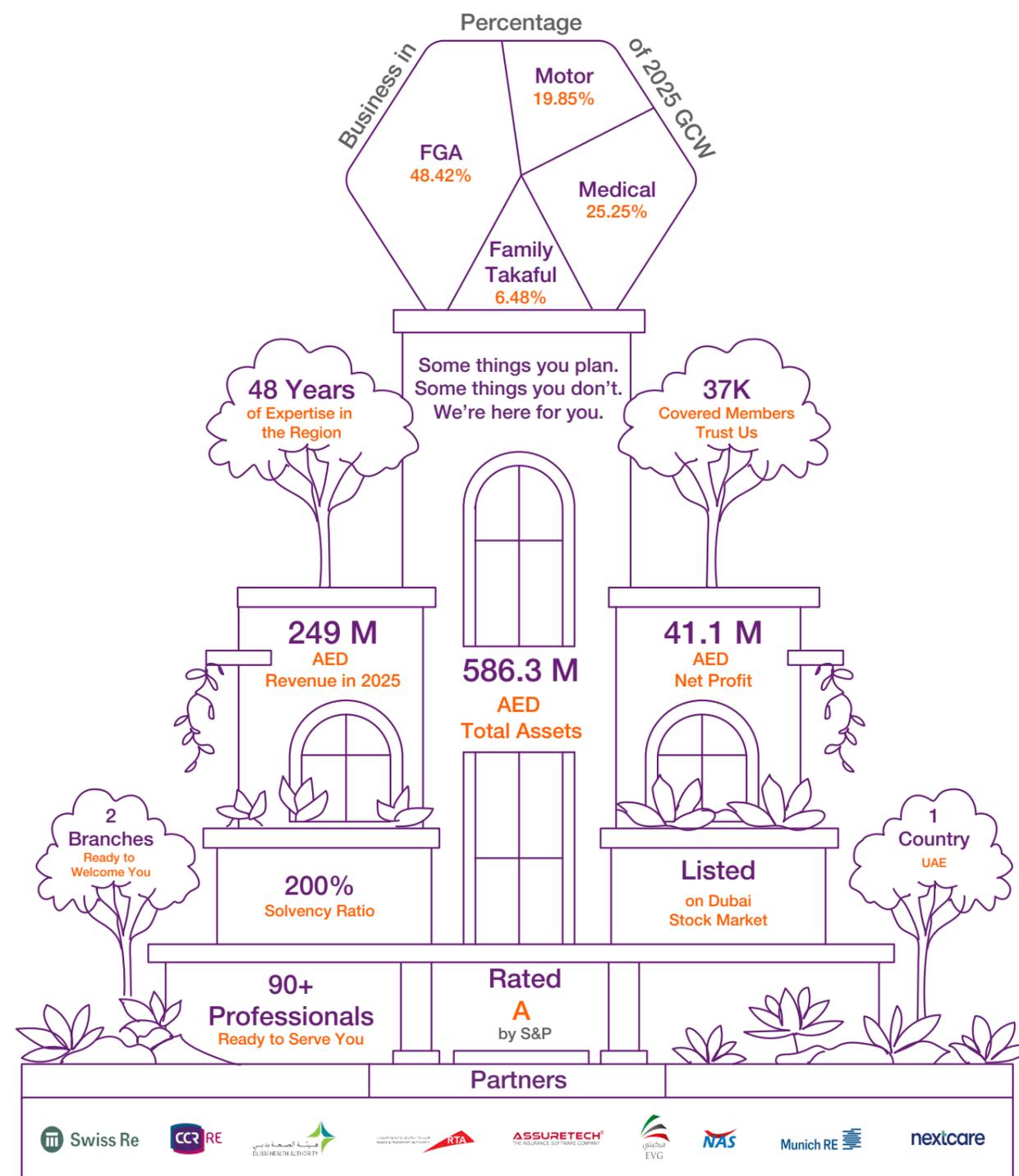
### Sustainability

Through balance in economic, societal and environmental development.

### Integrity

Through uncompromising commitment to transparency and ethical principles.

# COMPANY AT A GLANCE



Sukoon Takaful PJSC provides innovative and inclusive Takaful solutions grounded in Sharia principles. Through meticulously designed, participant-centric products, we remain committed to delivering peace of mind, social security, and ethical financial protection.

# ABOUT THE REPORT

Sukoon Takaful is dedicated to protecting individuals and businesses from unexpected risks by offering reliable insurance solutions and exceptional support.

This year, we have reinforced our commitment to conducting business in a way that not only benefits our shareholders but also positively impacts people and the environment. As part of this effort, we are proud to present our fifth sustainability report, highlighting our progress in environmental, social, and governance (ESG) initiatives for 2025.

Our report follows the Global Reporting Initiative (GRI) Standards: Core option, the world's most widely recognised ESG reporting framework. This reflects our dedication to transparency, accountability, and aligning with best industry practices to drive meaningful and sustainable change.

This Annual report published presents our environmental, social & governance performance, and focuses on our commitment, results, and future goals, enabling us to communicate our sustainable performance to our stakeholders.

## Defining The Content

Our 2025 Sustainability Report presents a clear and balanced overview of our sustainability performance, ensuring transparency and accountability to all our stakeholders. We remain committed to publishing an annual report to track our progress and build on the foundations laid in previous years, following the release of our 2024 report.

## External Assurance

We believe true transparency comes from sharing comprehensive, credible, and comparable information. To uphold this standard, we have once again submitted our 2025 Sustainability Report for external assurance by an independent provider, in line with International Assurance Standards. This reinforces our dedication to accuracy, reliability, and continuous improvement in our environmental, social, and governance (ESG) initiatives.

# REPORTING SCOPE

This is the fifth Sustainability Report for Sukoon Takaful PJSC ("Sukoon Takaful"), which covers the period from January 1 to December 31, 2025, unless stated otherwise.

Sukoon Takaful PJSC, is a public joint stock Company, registered in the Emirate of Dubai. The Company's headquarters is on the 3rd floor of Al Kazim Group building, in Al Garhoud area, Deira, P.O. Box 1993 in Dubai.

The Company is licensed by the Ministry of Economy under License No: 206742 and registered with the CBUAE under number 006.

Sukoon Takaful PJSC has been listed on the Dubai Financial Market (DFM) since July 12, 2005.

The Company's principal activities are in the UAE where it operates through its Dubai headquarters along with one branch in Abu Dhabi, as of December 31, 2025.

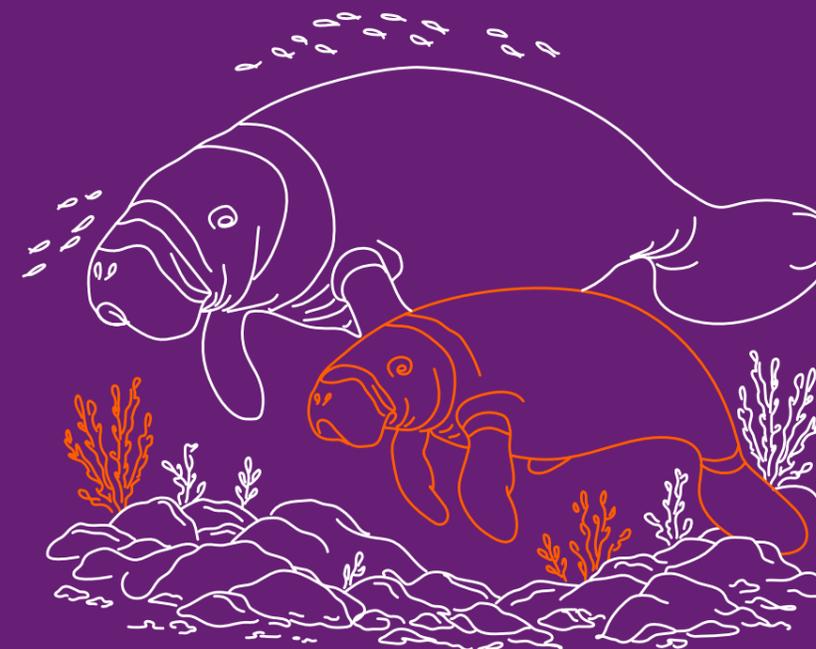
The Company is a subsidiary of Sukoon Insurance PJSC and holds 94.6% of its shares, as a result of an acquisition completed in May 2023.

All monetary values in this report are expressed in UAE dirhams, unless otherwise stated. Wherever feasible, the Company has aligned with the reporting ESG disclosures set out in the guidelines produced by the Dubai Financial Market (DFM). These guidelines emphasise 31 specific indicators under environmental, social and governance topics which are deemed essential for reporting by the Sustainable Stock Exchanges Initiative and the World Federation of Exchanges. As the Company's experience and expertise in sustainability reporting grows, it aims to meet as many as possible relevant to insurance companies.

This report covers Sukoon Takaful PJSC and does not cover the holding Company or its various subsidiaries. It only reflects the Company's UAE operation.

# UAE NATIONAL ELEMENTS

## DUGONG



Abu Dhabi's shallow coastal waters host over 3,000 dugongs, the world's second-largest population after Australia, representing roughly 75% of all dugongs in the Arabian Gulf.

# CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present Sukoon Takaful PJSC's Integrated Report for the year 2025.

The year marked a period of focused execution and progress for Sukoon Takaful. Building on the alignment achieved with our parent Company, Sukoon Insurance, we continued to strengthen our foundations while sharpening our focus on service excellence, operational efficiency, and participant trust with a year-on-year growth rising to 97% as of this year.

During the year, we entered into a strategic partnership with the Sheikh Zayed Housing Program (SZHP) to introduce specialised Family Takaful coverage for eligible UAE Nationals. The programme broadens access to protection and housing finance solutions, extending coverage beyond conventional age limits and supporting long-term financial security for Emirati families.

We also strengthened our engagement with professional communities through a partnership with the Emirates Association for Lawyers and Legal (EALL), delivering Sharia compliant Takaful solutions tailored to legal practitioners across the UAE. This collaboration reflects our commitment to providing sector-specific protection supported by efficient service delivery.

We also made important strides in solidifying our digital and security frameworks. Enhancing cybersecurity controls and achieving full compliance with Abu Dhabi Healthcare Information and Cyber Security standards reinforced our responsibility to protect sensitive information and uphold stakeholder confidence. Alongside this, we adopted an integrated internal-external engagement model that improved employee productivity while positively influencing customer satisfaction.

Throughout the year, we remained firmly focused on listening to our customers, refining omni-channel engagement, and building lasting relationships.

I would like to express my sincere appreciation to our shareholders, management team, employees, partners, and participants for their support. I also extend my gratitude to my fellow Board members for their guidance and stewardship during the year.

As we move forward, Sukoon Takaful is well positioned to continue its growth journey through disciplined execution, responsible innovation, and a steadfast commitment to serving our participants with care and integrity.

**Saood Abdulaziz Abdulla Ahmad Al Ghurair**  
Chairman  
Sukoon Takaful

*"We continue to build a stronger **Sukoon Takaful** by investing wisely and keeping our customers central to every decision"*



**Saood Abdulaziz Abdulla Ahmad Al Ghurair**  
Chairman

# FINANCIAL REPORT

2025



**The Ghaf tree** (*Prosopis cineraria*) is the UAE's national tree, able to survive extreme desert heat by sending roots more than 30 metres deep in search of water. It has sheltered Bedouin communities for generations, offering shade, fodder and hope in the harshest landscapes.

# REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

We are delighted to present the financial results of Sukoon Takaful PJSC (“the Company”) for the year-ended 31 December 2025.

**Sukoon Takaful delivered exceptional financial results this year, with revenues and profits reaching record-breaking highs. The achievements go well beyond a turnaround from the challenges faced pre-acquisition, signalling a new era of stability and strength for the Company.**

- Gross written contributions surged to **AED 325.4 million**, up **89%** year-on-year, **the highest ever**, driven by strong growth across all business segments.
- **Profit before tax** rose to **AED 41.1 million**, a **97%** year-on-year growth that underscores the sharp turnaround and success of our post-acquisition transformation.

The Company also ended the year with positive retained earnings, fully reversing pre-acquisition accumulated losses and marking the success of our turnaround strategy launched in 2023. The Company maintains **extremely strong solvency position**, which reflects our resilience and commitment to provide best-in-class services for our policyholders while creating long-term value for our shareholders.

These **record-breaking financial results** are underpinned by disciplined underwriting, effective claims management, improved operational cost efficiencies and a balanced investment portfolio along with increased visibility of the **Sukoon** brand, laying the foundation for sustainable profitable growth in the years ahead.

As we move into 2026, we remain committed to building on the strong momentum achieved over the past two years. Being a **composite takaful provider**, we aim to broaden both our **general and family takaful** products to meet the evolving needs of our customers. We are also focused on expanding our market presence and enhancing our digital capabilities. Backed by a strong capital position, we are also well-placed to capture emerging opportunities in the market and are resolute in our mission to position Sukoon Takaful into the region’s benchmark for excellence in the takaful space, offering unparalleled protection and **peace of mind**.

We extend our deepest gratitude to our shareholders, customers, Sharia’a supervisory Board members and employees for their trust and unwavering support.

May God; the Almighty; guide our steps.

On behalf of the Board,



**Saood Abdulaziz Al Ghurair**  
Chairman  
28 January 2026

# INDEPENDENT AUDITOR’S REPORT

## TO THE SHAREHOLDERS OF SUKOON TAKAFUL PJSC

### Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, 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 of public interest entities 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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the 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.

Key Audit Matter	How our audit addressed the key audit matter
<p><b>Valuation of takaful contract liabilities and re-takaful contract assets / liabilities</b></p> <p>As at 31 December 2025, the Company has takaful and retakaful contract liabilities and retakaful contract assets amounting to AED 265,263 thousand, AED 169 thousand, AED 77,129 thousand respectively (note 7).</p> <p>The Company applies the Premium Allocation Approach (PAA) to value its general takaful and short term life contracts and adopted the General Measurement Model (GMM) and Variable Fee Approach (VFA) models to value its long-term life contracts, this involves significant judgments in assessing the eligibility of the contracts to use PAA and estimating the takaful contract liabilities.</p> <p>Actuarial assumptions and models are essential to these valuations and the presence of estimation uncertainty involved in these assumptions can result in a high probability of material misstatement. The valuation of takaful contract liabilities, as well as retakaful contract assets and liabilities, is considered a key audit matter due to its significance to the financial statements as a whole.</p>	<p>The work that we performed to address this key audit matter, included the following procedures;</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the Company's process for determining the key actuarial assumptions;</li> <li>• We assessed the competence, capability and objectivity of the management's appointed external actuary;</li> <li>• We evaluated the data used in actuarial calculations by substantiating it to source documentation;</li> <li>• We 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, re-takaful contracts etc;</li> <li>• We involved our actuarial specialists to review the methodology, assumptions and other key inputs and to test a sample of the actuarial balances;</li> <li>• We evaluated the calculations, methodology and the underlying assumptions used in loss component assessment and risk adjustment; and</li> <li>• We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS.</li> </ul>
<p><b>Valuation of investment properties</b></p> <p>As at 31 December 2025, the Company had investment properties carried at AED 78,885 thousand (note 12) under the fair value model which accounted for 13% of the total assets of the Company and a fair value gain of AED 3,345 thousand was recorded during the year based on the fair valuation performed by independent external valuers.</p> <p>The valuation of the investment properties was significant to our audit due to the use of estimates in the valuation techniques and valuation is highly judgemental and is based on certain key assumptions i.e. capitalization rates, market rents and occupancy etc.</p>	<p>The work that we performed to address this key audit matter, included the following procedures;</p> <ul style="list-style-type: none"> <li>• We obtained from the management the fair valuation report performed by external valuers;</li> <li>• We evaluated the qualifications, competence and objectivity of the external valuers;</li> <li>• On a sample basis, we tested the underlying data used for the calculation of the fair values by comparing to supporting lease agreements;</li> <li>• We involved our valuation specialist to evaluate the methodology and assumptions used; and</li> <li>• We evaluated the key assumptions used in the fair valuation, specifically the capitalization rate, rental rates and occupancy. Compared these assumptions to externally derived data (where applicable) as well as forming our own assessment.</li> <li>• We assessed the disclosures in the financial statements relating to this matter against the requirements of IFRS.</li> </ul>

## 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles/Memorandum of Association and the UAE Federal Decree Law No. (32) of 2021, as amended, UAE Federal Decree Law No. (6) of 2025 and the related Financial Regulations for Insurance Companies, 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 scepticism throughout the audit. We also:

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

# STATEMENT OF FINANCIAL POSITION

- 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:

- the Company has maintained proper books of account;
- we have obtained all the information we considered necessary for the purposes of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles/Memorandum of Association and the UAE Federal Decree Law No. (32) of 2021, as amended;
- the financial information included in the Directors' report is consistent with the books of account of the Company;
- investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 5 to the financial statements;
- note 26 reflects material related party transactions and the terms under which they were conducted;
- 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/Memorandum of Association which would have a material impact on its activities or its financial position as at 31 December 2025; and
- note 25 reflects the social contributions made during the year, if any.

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.

Ernst & Young Middle East (Dubai Branch)

### Ashraf Abu-Sharkh

Partner  
Registration No: 690  
28 January 2026  
Dubai, United Arab Emirates

Assets	Notes	At 31st December 2025 AED'000	At 31st December 2024 AED'000
<b>Participants' Assets</b>			
Financial assets at fair value through other comprehensive income ("FVTOCI")	5	1,684	1,654
Financial assets at fair value through profit or loss ("FVTPL")	5	4,489	-
Financial assets at amortized cost	5	23,217	16,795
Retakaful contract assets	7	77,129	51,920
Prepayments and other receivables	8	3,285	2,498
Due from shareholders	11	55,816	29,638
Bank balances and cash	6	115,487	90,426
<b>Total Participants' Assets</b>		<b>281,107</b>	<b>192,931</b>
<b>Shareholders' Assets</b>			
Financial assets at FVTOCI	5	16,426	17,595
Financial assets at FVTPL	5	529	545
Financial assets at amortised cost	5	144,941	66,376
Investment properties	12	78,885	75,540
Deferred tax asset	22	174	73
Property and equipment	13	899	763
Deferred policy acquisition cost		18,519	8,765
Prepayments and other receivables	8	4,479	5,780
Bank balances and cash	6	30,336	51,406
Statutory deposits	10	10,000	10,000
<b>Total shareholders' assets</b>		<b>305,188</b>	<b>236,843</b>
<b>Total Assets</b>		<b>586,295</b>	<b>429,774</b>
<b>Participants' liabilities and deficit</b>			
<b>Participants' liabilities</b>			
Takaful contract liabilities	7	265,263	182,022
Retakaful contract liabilities	7	169	239
Investment contract liabilities	9	3,941	-
Other liabilities	14	11,734	10,670
<b>Total participants' liabilities</b>		<b>281,107</b>	<b>192,931</b>
<b>Participants' deficit</b>			
Qard Hassan against deficit in participants' fund	15	(164,406)	(164,254)
Less: Provision against Qard Hassan to participants' fund	15	164,406	164,254
		-	-
<b>Total participants' liabilities and deficit</b>		<b>281,107</b>	<b>192,931</b>

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

# STATEMENT OF FINANCIAL POSITION (CONT.)

	Notes	At 31st December 2025 AED'000	At 31st December 2024 AED'000
<b>Shareholders' liabilities and equity</b>			
<b>Shareholders' liabilities</b>			
Deferred tax liabilities	22	1,024	722
Employees' end of service benefits	16	2,102	1,557
Due to participants	11	55,816	29,638
Other liabilities	14	16,911	10,126
<b>Total shareholders' liabilities</b>		<b>75,853</b>	<b>42,043</b>
<b>Shareholders' equity</b>			
Share capital	17	154,000	154,000
Statutory reserve	18	77,000	77,000
Retakaful reserve	19	1,860	1,105
Cumulative changes in fair value of FVTOCI investments	20	(5,242)	(4,468)
Retained earnings / (accumulated losses)		1,717	(32,837)
<b>Total shareholders' equity</b>		<b>229,335</b>	<b>194,800</b>
<b>Total shareholders' liabilities and equity</b>		<b>305,188</b>	<b>236,843</b>
<b>Total liabilities, participants' fund and equity</b>		<b>586,295</b>	<b>429,774</b>

These financial statements were approved by the Board of Directors on 28 January 2026 and were signed on their behalf by:

**Saood Abdulaziz Al Ghurair**  
Chairman

**Mr. Ahmed M.A. Abushanab**  
Chief Executive Officer

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

# STATEMENT OF PROFIT OR LOSS

	Notes	For the year ended 31 December	
		2025 AED'000	2024 AED'000
<b>Attributable to participants</b>			
Takaful revenue	7	248,839	121,616
Takaful service expenses	7	(116,714)	(84,105)
<b>Takaful service result before retakaful contracts held</b>		<b>132,125</b>	<b>37,511</b>
Allocation of retakaful contributions		(118,350)	(46,319)
Amounts recoverable from retakaful for incurred claims		65,837	43,096
Net expenses from retakaful contracts held		(52,513)	(3,223)
<b>Takaful service result</b>		<b>79,612</b>	<b>34,288</b>
Takaful finance expenses for takaful contracts issued		(2,484)	(2,357)
Retakaful finance income for retakaful contracts held		1,189	728
<b>Net takaful income/(loss)</b>		<b>78,317</b>	<b>32,659</b>
Investment income	23	5,284	5,615
Other income		1,065	2,511
Wakala fee	24	(83,233)	(44,229)
Mudarib fee	24	(1,585)	(1,685)
<b>Loss for the year attributable to participants</b>		<b>(152)</b>	<b>(5,129)</b>
<b>Attributable to shareholders</b>			
Investment income	23	17,428	20,151
Other income		1,125	820
Wakala fee	24	83,233	44,229
Mudarib fee	24	1,585	1,685
		<b>103,371</b>	<b>66,885</b>
<b>Expenses</b>			
Policy acquisition costs		(24,804)	(13,863)
General and administration expenses	25	(37,342)	(27,048)
<b>Income for the year before Qard Hassan</b>		<b>41,225</b>	<b>25,974</b>
Provision against Qard Hassan to participants		(152)	(5,129)
<b>Profit before tax</b>		<b>41,073</b>	<b>20,845</b>
Income tax expense	22	(5,764)	(1,858)
<b>Profit for the year</b>		<b>35,309</b>	<b>18,987</b>
<b>Earnings per share (AED)</b>	27	<b>0.23</b>	<b>0.12</b>

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

# STATEMENT OF COMPREHENSIVE INCOME

	Notes	For the year ended 31 December	
		2025 AED'000	2024 AED'000
<b>Attributable to shareholders</b>			
Profit/(loss) for the year		<b>35,309</b>	18,987
<b>Items that will not be reclassified subsequently to profit or loss:</b>			
Unrealised loss on equity investments designated at FVTOCI	5	<b>(1,096)</b>	(809)
Deferred Tax impact on the fair value movement		<b>99</b>	73
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Unrealised gain on debt investments designated at FVTOCI	5	<b>223</b>	476
Debt investments designated at FVTOCI re-classified to income statement		-	752
<b>Other comprehensive (loss) / income for the year</b>		<b>(774)</b>	492
<b>Total comprehensive income for the year attributable to Shareholders</b>		<b>34,535</b>	19,479

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

# UAE NATIONAL ELEMENTS

## TRIBULUS OMANENSE FLOWER



The **Tribulus omanense**, the UAE's national flower, appears only during brief seasonal windows, carpeting select desert areas in bright yellow, it is native to the Arabian Peninsula. This fleeting yet resilient bloom has come to symbolise the rare beauty and ecological uniqueness of the Emirates' natural landscape.

# STATEMENT OF CHANGES IN EQUITY

	Share capital AED'000	Statutory reserve AED'000	Retakaful reserve AED'000	Cumulative changes in fair value of FVTOCI investments AED'000	Retained earnings/ (accumulated losses) AED'000	Total equity AED'000
Balance at 1 January 2024	154,000	77,000	695	(4,960)	(51,414)	175,321
Profit for the year	-	-	-	-	18,987	18,987
Other comprehensive income for the year	-	-	-	492	-	492
Total comprehensive income for the year	-	-	-	492	18,987	19,479
Transfer to retakaful reserve (note 19)	-	-	410	-	(410)	-
Balance at 31 December 2024	<u>154,000</u>	<u>77,000</u>	<u>1,105</u>	<u>(4,468)</u>	<u>(32,837)</u>	<u>194,800</u>
Balance at 1 January 2025	154,000	77,000	1,105	(4,468)	(32,837)	194,800
Profit for the year	-	-	-	-	35,309	35,309
Other comprehensive loss for the year	-	-	-	(774)	-	(774)
Total comprehensive income for the year	-	-	-	(774)	35,309	34,535
Transfer to retakaful reserve (note 19)	-	-	755	-	(755)	-
<b>Balance at 31 December 2025</b>	<u>154,000</u>	<u>77,000</u>	<u>1,860</u>	<u>(5,242)</u>	<u>1,717</u>	<u>229,335</u>

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

# STATEMENT OF CASH FLOWS

	Notes	For the year ended 31 December	
		2025 AED'000	2024 AED'000
<b>Cash flows from operating activities</b>			
Profit before tax		41,073	20,845
<b>Adjustments for:</b>			
Depreciation of property and equipment	13	866	754
Amortisation of intangible assets		226	187
Unrealised loss on financial assets at FVTPL		16	11
Rental income		(6,006)	(5,832)
Dividends income from financial assets		(425)	(483)
Loss on disposal of financial assets at FVTOCI		-	752
Gain on fair value of investment properties	12	(3,345)	(8,030)
Amortisation of financial assets at amortised cost		-	(208)
Profit on wakala deposits and sukuk		(12,951)	(11,977)
Provision for employees' end of service indemnity	16	722	852
<b>Operating cash flows before changes in working capital and payment of employees' end of service benefits and income tax</b>		20,176	(3,129)
Change in retakaful contract assets		(25,209)	(34,754)
Change in prepayments and other receivables		129	(1,680)
Change in deferred acquisition costs		(9,754)	(3,809)
Change in takaful & retakaful contract liabilities		87,112	32,964
Change in other liabilities		3,651	3,938
<b>Net cash generated from / (used in) operations</b>		76,105	(6,470)
Income tax paid	22	(1,210)	-
Employees end of service benefits paid	16	(177)	(666)
<b>Net cash generated from / (used in) operating activities</b>		74,718	(7,136)

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

# STATEMENT OF CASH FLOWS (CONT.)

	Notes	For the year ended 31 December	
		2025 AED'000	2024 AED'000
<b>Cash flows from investing activities</b>			
Purchase of financial assets		(89,342)	(83,560)
Purchase of property and equipment - net of disposal	13	(565)	(241)
Proceeds from sale of financial assets		-	11,221
Rental income received		6,245	5,964
Profit received on sukuk and wakala deposit		13,180	11,464
Dividend received		416	483
Change in wakala deposit with maturity more than 3 months		4,935	57,239
<b>Net cash generated from / (used in) investing activities</b>		(65,131)	2,570
<b>Cash flows from financing activity</b>			
Payment of lease liability		(661)	(526)
<b>Net cash used in financing activity</b>		(661)	(526)
<b>Net increase / (decrease) in cash and cash equivalents</b>		8,926	(5,092)
Cash and cash equivalents at the beginning of the year		8,418	13,510
<b>Cash and Cash equivalents at the end of the year</b>	6	17,344	8,418

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2025

### 1. Legal status and activities

Sukoon Takaful PJSC (the “Company”) is a public shareholding Company and was registered in 1992. The Company is engaged in takaful and retakaful of all classes of business in accordance with the provisions of the United Arab Emirates (“UAE”) Federal Decree-Law No. 6 of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business, and the Federal Decree Law No. (32) of 2021 concerning the Commercial Companies, as amended. The address of the Company’s registered office is P.O. Box 1993, Dubai, United Arab Emirates.

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 Shareholders Extraordinary General Assembly Meeting held on 19 March 2014 approved conversion of the Company’s business from conventional insurance to Takaful solutions. The Board of Directors appointed an Internal Sharia Supervision Committee for overseeing the compliance with Sharia. The licensed activities of the Company are issuing short term and long term takaful contracts. The takaful contracts are issued in connection with property, engineering, motor, medical, personal accident, individual life, group life, credit life and investment linked products.

### 2. Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. 32 of 2021, as amended, 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.

These financial statements are prepared in UAE Dirhams (“AED”) being the economic, functional and reporting currency, rounded to the nearest thousand.

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, intangible assets, 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 investments, prepayments and other receivables, retakaful contract assets, retakaful contract liabilities, takaful contract liabilities, deferred acquisition cost and other payables.

These financial information has been prepared on the historical cost basis except for the following which are measured at fair value:

- Financial assets at fair value through other comprehensive income (“FVOCI”);
- Financial assets at fair value through profit or loss (“FVTPL”); and
- Investment properties measure at fair value.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new and revised IFRS effective in the period did not have any significant impact.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Lack of exchangeability – Amendments to IAS 21	1 January 2025

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

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

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026

### 3. Material Accounting Policy Information

The significant accounting policies applied in the preparation of these financial statements are summarised below.

#### 3.1 Takaful Contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of takaful contracts, re takaful contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company’s estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Under IFRS 17, takaful revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of contributions that relate to recovering takaful acquisition cash flows. In addition, investment components are no longer included in takaful revenue and takaful service expenses.

#### 3.1.1 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. Contracts that have a legal form of takaful but do not transfer significant takaful risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without discretionary participation features (DPF) issued by the Company fall under this category. The Company also issues retakaful contracts in the normal course of business to compensate other entities for claims arising from one or more takaful contracts issued by those entities.

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

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

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

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

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

Nature of contracts	Product Classification	Measurement Model
Family Takaful – Term	Takaful Contracts	GMM
Family Takaful - Unit Linked	Takaful Contracts	VFA
Investment contracts without discretionary participation features (DPF)	Financial instruments	Financial liabilities measured at FVTPL under IFRS 9
Property & Casualty Contracts	Takaful Contracts	PAA
Health	Takaful Contracts	PAA

### 3.1.2 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.

### 3.1.3 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.

### 3.1.4 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.

### 3.1.5 Measurement

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

Nature of contracts	Measurement models the option is allowed to applied	IFRS 17 options	Adopted approach
Takaful acquisition cash flows	PAA	There 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 cashflows are allocated to related groups of Takaful contracts and amortized over the coverage period of the related group using a systematic and rational basis.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	PAA	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of profit on the LRC.	For all contracts measured under the PAA, there is no allowance 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.

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

#### 3.1.5.1 Takaful contracts measured under the PAA approach – Initial and subsequent measurement

The Company applies the premium allocation approach to all the takaful contracts (other than long term Family Takaful contracts) that it issues and retakaful 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 premiums within the contract boundary; or
- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

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

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 Wakala fees at that date,
- 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 LRC 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
- 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 LIC

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

The Company estimates the LIC 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 nonfinancial 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.

### 3.1.5.2 *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 (“CSM”) 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 Group includes all cash flows that are within the contract boundary including:

- Contribution 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
- Claims handling costs
- Wakala fees
- Costs incurred for performing investment activities that enhance takaful coverage benefits for the policyholder
- Costs incurred for providing investment-related service and investment-return service to policyholders; and
- 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 Wakala fees 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.

#### **Subsequent Measurement**

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

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 covered event occurring. Investment components are excluded from takaful revenue and takaful service expenses.

Unit linked Family Takaful 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 takaful premium taxes) and the estimate, at the beginning of the period, of the amounts expected. Differences related to contribution 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 direct participating contracts measured under the VFA changes in fulfilment cash flows that relate to future services and adjust the CSM are measured at current discount rates and include the changes in the effect of the time value of money and financial risks that do not arise from underlying items.

Where, during the coverage period, a group of 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 group comprising the fulfilment cash flows related to past service allocated to the group at that date.

# UAE NATIONAL ELEMENTS

## ARABIAN CAMEL



The Arabian Camel, revered as the “**ship of the desert**,” embodies self-reliance, and the Bedouin way of life that shaped the nation’s early history. Today, it remains a living symbol of heritage, and the bond between Emirati culture and the desert landscape.

### 3.2 Takaful revenue

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

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

### 3.3 Loss components

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

### 3.4 Takaful finance income and expense

Takaful finance income or expenses comprise the change in the carrying amount of the group of takaful contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk. The Company disaggregates takaful finance income or expenses in the profit or loss. The impact of changes in market profit rates on the value of the takaful assets and liabilities are reflected in the profit or loss.

#### 3.4.1 Net income or expense from retakaful contracts held

The Company presents separately on the face of the statement of profit or loss, the amounts expected to be recovered from retakaful operators, and an allocation of the retakaful contributions paid. The Company treats retakaful cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the retakaful contract held.

### 3.5 Surplus/deficit in participants’ fund

If the surplus in the participants’ fund at the end of a year is sufficiently large, a percentage of the surplus shall be distributed between participants that have not made a claim, in proportion to their risk contributions to the fund after accounting for reserves. The distributions will be approved by the Company’s Internal Sharia Supervision Committee. Any remaining surplus after the distribution will remain in the participants’ fund.

A deficiency in participants’ fund is made good by a profit free loan (Qard Hasan) from the shareholders’ fund. This Qard Hasan is to be repaid from future surpluses arising from takaful operations on a priority basis. This Qard Hasan is tested for impairment annually and the portion of the Qard Hasan that is considered impaired is charged to the statement of income.

On liquidation of the fund, the accumulated surplus in the participants’ fund, if any, after meeting all obligations (including repayment of the outstanding amount of Qard Hasan), will be dealt with after consulting with the Company’s Internal Sharia Supervision Committee. In case of an accumulated deficit, any Qard Hasan outstanding at the time of liquidation will not be repayable by the participants’ fund and the shareholders’ fund will forego such outstanding amount.

Any deficit in the participants’ fund, except for deficits arising from a decline in the fair value of securities, is financed by the shareholders through a Qard Hasan (loan without any profit). The Company maintains a full provision against the Qard Hasan.

### 3.6 Property and equipment

Property and equipment are carried at cost less any accumulated depreciation and any identified impairment losses.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on disposal or retirement of an item of property

and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of income.

The useful life considered in the calculation of depreciation of all the assets is 4 years.

### 3.7 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation including properties under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the period 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.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

Fair value is determined by open market values based on valuations performed by independent surveyors.

### 3.8 Wakala fees

The Company manages the takaful operations on behalf of the participants for a wakala fee which is recognised on an accrual basis. A similar amount is shown as expense statement of income attributable to participants.

### 3.9 Profit income

Profit income is recognised on an accrual basis taking into account effective funding cost rates on the instrument, on a time proportionate basis when it becomes receivable.

### 3.10 Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

### 3.11 Dividend income

Dividend income is recognised when the right to receive payment is established.

### 3.12 Financial instruments

#### Recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date.

#### Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

#### Classification and subsequent measurement of financial assets

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

#### i) Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit are measured at amortised cost. Profit from these financial assets is calculated using the effective profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'investment income' together with foreign exchange gains and losses. Impairment losses are included within

- "investment income" in the statement of profit or loss.

Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, due from related parties and most other receivables.

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

Investments in equity securities are classified as FVTOCI. At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading. Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity.

When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to income statement but is reclassified to retained earnings.

#### iii) Financial assets at fair value through profit and loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company designates an investment that is not held for trading as at fair value through other comprehensive income on initial recognition. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of income.

Dividend income on investments in equity instruments at FVTPL is recognised in statement of income when the Company's right to receive the dividends is established.

#### Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

#### Classification and subsequent measurement of financial liabilities

Financial liabilities comprise amounts due to related parties and most other payables. Financial liabilities are measured subsequently at amortised cost using the effective funding cost method.

#### Impairment and uncollectability of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- financial guarantee contracts issued; and
- financing commitments issued.

The Company measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date. ECL are probability-weighted estimates of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn financing commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and

- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

#### **Offsetting financial instruments**

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

### **3.13 Employee benefits**

#### **Short-term employee benefits**

The cost of short-term employee benefits (those payable within 12 months after the service is rendered such as paid vacation leave and bonuses) is recognised in the period in which the service is rendered.

#### **Provision for employees' end of service benefits**

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item under non-current liabilities. The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

### **3.14 Foreign currency transactions**

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

### **3.15 Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

### **3.16 Short term operating leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

### **3.17 Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, call deposits, current accounts and fixed deposits which have original maturities of less than 3 months and are free from lien.

### **3.18 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

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.

### **3.19 Equity, reserves and dividend payments**

Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior period retained profits or losses. Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

### **3.20 Segment reporting**

Under IFRS 8 "Operating Segments", reported segments' profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Company for segment reporting under IFRS 8 are the same as those used in its financial statements.

### **3.21 Taxes**

#### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

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

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

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

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

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

#### Value added tax (VAT)

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

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

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

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

The preparation of this financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In preparing this financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2024, except for the below judgements.

When measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

#### Liability for remaining coverage

For takaful acquisition cash flows, the Company is eligible and chooses to capitalise all takaful acquisition cashflows upon payments.

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

#### Liability for incurred claims

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

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

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

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

#### Discount rates

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

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

	1 Year		3 Years		5 Years		10 Years	
	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Takaful contracts issued	4.57	5.43	4.63	5.48	4.78	5.53	5.28	5.65
Retakaful contracts issued	4.57	5.43	4.63	5.48	4.78	5.53	5.28	5.65

#### 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 a takaful operator would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount.

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

#### Fair value of unquoted securities

Fair value of unquoted securities has been determined by the management based on Earnings Multiple and Net Assets Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees. Actual results may substantially be different.

#### Investment properties fair value judgement

The Company values its investment properties at fair value on the basis of market valuations prepared by independent property valuers. The valuations are based on assumptions which are mainly based on market conditions existing at each reporting date. Therefore, any future change in the market conditions could have an impact on the fair value.

#### Expected credit losses

Management reviews the provision for expected credit losses (ECL) at each reporting date by assessing the recoverability of takaful and retakaful receivables. For non-takaful receivables the recoverability is assessed, and expected credit losses are created in compliance with the simplified approach under the IFRS 9 methodology.

## 5. Financial Investments

The Company's investment in financial assets at the end of reporting year are detailed below:

	31 December 2025			31 December 2024		
	Inside UAE AED'000	Outside UAE AED'000	Total AED'000	Inside UAE AED'000	Outside UAE AED'000	Total AED'000
<b>Investments at fair value through profit or loss (a)</b>						
Unit linked investments	1,010	3,479	4,489	-	-	-
Unquoted equity securities	529	-	529	545	-	545
	<u>1,539</u>	<u>3,479</u>	<u>5,018</u>	<u>545</u>	<u>-</u>	<u>545</u>
Attributable to:						
Participants	1,010	3,479	4,489	-	-	-
Shareholders	529	-	529	545	-	545
	<u>1,539</u>	<u>3,479</u>	<u>5,018</u>	<u>545</u>	<u>-</u>	<u>545</u>
<b>Investments at fair value through other comprehensive income (b)</b>						
Unquoted equity securities	337	6,367	6,704	270	7,795	8,065
Quoted Sukuks	11,406	-	11,406	11,184	-	11,184
	<u>11,743</u>	<u>6,367</u>	<u>18,110</u>	<u>11,454</u>	<u>7,795</u>	<u>19,249</u>
Attributable to:						
Participants	1,684	-	1,684	1,654	-	1,654
Shareholders	10,059	6,367	16,426	9,800	7,795	17,595
	<u>11,743</u>	<u>6,367</u>	<u>18,110</u>	<u>11,454</u>	<u>7,795</u>	<u>19,249</u>
<b>Investments at amortised Cost (c)</b>						
Quoted Sukuks	102,242	65,977	168,219	83,203	-	83,203
Less: ECL	(34)	(27)	(61)	(32)	-	(32)
	<u>102,208</u>	<u>65,950</u>	<u>168,158</u>	<u>83,171</u>	<u>-</u>	<u>83,171</u>
Attributable to:						
Participants	23,217	-	23,217	16,795	-	16,795
Shareholders	78,991	65,950	144,941	66,376	-	66,376
	<u>102,208</u>	<u>65,950</u>	<u>168,158</u>	<u>83,171</u>	<u>-</u>	<u>83,171</u>

- The Company holds investments in unquoted equity securities of one entity as at 31 December 2025 (2024: three entities). Unobservable financial data used in determining the fair values of these unquoted securities has been extracted from their latest available audited financial statements for the year ended 31 December 2024, and current market available information. (2024: financial statements for the year ended 31 December 2023).
- The Company has designated all investments in equity instruments that are not held for trading as FVTOCI. Valuation basis and inputs used have been disclosed in note 32 of these financial statements.
- These Sukuks were purchased during the year and carry profits at the rates of 1.40% to 6.25% per annum. The Company holds these investments with the objective of receiving the contractual cash flows over the instrument's life. The Sukuks are redeemable at par from 2026 to 2046 based on their maturity dates.

The movement in the investments is as follows:

	FVTOCI		FVTPL		Amortised cost	
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
At the beginning of the year	19,249	30,239	545	557	83,171	-
Purchases during the year	-	-	4,230	-	105,029	83,560
Maturities / redemption	(266)	(57)	-	-	(20,766)	(565)
Amortisation	-	-	-	-	752	208
Sold during the year	-	(10,600)	-	-	-	-
Change in fair value	(873)	(333)	259	(12)	-	-
Provision for expected credit losses	-	-	(16)	-	(28)	(32)
	<u>18,110</u>	<u>19,249</u>	<u>5,018*</u>	<u>545</u>	<u>168,158</u>	<u>83,171</u>

\*This includes Unit linked investments which comprise of Investment contracts with & without direct participation feature amounting to AED 4,489 thousand.

## 6. Bank balances and cash

	2025 AED'000	2024 AED'000
Cash on hand	3	2
Bank balances:		
Wakala deposits	128,479	133,414
Current accounts	17,341	8,416
	<u>145,823</u>	<u>141,832</u>
Attributable to:		
Participants	115,487	90,426
Shareholders	30,336	51,406
	<u>145,823</u>	<u>141,832</u>

The profit rates on the Wakala deposits with banks range from 3.70% to 4.40% (2024: 4.20% to 5.80%). Wakala deposits amounting to AED 128,479 thousand (2024: AED 133,414 thousand) have maturity more than three months. All cash and bank balances are maintained within U.A.E.

For the purposes of statement of cash flows, cash and cash equivalents include cash and bank balances net of wakala deposits in banks with maturity over three months. Cash and cash equivalents at the end of the year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2025 AED'000	2024 AED'000
Bank balances and cash	145,823	141,832
Wakala deposits with maturity over 3 months	(128,479)	(133,414)
Cash and cash equivalents	<u>17,344</u>	<u>8,418</u>

## 7. Takaful and retakaful contract assets and liabilities

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

	31 December 2025			31 December 2024		
	Assets AED'000	Liabilities AED'000	Net AED'000	Assets AED'000	Liabilities AED'000	Net AED'000
<b>Takaful contracts issued - PAA</b>						
Motor	-	(58,746)	(58,746)	-	(63,145)	(63,145)
Medical & family takaful	-	(70,213)	(70,213)	-	(34,925)	(34,925)
General	-	(134,698)	(134,698)	-	(83,952)	(83,952)
	-	(263,657)	(263,657)	-	(182,022)	(182,022)
Takaful contracts – Non PAA	-	(1,606)	(1,606)	-	-	-
<b>Total takaful contracts issued</b>	-	(265,263)	(265,263)	-	(182,022)	(182,022)
<b>Retakaful contracts held</b>	4,051	-	4,051	9,106	-	9,106
Motor	20,195	-	20,195	4,593	-	4,593
Medical & family takaful	52,864	(169)	52,695	38,221	(239)	37,982
General	77,110	(169)	76,941	51,920	(239)	51,681
Retakaful contracts – Non PAA	19	-	19	-	-	-
<b>Total Retakaful contracts held</b>	77,129	(169)	76,960	51,920	(239)	51,681

The Company disaggregates information to provide disclosure in respect of major product lines separately: Motor takaful, medical and family takaful, and general takaful issued.

This disaggregation has been determined based on how the Company is managed. The roll-forward of the net asset or liability for takaful contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the next page.

Breakup of takaful revenue and takaful service expenses for the year ended is as below;

	31 December 2025			31 December 2024		
	PAA AED'000	Non PAA AED'000	Total AED'000	PAA AED'000	Non PAA AED'000	Total AED'000
Takaful revenue	247,080	1,759	248,839	121,616	-	121,616
Takaful service expenses	115,478	1,236	116,714	84,105	-	84,105

## 7. Takaful and retakaful contract assets and liabilities (continued)

### Reconciliation of the Takaful liability for remaining coverage (LRC) & liability for incurred claims for takaful contracts (LIC).

At 31 December 2025	LRC for contracts under PAA		LRC for contracts not under PAA		LIC for contracts not under PAA AED'000	Liabilities for incurred claims for contracts under PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Excluding loss component AED'000	Loss component AED'000		Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
Takaful contract assets at start of the year	-	-	-	-	-	-	-	-
Takaful contract liabilities at start of the year	75,922	17,496	-	-	-	85,452	3,152	182,022
<b>Net takaful contract assets at start of the year</b>	<b>75,922</b>	<b>17,496</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,452</b>	<b>3,152</b>	<b>182,022</b>
<b>Takaful revenue</b>	<b>(247,080)</b>	<b>-</b>	<b>(1,759)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248,839)</b>
<b>Takaful service expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Incurred claims and other expenses	-	-	-	-	1,193	273,321	2,932	277,446
Losses on onerous contracts and reversals of those losses	-	(2,851)	-	43	-	-	-	(2,808)
Changes to liabilities for incurred claims	-	-	-	-	-	(72,328)	(2,363)	(74,691)
<b>Takaful service expenses*</b>	<b>-</b>	<b>(2,851)</b>	<b>-</b>	<b>43</b>	<b>1,193</b>	<b>200,993</b>	<b>569</b>	<b>199,947</b>
<b>Takaful service result</b>	<b>(247,080)</b>	<b>(2,851)</b>	<b>(1,759)</b>	<b>43</b>	<b>1,193</b>	<b>200,993</b>	<b>569</b>	<b>(48,892)</b>
Takaful finance expenses	-	-	124	-	4	2,351	6	2,485
<b>Total amount recognised in the statement of profit or loss and other comprehensive income</b>	<b>(247,080)</b>	<b>(2,851)</b>	<b>(1,635)</b>	<b>43</b>	<b>1,197</b>	<b>203,344</b>	<b>575</b>	<b>(46,407)</b>
<b>Cash flows</b>								
Contributions received	303,033	-	3,199	-	-	-	-	306,232
Claims and other expenses paid	-	-	-	-	(1,197)	(175,387)	-	(176,584)
<b>Total cash flows</b>	<b>303,033</b>	<b>-</b>	<b>3,199</b>	<b>-</b>	<b>(1,197)</b>	<b>(175,387)</b>	<b>-</b>	<b>129,648</b>
Takaful contract assets at end of the year	-	-	-	-	-	-	-	-
Takaful contract liabilities at end of the year	131,875	14,645	1,564	43	-	113,409	3,727	265,263
<b>Net balance at end of the year</b>	<b>131,875</b>	<b>14,645</b>	<b>1,564</b>	<b>43</b>	<b>-</b>	<b>113,409</b>	<b>3,727</b>	<b>265,263</b>

\*Takaful service expense of AED 199,947 thousand consist of AED 116,714 thousand pertaining to Participants' operations and AED 83,233 thousand relating to Wakala charged by Shareholders to Participants.

## 7. Takaful and retakaful contract assets and liabilities (continued)

### Reconciliation of the Takaful liability for remaining coverage (LRC) & liability for incurred claims for takaful contracts (LIC).

At 31 December 2025	LRC for contracts under PAA		LRC for contracts not under PAA		LIC for contracts not under PAA AED'000	Liabilities for incurred claims for contracts under PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Excluding loss component AED'000	Loss component AED'000		Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
Takaful contract assets at start of the year	-	-	-	-	-	-	-	-
Takaful contract liabilities at start of the year	30,788	20,783	-	-	-	93,461	2,918	147,950
Net takaful contract assets at start of the year	30,788	20,783	-	-	-	93,461	2,918	147,950
Takaful revenue	(121,616)	-	-	-	-	-	-	(121,616)
Takaful service expenses	-	-	-	-	-	-	-	-
Incurred claims and other expenses	-	-	-	-	-	189,362	103	189,465
Losses on onerous contracts and reversals of those losses	-	(3,287)	-	-	-	-	-	(3,287)
Changes to liabilities for incurred claims	-	-	-	-	-	(57,976)	132	(57,844)
Takaful service expenses*	-	(3,287)	-	-	-	131,386	235	128,334
Takaful service result	(121,616)	(3,287)	-	-	-	131,386	235	6,718
Takaful finance expenses	-	-	-	-	-	2,358	(1)	2,357
Total amount recognised in the statement of profit or loss and other comprehensive income	(121,616)	(3,287)	-	-	-	133,744	234	9,075
Cash flows								
Contributions received	166,750	-	-	-	-	-	-	166,750
Claims and other expenses paid	-	-	-	-	-	(141,753)	-	(141,753)
Total cash flows	166,750	-	-	-	-	(141,753)	-	24,997
Takaful contract assets at end of the year	-	-	-	-	-	-	-	-
Takaful contract liabilities at end of the year	75,922	17,496	-	-	-	85,452	3,152	182,022
Net balance at end of the year	75,922	17,496	-	-	-	85,452	3,152	182,022

\*Takaful service expense of AED 128,334 thousand consist of AED 84,105 thousand pertaining to Participants' operations and AED 44,229 thousand relating to Wakala charged by Shareholders to Participant

## 7. Takaful and retakaful contract assets and liabilities (continued)

### Reconciliation of the retakaful asset for remaining coverage and the asset for incurred claims (continued)

At 31 December 2025	ARC for contracts under PAA		ARC for contracts not under PAA		AIC for contracts not under PAA AED'000	Assets for incurred claims for contracts under PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Excluding loss component AED'000	Loss component AED'000		Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
Retakaful contract assets at start of the year	(324)	-	-	-	-	81	4	(239)
Retakaful contract liabilities at start of the year	8,465	679	-	-	-	41,130	1,646	51,920
<b>Net retakaful contract assets at start of the year</b>	<b>8,141</b>	<b>679</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,211</b>	<b>1,650</b>	<b>51,681</b>
<b>Retakaful expenses</b>	<b>(117,346)</b>	<b>(679)</b>	<b>(325)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(118,350)</b>
Amounts recoverable for incurred claims	-	-	-	-	-	91,508	1,348	92,856
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	-	-	(27,594)	(1,212)	(28,806)
Amortization of takaful acquisition cash flows	-	-	-	-	-	-	-	-
Loss-recovery on onerous underlying contracts and adjustments	-	1,784	-	3	-	-	-	1,787
Changes to amounts recoverable for incurred claims	-	-	-	-	-	-	-	-
<b>Amounts recoverable from retakaful for incurred claims</b>	<b>-</b>	<b>1,784</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>63,914</b>	<b>136</b>	<b>65,837</b>
<b>Net income or expense from retakaful contracts held</b>	<b>(117,346)</b>	<b>1,105</b>	<b>(325)</b>	<b>3</b>	<b>-</b>	<b>63,914</b>	<b>136</b>	<b>(52,513)</b>
Retakaful finance income	-	-	3	-	-	1,183	3	1,189
<b>Total amount recognised in the statement of profit or loss and other comprehensive income</b>	<b>(117,346)</b>	<b>1,105</b>	<b>(322)</b>	<b>3</b>	<b>-</b>	<b>65,097</b>	<b>139</b>	<b>(51,324)</b>
<b>Cash flows</b>								
Contributions paid net of ceding commissions	116,853	-	338	-	-	-	-	117,191
Recoveries from retakaful	-	-	-	-	-	(40,589)	-	(40,589)
<b>Total cash flows</b>	<b>116,853</b>	<b>-</b>	<b>338</b>	<b>-</b>	<b>-</b>	<b>(40,589)</b>	<b>-</b>	<b>76,602</b>
Retakaful contract assets at end of the year	(446)	-	-	-	-	267	10	(169)
Retakaful contract liabilities at end of the year	8,094	1,784	16	3	-	65,452	1,779	77,129
<b>Net retakaful contracts liabilities at end of the year</b>	<b>7,648</b>	<b>1,784</b>	<b>16</b>	<b>3</b>	<b>-</b>	<b>65,719</b>	<b>1,789</b>	<b>76,960</b>

## 7. Takaful and retakaful contract assets and liabilities (continued)

### Reconciliation of the retakaful asset for remaining coverage and the asset for incurred claims (continued)

At 31 December 2025	ARC for contracts under PAA		ARC for contracts not under PAA		AIC for contracts not under PAA AED'000	Assets for incurred claims for contracts under PAA		Total AED'000
	Excluding loss component AED'000	Loss component AED'000	Excluding loss component AED'000	Loss component AED'000		Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	
Retakaful contract assets at start of the year	(3,437)	24	-	-	-	19,882	697	17,166
Retakaful contract liabilities at start of the year	7,491	306	-	-	-	5,638	200	(1,347)
Net retakaful contract assets at start of the year	10,928	330	-	-	-	25,520	897	15,819
Retakaful expenses	(45,989)	(330)	-	-	-	-	-	(46,319)
Amounts recoverable for incurred claims	-	-	-	-	-	60,081	659	60,740
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	-	-	-	-	-
Amortisation of takaful acquisition cash flows	0	-	-	-	-	-	-	0
Loss-recovery on onerous underlying contracts and adjustments	-	679	-	-	-	-	-	679
Changes to amounts recoverable for incurred claims	-	-	-	-	-	(18,417)	94	(18,323)
Amounts recoverable from retakaful for incurred claims	9,465	679	-	-	-	41,664	753	43,096
Net income or expense from retakaful contracts held	(45,989)	349	-	-	-	41,664	753	(3,223)
Retakaful finance income	-	-	-	-	-	728	-	728
Total amount recognised in the statement of profit or loss and other comprehensive income	(45,989)	349	-	-	-	42,392	753	(2,495)
Cash flows								
Contributions paid net of ceding commissions	65,058	-	-	-	-	-	-	65,058
Recoveries from retakaful	-	-	-	-	-	(26,701)	-	(26,701)
Total cash flows	65,058	-	-	-	-	(26,701)	-	38,357
Retakaful contract assets at end of the year	(324)	-	-	-	-	81	4	(239)
Retakaful contract liabilities at end of the year	8,465	679	-	-	-	41,130	1,646	51,920
Net retakaful contracts liabilities at end of the year	8,141	679	-	-	-	41,211	1,650	51,681

## 7. Takaful and retakaful contract assets and liabilities (continued)

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

31 December 2025	Present value of future cash flows AED '000	Risk adjustment for non-financial risk AED '000	CSM AED '000	Total AED '000
Opening takaful contract liabilities	-	-	-	-
Opening takaful contract assets	-	-	-	-
<b>Net balance at start of the year</b>	-	-	-	-
<b>Changes that relate to current service</b>				
CSM recognised for the services provided	-	-	(241)	(241)
Change in the risk adjustment for non-financial risk for the risk expired	-	(10)	-	(10)
Experience adjustments - relating to takaful service expense	(315)	-	-	(315)
	(315)	(10)	(241)	(566)
<b>Changes that relate to future service</b>				
Changes in estimates that adjust the CSM	(14)	9	6	1
Changes in estimates that results in onerous contract losses and reversals of such losses	40	-	-	40
Contracts initially recognised in the period	(2,738)	206	2,535	3
Experience adjustment - arising from contributions received in the period that relate to future service	(195)	-	195	-
	(2,907)	215	2,736	44
<b>Takaful service result</b>	(3,222)	205	2,495	(522)
Finance expenses from takaful contract issued	2	-	125	127
<b>Total amounts recognised in comprehensive income</b>	(3,220)	205	2,620	(395)
<b>Cash Flows</b>				
Contributions received	3,199	-	-	3,199
Claims and other directly attributable expenses paid	(1,197)	-	-	(1,197)
<b>Total cash flows</b>	2,002	-	-	2,002
<b>Closing balance at the end of the year</b>				
Closing takaful contract liabilities	(1,217)	204	2,619	1,606
Closing takaful contract assets	-	-	-	-
<b>Net balance at the end of the year</b>	(1,217)	204	2,619	1,606

## 7. Takaful and retakaful contract assets and liabilities (continued)

### Reconciliation of measurement component of retakaful contract balances not measured under the PAA

31 December 2025	Present value of future cash flows AED '000	Risk adjustment for non-financial risk AED '000	CSM AED '000	Total AED '000
Opening retakaful contract liabilities	-	-	-	-
Opening retakaful contract assets	-	-	-	-
<b>Net balance at start of the year</b>	-	-	-	-
<b>Changes that relate to current service</b>				
CSM recognised for the services provided	-	-	(36)	(36)
Change in the risk adjustment for non-financial risk for the risk expired	-	(9)	-	(9)
Experience adjustments - relating to takaful service expense	(280)	-	-	(280)
	(280)	(9)	(36)	(325)
<b>Changes that relate to future service</b>				
Changes in estimates that results in onerous contract losses and reversals of such losses	11	-	(11)	-
Contracts initially recognised in the year	(624)	178	447	1
Experience adjustment - arising from contributions received in the year that relate to future service	(11)	7	5	1
	(624)	185	441	2
<b>Retakaful service result</b>	(904)	176	405	(323)
Finance (income)/expenses from takaful contract issued	(19)	-	23	4
<b>Total amounts recognised in comprehensive income</b>	(923)	176	428	(319)
<b>Cash Flows</b>				
Contributions paid net of ceding commission	338	-	-	338
<b>Total cash flows</b>	338	-	-	338
<b>Balance at the end of the year</b>				
Closing retakaful contract liabilities	-	-	-	-
Closing retakaful contract assets	(585)	176	428	19
<b>Net balance at the end of the year</b>	(585)	176	428	19

## 8. Prepayments and other receivables

	2025 AED'000	2024 AED'000
Accrued profit	4,301	4,520
Prepaid expenses	1,772	2,121
Advances and deposits	231	217
Other receivables	1,460	1,420
	<u>7,764</u>	<u>8,278</u>
Attributable to:		
Participants	3,285	2,498
Shareholders	4,479	5,780
	<u>7,764</u>	<u>8,278</u>

## 9. Investment contract liabilities

The Company's Investment contract liabilities for contracts without discretionary participation features (DPF) is as follows:

	2025 AED'000	2024 AED'000
At the beginning of the year	-	-
Movement during the year	3,941	-
Balance at the end of the year	<u>3,941</u>	<u>-</u>

## 10. Statutory Deposits

	2025 AED'000	2024 AED'000
Held with a local bank in Dubai, UAE	<u>10,000</u>	<u>10,000</u>

Statutory deposit represents a Wakala deposit under lien against the guarantees issued in favour of Central Bank of U.A.E. in accordance with UAE Federal Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business.

## 11. Due from participants/due to shareholders

The balance consists of the net of Wakala fees balances that are due to the shareholders from the participants amounting to AED 55,816 thousand (2024: AED 29,638 thousand).

## 12. Investment properties

	Residential Building & Offices AED'000
<i>Fair value hierarchy</i>	<i>Level 3</i>
2024	
At 1 January	67,510
Change in fair value during the year (note 23)	8,030
At 31 December	<u>75,540</u>
2025	
At 1 January	75,540
Change in fair value during the year (note 23)	3,345
<b>At 31 December</b>	<b><u>78,885</u></b>

As on 31 December 2025, two independent and experienced professional valuers estimated the fair value of investment properties of the Company at AED 78,535 thousand and AED 79,235 thousand respectively (31 December 2024: two independent and experienced professional valuers estimated the fair value of investment property at AED 75,140 thousand and AED 75,940 thousand respectively).

Company recognises the average of fair value from both valuers. The valuers hold relevant professional qualifications and experience. Investment properties is held for capital appreciation and rental purposes.

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

Sensitivity analysis on the valuation of the properties is as below:

For the Income capitalization method, if the capitalization rate were to decrease / increase by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by 2.37%/2.11% respectively. (2024: the fair value would increase / decrease by 14.43%/11.19% respectively).

For the sales comparison method, if the prices of the comparable properties were to increase / decrease by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by AED 32 thousand (2024: the fair value would increase / decrease by AED 31 thousand).

For the DCF method, if the capitalization rate were to decrease / increase by 1% and considering all other assumptions to remain constant, the fair value would increase / decrease by AED 5,350 thousand / AED 4,200 thousand respectively.

The property rental income earned by the Company from its investment properties, which are leased under operating leases on an annual basis and the direct operating expenses arising in the management of the investment properties are as follows:

	2025 AED'000	2024 AED'000
Rental income	6,677	6,685
Direct operating expenses	(671)	(853)
Net income from investment properties	<u>6,006</u>	<u>5,832</u>

### 13. Property, Equipment & Intangible Assets

2024	Furniture and fixtures AED'000	Motor vehicles AED'000	Right-of-use assets AED'000	Intangible assets AED'000	Total AED'000
<b>Cost</b>					
Balance at January 1 2024	5,790	20	2,946	1,252	10,008
Additions during the year	79	-	-	163	242
Balance at 31 December 2024	5,869	20	2,946	1,415	10,250
Additions during the year	306	-	661	262	1,229
Disposals during the year	-	(15)	-	-	(15)
<b>Balance at 31 December 2025</b>	<b>6,175</b>	<b>5</b>	<b>3,607</b>	<b>1,677</b>	<b>11,464</b>
<b>Accumulated depreciation</b>					
Balance at January 1 2024	5,236	16	2,450	844	8,546
Charge for the year	257	1	496	187	941
Balance at 31 December 2024	5,493	17	2,946	1,031	9,487
Charge for the year	258	3	606	226	1,093
Disposals during the year	-	(15)	-	-	(15)
<b>Balance at 31 December 2025</b>	<b>5,751</b>	<b>5</b>	<b>3,552</b>	<b>1,257</b>	<b>10,565</b>
<b>Net carrying amount</b>					
<b>Balance at 31 December 2025</b>	<b>424</b>	<b>-</b>	<b>55</b>	<b>420</b>	<b>899</b>
Balance at 31 December 2024	376	3	-	384	763

### 14. Other Liabilities

	2024 AED'000	2023 AED'000
Contribution reserve withheld	8,217	6,985
Accrued expenses	5,529	5,046
Deferred rental income	593	536
Current tax liability (note 22)	5,389	1,136
Others	8,917	7,093
	<b>28,645</b>	<b>20,796</b>
Attributable to:		
Participants	11,734	10,670
Shareholders	16,911	10,126
	<b>28,645</b>	<b>20,796</b>

### 15. Qard Hasan

	2025 AED'000	2024 AED'000
<b>Deficit in participants' fund:</b>		
Balance at the beginning of the year	(164,254)	(159,125)
Deficit during the year	(152)	(5,129)
<b>Balance at the end of the year</b>	<b>(164,406)</b>	<b>(164,254)</b>
<b>Qard Hasan from shareholders</b>		
Balance at the beginning of the year	164,254	159,125
Deficit during the year	152	5,129
<b>Balance at the end of the year</b>	<b>164,406</b>	<b>164,254</b>

The shareholders have funded the deficit in the participants' fund in accordance with the Company's policy through a Qard Hasan (profit free loan with no repayment terms).

### 16. Provision for employees' end of service indemnity

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	1,557	1,371
Charged during the year	722	852
Paid during the year	(177)	(666)
<b>Balance at the end of the year</b>	<b>2,102</b>	<b>1,557</b>

## 17. Share capital

	2025 AED'000	2024 AED'000
Authorised and issued and fully paid:		
154,000,000 ordinary shares of AED 1 each (2024: 154,000,000)	<u>154,000</u>	<u>154,000</u>

## 18. Statutory reserve

In accordance with the Company's Articles of Association and Article 241 of the Federal Law No. 32 of 2021, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance in the legal reserve equals 50% of the Company's paid-up share capital. No transfer to legal reserve has been made during the year as it has already reached 50% of the paid-up share capital (2024: 50%).

## 19. Retakaful reserve

In accordance with Central Bank of the United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 755 thousand (2024: AED 410 thousand) based on the retakaful share of contribution at a rate of 0.5% was transferred from retained earnings to retakaful reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the UAE.

## 20. Investments revaluation reserve - FVTOCI

This reserve records gains and losses arising from changes in fair value of other financial assets measured at fair value through other comprehensive income. Movement in reserve is as below:

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	(4,468)	(4,960)
Change in FV for the year	(873)	(333)
Deferred tax Impact	99	73
Realised loss on re-classified to income statement	-	752
Balance at the end of the year	<u>(5,242)</u>	<u>(4,468)</u>

## 21. Gross written contributions

Details of gross takaful contributions are presented as per the CBUAE reporting requirements:

2025	Family takaful AED'000	Fund accumulation AED'000	Medical AED'000	Others AED'000	Total AED'000
Direct written contributions	20,829	3,742	79,562	104,827	208,960
Assumed contributions (both locally & internationally)	-	-	1,673	114,787	116,460
<b>Total gross written contributions</b>	<u>20,829</u>	<u>3,742</u>	<u>81,235</u>	<u>219,614</u>	<u>325,420</u>
<b>2024</b>					
Direct written contributions	1,643	-	39,999	69,283	110,925
Assumed contributions (both locally & internationally)	-	-	-	61,471	61,471
<b>Total gross written contributions</b>	<u>1,643</u>	<u>-</u>	<u>39,999</u>	<u>130,754</u>	<u>172,396</u>

## 22. Corporate Tax

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

The taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. The corporate taxes are payable on the total income after making the adjustments for certain disallowable expenses, exempt income and investment and other allowances.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled.

The Company is in scope of Pillar Two legislation as it operates in jurisdictions that have enacted, or substantively enacted Pillar Two legislation and its consolidated revenue exceeds Euro 750 million threshold. The introduction of Pillar 2 represents a significant development in international tax policy, aiming to ensure a fairer distribution of tax revenues among jurisdictions. Our financial statements reflect the impact of these measures, with increased tax expenses, recognition of deferred tax liabilities, and enhanced disclosures.

The Company estimates the current tax expense and top-up taxes related to Pillar Two for the year ended 31 December 2025 is AED 5,764 thousand (current tax expense for the year ended 31 December 2024: AED 1,858 thousand).

The Effective Tax Rate (ETR) for the period ending 31 December 2025 is 13.85%. The rise in the ETR compared to last year is due to the introduction of DMTT in the UAE.

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

	2025 AED'000	2024 AED'000
<b>Statement of profit or loss</b>		
<i>Current income tax:</i>		
Current income tax and top up tax charge	5,389	1,136
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	301	722
Tax paid related to prior year	74	-
Total Income tax expense reported in the statement of profit or loss	<u>5,764</u>	<u>1,858</u>
<b>Statement of Other Comprehensive Income</b>		
<i>Deferred tax related to items recognised in OCI during in the year:</i>		
Deferred tax asset on FV Loss on equity instruments designated at FVOCI	<u>(99)</u>	<u>(73)</u>

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

	2025 AED'000	2024 AED'000
Accounting profit before tax	41,073	20,845
At United Arab Emirates' statutory income tax rate and top up tax	5,709	1,876
Adjustments in respect of standard deduction as per the Law	(34)	(34)
Other adjustment	14	16
Income tax expense reported in the income statement	<u>5,689</u>	<u>1,858</u>
Effective tax rate	<u>13.85%</u>	<u>8.91%</u>

Current and Deferred Tax reflected in the statement of financial position as follows;

	2025 AED'000	2024 AED'000
<b>Deferred Tax Assets and Liabilities</b>		
Deferred tax liability	<u>1,024</u>	<u>722</u>
Deferred Tax Assets	<u>174</u>	<u>73</u>
<i>Movement in current tax liability is as below</i>		
Current tax payable as of 1 January	1,136	-
Current and top up tax charge for the year	5,389	1,136
Additional tax paid (pertaining to prior year)	74	-
Income tax paid during the year	<u>(1,210)</u>	<u>-</u>
	<u>5,389</u>	<u>1,136</u>

## 23. Investment Income

	2025 AED'000	2024 AED'000
Income from investment properties	6,006	5,832
Profit on sukuk	5,913	1,842
Income from wakala deposit	6,108	10,041
Gain on fair value of investment properties (note 12)	3,345	8,030
Dividend from other financial assets	425	483
Unrealised loss on financial investments at FVTPL	(15)	(11)
Amortisation of investments at amortised cost	752	208
Loss on sale of Sukuk at FVTOCI	-	(752)
Profit on call account	178	93
	<u>22,712</u>	<u>25,766</u>
<i>Attributable to:</i>		
Participants	5,284	5,615
Shareholders	17,428	20,151
	<u>22,712</u>	<u>25,766</u>

## 24. Wakala fee and Mudarib's share

### Wakala fees

Wakala fee for the year ended 31 December 2025 amounted to AED 83,233 thousand (2024: AED 44,229 thousand) the fee is calculated as percentage (range between 5% to 30%) of gross written contribution of AED 325,420 thousand (2024: AED 172,396 thousand) without any deduction of policy acquisition cost. Wakala fee is charged to the statement of income when incurred.

### Mudarib's share

The shareholders also manage the participants' investment funds and charge Mudarib's share. Mudarib's share is charged at 30% of realised investment income.

## 25. General and administrative expenses

	2025 AED'000	2024 AED'000
Staff cost	17,485	13,010
Third party administrators and other related expenses	8,648	5,354
Legal and professional fees	3,468	2,671
Expenses charged by Group Head Office	972	1,000
Depreciation and amortisation	1,091	941
Policy registration fees	1,497	746
Takaful expense	511	402
End of service benefits and pension	722	752
Marketing expenses	217	115
Bank charges	895	104
Short term lease	157	327
Fines & Penalties	130	-
Other expenses	1,549	1,626
	<b>37,342</b>	<b>27,048</b>

Social contributions during the year ended 31 December 2025 amounted to AED 13,141 (2024: AED 3,800).

## 26. Related party balances and transactions

Related parties represent the companies under common control, shareholder, Directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management

Amounts due from/to related parties were as follows:

	2025 AED'000	2024 AED'000
<b>Amounts due from related parties:</b>		
Related parties due to common ownership	3,814	24
All amount due from related parties are attributable to participants		
<b>Amounts due to related parties:</b>		
Related parties due to Shareholding	11,490	4,973
Net due to related parties attributable to:		
Participants	6,365	4,071
Shareholders	1,311	878

Transactions with related parties	For the year ended 31 December	
	2025 AED'000	2024 AED'000
Retakaful share of ceded business	22,211	6,965
Gross written contribution	14,039	2,188
Discount on retakaful share of ceded business	1,504	59
Recovery claims	3,685	819
Expenses charged by Group head office	972	1,000
Policy acquisition costs	1,263	-
Claim settlement	2,142	-
Other transactions	84	1,959

Key management personnel remuneration	2025 AED'000		2024 AED'000	
	Short-term benefits	1,011		784
Long-term benefits	28		23	
Board of Directors' remuneration	-		-	

## 27. Related party balances and transactions

For management purposes the Company is organised into two business segments; general takaful management and investment. The general takaful segment comprises the takaful business undertaken by the Company on behalf of Participants. Investment comprises investment and cash management for the Company's own account. No operating segments have been aggregated to form the above reportable operating segments.

Segment performance is evaluated based on profit or loss which in certain respects is measured differently from profit or loss in the financial statements.

Except for Wakala fees, and Qard Hassan, no other inter-segment transactions occurred during the year. If any other transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties.

## 27. Segment information (continued)

These segments are the basis on which the Company reports its primary segment information. Segmental information is presented below:

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Attributable to participants AED'000	Attributable to shareholders AED'000	Total AED'000	Attributable to participants AED'000	Attributable to shareholders AED'000	Total AED'000
<b>Takaful</b>						
Takaful revenue	248,839	-	248,839	121,616	-	121,616
Takaful service expenses	(116,714)	-	(116,714)	(84,105)	-	(84,105)
Allocation of retakaful contributions	(118,350)	-	(118,350)	(55,784)	-	(55,784)
Retakaful amounts recoverable on incurred claims	65,837	-	65,837	52,561	-	52,561
Takaful finance expenses for takaful contracts issued	(2,484)	-	(2,484)	(2,357)	-	(2,357)
Retakaful finance income for retakaful contracts held	1,189	-	1,189	728	-	728
<b>Net takaful profit/(loss)</b>	<b>78,317</b>	<b>-</b>	<b>78,317</b>	<b>32,659</b>	<b>-</b>	<b>32,659</b>
Wakala fees	(83,233)	83,233	-	(44,229)	44,229	-
Mudarib share	(1,585)	1,585	-	(1,685)	1,685	-
Other income	1,065	-	1,065	2,511	-	2,511
Investment income	5,284	-	5,284	5,615	-	5,615
	(78,469)	84,818	6,349	(37,788)	45,914	8,126
<b>Investment</b>						
Investment income	-	17,428	17,428	-	20,151	20,151
Other income	-	1,125	1,125	-	820	820
Policy acquisition cost	-	(24,804)	(24,804)	-	(13,863)	(13,863)
General and administration expenses	-	(37,342)	(37,342)	-	(27,048)	(27,048)
<b>Profit/(loss) before tax for the year</b>	<b>(152)</b>	<b>41,225</b>	<b>41,073</b>	<b>(5,129)</b>	<b>25,974</b>	<b>20,845</b>

Other Information	Takaful		Investment		Total	
	At 31 December 2025 AED'000	At 31 December 2024 AED'000	At 31 December 2025 AED'000	At 31 December 2024 AED'000	At 31 December 2025 AED'000	At 31 December 2024 AED'000
Segment assets	281,107	192,931	305,188	236,843	586,295	429,774
Segment liabilities	281,107	192,931	75,853	42,043	356,960	234,974

## 28. Earning Per Share

Earnings per share are calculated by dividing the loss for the year by the number of ordinary shares outstanding as of the end of the year as follows:

	2025	2024
Profit for the year (in AED'000)	<u>35,309</u>	<u>18,987</u>
Number of ordinary shares outstanding	<u>154,000,000</u>	<u>154,000,000</u>
Basic and diluted profit per share (in AED)	<u>0.23</u>	<u>0.12</u>

Diluted earnings per share as of 31 December 2025 and 31 December 2024 are equivalent to basic loss per share as the Company did not issue any new instrument that would impact loss per share when executed.

## 29. Zakat

For the year ended 31 December 2025, Zakat amounting AED per share will not be borne by the Company on behalf of shareholders AED 0.0113 per share (2024: AED 0.0042 per share).

## 30. Capital risk management

The Company's objectives when managing capital are:

- to comply with the capital requirements required by UAE Federal Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business. The Company manages its capital on a basis of its minimum regulatory capital position presented in the table below:
- 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.

Section 2 of the Financial Regulations for Insurance 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 year. 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. The Company has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000
Minimum Capital Requirement (MCR)	<u>100,000</u>	100,000
Solvency Capital Requirement (SCR)	<u>53,381</u>	28,546
Minimum Guarantee Fund (MGF)	<u>31,906</u>	19,032
Basic Own Funds	<u>184,378</u>	174,085
MCR Solvency Margin - Surplus	<u>84,378</u>	74,085
SCR Solvency Margin - Surplus	<u>130,997</u>	145,539
MGF Solvency Margin - Surplus	<u>152,472</u>	<u>155,053</u>

In accordance with Circular No. CBUAE/BIS/2025/6143 dated 12 November 2025, the assets which are not in the Company's name should not be considered as admissible in regulatory statement of financial position. In the reported solvency figures as at 31 December 2025 AED Nil (2024: AED Nil) as mentioned above, assets are not in the name of the

Company and owned by a related party (refer to note 12).

Based on the Central Bank of UAE regulatory requirements, the minimum regulatory capital required is AED 100,000 thousand (2024: AED 100,000 thousand) against which the paid-up capital of the Company is AED 154,000 thousand (2024: AED 154,000 thousand).

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

## 31. Financial instruments

The Company is exposed to a range of financial risks through its financial assets, financial liabilities, retakaful assets and takaful 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 contracts. The most important components of this financial risk are profit rate risk, equity price risk, foreign currency risk and credit risk.

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

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.

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	2025 AED'000	2024 AED'000
<b>Financial assets</b>		
Investments carried at FVTOCI (note 5)	<u>18,110</u>	19,249
Investments carried at at FVTPL (note 5)	<u>5,018</u>	545
Investments at amortised cost (note 5)	<u>168,158</u>	83,171
Statutory deposits	<u>10,000</u>	10,000
Other receivables	<u>7,764</u>	6,230
Bank balances (note 6)	<u>145,823</u>	141,832
<b>Total financial assets</b>	<u>354,873</u>	<u>261,027</u>
<b>Financial liabilities</b>		
Investment contract liabilities	<u>3,941</u>	-
Other liabilities	<u>19,830</u>	13,938
<b>Total financial liabilities</b>	<u>23,771</u>	<u>13,938</u>

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

## 32. Risk management

### 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 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 carrying amount of the takaful liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insured 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.

#### **Frequency and severity of claims**

The Company has the right not to renew individual policies, re-price the risk, it can impose deductibles and it 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 of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

#### **Frequency and severity of claims**

The retakaful arrangements include excess and catastrophe coverage. The effect of such retakaful arrangements is that the Company should not suffer net takaful losses of a set limit of AED 1,000,000 (2024: AED 1,500,000) AED Nil (2024: AED 30,000) and AED 1,500,000 (2024: AED 1,500,000) in any one claim for motor, medical and other non-motor respectively. 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 every year 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 settlements 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 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 compared to 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 takaful Company 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 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 projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is

selected taking into account the characteristics of the business class and the extent of the development of each accident year.

The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before retakaful) are analysed below by type of risk where the insured operates for current and prior year contribution earned.

#### **Process used to decide on assumptions**

The risks associated with these takaful contracts are complex and subject to a number of variables that complicate

Type of Risk	2025	2024
Motor	30.45%	55.76%
Medical & Family Takaful	87.04%	78.69%
General	35.13%	47.66%

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 reporting date 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 technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

#### **Concentration of risks**

The takaful risk arising from takaful contracts is concentrated mainly in the United Arab Emirates.

The table on next page sets out the concentration of contract liabilities by type of contract:

2025	Gross liabilities AED'000	Retakaful share of liabilities AED'000	Net liabilities AED'000
Motor	58,746	(4,051)	54,695
Medical & group family takaful	71,819	(20,214)	51,605
General	134,698	(52,695)	82,003
<b>Total</b>	<b>265,263</b>	<b>(76,960)</b>	<b>188,303</b>
<b>2024</b>			
Motor	63,145	(9,106)	54,039
Medical & group family takaful	34,925	(4,593)	30,332
General	83,952	(37,982)	45,970
<b>Total</b>	<b>182,022</b>	<b>(51,681)</b>	<b>130,341</b>

### Claims development table – Gross

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive accident year at each reporting date, together with cumulative payments to date.

Accident year	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED	Total AED
At the end of accident year	78,268	119,224	137,496	124,991	157,323	617,302
One year later	74,944	120,825	108,490	89,824	-	394,083
Two years later	79,518	119,221	108,518	-	-	307,256
Three years later	76,513	118,407	-	-	-	194,920
Four years later	76,263	-	-	-	-	76,263
<b>Current estimate of cumulative claims</b>	<b>76,263</b>	<b>118,407</b>	<b>108,518</b>	<b>89,824</b>	<b>157,323</b>	<b>550,335</b>
<b>Cumulative payments to date</b>	<b>(75,956)</b>	<b>(117,834)</b>	<b>(102,936)</b>	<b>(72,390)</b>	<b>(69,537)</b>	<b>(438,653)</b>
	<b>307</b>	<b>573</b>	<b>5,582</b>	<b>17,434</b>	<b>87,786</b>	<b>111,682</b>
Effect of discounting						(3,401)
Effect of risk adjustment						3,835
Others						5,020
						<b>117,136</b>
Total liabilities for incurred claims						

### Claim development table – Net

The following table reflects the Net cumulative incurred claims, including both claims notified and claims incurred but not reported (IBNR) for each successive accident year at each statement of financial position date, together with cumulative payments to date:

Accident year	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	2025 AED	Total AED
At the end of accident year	64,497	98,800	120,114	73,048	98,272	454,731
One year later	61,638	102,347	95,862	49,789	-	309,636
Two years later	62,161	100,994	94,123	-	-	257,278
Three years later	61,414	100,280	-	-	-	161,694
Four years later	61,253	-	-	-	-	61,253
<b>Current estimate of cumulative claims</b>	<b>61,253</b>	<b>100,280</b>	<b>94,123</b>	<b>49,789</b>	<b>98,272</b>	<b>403,717</b>
<b>Cumulative payments to date</b>	<b>(61,239)</b>	<b>(100,140)</b>	<b>(90,365)</b>	<b>(42,628)</b>	<b>(46,221)</b>	<b>(340,592)</b>
	<b>14</b>	<b>140</b>	<b>3,758</b>	<b>7,161</b>	<b>52,052</b>	<b>63,124</b>
Effect of discounting						(1,893)
Effect of risk adjustment						1,993
Others						2,835
						<b>66,059</b>
Total liabilities for incurred claims						

### Retakaful risk

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 companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the retakaful. Retakaful ceded contracts do not relieve the Company from its obligations to participants. 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.

### Sensitivities

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

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

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

### Sensitivity analysis for takaful contracts

2025	Change in assumptions	31 December 2025			
		Impact on net profit gross of retakaful AED'000	Impact on net profit net of retakaful AED'000	Impact on equity gross of retakaful AED'000	Impact on equity net of retakaful AED'000
Weighted average term to settlement	+10%	329	184	329	184
Expected loss	+10%	11,670	6,596	11,670	6,596
Inflation rate	+1%	33	18	33	18
Weighted average term to settlement	-10%	(329)	(184)	(329)	(184)
Expected loss	-10%	(11,670)	(6,596)	(11,670)	(6,596)
Inflation rate	-1%	(33)	(18)	(33)	(18)

2024	Change in assumptions	31 December 2024			
		Impact on net profit gross of retakaful AED'000	Impact on net profit net of retakaful AED'000	Impact on equity gross of retakaful AED'000	Impact on equity net of retakaful AED'000
Weighted average term to settlement	+10%	255	135	255	135
Expected loss	+10%	8,801	4,560	8,801	4,560
Inflation rate	+1%	26	14	26	14
Weighted average term to settlement	-10%	(255)	(135)	(255)	(135)
Expected loss	-10%	(8,801)	(4,560)	(8,801)	(4,560)
Inflation rate	-1%	(26)	(14)	(26)	(14)

### Financial risk

#### Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, profit rates and equity price risk.

#### Foreign currency risk

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

#### Credit risk

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

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

- retakaful' share of takaful liabilities;
- amounts due from retakaful in respect of claims already paid;
- amounts due from takaful contract holders; and
- amounts due from takaful intermediaries.

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

Retakaful is used to manage takaful risk. This does not, however, discharge the Company's liability as primary policyholder. If a retakaful fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of 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 management includes details of provisions for impairment on takaful receivables and subsequent write-offs. Exposures to individual participants and groups of participants are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual participants, or homogenous groups of participants, a financial analysis equivalent to that conducted for retakaful is carried out by the Company.

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

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristic, other than takaful receivables at the end of reporting period. The Company defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks registered in the United Arab Emirates.

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.

#### Liquidity risk

Ultimate responsibility for liquidity risk management rests with management, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table on next page summarises the maturity profile of the Company's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements is given below:

2025	Less than 90 days AED'000	91-180 days AED'000	181-365 days AED'000	Above 365 days AED'000	Total AED'000
<b>Assets</b>					
At FVTOCI (note 5)	3,117	-	-	14,993	18,110
At FVTPL (note 5)	-	-	-	5,018	5,018
At amortised cost (note 5)	13,745	5,829	5,574	143,010	168,158
Statutory deposits	-	-	-	10,000	10,000
Takaful, retakaful contract assets	38,125	13,350	13,259	12,395	77,129
Other receivables	2,386	984	373	2,249	5,992
Bank balances - profit bearing	17,743	32,973	77,763	-	128,479
Bank balances - non-profit bearing	17,344	-	-	-	17,344
	<u>92,460</u>	<u>53,136</u>	<u>96,969</u>	<u>187,665</u>	<u>430,230</u>
<b>Liabilities</b>					
Other liabilities	7,377	10,405	131	1,917	19,830
Investment contract liabilities	-	-	-	3,941	3,941
Takaful, retakaful contract liabilities	117,635	52,824	51,455	43,518	265,432
	<u>125,012</u>	<u>63,229</u>	<u>51,586</u>	<u>49,376</u>	<u>289,203</u>

2024	Less than 90 days AED'000	91-180 days AED'000	181-365 days AED'000	Above 365 days AED'000	Total AED'000
<b>Assets</b>					
At FVTOCI (note 5)	-	-	-	19,249	19,249
At FVTPL (note 5)	-	-	-	545	545
At amortised cost (note 5)	-	-	-	83,171	83,171
Statutory deposits	-	-	-	10,000	10,000
Takaful, retakaful contract assets	28,954	8,735	7,582	6,649	51,920
Other receivables	4,344	1,071	653	162	6,230
Bank balances - profit bearing	22,428	27,560	83,452	-	133,440
Bank balances - non-profit bearing	8,392	-	-	-	8,392
	<u>64,118</u>	<u>37,366</u>	<u>91,687</u>	<u>119,776</u>	<u>312,947</u>
<b>Liabilities</b>					
Other liabilities	8,100	1,692	1,941	2,205	13,938
Takaful, retakaful contract liabilities	87,420	39,380	32,647	22,814	182,261
	<u>95,520</u>	<u>41,072</u>	<u>34,588</u>	<u>25,019</u>	<u>196,199</u>

### Equity price risk

#### Sensitivity analysis

At the reporting date if the equity prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant the Company's statement of income/comprehensive income would have increased/decreased by AED 733 thousand (2024: AED 951 thousand).

#### Method and assumptions for sensitivity analysis

The sensitivity analysis has been done based on the exposure to equity price risk as at the end of the reporting period.

- As at the reporting date if equity prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on statement of income and other comprehensive income has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

### 33. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

#### Fair value of financial instruments carried at amortised cost

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

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

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

#### Fair value measurements recognised in the statement of financial position

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

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value as at	31 December 2025 AED'000	31 December 2024 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
<b>Financial assets measured at FVTPL</b>						
Unit linked investments	4,489	-	Level 2	Quoted prices in a secondary market	None	Not applicable
Unquoted equity investments	529	545	Level 3	Net assets valuation method	Net assets value	EV/EBITDA multiple for similar companies will directly impact the fair value calculation
<b>Financial assets measured at FVTOCI</b>						
Unquoted equity securities	6,368	7,795	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of investees, higher the fair value
Unquoted equity securities	337	270	Level 3	Multiple base approach	Relative value	Higher the multiple based value of investees, higher the fair value
Quoted Sukuk	11,405	11,184	Level 1	Quoted bid prices in an active market	None	Not applicable
<b>Financial assets at amortised cost</b>						
Quoted Sukuk	168,158	83,171	Level 1	Quoted prices in a secondary Market	None	Not applicable
<b>Financial liabilities measured at FVTPL</b>						
Investment contract liabilities	3,941	-	Level 2	Quoted prices in a secondary Market	None	Not applicable

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

### 34. Contingent Liabilities

	2025 AED'000	2024 AED'000
Letters of guarantees	10,505	10,579

The Company is subject to litigation in the normal course of its business. Although the ultimate outcome of these claims cannot presently be determined, adequate provisions have been made for any liability that may result, based on management's best estimates.

### 35. Internal Sharia Supervisory Committee

The Company's business activities are subject to the supervision of its Internal Sharia Supervision Committee (ISSC) consisting of three members appointed by the shareholders. ISSC performs a supervisory role in order to determine whether the operations of the Company are conducted in accordance with Sharia rules and principles.

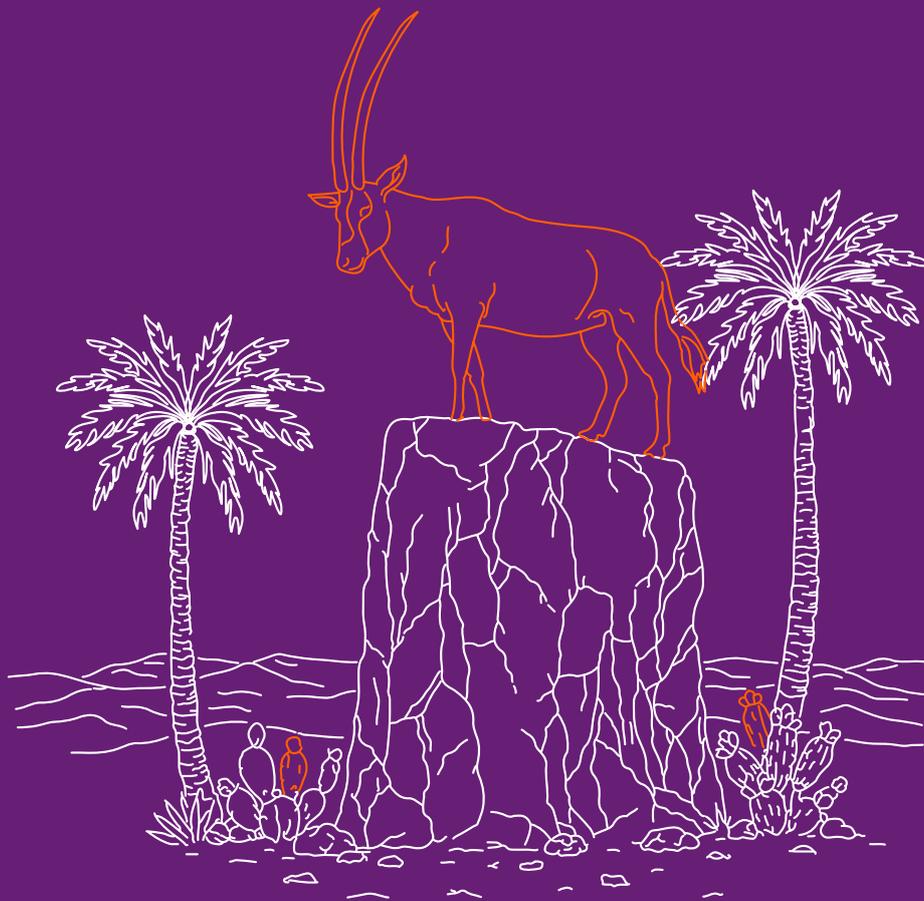
According to the Internal Sharia Supervision Committee, the Company is required to identify any income deemed to be derived from transactions not acceptable under Islamic Sharia rules and principles, as interpreted by Internal Sharia Supervision Committee, and to set aside such amount in a separate account for Shareholders who may resolve to pay the same for local charitable causes and activities.

### 36. Subsequent Events

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

# CORPORATE GOVERNANCE

2025



The **Arabian oryx**, the national animal of the UAE, often called the “unicorn of the desert,” once driven to extinction in the wild, its successful reintroduction stands as one of the region’s greatest conservation achievements.

# CORPORATE GOVERNANCE

## REPORT FOR 2025

### Corporate Governance System at Sukoon Takaful PJSC during 2025

At Sukoon Takaful, corporate governance forms the cornerstone of our long-term financial stability and operational excellence.

Since the introduction of governance controls, Sukoon Takaful has adopted a focused and effective system that has contributed significantly to the development of institutional practices. This has led to enhanced disclosure and transparency standards, strengthened integrity in business dealings, improved supervisory mechanisms, and better protection of shareholders' rights. It has also helped boost overall performance, safeguard the rights of the Participants, minimize potential risks, and establish a clear separation between ownership and management, ensuring sound leadership and access to skilled expertise.

The Board of Directors strongly believes in the importance of sound corporate governance practices. At Sukoon Takaful, corporate governance is considered essential for achieving sustainable, long-term growth and prosperity. The Board remains committed to enhancing shareholder value while being mindful of the interests of all relevant stakeholders, including employees, clients, suppliers, business partners, and the wider community in which Sukoon Takaful operates.

Based on this fact, the Board of Directors has continued to improve the corporate governance standards during 2025 in accordance with the "Chairman Resolution of Securities and Commodities Authority's no. (3) of 2020 Concerning approval of Public Joint Stock Companies Governance Guide" and the other relevant resolutions issued from time to time by the Securities and Commodities Authority "Authority"/ "Regulator" (Now Capital Market Authority (CMA). Sukoon Takaful strictly follows the Corporate Governance Regulations for Insurance Companies issued by the Central Bank of the UAE in 2022 ensuring the governance practices remain aligned with the regulator's expectations and leading international standards.

Sukoon Takaful operates under a comprehensive corporate governance framework that clearly defines the roles, responsibilities, and accountabilities of the Board of Directors, Board Committees, executive management, and key control functions including Compliance and Risk.

### Statement of ownership and transactions of the Board of Directors

Purchase and Sale of the Company's shares and transactions involving our securities by Directors and officers and employees are governed by the Insider Trading Policy. The following table outlines the transactions (sale/purchase) by any of the Board members, their children or spouses in relation to Sukoon Takaful PJSC securities during 2025.

Member Name	Position /Relation	Owned shares as on 31/12/2025	Total Sale	Total Purchase
Mr. Saood Abdulaziz Abdulla Ahmad Al Ghurair	Chairman	None	None	None
Mr. Badr Abdulla Ahmad Al Ghurair	Board Member	None	None	None
Mr. Hammad Raza Khan Mohammad Akram Khan	Board Member	None	None	None
Mrs. Louise O'Donnell	Board Member	None	None	None
Mr. Salem Saif Salem Rashed AlShamsi	Vice Chairman	None	None	None
Mrs. Hamda Moosa Abdulla Hussain Alshamali	Board Member	None	None	None
Mr. Aditya Krishnaji Kulkarni	Board Member	None	None	None

## Board Formation

### 1. Former Board Members

Name	Position	Category (Executive, Non - Executive, and Independent)	Experience	Qualifications	Resigned in	Their memberships & positions in any other joint-stock companies
Mr.AbdulAziz Al Ghurair	Vice-Chairman	Non-Executive Director (Non-Independent)	Banking & Financial	Bachelor's degree in Industrial Engineering	April 2025	<ol style="list-style-type: none"> <li>Chairman of UAE Banking Federation</li> <li>Chairman of Masafi LLC</li> <li>Chairman of AbdulAziz Abdullah Al Ghurair</li> <li>Refugee Education Fund</li> <li>Chairman of Abdullah Al Ghurair Education Foundation</li> <li>Chairman of Mashreq Bank</li> <li>Chairman of Abdulla Al Ghurair Group of Companies</li> </ol>
Mr.Rashed Saif AlShamsi	Board Member	Non-Executive Director (Non-Independent)	Gas / Petroleum	Bachelor's degree in in Petroleum and Gas Engineering	August 2025	<ol style="list-style-type: none"> <li>Board Member of Mashreq Bank</li> <li>Vice Chairman of Dana Gas</li> <li>Chairman of Al Ghurair Holding</li> <li>Board member of EMARAT Petroleum</li> <li>Board member of Gulf Marine Services</li> </ol>
Mr.Jean-Louis Laurent Josi	Board Member	Non-Executive Director (Independent)	Financial Services	Master in Administration and Management	September 2025	<ol style="list-style-type: none"> <li>Former CEO of Sukoon Insurance PJSC</li> </ol>

## Board Formation

### 2. Existing Board of Directors Composition

Name	Position	Category (Executive, Non - Executive, and Independent)	Experience	Qualifications	Period served as a BOD member of the Company since his first election date	Their memberships & positions in any other joint-stock companies	Their positions in any other important supervisory, governmental, or business entities
Mr. Saood Abdulaziz Abdulla Ahmad Al Ghurair	Chairman	Non-Executive/ Non-Independent.	Banking & Financial	Bachelor Degree in Finance	2 years & 7 months	1. Board Member at Sukoon Insurance PJSC	1. CEO of Masafi LLC 2. CEO of NED Investments 3. CEO of Hattan Group 4. CEO of Massar Investments 5. Board Member at AL Ghurair Investments LLC
Mr. Badr Abdulla Ahmad Al Ghurair	Board Member	Non-Executive/ Non-Independent	Properties	Bachelor Degree in Economics	2 years & 7 months	1. Chairman of Sukoon Insurance PJSC	1. CEO of Kabi 2. Board Member at National Cement Company 3. Founder of Huru
Mr. Hammad Raza Khan Mohammad Akram Khan	Board Member	Non-Executive/Independent	Financial Services	Bachelor in Accounting and Finance and Chartered Accountant	2 years & 7 months	N/A	1. Chairman of Oman Insurance Management Services Ltd.
Mrs. Louise O'Donnell	Board Member	Non-Executive/Independent	Financial Services	Bachelor in Accounting & Finance and Fellow Chartered Accountant	1 year & 3 months	N/A	1. Board Member at Oman Insurance Management Services Limited 2. Board Member at Sukoon Workplace Savings Solutions Limited
Mr. Salem Saif Salem Rashed AlShamsi	Board Member	Non-Executive/Independent	Financial Services	Masters in Global Affairs & Diplomatic Leadership	4 months	N/A	1. Executive Vice President International Relations- Dubai Chambers
Mrs. Hamda Moosa Abdulla Hussain Alshamali	Board Member	Non-Executive/Independent	Financial Services	Bachelor in Business Administration	8 months	1. Board Member at Sukoon Insurance 2. Senior Executive Vice President, Group Chief People & Intellectual Capital Officer at Mashreq Bank	-
Mr. Aditya Krishnaji Kulkarni	Board Member	Non-Executive/Independent	Financial Services	Masters in Business Administration	2 months	N/A	1. Board Member at Sukoon Workplace Savings Solutions Limited

**a. Statement of the percentage of woman representation in the Board of Directors in 2025**

In 2025, female representation on the Board of Directors stood at two out of seven members. with seats held by Mrs. Louise O'Donnell and Mrs. Hamda Moosa Abdulla Hussain Alshamali.

**b. Board of Directors Remuneration**

In 2025, Sukoon Takaful's shareholders did not approve any remuneration to be paid to the members of the Board of Directors for 2024. The same proposal will be presented to the Shareholders at the upcoming Annual General Assembly Meeting in 2026 for approving not paying the Board of Directors any fees for the financial year 2025.

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

No remuneration and allowances were paid to Board Members which related to travel and meeting related expenses for Board meetings held in 2025.

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

No remunerations have been paid to the Board members for attending committees' meetings.

**e. Number of Board meetings held during the fiscal year 2025 and the relevant details.**

The Board met 6 times during the financial year 2025.

Board Member	Board Meetings					
	Meeting 1 17 <sup>th</sup> Jan 2025	Meeting 2 18 <sup>th</sup> Mar 2025	Meeting 3 24 <sup>th</sup> Apr 2025	Meeting 4 23 <sup>rd</sup> July 2025	Meeting 5 29 <sup>th</sup> Oct 2025	Meeting 6 10 <sup>th</sup> Dec 2025
Saood Al Ghurair	✓	✓	✓	✓	✓	✓
Abdulaziz Al Ghurair	✓	✓	Resigned in April 2025			
Salem AlShamsi	Appointed in Aug 2025				✓	✓
Rashed Saif Al Jarwan	✓	✓	✓	A	Resigned in Aug 2025	
Hamda AlShamali	Appointed in April 2025		✓	✓	A	✓
Badr Al Ghurair	✓	✓	✓	✓	✓	✓
Jean-Louis Josi	✓	✓	✓	✓	Resigned in Sep 2025	
Hammad Raza Khan	✓	✓	✓	✓	✓	✓
Louise O'Donnell	✓	✓	✓	✓	✓	✓
Aditya Kulkarni	Appointed in October 2025				✓	✓

✓ Present in person

AP: Appointed another Board member as a Proxy to attend on his behalf.

A- Absent with valid reason.

N/A - (Not Applicable).

**f. Number of the Board resolutions held during the 2025 fiscal year by circulation**

- On January 28, 2025, a Board resolution by circulation was passed to approve the following:
  - Final Annual Financial Statements for FY2024
  - External Auditor's Report for FY2024
  - Board of Directors' Report on the Company's activity and financial position for FY2024
  - Business Plan for the year 2025
  - Annual Sharia Report for FY2024
  - Recommendation to the General Assembly regarding Board remuneration for FY2024

- On February 6, 2025, a Board resolution by circulation was passed to:
  - Recommend to the General Assembly the appointment of the internal Shari'a Committee (subject to Central Bank approval).
  - Recommend no dividend distribution for FY2024.
  - Recommend the appointment of External Auditors "EY" for FY2025 with a proposed remuneration of AED 576,975 (subject to Central Bank approval).
  - Approve the convention of the Annual General Meeting on March 20, 2025 (subject to Central Bank and SCA approval)
- On March 10, 2025, a Board resolution by circulation was passed to approve the Corporate Governance Report for the financial year 2024.
- On August 18, 2025, a Board resolution by circulation was passed to:
  - Approve the resignation of Mr. Rashed Saif Saeed Aljarwan Alshamsi from his position as a member of the Board of Directors, effective immediately.
  - Approve the appointment of Mr. Salem Saif Salem Rashed AlShamsi as a new member of the Board of Directors, effective immediately.
- On September 26, 2025, a Board resolution by circulation was passed to approve the Mid-Year Underwriting Performance Review Report and Pricing Report as at June 30, 2025.
- On October 9th, 2025 a Board resolution by circulation was passed to approve the resignation of Mr. Jean-Louis Laurent Josi from his position as a Board Member at the Company.

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

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

Name	Delegated authorities	Term of delegation
Ahmed M.A. Abushanab (Appointed July 2023)	All the management duties that form part of the daily conduct of the Company's Business and the implementation of its purposes including, but not limited to, representation of the Company before governmental, non-governmental entities and third parties, the conclusion of contracts on behalf of the Company and monitoring the annual budget.	Unlimited unless cancelled

**h. Statement of the details of transactions made with the related parties during 2025**

From 01/01/2025 to 31/12/2025	
Transactions with related parties:	AED'000
Retakaful share of ceded business	22,211
Discount on Retakaful share of ceded business	1,504
Gross written contribution	14,039
Other transaction	84
Expenses charged by Group head office	972
Claim settlement	2,142
Policy acquisition costs	1,263
Recovery claims	3,685

# UAE NATIONAL ELEMENTS

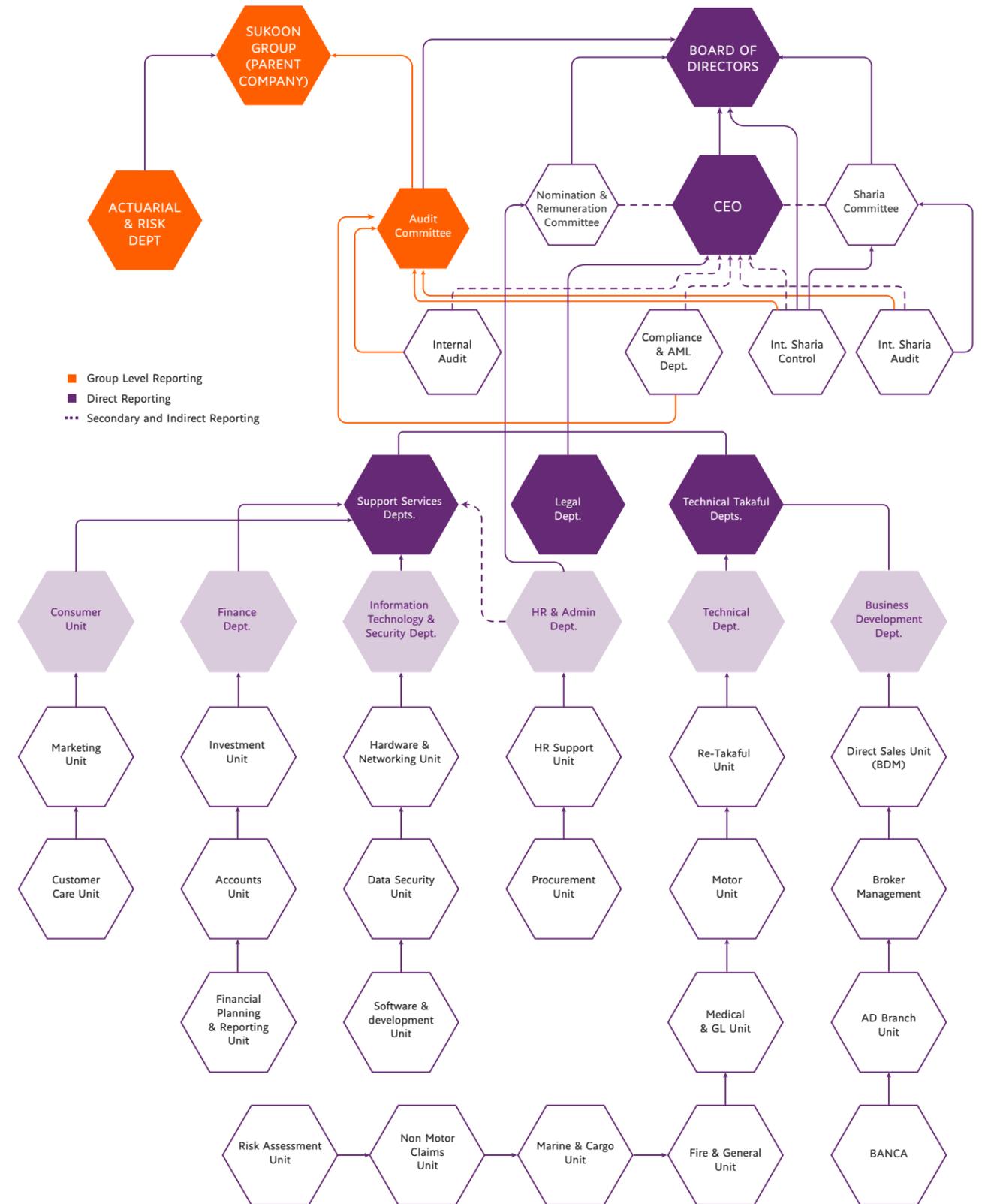
## GHAFF HONEY



A rare desert honey with a deep amber hue and a strong, earthy flavour. Drawn from native Arabian flora, it is produced mainly in the UAE, Oman, and parts of the wider Peninsula. Revered locally, it stands as an emblem of Emirati heritage.



The complete organisational structure of the Company



**i. Detailed statement of the senior executives in the first and second levels according to the organisation structure**

Sr. No.	Position	Appointment Date
1	CEO	2023
2	Finance Dept. Manager	2003

Total salaries and benefits for the Companies Senior Management during 2025 was AED(including gratuity and rewards).

Break Down of the Salaries and Benefits	
Total Salaries	1,122,988
Total Benefits	479232
<b>Total Salaries and Benefits</b>	<b>1,602,220</b>

**j. Assessment of the Board of Directors**

An internal assessment of the Board was completed internally for the year 2025 and the results were reviewed at the Board Nomination and Remuneration Committee where it was concluded that the Board as a whole, the Directors and the Board committees, continue to operate effectively while also identifying some areas for improvement.

**Company's External Auditor**

**a. Overview of the Company Auditor**

Ernst & Young (EY) undertakes the external audit of the Company, which is one of the international companies accredited in the country and they have been auditing the companies since the year 2024, when they were selected by the shareholders in General Assembly held on 29/03/2024.

EY's independence from the Company and its Board of Directors has been ascertained, and they perform audit work in accordance with applicable international standards. Their primary work is to ensure the correctness of the financial statements and monitor the Company's accounts for the fiscal year.

**b. Statement of fees and costs for the audit or services provided by the external auditor.**

Details of External Auditor Fees and Services - 2025	
Number of years the auditor served as the Company's external auditor	2 Years
Total Auditor fees of 2025 (AED)	AED 549,500/-
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	No other services
Details and nature of the other services (if any), if there are no other services, this matter shall be stated expressly	No other services
Statement of the other 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.	No other services

**c. Statement clarifying the reservations that the Company auditor included in the interim and annual financial statements for 2025**

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

**Audit Committee (AC)**

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

In 2025, the Audit Committee was operated by the Parent Company Sukoon Insurance PJSC.

**b. Audit Committee Composition**

The Audit Committee of Sukoon Insurance PJSC (the parent Company) is formed of: two Non-Executive Board Members and one expert in Internal Audit and Compliance who is not a Board Member.

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

**c. Audit Committee Purposes**

The Audit Committee is constituted as a Committee of the Board of Sukoon (the Parent Company). The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the Group, mainly (a) reviewing the Internal Controls, Risk Management System, Regulatory Compliance, and integrity of the Financial Statements, (b) the External Auditors' qualifications & Independence; and (c) the performance of the Internal Audit Department.

**d. Audit Committee Responsibilities**

The Board of Directors shall identify the scope of the Audit Committee responsibilities outlined in the Audit Committee Charter. The broader areas of Audit Committee responsibilities are:



**e. Audit Committee Meetings during 2025**

The Audit Committee of Sukoon Insurance PJSC (the Parent Company) held 5 meetings during 2025. For each meeting, the Committee received the meeting agenda along with the presentation deck. Default agenda items included Internal Audit update, Compliance update and External Auditor’s quarterly report to the audit committee on financial statements are presented. Internal Audit presented the status of open audit issues, overdue issues if any as well as management timeline for remediation of issues. Where audit committee was not satisfied with the timeline for issue remediation, they had advised management for timely resolutions.

**f. Relations with External Auditors and Actuarial Experts**

In the March 2025 Audit Committee meeting, the Committee reviewed EY’s report for the 2024 financial statements. The Committee met with representatives of EY at each Board Audit Committee held in 2025. The main agenda items were to approve the financial statements, external audit plan, scope and timelines for the year 2025, and also to discuss status updates. EY provided their quarterly report to the Committee on the results of their review of the condensed consolidated interim financial information of the Company.

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

**g. Audit Committee Meetings Attendance Record for the year 2025:**

Meeting 1	27 March 2025
Meeting 2	28 April 2025
Meeting 3	12 June 2025
Meeting 4	24 September 2025
Meeting 5	16 December 2025

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

Audit Committee in all meetings review issues and status of management action presented by internal audit and compliance. Any delays noted in remediating risks are adequately followed up with the management for prompt action.

**i. 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.**

Internal audit department presented the status of audit, key audit results, key audit issues and status of all open audit action items, overdue action items if any in the audit committee meetings for audit committee review. A sample report of key audit results and open action items status presented in 2024 have been provided separately.

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

Audit identified key issues were reviewed by the audit committee in the quarterly meetings along with their management remediation plan and status of implementation of corrective action. Any overdue items are questioned by the committee for prompt action from the management.

**Nomination and Remuneration Committee “NRC”**

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

The chairman of the Nomination and Remuneration Committee within Sukoon Takaful PJSC herby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

**b. NRC Composition**

The NRC committee of Sukoon Takaful PJSC is formed of one Chairman and two Board Members. All of them non-Executives. Jean-Louis Josi, a previous member of the committee resigned in September 2025 and was replaced by Hammad Khan.



**HAMDA ALSHAMALI**  
NRC CHAIRPERSON



**HAMMAD KHAN**  
NRC MEMBER



**LOUISE O'DONNELL**  
NRC MEMBER

**c. NRC Duties and Responsibilities**

The key tasks and responsibilities of the Nomination and Remuneration Committee of Sukoon Insurance PJSC are:



**d. Number of meetings held by the Nomination and Remuneration Committee during 2025.**

One meeting was held on 29 January 2025 with the presence of Jean-Louis Josi ( former Member ) and Louise O'Donnell.

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

**a. Committee Members**

Committee members are as follows.



**VAISHAKH VISHWANATHAN**  
MEMBER



**SUNIL KUMAR**  
CHAIRPERSON

Mr Sunil Kumar and Mr. Vaishakh Vishwanathan, members of the Insiders Committee within Sukoon Takaful PJSC, hereby acknowledge their responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

## b. Statement of duties and responsibilities

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



## c. Meetings

The Insiders Committee meets as frequently as it determines, but at least once every year. Additional meetings may be requested by any Board member and a quorum shall consist of majority of Committee members. During the year of 2025, the yearly meeting was held on August 2 at Sukoon's head office (the parent Company) to discuss and update the list of insider persons and disclose it on DFM within the set timeline. Both Members were present in the Meetings

## Internal Shari'a Supervision Committee (ISSC)

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

The chairman of the Internal Sharia Supervision Committee within Sukoon Takaful PJSC hereby acknowledges his responsibility for the Committee system within the Company, reviewing its work mechanism and ensuring its effectiveness.

### b. Names of the ISSC Members, and its Competencies and Duties.



**DR. MOOSA KHOORY**

CHAIRMAN



**DR. ASHRAF HASHIM**

Deputy Chairman



**DR. ABDUL SALAM KILANI**

MEMBER

The ISSC is governed by the ISSC Charter. The ISSC Charter outlines the purpose, authority, roles and responsibilities of the ISSC. The ISSC Charter was approved by the Board of Directors.

**c. ISSC Committee Purposes**

The ISSC undertakes Sharia Supervision of all businesses, activities, products, services, investments, contracts, documents and code of conducts of the Company. The ISSC issues resolutions and Sharia fatwas that are binding upon the Company. The members of the ISSC are accountable for the resolutions and Fatwas they issue to the Company, and their compliance with the standards and resolutions issued by the Higher Sharia Authority in UAE Central Bank.

**d. ISSC Committee Responsibilities**

The Board of Directors shall identify the scope of the ISSC responsibilities outlined in the ISSC Charter. The broader areas of ISSC responsibilities are:



**e. ISSC Committee Meetings during 2025**

The ISSC held 4 quarterly meetings during 2025.

For each meeting, the Committee received the meeting agenda along with the presentation deck. Default agenda items included approval of previous minutes of meeting, updates about implementation of ISSC resolutions, approval for decisions of executive member of ISSC, review of the Sharia compliance of the Company and discussion of questions related to Sharia

**f. ISSC Meetings Attendance Record for the year 2025:**

Committee Member Name	Meetings 1	Meetings 2	Meetings 3	Meetings 4
	15-Jan-25	23-Jun-25	30-Oct-25	9-Dec-25
Dr. Moosa Khoory	✓	✓	✓	✓
Dr. Ashraf Hashim	N/A	✓	✓	A
Dr. Abdul Salam Kilani	✓	✓	✓	✓

(✓) Present in person – (A) Absent with valid reason – N/A (Not Applicable)

# UAE NATIONAL ELEMENTS

## SEA TURTLES



UAE waters are home to **two prominent sea turtle species**: the hawksbill turtle and the green turtle. The hawksbill is the only sea turtle known to nest along the UAE's coast, while green turtles are commonly found feeding in local seagrass habitats. Both species are endangered globally, with the hawksbill classified as critically endangered. Sea turtles and their habitats are protected under UAE federal law, and the country maintains some of the Gulf's most active conservation and monitoring programmes.

## Internal Control System

### a. Overview

Sukoon Takaful Board of Directors is responsible for the internal control system in the Company and has established processes and procedures which are designed to ensure the accuracy and reliability of financial information, safeguard assets, regulatory compliance and promote operational efficiency. The internal control system which comprises of Risk Management, Compliance and Internal Audit functions assesses on an ongoing basis whether the controls are adequate and operating effective as planned. Moreover, the control system is designed to monitor if the management has taken action to address any deficiencies or weaknesses that are detected. In 2025, the Internal Control system has not identified any significant issues in the Company.

### b. The Internal Control deals with critical issues

The Internal Control through its relevant functions assesses internal controls on an ongoing basis, whether they are effective or not, if they are operating as planned, and monitors whether management has taken or takes action to address any deficiencies or weaknesses that are detected. The Board or the Board sub-committees, managed by the Sukoon Insurance Board sub-committees oversees the activities of the Internal Control system. The results are presented to the shareholders / regulators to which the Company is subject in the form of an Annual Corporate Governance report and in the form of disclosures submitted in compliance with inclusion/regulatory requirements. In 2025, Internal Control has not faced any significant problems in the Company.

### c. Details of the violations committed during 2025.

Sukoon Takaful didn't commit any serious violations or breaches during the year 2025 or during the previous years.

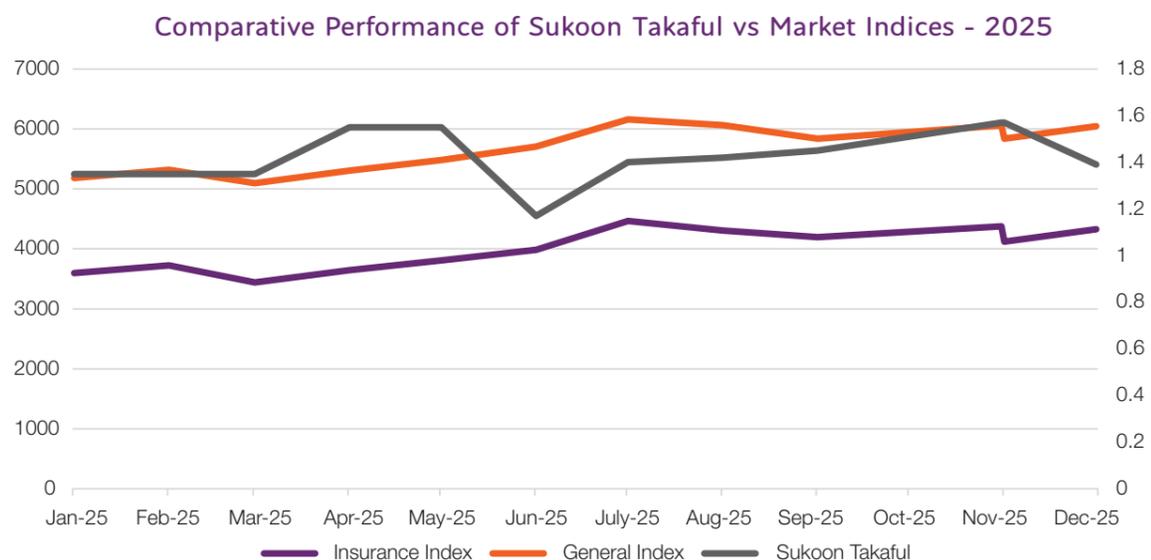
## General Information

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

Sukoon Takaful		
Month	Open	Close
Jan-25	1.55	1.35
Feb-25	1.35	1.35
Mar-25	1.35	1.35
Apr-25	1.35	1.55
May-25	1.55	1.55
Jun-25	1.55	1.17
Jul-25	1.17	1.40
Aug-25	1.40	1.42
Sep-25	1.42	1.45
Oct-25	1.45	1.57
Nov-25	1.57	1.57
Dec-25	1.57	1.39

### b. Statement of the Company comparative performance with the general market index and sector index to which the Company belongs during 2025.

Month	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025
Insurance Index	3,597	3,724	3,441	3,645	3,807	3,984	4,465	4,306	4,196	4,377	4,120	4,328
General Index	5,180	5,318	5,096	5,307	5,481	5,706	6,159	6,064	5,840	6,059	5,837	6,047
Sukoon Takaful	1.35	1.35	1.35	1.55	1.55	1.17	1.40	1.42	1.45	1.57	1.57	1.39



**c. Statement of the shareholder's ownership distribution as of 31/12/2025 (individual, companies, government) classified as follows:**

Shareholder Class	Company	Individual	Omnibus Account	Government	Grand Total	%
Arab	0	23,523	1	0	23,524	0.0153%
Foreign	0	13,344	9,853	0	23,197	0.0151%
Local	145,772,637	8,178,751	150	1,741	153,953,279	99.961%
<b>Grand Total</b>	<b>145,772,637</b>	<b>8,215,618</b>	<b>10,004</b>	<b>1,741</b>	<b>154,000,000</b>	<b>100%</b>
	94.6576%	5.3348%	0.0065%	0.0011%	100%	

**d. Statement of the shareholders owning 5% or more of the Company's capital as of 31/12/2025 according to the following schedule.**

Serial No.	Names of the shareholders	Number of shares Held	% of Shares Held of the Company's capital
1	Sukoon Insurance PJSC	145,772,633	94.6576%

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

SI	Share(s) Owned	No of Shareholders	No. of Share	% Of the shares held
1	Less than 50,000	54	177544	0.1153%
2	50,000 - 500,000	8	1277283	0.8294%
3	500,000 - 5,000,000	4	6772540	4.3978%
4	Above 5 Million	1	145772633	94.6576%
	<b>Grand Total</b>	<b>67</b>	<b>154000000</b>	<b>100%</b>

**f. Statement of measures taken regarding the controls of investor relationship and an indication of the following.**

The Company has updated and modernized its investor relations sections on our website to upload any disclosed information and any other information related to the shareholders rights, such as corporate governance reports, Financials Shareholders Structure, Contact details of the investor relations office in accordance with the requirement and regulation of securities and commodities authority.

**Investor relations contact details:**

Mr Sunil Kumar: Investor relations.

Email: [sunil.kumar@sukoontakaful.com](mailto:sunil.kumar@sukoontakaful.com)

Contact Number: +971 (04) 282 4403.

Website: [www.sukoontakaful.com/Investors](http://www.sukoontakaful.com/Investors)

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

The Company held its Annual General Assembly during 2025 on the 20th March and no Special Resolutions have been passed therein.

**h. Name of Corporate Secretary in charge of the Board of Directors Meetings & Date of Appointment:**

Mrs. Rana Attieh was appointed as Board Secretary on September 11, 2025 ( replacing Mrs Dima Fakhoury ). She brings several years of experience in the financial sector, with extensive exposure to regulatory bodies and corporate governance frameworks. Mrs. Attieh holds an MBA in Finance and has earned multiple regulatory certifications, further strengthening her expertise in Board affairs, compliance, and regulatory coordination.

In her role as Board Secretary, her principal responsibilities include:

- Preparing the agenda for Board meetings in coordination with the Chairman.
- Providing Board members with all relevant meeting materials.
- Preparing and maintaining the minutes of Board meetings.
- Following up with Executive Management regarding the implementation of Board resolutions.
- Uploading Board-related disclosures to the Dubai Financial Market website.
- Maintaining the official records of Board meetings, General Assemblies, and Board Committee meetings.

**i. A statement detailing material events and disclosures concerning the Company during 2025.**

No material events were disclosed, other than the one approved during the ordinary Board meetings or by circulation, which has already been published on the market profile

**j. Statement of Emiratization percentage in the Company at the end of every year 2025.**

Year	Emiratization Ratio
2021	7%
2022	10%
2023	18%
2024	22%
2025	26.32%

**k. Statement of innovative projects and initiatives carried out by the Company or being developed during 2025.**

In 2025, Sukoon Takaful advanced a set of partnerships and initiatives to expand access, support key professions, and solidify community engagement.

A strategic partnership with the Sheikh Zayed Housing Programme (SZHP) introduced a specialised Family Takaful Insurance offering for eligible UAE nationals. Under this arrangement, Sukoon Insurance and Sukoon Takaful are part of a pool of UAE-based insurers, extending coverage to individuals up to 95 years of age.

Sukoon also partnered with the Emirates Association for Lawyers and Legal (EALL) to provide Sharia-compliant Takaful solutions tailored for legal professionals across the UAE.

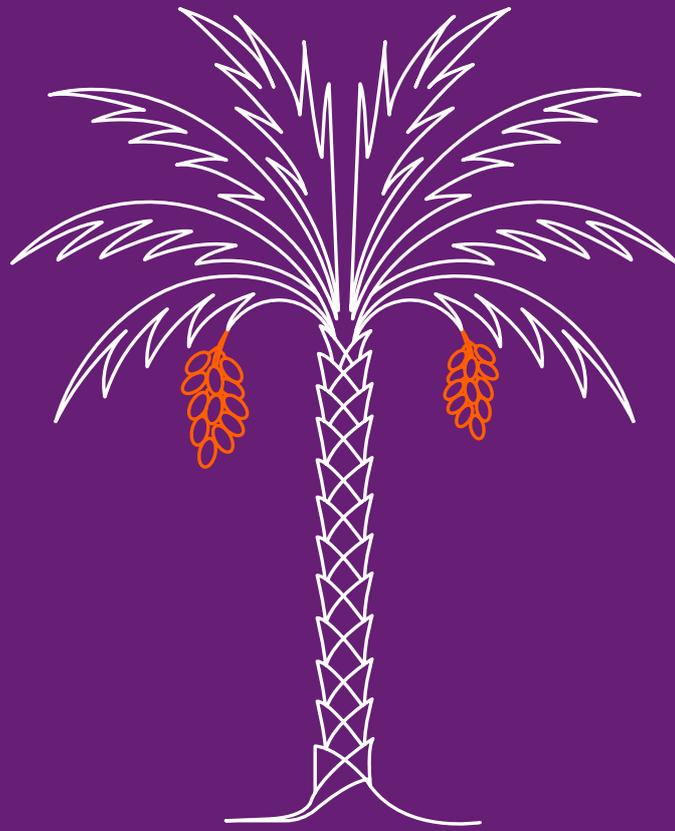
CSR efforts included an Employee Wellness Day centred on physical and mental health, alongside the “Give a Ghaf Tree” planting programme, with a contribution of AED 2,100 to support the planting of 50 Ghaf seeds, the UAE's national tree.

**l. Statement of cash and in-kind contributions made by the Company during 2025 for community development and environmental conservation**

- As part of our ongoing commitment to social responsibility and inclusion, we launched an initiative to support Omnyat Center for the Care and Rehabilitation of People of Determination, an accredited institution providing specialised therapeutic services to children with disabilities. Recognising the urgent need to assist families facing financial hardship, we proudly donated AED 10,000 to help cover the rehabilitation costs for a child in need.
- As part of our commitment to environmental sustainability and national heritage, we proudly supported the “Give a Ghaf Tree” Planting Program by donating AED 2,100 and planting 50 Ghaf seeds, the national tree of the UAE and a powerful symbol of resilience and unity.
- For Al Jalila Foundation, as part of the children’s fund initiative we contributed AED 3,000 towards life-saving treatment, medial research & education of young patients.

# SUSTAINABILITY REPORT

2025



The **date**, the UAE's national fruit, comes from the date palm, a tree that has sustained life in the region for over 5,000 years. Today, more than 40 million date palms grow across the country, forming a vital part of its agricultural landscape.

# THE CEO'S MESSAGE

It is a privilege to reflect on Sukoon Takaful PJSC's progress in 2025, a year marked by disciplined execution, sound judgment, and a goal of long-term value creation.

Throughout the year, Sukoon Takaful delivered solid financial results supported by a methodical and pragmatic approach to Takaful operations. Our Takaful service results reached AED 79.6 million, driven by a gross written contribution of AED 325.4 million. The Company recorded a profit before tax of AED 41.1 million, reflecting careful underwriting, consistent risk governance, and uncompromising adherence to core principles. This operational focus was recognised internationally, with The Global Economics naming Sukoon Takaful the Best Digital Transformation in Takaful Services - UAE, and Business Tabloid awarding us Best Innovative Takaful Provider - UAE.

Our financial position remains resilient. As at year end 2025, total assets stood at AED 586.3 million, with total equity of AED 229.3 million, providing a strong foundation for progressive development. We maintained a regulatory solvency ratio of 200%, demonstrating prudent capital management and a governance framework designed to mitigate risk and maintain stability across market cycles. This financial strength and market standing were further acknowledged when International Business Magazine recognised Sukoon Takaful as Best Takaful Provider in the Middle East, selected among four regional peers.

Strong governance continues to guide our operations. Our oversight structure is deliberate, transparent, and clearly defined, to support accountability, impartial decision-making, and long-term sustainability. This disciplined approach was reinforced in 2025 through Sukoon Takaful's A rating by S&P Global Ratings, an external validation of our financial strength and operational reliability.

Beyond financial achievements, Sukoon Takaful remains committed to conducting its business with integrity, responsibility, and discretion. We continue to prioritise long term relationships with our participants and partners, a commitment reflected in our recognition as the Fastest Growing Takaful Company in the UAE by Cosmopolitan The Daily Business, which featured the Company in its Winner Spotlight series and profiled our leadership.

As we look ahead, our priority remains on growth that is viable and quantifiable, aligned with the principles of Takaful and the expectations of those we serve.

Thank you for your confidence and trust in Sukoon Takaful.



**Ahmed M.A. Abushanab**  
Chief Executive Officer (CEO)  
Sukoon Takaful

*"Protecting your future, with care,  
Innovation and trust your peace of mind, our priority"*



**Ahmed Abushanab**  
CEO

# SUSTAINABLE DEVELOPMENT GOALS

	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Resilient Sourcing	★			★									★	★			★
Safe & Sustainable Sites								★			★						
Climate Change & Energy				★							★				★		
Professional Excellence	★					★					★				★		
Sustainable Profit Portfolio			★			★			★						★		
Business Driven Innovation						★					★			★		★	
Valuing Customer Relations			★														
Total SGD Contribution	★	★		★	★	★	★	★	★	★		★		★			★

## Sustainability Highlights

We strive to become a sustainable Company by maximising the positive impact we have on all our stakeholder groups while minimising our negative impact throughout the value chain. We would like to be identified by our passion, integrity, entrepreneurialism, and innovative spirit, as we progress towards reaching our vision.

In 2025, the Company invested time & effort to help identify Environmental, Social, and Governance (ESG) best practices across all those functions & activities that are the most impactful to business activities, and • Low Density • Medium Density • High Density as a Takaful organisation. The 2025 sustainability report reflects the first step in our journey to provide a transparent report on the ESG metrics, and practices that define our long-term growth and success. Furthermore, it ensures that we will continue to engage our stakeholders in our ESG conversation.

## Business overview

We are a Takaful solution providing Company that operates UAE wide and provides multi-line Takaful products and services, catering to both individuals and Corporates. There are many products and services provided to individuals such as motor, individual & family medical, home, travel, personal accident and marine takaful insurance. With corporate solutions, we offer protection to multiple sectors, including; aviation, engineering and construction, energy, financial lines, group medical, group family takaful, corporate liability, marine cargo, marine hull, motor fleet, property, and corporate travel. We have achieved considerable improvements during the last 3 underwriting years despite the challenges that affected the business activities globally.

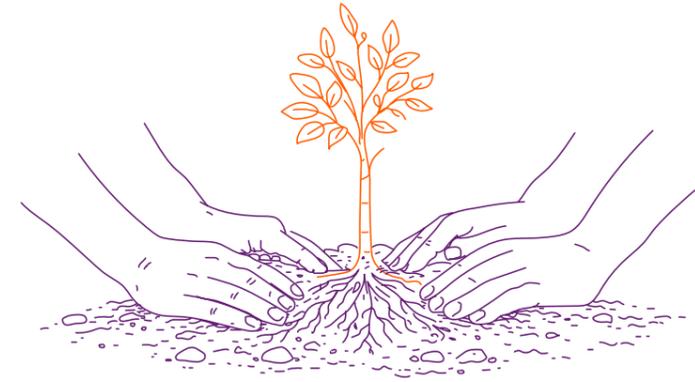
# CSR

# INITIATIVES 2025

## 2025



With a deep sense of social responsibility and stewardship, **Sukoon Takaful** continues to invest in initiatives that nurture both people and planet. Our efforts focus on empowering members of society through support, while also contributing to environmental preservation and the protection of the nation's natural heritage.



As part of our commitment to environmental sustainability and national heritage, we proudly supported the “**Give a Ghaf Tree**” Planting Program via Goumbook, by donating and planting 50 Ghaf seeds, the national tree of the UAE and a powerful symbol of resilience and unity. This initiative reflects our dedication to preserving the environment, promoting biodiversity, and contributing to a greener future for generations to come.



As part of our ongoing commitment to social responsibility and inclusion, we launched an initiative to support Omnyat Center for the Care and Rehabilitation of **People of Determination**, an accredited institution providing specialised therapeutic services to children with disabilities. Recognising the urgent need to assist families facing financial hardship, we proudly donated to help cover the rehabilitation costs for a child in need. This contribution reflects our dedication to empowering vulnerable members of the community and ensuring every child has access to a safe, professional, and nurturing environment for growth and development.



For **Al Jalila Foundation**, as part of the children's fund initiative we contributed towards life-saving treatment, medical research & education of young patients.

# GOVERNANCE AND RISK MANAGEMENT

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

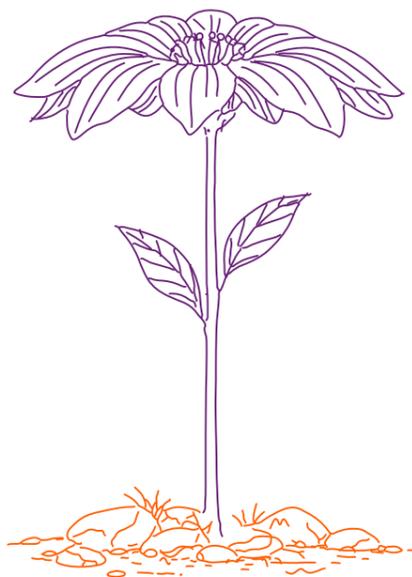
Sukoon Takaful considers corporate governance as a critical element in creating a sound working environment that supports achieving the overall long-term goals for all stakeholders. Risk management & Corporate Governance is key to making us perform sustainably.

Governance structures are put well in place to reduce and manage risk in line with achieving Sukoon Takaful's strategic objectives and to contribute to building strong ESG goals and action plans.

There are key policies which are outlined in the policy section which support us in operating a dynamic risk and governance framework. Furthermore, there are audits done by external and internal experts to ensure adherences to best practices

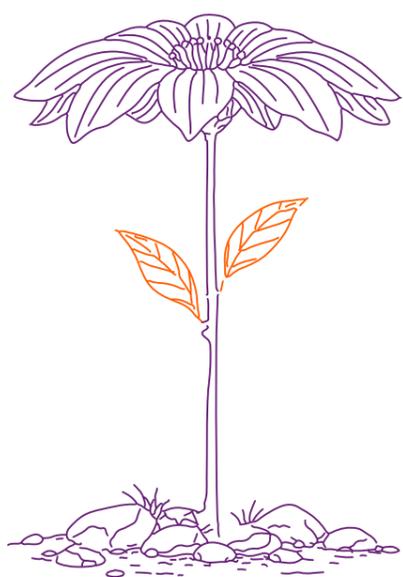
## Pillars of corporate governance framework

### Board of Directors



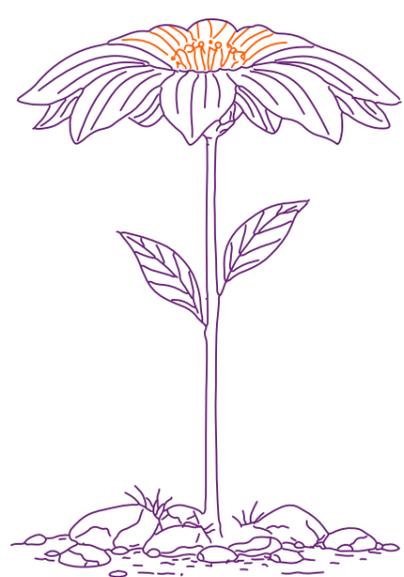
Active  
Independent  
Non-executive

### Committees

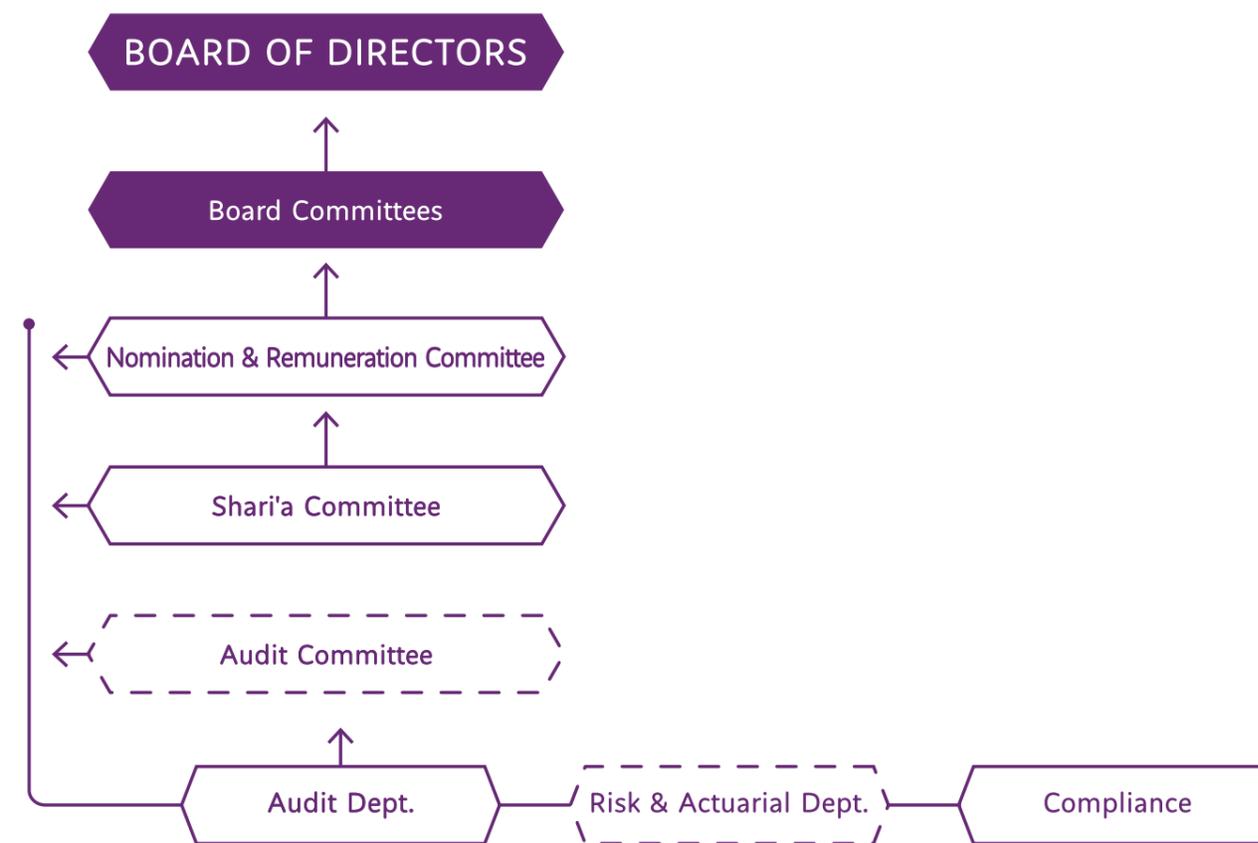


Audit Committee  
(of Sukoon Insurance PJSC- the parent Company)  
  
Nomination & Remuneration Committee  
  
Shari'a Committee

### Internal Control System



Compliance  
  
Risk Management of the Group  
  
Internal Audit



Dotted Rectangles: Group Level | Solid Line Rectangles: Entity level

## The Board of Directors

The Board members have been appointed by the holding Company, SUKOON Insurance PJSC and approved by CBUAE and CMA.

Our Board of Directors meets at least 6 times a year. Responsibility for administrating all-risk policies and management of risk are delegated to the Executive management.

The Board is appraised on a regular basis to significant risks for Sukoon and manages overall response plans. Board Member evaluation is conducted on annual basis as part of our commitment to corporate governance principles.

## Board Committees

The Company Board of Directors and Executive Committees of Sukoon Insurance PJSC (the parent Company) have an active role in the implementation and supervision of the governance framework of Sukoon Takaful. Three committees are responsible for the oversight of Sukoon Takaful which are Audit committee of Sukoon and Nomination & Remuneration committee, in addition to the Shari'a committee. The audit committee and the Shari'a committee meet on quarterly basis and when needed while the nomination and remuneration committee meet at least once per year and as and when needed. The Committees are governed by defined Terms of References for smooth functioning and effectiveness.

## Business Principles, Ethics & Compliance

We strive to continuously uphold the highest standards of ethical conduct and integrity, to ensure the safety and long-term success of the UAE as a country. To achieve this, we established and implemented a robust set of standards, principles, and behavior models, with the goal of creating and sustaining a corporate environment in which the affairs of Sukoon Takaful are conducted in a fair and transparent manner, free from any acts of fraud or misconduct. We require all employees, business partners, contractors, and representatives to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, rules, regulations, Company standards, policies, and procedures.

# SHARIA GOVERNANCE

At Sukoon Takaful, we are committed to being a role model in Islamic insurance, ensuring that while we adapt to modern challenges, we stay firmly rooted in Islamic Sharia guidelines. Every solution we offer reflects fairness, solidarity, and mutual cooperation, in full compliance with Higher Sharia Authority and UAE Central Bank standards.

The Sharia structure is composed of the Internal Sharia Supervision Committee (ISSC), the Internal Sharia Control Department, and Internal Sharia Audit Department.

The ISSC independently oversees and supervises the Company's transactions, activities, products, policies, contracts, and operations to ensure full compliance with Sharia principles. They advise on-and issue rulings (fatwas) regarding-Sharia compliance in accordance with Higher Sharia Authority and UAE Central Bank regulations. The ISSC is comprised of at least three qualified scholars specialised in Islamic finance and Sharia studies. Current members includes: Dr. Moosa Khoory - Chairman, Dr. Ashraf Hashim - Deputy Chairman, and Dr. Abdul Salam Kilani - Member. The ISSC holds four meetings annually to review Sharia compliance and provide guidance.

Along with the ISSC, there is the Internal Sharia Control Department and the Internal Sharia Audit Department. The Internal Sharia Control Department ensures that all Sukoon Takaful operations, products, and processes comply with Islamic Sharia principles. It supports the ISSC in its duties, follow up implementation of ISSC resolutions, reviews contracts and policies, and provides guidance and training to maintain adherence to Sharia principles. The Internal Sharia Audit Department undertakes Sharia audit and monitors Sukoon Takaful's compliance with Sharia ruling to safeguard the integrity of Takaful practices.

# RISK MANAGEMENT AND COMPLIANCE POLICIES

At Sukoon Takaful, maintaining a robust governance framework is central to our operations, ensuring comprehensive oversight and control at every level of our structure. This is achieved through the Risk Management Policies and Committees of Sukoon's Group, which provide essential guidance and support.

Sukoon Insurance PJSC, the parent Company, has established two levels of risk committees: the Board Risk Committee (BRC) and the Executive Risk Committee (ERC). These committees ensure that adequate and reasonable reserves are maintained for insurance exposures and that the credit risk associated with insurance receivables and reinsurance recoverable is appropriately managed. The Group's oversight and support play a crucial role in these processes, helping to maintain high standards of risk management.

## Compliance Function

Sukoon's compliance policies (the parent Company) are aimed to guide employees to a higher ethical standard, support the organization in its strategies, and ensuring compliance to local & international regulatory guidelines.

The compliance policies of the Group are reviewed and updated annually and/or as when needed. The key focus areas are Anti Money Laundering and counter Terrorist financing ("AML & CFT"), Trade and economic Sanctions, code of conduct, conflict of interest , Anti-Bribery and corruption and Gifts and entertainment.

## Rating And Certifications

### Rating

In 2024, we have achieved S&P Rating "A" outlook stable, one of the most critical certifications that support accomplishing our goals and continue to improve our business operation.

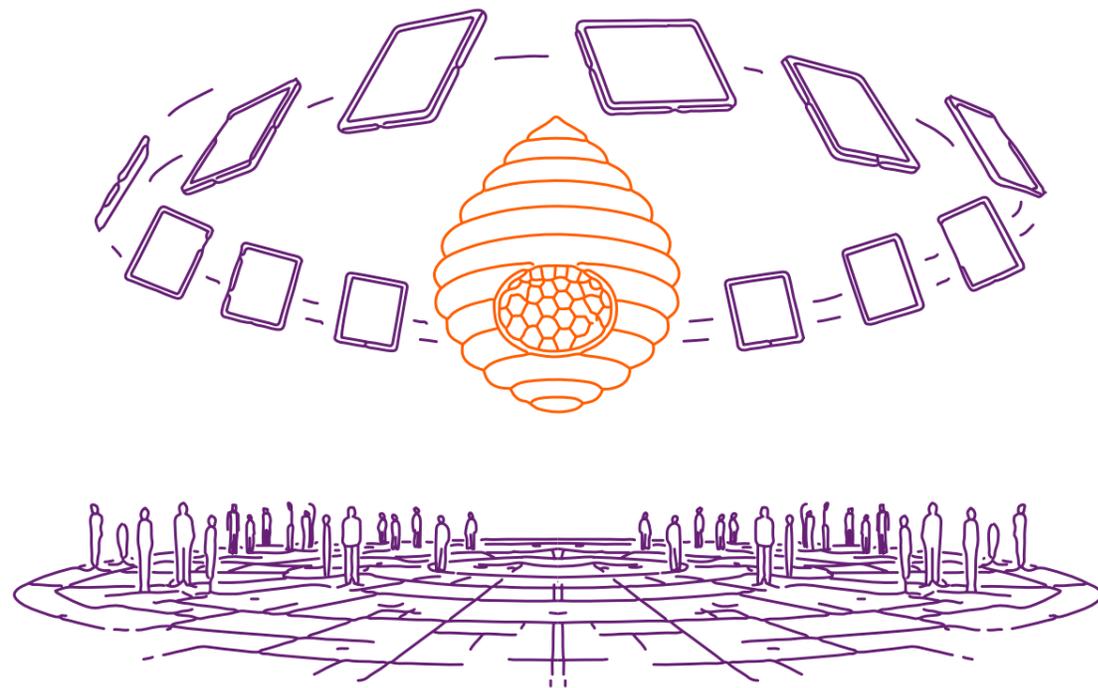
### Certificates

Also, in 2025, we obtained a score of 95% and certification of successfully completing the ADHICS and were found to be compliant with the Abu Dhabi Healthcare Information Cyber Security Standards (ADHICS), which confirms our commitment towards governance.

# DIGITAL TRANSFORMATION

Change is happening faster than ever, and the pandemic has significantly accelerated digital transformation strategies worldwide. Customers now expect innovation to progress at the same rapid pace.

In 2025, the Company established strategic priorities to continue its digital transformation journey. The focus has shifted toward maintaining operations that are not only innovative but also efficient, scalable, sustainable, and secure.



## Key objectives include:

**Enhancing Operational Efficiency:**  
Streamlining processes to deliver superior customer experiences while minimizing overhead.

**Scalable Growth:**  
Implementing solutions that support the Company's growth trajectory without compromising performance or reliability.

**Sustainability Focus:**  
Integrating eco-friendly practices and technologies to align with global sustainability goals.

**Strengthening Security:**  
Ensuring robust protection for our digital assets and customer data to build trust and resilience.

Understanding current and emerging digital trends is vital to staying competitive. These insights guide operating models and technology investments that reduce fraud, minimise waste, lower environmental impact, and drive sustainable growth.

Our analysis of the latest market data ensures a clear focus on innovation, efficiency, and sustainability while responding to evolving market demands.

Here are some of the top trends that we identified and applied on our operation:

## Investing in key areas is vital to drive operational excellence and foster sustainable growth:

**Automation:**  
Enhancing resource utilization and operational efficiency by implementing automation solutions. This streamlines processes, reduces manual intervention, and accelerates productivity.

**Cybersecurity:**  
Strengthening defences against increasing threat complexity through integrated security measures. A proactive approach ensures robust protection of sensitive data and systems, safeguarding the organization and its stakeholders.

**Total Experience Strategies:**  
Focusing on comprehensive strategies that enhance customer satisfaction and employee engagement. By aligning customer experience with employee satisfaction, the organization can drive higher retention rates and foster loyalty.

These strategic investments position the organization to innovate effectively while addressing key operational and security challenges in a rapidly evolving digital landscape.

# BRAND AWARENESS

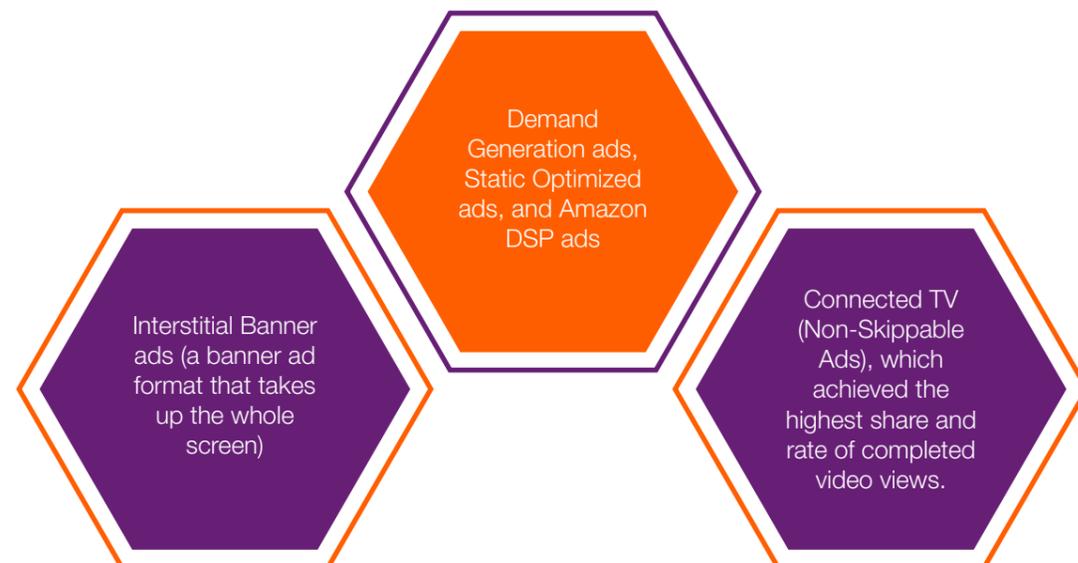
## Sukoon Takaful

A citywide brand awareness drive preceded the campaign, combining high-frequency social media activity with prominent billboards and strategic media placements across key urban locations. Digital visibility was further amplified through targeted YouTube advertising, ensuring sustained exposure across multiple audience touchpoints. This integrated approach was designed to maximise recall, reinforce brand presence, and direct traffic toward the Sukoon Takaful platform.

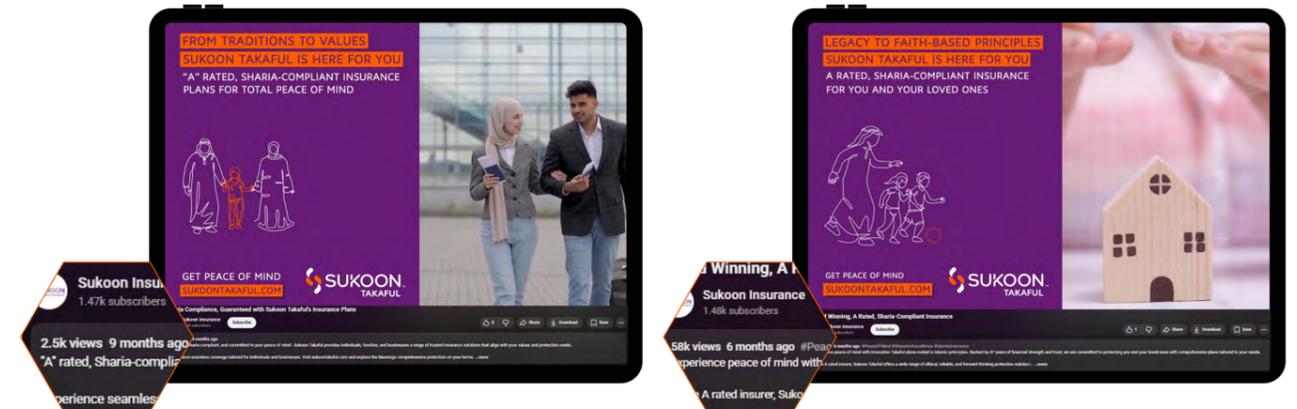


## Marketing and PR

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



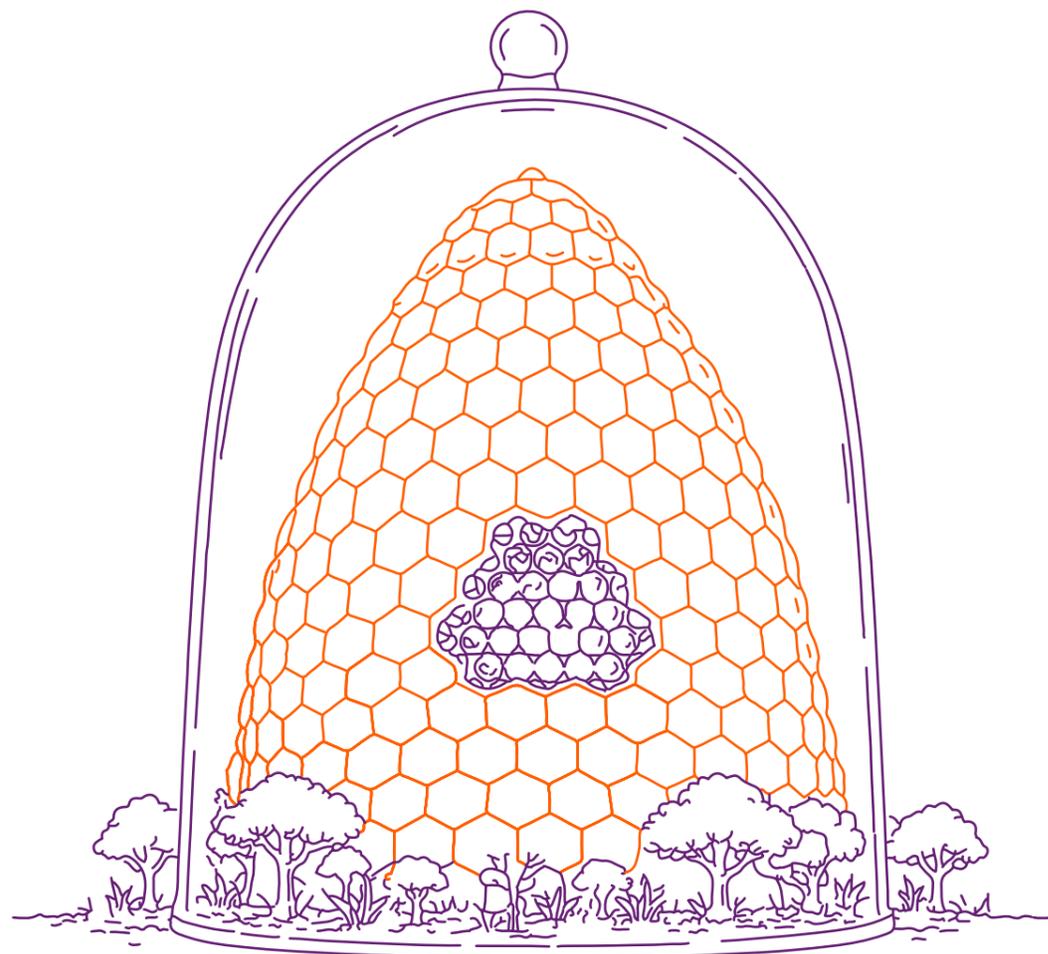
For Sukoon Takaful, the DV Format Ads Native Video campaign generated 372,917 impressions. The Demand Generation campaign in Arabic recorded 185,761 impressions, while the Demand Generation campaign in English achieved 91,464 impressions. Additionally, the Non-Skippable Video ads generated 148,058 impressions in English and 38,789 impressions in Arabic.



## Data Privacy & Security

### Safeguarding data through strict information security policy

At Sukoon Takaful, protecting the personal information of our customers, employees, and stakeholders is paramount. With a robust **information security policy** in place, we strive to meet the highest standards in data privacy and ensure compliance with stringent regulations.



### Our Commitment to Privacy

We recognise the evolving landscape of data protection laws and have established a comprehensive privacy framework, underpinned by five core principles:

1. Reasonable Care: Handling data with diligence and integrity.
2. Purpose Limitation: Ensuring data is used strictly for intended purposes.
3. Reasonable Restriction: Applying access controls to limit exposure.
4. Transparency: Maintaining openness about data usage, storage, and privacy measures.
5. Openness & Consent: Advocating for informed choice, privacy by design, and clear consent practices.

### Transitioning from Implementation to Operations

As our data privacy program matures, we emphasize:

- Monitoring: Regular audits to validate compliance across entities.
- Governance: Adhering to defined privacy processes and principles.
- Risk Management: Assessing and mitigating data protection risks at all processing levels.

### Targets for Data Protection



### Key Achievements in 2025

1. We had comply with ADHICS certification with 95% score.
2. We have successfully comply and got the ISO 27001: 2022 certification
3. Motor business line application developed for brokers.
4. Awareness Campaigns: Launched employee awareness programs to instill a deeper understanding of privacy practices and responsibilities.

### Looking Ahead

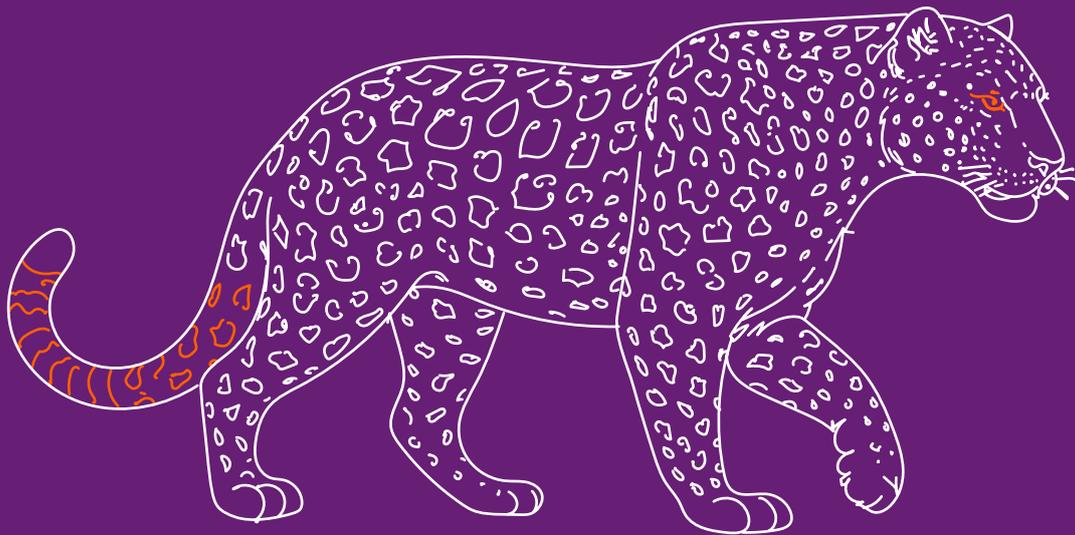
As we navigate challenges such as accelerated digitization and increasing data volumes, we remain steadfast in our mission to:

- Developing an updated medical core system with automated processes and integration with various government entities.
- Enhance transparency in personal data processing.
- Adapt swiftly to regulatory changes.
- Strengthen privacy measures to align with emerging needs.

Through these efforts, we reaffirm our dedication to safeguarding data and building trust in an increasingly digital world.

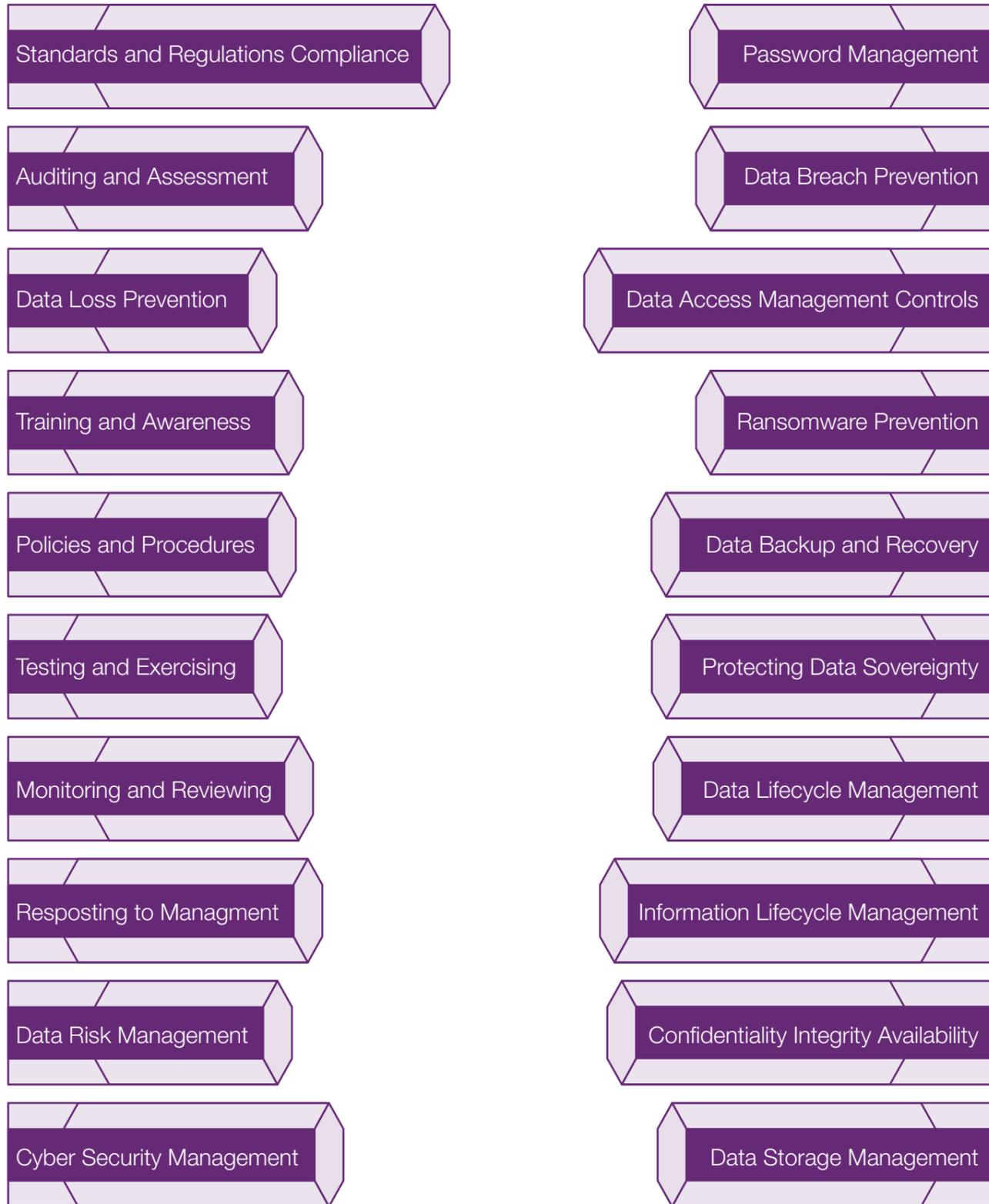
# UAE NATIONAL ELEMENTS

## ARABIAN PANTHER

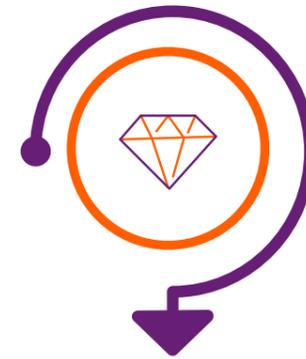


The Arabian Panther is the most **critically endangered** animal in the UAE region, with fewer than 200 individuals believed to survive in the wild. Once native to the UAE's Hajar Mountains, a solitary and predominantly nocturnal hunter, it can traverse vast distances. Today, the UAE supports regional conservation programmes to prevent its extinction and celebrates International Arabian Panther day on the 10th of February.

# DATA PROTECTION STRATEGY



# BUILDING AND SUSTAINING RELATIONSHIPS



## VALUE TO SOCIETY

Our business activity is designed to create value for and through our main stakeholders, which include investors, customers, governments and industries.



## GLOBAL DRIVERS

We closely monitor and respond to market and society needs and prefer to address those needs prior to them surfacing at a large scale, if possible.



## INTEGRATED LEADERSHIP

Many members of our leadership team have participated in our business operations and understand how sustainability may be best combined with day-to-day business operations.



## BUSINESS MODEL

We believe that can ultimately drive better and consistent business growth even though we're financially investing more resources into such initiatives.



## LEADING SERVICE

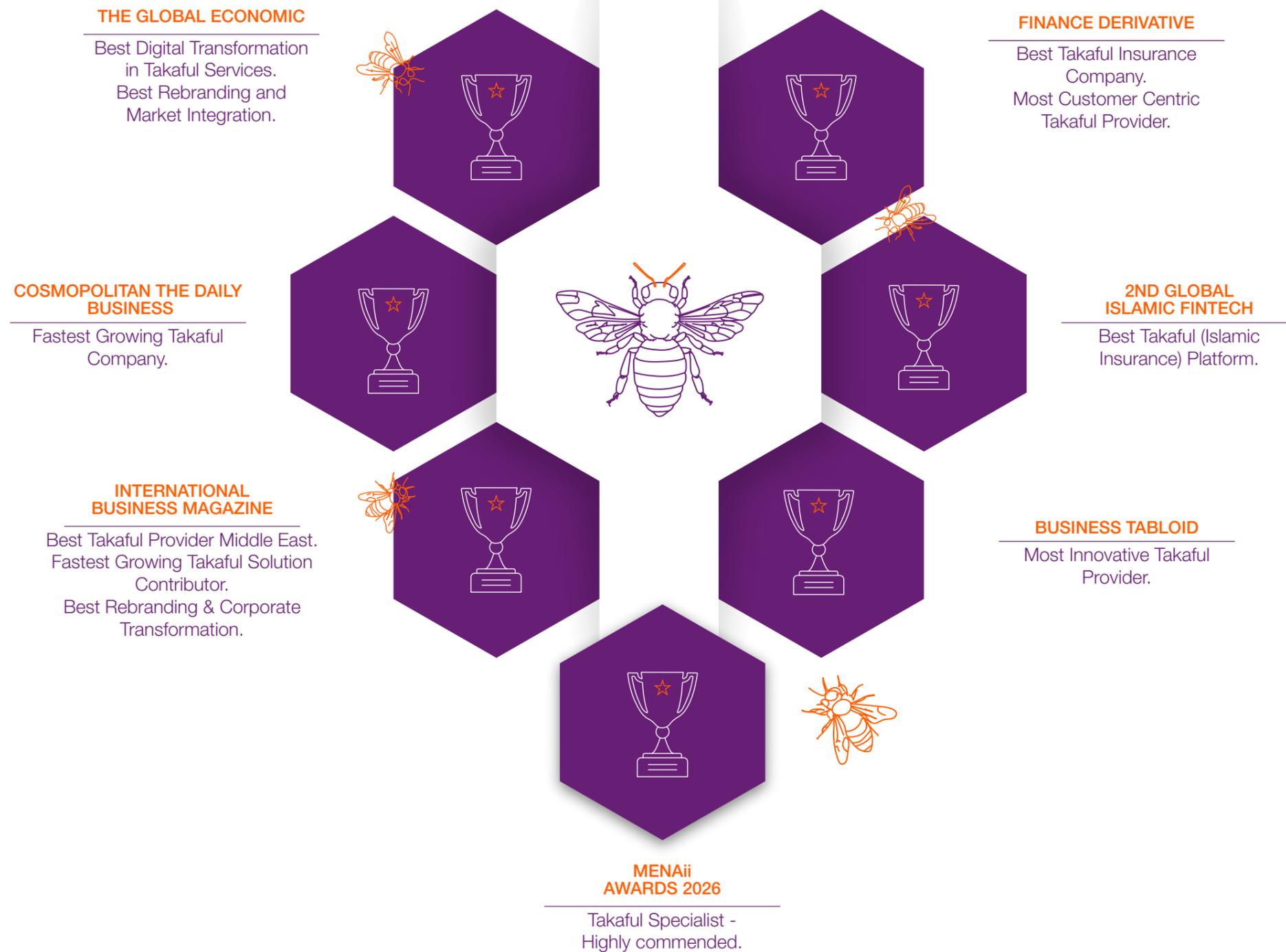
We set examples to encourage and enable our customers to make better choices and lead a more productive and sustainable life.



## IMPACT VALUATION

We analyse our performance using different techniques, so it is not just driven by positive financial growth, but also a positive impact on the community.

# AWARDS RECEIVED IN 2025



# STAKEHOLDER ENGAGEMENT

Stakeholder engagement and collaboration are essential to understanding our impacts and driving progress on sustainability challenges and opportunities. Understanding stakeholder needs enables us to design products and services that scale our positive contribution to tackling social, environmental, and economic issues. We use our materiality analysis, customer surveys and direct engagement with a diverse range of stakeholders to shape our strategy, activities and reporting. Besides engagement with sustainability bodies and initiatives, we focus on seven key stakeholder groups which are most impacted by our business.

Stakeholder Group	How Sukoon Takaful Engages With This Stakeholder Group	Priority Sustainability Concerns	Sukoon Takaful's Actions
Employees	<ul style="list-style-type: none"> <li>Performance reviews</li> <li>Regular dialogue and interaction with employees</li> <li>Training and educational programmes</li> </ul>	<ul style="list-style-type: none"> <li>Job satisfaction</li> <li>Fair compensation</li> <li>Fair and transparent appraisal system</li> <li>Staff engagement</li> <li>Providing a stimulating work environment</li> <li>Safe and friendly working environment</li> </ul>	<ul style="list-style-type: none"> <li>Automated HR function</li> <li>Employee engagement events</li> <li>Learning and career development opportunities</li> <li>Non-discriminatory compensation</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Branch offices / walk-in centers</li> <li>Multilingual call center support</li> <li>Company website</li> <li>Wide network of partners, and service providers</li> <li>Media and social media channels</li> <li>Educational awareness campaigns</li> <li>Annual sustainability and performance reports</li> <li>Engagement through regulatory customer platforms</li> </ul>	<ul style="list-style-type: none"> <li>Protection of customer data, confidentiality, and cybersecurity.</li> <li>Reliable, efficient and friendly customer service</li> <li>Innovative, transparent, and convenient Takaful products</li> <li>Enhanced use of technology and improved access to Takaful insurance services</li> <li>Faster claims processes and improved customer journeys</li> <li>Ethical Sharia complaint practices across all products</li> <li>Clear communication and transparency of coverage</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening data protection with advanced cybersecurity systems and cloud-based backup procedures</li> <li>Continuous monitoring and enhancement of customer data privacy</li> <li>Dedicated Customer Care Unit with improved response time standards</li> <li>Unified process for managing and recording complaints</li> <li>Launching new user-friendly digital tools based on market research</li> <li>Regular review of customer feedback and root-cause analysis for complaints</li> <li>Developing new Takaful solutions that meet evolving customer needs</li> </ul>
Government (Including Regulatory Bodies)	<ul style="list-style-type: none"> <li>Investment in the national economy</li> <li>Supporting initiatives of national importance</li> </ul>	<ul style="list-style-type: none"> <li>Contribution to the national economy</li> <li>Alignment to UAE Vision 2021</li> <li>Regulatory compliance and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Annual Report</li> <li>Corporate Governance Report</li> <li>Alignment with DFM ESG reporting requirements CSR initiative</li> </ul>

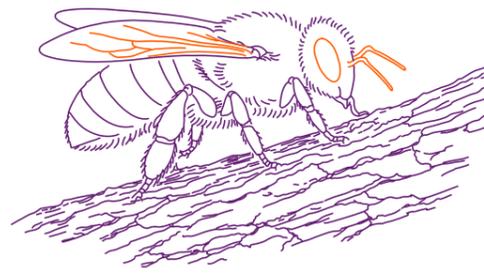
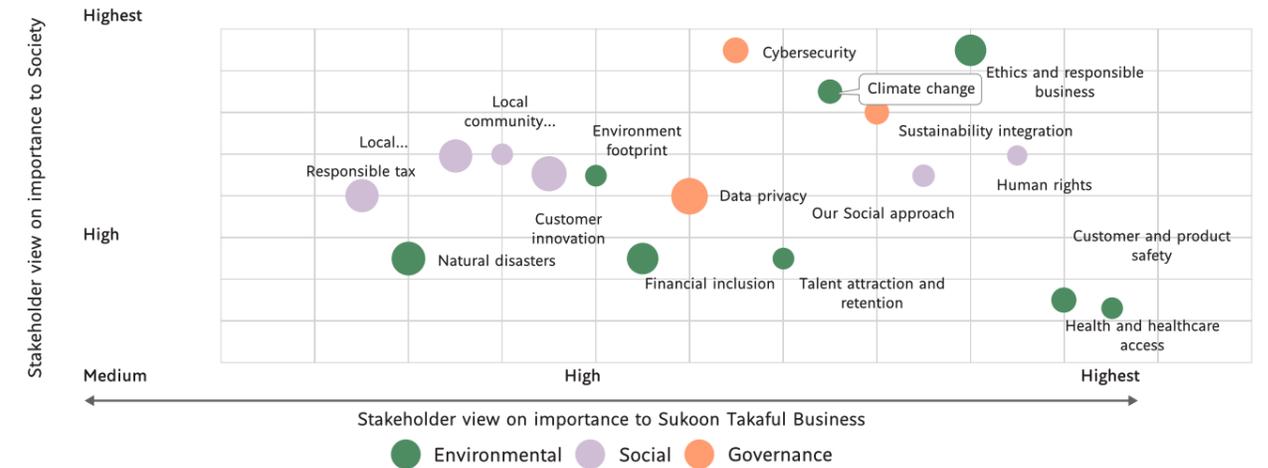
Stakeholder Group	How Sukoon Takaful Engages With This Stakeholder Group	Priority Sustainability Concerns	Sukoon Takaful's Actions
Partners and Vendors	<ul style="list-style-type: none"> <li>Company website</li> <li>Internal communications</li> </ul>	Business growth	Internal relationship management
Shareholders/Investors	<ul style="list-style-type: none"> <li>Investor relations team</li> <li>Shareholder meetings</li> </ul>	<ul style="list-style-type: none"> <li>Creating value-adding products and services for shareholders and investors</li> <li>Steady net income and asset growth</li> </ul>	<ul style="list-style-type: none"> <li>Annual General Meeting of shareholders</li> <li>Annual Report</li> <li>Corporate Governance Report</li> <li>Investor Relations page on Company website</li> </ul>
Local Community/Non-profit Organisation(s)	Corporate social responsibility activities	<ul style="list-style-type: none"> <li>Responsibility towards all-round development of society</li> <li>Working closely with social and voluntary associations and non government establishments</li> </ul>	<ul style="list-style-type: none"> <li>CSR programs e.g. contributions to health and wellness and cultural development</li> <li>Sustainability reporting</li> </ul>
Local, Regional & International Media	<ul style="list-style-type: none"> <li>Media, social media, and other publications</li> <li>Blogs and publications</li> </ul>	<ul style="list-style-type: none"> <li>Clear and effective communication</li> <li>Transparency</li> </ul>	<ul style="list-style-type: none"> <li>Media center on the website with press releases</li> <li>Annual report, Corporate Governance report, and sustainability report</li> </ul>

# BUSINESS MATERIALITY ASSESSMENT

To make a positive impact on society, we need to understand and respond to the changing context in which we operate. Our materiality assessment enables us to stay on top of trends and align our approach, reporting and strategy with the sustainability issues that are most important to our stakeholders and our business.

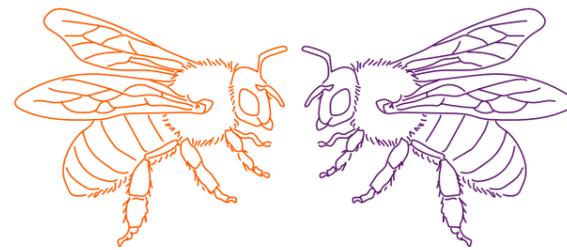
Our materiality assessment helps to ensure that we focus on the risks, opportunities and issues that matter the most to our key stakeholders, and which we could influence. Our most recent assessment was carried out in 2025 in line with the 2021 GRI Standard updated requirements. Our assessment approach used a variety of data sources, and we improved our methodology in 2024 by increasing the number of data sources and the number of data points within these sources.

- The top three most material issues for all our key stakeholders and our business are:
1. Climate change
  2. Ethics and responsible business
  3. Cybersecurity



## Identification

We identified a list of sustainability topics tailored to our business through a desk-based review of sourcing, including our own prior material topics, peers' materiality matrices, a media review and expert opinion from a specialist consultancy.



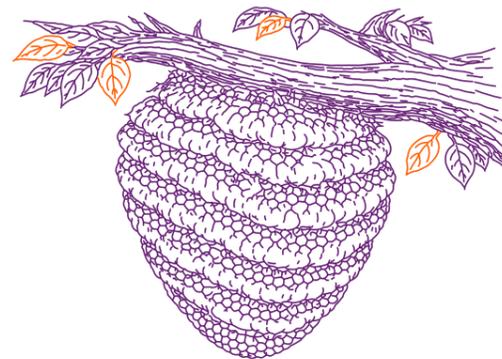
## Prioritisation

We engaged with stakeholders, including employees and customers through interviews, surveys and workshops to prioritise the list of material topics.

## Validation

We aggregated and analysed data, integrating the results into a materiality map, and presented results to the internal expert team of representatives. This group also provided the final judgment of outcomes.

Our assessment identified 19 material issues which were prioritised as either having high or medium importance. Topics are ranked and presented in a materiality matrix along two axes according to stakeholder views on their importance to society and to our business. All topics in the materiality matrix relate to sustainability and several are linked to our sustainability strategy pillars, including:



- E.** Our climate approach – Climate change, environmental footprint in our operations.
- S.** Our social approach – Financial inclusion, local community engagement, & human rights.
- G.** Our sustainability integration approach – Ethics and responsible business, data and AI ethics, data privacy, cybersecurity, and sustainability integration into products.

# CUSTOMER STEWARDSHIP

At Sukoon Takaful, we promise our customers “A Secured Tomorrow.” This promise is more than words, it’s a commitment we live every day. We earn trust through the quality of our products, the excellence of our services, and the expertise of our people. Guided by our principle of “Customer Centricity”, we strive to go above and beyond expectations and set new benchmarks for service excellence. Over four decades, we have remained steadfast in our mission to deliver protection that not only meets the needs of our customers but also reflects the values of the communities we serve. By aligning with the principles of Islamic finance, we ensure that our products and practices uphold fairness, transparency, and social responsibility-core values that define Takaful. We believe real security starts with trust. Every solution we provide is thoughtfully designed, backed by innovation, and delivered by a team that genuinely cares. By blending technology, expertise, and empathy, we aim to create an insurance experience that feels personal, reliable, and aligned with the values of fairness, cooperation, and ethical responsibility.

## Our customer experience strategy

Delivering a consistently high-quality customer experience remains a central pillar of Sukoon Takaful’s transformation agenda. In an increasingly competitive and price sensitive market, service excellence is not merely a point of differentiation; it is a fundamental obligation that underpins trust, sustainability, and long-term value creation. Anchored in the core principles of Takaful - fairness, transparency, and mutual cooperation, our customer experience approach is designed to reflect our values in every interaction.

Looking ahead to 2026 and 2027, Sukoon Takaful advancing a customer-first service model that is fit for a digitally enabled environment. This strategy integrates advance technology with human expertise and ethical governance to deliver seamless, reliable, and personalised experiences. We are transitioning from traditional, reactive service models towards proactive engagement, with digital solutions that enable customers to manage their needs with confidence and ease. All initiatives are developed in full alignment with Shariah principles, ensuring that growth and innovation remain consistent with ethical foundations of Takaful. Continuous listening and engagement with our customers remain focal to this journey. By acting on our customer feedback, we strengthen our ability to adapt, improve and innovate - ensuring that customers feel valued, and fairly treated at every stage of their relationship with Sukoon takaful.

The following strategies define the key focus areas for the Customer Care Unit in 2026 and 2027:

- Digitalisation: automate processes, reduce manual work, and enable real-time reporting for faster, more accurate service.
- Creating omni-channel customer engagement: a seamless experience across all touchpoints-branches, call centers, mobile and web-so customers can connect effortlessly.
- Personalising customer journeys: by meeting customer expectations, and building deeper relationships with our new & existing customers.
- Customer empowerment: expand secure self-service capabilities, enabling customers to manage policies, requests, and claims anytime and anywhere.
- Develop “Voice of the Customer” program by introducing a dedicated feedback tool that enables customers to share their experiences easily. This tool will help us capture real-time insights and use them to continuously improve our services.

Customer satisfaction and loyalty remain the foundation of our growth strategy, driving profitability and long-term success. Our ambition is to create meaningful solutions and experiences that attract and retain customers, supported by a Customer Experience Framework that gives customers a direct voice and enables us to use their feedback to shape better experiences. These efforts have already delivered tangible results: customer retention has reached 80%, and our customer base has grown by 35% compared to last year. This momentum encourages Sukoon Takaful producers across all distribution channels to strengthen client relationships, and sustain high retention levels ensuring that every interaction reflects our commitment to fairness, transparency, and mutual cooperation.

# TRANSFORMING OUR BUSINESS FOR CUSTOMERS

## Transforming Our Business For Customers

At Sukoon Takaful, our transformation agenda is firmly rooted in listening to our customers and responding with purpose, and care. Customer insights consistently highlight the need for simpler products, clear and accessible Takaful solutions language, faster claims processing, and the ability to access policy information seamlessly across multiple interaction channels. In response, we have continued to simplify and digitalize our products, processes, and platforms, ensuring greater transparency, convenience, and service efficiency. At the same time, we remain guided by our core values of care and concern prioritising meaningful customer engagement beyond marketing, supporting our employees and communities, and consistently reflecting Sukoon Takaful's purpose and values in every interaction.

### Strengthening Digital and Agile Capabilities

Recognising the evolving expectations of customers and the need for flexibility in dynamic environments, we are transforming our digital engagement models to enable remote, contactless, and on-demand services. Our focus includes expanding digital self-service capabilities, increasing home-based and contactless operations, and leveraging social media channels for real-time customer insights. By proactively monitoring service "failure modes," we identify missed customer signals and continuously improve service design and delivery.

### Key Customer-Focused Achievements in 2025

In 2025, we advanced several initiatives to enhance customer experience, including significant improvements across the member journey to boost service efficiency and satisfaction.

- **Digital Enablement:** Development of a Direct-to-Customer (D2C) Motor Portal, enabling customers to obtain quotations and purchase motor policies directly through digital channels, improving speed, accessibility, and convenience.
- **Customer Experience Enhancements:** Select partnership-based initiatives, including tailored offers for specific customer segments, were introduced to reinforce value and strengthen customer relationships.
- **Customer Relationship Management:** We continue to progress plans to strengthen CRM capabilities to support more personalised, consistent, and data-driven customer engagement across touchpoints.
- **Reduced Waiting Times:** Optimisation of member journey processes to minimize waiting times for medical services.
- **Enhanced Digital Claims Experience:** Simplification of medical reimbursement submission within the mobile application, reducing steps and improving ease of use.
- **Provider Network Enhancements:** Upgrade of Medical provider notification processes to transaction-level updates, supporting faster reconciliation and payment allocation. This improvement strengthens provider collaboration and ultimately enhances the experience of Sukoon Takaful members.
- **Operational Excellence:** Streamlining and strengthening internal processes to ensure consistent service quality and reliable delivery as the business scales.
- **Proactive Payment Communication:** Introduction of an automated system that regularly shares statements of outstanding balances with customers and business partners. This initiative enhances transparency, supports timely contribution payments, ensures uninterrupted policy coverage, and contributes to a more predictable and positive customer experience.

Complaints per Quarter - 2025	Total No. of Complaints per Quarter - 2025	Inquiries per Quarter - 2025	Total No. of Inquiries per Quarter - 2025
Q1	25	Q1	992
Q2	49	Q2	1305
Q3	40	Q3	991
Q4	71	Q4	787
<b>Total</b>	<b>185</b>	<b>Total</b>	<b>4075</b>

## Vision for the Future

As we move forward, we remain committed to embedding customer care into every aspect of our operations. By combining digital innovation, operational discipline, and empathetic engagement, we aim to create trusted, accessible, and value driven Takaful experiences for customers, partners, and communities. Looking ahead, our vision is to make Takaful more than a financial transaction-it should be a transformative experience. With a strong foundation and a clear strategy, we are ready to scale responsibly and lead the next generation of ethical, Shariah-compliant, customer-centric, and digital first insurance in the region.

# OUR COMMITMENT TO HUMAN RIGHTS



Respect for human rights is a minimum standard for responsible business within and beyond our direct operations. This is an expectation that is reflected by expanding legislation and applied across our Company.

# DIVERSITY & INCLUSION

## RAS GHANADA



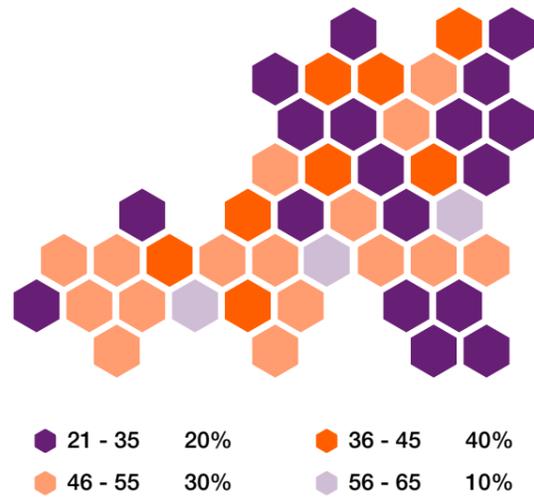
**Ras Ghanada** is part of the ancient coral formations along Abu Dhabi's coastline. It functions in one of the world's toughest marine climates. Its secret lies in its biodiversity, more than 20 species of marine life have made the reef their safe haven, and from there it grows.

# OUR EMPLOYEES OUR STRENGTH

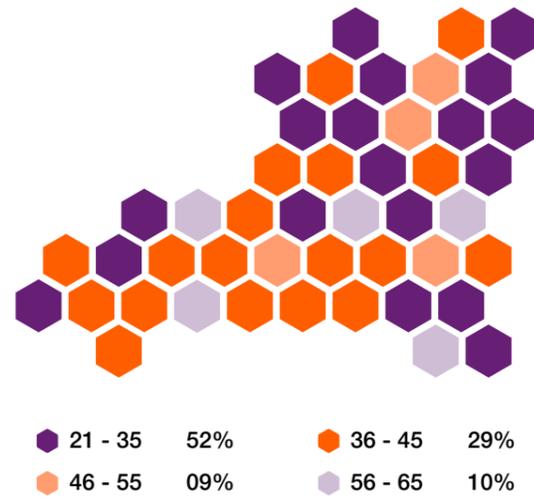
## Diversity & Inclusion

We believe that diversity in our workforce enables us to provide the best experience to our customers. Diversity of ideas and backgrounds helps us to be more innovative and creative, which will drive growth and success over the long term. We measure the diversity of our workforce across a number of dimensions, including gender, age, and nationality background. It is important to measure diversity in management and executive positions to help foster that creativity and provide a welcoming environment for all people. In 2025, we implemented programs to recruit more culturally diverse candidates. This resulted in increased diversity at the executive, management, and overall Company levels.

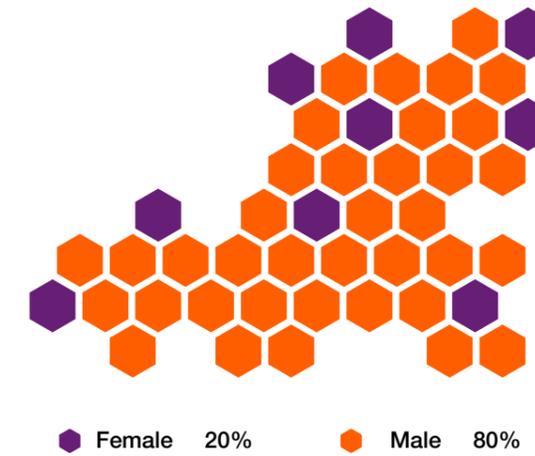
MANAGEMENT DEMOGRAPHICS BY AGE



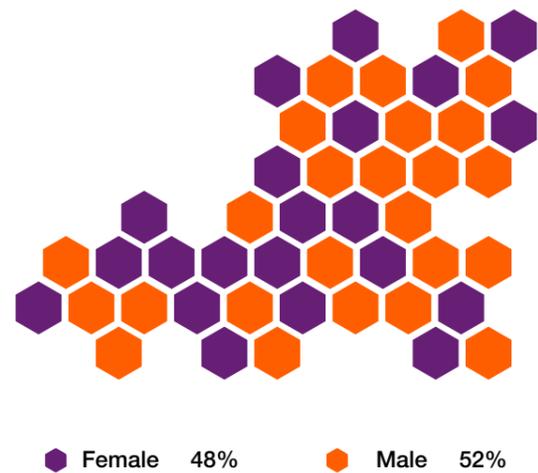
EMPLOYEES DEMOGRAPHICS BY AGE



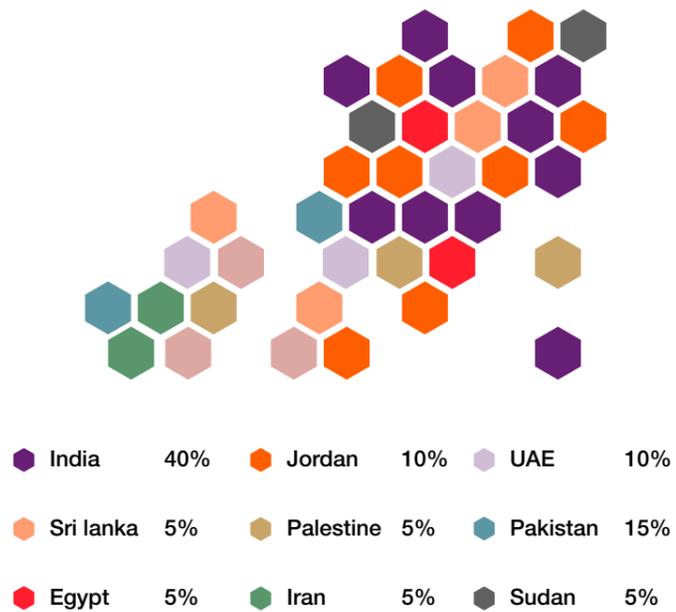
MANAGEMENT DEMOGRAPHICS BY GENDER



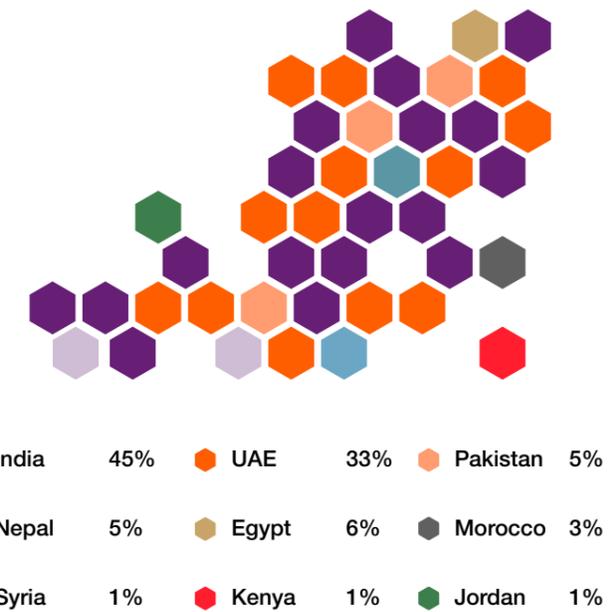
EMPLOYEE DEMOGRAPHICS BY GENDER



MANAGEMENT DEMOGRAPHICS BY NATIONALITY



EMPLOYEE DEMOGRAPHICS BY NATIONALITY



# UAE NATIONAL ELEMENTS

## MANGROVES



**Mangroves** in the UAE are among the most remarkable for thriving in extreme heat, high salinity, and nutrient-poor waters where few forests could survive. they form resilient coastal ecosystems that stabilise shorelines and sustain diverse marine and bird life.

# OUR EMIRATISATION POLICY

## Training and Development

Employee professional development is critical to the success of any organization. Employees can readily access training & development materials through “LearnWithSukoon” platform to support their career objectives and grow their skills and capacities through various training programs in the areas of product propositions, management and administrative skills, competencies development, Information Technology, behavioral and supervisory skills, technical knowledge, leadership development programs as well as Health, Safety and Environment. It has both self-learning modules which employees can complete at their own pace and the training program conducted at the training center where employees and the trainers meet for a more interactive form of learning.

## Employee Happiness

We place our employee happiness within its key priorities. It learned from His Highness Sheikh Mohammed bin Rashid Al Maktoum, that employee happiness is essential to achieve community happiness. We have put in efforts to promote employee happiness and thus, raise the level of loyalty, belonging, and establish positivity as a fundamental value in the community. This supports the Emirate’s leadership’s vision to make Dubai the happiest city in the world.

We at Sukoon Takaful is committed to a secure, safe and healthy workplace and environment. All aspects of business are managed in a safe and environmentally responsible manner in accordance with the guidelines set forth in the respective policies. These actions are beneficial for all our stakeholders, both now and for the future, while improving the quality of the environment.

All employees shall be committed to, and accountable for, implementing, maintaining, measuring, and improving the environmental, health and safety programs of the Company. Health hazards in the workplace are pervasive and serious. It is the Company’s responsibility under UAE Federal Law to provide a hazard-free, safe and healthy working environment.

## Employee Health and Safety

Fire is one of the most deadly, fearsome, and damaging disasters that can occur, but it can be prevented by raising awareness and practice of safety measures. Thus, we trained a group of employees on how to respond and act in such a situation. Also, conducted drills with them to guide their colleagues to safely evacuate the office premises in a fire incident that may happen.

On the other hand, while emphasis is placed on the prevention of accidents and injuries at the workplace, yet there would be unavoidable situations. A prompt reaction and immediate treatment of injured employees could be prevented from developing minor injuries into major ones. First aid kits are placed and maintained in different locations of the workplace and are accessible to everyone.



One of our major business objectives in line with the UAE Emiratization policy is to recruit, develop and retain qualified UAE Nationals. To fulfill this objective, Emiratization has been taken as one of the Company’s main initiatives, special UAE National development policy is developed to ensure every UAE national working at Sukoon Takaful is given progressive career development opportunities while his/her personal status is improved. Sukoon Takaful encourages UAE nationals and creates the right opportunities to attract them. We are committed to hiring UAE Nationals and to offering them the training and support that they need. National Candidates are recruited based on their suitability to meet our requirements and specifications as described in their job description. The goal is to recruit and develop UAE Nationals over the years to incorporate them into management positions. The overall objective is to raise the UAE National recruitment to maximize within the management, supervisory, and staff category.

To support our Emiratization recruitment strategy, we actively participated in multiple government-led career fairs throughout the year. In 2025 alone, our HR team attended six major career fairs organized by leading UAE universities, EIF and DGHR, enabling us to directly engage, attract, and recruit talented UAE Nationals into the organization.

Our UAE National employees’ contribution to the growth of the Company over the past 4 years is as follows:.



## Emiratization objectives

Our main objective is to create opportunities for experienced UAE nationals with a view to increasing the number of Emiratis in leadership, management, and technical positions within the Company.

We will continue identifying the existing skills and knowledge gaps and are seeking to attract and retain the brightest and best UAE talent, giving Emirati employees the opportunity to maximise their potential.

## Benefits for UAE Nationals

Sukoon Takaful offers an excellent career opportunity to qualified UAE nationals who would be willing to take the challenge of learning and working at Sukoon Takaful. Our employee benefits package includes outstanding salary, UAE national allowance, and other attractive benefits such as the pension scheme to its UAE national workforce. It is the mandate of Sukoon Takaful to pay special attention to its UAE national employees and is one of the Company’s main initiatives to have an individual succession plan, and personal career assessment for the Emirati nationals.

## UAE National Training

We have a special emphasis on training its employees as an investment and no effort is spared to ensure all UAE national employees receive individual and group training to enhance their careers and add value to their performance. Sukoon Takaful provides a wide range of learning opportunities for its employees. It includes a range of technical, management, and competency development programs as well as on-the-job training courses with a focus on retaining UAE National employees. The Human Resources department develops and implements the Company's training plan that reflects the strategies to assure continuous training & development.



## Internship programme

We offer summer and winter internships (varying from two to eight weeks in length) aimed at attracting some of the best students.

## Relation with Emiratization authorities

We eagerly support the UAE Government's vision for national development, closely associated with the Emiratization authorities in the UAE.

## Outreach programmes

We will continue participating in career fairs to attract talented nationals.

# WOMEN

# EMPOWERMENT

## Leveraging diversity and increasing female representation in management

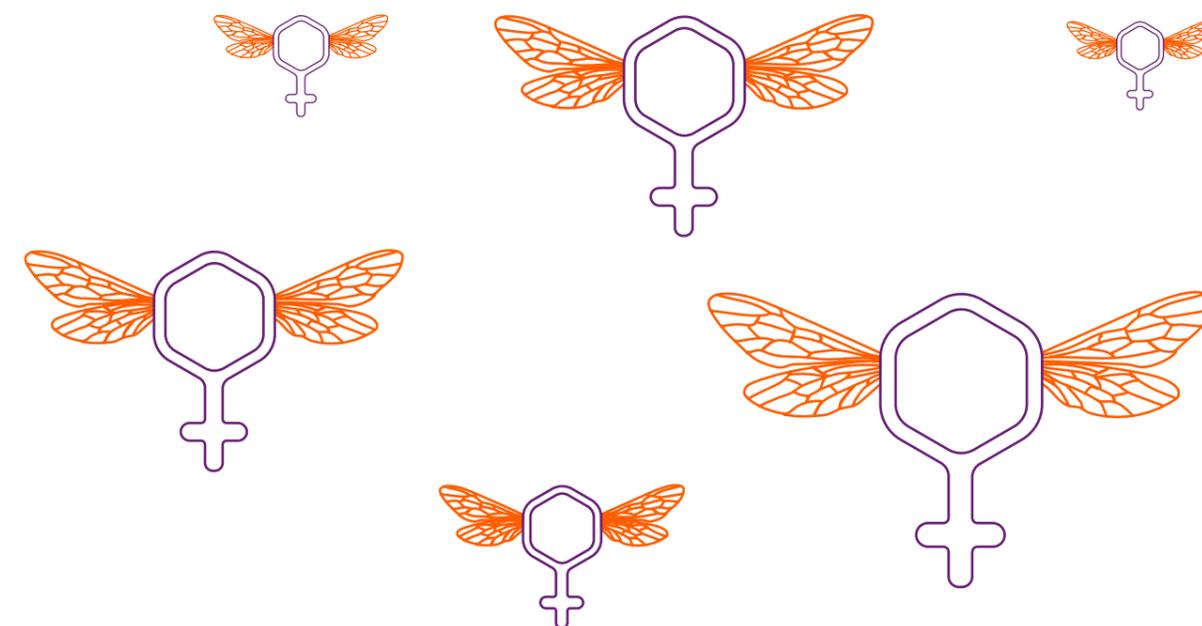
Our target for 2025 was to increase the proportion of women in senior management roles to 25 percent, within our comprehensive diversity and inclusion framework and happy state that we have achieved this goal and women representation in our Executive committee has crossed the 25 percent mark.

For 2025 and beyond, our aim to increase the proportion of women in our middle management roles is part of our broader Global Diversity and Inclusion Strategy 2030, which has the ambition to make Sukoon Takaful a truly diverse, fair, and inclusive place to work for everyone. That strategy is underpinned by a comprehensive diversity and inclusion framework that recognizes diversity in all its dimensions: Ethnicity, Age, Ability, and Gender orientation. The strategy is based on three pillars:

1. Governance
2. Inclusive leadership and culture
3. Partnership

In 2025, we conducted mentoring and leadership development programs across the Company to develop and strengthen our female talent. The program provided promising female employees with mentors for professional guidance, learning, and support, as well as networking opportunities with our senior leadership team. It also helped our female team members become part of a mutually supportive community to enable them to realize their potential and assume more senior leadership positions.

Along with the UAE National objectives for 2030, we have set strategies to increase the representation of women in senior management. Further, we have three additional targets for diversity, equality, and inclusion: to achieve an equal gender balance among our early talent hires, to provide broader access for our people to Employee Resource Groups (ERGs), and to improve employee perceptions of inclusiveness at Sukoon Takaful.



# SOCIAL RESPONSIBILITIES

At the core of our mission at Sukoon Takaful lies a profound commitment to corporate social responsibility, reflecting our dedication to safeguarding not only our clients and partners but also the communities and environment we serve. We recognise that our role extends beyond providing protection—it encompasses fostering social equity, promoting sustainability, and empowering individuals and businesses to build a resilient future. Through ethical business practices, community engagement, environmental stewardship, and innovative solutions, we aim to create a positive and lasting impact, ensuring our contributions drive meaningful progress for society as a whole.

## Planning and Protection of the Environment

We recognise our pivotal role in fostering sustainability and safeguarding the environment for future generations. Our commitment to environmental stewardship is deeply embedded in our corporate social responsibility agenda, guiding our operations and encouraging sustainable practices across all aspects of our business.

We actively strive to reduce our ecological footprint through comprehensive waste management programs, including paperless operations and digital documentation, significantly minimising paper consumption. Our offices have implemented energy-efficient solutions and automated systems to optimise energy use and we are dedicated to sustainable resource utilisation.

Beyond operational sustainability, we are constantly striving to promote impactful environmental initiatives that enable employees to actively participate in these initiatives, reflecting our collective responsibility towards protecting natural ecosystems.

Through these efforts, we aim to lead by example, demonstrating that the insurance industry can play an integral role in promoting environmental sustainability while ensuring the resilience and well-being of communities that we serve. Our vision is to not only protect our customers from unforeseen risks but also contribute to a healthier, more sustainable planet.

## Contribution made by the Company during 2025 in developing the local community.

The Company follows an environmental and social policy that stems from its interest in preserving the safety of the local environment by reducing the use of pollution-reducing tools, reducing the amount of waste, recycling, and reusing, as well as the optimal use of resources. The Company has also implemented a special system to conserve energy and reduce energy consumption within the office premises.

In addition to the above, the Company has several social, charitable, sports, and environmental contributions. In 2025 the Company supported and sponsored several activities for governmental, social, educational, and environmental agencies, translating it into the concept of community service.

## Our Objectives For 2026

### Environment

#### Short-term (2026-2027)

Our Company has undertaken concerted efforts to integrate sustainability into our daily operations. This has involved implementing extensive waste reduction programs, including recycling drives and a strict ban on single-use plastics. We have also embraced energy reduction solutions, installing LED lights to reduce electricity consumption, and launched a carpooling initiative to mitigate carbon emissions. Our employees are actively encouraged to participate in “Green Week” campaigns, which promote sustainable practices both professionally and personally, reinforcing our collective commitment to environmental stewardship.

#### Long-term (2027 and beyond)

Our Company is dedicated to sustainability through initiatives such as transitioning to paperless operations to reduce waste, building a sustainable supply chain by partnering with eco-conscious vendors, and promoting employee engagement with environmental practices. We encourage green initiatives and foster a culture of sustainability throughout the organisation.

### Social

Our organisation reaffirmed its steadfast commitment to corporate social responsibility by actively engaging with Senses Residential and Day Care for Special Needs, a renowned non-profit institution dedicated to the welfare of children with disabilities. Our employees selflessly dedicated their time and expertise to participate in educational activities, and recreational activities, all aimed at positively impacting the children. By orchestrating inclusive initiatives and offering direct, hands-on support, our team forged a meaningful partnership with Sense Center cultivating a culture of community support. This endeavor exemplifies our unwavering dedication to driving substantive change within the community while championing the vision of an inclusive and equitable future.

Additionally, we inaugurated several employee wellness programs, including breast cancer awareness seminars, mental health advocacy initiatives, and motivated physical fitness through participation in Dubai’s 30x30 fitness challenge. To further prioritise employee well-being, we introduced structured nutritional guidance ensuring a comprehensive approach to their physical and mental health.

Our objective for 2025 is to commit to advancing our environmental sustainability initiatives, actively engaging with the community by supporting non-profit organisations, and upholding the highest standards of ethical business practices and transparency. Additionally, we continuously strive to enhance employee well-being programs, fostering a diverse, inclusive, and supportive workplace that empowers our employees to thrive.

### Governance

#### Short-term (2026-2027)

Conduct a Stakeholder Materiality Assessment.

#### Long-term (2027 and beyond)

Increase employee diversity.



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# SHARIA REPORT

2025



Issued on 1 January 1973, the UAE's very **First Federal Postage Stamp** marked the young nation's emergence just over a year after unification in 1971. Its design drew directly from the UAE flag, using the circular motif to symbolise unity among the seven emirates.

# ISSC'S ANNUAL REPORT

## Annual Report of the Internal Sharia Supervision Committee of Sukoon Takaful PJSC

Issued on: (27/01/2026)

To: Shareholders of Sukoon Takaful PJSC ("the Company")

After greetings,

Pursuant to requirements stipulated in the relevant laws, regulations and standards ("the Regulatory Requirements"), the Internal Sharia 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 ISSC

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

- a. Undertake Sharia 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 Sharia resolutions in this regard, and
- b. determine Sharia parameters necessary for the Company's Activities, and the Company's compliance with Islamic Sharia Provisions within the framework of the rules, principles and standards set by the Higher Sharia Authority ("HSA") to ascertain compliance of the Company with Islamic Sharia Provisions.

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

### 2. Sharia Standards

The ISSC shall comply with Sharia Standards issued and approved by HSA.

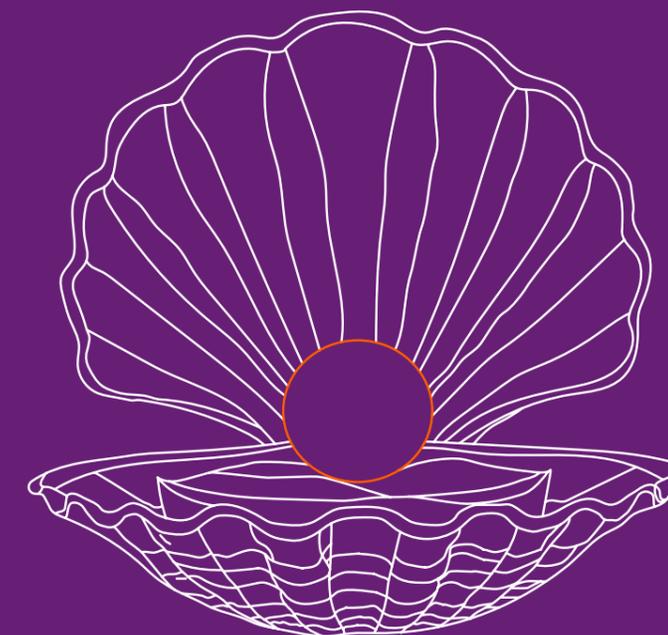
### 3. Duties Fulfilled by the ISSC during the Financial Year

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

- a. Convening (4) 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, documentations, 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/guideline 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 segregation between Takaful Insurance accounts and shareholders' accounts, allocation of costs and expenditures on the accounts and the underwriting surplus policy with Islamic sharia provisions.
- h. Reviewing the financial statements of the Company to ensure compliance with Islamic Sharia provisions.
- i. Reviewing the investment policy and approving the Sharia screening criteria to ensure the investment activities in both shareholders' accounts and participants' accounts are comply with the Provisions of Islamic Sharia.

# UAE NATIONAL ELEMENTS

## THE PEARL



For millennia, the Arabian Gulf yielded lustrous natural pearls from the **indigenous oyster** *Pinctada radiata*, once the region's principal source of wealth. It now stands as a potent emblem of the Emirates' maritime inheritance, pre-petroleum prosperity and is the National gemstone of the UAE. Major trading hubs including Dubai, Abu Dhabi, Sharjah, and Ras Al Khaimah, were exporting it to India, Persia, and Europe. It garnered, near-monopoly status.



- j. Reviewing the risk ceding arrangements of participants' account with other insurance companies (Retakaful Insurance, Conventional reinsurance, co-insurance with Takaful insurance/conventional insurance companies) and confirming its compliance with Islamic Sharia Provisions.
- k. Supervision through the internal Sharia control department and internal Sharia audit department, 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 Sharia control department and/or internal Sharia audit department – 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.
- n. Reviewing the Zakat calculation and specifying the amount of Zakat due on each share of the Company.
- o. Communicating with the Board and its subcommittees, and the senior management of the Company (as needed) concerning the Company's compliance with Islamic Sharia 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 Sharia 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 Sharia requirements.

#### 5. The ISSC's opinion on the Sharia Compliance Status of the Company

Premised on Information and explanations that were provided to us with the aim of ascertaining compliance with Islamic Sharia Provisions, the ISSC has concluded with a reasonable level of confidence, that the Company's Activities are in compliance with Islamic Sharia Provisions, except for 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 Sharia Supervision Committee of the Company**

# UAE NATIONAL ELEMENTS

## ARABIAN HONEYBEE

Through every element, flora, fauna, symbols, and most importantly the people that come together as one collective body to shape the entirety of the UAE, one presence still remains. You have seen them throughout this journey, moving freely across these pages. The Arabian honeybee, it represents cooperation, and the capacity to create abundance under demanding conditions. In many ways, it mirrors the nation itself: purposeful, resilient, and oriented toward the future while sustaining the present.



Native to the Arabian Peninsula, **The Arabian Honeybee** is the dominant indigenous bee of the region. Survives in heat exceeding 50 °C and with minimal water, an adaptation suited to desert climates. It gathers nectar from sidr, ghaf, desert shrubs, and seasonal wildflowers, producing valued varieties of honey.

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MOTOR



TRAVEL



HOME



FAMILY TAKAFUL



ACCIDENT



HEALTH

Sukoon Takaful PJSC  
Paid up Capital AED 154,000,000, C.L. No. 206742  
Regulated by the Central Bank of the U.A.E.  
No. 006 dated 15/12/1984, TRN 100034316800003  
Head Office: P.O. Box 1993, Dubai, UAE  
Tel: +971 4 282 4403, SUKOONTAKAFUL.COM

03/2026

