



Integrated Report

For the Financial Year Ended 31/12/2025

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الوطنية للتأمين



شركة البحيرة

Al-Buhaira National Insurance Co.

شركة مساهمة عامة خاضعة لأحكام القانون الاتحادي رقم (٦) لسنة ٢٠٠٧ ومقيدة في سجل شركات التأمين تحت رقم (١٥) وسجل الشركات التجارية تحت رقم (٢٦) مركزها الرئيسي: الشارقة - رأس المال المدفوع بالكامل ٢٥٠ مليون درهم

العركز الرئيسي : برج البحيرة للتأمين - شارع الكورنيش - بحيرة خالد - الشارقة، ص.ب. ٦٠٠٠، هاتف ٥١٧٤٤٤٤ - ٠٦ - براق ٥٧٤٨٨٥٥ - ٠٦
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Ref.: 717-21/212/2026

Date: 31/03/2026

The Disclosures & Compliance Section
Market Operations Surveillance Department
Abu Dhabi Securities Exchange
P O Box 54500, Abu Dhabi - UAE

Board of Directors' Report For The Year Ended 31/12/2025

Al-Buhaira National Insurance Co. (ABNIC) has relatively improved its technical results compared to the year-end 2024. It is rewarding to note that the Company's management has decided to revise the motor case reserving policy to be more conservative in assessing outstanding motor claims reserve (OSLR).

The Company reported insurance profit of AED 27.36 million for the year ended 31 December 2025 compared to losses of AED 48.97 million (restated) for the year ended 31 December 2024. The Company recorded net profit before tax of AED 2.6 million in 2025 (after posting AED 54.5 million impairment in investment properties) compared to net losses of AED 34.3 million (restated) for the year 2024. The Company's Shareholders equity stood at AED 483 million as on 31/12/2025 compared to AED 465 million (restated) on 31/12/2024. The total assets stood at AED 1,564 million compared to AED 1,567 million (restated) as at 31/12/2024.

ABNIC is continuously improving its operational performance through prudent underwriting, effective claims management along with having internal controls in line with the best practices of corporate governance in order to maximize shareholders returns while protecting the rights of policyholders. ABNIC is keen to reassess its business strategy based on emerging market developments and identifying strength and weaknesses of its current business.

Faisal Bin Khaled Sultan Al Qasim
Chairman of the Board



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Classification: Confidential

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**Al Buhaira National Insurance Company P.S.C.
and its Subsidiary**

**Consolidated financial statements
For the year ended 31 December 2025**

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated financial statements

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Directors' report

The Board of Directors has pleasure in submitting their report and the audited consolidated financial statements for the year ended 31 December 2025.

Incorporation and registered offices

Al Buhaira National Insurance Company P.S.C. (the "Parent Company"), is incorporated as a public shareholding Company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16 May 1978. The Parent Company is subject to the regulations of applicable provisions of UAE Federal Decree Law No. (6) of 2025. The Parent Company is registered in the Insurance Companies register of the Central Bank of the U.A.E. under registration number 15. The address of the Parent Company's registered corporate office is P.O. Box 6000, Sharjah, United Arab Emirates.

Principal activities

The principal activity of the Group is the writing of insurance of property, engineering, motor, marine and aviation, miscellaneous, accidents, group life and medical. The Group operates through its Head Office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah and Ajman.

Financial position and results

The consolidated financial position and results of the Group for the year ended 31 December 2025 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the year ended 31 December 2025:

Sheikh Faisal Bin Khalid Sultan Al Qasimi (Chairman)
Sheikh Abdulla Mohd Ali Al Thani (Vice Chairman)
Sheikh Khaled Abdulla Sultan Al Qasimi (Director)
Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani (Director)
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla (Director)
Mr. Rashid Ali Rashid Dimas Al Suwaidi (Director)
Mr. Abdulla Mohamed Salih Abdul Rahim Al Zarooni (Director)
Ms. Noura Mahmoud Mohamed Al Mahmoud Al-Ali (Director)
Mr. Bassam Ibrahim Mohammed Elayyan (Director)
Mr. Issam Mehdawi General Manager

Auditors

KPMG Lower Gulf Limited has been appointed as the auditor for the Group for the year ending December 31, 2025. This marks their first year in this role. In compliance with the Financial Reporting and External Audit Regulation for Insurance Companies issued by the Central Bank of the UAE, a mandatory rotation is required after six years. As a result, Grant Thornton has been replaced to KMPG Lower Gulf Limited.

Sheikh Faisal Bin Khaled Bin Sultan Al Qasimi
Chairman of the Board of Directors

31 March 2026





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Independent auditors' report

To the Shareholders of Al Buhaira National Insurance Company P.S.C

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Al Buhaira National Insurance Company P.S.C (the "Company") and its subsidiary (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Qualified Opinion

At the direction of those charged with governance, management appointed forensic experts to investigate certain irregular transactions and related matters concerning the Company. As of the date of our report, the investigation had not been finalised and we had not received the forensic experts' final report or sufficient related information to enable us to complete the audit procedures that we considered necessary in respect of these matters. Accordingly, we were not able to determine whether any adjustments might be necessary in the consolidated financial statements for insurance revenue, insurance contract liabilities and related reinsurance assets as at and for the year ended 31 December 2025 and 31 December 2024.

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Measurement of Insurance contract Liabilities

See Note 9 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The measurement of gross insurance contract liabilities is a key audit matter due to their materiality to the consolidated financial statements, and the significant judgements and estimation uncertainty involved.</p> <p>The Group has applied the Premium Allocation Approach (“PAA”) for all groups of insurance contracts.</p> <p>The measurement process involves a number of actuarial estimation techniques. These techniques are reliant on underlying data and a number of assumptions which are subjective in nature. Further, significant judgement is required in determining the appropriate measurement approach for group of contracts.</p> <p>Changes to estimation techniques and assumptions can lead to a material impact on the measurement of insurance contract liabilities and a corresponding effect on the consolidated statement of profit or loss.</p> <p>Insurance contract liabilities measured using the PAA remain susceptible to a risk that an inappropriate amount of LIC is estimated due to the following elements:</p> <ul style="list-style-type: none"> • Methods to determine ultimate expected claims are inappropriately determined. • Assumptions used in estimating ultimate expected claims are inappropriately developed. • The methods, assumptions and data are inappropriately applied. <p>The measurement of these liabilities depends on completeness, accuracy and relevant of data used in actuarial models. If the data used in calculating the above insurance contract liabilities is not complete and accurate, then material impacts on consolidated financial statements may arise.</p>	<p>Our audit procedures, supported by our actuarial specialists, included:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key controls over the underwriting and premiums, claims handling and actuarial reserving process for estimation of LIC. • With the support of our actuarial specialists, holding discussions with finance and actuarial staff and Group’s actuarial specialists to obtain an understanding of the following: <ul style="list-style-type: none"> - LIC estimation methodology; and - Key assumptions used and changes thereof. • Assessing the appropriateness of Group’s determination of insurance contracts groups and the application of the relevant measurement approaches. • With the support of our actuarial specialists, evaluating methods and assumptions to determine the appropriateness of ultimate expected claims. This included evaluating management’s methodology against market practice. • With the support of our actuarial specialists, performing an independent calculation of LIC for a sample of insurance contract groups to challenge management’s assumptions used within the LIC calculation. • With the support of our actuarial specialists, checking the mathematical accuracy of the calculations used in measuring the insurance contract liabilities, including the underlying methodologies, assumptions and data applied in the actuarial models. • With the support of our actuarial specialists, evaluating management’s method for determining expected premium receipts, including the methodology for allocation of expected premium receipts to coverage period.



Key Audit Matters (continued)

Measurement of Insurance contract Liabilities (continued)

See Note 9 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Specific audit and actuarial expertise is required to evaluate the complex actuarial methodologies and assumptions.</p>	<ul style="list-style-type: none"> • Evaluating the competence, capabilities and objectivity of the Group's external actuarial experts. • Testing on a sample basis, the completeness, accuracy and relevance of data used in actuarial models by reconciling to underlying accounting records. • With the support of our actuarial specialists, assessing the adequacy of the disclosures relating to insurance contract liabilities made in the Group's consolidated financial statements against the requirements of relevant accounting standards.

Valuation of investment properties

See Note 6 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group owns a portfolio of investment properties comprising commercial properties, residential properties and land. These investment properties represent a significant proportion of the Group's total assets.</p> <p>The Group's accounting policy is to measure the investment properties after the initial recognition using the fair value model.</p> <p>The determination of fair value involves significant judgment and the use of complex valuation techniques. The valuations are highly sensitive to key assumptions, and relatively small changes in these assumptions may have a material impact on the reported amounts. Accordingly, we considered the valuation of investment properties to be a key audit matter.</p>	<p>Our audit procedures, supported by our valuation specialists, included:</p> <ul style="list-style-type: none"> • Performing a walkthrough and obtaining an understanding of the valuation process, including the significant assumptions and critical judgements applied in the valuation methodologies. • Obtaining the valuation assessment reports prepared by the Group's external valuation specialists, and evaluating their competence, capabilities and objectivity. • Assessing appropriateness of the valuation methodologies, key assumptions and critical judgements used by comparing these with market data, or other publicly available information on all properties. • Developing an independent estimate of the value of all properties using our own assumptions considering our knowledge of the market and comparing it to Group's external valuation specialists' result. • Agreeing cash flows (rental income) to the underlying lease contracts on a sample basis. • Assessing the adequacy of the disclosures relating to fair valuation of investment properties made in the Group's consolidated financial statements against the requirements of relevant accounting standards.



Emphasis of Matter

We draw attention to note 28 to the consolidated financial statements, which describes that the Group has a deficit in the Solvency Capital Requirement as stipulated by the Central Bank of U.A.E by an amount of AED 16,826,476 and to note 1 which describes the judgements applied in evaluating the impact of this deficit. Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The consolidated financial statements of the Group as at and for the years ended 31 December 2024 and 31 December 2023 (from which the consolidated statement of financial position as at 1 January 2024 has been derived), excluding the adjustments described in note 34 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 25 March 2025 and 29 March 2024 respectively.

Other Information

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

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

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

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

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

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

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



Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, we report that for the year ended 31 December 2025:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 7 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2025;
- vi) note 25 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group 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 in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

Further, as required by Article (140) of the UAE Federal Decree-Law No. (6) of 2025, and the related Financial Regulations for Insurance Companies, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit.

KPMG Lower Gulf Limited – SHJ BR

Adil Abid
Registration No.: 5541
Sharjah, United Arab Emirates

Date: **31 MAR 2026**

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of financial position As at 31 December 2025

	Notes	2025 AED	2024 AED (Restated)*	2023 AED (Restated)*
ASSETS				
Property and equipment	5	8,142,345	11,181,248	13,872,192
Investment properties	6	794,540,000	849,055,989	847,850,000
Investments in securities at FVTOCI	7	70,124,670	56,414,041	59,567,189
Statutory deposit	8	10,000,000	10,000,000	10,000,000
Deferred tax asset		4,906,870	-	-
Reinsurance contract assets	9	134,650,653	173,043,683	106,000,128
Insurance contract assets	9	429,406	-	9,166,072
Other receivables	10	42,977,582	42,632,402	38,208,725
Deposits	11.1	391,005,328	317,534,720	242,778,768
Cash and cash equivalents	11	107,569,936	106,750,419	72,952,230
TOTAL ASSETS		1,564,346,790	1,566,612,502	1,400,395,304
EQUITY AND LIABILITIES				
Equity				
Share capital	12	250,000,000	250,000,000	250,000,000
Statutory reserve	13.1	122,126,377	122,126,377	122,126,377
Voluntary reserve		100,000,000	100,000,000	200,000,000
Reinsurance reserve	13.2	23,695,002	18,901,014	14,293,181
Cumulative changes in fair value		(6,617,115)	(18,842,169)	(15,689,021)
Accumulated losses		(6,507,700)	(7,385,923)	(68,419,599)
Total equity		482,696,564	464,799,299	502,310,938
Liabilities				
Provision for employees' end of service indemnity	14	46,782,351	46,784,750	43,118,479
Bank borrowings	15	115,294,207	300,075,193	278,982,938
Lease liabilities	16	1,158,860	3,231,693	6,880,398
Insurance contract liabilities	9	793,905,807	695,185,080	504,931,440
Reinsurance contract liabilities	9	63,081,130	-	15,199,767
Other payables	17	58,390,341	56,536,487	48,971,344
Income tax payable	33	1,828,459	-	-
Deferred tax liability	33	1,209,071	-	-
Total liabilities		1,081,650,226	1,101,813,203	898,084,366
TOTAL EQUITY AND LIABILITIES		1,564,346,790	1,566,612,502	1,400,395,304

Sheikh Faisal Bin Khaled Bin Sultan Al Qasimi
Chairman

Issam Mehdawi
General Manager

*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 34).

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

The independent auditors' report on the consolidated financial statements is set out on pages 2 to 7.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of profit or loss For the year ended 31 December 2025

	Notes	2025 AED	2024 AED (Restated)*
Insurance revenue	19	1,645,918,528	1,447,877,715
Insurance service expenses	20	(1,396,719,318)	(1,455,079,289)
Insurance service result before reinsurance contracts held		249,199,210	(7,201,574)
Allocation of reinsurance premiums	21	(905,841,036)	(810,881,568)
Amounts recoverable from reinsurance for incurred claims	21	688,056,872	771,573,948
Net expense from reinsurance contracts held		(217,784,164)	(39,307,620)
Insurance service result		31,415,046	(46,509,194)
Investment and other (loss)/income**	18	(5,937,911)	45,912,891
Insurance finance expense for insurance contracts issued	22	(16,286,588)	(12,954,209)
Reinsurance finance income for reinsurance contracts held	22	12,233,108	10,494,786
Net insurance financial result		(4,053,480)	(2,459,423)
Net insurance and investment results		21,423,655	(3,055,726)
General and administrative expenses	23	(5,541,050)	(6,161,276)
Finance costs		(13,024,454)	(24,935,077)
Finance costs – lease	16	(264,351)	(206,412)
Profit / (loss) for the year before tax		2,593,800	(34,358,491)
Income tax	33	3,078,411	-
Profit / (loss) for the year after tax		5,672,211	(34,358,491)
Basic and diluted earnings / (loss) after tax per share, in Fils	24	2.27	(13.74)

*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 34).

** This includes interest income calculated using effective interest rate amounting to AED 16.3 Million (2024: AED 15.79 Million).

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

The independent auditors' report on the consolidated financial statements is set out on pages 2 to 7.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of other comprehensive income For the year ended 31 December 2025

	2025 AED	2024 AED (Restated)*
Profit / (loss) for the year after tax	<u>5,672,211</u>	<u>(34,358,491)</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments carried at FVTOCI	13,434,125	(3,153,148)
Related deferred tax liability	<u>(1,209,071)</u>	<u>-</u>
Other comprehensive income / (loss) for the year	<u>12,225,054</u>	<u>(3,153,148)</u>
Total comprehensive income / (loss) for the year	<u>17,897,265</u>	<u>(37,511,639)</u>

*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 34).

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

The independent auditors' report on the consolidated financial statements is set out on pages 2 to 7.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of changes in equity For the year ended 31 December 2025

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value AED	Accumulated losses AED	Total AED
Balance at 31 December 2023 (as previously reported)	250,000,000	122,126,377	200,000,000	14,293,181	(15,689,021)	(74,178,917)	496,551,620
Restatement due to change in accounting policies	-	-	-	-	-	5,759,318	5,759,318
Balance as at 31 December 2023 (restated)*	250,000,000	122,126,377	200,000,000	14,293,181	(15,689,021)	(68,419,599)	502,310,938
Loss for the year (restated)*	-	-	-	-	-	(34,358,491)	(34,358,491)
Other comprehensive income for the year	-	-	-	-	(3,153,148)	-	(3,153,148)
Total comprehensive loss for the year	-	-	-	-	(3,153,148)	(34,358,491)	(37,511,639)
Transfer to accumulated losses	-	-	(100,000,000)	-	-	100,000,000	-
Transfer to reinsurance reserve	-	-	-	4,607,833	-	(4,607,833)	-
Balance at 31 December 2024 (restated)	250,000,000	122,126,377	100,000,000	18,901,014	(18,842,169)	(7,385,923)	464,799,299
Profit for the year after tax	-	-	-	-	-	5,672,211	5,672,211
Other comprehensive income for the year	-	-	-	-	12,225,054	-	12,225,054
Total comprehensive income for the year	-	-	-	-	12,225,054	5,672,211	17,897,265
Transfer to statutory reserve	-	-	-	-	-	-	-
Transfer to reinsurance reserve	-	-	-	4,793,988	-	(4,793,988)	-
Balance at 31 December 2025	250,000,000	122,126,377	100,000,000	23,695,002	(6,617,115)	(6,507,700)	482,696,564

*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 34).

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of cash flows For the year ended 31 December 2025

	Notes	2025	2024
		AED	AED
OPERATING ACTIVITIES			(Restated)*
Profit / (loss) for the year before tax		2,593,800	(34,358,491)
Adjustments for:			
Depreciation of property and equipment	5	4,435,316	4,663,722
Interest income on deposits	18	(16,300,710)	(15,786,662)
Dividend income	18	(3,425,026)	(2,989,308)
Change in fair value of investment properties	6	54,520,775	3,000,000
Provision for employees' end of service indemnity	14	7,204,507	5,142,269
Finance costs		13,288,805	25,141,489
Other income	18	(171,338)	(72,399)
Operating cash flows before changes in working capital		62,146,129	(15,259,380)
Change in working capital			
Change in insurance contract assets		(429,406)	9,166,072
Change in insurance contract liabilities		98,720,727	190,253,640
Change in reinsurance contract assets		38,393,030	(67,043,555)
Change in reinsurance contract liabilities		63,081,130	(15,199,767)
Other receivables		(345,180)	(2,646,298)
Other payables		1,853,854	7,565,143
Cash generated from operating activities		263,420,284	106,835,855
Employees' end of service benefits paid	14	(7,206,906)	(1,475,998)
Net cash generated from operating activities		256,213,378	105,359,857
INVESTING ACTIVITIES			
Placement of fixed deposits		(91,597,461)	(114,764,064)
Maturities of fixed deposits		18,126,853	40,006,112
Movement in margin deposits		-	2,000
Additions in investment properties	6	(4,786)	(4,205,989)
Purchase of investments in securities at FVTOCI	7	(276,505)	-
Purchase of property and equipment	5	(1,796,817)	(1,369,879)
Proceeds from sale of property and equipment		2,130,603	-
Interest received		16,300,710	14,009,283
Dividends received	18	3,425,026	2,989,308
Other income		68,104	36,276
Net cash used in investing activities		(53,624,273)	(63,296,953)
FINANCING ACTIVITIES			
Bank borrowings obtained	15	-	-
Bank borrowings repaid	15	(184,780,986)	21,092,255
Finance costs paid		(13,024,454)	(24,935,077)
Lease payments	16	(3,964,148)	(4,421,893)
Net cash used in financing activities		(201,769,588)	(8,264,715)
Net change in cash and cash equivalents during the year		819,517	33,798,189
Cash and cash equivalents at the beginning of the year		106,750,419	72,952,230
Cash and cash equivalents at the end of the year	11	107,569,936	106,750,419
Non-cash transactions:			
Rights of use assets		-	602,899
Lease liability		(1,626,964)	(566,776)
Reinsurance reserve		4,793,988	4,607,833
Voluntary reserve		-	(100,000,000)
Statutory reserve		-	-
Accumulated losses		(4,793,988)	100,000,000

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

*Comparative information has been restated due to changes in accounting policy and correction of errors (refer note 34).

The independent auditors' report on the consolidated financial statements is set out on pages 2 to 7.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

1. General information

Al Buhaira National Insurance Company P.S.C. (the “Company”) is incorporated as a public shareholding company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16 May 1978. The Company is subject to the regulations of applicable provision of UAE Federal Decree Law No. (6) of 2025 and is registered in the Insurance Companies Register of the Central Bank of the UAE under registration Number 15.

This consolidated financial statements has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. (32) of 2021.

The Company is domiciled and operates in the UAE and its registered address is P.O. Box 6000, Sharjah, United Arab Emirates. The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

The principal activity of the Company is the writing of insurance of of property, engineering, motor, marine and aviation, miscellaneous, accidents, group life and medical. The Company operates through its head office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah and Ajman.

This consolidated financial statements comprise the Company and its subsidiary, Al Buhaira Economic Investments Establishment 100% owned by the Company, (together referred to as “the Group”) as disclosed in Note 3.3 to the consolidated financial statements.

The consolidated financial statements has been prepared on a going concern basis. In making this assessment, the directors have exercised judgement, particularly in evaluating the impact of a breach of the Group’s Solvency Capital Requirement (SCR) as of 31 December 2025.

The breach of the SCR arose due to several reasons including the inadmissibility of certain assets, including investment properties, and credit risk charge associated with certain balances receivables. For the purposes of the SCR calculations, the credit charge is calculated following the Central Bank of UAE’s solvency calculation rules, however, in management’s view those certain balances receivables that are due from Government entities carry minimal default risk. While the breach of SCR does not affect the Group’s operational liquidity or ability to meet its financial obligations in the normal course of business, it triggers enhanced oversight by the regulators and necessitates proactive measures to restore the solvency position in respect of the SCR.

In determining whether a material uncertainty to the Going Concern assumption exists, the directors considered that:

- the Group has received a no-objection letter from the Central Bank of UAE on the Solvency Recovery Plan;
- the Group implemented major steps during Q4 2025 which have significantly improved the solvency position as of 31 December 2025;
- the Group continues to comply with the action plan proposed in the Solvency Recovery Plan; and
- forecasts demonstrating profitability over the next 12 months which will improve the Group’s solvency position further.

The directors concluded that there is no material uncertainty that casts significant doubt on the Group’s ability to continue as a going concern. This judgement is based on reasonably foreseeable outcomes including that the Central Bank has approved the Group’s Solvency Recovery Plan and management has implemented major actions which have significantly improved the Group’s Solvency Position as of 31 December 2025. This conclusion involved significant judgement, and the directors acknowledge that the actual outcomes may differ if there are adverse conditions including worsening loss ratios, large retained losses, catastrophe events exceeding the Group’s reinsurance capacity, or any other regulatory concerns. However, the Board is confident about the management’s solvency recovery plan and expects significant further improvements in the Group’s solvency position in the near future.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

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

2.1 New and revised IFRSs and interpretations applied on the consolidated financial statements

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

Standard number	Title	Effective date
IAS 21	Lack of exchangeability – amendments to IAS 21	1 January 2025

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

2.2 Standards issued but not yet effective

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

Standard number	Title	Effective date
IFRS 9 & IFRS 7	Classification and measurement of financial instruments – amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 9 & IFRS 7	Contracts referencing nature – dependent electricity – amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18	Annual improvements to IFRS Accounting Standards – volume 11	1 January 2027
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture – amendments to IFRS 10 and IAS 28	To be determined

3. Material accounting policies

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

3.1 Statement of compliance

These consolidated financial statements are for the year ended 31 December 2025 and are presented in Arab Emirate Dirham (AED), which is also the functional currency of the Company. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee (“IFRS IC”) and in compliance with the applicable requirements of the UAE Federal Decree Law No. (32) of 2021 (“Companies Law”), relating to commercial companies and and applicable provision of UAE Federal Decree Law No. (6) of 2025

3.2 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in the UAE and the applicable requirements of UAE law except for the possible effects of the ongoing internal investigation below. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and other items that are measured at fair value as described in the accounting policies. The financial statements were authorised for issue by the Board on 31 March 2026.

Ongoing internal investigation

Subsequent to the year-end, the Company had identified concerns relating to certain matters that may affect internal controls over financial reporting and certain amounts recorded in the Company’s accounting records. The Audit Committee and the Board have initiated an internal investigation and have engaged forensic specialists to assist. At the date these consolidated financial statements were authorised for issue, the forensic investigation had not concluded.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.2 Basis of preparation (continued)

Ongoing internal investigation (continued)

At this stage, management is unable to reliably measure any financial effect arising from the matters under investigation. No amount has been recognised in these consolidated financial statements in relation to amounts that may be identified by the forensic investigation, because (i) management cannot at present determine whether a present obligation exists that requires recognition, and (ii) no reliable estimate of any such obligation can be made until the forensic investigation and any related specialist reviews are complete. The outcome of the investigation, and of any subsequent regulatory or legal actions, could result in adjustments to recognised amounts or the recognition of provisions in a future reporting period.

Use of judgements and estimates

The matters under investigation have increased the estimation uncertainty associated with certain judgements and estimates used in applying the Company's accounting policies. The areas of the consolidated financial statements most affected include, but are not limited to:

- measurement of insurance contract liabilities, reinsurance recoverables and claim provisions;
- recognition and measurement of provisions for liabilities and possible recoveries;
- assessment of impairment indicators for financial assets.

Management has applied its accounting policies consistently and, where possible, has used the best information available at the reporting date to make estimates and judgements.

Subsequent events

The Company continues to monitor developments arising from the internal investigation and any related regulatory or legal matters after the reporting date. Any material events that provide additional evidence of conditions that existed at the reporting date will be reflected in the consolidated financial statements. Other material developments arising after the reporting date that do not provide additional evidence of conditions at the reporting date will be disclosed as non-adjusting events, where required. At the date these consolidated financial statements were authorized for issue, it is not practicable to quantify any potential financial effect where such quantification would be speculative. Management will update the disclosures and recognised amounts in future reporting periods as further information becomes available.

These consolidated financial statements have been prepared on an accrual basis and under the historical cost convention except for investment properties and certain financial instruments that are measured at fair values and insurance and reinsurance contracts which are measured at the estimated fulfilment cash flows that are expected to arise as the Group fulfils its contractual obligations as at the end of each reporting date and the provision for employees' end of service indemnity which is calculated in line with IAS 19.

The Group's consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, other receivables, deposits, income tax payable, and other payables. The following balances would generally be classified as non-current: property and equipment, investments in securities at fair value through other comprehensive income, investment properties, statutory deposit, deferred tax liability and provision for employees' end of service benefit. The following balances are of mixed nature (including both current and non-current portions): reinsurance contract assets and liabilities, insurance contract assets and liabilities, bank borrowings and lease liabilities.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.3 Basis of consolidation

The consolidated financial statements of Al Buhaira National Insurance Company P.S.C. and its subsidiary (the “Group”) incorporate the consolidated financial statements of the Parent Company and the entity controlled by the Parent Company (its subsidiary).

Control is achieved when the Group:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

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

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

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.3 Basis of consolidation (continued)

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

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

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

Details of the Group's subsidiary at 31 December 2025 and 2024 is as below:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held	Principal activity
Al Buhaira Economic Investments Establishment	Sharjah, U.A.E.	100%	Investing in economic projects.

3.4 IFRS 17 Insurance Contracts

Insurance and reinsurance contracts classification

The Group issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

The Group does not separate components from insurance and reinsurance contracts except in the following cases. The Group separates the following components from an insurance or reinsurance contract at inception and accounts for them as if they were stand-alone financial instruments

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Level of aggregation

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

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

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

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

The Group assesses all contracts at the initial stage purely based on the underwriting merits of the prospect company or individual. Departments like actuary, underwriting and claims review performance of the group and individual contracts and decisions are taken accordingly when these are due for renewal. Any contracts that perform below the defined or expected benchmarks are then discussed with technical teams and may be put under close monitoring and improvement program.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

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

The Group recognises groups of reinsurance contracts it holds from the earliest of the following:

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

Contract boundary

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

A substantive obligation to provide services ends when:

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

Both of the following criteria are satisfied:

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

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

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

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

- The coverage year of each contract in the group is one year or less, including coverage arising from all premiums within the contract boundary.

Or

- For contracts longer than one year, the Group has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Group has also considered qualitative factors such as the nature of the risk and types of its lines of business.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Measurement - Premium Allocation Approach (continued)

Insurance contracts – initial measurement (continued)

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

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

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

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

Insurance contracts – subsequent measurement

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

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

The Group estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity and include an explicit adjustment for non-financial risk (the risk adjustment). The Group does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Insurance acquisition cash flows are allocated on a straight-line basis to profit or loss.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Reinsurance contracts

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

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

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

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

Presentation

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

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

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

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

Insurance revenue

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

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the years presented, all revenue has been recognised on the basis of the passage of time.

Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. The Group reassesses this on a quarterly basis and if at quarter end, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage year of the group of contracts the loss component will be zero.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance finance income and expense

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

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Group does not disaggregate insurance finance income or expenses between profit or loss and OCI.

Net income or expense from reinsurance contracts held

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

Classification of insurance contracts

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

Short-term insurance contracts

These contracts are medical, motor, property, casualty, marine, engineering and short-duration life insurance contracts which have contract boundaries of 12 months or less. These contracts have been measured under Premium Allocation Approach (PAA).

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

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

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

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

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Short-term insurance contracts (continued)

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

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

Long-term insurance contracts

These contracts are motor, engineering and credit-life contracts which have contract boundaries of more than 12 months. These contracts have also been measured under Premium Allocation Approach (PAA) based on a PAA Eligibility Testing. This involves an assessment to ensure that liability for remaining coverage under PAA does not materially differ from the liability for remaining coverage measured under GMM.

3.5 Investment and other income

3.5.1 Interest income

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

3.5.2 Dividend income

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

3.5.3 Rental income

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

3.6 General and administrative expenses

Direct expenses are charged to the respective departmental revenue accounts. Indirect expenses are allocated to departmental revenue accounts on the basis of gross written premiums of each department. Other administration expenses are charged to consolidated statement of profit or loss as unallocated general and administrative expenses.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.7 Foreign currencies

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

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

Exchange differences are recognised in consolidated statement of profit or loss in the year in which they arise.

3.8 Employee benefits

3.8.1 *Defined contribution plan*

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

3.8.2 *Annual leave and leave passage*

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

3.8.3 *Provision for employees' end of service indemnity*

Provision is made for end-of-service indemnity for non-U.A.E. national employees in accordance with IAS 19, based on employees' remuneration and accumulated service at the reporting date, consistent with the standard's recognition and measurement principles. Accruals for annual leave and leave passage are presented as current liabilities, while the end-of-service indemnity obligation is classified as a non-current liability

3.9 Property and equipment

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.9 Property and equipment (continued)

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

	Years
Furniture and equipment	5
Computer equipment	5
Office fixture and fittings	10
Residential villa	15

3.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. 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 consolidated statement of profit or loss 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. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the period of retirement or disposal.

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

3.11 Impairment of non-financial assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.12 Provisions

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

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

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

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

3.14 Financial instruments

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- (i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- (ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- (iii) all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL. However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:
 - a. the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and
 - b. the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Cash and bank and other receivables

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

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

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

Equity instruments at FVTOCI

Investments in equity instruments/funds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments in equity instruments/funds, but reclassified to retained earnings. The Group has designated all investments in equity instruments that are not held for trading as FVTOCI.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

Financial assets at FVTPL are:

- (i) assets with contractual cash flows that are not SPPI; or/and
- (ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Fair value option: A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing related gains and losses on a different basis (an "accounting mismatch").

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Reclassifications

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

Measurement of Credit Risk

The Group incorporates credit risk considerations within the measurement of insurance contract assets, through the estimation of expected future cash flows.

These estimates reflect a probability weighted assessment of the amounts expected to be collected, considering counterparty specific factors, historical collection patterns. Adjustments are made where necessary to reflect uncertainty in recoverability.

The estimation process is supported by internally developed statistical models and historical data, which are regularly updated to incorporate current economic conditions and forward-looking assumptions.

Presentation of financial assets and recoverability

In accordance with IFRS 17, insurance receivables are presented as part of insurance contract assets in the consolidated statement of financial position.

The carrying amount reflects expected amounts recoverable, incorporating adjustments for credit risk within the measurement of fulfilment cash flows. Accordingly, no separate impairment allowance is recognised for insurance receivables.

For other financial assets measured at amortised cost, including cash and bank balances, impairment is recognised in accordance with IFRS 9. Any loss allowance is presented as a deduction from the gross carrying amount of the asset.

Credit-impaired financial assets

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

Derecognition of financial assets

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

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.15 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated.

3.15.1 Lessee

For any new contracts entered into on or after January 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys the right-to-use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

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

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

Lease payments included in the measurement of the lease liability are made up of the fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

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

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

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

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

3.15.2 Lessor

The Group's accounting policy under IFRS 16 has not changed from the comparative period. As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

3. Material accounting policies (continued)

3.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized with in fair value hierarchy, based on the lowest level of input that is significant to the fair value measurement as a whole.

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

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

3.17 Taxation

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

Current

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

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

4. Critical accounting judgements and key sources of estimation uncertainty

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

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

4.1 Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (see 4.2 below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1.1 *Classification of investments*

Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

4.2 Key sources of estimation uncertainty

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

4.2.1 *Insurance and reinsurance contracts*

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

Liability for remaining coverage

For insurance acquisition cash flows, the Group has taken an accounting policy choice to defer insurance acquisition cashflows. This policy choice is in line with the IFRS 17 requirements and supports the objectives of improving reliability, transparency and comparability of financial reporting across all group of contracts, whether these are below 12 months or otherwise.

Liability for incurred claims

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

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

4.2 Key sources of estimation uncertainty (continued)

4.2.1 Insurance and reinsurance contracts (continued)

Liability for incurred claims (continued)

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

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

4.2.2 Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

EIOPA USD risk free Volatility Adjusted (Spot) rates were used with country risk premium/ illiquidity premium of 0.64% is applied for discounting of future cash flows for 2025 and 0.72% for 2024 are listed below:

	1 year		3 years		5 years		10 years	
	2025	2024	2025	2024	2025	2024	2025	2024
Liability for Incurred Claims								
AED	4.44%	5.27%	4.35%	5.15%	4.48%	5.11%	4.85%	5.16%
USD	3.80%	4.55%	3.71%	4.43%	3.84%	4.39%	4.21%	4.44%
Liability for reinsurance contracts issued								
AED	4.44%	5.27%	4.35%	5.15%	4.48%	5.11%	4.85%	5.16%
USD	3.80%	4.55%	3.71%	4.43%	3.84%	4.39%	4.21%	4.44%

4.2.3 Impairment and Credit Risk Assessment

The Group considers credit risk in the measurement of insurance receivables through the estimation of expected future cash flows, incorporating adjustments for recoverability based on historical experience, counterparty-specific factors, and forward-looking information. These considerations form part of the measurement of fulfilment cash flows in accordance with IFRS 17, and no separate impairment allowance is recognised.

For other financial assets measured at amortised cost, including cash and bank balances, the Group assesses credit risk in accordance with IFRS 9. Given the nature and credit quality of these balances, any resulting impairment is not material.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

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

4.2 Key sources of estimation uncertainty (*continued*)

4.2.4 *Revaluation of investment properties*

The investment properties are carried at fair value, with changes in the fair value being recognised in the consolidated statement of profit or loss. The management engaged independent valuation specialists to assess fair value during the year. The fair value of plots of land was determined based on the acceptable approach that reflects recent transactions prices for similar properties. The fair value of buildings was determined using income approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

4.2.5 *Risk adjustment for non-financial risk*

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

The Group has determined the risk adjustment for non-financial risk by estimating the claim distribution for each portfolio and subsequently allowed for portfolio diversification benefit through correlation matrices. This method effectively allows the Group to measure the uncertainty about the amount and timing of the cashflows that arises from non-financial risk across its business lines.

The Group has determined the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

5. Property and equipment

	Land AED	Furniture and equipment AED	Computer equipment AED	Office fixture and fittings AED	Residential villa AED	Right of use assets AED	Total AED
Cost							
As at 1 January 2025	649,000	7,148,134	13,910,005	7,634,967	1,057,827	22,045,450	52,445,383
Additions	-	544,163	1,100,716	151,938	-	5,082,447	6,879,264
Disposal	-	(538,095)	(3,643,924)	-	-	(5,082,447)	(9,264,466)
As at 31 December 2025	649,000	7,154,202	11,366,797	7,786,905	1,057,827	22,045,450	50,060,181
Accumulated depreciation							
As at 1 January 2025	-	6,609,022	8,543,319	6,066,232	1,057,827	18,987,735	41,264,135
Charge for the year	-	184,363	340,187	248,666	-	3,662,100	4,435,316
Relating to disposals	-	(371,865)	(1,714,138)	-	-	(1,695,612)	(3,781,615)
As at 31 December 2025	-	6,421,520	7,169,368	6,314,898	1,057,827	20,954,223	41,917,836
Carrying amount							
As at 31 December 2025	649,000	732,682	4,197,429	1,472,007	-	1,091,227	8,142,345

At 31 December 2025, the cost of fully depreciated property and equipment that was still in use amounted to AED 18.12 million (2024: AED 19.52 million).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

5. Property and equipment (continued)

	Land AED	Furniture and equipment AED	Computer equipment AED	Office fixture and fittings AED	Residential Villa AED	Right of use AED	Total AED
<i>Cost</i>							
As at 1 January 2024	649,000	7,041,605	13,127,218	7,154,404	1,057,827	22,912,514	51,942,568
Additions	-	106,529	782,787	480,563	-	1,489,802	2,859,681
Disposal	-	-	-	-	-	(2,356,866)	(2,356,866)
As at 31 December 2024	649,000	7,148,134	13,910,005	7,634,967	1,057,827	22,045,450	52,445,383
<i>Accumulated depreciation</i>							
As at 1 January 2024	-	6,389,375	8,353,995	5,876,794	1,057,827	16,392,386	38,070,377
Charge for the year	-	219,647	189,324	189,438	-	4,065,313	4,663,722
Relating to disposals	-	-	-	-	-	(1,469,964)	(1,469,965)
As at 31 December 2024	-	6,609,022	8,543,319	6,066,232	1,057,827	18,987,735	41,264,135
<i>Carrying amount</i>							
As at 31 December 2024	649,000	539,112	5,366,686	1,568,735	-	3,057,715	11,181,248

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

6. Investment properties

Investment properties comprise the following at fair value:

	2025 AED	2024 AED
Plots of land	66,260,000	60,000,000
Buildings	728,280,000	789,055,989
	<u>794,540,000</u>	<u>849,055,989</u>

Movement during the year was as follows:

	2025 AED	2024 AED
Fair value at the beginning of the year	849,055,989	847,850,000
Additions	4,786	4,205,989
Change in fair value during the year (Note 18)	<u>(54,520,775)</u>	<u>(3,000,000)</u>
Fair value at the end of the year	<u>794,540,000</u>	<u>849,055,989</u>

The fair value of the Group's investment properties as at 31 December 2025 has been arrived at on the basis of valuations carried on the respective dates by independent valuers who have recent market experience in the valuation of properties in the United Arab Emirates.

The fair value was determined using the income capitalization method of income approach and comparison method of market Approach. The main assumptions in the valuation model is the capitalisation rate ranging from 7.5% to 8.75% and the rental rates. Rental rates have been obtained based on direct comparison of market approach and tenancy information. In estimating the fair value of the properties, the highest and best use of the properties is considered as their current use. There has been no change in the valuation techniques used during the year. The inputs used in the valuation are not based on observable market data and thus the valuation techniques are considered as Level 3 fair value measurement .

The fair value of plots of land and buildings was determined using market approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group's investment properties are classified as Level 3 in the fair value hierarchy as at 31 December 2025 (2024: Level 3).

Investment property amounting to AED 590 million (2024: AED 849 million) is mortgaged to a bank towards credit facilities granted to the Group (Note 15).

The rental proceeds from Al Khan, Al Nahda and Al Buhairah Corniche Towers are assigned to a bank against credit facilities granted to the Group (Note 15).

The property rental income earned by the Group from its investment properties, which are leased out under operating leases, and direct operating expenses arising on the investment property are as follows:

	2025 AED	2024 AED
Rental income	55,517,637	48,155,728
Direct operating expenses	<u>(26,831,847)</u>	<u>(18,091,206)</u>
Income from investment properties (Note 18)	<u>28,685,790</u>	<u>30,064,522</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

7. Investments in securities at fair value through Other Comprehensive Income (FVTOCI)

	2025 AED	2024 AED
Equity investments at FVTOCI		
Quoted – at fair value	68,946,572	52,935,943
Unquoted – at fair value	1,178,098	3,478,098
	<u>70,124,670</u>	<u>56,414,041</u>

Movement during the year was as follows:

	2025 AED	2024 AED
Fair value at the beginning of the year	56,414,041	59,567,189
Purchases during the year	276,505	-
Disposals during the year	-	-
Change in fair value	13,434,124	(3,153,148)
Fair value at the end of the year	<u>70,124,670</u>	<u>56,414,041</u>

	<u>Within U.A.E.</u>		<u>Outside U.A.E.</u>		<u>Total</u>	
	2025 AED	2024 AED	2025 AED	2024 AED	2025 AED	2024 AED
Quoted	68,946,572	52,935,943	-	-	68,946,572	52,935,943
Unquoted	1,178,098	3,478,098	-	-	1,178,098	3,478,098
	<u>70,124,670</u>	<u>56,414,041</u>	<u>-</u>	<u>-</u>	<u>70,124,670</u>	<u>56,414,041</u>

8. Statutory deposit

In accordance with the requirements of UAE Federal Decree Law No. (6) of 2025, the Group maintains a bank deposit of AED 10 million (2024: AED 10 million) as a statutory deposit. This deposit cannot be withdrawn without prior approval of the CBUAE and yields interest rate per annum of 4.65% (2024: 5.40%).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts

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

	Notes	2025			2024 (Restated)		
		Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued							
Motor	9.1	-	103,206,102	103,206,102	-	48,146,920	48,146,920
Marine	9.2	-	39,815,160	39,815,160	-	50,998,342	50,998,342
FGA	9.3	-	134,015,592	134,015,592	-	70,100,525	70,100,525
Medical	9.4	-	516,868,953	516,868,953	-	506,272,794	506,272,794
Life	9.5	429,406	-	(429,406)	-	19,666,499	19,666,499
Total insurance contracts issued		429,406	793,905,807	793,476,401	-	695,185,080	695,185,080
Reinsurance contracts held							
Motor	9.6	30,125,688	-	30,125,688	50,302,884	-	50,302,884
Marine	9.7	10,563,047	-	10,563,047	29,134,249	-	29,134,249
FGA	9.8	90,845,473	-	90,845,473	65,964,002	-	65,964,002
Medical	9.9	-	63,081,130	(63,081,130)	17,787,141	-	17,787,141
Life	9.10	3,116,445	-	3,116,445	9,855,407	-	9,855,407
Total reinsurance contracts held		134,650,653	63,081,130	71,569,523	173,043,683	-	173,043,683

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

The Group disaggregates information to provide disclosures in respect of major product lines separately for Motor, Marine, FGA, Medical and Life. This disaggregation has been determined based on how the Group is managed.

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA

9.1 Motor

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2025					
Insurance contract liabilities as at 1 January	31,813,814	2,436,555	10,468,499	3,428,052	48,146,920
Insurance revenue	(217,130,018)	-	-	-	(217,130,018)
Insurance service expenses					
Incurred claims and other expenses	-	-	248,163,243	1,862,425	250,025,668
Amortisation of insurance acquisition cash flows	19,000,501	-	-	-	19,000,501
Losses on onerous contracts and reversals	-	(758,715)	-	-	(758,715)
Changes to liabilities for incurred claims	-	-	3,747,903	(1,954,208)	1,793,695
Insurance service result	(198,129,517)	(758,715)	251,911,146	(91,783)	52,931,131
Insurance finance expenses	-	-	(1,276,662)	110,046	(1,166,615)
Total changes in the statement of profit or loss	(198,129,517)	(758,715)	250,634,484	18,263	51,764,515
Cash flows					
Premiums received	237,455,051	-	-	-	237,455,051
Claims and other expenses	-	-	(215,503,721)	-	(215,503,721)
Insurance acquisition cash flows	(18,656,663)	-	-	-	(18,656,663)
Total cash flows	218,798,388	-	(215,503,721)	-	3,294,667
Net insurance contract liabilities as at 31 December	52,482,685	1,677,840	45,599,262	3,446,315	103,206,102
2024 (Restated)					
Insurance contract liabilities as at 1 January	4,806,465	4,610,531	10,527,463	3,548,680	23,493,139
Insurance revenue	(239,298,875)	-	-	-	(239,298,875)
Insurance service expenses					
Incurred claims and other expenses	-	-	333,490,846	2,668,911	336,159,757
Amortisation of insurance acquisition cash flows	21,677,158	-	-	-	21,677,158
Losses on onerous contracts and reversals	-	(2,173,976)	-	-	(2,173,976)
Changes to liabilities for incurred claims	-	-	12,955,029	(2,911,614)	10,043,415
Insurance service result	(217,621,717)	(2,173,976)	346,445,875	(242,703)	126,407,479
Insurance finance expenses	-	-	(1,374,540)	119,075	(1,255,465)
Total changes in the statement of profit or loss	(217,621,717)	(2,173,976)	345,071,335	(123,628)	125,152,014
Cash flows					
Premiums received	263,596,236	-	-	-	263,596,236
Claims and other expenses	-	-	(345,130,299)	-	(345,130,299)
Insurance acquisition cash flows	(18,964,170)	-	-	-	(18,964,170)
Total cash flows	244,632,066	-	(345,130,299)	-	(100,498,233)
Net insurance contract liabilities as at 31 December	31,813,814	2,436,555	10,468,499	3,425,052	48,146,920

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.2 Marine

2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Insurance contract liabilities as at 1 January	8,302,486	184,885	40,773,342	1,737,630	50,998,342
Insurance revenue	(29,565,698)	-	-	-	(29,565,698)
Insurance service expenses					
Incurred claims and other expenses	-	-	16,082,203	271,050	16,353,253
Amortisation of insurance acquisition cash flows	2,241,395	-	-	-	2,241,395
Losses on onerous contracts and reversals	-	(184,885)	-	-	(184,885)
Changes to liabilities for incurred claims	-	-	(15,696,190)	(1,138,631)	(16,834,821)
Insurance service result	(27,324,303)	(184,885)	386,013	(867,581)	(27,990,756)
Insurance finance expenses	-	-	1,534,855	65,360	1,600,214
Total changes in the statement of profit or loss	(27,324,303)	(184,885)	1,920,868	(802,221)	(26,390,541)
<i>Cash flows</i>					
Premiums received	27,282,839	-	-	-	27,282,839
Claims and other expenses	-	-	(14,876,308)	-	(14,876,308)
Insurance acquisition cash flows	2,800,827	-	-	-	2,800,827
Total cash flows	30,083,666	-	(14,876,308)	-	15,207,358
Net insurance contract liabilities as at 31 December	11,061,849	-	27,817,902	935,408	39,815,160
2024 (Restated)					
Insurance contract liabilities as at 1 January	12,616,094	-	16,133,639	647,278	29,397,011
Insurance revenue	(31,565,269)	-	-	-	(31,565,269)
Insurance service expenses					
Incurred claims and other expenses	-	-	35,234,298	1,134,831	36,369,130
Amortisation of insurance acquisition cash flows	2,101,165	-	-	-	2,101,165
Losses on onerous contracts and reversals	-	184,885	-	-	184,885
Changes to liabilities for incurred claims	-	-	7,961,472	(69,201)	7,892,272
Insurance service result	(29,464,104)	184,885	43,195,770	1,065,630	14,982,183
Insurance finance expenses	-	-	628,708	24,721	653,429
Total changes in the statement of profit or loss	(29,464,104)	184,885	43,824,479	1,090,352	15,635,612
<i>Cash flows</i>					
Premiums received	28,699,042	-	-	-	28,699,042
Claims and other expenses	-	-	(19,184,776)	-	(19,184,776)
Insurance acquisition cash flows	(3,548,546)	-	-	-	(3,548,546)
Total cash flows	25,150,496	-	(19,184,776)	-	5,965,720
Net insurance contract liabilities as at 31 December	8,302,486	184,885	40,773,342	1,737,630	50,998,342

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.3 FGA

2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Insurance contract liabilities as at 1 January	(23,589,436)	-	89,659,182	4,030,779	70,100,525
Insurance revenue	(121,539,728)	-	-	-	(121,539,728)
Insurance service expenses					
Incurred claims and other expenses	-	-	78,234,247	3,324,758	81,559,005
Amortisation of insurance acquisition cash flows	4,317,976	-	-	-	4,317,976
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(14,884,996)	(2,218,399)	(17,103,395)
Insurance service result	(117,221,752)	-	63,349,251	1,106,359	(52,766,141)
Insurance finance expenses	-	-	3,145,268	136,918	3,282,186
Total changes in the statement of profit or loss	(117,221,752)	-	66,494,519	1,243,277	(49,483,955)
<i>Cash flows</i>					
Premiums received	163,779,821	-	-	-	163,779,821
Claims and other expenses	-	-	(46,580,667)	-	(46,580,667)
Insurance acquisition cash flows	(3,800,131)	-	-	-	(3,800,131)
Total cash flows	159,979,691	-	(46,580,667)	-	113,399,023
Net insurance contract liabilities as at 31 December	19,168,503	-	109,573,033	5,274,057	134,015,592
2024 (Restated)					
Insurance contract (assets)/liabilities as at 1 January	(1,438,926)	-	36,915,399	1,821,445	37,297,918
Insurance revenue	(142,572,271)	-	-	-	(142,572,271)
Insurance service expenses					
Incurred claims and other expenses	-	-	100,418,887	3,067,057	103,485,944
Amortisation of insurance acquisition cash flows	3,648,989	-	-	-	3,648,989
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(6,846,902)	(923,249)	(7,770,151)
Insurance service result	(138,923,282)	-	93,571,985	2,143,808	(43,207,489)
Insurance finance expenses	-	-	1,378,780	65,525	1,444,305
Total changes in the statement of profit or loss	(138,923,282)	-	94,950,765	2,209,333	(41,763,184)
<i>Cash flows</i>					
Premiums received	120,669,489	-	-	-	120,669,489
Claims and other expenses	-	-	(42,206,981)	-	(42,206,981)
Insurance acquisition cash flows	(3,896,717)	-	-	-	(3,896,717)
Total cash flows	116,772,772	-	(42,206,981)	-	74,565,791
Net insurance contract assets as at 31 December	(23,589,436)	-	89,659,183	4,030,778	70,100,525

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.4 Medical

2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Insurance contract (assets)/liabilities as at 1 January	(19,048,282)	-	515,899,074	9,422,002	506,272,794
Insurance revenue	(1,258,833,031)	-	-	-	(1,258,833,031)
Insurance service expenses					
Incurred claims and other expenses	-	-	1,026,308,652	7,841,508	1,034,150,160
Amortisation of insurance acquisition cash flows	48,894,627	-	-	-	48,894,627
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(22,555,165)	(7,502,180)	(30,057,346)
Insurance service result		-	1,003,753,487	339,328	(205,845,589)
Insurance finance expenses	-	-	11,954,492	200,967	12,155,459
Total changes in the statement of profit or loss	(1,209,938,404)	-	1,015,707,979	540,295	(193,690,130)
<i>Cash flows</i>					
Premiums received	1,208,766,122	-	-	-	1,208,766,122
Claims and other expenses	-	-	(966,763,238)	-	(966,763,238)
Insurance acquisition cash flows	(37,716,595)	-	-	-	(37,716,595)
Total cash flows	1,171,049,527	-	(966,763,238)	-	204,286,289
Net insurance contract liabilities as at 31 December	(57,937,159)	-	564,843,815	9,962,297	516,868,953
2024 (Restated)					
Insurance contract (assets) / liabilities as at 1 January	(39,929,430)	307,650	445,446,934	8,918,217	414,743,372
Insurance revenue	(1,019,550,375)	-	-	-	(1,019,550,375)
Insurance service expenses					
Incurred claims and other expenses	-	-	900,679,354	7,444,873	908,124,227
Amortisation of insurance acquisition cash flows	27,714,839	-	-	-	27,714,839
Losses on onerous contracts and reversals	-	(307,650)	-	-	(307,650)
Changes to liabilities for incurred claims	-	-	1,547,907	(7,155,785)	(5,607,878)
Insurance service result	(991,835,536)	(307,650)	902,227,261	289,088	(89,626,837)
Insurance finance expenses	-	-	11,539,419	214,697	11,754,116
Total changes in the statement of profit or loss	(991,835,536)	(307,650)	913,766,680	503,784	(77,872,721)
<i>Cash flows</i>					
Premiums received	1,048,239,749	-	-	-	1,048,239,749
Claims and other expenses	-	-	(843,314,540)	-	(843,314,540)
Insurance acquisition cash flows	(35,523,065)	-	-	-	(35,523,065)
Total cash flows	1,012,716,684	-	(843,314,540)	-	169,402,144
Net insurance contract liabilities as at 31 December	(19,048,282)	-	515,899,074	9,422,002	506,272,794

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Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.5 Life

2025	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Insurance contract liabilities as at 1 January	4,774,355	-	14,833,284	58,859	19,666,498
Insurance revenue	(18,850,053)	-	-	-	(18,850,053)
Insurance service expenses					
Incurred claims and other expenses	-	-	9,798,799	21,548	9,820,347
Amortisation of insurance acquisition cash flows	1,073,311	-	-	-	1,073,311
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(7,519,633)	(51,826)	(7,571,459)
Insurance service result	(17,776,742)	-	2,279,166	(30,278)	(15,527,854)
Insurance finance expenses	-	-	413,730	1,615	415,345
Total changes in the statement of profit or loss	(17,776,742)	-	2,692,896	(28,664)	(15,112,511)
Cash flows					
Premiums received	3,861,652	-	-	-	3,861,652
Claims and other expenses	-	-	(7,517,196)	-	(7,517,196)
Insurance acquisition cash flows	(1,327,849)	-	-	-	(1,327,849)
Total cash flows	2,533,803	-	(7,517,196)	-	(4,983,394)
Net insurance contract (assets)/ liabilities as at 31 December	(10,468,584)	-	10,008,984	30,195	(429,406)
2024 (Restated)					
Insurance contract liabilities as at 1 January	(21,248,461)	-	12,028,913	53,475	(9,166,072)
Insurance revenue	(14,890,925)	-	-	-	(14,890,925)
Insurance service expenses					
Incurred claims and other expenses	-	-	13,460,268	20,491	13,480,759
Amortisation of insurance acquisition cash flows	546,281	-	-	-	546,281
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(473,196)	(16,681)	(489,877)
Insurance service result	(14,344,644)	-	12,987,072	3,810	(1,353,761)
Insurance finance expenses	-	-	356,250	1,574	357,824
Total changes in the statement of profit or loss	(14,344,644)	-	13,343,323	5,384	(995,937)
Cash flows					
Premiums received	40,850,856	-	-	-	40,850,856
Claims and other expenses	-	-	(10,538,952)	-	(10,538,952)
Insurance acquisition cash flows	(483,395)	-	-	-	(483,395)
Total cash flows	40,367,461	-	(10,538,952)	-	29,828,509
Net insurance contract liabilities as at 31 December	4,774,356	-	14,833,284	58,859	19,666,499

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

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9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA

9.6 Motor

2025	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Net reinsurance contract assets	(8,354,213)	(186,289)	(40,770,781)	(991,601)	(50,302,884)
An allocation of reinsurance premiums	34,330,292	-	-	-	34,330,292
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(7,362,082)	(101,928)	(7,464,010)
Changes to amounts recoverable for incurred claims	-	-	(8,171,691)	520,696	(7,650,995)
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	-	18,504	-	-	18,504
Net income or expense from reinsurance contracts	34,330,292	18,504	(15,533,773)	418,768	19,233,791
Reinsurance finance income	-	-	(1,068,382)	(29,930)	(1,098,312)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	34,330,292	18,504	(16,602,155)	388,838	18,135,479
Cash flows					
Premiums paid	(29,336,400)	-	-	-	(29,336,400)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	31,378,117	-	31,378,117
Total cash flows	(29,336,400)	-	31,378,117	-	2,041,717
Net reinsurance contract assets as at 31 December	(3,360,321)	(167,785)	(25,994,819)	(602,763)	(30,125,688)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.6 Motor (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024 (Restated)					
Net reinsurance contract assets	48,610,762	(674,542)	(31,144,084)	(1,592,369)	15,199,767
An allocation of reinsurance premiums	40,812,076	-	-	-	40,812,076
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(91,418,930)	(484,521)	(91,903,451)
Changes to amounts recoverable for incurred claims	-	-	(7,931,567)	1,140,994	(6,790,573)
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses - net	-	488,253	-	-	488,253
Net income or expense from reinsurance contracts held	40,812,076	488,253	(99,350,497)	656,473	(57,393,695)
Reinsurance finance income	-	-	(1,089,194)	(55,705)	(1,144,899)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	40,812,076	488,253	(100,439,691)	600,768	(58,538,594)
<i>Cash flows</i>					
Premiums paid	(97,777,051)	-	-	-	(97,777,051)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	90,812,994	-	90,812,994
Total cash flows	(97,777,051)	-	90,812,994	-	(6,964,057)
Net reinsurance contract assets as at 31 December	(8,354,213)	(186,289)	(40,770,781)	(991,601)	(50,302,884)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.7 Marine

2025	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Net reinsurance contract assets	(2,752,294)	(102,490)	(25,319,148)	(960,317)	(29,134,249)
An allocation of reinsurance premiums	13,519,481	-	-	-	13,519,481
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	-	-	261,720	(63,996)	197,724
Changes to amounts recoverable for incurred claims	-	-	11,823,871	660,990	12,484,861
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	-	102,490	-	-	102,490
Net income or expense from reinsurance contracts	13,519,481	102,490	12,085,591	596,994	26,304,556
Reinsurance finance income	-	-	(1,207,961)	(35,101)	(1,243,062)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	13,519,481	102,490	10,877,630	561,893	25,061,494
Cash flows					
Premiums paid	(12,706,672)	-	-	-	(12,706,672)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	6,216,380	-	6,216,380
Total cash flows	(12,706,672)	-	6,216,380	-	(6,490,292)
Net reinsurance contract assets as at 31 December	(1,939,485)	-	(8,225,138)	(398,424)	(10,563,047)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.7 Marine (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024 (Restated)					
Net reinsurance contract assets	(3,862,347)	-	(12,411,587)	(310,414)	(16,584,348)
An allocation of reinsurance premiums	14,097,784	-	-	-	14,097,784
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(14,751,902)	(624,192)	(15,376,094)
Changes to amounts recoverable for incurred claims	-	-	(5,216,627)	(14,222)	(5,230,849)
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses - net	-	(102,490)	-	-	(102,490)
Net income or expense from reinsurance contracts held	14,097,784	(102,490)	(19,968,529)	(638,414)	(6,611,649)
Reinsurance finance income	-	-	(685,560)	(11,489)	(697,049)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	14,097,784	(102,490)	(20,654,089)	(649,903)	(7,308,698)
<i>Cash flows</i>					
Premiums paid	(12,987,731)	-	-	-	(12,987,731)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	7,746,528	-	7,746,528
Total cash flows	(12,987,731)	-	7,746,528	-	(5,241,203)
Net reinsurance contract assets as at 31 December	(2,752,294)	(102,490)	(25,319,148)	(960,317)	(29,134,249)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.8 FGA

2025	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Net reinsurance contract assets	6,025,540	-	(68,679,612)	(3,309,930)	(65,964,002)
An allocation of reinsurance premiums	90,972,460	-	-	-	90,972,460
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(57,431,701)	(2,769,240)	(60,200,941)
Changes to amounts recoverable for incurred claims	-	-	8,843,441	1,767,774	10,611,215
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
Net income or expense from reinsurance contracts	90,972,460	-	(48,588,260)	(1,001,466)	41,382,734
Reinsurance finance income	-	-	(2,258,730)	(110,415)	(2,369,145)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	90,972,460	-	(50,846,991)	(1,111,881)	39,013,589
Cash flows					
Premiums paid	(93,248,985)	-	-	-	(93,248,985)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	29,353,925	-	29,353,925
Total cash flows	(93,248,985)	-	29,353,925	-	(63,895,060)
Net reinsurance contract assets as at 31 December	3,749,015	-	(90,172,677)	(4,421,811)	(90,845,473)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.8 FGA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024 (Restated)					
Net reinsurance contract assets	(8,981,835)	-	(27,640,748)	(1,360,737)	(37,983,320)
An allocation of reinsurance premiums	115,962,771	-	-	-	115,962,771
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(67,437,116)	(2,615,107)	(70,052,223)
Changes to amounts recoverable for incurred claims	-	-	4,498,701	714,124	5,212,825
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	115,962,771	-	(62,938,415)	(1,900,983)	51,123,373
Reinsurance finance income	-	-	(902,880)	(48,210)	(951,090)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	115,962,771	-	(63,841,295)	(1,949,193)	50,172,283
<i>Cash flows</i>					
Premiums paid	(100,955,397)	-	-	-	(100,955,397)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	22,802,432	-	22,802,432
Total cash flows	(100,955,397)	-	22,802,432	-	(78,152,965)
Net reinsurance contract (liability) / assets as at 31 December	6,025,539	-	(68,679,611)	(3,309,930)	(65,964,002)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.9 Medical

2025	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Net reinsurance contract liabilities / (assets)	318,301,131	-	(329,395,423)	(6,692,849)	(17,787,141)
An allocation of reinsurance premiums	753,893,175	-	-	-	753,893,175
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(651,334,707)	(5,303,950)	(656,638,657)
Changes to amounts recoverable for incurred claims	-	-	17,075,746	5,389,983	22,465,729
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
Net income or expense from reinsurance contracts	753,893,175	-	(634,258,961)	86,033	119,720,247
Reinsurance finance income	-	-	(7,021,681)	(142,654)	(7,164,335)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	753,893,175	-	(641,280,642)	(56,621)	112,555,912
Cash flows					
Premiums paid	(661,881,708)	-	-	-	(661,881,708)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	630,194,067	-	630,194,067
Total cash flows	(661,881,708)	-	630,194,067	-	(31,687,641)
Net reinsurance contract liabilities / (assets) as at 31 December	410,312,598	-	(340,481,998)	(6,749,470)	63,081,130

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.9 Medical (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
2024 (Restated)					
Net reinsurance contract (assets) / liabilities	264,347,959	(156,992)	(301,357,404)	(6,990,971)	(44,157,408)
An allocation of reinsurance premiums	628,552,901	-	-	-	628,552,901
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and other expenses	-	-	(601,573,075)	(5,207,351)	(606,780,427)
Changes to amounts recoverable for incurred	-	-	23,486,568	5,673,908	29,160,476
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses - net	-	156,992	-	-	156,992
Net income or expense from reinsurance contracts	628,552,901	156,992	(578,086,507)	466,556	51,089,942
Reinsurance finance income	-	-	(7,252,719)	(168,433)	(7,421,152)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	628,552,901	156,992	(585,339,226)	298,123	43,668,790
<i>Cash flows</i>					
Premiums paid	(574,599,729)	-	-	-	(574,599,729)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	557,301,206	-	557,301,206
Total cash flows	(574,599,729)	-	557,301,206	-	(17,298,523)
Net reinsurance contract (assets) / liabilities as at 31 December	318,301,131	-	(329,395,424)	(6,692,848)	(17,787,141)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.10 Life

2025	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Net reinsurance contract liability / (assets)	3,618,392	-	(13,426,251)	(47,548)	(9,855,407)
An allocation of reinsurance premiums	13,125,628	-	-	-	13,125,628
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(7,739,041)	(16,920)	(7,755,961)
Changes to amounts recoverable for incurred claims	-	-	5,731,091	42,078	5,773,169
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
Net income or expense from reinsurance contracts	13,125,628	-	(2,007,950)	25,158	11,142,836
Reinsurance finance income	-	-	(356,946)	(1,308)	(358,254)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	13,125,628	-	(2,364,896)	23,850	10,784,582
Cash flows					
Premiums paid	(13,720,125)	-	-	-	(13,720,125)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	9,674,505	-	9,674,505
Total cash flows	(13,720,125)	-	9,674,505	-	(4,045,620)
Net reinsurance contract liability / (assets) as at 31 December	3,023,895	-	(6,116,642)	(23,698)	(3,116,445)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

9.10 Life (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
2024 (Restated)					
Net reinsurance contract liability / (assets)	1,936,527	-	(9,168,332)	(43,247)	(7,275,052)
An allocation of reinsurance premiums	11,456,036	-	-	-	11,456,036
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	(10,578,874)	(17,524)	(10,596,398)
Changes to amounts recoverable for incurred claims	-	-	225,470	14,541	240,011
Amortisation of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	11,456,036	-	(10,353,404)	(2,983)	1,099,649
Reinsurance finance income	-	-	(279,278)	(1,318)	(280,596)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	11,456,036	-	(10,632,682)	(4,301)	819,053
<i>Cash flows</i>					
Premiums paid	(9,774,171)	-	-	-	(9,774,171)
Reinsurance acquisition cash flows	-	-	-	-	-
Amounts received	-	-	6,374,763	-	6,374,763
Total cash flows	(9,774,171)	-	6,374,763	-	(3,399,408)
Net reinsurance contract liability / (assets) as at 31 December	3,618,392	-	(13,426,251)	(47,548)	(9,855,407)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Group's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position. The following tables illustrate the Group's estimate of total liability for incurred claims for the years up to 2025.

Gross Insurance contract liabilities at 31 December 2025

	2019 and prior AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	2025 AED	Total AED
At the end of each reporting year	-	666,481,817	750,668,028	903,177,754	1,106,504,049	1,289,679,861	1,265,486,316	1,265,486,316
One year later	-	636,827,477	777,802,856	901,152,952	1,100,283,911	1,277,868,567	-	1,277,868,567
Two years later	-	679,508,367	769,465,014	909,596,162	1,104,034,547	-	-	1,104,034,547
Three years later	-	647,798,338	767,543,972	909,768,237	-	-	-	909,768,237
Four years later	-	649,578,115	769,346,867	-	-	-	-	769,346,867
Five years later	-	651,378,938	-	-	-	-	-	651,378,938
Estimate of cumulative claims	1,621,021,117	651,378,938	769,346,867	909,768,237	1,104,034,547	1,277,868,567	1,265,486,316	7,598,904,589
Cumulative payments to date	(1,624,528,978)	(646,968,245)	(759,668,127)	(900,649,464)	(1,057,253,010)	(1,140,417,795)	(737,267,517)	(6,866,753,136)
Unallocated loss adjustment expense reserve	45,475	88,731	167,637	177,433	752,007	1,069,584	5,986,587	8,287,453
Claims payable								43,691,924
Total gross undiscounted liabilities for incurred claims	-3,462,386	4,499,424	9,846,377	9,296,206	47,533,543	138,520,356	534,205,386	784,130,829
Attributable expenses								-
Effect of discounting								(26,287,831)
Total discounted gross reserves included in the consolidated statement of financial position								757,842,998
Risk adjustments								19,648,271
Total gross liabilities for incurred claims								777,491,269

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

9. Insurance and reinsurance contracts (continued)

Net Insurance contract liabilities at 31 December 2025

	2019 and prior AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	2025 AED	Total AED
At the end of each reporting year	-	641,572,827	347,106,140	392,699,626	331,582,624	368,957,199	523,813,224	523,813,224
One year later	-	294,466,687	262,593,101	270,045,700	314,773,986	476,452,151	-	476,452,151
Two years later	-	229,408,015	230,583,185	260,221,209	436,145,994	-	-	436,145,994
Three years later	-	194,123,711	219,582,303	281,801,637	-	-	-	281,801,637
Four years later	-	185,834,120	222,388,246	-	-	-	-	222,388,246
Five years later	-	477,645,951	-	-	-	-	-	477,645,951
Estimate of cumulative claims	515,867,746	477,645,951	222,388,246	281,801,637	436,145,994	476,452,151	523,813,224	2,934,114,950
Cumulative payments to date	(518,319,126)	(475,328,675)	(219,224,815)	(278,699,473)	(416,610,304)	(429,641,952)	(333,374,669)	(2,671,199,013)
Unallocated loss adjustment expense reserve	45,475	88,731	167,637	177,433	752,007	1,069,584	5,986,587	8,287,453
Claims payable								25,089,334
Total net undiscounted liabilities for incurred claims	(2,405,905)	2,406,006	3,331,068	3,279,597	20,287,698	47,879,783	196,425,142	296,292,723
Attributable expenses								-
Effect of discounting								(9,441,000)
Total discounted net reserves included in the consolidated statement of financial position								286,851,724
Risk adjustments								7,452,104
Total net liabilities for incurred claims								294,303,828

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

10. Other receivables

	2025 AED	2024 AED
Staff receivables	2,440,735	3,393,984
Rent receivables	28,269,995	23,697,192
Prepayments and others	12,266,852	15,541,226
	<u>42,977,582</u>	<u>42,632,402</u>

11. Cash and cash equivalents

	2025 AED	2024 AED
Cash on hand	116,100	221,284
Bank balances:		
Current accounts	105,862,309	105,497,314
Call accounts	1,591,527	1,031,821
Margin deposits	1,087,390	1,087,390
Fixed deposits	389,917,938	316,447,330
Bank balances and cash	<u>498,575,264</u>	<u>424,285,139</u>
Less: Deposits under lien (Note 15)	(255,026,109)	(276,447,330)
Less: Deposits with original maturity of more than three months	(134,891,829)	(40,000,000)
Less: Margin deposits	(1,087,390)	(1,087,390)
Cash and cash equivalents	<u>107,569,936</u>	<u>106,750,419</u>

The interest rate on fixed deposits with banks ranges from 4.00% to 4.65% (2024: 3.89% to 5.75%) per annum. All fixed deposits are held in local banks in the United Arab Emirates.

11.1 Deposits

	2025 AED	2024 AED
Margin deposits	1,087,390	1,087,390
Fixed deposits	389,917,938	316,447,330
Total	<u>391,005,328</u>	<u>317,534,720</u>

12. Share capital

	2025 AED	2024 AED
Authorised, issued and fully paid: 250 million ordinary shares of AED 1 each (2024: 250 million ordinary shares of AED 1 each)	<u>250,000,000</u>	<u>250,000,000</u>

13. Reserves

13.1 Statutory reserve

In accordance with UAE Federal Decree Law No. (32) of 2021, the Parent Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law. No transfer was made during the year 2025 (2024: AED nil).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

13. Reserves (continued)

13.2 Reinsurance reserve

In accordance with Insurance Companies register of the Central Bank of the U.A.E. (“CBUAE”) Board of Directors’ Decision No. 23 Article 34, an amount of AED 4,793,988 (2024: AED 4,607,833) was transferred from retained earnings to reinsurance reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the U.A.E. (“CBUAE”).

14. Provision for employees’ end of service indemnity

Movements in the net liability were as follows:

	2025 AED	2024 AED
Balance at the beginning of the year	46,784,750	43,118,479
Amounts charged during the year	7,204,507	5,142,269
Amounts paid during the year	(7,206,906)	(1,475,998)
	<u>46,782,351</u>	<u>46,784,750</u>

15. Bank borrowings

	2025 AED	2024 AED
Bank overdrafts	65,294,207	125,475,926
Term loans	50,000,000	174,599,267
	<u>115,294,207</u>	<u>300,075,193</u>

The bank borrowings are repayable as follows:

On demand or within one year	115,294,207	213,409,193
In the second year	-	61,718,000
In the third and subsequent years	-	24,948,000
	<u>115,294,207</u>	<u>300,075,193</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(115,294,207)</u>	<u>(213,409,193)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)	<u>-</u>	<u>86,666,000</u>

Bank overdrafts are repayable on demand and carry out interest rates ranging from Cash Security Against Facility (CSAF) plus 0.5% to 2.8% plus 1-month EIBOR (2024: 0.5% to 2.5% plus 3 months EIBOR) per annum. There is no covenant breach in the year 2025 (31 December 2024: there was one breach with a loan obtained from United Arab Bank).

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Notes to the consolidated financial statements For the year ended 31 December 2025

15. Bank borrowings (continued)

The term loans description, maturity dates, and classification are set in the table below:

	Notes	Maturity	2025 AED	2024 AED
Loan 1	(i)	31 October 2025	-	8,333,333
Loan 2	(ii)	2 February 2028	-	15,832,600
Loan 3	(iii)	30 June 2028	-	47,880,000
Loan 4	(vi)	31 December 2026	50,000,000	50,000,000
Loan 5	(v)	28 February 2025	-	1,333,333
Loan 6	(vi)	31 May 2025	-	7,766,667
Loan 7	(vii)	31 July 2025	-	29,353,334
Loan 8	(viii)	30 September 2025	-	5,100,000
Loan 9	(ix)	31 October 2025	-	9,000,000
			50,000,000	174,599,267

Main features of bank borrowings:

- Bank loans are obtained to finance the construction of investment properties and to meet its operating capital requirements.
 - Bank overdraft is payable on demand.
- (i) Bank loan for the amount of AED 75,000,000 was obtained in November 2017 to be repaid on monthly instalments of AED 833,333 commencing from May 2018 till October 2025 with interest rate 2.75% plus 1-month EIBOR, last instalment was paid in October 2025 as scheduled.
- (ii) Bank loan for the amount of AED 50,000,000 was obtained in May 2017, AED 25,000,000 is to be repaid on monthly instalments of AED 694,444 commencing from January 2020 till December 2021, whereas remaining balance is to be repaid in two installments of AED 12,500,000 each on May 2023 & May 2024. On February 2023 the loan was restructured amounting to AED 25,000,000 and is to be repaid in 59 monthly installments of AED 416,700 and the remaining balance of AED 414,700 is to be repaid on February 2028 which bears interest rate of 2.5% plus 3-month EIBOR; however, loan balance had been settled earlier in view of surplus funds.
- (iii) Bank loan for the amount of AED 63,000,000 was obtained in July 2023. An amount of AED 15,120,000 is to be repaid on eighteen monthly instalments of AED 840,000 commencing from July 2023, AED 11,214,000 is to be repaid on twelve monthly instalments of AED 934,500 commencing from January 2025, AED 11,718,000 is to be repaid on twelve monthly instalments of AED 976,500 commencing from January 2026, AED 12,726,000 is to be repaid on twelve monthly instalments of AED 1,060,500 commencing from January 2027, AED 6,300,000 is to be repaid on three monthly instalments of AED 2,100,000 commencing from January 2028, whereas the remaining balance of AED 5,922,000 is to be repaid on three monthly instalments of AED 1,974,000 commencing from April 2028 and bears interest rate of 2.35% plus 3 month EIBOR. However, the loan had been fully settled in May 2025 in view of surplus funds.
- (iv) Bank loan for the amount of AED 50,000,000 was obtained in December 2023 to be repaid in one bullet payment in December 2026 and bears interest rate of 0.50% plus fixed deposit rate (4.35%).
- (v) Bank loan for the amount of AED 10,000,000 was obtained in November 2023 to be repaid on monthly instalments of AED 666,667 commencing from December 2023 till February 2025 with interest rate 2.75% plus 1-month EIBOR. It was fully settled on due date.

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15. Bank borrowings (continued)

- (vi) Bank loan for the amount of AED 23,300,000 was obtained in February 2024 to be repaid on monthly instalments of AED 1,553,333 commencing from March 2024 till May 2025 with interest rate 2.75% plus 1-month EIBOR. It was fully settled on due date.
- (vii) Bank loan for the amount of AED 62,900,000 was obtained in April 2024 to be repaid on monthly instalments of AED 4,193,333 commencing from May 2024 till July 2025 with interest rate 2.75% plus 1-month EIBOR. It was fully settled on due date.
- (viii) Bank loan for the amount of AED 8,500,000 was obtained in June 2024 to be repaid on monthly instalments of AED 566,667 commencing from July 2024 till September 2025 with interest rate 2.75% plus 1-month EIBOR. It was fully settled on due date.
- (ix) Bank loan for the amount of AED 13,500,000 was obtained in July 2024 to be repaid on monthly instalments of AED 900,000 commencing from August 2024 till October 2025 with interest rate 2.75% plus 1-month EIBOR. It was fully settled on due date.

At 31 December 2025, bank borrowings were secured by lien on fixed deposits amounting to AED 255 million (2024: AED 276.4 million) (Note 11), mortgage of investment properties with fair value of AED 590 million (2024: AED 849 million) and assignment of rental proceeds from certain investment properties (Note 6).

Classification of bank borrowings between current and non current is as follows:

	2025 AED	2024 AED
Current portion	115,294,207	213,409,193
Non-current portion	-	86,666,000
	<u>115,294,207</u>	<u>300,075,193</u>

16. Lease Liabilities

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

	2025 AED	2024 AED
Current	762,655	2,072,832
Non-current	396,205	1,158,861
	<u>1,158,860</u>	<u>3,231,693</u>

The Group has leases for the offices all in UAE. Each lease is reflected on the consolidated statement of balance position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property and equipment (Note 5).

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Notes to the consolidated financial statements For the year ended 31 December 2025

16. Lease Liabilities (continued)

Right-of-use assets	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
Offices	19	2 to 3 years	2 years	19	19

The movement in lease liabilities during the year was as follows:

	2025 AED	2024 AED
Balance at January 1,	3,231,693	6,880,398
Additions	5,082,447	1,489,801
Termination	(3,455,483)	(923,025)
Interest charge during the year	264,351	206,412
Payment of lease liabilities during the year	(3,964,148)	(4,421,893)
Balance at December 31,	<u>1,158,860</u>	<u>3,231,693</u>

The incremental borrowing rate used for lease liabilities is 4% (2024: 4%). Future minimum lease payments at December 31, 2025 were as follows:

	Minimum lease payments due		Total AED
	Within 1 year AED	1-5 year AED	
December 31, 2025			
Lease payments	794,874	402,146	1,197,020
Finance charges	(32,219)	(5,941)	(38,160)
Net present value	<u>762,655</u>	<u>396,205</u>	<u>1,158,860</u>
December 31, 2024			
Lease payments	2,163,498	1,197,020	3,360,518
Finance charges	(90,666)	(38,159)	(128,825)
Net present value	<u>2,072,832</u>	<u>1,158,861</u>	<u>3,231,693</u>

17. Other payables

	2025 AED	2024 AED
Rent received in advance	24,279,777	19,295,394
Accrued expenses and other payables	19,094,415	18,983,665
Due to employees	15,016,149	18,257,428
	<u>58,390,341</u>	<u>56,536,487</u>

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Notes to the consolidated financial statements For the year ended 31 December 2025

18. Investment and other (loss) / income

	2025 AED	2024 AED
Interest income on deposits	16,300,710	15,786,662
Dividend from investments	3,425,026	2,989,308
Change in fair value of investment properties (Note 6)	(54,520,775)	(3,000,000)
Income from investment properties (Note 6)	28,685,790	30,064,522
Sale of assets	34,587	-
Gain on cancellation of lease	68,647	36,123
Other income	68,104	36,276
	<u>(5,937,911)</u>	<u>45,912,891</u>

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Notes to the consolidated financial statements For the year ended 31 December 2025

19. Insurance revenue

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2025						
Contract measured under PAA						
Insurance contract issued	217,130,018	29,565,698	121,539,728	1,258,833,031	18,850,053	1,645,918,528
2024 (Restated)						
Contract measured under PAA						
Insurance contract issued	239,298,875	31,565,269	142,572,271	1,019,550,375	14,890,925	1,447,877,715

20. Insurance service expense

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2025						
Contract measured under PAA						
Incurring claims and other expenses	250,025,668	16,353,253	81,559,006	1,034,150,160	9,820,347	1,391,908,435
Changes to liabilities for incurred claims	1,793,695	(16,834,821)	(17,103,395)	(30,057,346)	(7,571,459)	(69,773,327)
Amortisation of insurance acquisition cash flows	19,000,501	2,241,395	4,317,976	48,894,627	1,073,311	75,527,810
Losses on onerous contracts and reversals of those losses – net	(758,715)	(184,885)	-	-	-	(943,600)
	270,061,149	1,574,942	68,773,586	1,052,987,441	3,322,199	1,396,719,318
2024 (Restated)						
Contract measured under PAA						
Incurring claims and other expenses	336,159,757	36,369,130	103,485,944	908,124,227	13,480,759	1,397,619,817
Changes to liabilities for incurred claims	10,043,416	7,892,272	(7,770,151)	(5,607,878)	(489,877)	4,067,782
Amortisation of insurance acquisition cash flows	21,677,158	2,101,165	3,648,989	27,714,838	546,281	55,688,432
Losses on onerous contracts and reversals of those losses – net	(2,173,976)	184,885	-	(307,650)	-	(2,296,742)
	365,706,355	46,547,452	99,364,782	929,923,537	13,537,163	1,455,079,289

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

21. Net (expense)/ income from reinsurance contracts held

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2025						
Allocation of reinsurance premiums	34,330,292	13,519,481	90,972,460	753,893,175	13,125,628	905,841,036
Amounts recoverable from reinsurance for incurred claims						
Amounts recoverable for incurred claims	(7,464,010)	197,724	(60,200,941)	(656,638,657)	(7,755,961)	(731,861,845)
Changes to amounts recoverable for incurred claims	(7,650,995)	12,484,861	10,611,215	22,465,729	5,773,169	43,683,979
Amortisation of insurance acquisition cash flows	-	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	18,504	102,490	-	-	-	120,994
	(15,096,501)	12,785,075	(49,589,726)	(634,172,928)	(1,982,792)	(688,056,872)
Net expense from reinsurance contracts held	19,233,791	26,304,556	41,382,734	119,720,247	11,142,836	217,784,164
2024 (Restated)						
Allocation of reinsurance premiums	40,812,076	14,097,784	115,962,771	628,552,901	11,456,036	810,881,568
Amounts recoverable from reinsurance for incurred claims						
Amounts recoverable for incurred claims	(91,903,451)	(15,376,094)	(70,052,223)	(606,780,427)	(10,596,398)	(794,708,593)
Changes to amounts recoverable for incurred claims	(6,790,573)	(5,230,849)	5,212,825	29,160,476	240,011	22,591,891
Amortisation of insurance acquisition cash flows	-	-	-	-	-	-
Losses on onerous contracts and reversals of those losses – net	488,253	(102,490)	-	156,992	-	542,754
	(98,205,771)	(20,709,433)	(64,839,398)	(577,462,959)	(10,356,387)	(771,573,948)
Net expense/(income) from reinsurance contracts held	(57,393,695)	(6,611,649)	51,123,373	51,089,942	1,099,649	39,307,620

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For the year ended 31 December 2025

22. Net insurance financial result

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2025						
Insurance finance expenses from insurance contracts issued	1,166,615	(1,600,214)	(3,282,186)	(12,155,459)	(415,344)	(16,286,588)
Reinsurance finance income from reinsurance contracts held	1,098,312	1,243,062	2,369,145	7,164,335	358,254	12,233,108
2024 (Restated)						
Insurance finance expense from insurance contracts issued	1,255,465	(653,429)	(1,444,305)	(11,754,116)	(357,824)	(12,954,209)
Reinsurance finance income from reinsurance contracts held	1,144,899	697,049	951,089	7,421,153	280,596	10,494,786

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Notes to the consolidated financial statements For the year ended 31 December 2025

23. General and administrative expenses

Loss for the year has been arrived at after charging the following expenses:

	2025 AED	2024 AED (Restated)
Staff costs	55,067,925	44,589,074
Government and regulatory fees	9,280,895	8,958,377
Audit fees*	925,000	570,000
Professional fees	26,237,499	8,696,005
Depreciation of property and equipment (note 5)	4,435,316	4,663,722
Insurance	5,840,722	5,931,030
Communication, transportation and utilities	2,352,908	2,523,512
Bank charges	3,945,206	3,920,781
Director's Remuneration	1,800,000	3,600,000
Repairs and maintenance	748,433	363,228
Other expenses	7,160,640	7,950,275
	<u>117,794,544</u>	<u>91,766,004</u>

General and administrative expenses amounting to AED 112,253,494 (2024: AED 85,604,728) is allocated to the underwriting activities, excluding the director's remuneration and management expenses, which is fully unallocated. Unallocated portion is amounting to AED 5,541,050 (2024: AED 6,161,276).

* This includes audit fees charged during the year amounting to AED 450 thousand. The audit related fees charged during the year amount to AED 475 thousand.

24. Basic and diluted earnings / (loss) per share

	2025	2024
Profit / (loss) for the year after tax (in AED)	<u>5,672,211</u>	<u>(34,358,490)</u>
Number of outstanding shares	<u>250,000,000</u>	<u>250,000,000</u>
Basic and diluted earnings / (loss) per share after tax (in Fils)	<u>2.27</u>	<u>(13.74)</u>

Basic earnings / (loss) per share after tax has been calculated by dividing the earnings / (loss) for the year after tax by the number of shares outstanding at the end of the reporting period. Diluted earnings / (loss) per share after tax as of 31 December 2025 and 31 December 2024 are equivalent to basic earnings / (loss) per share after tax as the Group did not issue any new instrument that would impact earnings per share after tax when executed.

25. Related party balances and transactions

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

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

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

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Notes to the consolidated financial statements For the year ended 31 December 2025

25. Related party balances and transactions (continued)

Related parties as per the requirement of local regulations

At the end of the reporting period, amounts due from/to related parties included under due from policyholders and gross outstanding claims were as follows:

	2025 AED	2024 AED
Board members and their affiliates		
Due from policyholders <i>(included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	6,254,820	5,892,532
Gross outstanding claims <i>(included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	<u>2,112,324</u>	<u>764,949</u>

The outstanding amounts are unsecured and will be settled in cash. No guarantees have been given or received, and no expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

Transactions:

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

	2025 AED	2024 AED
Board members and their affiliates		
Premium received	5,977,887	5,913,032
Claims paid	<u>2,828,146</u>	<u>7,861,488</u>

Related parties as per the requirement of IAS 24

Compensation of board of directors/key management personnel

	2025 AED	2024 AED
Key management staff:		
Short-term benefits	4,983,557	5,169,984
Long-term benefits	351,815	360,330
Board of directors' remuneration	<u>1,800,000</u>	<u>1,800,000</u>

26. Contingencies and commitments

Contingencies

Legal proceedings

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's consolidated financial statements if settled unfavorably.

	2025 AED	2024 AED
Commitments		
Letters of guarantee	<u>322,439,750</u>	<u>111,663,190</u>

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27. Insurance risk

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

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

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

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

27.1 *Frequency and severity of claims*

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

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

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses of a set limit defined in each arrangement for each policy. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once in 3 years and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

The following tables disclose the concentration of insurance liabilities by line of business. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from the insurance contracts:

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Notes to the consolidated financial statements For the year ended 31 December 2025

27. Insurance risk (continued)

	2025		
	Gross AED	Reinsurance AED	Net AED
Motor	103,206,102	(30,125,688)	73,080,414
Marine	39,815,160	(10,563,047)	29,252,113
FGA	134,015,592	(90,845,473)	43,170,119
Medical	516,868,953	63,081,130	579,950,083
Life	(429,406)	(3,116,445)	(3,545,851)
	793,476,401	(71,569,523)	721,906,878
	2024 (Restated)		
	Gross AED	Reinsurance AED	Net AED
Motor	48,146,920	(50,302,884)	(2,155,964)
Marine	50,998,342	(29,134,250)	21,864,092
FGA	70,100,525	(65,964,002)	4,136,523
Medical	506,272,794	(17,787,141)	488,485,653
Life	19,666,499	(9,855,407)	9,811,091
	695,185,080	(173,043,683)	522,141,397

27.2 Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Group has involved external actuarial values as well. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

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

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27. Insurance risk (continued)

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

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

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

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27. Insurance risk (continued)

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

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact insurance service result as follows:

	2025 AED	2024 AED
Impact of change in loss ratio by +1 / -1 %		
Motor	1,798,874	2,260,112
Marine	126,405	189,820
FGA	146,656	168,225
Medical	4,870,872	2,924,376
Life	54,389	12,186

27.3 Process used to decide on assumptions

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Group's quarterly claims reports and screening of the actual insurance contracts carried out at the end of the reporting period to derive data for the contracts held. The Group 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. The Group has also involved an independent external actuary in the valuation of technical reserves of the Group.

27.4 Concentration of insurance risk

Substantially all of the Group's underwriting activities are carried out in the United Arab Emirates.

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

However, the Group decided to waive the reinsurance quota share treaty in motor among others for the current year because very less margin remains after actual loss ratio which is evident in last couple of years.

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

27.5 Sensitivity of underwriting profit and losses

The contribution by the insurance operations is a profit of AED 31.4 million for the year ended 31 December 2025 (2024 restated: loss of AED 46.5 million). The Group expects to increase the contribution by insurance operations to the profitability due to the reasons mentioned below.

The Group has an overall retention level of 41% (2024: 40%) and the same is mainly contributed by motor and medical class of business. The Group tries to arrange appropriate excess of loss reinsurance cover to guard against major financial impact.

The Group earns a gross commission income of AED 32.5 million (2024: AED 47.0 million (restated)). These commissions arise primarily from the reinsurance placements and are a recurring source of income.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

27. Insurance risk (continued)

Sensitivity

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

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

2025	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED	Impact on equity gross of reinsurance AED	Impact on equity net of reinsurance AED
Liability for Incurred claims	+10%	(75,784,300)	(28,685,172)	(75,784,300)	(28,685,172)
Risk adjustment	+10%	(1,964,859)	(744,796)	(1,964,859)	(744,796)
Discount rate	+1%	5,570,124	1,899,099	5,570,124	1,899,099
Liability for Incurred claims	-10%	75,784,300	28,685,172	75,784,300	28,685,172
Risk adjustment	-10%	1,964,859	744,796	1,964,859	744,796
Discount rate	-1%	(5,707,644)	(1,949,109)	(5,707,644)	(1,949,109)
2024					
Liability for Incurred claims	+10%	(69,771,552)	(26,009,902)	(69,771,552)	(26,009,902)
Risk adjustment	+10%	(1,867,764)	(667,253)	(1,867,764)	(667,253)
Discount rate	+1%	3,448,303	969,029	3,448,303	969,029
Liability for Incurred claims	-10%	69,771,552	26,009,902	69,771,552	26,009,902
Risk adjustment	-10%	1,867,764	667,253	1,867,764	667,253
Discount rate	-1%	(3,517,976)	(991,308)	(3,517,976)	(991,308)

28. Capital risk management

The Group's objectives when managing capital, which the Group considers to be the equity as shown in the consolidated statement of financial position, are:

- to comply with the insurance capital requirements required by UAE Federal Decree Law No. (6) of 2025, concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations;
- to protect its policyholders' interests;
- to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

In U.A.E., Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") specifies the minimum amount and type of capital that must be held by the Group in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

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Notes to the consolidated financial statements For the year ended 31 December 2025

28. Capital risk management (continued)

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

	2025 AED	2024 AED
Total capital held	250,000,000	250,000,000
Minimum regulatory capital	100,000,000	100,000,000

The Insurance Companies register of the Central Bank of the U.A.E. (“CBUAE”) has issued resolution No. 42 for 2009 setting the minimum subscribed or paid up capital of AED 100 million for establishing insurance firms and AED 250 million for reinsurance firms. The resolution also stipulates that at least 75 percent of the capital of the insurance companies established in the UAE should be owned by UAE or GCC national individuals or corporate bodies.

The table below summarises the minimum required capital of the Group and the total capital held as at:

	31 December 2025 AED	31 December 2024 AED <i>(Restated)*</i>
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	296,913,686	306,677,859
Minimum Guarantee Fund (MGF)	201,831,065	151,345,709
Basic Own Funds**	280,087,210	120,468,561
Ancillary Own Funds	303,200,000	40,937,121
MCR Solvency Margin – Surplus	28,487,210	-
SCR Solvency Margin – (Deficit)	(16,826,476)	(186,209,299)
MGF Solvency Margin – Surplus / (deficit)	78,256,145	(30,877,149)

As of 31 December 2025, the Group has a deficit in the Solvency Margin Requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 16,826,476. The Group’s ability to comply with the solvency requirements depends on implementing an effective business plan.

The Company has received a no-objection letter from the Central Bank on the Solvency Recovery Plan submitted by the management. The Company has subsequently implemented the indicated actions to significantly improve the solvency position as of 31 December 2025. Furthermore, the Company intends to continue complying with the action plan mentioned in the Solvency Recovery Plan.

*The amount of total basic own funds was incorrectly stated amounting to AED 100,000,000 in the audited Group’s consolidated financial statements for the year ended 31 December 2024; however, it has been restated with the correct amount of AED 120,468,561 as at 31 December 2024 in the above table.

**This represents Based Own Funds eligible to meet SCR.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

28. Capital risk management (continued)

28.1 Gearing ratio

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital, and the risks associated with capital.

The gearing ratio at the year-end was as follows:

	2025 AED	2024 AED
Debt (i)	115,294,207	300,075,193
Bank balances and cash (ii)	<u>(498,575,264)</u>	<u>(424,285,139)</u>
	<u>(383,281,057)</u>	<u>(124,209,946)</u>
Equity (iii)	546,232,856	464,799,299
Net debt to equity ratio	<u>(0.70)</u>	<u>(0.27)</u>
Gross debt to equity ratio	<u>0.21</u>	<u>0.65</u>

(i) Debt is defined as bank borrowings (note 15).

(ii) Bank balances and cash includes cash and cash equivalents and deposits (note 11).

(iii) Equity comprises of capital, reserves, cumulative changes in fair value and (accumulated losses)/ retained earnings.

29. Financial instruments

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

29.1 Material accounting policies

Details of the material accounting policies 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 consolidated financial statements.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

29.2 Categories of financial instruments

31 December 2025

	Amortised cost AED	FVTOCI AED	Total AED
Financial assets			
Financial assets carried at FVTOCI	-	70,124,670	70,124,670
Statutory deposits	10,000,000	-	10,000,000
Other receivables (excluding prepayments)	30,710,730	-	30,710,730
Cash at banks	498,459,164	-	498,459,164
Total financial assets	539,169,894	70,124,670	609,294,564

At amortised
cost
AED

Financial liabilities

Bank borrowings		115,294,207
Other payables		34,110,564
Total financial liabilities		149,404,771

31 December 2024

	Amortised cost AED	FVTOCI AED	Total AED
Financial assets			
Financial assets carried at FVTOCI	-	56,414,041	56,414,041
Statutory deposits	10,000,000	-	10,000,000
Other receivables (excluding prepayments)	27,091,176	-	27,091,176
Cash at banks	424,063,855	-	424,063,855
Total financial assets	461,155,031	56,414,041	517,569,072

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

29.2 Categories of financial instruments (continued)

	At amortised cost AED (Restated)
Financial liabilities	
Bank borrowings	300,075,193
Other payables	37,241,093
Total financial liabilities	<u>337,316,286</u>

29.3 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 Group 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.

29.3.1 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 consolidated financial statements approximate their fair values.

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

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

29.3.3 Fair value measurements recognised in the consolidated statement of financial position

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined;

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2025 AED	31 December 2024 AED				
Quoted equity securities	68,946,572	52,935,943	Level 1	Quoted bid prices in an active market.	None	N/A
Unquoted equity securities	1,178,098	3,478,098	Level 3	Net assets valuation method	Net assets value	Higher the net assets value of the investees, higher the fair value.
	<u>70,124,670</u>	<u>56,414,041</u>				

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

29.3 Fair value measurements (continued)

29.3.3 Fair value measurements recognised in the consolidated statement of financial position (continued)

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

- 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).

31 December 2025

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTOCI				
Quoted equities	68,946,572	-	-	68,946,572
Unquoted equities	-	-	1,178,098	1,178,098
Investment properties	-	-	794,540,000	794,540,000
	<u>68,946,572</u>	<u>-</u>	<u>795,718,098</u>	<u>864,664,670</u>

31 December 2024

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTOCI				
Quoted equities	52,935,943	-	-	52,935,943
Unquoted equities	-	-	3,478,098	3,478,098
Investment properties	-	-	849,055,989	849,055,989
	<u>52,935,943</u>	<u>-</u>	<u>852,534,087</u>	<u>905,470,030</u>

Reconciliation of FVTOCI investments, movements in level 3 for assets measured at fair value:

	Opening balance AED	Additions AED	Change in fair value AED	Closing balance AED
31 December 2025				
Investment properties	849,055,989	4,786	(54,520,775)	794,540,000
<i>Financial assets at FVTOCI</i>				
Unquoted equities	3,478,098	-	(2,300,000)	1,178,098
31 December 2024				
Investment properties	847,850,000	4,205,989	(3,000,000)	849,055,989
<i>Financial assets at FVTOCI</i>				
Unquoted equities	3,478,098	-	-	3,478,098

There were no transfers between the levels during the year.

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Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

29.4 *Market risk*

The dealing in foreign currency is limited to reinsurance payments after settlements. Exposure to bank borrowings has been reduced significantly in 2025 resulting in high reduction in cost of bank borrowing. The investments in fixed deposits increased significantly improving company's market position for stronger negotiations with financial institutions and banks.

In terms of commission payouts, company has limited exposure to the sales agents & insurance brokers. Business performance of both these segments are monitored & controlled closely

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

29.5 *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 Dirham is pegged.

29.6 *Credit risk*

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

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

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

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Group.

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

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

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

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Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

29.6 Credit risk (continued)

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

	2025 AED	2024 AED (Restated)
Statutory deposits	10,000,000	10,000,000
Reinsurance contract assets	134,650,653	173,043,683
Insurance contract assets	429,406	-
Other receivables	30,710,730	27,091,176
Cash at banks	498,459,164	424,063,855
Total credit risk exposure	674,249,953	634,198,714

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

The table below presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting year based on Moody's rating or its equivalent for the main banking relationship:

	2025 AED	2024 AED
A	18,627,041	99,398,452
BBB	479,832,123	324,643,972
Unrated	-	21,431
	498,459,164	424,063,855

The table below shows the reinsurance contract assets by credit ratings based on S&P:

	31 December 2025 AED	31 December 2024 AED
AA	70,323,092	102,641,710
A	57,183,863	65,957,505
BBB	4,932,996	2,302,685
BB	(406,693)	(261,330)
B	(480,373)	(445,816)
Unrated	3,097,767	2,848,929
	134,650,652	173,043,683

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Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

29.7 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group 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 below summarizes the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date 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 was as follows:

	Within 1 year AED	1 year to 5 years AED	No Maturity AED	Total AED
31 December 2025				
<i>Financial assets</i>				
Financial assets carried at FVTOCI	13,710,629	56,414,041		70,124,670
Statutory deposits	-	-	10,000,000	10,000,000
Cash at banks	498,459,164	-	-	498,459,164
Other receivables	30,710,730	-	-	30,710,730
	529,169,894	-	10,000,000	539,169,894
<i>Financial liabilities</i>				
Bank borrowings	115,294,207	-	-	115,294,207
Other payables	34,110,564	-	-	34,110,564
	149,404,771	-	-	149,404,771
31 December 2024				
<i>Financial assets</i>				
Financial assets carried at FVTOCI	-	56,414,041	-	56,414,041
Statutory deposits	-	-	10,000,000	10,000,000
Cash at banks	424,063,855	-	-	424,063,855
Other receivables	27,091,176	-	-	27,091,176
	451,155,031	56,414,041	10,000,000	517,569,072
<i>Financial liabilities</i>				
Bank borrowings	213,409,193	86,666,000	-	300,075,193
Other payables	37,241,093	-	-	37,241,093
	250,650,286	86,666,000	-	337,316,286

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Notes to the consolidated financial statements For the year ended 31 December 2025

29. Financial instruments (continued)

The table below shows the maturity analyses for present value of future cashflows underlying the liability for incurred claims for portfolios of insurance contracts issued and portfolio of reinsurance contracts held that are liabilities as of the reporting date:

31 December 2025	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
Liability for Incurred Claims	587,800,667	102,743,010	43,230,604	12,257,066	1,481,309	321,358	747,834,014
Reinsurance Asset for Incurred Claims	(268,319,666)	(43,367,507)	(22,854,567)	(5,829,327)	(110,930)	-	(340,481,997)
	319,481,001	59,375,503	20,376,037	6,427,739	1,370,379	321,358	407,352,017
31 December 2024	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years	Total
Liability for Incurred Claims	604,060,256	49,636,883	11,919,439	4,645,943	1,313,704	57,156	671,633,381
Reinsurance Asset for Incurred Claims	-	-	-	-	-	-	-
	604,060,256	49,636,883	11,919,439	4,645,943	1,313,704	57,156	671,633,381

29.8 Interest risk

The Group's exposure to interest rate risk relates to its bank deposits and bank borrowings. During the year, bank deposits carried interest at the range of 4.0% to 4.6% per annum (2024: 3.9% to 5.7% per annum). Bank loans carried an interest rate in the range from Cash Security Against Facility (CSAF) plus 0.5% to 2.8% plus 1 months EIBOR per annum (2024: 0.5% to 2.5% to plus three months EIBOR per annum).

If interest rates had been 50 basis points lower throughout the year and all other variables were held constant, the Group's loss for the year ended 31 December 2024 and equity as at 31 December 2025 would increase by AED 142,457 (2024: increase by AED 1,489,780).

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

The Group is exposed to interest rate risk on:

- (i) Liability for incurred claims; and
- (ii) Asset for incurred claims.

29.9 Equity price risk

29.9.1 Sensitivity analysis

At the end of the reporting period, if the equity prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant, the Group's other comprehensive income and equity would have increased/decreased by AED7.01 million (2024: AED 5.6 million).

29.9.2 Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk at the reporting date.
- At the end of the reporting period, 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 consolidated statement of profit or loss and equity has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

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30. Segment information

The Group is organized into three business segments: general insurance, life assurance and investments. The general insurance segment incorporates all classes of general insurance including motor, marine, fire and general accident, medical, and life. The life assurance segment includes group life insurance.

Investments segment includes investments in equity securities, bank deposits, investment properties and statutory deposit.

These segments are the basis on which the Group reports its primary segment information to the Chief Operating decision maker. Insurance premium represents the total income arising from insurance contracts. There are no transactions between the business segments.

a) *Segment consolidated statement of financial position is as follows:*

	2025			2024 (Restated)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	138,080,059	1,288,276,087	1,426,356,146	173,043,683	1,245,614,553	1,418,658,236
Unallocated assets	-	-	140,990,644	-	-	147,954,266
Insurance & Reinsurance contracts issued						
Motor	30,125,688	-	30,125,688	50,302,884	-	50,302,884
Marine	10,563,047	-	10,563,047	29,134,249	-	29,134,249
FGA	90,845,473	-	90,845,473	65,964,002	-	65,964,002
Medical	-	-	-	17,787,141	-	17,787,141
Life	3,545,851	-	3,116,445	9,855,407	-	9,855,407
Total	135,080,059	1,288,276,087	1,564,346,790	173,043,683	1,245,614,553	1,566,612,502
Segment liabilities	856,986,937	74,279,777	931,266,714	695,185,080	193,894,659	889,079,739
Unallocated liabilities	-	-	150,383,512	-	-	212,733,464
Insurance & Reinsurance contracts held						
Motor	103,206,102	-	103,206,102	48,146,920	-	48,146,920
Marine	39,815,160	-	39,815,160	50,998,342	-	50,998,342
FGA	134,015,592	-	134,015,592	70,100,525	-	70,100,525
Medical	579,950,083	-	579,950,083	506,272,794	-	506,272,794
Life	-	-	-	19,666,499	-	19,666,499
Total	856,986,937	74,279,777	1,081,650,226	695,185,080	193,894,659	1,101,813,203

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

30. Segment information (continued)

b) Segment consolidated statement of profit or loss is as follows:

2025

	Underwriting						Investments	Total
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED	AED	AED
Insurance revenue	217,130,018	29,565,698	121,539,728	1,258,833,031	18,850,053	1,645,918,528		1,645,918,528
Insurance service expenses	(270,061,149)	(1,574,942)	(68,773,586)	(1,052,987,441)	(3,322,198)	(1,396,719,316)		(1,396,719,316)
Net income from reinsurance contracts held	(19,233,792)	(26,304,556)	(41,382,732)	(119,720,247)	(11,142,836)	(217,784,163)		(217,784,163)
Net insurance financial result	2,264,927	(357,152)	(913,041)	(4,991,124)	(57,090)	(4,053,480)		(4,053,480)
Segment result	(69,899,996)	1,329,048	10,470,369	81,134,219	4,327,929	27,361,569	(5,937,911)	21,423,658
Unallocated costs								(18,829,858)
Profit / (loss) for the year before tax								2,593,800

2024 (Restated)

	Underwriting						Investments	Total
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED	AED	AED
Insurance revenue	239,298,875	31,565,269	142,572,271	1,019,550,375	14,890,925	1,447,877,715		1,447,877,715
Insurance service expenses	(365,706,354)	(46,547,451)	(99,364,783)	(929,923,538)	(13,537,163)	(1,455,079,289)		(1,455,079,289)
Net income from reinsurance contracts held	57,393,695	6,611,649	(51,123,373)	(51,089,942)	(1,099,649)	(39,307,620)		(39,307,620)
Net insurance financial result	2,400,364	43,620	(493,216)	(4,332,963)	(77,228)	(2,459,423)		(2,459,423)
Segment result	(66,613,420)	(8,326,913)	(8,409,101)	34,203,932	176,885	(48,968,617)	45,912,891	(3,055,726)
Unallocated costs								(31,302,765)
Profit / (loss) for the year								(34,358,491)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

31. Gross written premiums

Details relating to gross written premium are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

31 December 2025	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct written premiums	19,540,347	-	1,215,495,389	382,529,896	1,617,565,632
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	6,645,913	6,645,913
Total assumed business	-	-	-	6,645,913	6,645,913
Gross written premiums	19,540,347	-	1,215,495,389	389,75,809	1,624,211,545

31 December 2024	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct written premiums	17,564,861	-	1,097,667,835	417,120,374	1,532,353,070
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	7,909,552	7,909,552
Total assumed business	-	-	-	7,909,552	7,909,552
Gross written premiums	17,564,861	-	1,097,667,835	425,029,926	1,540,262,622

32. Dividend and Director's remuneration

The Board of Directors has not approved any dividend for the financial year 2025. The Board of Directors in its meeting held on 26 February 2025 had not proposed any dividend in respect of the year ended December 31, 2024 for approval of the members at the Annual General Meeting. The remuneration of the Board of Directors is subject to approval by the shareholders and as per limits set by the UAE Federal Law No. (32) of 2021 concerning Commercial Companies.

33. Corporate tax

	2025 AED	2024 AED
Consolidated statement of profit or loss		
Current tax	(1,828,459)	
Deferred tax	4,906,870	-
	3,078,410	
Consolidated statement of other comprehensive income		
Current tax	-	-
Deferred tax	(1,209,071)	-

During the year ended 2024, no current tax expense is recognized due to taxable losses in the period.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

33. Corporate tax (continued)

Relationship between tax expense and accounting profit:

	2025 AED	2024 AED
Profit / (loss) before taxation	2,593,800	(34,358,491)
Brought forward losses	(34,010,734)	-
	(31,416,934)	-
Basic exemption limit	(375,000)	-
Exempt income - Dividends received from UAE listed Companies	(3,322,726)	-
Exempt income – others	37,317	-
Unrealized loss on capital items	54,520,775	-
Non-deductible expenses	872,785	-
Tax applicable profit	20,316,217	-
Tax @ 9%	1,828,459	-

The Group have taxable losses during year ended 2024 and accordingly is eligible for deferred tax credit. However, management of the Group has decided not to record the same on a prudent basis.

34. Change in accounting policies and correction of errors

During the year ended 31 December 2025, the Group has restated its consolidated financial statements to reflect changes in accounting policies and correction of errors related to the recognition of acquisition costs, commissions, and classification of insurance contract balances. These changes have been applied retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Nature and reason for the change

The principal changes and the reasons for them are described below.

Balances relating to premiums, claims, commissions, salvage, and subrogation have been reallocated to their correct categories to ensure accurate reporting of insurance and reinsurance contract liabilities and assets. This includes appropriate transfers between the liability for remaining coverage and the liability for incurred claims, as well as adjustments to insurance contract assets and liabilities. There were some certain group of contracts that were incorrectly included in insurance contract liabilities and now they have been reclassified to reinsurance contract assets. Reallocation ensures that balances are presented in the correct classification, providing a clearer view of the Group's contractual obligations and rights.

Certain acquisition costs and commission incomes, which were previously recognised immediately, are now deferred over the coverage period to better align with the IFRS 17 requirements for contracts with contract boundary more than 12 months. Further, to ensure reliable, consistent reporting and comparability across all lines of business and contracts the deferment option has been considered also for contracts with contract boundaries less than 12 months. In addition, certain expenses that were earlier classified as general and administrative expenses are now included in gross acquisition costs, while some reinsurance commission incomes that are contingent on the claims or benefit experience of the underlying contracts have been reclassified from allocation of reinsurance premiums to amounts recoverable from reinsurers for incurred claims. In addition to that there has been a reclassification of reinsurance commission income of AED 106 million from amount recoverable from reinsurance for incurred claims to the allocation of reinsurance premiums. Commission expenses are now recognised in line with the coverage period, ensuring that income and expenses are properly matched.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

34. Change in accounting policies and correction of errors (continued)

Nature and reason for the change (continued)

The application of risk adjustment on the claims payable component of the Liability for Incurred Claims has been foregone on the claims which were finalised but unpaid for the reporting years 2023 and 2024 as there is no Insurance Risk on the claim payables. This change aligns with management's current risk assessment approach and simplifies the measurement of incurred claim liabilities, while ensuring the financial statements continue to provide a faithful representation of the Group's insurance obligations.

In addition to the above, the Group identified a presentation misclassification relating to the reinsurance contract assets and reinsurance contract liabilities which were presented on gross basis in the consolidated financial statements for the year ended 31 December 2024 and 31 December 2023. In accordance with IFRS 17, these balances have been presented considering the carrying value at portfolio level in the consolidated financial statements for the year ended 31 December 2025 and the comparative figures have been restated accordingly. Further, the Group identified a presentation reclassification relating to bank balances and cash disclosed in the consolidated financial statements as of 31 December 2024 and 31 December 2023. In the consolidated financial statements as of 31 December 2025, these balances have been presented separately as cash and cash equivalents and deposits. As a result, the comparative figures have been restated accordingly. Further, Group previously included cash flows for net income from investment properties within investing activities in the consolidated statement of cash flows which now has been reclassified to operating activities.

Rationale for the changes

The changes were undertaken to improve the reliability, relevance and comparability of financial information about the Group's insurance contracts by ensuring that measurement and presentation reflect the economic substance of the contracts and the separate characteristics of remaining coverage and incurred claims.

The changes align the Group's accounting and presentation with IFRS 17 measurement and disclosure requirements and management's reporting used for evaluating contract profitability and performance.

The reclassifications and reallocations correct prior presentations where balances and cash flows were allocated or presented in manners that did not fully reflect the timing or nature of the underlying fulfilment cash flows.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

34. Change in accounting policies and correction of errors (continued)

Application of the change and basis of transition

The change has been applied in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Company has applied the change retrospectively to all prior periods presented in accordance with IAS 8 requirements.

The change has been applied retrospectively. Comparative amounts for the year ended 31 December 2024 have been restated and opening balances of equity as at 1 January 2024 (the earliest period presented) have been adjusted.

Quantitative effect of the change

The effect of the change on the consolidated statement of financial position and on opening equity at the beginning of the earliest period presented is set out below.

The effect of the change on the consolidated statement of financial position as at 31 December 2023:

Line item	As Previously Reported	Reclassification impact	Reclassified
Insurance contract assets	12,462,413	3,891,700	16,354,113
Reinsurance contract assets	422,203,950	(298,668,313)	123,535,637
Insurance contract liabilities	(537,684,319)	12,323,599	(525,360,720)
Reinsurance contract liabilities	(308,782,606)	282,453,014	(26,329,592)
Bank balances and cash	315,730,998	(315,730,998)	-
Cash and cash equivalents	-	72,952,230	72,952,230
Deposits	-	242,778,768	242,778,768

The equity impact of restatements on the consolidated statement of financial position as at 31 December 2023:

Line item	Reclassified	Adjustments	Restated
Insurance contract assets	16,354,113	(7,188,041)	9,166,072
Reinsurance contract assets	123,535,637	(17,535,509)	106,000,128
Insurance contract liabilities	(525,360,720)	20,429,280	(504,931,440)
Reinsurance contract liabilities	(26,329,592)	11,129,825	(15,199,767)
Other payables	(47,895,107)	(1,076,237)	(48,971,344)
Accumulated losses	(74,178,917)	5,759,318	(68,419,599)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

34. Change in Accounting policies and estimates (continued)

The key components for the effect of the change on the accumulated losses as at 31 December 2023:

Risk Adjustment	2,493,561
Loss Component	(4,086,648)
Discounting on LIC	(7,001,651)
Recognition of net deferred acquisition cost	15,291,740
Non-performance reserve on RI receivables	4,276
Other components	(941,960)
	5,759,318

The effect of the change on the consolidated statement of financial position as at 31 December 2024:

Line item	As Previously Reported	Reclassification impact	Reclassified
Reinsurance contract assets	522,194,793	(339,136,892)	183,057,901
Insurance contract liabilities	(730,991,127)	16,215,299	(714,775,828)
Reinsurance contract liabilities	(322,921,593)	322,921,593	-
Bank balances and cash	424,285,139	(424,285,139)	-
Cash and cash equivalents	-	106,750,419	106,750,419
Deposits	-	317,534,720	317,534,720

The equity impact of restatements on the consolidated statement of financial position as at 31 December 2024:

Line item	Reclassified	Adjustments	Restated
Reinsurance contract assets	183,057,901	(10,014,218)	173,043,683
Insurance contract liabilities	(714,775,828)	19,590,748	(695,185,080)
Other payables	(55,288,016)	(1,248,471)	(56,536,487)
Accumulated losses	(15,713,982)	8,328,059	(7,385,923)

The key components for the effect of the change on the accumulated losses as at 31 December 2024:

Risk Adjustment	2,087,085
Loss Component	(2,332,660)
Discounting on LIC	(7,565,872)
Recognition of net deferred acquisition cost	18,239,201
Non-performance reserve on RI receivables	7,667
Other components	(2,107,362)
	8,328,059

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

34. Change in Accounting policies and estimates (continued)

The effect of the restatements on the consolidated statement of cashflows for the year ended 31 December 2024:

Operating activities

Change in working capital	As previously reported
Change in net reinsurance contract assets	(85,851,856)
Change in net insurance contract liabilities	205,769,221
Change in other payables	6,642,909
Changes in other receivables	(836,364)

Change in working capital	Restated
Change in insurance contract assets	9,166,072
Change in insurance contract liabilities	190,253,640
Change in reinsurance contract assets	(67,043,555)
Change in reinsurance contract liabilities	(15,199,767)
Change in other payables	7,565,143
Changes in other receivables	(2,646,298)

Operating activities

Adjustments for:	As previously reported
Net income from investing properties	(30,064,522)

Adjustments for:	Restated
Net income from investment properties	-

Investing activities

	As previously reported
Income from investment properties	28,254,588

	Restated
Income from investment properties	-

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

34. Change in Accounting policies and estimates (continued)

The effect of the restatement on the consolidated statement of comprehensive income for the year ended 31 December 2024:

	As previously published	Adjustment	Restated
Insurance revenue	1,448,902,391	(1,024,676)	1,447,877,715
Insurance service expenses	(1,469,728,830)	14,649,541	(1,455,079,289)
Insurance service result before reinsurance contracts held	(20,826,439)	13,624,865	(7,201,574)
Allocation of reinsurance premiums	(920,601,503)	109,719,935	(810,881,568)
Amounts recoverable from reinsurance for incurred claims	899,203,030	(127,629,082)	771,573,948
Net expenses from reinsurance contracts held	(21,398,473)	(17,909,147)	(39,307,620)
Insurance service result	(42,224,912)	(4,284,282)	(46,509,194)
Investment and other income	45,912,891	-	45,912,891
Insurance finance expense for insurance contracts issued	(20,136,315)	7,182,106	(12,954,209)
Reinsurance finance income for reinsurance contracts held	10,532,939	(38,153)	10,494,786
Net insurance financial result	(9,603,376)	7,143,953	(2,459,423)
General and administrative expenses	(5,870,346)	(290,930)	(6,161,276)
Finance costs	(24,935,077)	-	(24,935,077)
Finance costs - lease	(206,412)	-	(206,412)
	(31,011,835)	(290,930)	(31,302,765)
Loss for the year before tax	(36,927,232)	2,568,741	(34,358,491)

The comparative earnings per share figures have been restated due to restatements and correction of errors with basic and diluted EPS restated from AED (14.77) fils to AED (13.74) fils.

35. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 31 March 2026.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2025

36. Subsequent events

The recent regional military escalations have triggered a high-risk conflict environment across the Gulf. The situation is still very fluid, and scenarios can shift very quickly. The Group is closely monitoring the scenario and adjusting its operational strategies in line with developing scenario. All departments are working at par with their efficiencies and continue to prioritise services to the policy holders. With respect to consolidated financial statements for the year ended 31 December 2025, the potential financial reporting effects of the conflict are considered to be non-adjusting in nature.

The Group has been closely monitoring the impact of the developments on the Group's businesses and has put in place contingency measures. These contingency measures include established and tested ability to work from home/anywhere, providing Secured VPN, ensuring connectivity with Third Party Service providers (Medical centres, Service providers, Suppliers, etc), ensuring access through cloud based service providers, access for key and back up users to Company Network and Applications, providing mobile devices/laptop to key users, ensuring access to company policies and procedure manuals, ensuring effective communication through communication tree and defined channels, etc.

Marine Reinsurers have recently issued seven (7) days' notice of cancellation in respect of war risks cover in accordance with the war risks cancellation clause, with the possibility of reinstatement subject to revised terms, conditions, and additional premium. In line with the treaty leaders' instructions, Marine Department has also issued a corresponding notice of cancellation to all insured clients in respect of war risks cover. We are currently working closely with reinsurers and brokers to reinstate the war risks cover under revised terms, conditions, and additional premium, as may be agreed. Additionally, we are closely monitoring receivables and outstanding recoveries to identify any potential delays in repayments and take the appropriate actions to protect the Group's rights.



Corporate Governance Report for 2025

1. Statement of procedures taken to complete the corporate governance system during 2025:

(A) Organizational and Supervisory Measures:

Driven by Al Buhaira National Insurance Company's commitment to continuously upgrading its corporate governance framework and enhancing compliance with regulatory requirements, the Company implemented a set of organizational and supervisory measures during 2025 aimed at consolidating sound practices and improving the efficiency of internal control. The key achievements during the year include:

- Independent Assessment and Comprehensive Review: Engaging "Talal Abu-Ghazaleh & Co. International" as an independent professional entity to conduct a comprehensive assessment of the effectiveness of the Board of Directors and its committees.
- Structural Separation and Enhancing Committee Independence: Addressing the overlap of duties among the Board committees by structurally separating the authorities of the "Audit Committee" and the "Risk Management Committee," and reconstituting the committees in May 2025 to ensure the highest degrees of independence and effectiveness.
- Developing the Framework for Related Parties and Risk Management: Updating the Related Party Transactions Policy, in addition to approving numerous other policies and frameworks.
- Regulatory Follow-up and Continuous Compliance: The Company continued to monitor the implementation of the Gap Analysis requirements and related regulatory recommendations by submitting periodic quarterly reports to the CBUAE detailing the progress made, supported by Internal Audit reviews.

(B) Approved Legal References for Governance:

This Corporate Governance Report has been prepared in accordance with the applicable laws, regulations, decisions, and governance requirements in the United Arab Emirates, specifically:

- Federal Decree-Law No. (32) of 2021 on Commercial Companies, as amended.
- Federal Decree-Law No. (6) of 2025 Regarding the Central Bank, Regulation of Financial Institutions and Activities, and Insurance Business.
- CBUAE Circular No. (24/2022) on the Corporate Governance Regulation for Insurance Companies, and the standards, regulations, and implementing decisions issued pursuant thereto.
- Chairman of the Securities and Commodities Authority Board of Directors Decision No. (3/R.M) of 2020 concerning the Corporate Governance Guide for Public Joint Stock Companies, and its amendments.
- Chairman of the Securities and Commodities Authority Board of Directors Decision No. (02/R.M) of 2024 amending the Corporate Governance Guide for Public Joint Stock Companies

2. Securities Ownership and Transactions of Board Members, Their Spouses and Their Children During 2025:

The Company complies with the applicable rules relating to trading, clearing, settlement, transfer, and custody of securities. Based on the available records, the Company confirms that there were **no transactions (purchases or sales)** in the Company's shares during the financial year 2025 by any of the Board members, their spouses, or their children.

The following table outlines the shares held by the Board members (and related people) as at 31/12/2025:

No.	Name	Position / Relationship	Shares Held at 31/12/2025	Total Purchases	Total Sales
1	Sheikh Faisal Bin Khalid Bin Sultan Al Qasimi	Chairman of the Board	31,354,236	None	None
2	Sheikh Abdulla Bin Mohammed Ali Al Thani	Vice Chairman of the Board	33,671,426	None	None
3	Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi	Board Member	446,429	None	None
4	Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani	Board Member	None	None	None
5	Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Board Member	None	None	None
6	Mr. Rashid Ali Rashid Deemas Alsuwaidi	Board Member	8,758,150	None	None
7	Mr. Abdulla Mohamed Salih Al Zarooni	Board Member	None	None	None
8	Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Board Member	None	None	None
9	Mr. Bassam Ibrahim Mohammed Elayyan	Board Member	None	None	None
10	Mr. Salem Abdulla Salem Al Hosani	Former Board Member (during <i>part of 2025</i>)	47,262,150	None	None
11	Mr. Abdulla Salem Abdulla Salem Al Hosani	Son of former Board Member (during <i>part of 2025</i>)	4,000,000	None	None

3. Board Composition:

The Board of Directors was reconstituted following the resolutions of the Annual General Assembly held on 23 April 2025. The current Board consists of nine (9) members, all of whom are non-executive. The Board includes four (4) independent members and five (5) non-independent members, in full compliance with the requirements of the Securities and Commodities Authority (SCA) and the CBUAE Corporate Governance Regulation for Insurance Companies.

- The Board composition for 2025 witnessed the departure of Mr. Salem Abdulla Salem Al Hosani upon the end of his term in April 2025, and the election of Mr. Bassam Ibrahim Mohammed Elayyan (Representative of Al Salem Co. LTD) as a new member effective from the same date.
- The following table outlines the approved composition of the Board of Directors as at 31/12/2025:

(A) Chairman and Members of the Board of Directors:

No.	Name	Position	Category (Nature of Membership)	Year of Joining
1	Sheikh Faisal Bin Khalid Bin Sultan Al Qasimi	Chairman of the Board	Non-Executive / Non-Independent	1986
2	Sheikh Abdulla Bin Mohammed Ali Al Thani	Vice Chairman of the Board	Non-Executive / Non-Independent	1995
3	Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi	Board Member	Non-Executive / Non-Independent	2004
4	Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani	Board Member	Non-Executive / Independent	2022
5	Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Board Member	Non-Executive / Independent	2022
6	Mr. Rashid Ali Rashid Deemas Alsuwaidi	Board Member	Non-Executive / Non-Independent	1978
7	Mr. Abdulla Mohamed Salih Al Zarooni	Board Member	Non-Executive / Independent	2022
8	Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Board Member	Non-Executive / Independent	2022
9	Mr. Bassam Ibrahim Mohammed Elayyan (<i>Rep. of Al Salem Co. LTD</i>)	Board Member	Non-Executive / Non-Independent	2025

(B) Experience and qualifications of the members of the Board of Directors

Name	Experiences	Qualifications	Term of being as a Board member from the date of his first election
Sheikh Faisal bin Khalid bin Sultan Al-Qasimi	<ul style="list-style-type: none"> - Chairman of Al-Qassimi Group in Sharjah - Chairman of Travel Agents Society. - (Former) Board Member of Invest Bank. - Chairman of Al-Buhairah National Insurance Co. - (Former) President of Amiri Court in Sharjah. - (Former) Chief Commander of Amiri Guard in Sharjah - (Former) President of Sharjah Ruler’s Office. - (Former) Chairman of Emirates Insurance Society. - (Former) Executive Council Board Member of Insurance and Reinsurance Coordinating Body. - (Former) Member of the Board of Directors of the Insurance Authority. 	BA Degree in Business Administration from California State University	Since the year 1986.
Sheikh Abdullah bin Mohamed Ali Al Thani	<ul style="list-style-type: none"> - Chairman of Air Arabia in Sharjah - Chairman of Sharjah Golf & Shooting Club - (Former) Head of Civil Aviation in Sharjah - Vice Chairman of Al-Buhaira National Insurance Company. 	MA Degree in Business Administration from USA	Since the year 1995
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	<ul style="list-style-type: none"> - Member of the executive council – Sharjah - Chairman of the Department of Ports, Customs and Free Zones - Board Member of Al-Buhaira National Insurance Company. 	B.Sc. in Industrial Engineering Environment from Arizona University	Since the year 2004
Sheikh Ahmed Abdulla Mohammed Ali Al Thani	<ul style="list-style-type: none"> - Member of the board of directors of Sharjah Air Navigation Services Co. LTD (SASCO). - (Former) Chairman of the board of directors of Sharjah club. - Board member of Al Buhaira National Insurance Co. 	Bachelor of International Business	2022
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	<ul style="list-style-type: none"> - General Manager of Umm Al Quwain General Investment Company. - Board Member of Al Buhaira National Insurance Company. - Board Member of the Kuwaiti Emirati Holding Co. 	Bachelor of Business Administration – UK	2022

	<ul style="list-style-type: none"> - (Former) Board Member of Sharjah Insurance Company 	MSc Human Resources – UK	
Mr. Rashid Ali Rashid Deemas Al-Suwaidi	<ul style="list-style-type: none"> - Owner & Chairman of The Board of Directors of Deemas Contracting, Trading, Ready Mix Concrete and Brick Company. - General Manager & Commissioner of The Friends of Patients Committee - Sharjah - Former Member of The Board of Arbitrators of Sharjah Courts. - (Former) Member of The Board of Contractors Association - Board Member of Al-Buhaira National Insurance Company - Former Member of The Federal National Council - Former Board Member of The Emirates Insurance Association - Founder And Former Board Member of Federal Commercial Bank (Currently ADCB) - Former Member of The Municipal Council of Sharjah Municipality - Former Board Member of Sharjah Chamber of Commerce & Industry. - Former Chairman of the parents & teachers council – Sharjah - Vice president of the Zakat Fund – Abu Dhabi. 	GCSE	Since the year 1978
Mr. Abdulla Mohamed Salih Al Zarooni	<ul style="list-style-type: none"> - Board of directors’ member of National Bank of Umm Al Quwain. - Board member of Marsa Um Al Quwain Co. - Former Deputy Chief Executive Officer of Abu Dhabi National Bank. <p>Board of directors’ member of Al Buhaira National Insurance Co.</p>	Bachelor of Accounting – UAE CPA Washington USA	2022
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	<ul style="list-style-type: none"> - (Former) Project Manager – Sharjah Electricity & Water Authority (Government Projects) - Board Member of Al-Buhairah National Insurance Co. 	Bachelor’s degree in management information systems	2022

<p>Mr. Bassam Ibrahim Mohammed Elayyan <i>(Representative of Al Salem Co. LTD)</i></p>	<p>- Assistant General Manager - Al Salem Co. LTD, Sharjah (February 2008 – Present).</p> <p>- Assistant Deputy General Manager for Internal Audit and Inspection - Bank of Cairo Amman, Jordan (May 2003 – January 2008).</p> <p>- Deputy Manager - Arab Bank, Sharjah (December 1978 – November 2003), with extensive experience in banking operations and documentary credits.</p>	<p>General Secondary Education Certificate from the Hashemite Kingdom of Jordan (1973). Completed numerous professional banking and financial training courses in risk management, Basel II, financial analysis, cash flow management, and corporate financial planning.</p>	<p>2025</p>
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(C) Positions of Members of the Board of Directors in Other Public Joint-Stock Companies

Name	Position & Company Name
Sheikh Faisal bin Khalid bin Sultan Al-Qasimi	None
Sheikh Abdullah bin Mohamed Ali Al Thani	Chairman of Air Arabia in Sharjah
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	None
Sheikh Ahmed Abdulla Mohammed Ali Al Thani	None
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Member of the Board of Directors of the Kuwaiti Emirati Holding Company (listed in Kuwait)
Mr. Rashid Ali Rashid Deemas Al-Suwaidi	None
Mr. Abdulla Mohamed Salih Al Zarooni	Board member of National Bank of Umm Al Quwain.
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	None
Mr. Bassam Ibrahim Mohammed Elayyan	None

(D) Positions Held in Other Important Regulatory, Governmental, or Commercial Positions

Name	Position & Company Name
Sheikh Faisal bin Khalid Sultan Al-Qasimi	None
Sheikh Abdullah bin Mohamed Ali Al Thani	Chairman of Air Arabia in Sharjah
Sheikh Khalid bin Abdullah Sultan Al-Qasimi	Member of the executive council – Sharjah Chairman of the Department of Ports, Customs and Free Zones
Sheikh Ahmed Abdulla Mohammed Ali Al Thani	None
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	None
Mr. Rashid Ali Rashid Deemas Al-Suwaidi	None
Mr. Abdulla Mohamed Salih Al Zarooni	None
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	None
Mr. Bassam Ibrahim Mohammed Elayyan	None

(E) Statement of the Percentage of Female Representation on the Board of Directors for 2025:

Al Buhaira National Insurance Company believes in the importance of diversity and equal opportunities in the composition of its Board of Directors. During 2025, the percentage of female representation on the Company's Board of Directors stood at **11.11%**, as the Board includes one (1) female member out of nine (9) members, namely Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali (Non-Executive / Independent Board Member).

(F) Statement of the reasons for not nominating any female candidate for membership on the Board of Directors:

During the nomination period for the new Board of Directors elections, which took place at the Annual General Assembly meeting on 23 April 2025, Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali submitted her nomination and was the only female candidate on the list. She was successfully elected to the Board, reflecting the commitment of the Company and its shareholders to support and maintain effective female representation in the decision-making process. Therefore, the clause regarding "no female nomination or representation" does not apply to the Company.

(G) Statement on Remuneration, Allowances, and Fees Received by the Board of Directors:

The General Assembly of Al Buhaira National Insurance Company approved granting the Board members a lump-sum remuneration (annual fee) of AED 200,000 per member for the year 2024, in accordance with Article (38) of the Company's Articles of Association.

(H) Process for Determining and Approving the Board Members' Remuneration:

1. **Proposal of Remuneration:** The Nomination and Remuneration Committee proposes the amount of remuneration due to the board members.
2. **Approval by the Board of Directors:** The proposal is presented to the Board for review and recommendation.
3. **Final Approval:** After the Board's approval, the proposed remuneration is submitted to the General Assembly for final approval.

(I) Details of the Board Members' Remuneration:

- **For 2024:** The lump-sum remuneration (annual fee) paid to the Board members amounted to a total of AED 1,800,000, following the approval of the General Assembly.
- **Proposed for 2025:** It has been proposed to pay a (lump-sum annual fee) totaling AED 1,800,000. This proposal will be presented to the General Assembly at its next meeting for final approval.
- **Important Notes:**

- Board members do not receive any allowances for attending the Board of Directors' meetings, nor salaries or other additional fees.

(J) Allowances for Attendance at Committee Meetings:

- **Committee Chairman:** Receives AED 10,000 per meeting attended.
- **Committee Member:** Receives AED 7,000 per meeting attended.
- **Total Allowances for Committee Meetings:** AED 242,000 for 2024 and AED 800,000 for 2025.
- **Explanatory Note for 2025:** This total comprises AED 500,000 as meeting attendance allowances for the committees, and AED 300,000 as a lump-sum annual fee for the Chairman of the Executive Committee in consideration of the additional supervisory and executive duties entrusted to him to support and follow up on the Company's operations.

(K) Statement detailing the allowances for attending the sessions of board-affiliated committees held by Board members in 2025

No.	Member Name	Committee Name	Allowance Value (AED)	Number of Meetings Attended & Compensated
1	Mr. Abdulla Mohamed Salih Al Zarooni	Audit Committee	80,000	8
2	Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Audit Committee	56,000	8
3	Mr. Ghassan Al Saheb (External Expert)	Audit Committee	42,000	6
4	Mr. Bassam Ibrahim Mohammed Elayyan	Audit Committee	42,000	6
5	Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Nomination & Remuneration Committee	80,000	8
6	Mr. Abdulla Mohamed Salih Al Zarooni	Nomination & Remuneration Committee	56,000	8
7	Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani	Risk Management Committee	40,000	4
8	Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Risk Management Committee	28,000	4
9	Mr. Amjad Nassif (External Expert)	Risk Management Committee	28,000	4
10	Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi	Investment Committee	20,000	2
11	Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani	Investment Committee	14,000	2
12	Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Investment Committee	14,000	2

(L)Board Meetings Held During the Fiscal Year 2025

The Board of Directors held seven (7) meetings during the financial year 2025, according to the dates and attendance details outlined in the following table:

.No	Meeting Date	Number of Attendees (In-Person)	Number of Attendees by Proxy	Names of Absent Members
1	2025/02/12	7	0	Mr. Rashid Ali Rashid Deemas Alsuwaidi, Mr. Salem Abdulla Salem Al Hosani <i>Member until 23/04/2025</i>
2	2025/02/26	7	0	Sheikh Ahmed Abdulla Mohammed Ali Al Thani, Mr. Rashid Ali Rashid Deemas AL Suwaidi
3	2025/05/12	8	1	None (Sheikh Abdulla Bin Mohammed Ali Al Thani attended by proxy).
4	2025/08/14	5	0	Sheikh Faisal Bin Khalid Bin Sultan Al Qasimi, Sheikh Abdulla Bin Mohammed Ali Al Thani, Sheikh Ahmed Abdulla Mohammed Ali Al Thani, Mr. Rashid Ali Rashid Deemas Alsuwaidi
5	2025/10/29	6	0	Mr. Rashid Ali Rashid Deemas Alsuwaidi, Mr. Abdulla Mohamed Salih Al Zarooni, Ms. Noura Mahmoud Mohammed Al Mahmoud Al Ali
6	2025/11/12	6	0	Sheikh Abdulla Bin Mohammed Ali Al Thani, Sheikh Ahmed Abdulla Mohammed Ali Al Thani, Mr. Rashid Ali Rashid Deemas Alsuwaidi
7	2025/12/24	6	0	Sheikh Abdulla Bin Mohammed Ali Al Thani, Sheikh Ahmed Abdulla Mohammed Ali Al Thani, Mr. Rashid Ali Rashid Deemas Alsuwaidi

Clarification Note: Until 23/04/2025, Mr. Salem Abdulla Salem Al Hosani was a Board member. Mr. Bassam Ibrahim Mohammed Elayyan was elected as a new member effective from the same date).

- Appendix: Individual Board Members' Attendance Record during 2025:

No.	Member Name	Total Meetings During Tenure	In-Person Attendance	Proxy Attendance	Absences
1	Sheikh Faisal Bin Khalid Bin Sultan Al Qasimi	7	6	0	1
2	Sheikh Abdulla Bin Mohammed Ali Al Thani	7	3	1	3
3	Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi	7	7	0	0
4	Sheikh Ahmed Abdulla Mohammed Ali Al Thani	7	3	0	4
5	Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	7	7	0	0
6	Mr. Rashid Ali Rashid Deemas Alsuwaidi	7	1	0	6
7	Mr. Abdulla Mohamed Salih Al Zarooni	7	6	0	1
8	Ms. Noura Mahmoud Mohammed Al Mahmoud Al Ali	7	6	0	1
9	Mr. Bassam Ibrahim Mohammed Elayyan	5	5	0	0

10	Mr. Salem Abdulla Salem Al Hosani (Former)	2	1	0	1
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(M) Board Resolutions Passed in 2025

The Board of Directors passed two (2) resolutions by circulation during the year 2025, as follows:

No.	Board Resolutions Passed by Circulation	Date of Issuance
1	Circulation Resolution No. (1) of 2025	24/03/2025
2	Circulation Resolution No. (2) of 2025	25/07/2025

4. Board Committees

Audit Committee

(A) Audit Committee Chair Declaration

I, Mr. Abdulla Mohamed Salih Al Zarooni, in my capacity as Chairman of the Audit Committee, hereby acknowledge my responsibility for the Committee's operating framework within the Company, including reviewing the Committee's work mechanism on a periodic basis and ensuring its effectiveness in discharging its duties and mandate, and submitting the relevant recommendations to the Board of Directors in accordance with the approved Audit Committee Charter and the applicable requirements.

(B) Names of Audit Committee Members and their Mandate / Responsibilities

Audit Committee composition during 2025 (as reconstituted):

- Chairman: Mr. Abdulla Mohamed Salih Al Zarooni
- Members:
 - Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali
 - Mr. Bassam Ibrahim Mohammed Elayyan
 - Mr. Ghassan Al Saheb (External Expert)

Organizational Note: Meetings held in January–February 2025 took place under the committee composition applicable at the beginning of the year, and the committee was subsequently reconstituted during 2025 as per the composition above.

Key responsibilities (summary):

1. Reviewing the integrity of interim and annual financial statements prior to submission to the Board.
2. Oversight of the external auditor, including independence, scope, and key audit matters.
3. Oversight of internal audit plans, reports, findings, and remediation follow-up.
4. Reviewing the effectiveness of the internal control system and monitoring material deficiencies and corrective actions.
5. Overseeing governance/compliance matters within the Committee's remit, including related party matters where applicable.

(C) Number of Meetings Held in 2025, Dates, and Attendance

The Audit Committee held **eight (8) meetings** during 2025 on the following dates:

Member Name	Role	15/01/2025	11/02/2025	27/05/2025	08/07/2025	12/08/2025	14/10/2025	11/11/2025	16/12/2025
Mr. Abdulla Mohamed Salih Al Zarooni	Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Bassam Ibrahim Mohammed Elayyan (Rep. of Al Salem Co. LTD)	Member	Not a member	Not a member	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Ghassan Al Saheb (External Expert)	Member	Attended	Absent	Attended	Attended	Attended	Absent	Attended	Attended

(D) Audit Committee Annual Report – 2025

During the financial year 2025, the Audit Committee held eight (8) meetings and performed its duties with complete independence. The Committee's key activities and accomplishments included the following:

A. Financial Reporting & Accounting Policies:

- Reviewed all significant matters in the quarterly and year-end financial statements with Senior Management and the External Auditors and recommended them to the Board of Directors for approval.
- Reviewed significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas, and any changes in accounting policies.
- Oversaw compliance with the accounting criteria set by SCA, adherence to ADX listing and disclosure rules, and other financial reporting legal requirements.
- Ensured that the Company's financial and accounting policies, procedures, and control systems are reviewed and updated annually.

B. External Audit Oversight:

- Reviewed and made recommendations to the Board of Directors for the appointment of the new external auditor (KPMG Lower Gulf Limited) for the year 2025, including their remuneration.
- Reviewed and approved the mission and action plan of the external auditor.
- Discussed with the external auditor any audit issues or difficulties encountered during the audit, assessing Management's response relating to:
 1. Any restrictions on the scope of the external auditor's activities or access to requested materials.
 2. Significant disagreements with the Management (noting that none occurred).
 3. Any unadjusted material audit differences for financial statements noted or proposed by the external auditor.
- Coordinated with the Board of Directors, Executive Management, and AGM-Finance to meet with the External Auditors at each reporting period.
- Ensured the independence of the external auditor, noting that no non-audit services were provided during the year.

C. Internal Audit, Control & Risk Management:

- Reviewed the effectiveness of the Company's Internal Control systems, including Information Systems, Technology Security, and Control.
- Reviewed the effectiveness of the Company's risk management framework, assessment, and responses to vital risks faced by the Company.
- Evaluated the performance of the Internal Audit Department for the year; reviewed and approved its plans, budget, staffing, organizational structure, and the Internal Audit Charter.
- Reviewed four (4) quarterly reports submitted by the Internal Audit Department, focusing on all High and Medium-risk observations, and evaluated Senior Management's responses and corrective actions.
- Held periodic separate meetings with the Head of Internal Audit to discuss matters privately, ensuring the Head of Internal Audit has the right of direct access to the Chairman of the Committee.
- Reviewed the effectiveness of Internal Audit activities and ensured compliance with the SCA Chairman of the Board of Directors' Decision No. (3/R.M) of 2020.

D. Related Party Transactions:

- Ensured that each Related Party Transaction is reported properly in the Company's financial statements in accordance with the applicable International Financial Reporting Standards (IFRS) and SCA regulations.
-

(B) Nomination and Remuneration Committee**(A) Chair Declaration**

I, Sheikh Saoud Nasser Rashid Abdulaziz Almoalla, in my capacity as Chairman of the Nomination and Remuneration Committee, acknowledge my responsibility for the Committee's operating framework within the Company, including reviewing its work mechanism on a periodic basis and ensuring its effectiveness in discharging its duties and mandate, and submitting recommendations to the Board in line with the approved Charter and applicable requirements

(B) Committee Members and Mandate

Composition during 2025:

- Chairman: Sheikh Saoud Nasser Rashid Abdulaziz Almoalla
- Members: Mr. Rashid Ali Rashid Deemas Alsuwaidi – Mr. Abdulla Mohamed Salih Al Zarooni

Key responsibilities (summary):

1. Proposing Board/committee remuneration and submitting recommendations to the Board.
2. Reviewing remuneration and incentive frameworks for Senior Executive Management in line with governance requirements.
3. Overseeing nomination processes and suitability criteria for Board/committee membership.
4. Supporting Board/committee performance evaluation and competency needs review.
5. Reviewing key HR-related matters where applicable within the Committee’s remit.

(C) Meetings, dates, and attendance (2025)

The Committee held eight (8) meetings during 2025:

Member Name	Role	11/02/2025	09/04/2025	30/06/2025	22/07/2025	12/08/2025	28/08/2025	14/10/2025	16/12/2025
Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Chairman	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Abdulla Mohamed Salih Al Zarooni	Member	Attended	Attended	Attended	Attended	Attended	Attended	Attended	Attended
Mr. Rashid Ali Rashid Deemas Alsuwaidi	Member	Absent	Absent	Absent	Absent	Absent	Absent	Absent	Absent

(C) Executive Committee

(A) Chair Declaration

I, Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi, as Chairman of the Executive Committee, acknowledge my responsibility for the Committee’s operating framework and for reviewing its mechanism to ensure effectiveness within the scope of delegated authorities, and for submitting recommendations to the Board in accordance with the approved Charter.

(B) Members and Mandate

Composition during 2025:

- Chairman: Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi
- Members: Sheikh Ahmed Abdulla Mohammed Ali Al Thani – Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali

Key responsibilities (summary):

Reviewing executive matters referred by the Board within the scope of delegation and submitting recommendations to the Board accordingly.

(C) Meetings and attendance

No meetings were held by the Executive Committee during 2025; therefore, no attendance record applies.

(D) Investment Committee

(A) Chair Declaration

I, Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi, as Chairman of the Investment Committee, acknowledge my responsibility for the Committee’s operating framework and for reviewing its mechanism to ensure effectiveness, and for submitting recommendations to the Board in accordance with the approved policies and Charter.

(B) Members and Mandate

Composition during 2025:

- Chairman: Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi
- Members: Sheikh Ahmed Abdulla Mohammed Ali Al Thani – Sheikh Saoud Nasser Rashid Abdulaziz Almoalla

Key responsibilities (summary):

Overseeing the investment policy, reviewing portfolio performance and material investment proposals, and submitting recommendations to the Board to balance return and risk in line with approved policies.

(C) Meetings, dates and attendance

The Committee held two (2) meetings during 2025.

Member Name	Role	23/06/2025	22/10/2025
Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi	Chairman	Attended	Attended
Sheikh Ahmed Abdulla Mohammed Ali Al Thani	Member	Attended	Attended
Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Member	Attended	Attended

(E) Risk Committee

(A) Chair Declaration

I, Sheikh Ahmed Abdulla Mohammed Ali Al Thani, as Chairman of the Risk Management Committee, acknowledge my responsibility for the Committee’s operating framework and for reviewing its mechanism to ensure effectiveness, and for submitting recommendations to the Board in accordance with the approved Charter and risk framework.

(B) Members and Mandate

Composition during 2025:

- Chairman: Sheikh Ahmed Abdulla Mohammed Ali Al Thani
- Members: Sheikh Saoud Nasser Rashid Abdulaziz Almoalla – Mr. Amjad Nassif (External Expert)

Key responsibilities (summary):

Reviewing the risk management framework, monitoring material and emerging risks, reviewing risk reports and remediation plans, and submitting recommendations to the Board to support sound decision-making and regulatory compliance.

(C) Meetings, dates, and attendance

The Committee held four (4) meetings during 2025:

Member Name	Role	20/05/2025	14/07/2025	07/10/2025	25/12/2025
Sheikh Ahmed Abdulla Mohammed Ali Al Thani	Chairman	Attended	Attended	Attended	Attended
Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Member	Attended	Attended	Attended	Attended
Mr. Amjad Nassif (External Expert)	Member	Attended	Attended	Attended	Attended

(F) Insider Trading Oversight Committee

Chair Declaration

In his capacity as the Chairman of the Committee for Follow-up and Supervision of Insiders' Transactions, **Mr. Khalid Atieh** acknowledges his responsibility for the Committee's operating framework within the Company, including reviewing its work mechanism and ensuring its effectiveness, in line with the applicable corporate governance, disclosure and transparency requirements for listed public joint stock companies.

Formation and Regulatory Framework

The Committee was originally formed in accordance with **SCA Board Decision No. (7/R.M) of 2016**, and in compliance with the applicable Corporate Governance Guide and other relevant requirements and amendments, including maintaining and supervising the insiders' register, keeping the necessary records, and submitting periodic reports to the market where applicable.

During **2025**, the Committee continued with the **same composition and mandate as the previous year**, and no changes were made to its structure during the year.

Committee Members:

- **Mr. Khalid Atieh** – Investment Officer (Chairman)
- **Mr. Bilal Nafea** – Chief Accountant (Member)

Key Responsibilities:

- Reviewing and monitoring the insiders' trading policy.
- Reviewing reports relating to insiders' trading transactions.
- Reviewing and granting prior approvals for trading requests where applicable.
- Preparing insiders' declarations and monitoring compliance undertakings.
- Notifying ADX and the competent regulators in case of any breach of the insiders' trading policy.
- Reviewing insiders' trading reports at the end of each financial quarter.
- Annually reviewing the insiders' trading policy to ensure alignment with disclosure, transparency and corporate governance requirements, with heightened monitoring during blackout/restricted periods.

Summary of the Committee's Activities in 2025:

- No meetings were held during **2025**; the Committee carried out its duties through periodic follow-up, coordination with relevant departments, and review of available records and reports.
- No buy or sell transactions by insiders were recorded during **2025** based on the available information and the disclosed tables under the Board members and related persons transactions section.
- The Committee monitored the insiders’ trading policy and ensured alignment with disclosure and governance requirements, including compliance with blackout/restricted periods where applicable

(G) Statement of the Board duties and powers performed by a Board member or Senior Executive Management during 2025 based on a Board delegation, including scope and duration:

- Senior Executive Management is responsible for managing the Company’s day-to-day operations in line with the annual business plan and approved policies, and within the scope of the **Delegation of Authority** approved by the Board of Directors, including implementing decisions and executing transactions within delegated limits, and preparing periodic reports for submission to the Board and/or the relevant Board committees, as required.
- During 2025, the Board delegated certain administrative and procedural authorities to selected Board members and/or Senior Executive Management in accordance with documented powers of attorney, delegations, and relevant Board actions. The Board further confirms that, following the executive management changes during 2025, the **delegated authorities granted to the former Chief Executive Officer were revoked** effective at the close of business on **19/08/2025**, and updated delegations and powers of attorney were issued thereafter to regulate management authorities in accordance with the approved documents.
- The table below summarizes the key delegations/POAs in force during 2025, including scope and duration:

Delegations Table – 2025

No.	Delegatee Name	Scope of Delegation	Delegation Period
1	Sheikh Faisal Bin Khalid Bin Sultan Al Qasimi	Chairman authorities in accordance with the Articles and Board resolutions	22/05/2025 – 3 years
2	Sheikh Khalid Bin Abdulla Bin Sultan Al Qasimi	Administrative POA (sole authority) for official transactions and contracts within delegation scope	14/05/2025 – Valid until revoked or amended
3	Mr. Issam Mehdawi	Administrative POA (sole authority) delegated by the Chairman within delegation scope	05/08/2025 – Valid until revoked or amended
4	Mr. Salah Daou	Administrative POA (sole authority) delegated by the Chairman within delegation scope	05/08/2025 – Valid until revoked or amended
5	Mr. Yousef Al Otaibi	Special POA for property leasing and municipality-related transactions within delegation scope	15/08/2025 – Valid until revoked or amended
6	Mr. Mohamed Amin Al Jazzar	Special POA for litigation and representation before judicial/semi-judicial authorities within delegation scope	05/08/2025 – Valid until revoked or amended
7	Mr. Mujeeb Rahman	Special POA for residency, trade licensing, and related administrative transactions within delegation scope	13/08/2025 – Valid until revoked or amended
8	Board members (dual-signature mechanism)	Banking/facilities/mortgage and banking signatory authorities under the dual-signature principle	24/06/2025 – Valid until revoked or amended <i>(Final update in progress)</i>

Regulatory Notes:

- **Update of Bank Delegations:** Necessary procedures have been taken to update bank delegations and fulfill documentation/signing requirements as per approved forms. The final version of some formal delegations related to banking procedures is currently being completed, without prejudice to the validity of the approved dual signature controls.
- **Former Chief Executive Officer:** Mr. Nader Tawfiq Al Qaddoumi was authorized prior to 19/08/2025 under an administrative power of attorney. His delegation was officially canceled/terminated effective 19/08/2025 according to the approved cancellation instrument.

(H). Statement of details of transactions with related parties (stakeholders) during 2025, including the following:

Disclosure Note: The following transactions were carried out during 2025 in the ordinary course of business and on commercial terms, in accordance with the Company’s approved Related Party Transactions framework.

No.	Statement of the Relevant Party	Explanation of the Nature of the Relationship	Transaction Type	Premium (AED)
1	Al Qasimi Group	Shareholders &/or Board Members	Providing Insurance Services	641,790
2	Sheikh Abdulla Bin Mohammad Al Thani	Shareholders &/or Board Members	Providing Insurance Services	676,371
3	Sheikh Khalid Bin Abdulla Al Qasimi	Shareholders &/or Board Members	Providing Insurance Services	119,225
4	Orient Group	Shareholders &/or Board Members	Providing Insurance Services	2,012,039
5	Deemas Group	Shareholders &/or Board Members	Providing Insurance Services	1,625,563
6	Mahmoud Al Farhan Group	Shareholders &/or Board Members	Providing Insurance Services	152,610
7	Shattaf Group	Shareholders &/or Board Members	Providing Insurance Services	116,929
8	Bin Kamel Group	Shareholders &/or Board Members	Providing Insurance Services	512,538
9	Al Kayed General Trading	Shareholders &/or Board Members	Providing Insurance Services	18,453
10	Mr Ismail Abdul Wahid	Shareholders &/or Board Members	Providing Insurance Services	102,369
	Total			5,977,887

5. Assessment of the Board of Directors:

(a) Annual Evaluation of the Board, its Members, Committees, and Executive Management: The Board of Directors of Al Buhaira National Insurance Company is keen on conducting a comprehensive periodic evaluation of its performance, as well as that of its committees and Executive Management, driven by its ongoing commitment to applying the best corporate governance practices. The Nomination and Remuneration Committee, supported by the Chairman of the Board and the Board Secretary, oversees this evaluation to ensure the achievement of strategic objectives, and the effectiveness of oversight and risk management. To ensure the highest degrees of transparency, objectivity, and impartiality in the 2025 evaluation process, the Board decided to engage an independent professional consultancy firm to carry out this task in accordance with the highest regulatory standards.

(b) Independent External Evaluation of the Board of Directors by an Independent Professional Entity: In compliance with the regulatory article concerning corporate governance, which requires the appointment of an independent professional entity to evaluate the performance of the Board, its members, and committees at least once every three years, the Board of Directors appointed **(Talal Abu-Ghazaleh & Co.**

International) in January 2026 as an independent professional consultant to conduct a comprehensive evaluation of the performance of the Board, its members, committees, and Executive Management for the financial year 2025.

- This independent evaluation was based on the rigorous criteria set forth in:
 1. Decision of the Chairman of the SCA Board of Directors No. (3/R.M) of 2020 concerning the approval of the Public Joint-Stock Companies Governance Guide.
 2. The Corporate Governance Regulation for Insurance Companies issued by the Central Bank of the UAE (Circular No. 24/2022).

Results of the 2025 External Evaluation: The independent evaluation report (issued on 10 March 2026) concluded with highly positive and distinguished results. It demonstrated that the overall performance of the Board of Directors was satisfactory and highly effective in achieving its objectives during 2025, achieving an overall evaluation score of (93.8%). The report also provided minor improvement recommendations, which the Board and its committees are currently studying and implementing to ensure continuous improvement. Prominent among these is the ongoing review and alignment of the Company's Articles of Association with the latest legislative and regulatory amendments preparatory to its adoption, thereby elevating the Company's future performance."

6. The Complete Organizational Structure of the Company

The Company adopted its organizational structure in light of the organizational and administrative changes implemented during 2025, particularly those that came into effect as of **20/08/2025**. The year-end organizational structure reflects the following:

- the updated composition of the Board of Directors and its committees.
- the administrative and functional reporting lines across departments and organizational units.
- the control, governance, and compliance functions; and
- the operational distribution across technical, administrative, and branch functions.

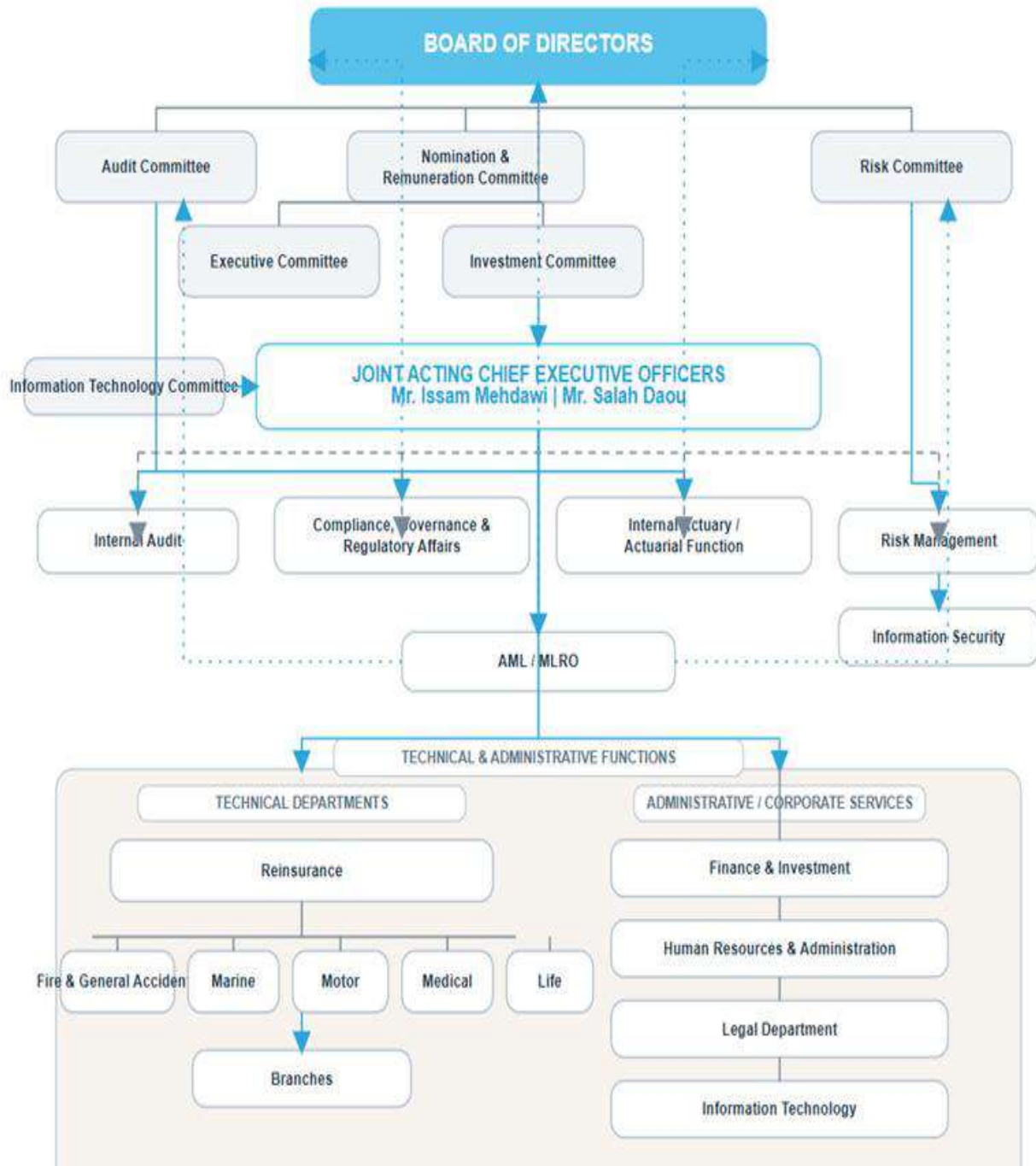
The structure also reflects the approved management position at the end of 2025, including the appearance of joint **acting executive management** during the relevant organizational phase, together with the update to the Human Resources function to reflect the acting role arrangement replacing the previous HR position holder in the final structure.

Organizational Note:

The organizational structure is disclosed in the Report as the structure **as at 31/12/2025**, rather than the structure that was in force throughout the entire year, as it reflects the organizational changes that followed the executive management arrangements during the second half of the year.

Governance Organization Chart 2025

ABNIC



(A) Detailed Statement of Senior Executive Employees, Their Appointment Dates, and Total Remuneration

No.	Position During 2025	Joining Date	Total Annual Salary	Housing / Benefits in Kind	Bonus & Other Benefits
1	Chief Executive Officer until 19/08/2025	19/08/1986	AED 301,600	Company-owned villa	AED 90,766
2	Assistant General Manager / Acting Executive Officer during part of the year	01/10/1995	AED 505,200	AED 75,000	AED 40,000
3	Assistant General Manager – Finance / Acting Executive Management during part of the year	11/08/1988	AED 445,200	AED 105,000	AED 80,000
4	Assistant General Manager – Reinsurance	12/09/1998	AED 375,600	AED 90,000	None
5	Assistant General Manager – Medical	08/09/1996	AED 1,080,000	AED 95,000	None
6	Manager – Marine	12/02/2012	AED 448,200	None	None
7	Manager – Information Technology	09/09/2018	AED 408,000	None	None
8	Manager – Human Resources until 30/09/2025	08/03/2010	AED 258,800	None	None
9	Acting Manager – Human Resources during part of the year	29/09/2025	AED 60,000	None	None

7. External Auditor

(A) Providing an overview of the company’s auditor to shareholders:

KPMG Lower Gulf Limited was appointed as the Company’s external auditor for the financial year 2025, marking their first year of appointment with the Company. KPMG is one of the leading global professional services networks. The firm has a long-standing professional presence and extensive experience spanning over (51 years) in providing audit services to the insurance and financial sectors within the United Arab Emirates and internationally.

(B) External Auditor’s Fees:

Name of the audit firm	KPMG Lower Gulf Limited
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Name of the partner auditor	Adil Abid
Number of years spent as the company's external auditor	1 Year (Newly appointed for 2025)
Number of years the partner auditor spent auditing the company's accounts	1 Year (First year signing the Company's financials)
Total value of audit fees for 2025 (in AED)	970,000 AED (for Audit, Review & Agreed-Upon Procedures AUP for Year 2025) Disclosure Note on Fees: There are pending claims for additional fees submitted by the external auditor for extra hours worked (during holiday periods). These claims are currently under review and negotiation between the Management and the external auditor and have not been finally approved or agreed upon as of the date of preparing this report.
Details and the nature of other services provided by the company's auditor (if any). If there are no other services, this shall be stated explicitly.	No Non-Audit Services provided for 2025
The value of fees and costs incurred for other special services other than auditing the financial statements for 2025 (in AED), if any. If there are no other fees, this shall be stated explicitly.	No Non-Audit Fees for 2025
Statement of other services that an external auditor other than the company auditor provided during 2025 (if any). If there are no services provided by another external auditor, this shall be stated explicitly.	Ernst & Young provided services for reviewing the effectiveness of internal controls over financial reporting (ICFR).

(C)Reservations:

The Company confirms that there were no qualifications by the external auditor on the interim (quarterly) financial statements for the year 2025. However, regarding the annual financial statements for the year ended 31 December 2025, the external auditor's report included a 'qualified opinion' relating to a single matter only, pertaining to the potential impacts of the results of the ongoing independent review of certain accounting treatments and matters included within the historical financial reports for previous years. This review is being conducted by a specialized independent external firm under the supervision of the Board's Audit Committee. As the review process has not been finalized as of the date of the audit report, the auditor stated that they were unable to determine whether any necessary adjustments or financial provisions were required for the financial statements for the years ended 31 December 2025 and 31 December 2024. The Company confirms that it will determine the appropriate accounting treatment in consultation with the external auditors, in accordance with International Financial Reporting Standards (IFRS), once the review process is completed.

8. Internal Control System

(A) Board Acknowledgement of Responsibility for the Company's Internal Control System and Review of its Effectiveness

The Board of Directors acknowledges and affirms its full responsibility for the Company's internal control system, including reviewing its operating mechanism and ensuring its effectiveness. The Board confirms that the internal control framework is designed to safeguard the Company's assets, ensure compliance with the applicable laws, regulations, rules, and supervisory instructions, and enhance integrity and transparency in both financial and operational reporting.

The Board also defines the objectives, duties, and authorities of Internal Control function in a manner that ensures sufficient independence for the proper performance of its duties and reporting in accordance with the approved governance framework. This is in line with the corporate governance requirements applicable to public joint stock companies in the UAE, Federal Decree-Law No. (32) of 2021 on Commercial Companies and its amendments, Federal Decree-Law No. (6) of 2025 concerning the Central Bank, regulation of financial institutions, activities and insurance business, and CBUAE Circular No. (24/2022) on the Corporate Governance Regulation for Insurance Companies.

(B) Operating Mechanism of the Company's Internal Control Function

The Internal Control function supports the Board of Directors and Executive Management through the following:

1. Ensuring consistency and accuracy of financial and accounting information and data.
2. Monitoring the protection of the Company's assets and related controls.
3. Ensuring that the internal control mechanism is aligned with the policies and plans established by management.
4. Developing preventive controls to avoid undesirable events and establishing policies to address improper situations.
5. Conducting periodic control and inspection activities in accordance with approved plans.

(C) Functions Performed by the Internal Control Manager

The Internal Control Manager performs the following duties within his mandate:

1. Preparing annual internal control plans in coordination with Senior Executive Management.
2. Submitting detailed reports to Senior Management and the Audit Committee regarding internal control activities, together with proposals for periodic performance improvement.
3. Implementing the approved control plans in line with the Company's strategy.
4. Communicating with employees via email and internal memoranda to raise awareness of internal control and compliance matters.

(D) Experience and Qualifications of the Internal Control Manager

Internal Control Manager: Mr. Javed Saleh Khatib

Appointment Date: 01/03/1993

- Holds a bachelor's degree in Commercial Sciences from the University of Bombay (1984).
- Participated in numerous training courses and conferences related to management and financial control.
- Has diversified experience in commercial companies in Bombay.
- Has specialized experience in management and financial control in the insurance sector exceeding 25 years.

(E) Compliance Officer

The Compliance Officer, upon assignment by the Board of Directors, is responsible for verifying the extent of the Company's and its employees' compliance with the applicable laws, regulations, rules, and supervisory instructions.

Compliance Officer:

Mr. Ahmed Galal Mohamed Eissa : Appointment Date: 01/03/2024

- Possesses extensive experience in compliance, corporate governance, and operational policies and procedures.
- He has a strong professional track record in improving operational efficiency and productivity, with distinguished experience in the banking and insurance sectors.
- Held positions in compliance and financial crime prevention in leading financial institutions, including First Abu Dhabi Bank (formerly First Gulf Bank), RAKBANK, and Salama Insurance Company.
- Holds a Bachelor of Commerce (Accounting) from Tanta University, Egypt.
- Holds the Certified Anti-Money Laundering Specialist (CAMS) certification.
- Holds the Certified Financial Crime Specialist (CFCS) certification.

(F) Internal Audit Department

Mr. Mehdi Raza Mamdani has served within the Internal Audit function since May 2024, and the Company's Internal Audit Charter has been prepared, updated, and approved by the Board of Directors.

Professional experience and qualifications of the Head of Internal Audit:

- Diverse experience covering auditing, risk management, and accounting activities.
- Holds a Bachelor of Commerce from the University of Karachi, Pakistan.
- Holds a master's degree in economics from the University of Karachi, Pakistan.
- Chartered Management Accountant (CIMA), United Kingdom.
- Associate member of the Institute of Chartered Accountants in Pakistan.

(G) How the Internal Control Function Deals with Major Issues

The Company adopts a proactive strategy to ensure effective compliance and governance, whereby both the Internal Control and Internal Audit functions perform ongoing periodic reviews. In the event that any material issue or significant observation arises, it is addressed immediately in accordance with the approved procedures, including escalation to the Audit Committee, which held eight meetings during 2025 to review such reports and matters, in addition to carrying out the necessary internal review or investigation, preparing an appropriate corrective action plan, and following up on its implementation.

Based on the information available at the time of preparing this Report, the Company confirms that it did not face any material operational or financial issues requiring exceptional disclosure during 2025.

(H) Number of Reports Issued by the Internal Control Function to the Board of Directors

Reports from the Internal Audit Department (comprising 4 quarterly reports) are submitted to the Audit Committee for review and discussion. As for the Internal Control Department, its activities during 2025 focused on continuous operational and on-site monitoring to ensure daily compliance. The nature of the observations did not necessitate the issuance or submission of formal written reports to the Board of Directors during the year

9. Financial Violations

Driven by Al Buhaira National Insurance Company's commitment to applying the highest standards of corporate governance and transparency and owing to the efficiency of its internal control and compliance systems, the Company affirms its strict adherence to all laws, regulations, and legislation issued by the Securities and Commodities Authority (SCA) and the Central Bank of the UAE. Accordingly, no material violations were recorded, nor were any regulatory sanctions imposed on the Company during the financial year ended 31 December 2025.

10. Corporate Social Responsibility and Environmental Contributions

The Company affirms its commitment to its environmental, social, and corporate governance (ESG) responsibilities through sustainable operational practices and active participation in national initiatives. Below is a detailed breakdown of these contributions during 2025:

- **Direct Cash and In-Kind Contributions:** The Company did not make any direct cash or in-kind contributions to external parties during the financial year 2025.
- **Community Initiatives (Supporting Emiratization and Education):** The Company continued to support community investment initiatives related to education and Emiratization through active participation in programs managed by the Emirates Institute of Finance (EIF) and the initiatives of the Central Bank of the UAE aimed at enhancing the localization of competencies in the UAE financial sector.

- **Environmental and Operational Sustainability Initiatives:** The Company was keen on integrating environmentally friendly practices into its daily operations, which included:
 1. Accelerating "paperless operations" and adopting digital documentation to reduce the carbon footprint and paper consumption.
 2. Implementing secure and environmentally sustainable IT Asset Disposal procedures for expired equipment.
 3. Making tangible progress in integrating Environmental, Social, and Governance (ESG) systems within the Company's corporate framework.

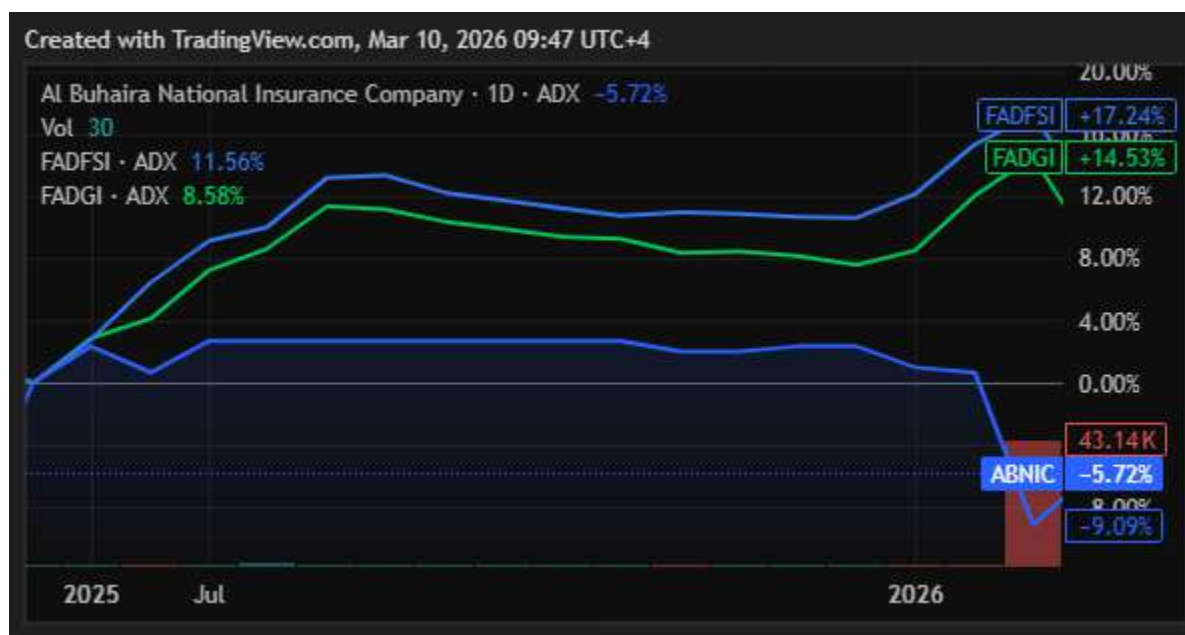
11. General Information

(A) Share Price Information for 2025

(Closing price, highest price, and lowest price at the end of each month)

Year	Month	Closing Price (AED)	Highest Price (AED)	Lowest Price (AED)
2025	Jan	3.04	3.04	2.52
2025	Feb	2.70	3.04	2.52
2025	Mar	2.70	3.04	2.52
2025	Apr	2.70	3.04	2.52
2025	May	2.99	3.04	2.52
2025	Jun	2.99	3.04	2.52
2025	Jul	3.05	3.05	2.52
2025	Aug	3.05	3.05	2.52
2025	Sep	3.05	3.05	2.52
2025	Oct	3.05	3.05	2.70
2025	Nov	3.05	3.05	2.70
2025	Dec	3.04	3.05	2.70

(B) A statement of the comparative performance of the Company's shares with the general market index and sector index to which the Company belongs during 2025:



(C) Distribution of Shareholders by Ownership Volume as of 31/12/2025

No.	Category	Individuals	Corporate	Government	Total
1	Local	57.91%	21.98%	0.00%	79.90%
2	Arab	10.10%	0.00%	0.00%	10.10%
3	Foreign	0.01%	10.00%	0.00%	10.01%
4	Total	68.02%	31.98%	0.00%	100.00%

(D) Shareholder Ownership Distribution as of 31/12/2025

No.	Share Ownership (Shares)	No. of Shareholders	Shares Held	% of Capital
1	Less than 50,000	57	624,310	0.25%
2	50,000 to less than 500,000	47	8,803,886	3.52%
3	500,000 to less than 5,000,000	21	33,039,648	13.22%
4	More than 5,000,000	9	207,532,156	83.01%
	Total	134	250,000,000	100.00%

(E) Shareholders Owning 5% or More of the Company Capital as of 31/12/2025

No.	Name	Shares Held	% of Company's Capital
1	Mr. Salem Abdulla Salem Al Hosani	47,262,150	18.90%
2	Sheikh Abdulla Bin Mohammed Ali Al Thani	33,671,426	13.47%
3	Sheikh Faisal Bin Khalid Bin Sultan Al Qasimi	31,354,236	12.54%
4	FAB Private Bank (Suisse) SA	25,000,000	10.00%
5	Umm Al Qaiwain General Investments Co. (P.S.C.)	24,500,000	9.80%
6	Ms. Suha Alami Fawzi Al Nabulsi	23,229,905	9.29%
	Total	185,017,717	74.01%

(F) Statement on the Procedures Taken Regarding Investor Relations Controls, Including the Following:

In compliance with the highest standards of transparency and the requirements of the Securities and Commodities Authority (SCA), and as part of the Company's commitment to providing accurate and up-to-date information to its shareholders, the task of managing investor relations has been assigned to Mr. Salah Daou as the Investor Relations Officer. He was appointed based on his extensive experience, thorough understanding of financial regulations and laws, and his ability to communicate effectively to meet the needs of shareholders and investors with high efficiency and professionalism..

Investor Relations Officer: Mr. Salah Daou

Contact: Tel. 065174472, Email: Salah@albhaira.com

The web link to the Investor Relations page on the company's website:

<https://www.albhaira.com/investor-relations>

(G) Special Resolutions at the General Assembly in 2025

The Company confirms that no "Special Resolutions" were presented or adopted during the General Assembly meetings held during the financial year 2025.

(H) Name of the Board Secretary / Rapporteur, appointment date, and qualifications:

Mr. Mohamed Amin Al-Jazzar serves as the Board Secretary. He was officially appointed to this position on 03/03/2021. **Qualifications and Professional Experience:**

- Holds a bachelor's degree in law from the Lebanese University.
- Possesses extensive professional and legal experience exceeding nineteen (19) years, specializing in the legal and legislative departments within the insurance sector.
- Highly proficient in organizing Board activities, documenting minutes of meetings, and following up on the implementation of strategic decisions in accordance with corporate governance regulations.

(I) Substantial Events in 2025

During **2025**, Al Buhaira National Insurance Company experienced a number of material events and important disclosures, which were disclosed in accordance with the applicable laws and regulatory requirements. The most notable of these were as follows:

1. Reconstitution of the Board of Directors

The Annual General Assembly held on **23/04/2025** resulted in the reconstitution of the Board of Directors, whereby Mr. **Salem Abdulla Salem Al Hosani** ceased to be a Board member and Mr. **Bassam Ibrahim Mohammed Elayyan** (Representative of Al Salem Co. LTD) was elected as a Board member effective from the same date.

2. Reconstitution of the Board Committees

During 2025, the Board Committees were reconstituted in line with regulatory requirements and governance needs, including the Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Investment Committee, and Executive Committee.

3. Independent Evaluation of the Board and its Committees

As part of strengthening corporate governance, the Company engaged Talal Abu-Ghazaleh & Co. International as an independent professional firm to evaluate the performance of the Board of Directors, its members, its committees, and Executive Management for the financial year 2025.

4. Change in Senior Executive Management

The Company resolved not to renew the contract of the former Chief Executive Officer, Mr. Nader Tawfiq Al Qaddoumi, whose service ended on 19/08/2025. Effective 20/08/2025, Mr. Salah Daou and Mr. Issam Mehdawi were assigned executive management responsibilities as Joint Acting Management during the relevant transitional period.

5. Revocation and Update of Certain Delegations and Authorities

Following the administrative and organizational changes during the second half of 2025, the delegated authorities of the former CEO were revoked, and a number of updated administrative and procedural delegations and powers of attorney were issued to ensure business continuity and proper operational management.

6. Appointment of External Auditor for 2025

KPMG Lower Gulf Limited was appointed as the Company's external auditor for the year 2025, in line with the Company's commitment to regulatory requirements relating to external audit and governance.

7. Innovation and Digital Transformation Initiatives

During 2025, the Company continued to implement several innovations, digital transformation, and process improvement initiatives, including internal systems and platform development, cybersecurity enhancements, and digitization of certain services and processes, in support of operational efficiency, compliance, and long-term transformation.

(J) Related Party Transactions (5% or More of Capital)

No transactions with related parties amounting to 5% or more of the company's capital were executed during 2025.

(K) Localization Ratio

The Emiratization percentage in the Company at the end of the years indicated below was as follows:

Year	Emiratisation Percentage
2023	16%
2024	19%
2025	29.72%

(L) Innovative Projects and Initiatives in 2025

During 2025, Al Buhaira National Insurance Company continued to implement and advance a set of strategic innovation and digital transformation initiatives aimed at enhancing operational efficiency, elevating cybersecurity, and improving customer experience. The key initiatives included:

1. **Enhancement of Internal Operational Platforms:** Upgrading the Track IT task management system, Intranet Portal, and Internal Compliance Portal to improve workflow efficiency and governance.
2. **IT Infrastructure Modernization:** Upgrading IP telephony systems, cloud infrastructure, and endpoint protection to ensure the highest degrees of resilience and business continuity.
3. **Cybersecurity Enhancements:** Implementing advanced firewalls, advanced email security solutions, Endpoint Detection and Response (EDR) systems, in addition to data classification and Data Leakage Prevention (DLP) measures.
4. **Customer Services Digitalization:** Developing the Medical Individual Digital Portal, integrating WhatsApp Business Communication Channels, and applying AI-enabled solutions in e-KYC and Anti-Money Laundering (AML) processes to streamline and accelerate customer onboarding.
5. **Data and Automation:** Developing data analytics and business intelligence capabilities, enterprise content management, and accelerating paperless operational initiatives.
6. **Advanced Technologies:** Utilizing AI-powered solutions to support customer service and contact centers and activating Robotic Process Automation (RPA) technologies.

7. **Future Strategic Initiatives:** Preparing API integration platforms in readiness for "Open Finance" initiatives, digitizing the procurement system, and launching a digital motor salvage auction platform, along with a digital legal system as part of a comprehensive corporate digital transformation roadmap.

Conclusion

Al Buhaira National Insurance Company reaffirms its commitment to the highest standards of corporate governance and transparency, thereby enhancing the confidence of shareholders, customers, and the community. The company will continue to develop its governance policies to promote sustainability and ensure compliance with international standards. This report has been prepared in accordance with the requirements of the Securities and Commodities Authority and the Central Bank of the UAE.

Signatures:

التوقيعات:

رئيس لجنة التدقيق


Chairman of the Audit Committee



Date:----- التاريخ:

رئيس اللجنة التنفيذية

Chairman of the Executive Committee



Date:----- التاريخ:

رئيس مجلس الإدارة

Chairman of the Board



Date:----- التاريخ:

رئيس لجنة المكافآت والترشيحات

Chairman of the Nomination and
Remuneration Committee



Date:----- التاريخ:

رئيس لجنة الاستثمار

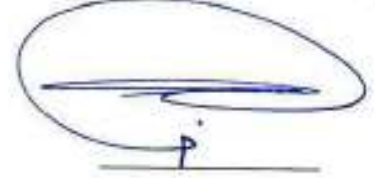
Chairman of the Investment
Committee



Date:----- التاريخ:

رئيس لجنة المخاطر

Chairman of the Risk Committee



Date:----- التاريخ:



ختم الشركة الرسمي

رئيس لجنة متابعة والإشراف
على تعاملات الأشخاص
المتطوعين

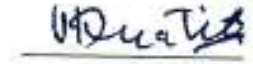
Chairman of the
Insider Trading
Oversight Committee



Date:----- التاريخ:

مدير إدارة الرقابة الداخلية

Internal Control Manager



Date:----- التاريخ:

SUSTAINABILITY REPORT

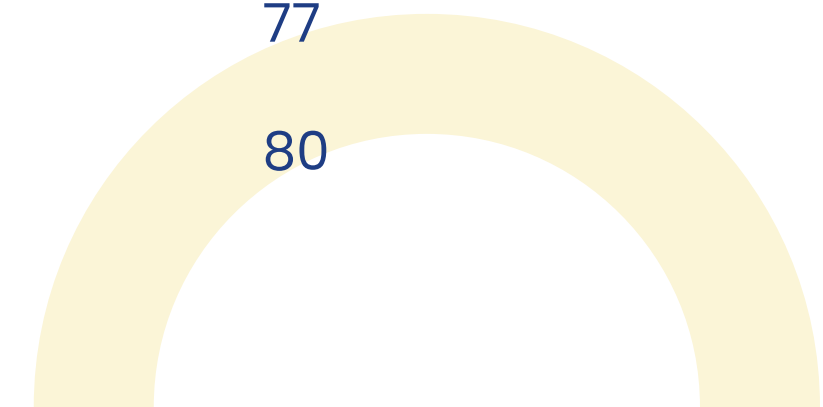
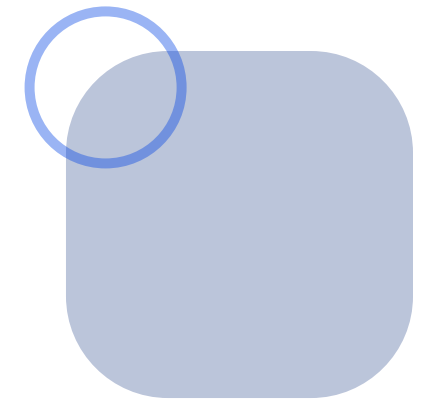
2025





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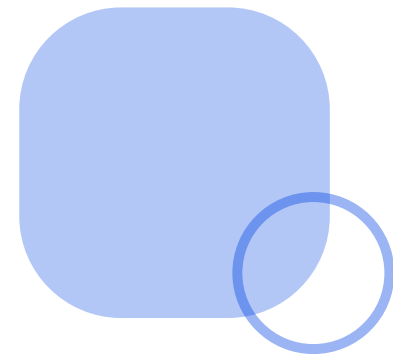


01

EXECUTIVE SUMMARY



- About this report
- Overview of Sustainability Achievements in 2025
- Key Highlights and Milestones



ABOUT THIS REPORT

Reporting Scope and Boundary

Welcome to Al Buhaira National Insurance Company's (ABNIC) Sustainability Report for 2025. This report presents information on our ESG performance on a standalone basis, covering the financial year from January 1, 2025, to December 31, 2025. It encompasses details on our ESG initiatives, stakeholder engagement, risk framework, and material concerns that influence our long-term sustainability and business resilience.

Reporting Framework and Compliance

This report adheres to statutory and voluntary reporting standards, ensuring a balanced, accurate, and forward-looking representation of our performance.



OVERVIEW OF SUSTAINABILITY ACHIEVEMENTS IN 2025

Our ESG approach is underpinned by a strong focus on fulfilling promises responsibly and sustainably to benefit the society, our employees, shareholders, communities, and all other stakeholders. Having started our ESG reporting journey, we are revisiting every facet of our organisation to put in place processes, systems and teams to measure, manage and improve across ESG parameters. This approach will help in building resilience and enduring value across our activities – from more efficient operations to unlocking growth opportunities in the emerging market scenario.

Our dedication extends beyond compliance; we are committed to playing a meaningful role in the UAE's vision of achieving net-zero emissions by 2050. Through targeted sustainability initiatives, we are working to minimize our carbon footprint, invest in renewable energy, & promote a culture of environmental responsibility. By aligning our efforts with the UAE's Energy Strategy 2050, we are actively contributing to the nation's ambitious environmental goals, ensuring a greener, more resilient future for all.



KEY HIGHLIGHTS AND MILESTONES

1

We conducted an equipment shredding operation with SHREDIT, eliminating data securely and contributing to the conservation of approximately 15.33 trees, and the preservation of 28,704 litres of water.

2

We formed a sustainability committee in the year 2023, highlighting our commitment to ESG integration into our business.

3

Our investment in digitalization for reporting year 2025 amounted to AED 10,325,817.86 which emphasizes our major commitment to promoting digital practices and ESG integration within the framework of our business.

4

We reduced our combined Scope 1 and Scope 2 operational greenhouse gas footprint by 39.76% Year-over-Year, achieving a carbon intensity of 15.05 tCO₂e per employee.

5

We reinforced a high-performance culture by ensuring 100% of our eligible workforce received formal career development reviews, alongside clocking a total of 12,120 training hours company wide.

6

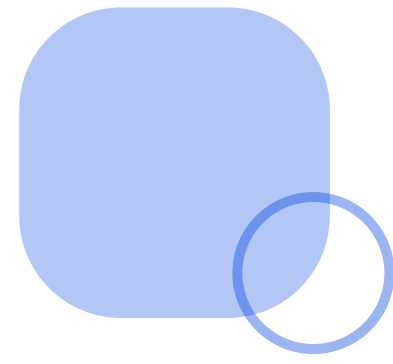
We maintained complete integrity over our information ecosystems, recording zero substantiated complaints concerning breaches of customer privacy or losses of customer data for the reporting period.



02

ABOUT ABNIC

- Company Overview
- Sustainability Strategy
- Stakeholder Engagement
- Materiality Assessment



COMPANY OVERVIEW

Established in May 1978, ABNIC has grown into one of the leading insurance providers in the UAE and a name synonymous with reliability, quality, and outstanding customer service. In 2005, ABNIC was listed on the Abu Dhabi Securities Exchange (ADX) with a paid-up capital of AED 250 million.

Our operations are built on ethical governance, sustainable growth, commitment to Corporate Social Responsibility, and contributing to societal development. Supported by advanced technologies, we have streamlined our processes to deliver efficient and accessible services tailored to our customers' needs.

ABNIC has built a reputation on the loyalty of its valued customers, the capabilities of its experienced management team, and the strong relationships it has developed over the years with strategic partners, including international reinsurers. We are also a proud member of the Emirates Insurance Association.

Mission

To provide the right insurance services coupled with integrated solutions that meet customer needs.

Vision

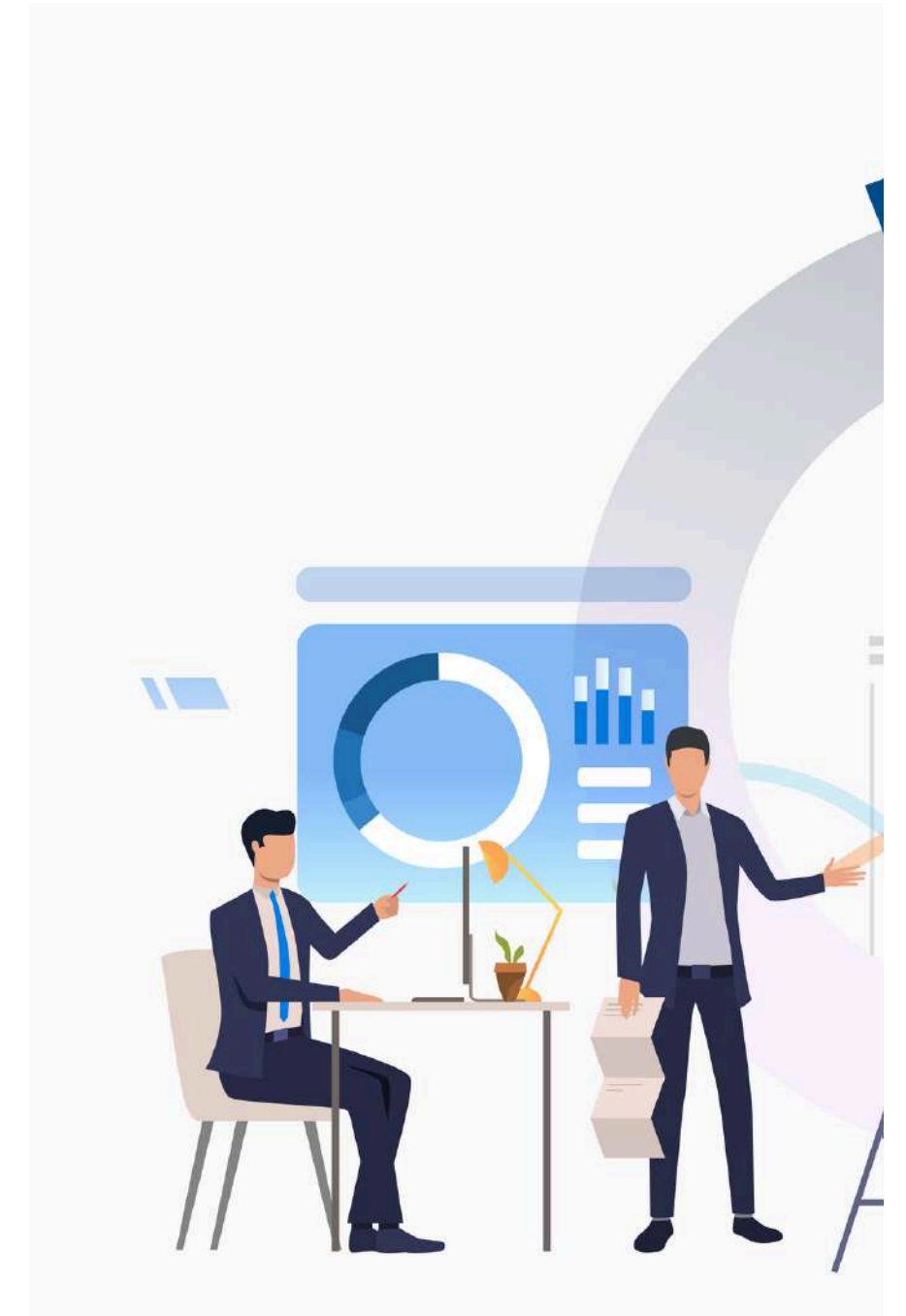
To be the preferred insurance provider in the region.

Values

Our values are integrated in our shield:

S H I E L D

Security, Honesty, Integrity, Excellence, Leadership, Dependability



Our Portfolio

To align insurance coverage with customers' financial goals and life circumstances, the company offers a broad portfolio of products including Property, Engineering, Energy, Liability, Aviation, Marine Hull & Cargo, Group Life, Motor, Travel, Medical, Home, among others. These are delivered through a committed distributor network that engages closely with customers to understand their specific needs and provide customised solutions. Our core values and commitment to exceptional customer service, supported by the dedication of our team, enable us to confidently provide a comprehensive range of personal and commercial insurance solutions. This includes six personal product lines and over 30 commercial product lines, all delivered with efficiency and synergy.



Personal Insurance

- Motor insurance
- Yacht insurance
- Jet ski insurance
- Medical insurance
- Travel insurance
- Home insurance



Marine and Aviation Insurance

- Aviation insurance
- Marine open cover
- Hauliers' liability
- Protection & Indemnity (P&I)
- Marine hull insurance
- Ship repair legal liability
- Builder risks
- Marine cargo insurance
- Goods in transit



Liability Insurance

- Product liability
- Workmen's compensation
- Medical Malpractice
- Directors' and Officers' liability
- Public liability
- Employees liability
- Professional indemnity for Architects, Lawyers, Accountant, etc.



Miscellaneous

- Fidelity guarantee
- Personal accident
- Money insurance
- Jeweller's block
- Deterioration of stock
- Banker's blanket



Commercial Insurance

- Group medical insurance
- Group life insurance
- Motor fleet insurance



Property Insurance

- Property all risks insurance
- Fire and allied perils
- Burglary
- Hotel comprehensive insurance
- Strata insurance



Engineering Insurance

- Boiler & pressure plant
- Contractor's All risks
- Contractor's plant & machinery
- Electronic equipment
- Erection all risks
- Machinery breakdown



Our presence and shareholding overview

Our Operational Footprint Our presence is built on a foundation of accessibility and regional expertise. We operate across 1 Head Office, 8 full-service branches, and 8 Points of Sale (PoS), along with additional specialized service locations.



Shareholding Overview

- Salem Abdullah Salem Al Hosani - 18.90%
- Sheikh Abdullah Mohammed Ali Al Thani - 13.47%
- Sheikh Faisal bin Khalid bin Sultan Al Qasimi - 12.54%
- FAB Private Bank (Suisse) SA - 10%
- Umm Al Quwain General Investment Company PJSC- 9.80%
- Suha Alami Fawzi Al-Nabulsi - 9.29%



Ownership Distribution



The ABNIC Advantage

- Hassle-Free Claims
- Proven Excellence since 1978.
- Strong financial stability, liquidity, and ample capital
- Recognized and awarded by the insurance Authority
- Forward-thinking and innovative insurance options
- Comprehensive coverage to meet diverse needs
- Round-the-clock support medical claims assistance
- Digital services for a seamless experience

Financial Overview

Parameter	2023 (AED)	2024 (AED)	2025 (AED)
Insurance revenue	1,190,641,861	1,448,902,391	1,645,918,528
Insurance service expenses	(1,196,342,629)	(1,469,728,830)	(1,381,395,743)
Insurance service result before reinsurance contracts held	(5,700,768)	(20,826,439)	264,522,784
Allocation of reinsurance premiums	(841,062,128)	(920,601,503)	(905,841,036)
Amounts recoverable from reinsurance for incurred claims	707,183,749	899,203,030	688,056,872
Net expenses from reinsurance contracts held	(133,878,379)	(21,398,474)	(217,784,164)
Insurance service result	(139,579,147)	(42,224,913)	46,738,621
Investment and other income	42,760,945	45,912,891	48,582,864
Total investment income	42,760,945	45,912,891	48,582,864
Insurance finance income for insurance contracts issued	(22,743,465)	(20,136,315)	(16,286,588)
Reinsurance finance expense for reinsurance contracts held	12,845,665	10,532,939	12,233,108
Net insurance financial result	(9,897,800)	(9,603,376)	(4,053,480)
General and administrative expenses	(6,792,319)	(5,870,342)	(5,541,050)

Parameter	2023 (AED)	2024 (AED)	2025 (AED)
Finance costs	(18,881,763)	(24,935,077)	(13,024,454)
Finance costs - lease	(372,384)	(206,412)	(264,351)
Total	(26,046,466)	(31,011,831)	(18,829,855)
Loss for the year	(132,762,468)	(33,927,231)	72,438,150
Tax payments	49,517,041	62,542,734	74,610,801*
Community investments	1,223,755	1,540,263	1,624,212
Total Salaries & Benefits	37,599,792	39,371,232	40,228,016

*Tax payments incorporate both corporate tax and value added tax (VAT).

ABNIC achieved a significant milestone in 2025 by returning to profitability. This turnaround from the 2024 loss highlights our successful strategic realignment and reinforces the economic stability required to drive our long-term ESG ambitions.

Awards, Accolades and Major Conferences

ABNIC consistently engages with global and regional industry leaders to stay at the forefront of the evolving risk landscape. A key highlight of this commitment was the participation of our Reinsurance Management leadership at the Dubai World Insurance Congress (DWIC). By contributing to high-level dialogues at this premier forum, ABNIC reinforces its role in shaping the future of the insurance sector and strengthening international reinsurance partnerships. This active engagement in global industry congresses ensures that our risk management frameworks are aligned with international best practices, fostering long-term economic resilience and ensuring that we continue to provide stable, innovative protection for our stakeholders within the regional financial ecosystem.

ABNIC is dedicated to supporting the UAE's vibrant cultural landscape and enhancing the urban environment of the communities it serves. In a notable collaboration with Public Art Abu Dhabi, ABNIC's Abu Dhabi branch was selected as a featured location for the Public Art Abu Dhabi Biennial. By hosting a major contemporary installation by a world-renowned artist, the company has contributed to the accessibility of fine art within the public sphere. This initiative reflects ABNIC's broader commitment to cultural sustainability, fostering a sense of community pride and aligning with the nation's vision of becoming a global hub for creativity and artistic expression. Through such partnerships, ABNIC continues to integrate social and cultural value into its corporate presence.



SUSTAINABILITY STRATEGY

Our purpose goes beyond providing insurance, it is about building resilience in lives, communities and the environment. Over the past year, we have deepened our commitment to sustainability by launching focused initiatives and aligning with global best practices. Our efforts have been directed towards addressing the impact of climate change, advancing social equity and reinforcing robust governance frameworks.

Our Sustainability Strategy

As a leading insurance company in the UAE, we play a crucial role in addressing challenges that confront both society and the economy. We will continue to drive positive change, innovate for sustainability, and contribute to building a resilient, future-ready society.



Environmental Stewardship

- Adopting energy-efficient practices to minimize our carbon footprint.
- Encouraging waste reduction and responsible use of resources.
- Supporting initiatives that promote environmental conservation.



Social Responsibility

- Creating a diverse and inclusive workplace that also emphasizes employee health and well-being.
- Participating in community development projects and charitable activities.



Responsible Governance

- Upholding fair and ethical business practices throughout the value chain.
- Investing in innovation and technology to enhance operational efficiency.
- Collaborating with suppliers and partners who share our dedication to sustainability.
- Offering financial education and insurance solutions that support economic stability.



STAKEHOLDER ENGAGEMENT

At ABNIC, we recognise the importance of stakeholder engagement to drive inclusive and sustainable growth. We prioritise collaborative relationships with key stakeholders, including Customers, Shareholders and Investors, Government and Regulators, Employees, Channel partners and distributors/ Vendors, Communities through transparent and reliable channels.

By aligning our economic, social and environmental objectives with stakeholder interests, we create shared value that fosters trust, open communication, and inclusivity driving a sustainable future for all. Below is a summary of our key stakeholder groups and the strategies we use to engage with them actively.

Stakeholder Group	Who they Are	Why do we engage	Approach to Engagement
Investors/Shareholders	All investors who hold ownership stakes in the company	To provide information on financial performance, strategies and to receive feedback	<ul style="list-style-type: none"> • Regular communication • Annual General Meetings • Corporate regulatory disclosures • Presentation for Investors
Suppliers/Partners	All Strategic Partners, Reinsurers, TPAs, Brokers	To promote long-term relationships and align business goals	<ul style="list-style-type: none"> • Company Website • Regular communication related to business coordination, development, and agreement renewal
Commercial & Consumer Clients	All individuals and businesses who seek reliable insurance solutions	Ensure customer satisfaction	<ul style="list-style-type: none"> • Company Website • Call Centres • Marketing material • Social media platforms • Online reviews • Complaints and suggestions platform (direct or via the Central Bank's website)

Stakeholder Group	Who they Are	Why do we engage	Approach to Engagement
Government	Government and regulatory bodies	To ensure our compliance with laws and regulations	<ul style="list-style-type: none"> • Regular Communication through Reporting requirements and meetings • Regular Announcements • Financial results submission with quarterly communication • New Regulatory Requirements through email • Regular Interaction through reporting requirements • Interactions through webinars • Frequent Announcements
Community Member/NGOs	Local people around our operations	To support economic development, engage in CSR activities	<ul style="list-style-type: none"> • Regular local community-related initiatives, donations, and volunteering activities
Management & Employees	All individuals employed across various management levels in our organisation	Motivate them, ensure their alignment with company goals, and aid their personal growth	<ul style="list-style-type: none"> • Training programs • Events • Internal announcements • Performance appraisals • Exit interviews
Rating Agencies	Any organisation which provides crucial information or ratings for the company	To disclose relevant information and build brand reputation	Annual interaction during the process of the rating review

MATERIALITY ASSESSMENT

At ABNIC, materiality assessment is central to the company's sustainability strategy, enabling us to systematically identify, prioritise and address the issues that have the most significant impact on the company's business performance, long-term sustainability and stakeholders' interests. This process enables us to align the company's strategic priorities with stakeholder expectations, regulatory requirements and emerging environmental, social and economic risks.

The materiality assessment integrates insights from stakeholder engagement and evaluates the broader economic and environmental impact of the company's operations. This approach ensures that the company is responsive to the evolving dynamics of the insurance sector while promoting long-term value creation and improved risk resilience.

We ensured that stakeholder perspectives remain integral in our assessment process, allowing us to identify impacts from two key viewpoints:

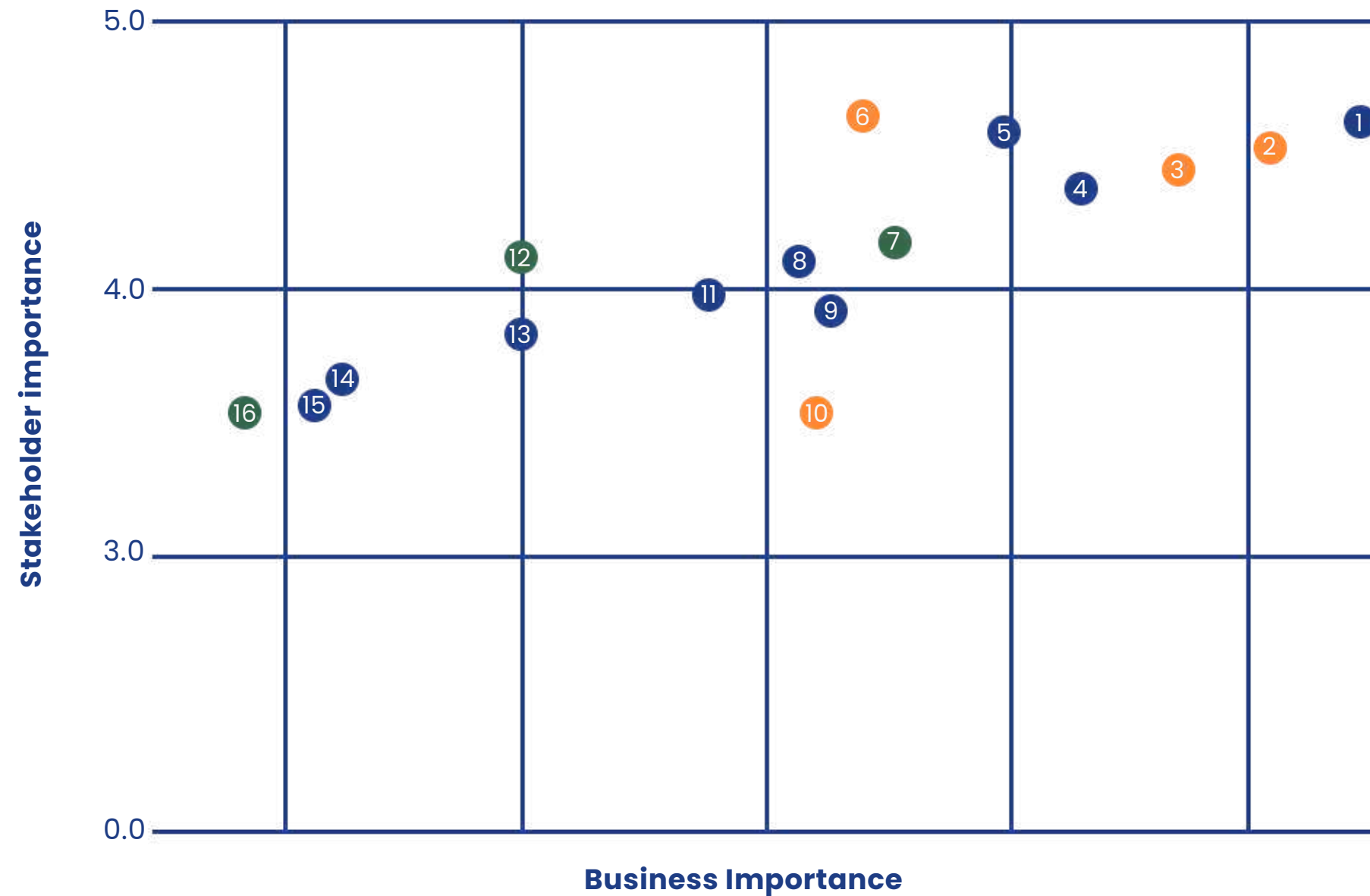
1. Recognizing issues that significantly affect our business
2. Identifying areas where our operations have the greatest influence

For the 2025 reporting period, ABNIC has opted to maintain the material topics identified in our comprehensive 2023 assessment. We have reviewed these topics against our current operational context and stakeholder landscape to ensure they remain relevant and significant.



Materiality Matrix

As a leading insurance company in the UAE, we play a crucial role in addressing challenges that confront both society and the economy, and we believe that together, we will continue to drive positive change, innovate for sustainability, and contribute to building a resilient, future-ready society.



ABNIC continues to manage these topics through the established Sustainability Committee and relevant Board-level oversight. Our management approaches, including specific policies, performance monitoring, and mitigation strategies, are detailed within the dedicated Governance, Social, and Environmental chapters of this report.

Environmental:

- 7. Sustainable Product & Services
- 12. Physical risks & impacts of Climate change
- 16. Environmental Footprints

Social:

- 1. Data Privacy & Security
- 4. Customer Engagement & Satisfaction
- 5. Emiratization
- 8. Employment
- 9. Employee health and wellbeing
- 11. Training Development
- 13. Equal Opportunity, Diversity & Inclusion
- 14. Local Communities

Governance:

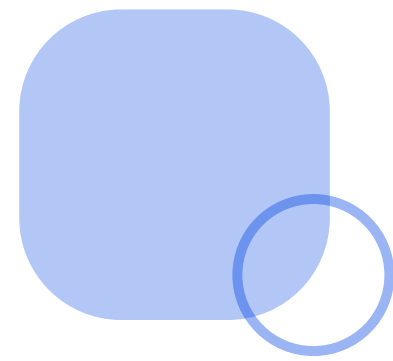
- 2. Financial Performance
- 3. Business Ethics
- 6. Digitalization & Innovation
- 10. Tax Governance
- 15. ESG Integration

03

SUSTAINABILITY FRAMEWORK & STRATEGY



- Overview of Sustainability Frameworks Adopted
- Long-term Sustainability Goals and Objectives



OVERVIEW OF SUSTAINABILITY FRAMEWORKS ADOPTED

The CY 2025 Sustainability Report provides a transparent account of ABNIC’s strategic evolution and mission-led growth. This document details our financial and non-financial milestones, outlining how we navigate emerging risks and capitalize on sustainable opportunities. Central to our performance is a robust governance framework that ensures institutional integrity and long-term value creation.

At ABNIC, environmental stewardship is a strategic priority. We are actively decarbonizing our operations to support the UAE’s national transition toward a clean energy economy. By meticulously tracking our ecological footprint, including energy efficiency, carbon emissions, water conservation, and waste management, we strive to drive continuous environmental improvement. The report has been developed in alignment with the globally recognised frameworks and standards, including the Global Reporting Initiative, Abu Dhabi Securities Exchange and the UN SDGs. We are committed to continuously improving our data disclosures and quality, while also learning from the best industry practices.



Global Reporting Initiative (GRI)



United Nations Sustainable Development Goals (UN SDGs)



Abu Dhabi Securities Exchange (ADX)

Reporting Boundary

The information in this report encompasses the details about the company's operation within the UAE. The data compilation includes our insurance entity only.

Reporting Period

The report covers information pertaining to the period from 1st January 2025 till 31st December 2025.

Comparable Data

To enable data comparability, the report includes information for the calendar years 2021, 2022, 2023, 2024, and 2025.

Assurance

We opted for internal assurance this year. The information contained in this report has been confirmed through an internal review process involving stakeholder feedback and departmental sign-off on their respective sections.

Forward Looking Statement

The report provides a comprehensive overview of various data sets, reflecting both historical trends and future projections. Our actual results may differ significantly from the projections, analysis, or targets outlined in the report, due to industry patterns or unforeseen events. We are under no obligation to publicly update or revise our forward-looking statements during the upcoming fiscal year, unless required by law. Additionally, our internal audit team is not responsible for forming an opinion on these forward-looking statements.

Alignment with UN SDGs

In 2025, ABNIC transitioned from foundational planning to the active integration of sustainability across our operational and digital ecosystems. Our initiatives during this period focused on accelerating digital transformation through paperless workflows, formalizing secure IT asset lifecycles, and embedding ESG-related modules directly into our governance systems. These actions, complemented by our continued investment in National talent, cybersecurity, and community wellness, have significantly strengthened our alignment with the United Nations SDGs.



For driving meaningful impact, the following initiatives were taken up during 2025:

Initiatives	Relevant SDG
AI Integration: Conducted specialized workshops on AI in Insurance to optimize underwriting, enhance fraud detection, and improve operational efficiency.	9, 16
Data Governance: Implemented multi-language Information Security Awareness training (Arabic and English) to ensure robust data protection across all branches.	16
ESG System Integration: Advanced the integration of ESG-related metrics into core IT systems, strengthening the Company's governance framework and automating sustainability data tracking.	9, 17
National Talent: Actively participated in many Recruitment Days across UAE, providing career pathways for Emirati graduates and supporting NAFIS goals.	4, 8
Community Health & Wellbeing: Hosted preventative health sessions (Gut Health, Happiness at Work) and medical screenings to promote holistic employee and community wellness.	3
Digital Transition & Paperless Operations: Accelerated the shift toward paperless workflows and digital documentation across all departments. This initiative has set the baseline for our paperless transition, streamlining workflows as we work towards long-term resource efficiency.	12
Sustainable IT Lifecycle Management: Formalized secure IT asset disposal procedures, ensuring that retired hardware is managed through responsible recycling and data destruction protocols to mitigate electronic waste.	12



LONG-TERM SUSTAINABILITY GOALS AND OBJECTIVES



Electricity Consumption

- Target: To reduce electricity usage by 10%.
- Through the adoption of renewable energy sources, implementation of energy-efficient infrastructure, and integration of smart office technologies.



Water Consumption

- Target: Reduce water consumption by 5%.
- Achieved by installing water-saving fixtures, promoting water recycling where possible, and increasing employee awareness about the importance of water conservation.

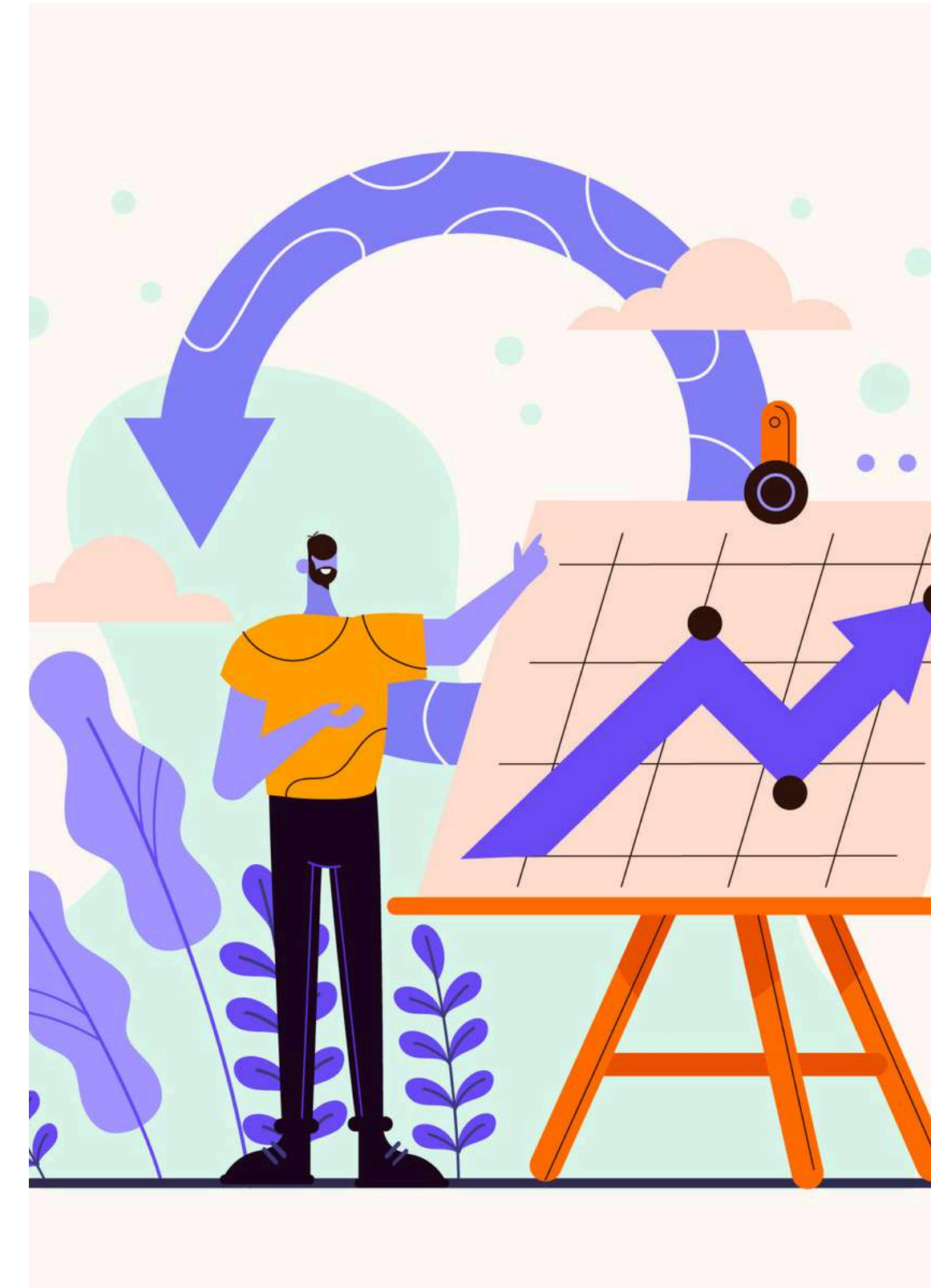
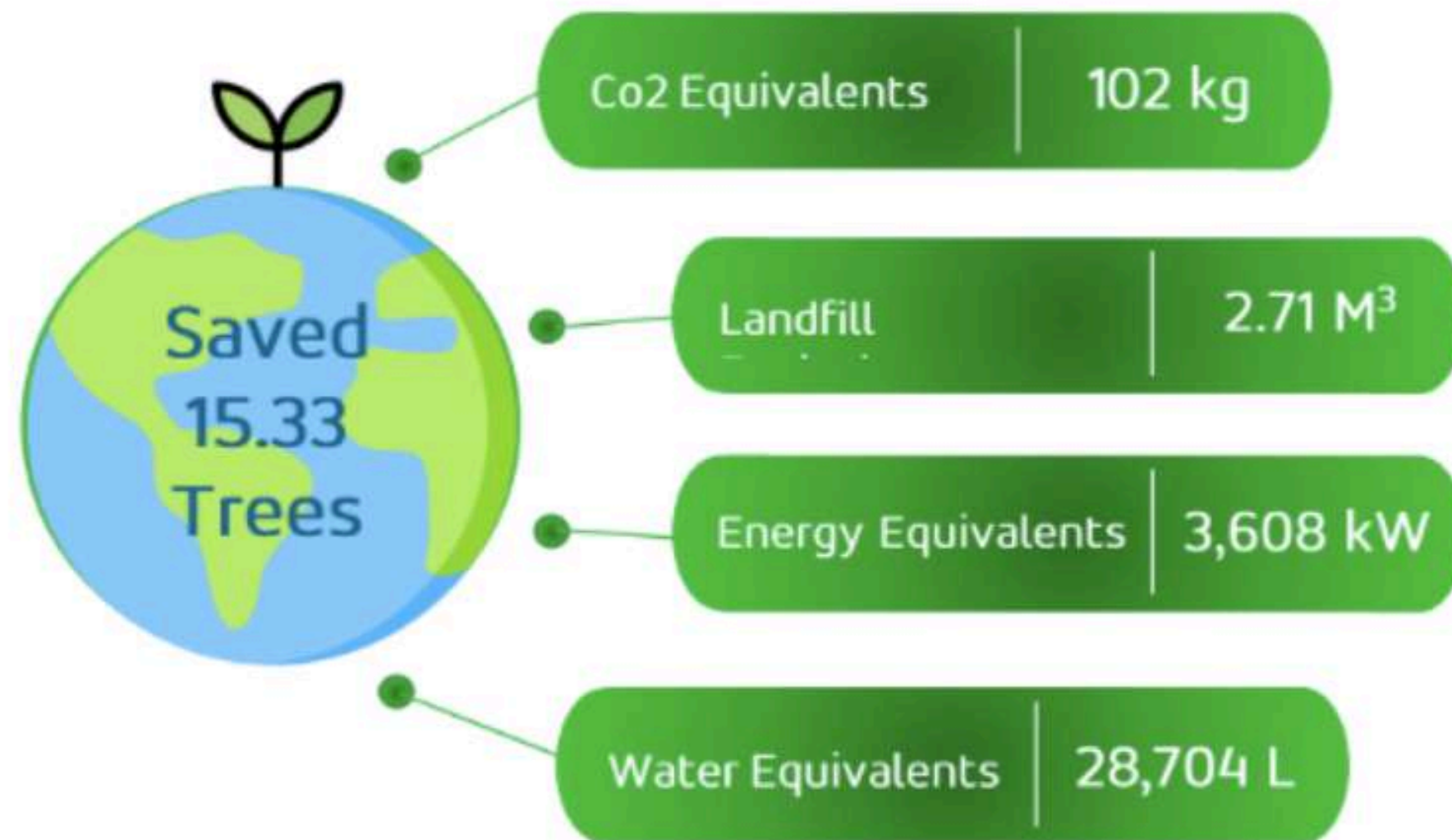


Paper Consumption

- Target: To reduce paper usage by 20%.
- Moving towards a paperless environment by optimizing digital workflows, utilizing online document management, and fostering digital communication both internally and externally.



As part of our commitment to responsible resource management, ABNIC partnered with Shredit ME for a secure, eco-friendly shredding and recycling initiative. This program successfully diverted waste from landfills and contributed to the following environmental savings between January and December 2025:

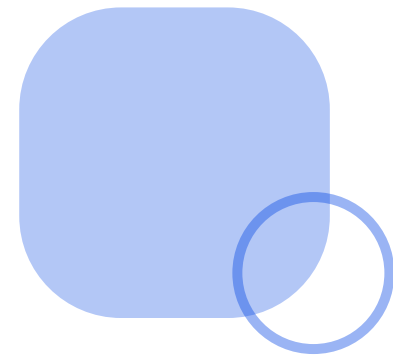


04

RESPONSIBLE GOVERNANCE



- Board of Directors & Committees
- Governance Framework
- Enterprise Risk Management
- Compliance and Ethical Business Conduct



BOARD OF DIRECTORS & COMMITTEES

The Board of Directors at ABNIC plays a pivotal role in steering the company towards its strategic objectives. The Board is assisted by a set of specialised committees with each committee undertaking specific responsibilities and enabling focussed attention on key operational and regulatory areas to help drive informed decision-making.

Comprising seasoned professionals with diverse expertise, the Board composition aligns to regulatory requirements, ensuring an optimal mix of executive, non-executive, and independent directors. This diversity facilitates balanced decision-making and effective governance. The nomination and selection of our Board follow a formal, criteria-based process outlined in our Corporate Governance Policy, prioritizing diversity and professional expertise.

Board Members & General Manager

The Board of Directors has overall responsibility for the stewardship of the company and makes all important strategic decisions.

Issam Mehdawi	General manager
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Board Members

Shaikh Faisal Bin Khalid Bin Sultan Al Qasimi	Chairman
Shaikh Abdulla Bin Mohammed Ali Al Thani	Vice Chairman
Shaikh Khalid Bin Abdulla Bin Sultan Al Qasimi	Member
Shaikh Ahmed Abdulla Bin Mohammed Ali Al Thani	Member
Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Member
Mr. Rashid Ali Rashid Deemas Alsuwaidi	Member
Mr. Abdulla Mohamed Salih Al Zarooni	Member
Ms. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Member
Mr. Bassam Ibrahim Mohammed Elayyan (Representative of AL SALEM Co. Ltd)	Member

Role of Executive Management

- Oversee the company's essential operations, as outlined in the Articles of Association, including insurance and reinsurance activities, and accident compensation disbursements.
- Ensure decisions are executed effectively and align with the company's best interests.
- Keep the Board informed of decisions related to strategic policies. The Board may grant the Managing Director specific authority to manage these matters.

Board Committees

The Board-level committees were actively engaged during FY 2025, with each committee focusing on priority areas aligned to its mandate and the Company's strategic objectives.



Audit Committee



Risk Committee



Investment Committee



Sustainability Committee



Executive Committee



Nomination and Remuneration Committee

Remuneration Policies & Process

ABNIC maintains a structured governance process for determining remuneration, as outlined in the Corporate Governance Policy and overseen by the Nomination and Remuneration Committee.

For the Board of Directors, the determination and approval of remuneration follow a formal three-tier process to ensure transparency and oversight:

- **Proposal of Remuneration:** The Nomination and Remuneration Committee is responsible for proposing the specific amount of remuneration due to the board members.
- **Review by the Board:** This proposal is then presented to the Board of Directors for their formal review and recommendation.
- **Final Approval by the General Assembly:** In the final stage of the process, the proposed remuneration is submitted to the General Assembly for ultimate approval, ensuring that all compensation is ratified by the company's shareholders.



GOVERNANCE FRAMEWORK

ABNIC has instituted a multi-tiered ESG governance framework to ensure consistent oversight and integration of sustainability into core business operations. The Board of Directors provides strategic direction on ESG matters, supported by the Risk Management Committee. These bodies collectively guide ESG strategy, execution, disclosure, and risk mitigation, enabling an accountable and enterprise-wide approach to sustainability governance.

Board Oversight

The Board of Directors oversees and guides sustainability initiatives, ensuring they align with the company's long-term goals. The Board of Directors at ABNIC assumes ultimate responsibility for the company's sustainability reporting. The Board is actively involved in reviewing the report's content to ensure it accurately reflects the organisation's material impacts and strategic commitments. Final approval of the 2025 Sustainability Report was formally granted by the Board to ensure alignment with our corporate governance standards.

Executive Leadership

Our executive team leads the integration of sustainable practices into our core operations, promoting long-term growth and progress.

Stakeholder Collaboration

We value open communication and collaboration with customers, employees, regulators, and investors. Their perspectives are integrated into our sustainability planning and decision-making to ensure diverse viewpoints and alignment with stakeholder needs.

Transparent Reporting

ABNIC is committed to delivering clear and detailed reports on our sustainability performance. By adhering to the international reporting standards, we provide stakeholders with a comprehensive view of our progress and areas for improvement with respect to sustainability.



ENTERPRISE RISK MANAGEMENT

The Enterprise Risk Management (ERM) framework is designed to identify, evaluate and address key business and strategic risks through a combined top-down and bottom-up approach, enabling effective risk assessment and monitoring at both organisational and functional levels.

By consistently enhancing its Enterprise Risk Management (ERM) processes and aligning with industry standards, ABNIC remains agile in navigating evolving market conditions while capitalizing on opportunities for sustainable growth. Clear oversight of risk exposure, coupled with the integration of risk management principles into strategic decision-making, fosters a culture of accountability and prudent risk-taking across all levels of the organisation. Through these proactive measures, ABNIC upholds its reputation as a trusted leader in the insurance industry, delivering value to its clients and investors.

Business Continuity

The process of risk assessment starts with identification of risks, assessing the risk and its impact, prioritising the risks, treating the risk through mitigations and controls, monitoring the risks, reporting of risks.

For the business continuity management, Although ABNIC has established practices in place, it is currently in the process of preparing the organisation for a better & robust BCMS framework through well drafted policy and procedures on BCMS, creating Business Impact Analysis (BIA) for each critical department, training & awareness for the employees, response strategies and preparations for each department, identification of alternate site of operation during a disaster, identifying required resources/ applications/tech support required to continue business operations, etc.



COMPLIANCE AND ETHICAL BUSINESS CONDUCT

We ensure regulatory compliance and institutional accountability through robust Risk, Compliance, and Internal Audit functions.

Our governance and risk management framework provides an ethical and resilient foundation for sustainable growth, rooted in the principles of integrity, transparency, accountability, and responsible conduct. We proactively identify, assess, and manage current and emerging risks, ensuring preparedness against disruptions while unlocking potential opportunities. Upholding ethical business practices remains a top priority, with strong safeguards against fraud, corruption, and other misconduct. Our Code of Ethics and Conduct reflect this commitment, guiding behaviour across all levels of the organisation to reinforce stakeholder trust and long-term value creation. In line with these standards, ABNIC maintains strict protocols to identify and manage potential conflicts of interest; for the 2025 reporting period, no incidents of conflicts of interest were recorded.

ABNIC is also proud to support and actively participate in the UAE government's visionary Zero Government Bureaucracy Program. This initiative is designed to streamline government processes, enhance efficiency, and simplify interactions for both businesses and individuals. Through our involvement, we aim to contribute to the realization of a more agile and responsive government framework, creating a seamless experience for all stakeholders.

Anti-Corruption

ABNIC monitors and manages corruption-related risks through regular internal audits and its governance framework across all operations. These standards are communicated throughout the organisation to ensure compliance with our ethical business practices. For the 2025 reporting period, there were no confirmed incidents of corruption or actions taken.

Communication of Critical Concerns

ABNIC provides formal mechanisms for communicating critical concerns regarding unethical behaviour or non-compliance, supported by a proactive strategy that integrates both Internal Control and Internal Audit functions to ensure effective governance. If any material issue or significant observation arises, it is addressed immediately through approved procedures, including escalation to the Audit Committee. The Committee is responsible for reviewing such matters, conducting necessary investigations, and preparing corrective action plans. These findings and recommendations are then submitted to the Board of Directors to ensure high-level oversight and the implementation of necessary improvements.



Internal Control & Compliance System

ABNIC maintains a sophisticated internal control architecture designed to safeguard organisational integrity and ensure operational excellence. This framework is managed by a specialized leadership team comprising the Financial Control Manager, the Compliance Manager, and the Internal Audit Manager. Together, they oversee a comprehensive risk management ecosystem that ensures unwavering adherence to corporate policies and the stringent regulatory mandates of the ADX, SCA, CBUAE, and UAE Federal Tax Authority.

Operating with full institutional independence, our Audit function integrates material inputs from across the risk and compliance landscapes to evaluate the efficacy of financial reporting and internal safeguards. To combat financial crime, ABNIC enforces a rigorous Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Policy, equipping our workforce with the tools necessary to identify and pre-emptively report suspicious activities. This systematic approach to oversight reinforces our culture of transparency, ensuring a resilient business environment and the protection of stakeholder interests.

Processes to Remediate Negative Impacts

ABNIC is committed to identifying and addressing any negative impacts through a proactive governance strategy. When a material issue or significant observation is identified via Internal Control reviews, internal audit plans, or regulatory follow-ups, we initiate a formal remediation process. In line with our Audit Committee Charter, this includes the preparation of a corrective action plan, root-cause investigation, and systematic follow-up on implementation. These processes ensure that any operational or financial impacts are mitigated fairly, maintaining full compliance with CBUAE and SCA regulatory requirements and ensuring long-term institutional integrity.

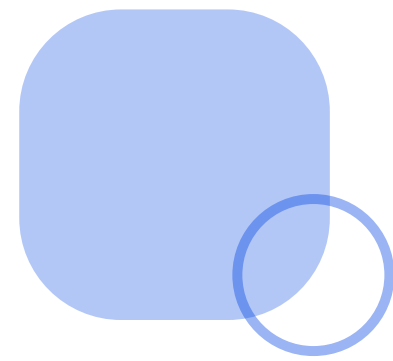


05

ENVIRONMENTAL STEWARDSHIP



- GHG Analysis and Reduction Strategies
- Energy Management and Efficiency Improvements
- Water Management and Conservation Efforts
- Waste Management and Recycling Programs



GHG ANALYSIS AND REDUCTION STRATEGIES

We are strengthening our approach to managing climate-related risks by refining our strategies and aligning accordingly. In response to evolving regulatory requirements and stakeholder expectations, we continuously identify and monitor material environmental key performance indicators (KPIs) and report on metrics related to greenhouse gas emissions (GHG), energy consumption, and waste and water management.

These KPIs are integral to assessing our climate-related risks and opportunities and are aligned with our broader sustainability agenda. Our focus is on reducing our greenhouse gas emissions and waste, improving energy and water efficiency, and increasing the use of renewable energy.

The company is deeply committed to proactive emission management as a core element of its environmental responsibility. It continually monitors and implements measures to reduce greenhouse gas (GHG) emissions across its operations, covering -

SCOPE 1

Emissions (direct emissions from company-owned sources)

SCOPE 2

emissions (indirect emissions from purchased electricity) and is progressively enhancing the tracking and management of its total energy consumption and carbon footprint.

SCOPE 3

Emissions (indirect emissions across relevant value chain activities, including business travel and waste-related emissions, where data is reasonably available).

ENERGY MANAGEMENT AND EFFICIENCY IMPROVEMENTS

ABNIC recognises the urgent need to address environmental challenges and is committed to integrating sustainable practices across operations. The pledge to continually reduce the carbon footprint and conserve vital natural resources is reflected in every aspect of the company's functioning.

The company recognises that transitioning to affordable and clean energy sources is essential not only for reducing the environmental footprint but also for optimising operational costs and strengthening business resilience. By integrating sustainable energy practices across the operations, the company actively supports global climate goals while enhancing the well-being of its stakeholders and the wider community. The approach strikes a deliberate balance between environmental responsibility and economic efficiency, positioning ABNIC for a more sustainable and resilient future.

Climate-Related Financial Risks & Opportunities

ABNIC recognizes that climate change presents evolving financial implications that require proactive consideration within our long-term strategy. We understand the importance of identifying physical risks, such as extreme weather patterns affecting claims, and transition risks arising from new regulatory requirements in the UAE. Moving forward, ABNIC is committed to evaluating these factors to better understand our potential financial exposure and to explore future opportunities for operational resilience and climate-aligned insurance solutions.

- Scenario A: High Physical Impact (Global temperature increases exceeding 2 degrees Celsius): Focuses on acute extreme weather events, flooding, and chronic temperature rises.
- Scenario B: Accelerated Transition (Net-Zero Alignment and Policy Shifts): Focuses on carbon taxes, rapid regulatory shifts, and technological disruptions.

Risk Type	Underwriting Exposure and Scenario	Estimated Financial and Operational Impact
Physical Risk (Acute)	Extreme Weather and Floods: Increased frequency of severe rainfall and flash floods in the UAE (Scenario A)	Claims Inflation: Surge in comprehensive motor vehicle and property damage claims. Higher reinsurance costs.
Physical Risk (Chronic)	Rising Mean Temperatures: Persistent heatwaves and humidity spikes (Scenario A).	Health Inflation: Increase in heat-related medical underwriting claims and climate-induced medical inflation.
Transition Risk	Policy and Regulatory Shifts: Introduction of carbon taxes or mandatory green building codes (Scenario B).	Asset Depreciation: Potential valuation drops in non-green real estate or carbon-heavy investment portfolios.
Operational Risk	Business Interruptions: Physical damage to ABNIC branches or utility grids due to extreme weather events.	Operational Overhead: Increased capital expenditure to reinforce IT infrastructure and branch disaster recovery.

WATER MANAGEMENT AND CONSERVATION EFFORTS

ABNIC remains committed to responsible water management in recognition of increasing water scarcity challenges. The company's initiatives are aimed at promoting sustainable and innovative water conservation practices, reinforcing its dedication to maintaining a positive water footprint across its operations. By building strategic partnerships and continuously refining our methods, we strengthen our water management initiatives. Through collaboration with stakeholders, we ensure that our water conservation efforts align with our broader sustainability objectives. Our goal is to help shape a future that is both water-secure and resilient.



Waste Management and Recycling Programs

The company is committed to sustainable waste management through innovative practices that reduce environmental impact and conserve resources. The company's approach emphasises efficient handling, minimisation of waste and long-term ecological responsibility. E-waste generated by the company is disposed through authorised vendors, ensuring proper disposal and supporting environmental sustainability. Below certificates show our commitment towards a greener future.

Our continuous efforts focus on minimizing our ecological footprint through innovative initiatives, responsible policies, and strategic partnerships. In line with our sustainability objectives, we took significant steps in 2025 by participating in a circular economy initiative focused on the reuse, repurpose, and recycling of electronic waste (E-waste). Additionally, from January to December 2025, we participated in the SHRED IT ME secure eco-friendly shredding and recycling initiative. Through this program, we helped reduce 102kg of CO2e emissions, prevented 2.71m³ of landfill waste, saved 3608 kWh of energy, and preserved 28,704 litres of water. Our involvement in this initiative also led to the conservation of 15.33 trees. These actions further demonstrate our commitment to reducing paper waste and promoting secure, eco-friendly recycling practices.

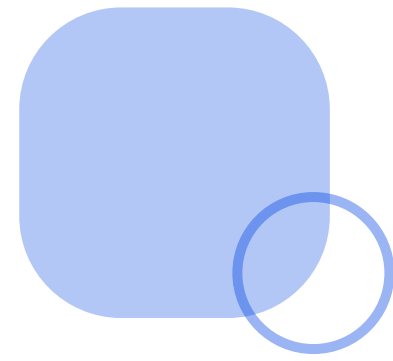


06

SOCIAL RESPONSIBILITY

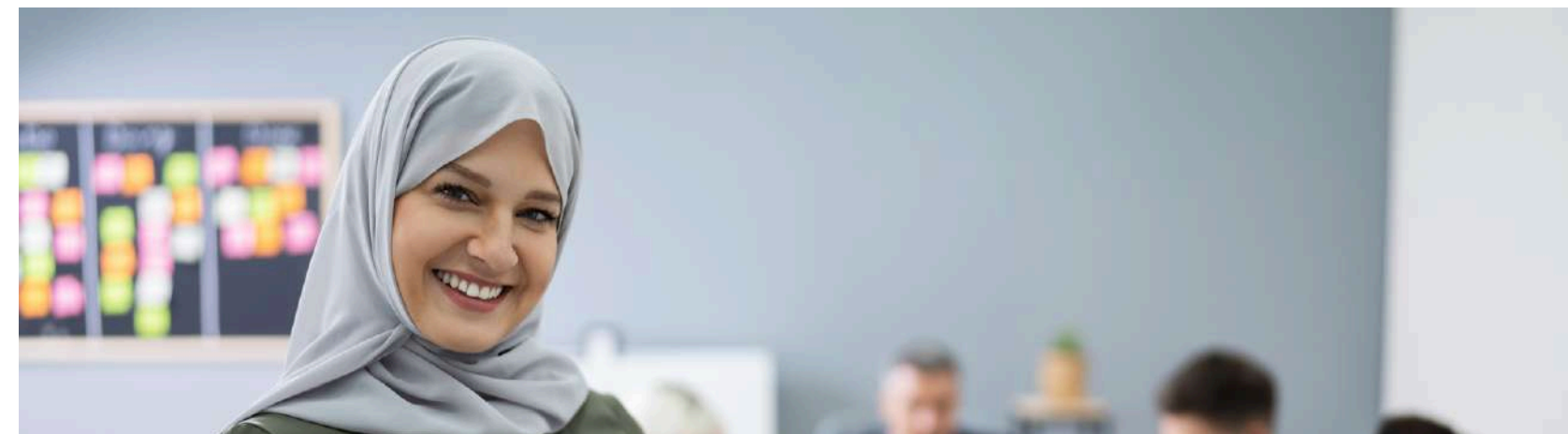


- Human Assets and Workforce Analytics
- Equal Opportunity, Diversity, and Inclusion (DEI)
- Health, Safety, and Wellbeing
- Training & Development



HUMAN ASSETS AND WORKFORCE ANALYTICS

Our people are at the heart of our success, driving innovation, excellence, and long-term value through their passion and purpose. We recognise human capital as a critical driver of long-term value and are committed to fostering a diverse, inclusive, and continuously evolving workforce. In alignment with our commitment to stable and fair employment, 100% of our workforce are direct employees; we do not engage workers who are not employees for our core operations. Through structured learning pathways, talent transformation programmes, and targeted training, we empower employees to meet customer needs, navigate industry shifts, and contribute to strategic objectives.



Human Capital Development, Performance Management and Compensation	Additional Benefits
<ul style="list-style-type: none"> • Competitive compensation and benefits • Growth opportunities and career advancement • Ongoing training and skill development • Support for psychological and physical well-being • Safe, stimulating, and inclusive work environment • Strong commitment to equity and fairness 	<ul style="list-style-type: none"> • Life Insurance for employees • Staff Welfare Funds • Coverage for disability • Comprehensive medical insurance • Employee Provident Fund • Bonus (Subject to board approval) • Annual airfare allowance • Leave for Hajj and Umrah pilgrimage

EQUAL OPPORTUNITY, DIVERSITY, AND INCLUSION (DEI)

We prioritise Diversity and Inclusion by creating a workplace that not only promotes equal opportunity but values diverse perspectives. We continue to invest in creating a safe, inclusive, and empowering workplace that promotes diversity and equal opportunity. Our focused efforts on gender diversity have resulted in women comprising 36.24% of our workforce across roles and levels. We promote equal opportunity through bias-free hiring, inclusive policies, and sensitisation, while building a disability-inclusive workplace through accessible infrastructure, targeted skilling, and allyship. In line with our commitment to a safe and inclusive workplace, ABNIC maintains strict policies against any form of biased treatment. For this reporting period, there were no confirmed incidents of discrimination or corrective actions taken.

Emirati Talent

We recognize the pivotal role that local talent plays in driving economic growth and promoting social prosperity within the UAE. By prioritizing the recruitment, development, and advancement of Emirati professionals, we actively contribute to the empowerment of the local community while aligning with the UAE's national strategic directives.

In 2025, ABNIC translated this commitment into tangible action through extensive participation in national recruitment and development platforms. We were proud to engage with the next generation of leaders at the Ethraa and Forṣa Career Fairs, as well as specialized University of Sharjah Recruitment Days.

Beyond recruitment, ABNIC continues to champion community investment in human capital through strategic programs run by the Emirates Institute of Finance (EIF) and the Central Bank of the United Arab Emirates (CBUAE) financial sector localization initiatives. These partnerships are central to the national financial sector Emiratization strategy, providing our Emirati professionals with world-class technical training and leadership resources.

We are strongly dedicated to upholding established employment standards, including meeting the rigorous Emiratization targets set by the UAE government. By consistently striving for the 2% annual growth rate in Emirati employment, we move beyond mere compliance; we are creating a diverse and inclusive workplace that reflects the UAE's rich cultural heritage and fosters innovation across all levels of our organisation.



Celebrations of Inclusivity at Work: Fostering Synergy

At ABNIC, we view Diversity, Equity, and Inclusion as a strategic advantage that drives innovation and unity. In 2025, we prioritized the creation of an environment where diverse perspectives are celebrated, and every employee is empowered with the tools for personal and professional success. A key component of this was our Investment Awareness Workshop, which promoted equity by providing all employees, regardless of role or background, with equal access to the financial literacy and wealth-management insights necessary for long-term stability.



University of Sharjah Alumni Association invites you to attend **UOS ALUMNI RECRUITMENT OPEN DAY**

In this event, you will have the opportunity to apply for on spot job interviews with institutions and companies from various sectors

Target Audience: University of Sharjah graduates (Male and Female)

Female Forum
20th November 2025
8:00 AM - 3:00 PM

Registration:  The first step to building your future starts here!

معا نطم الفرق MAKING A DIFFERENCE TOGETHER
جامعة الشارقة UNIVERSITY OF SHARJAH

معروض إثراء للتوظيف ETHRAA CAREER OPPORTUNITIES — 8th Edition الثامنة

Al-Bahaira National Insurance Co. EXPLORE INSURANCE CAREER OPPORTUNITIES

فريق الفطيم Al-Futaim

FIND YOUR PERFECT ROLE

Our commitment to cultural inclusion was further brought to life through a calendar of shared experiences that honoured both local heritage and global traditions. We celebrated the foundational values of our host nation through UAE Flag Day and UAE National Day, while simultaneously fostering a deep sense of belonging for our international workforce through celebrations like the Vishu Festival and traditional Onam Sadya. By bridging these cultural milestones, we reinforce a workplace identity rooted in mutual respect and shared pride.



To transform these values into operational synergy, ABNIC utilized high-impact team-building experiences. These initiatives are designed to break down departmental silos and encourage authentic connections across our diverse talent pool. Furthermore, our "Happiness at Work" workshop ensured that our inclusive culture is supported by a positive psychological framework, ensuring that ABNIC remains a premier destination for talent that reflects the vibrant, multicultural spirit of the UAE.

HEALTH, SAFETY, AND WELLBEING

We are committed to fostering a safe, inclusive, and ethical workplace that prioritises the physical and mental wellbeing of our employees. By integrating robust safety standards, conducting regular risk assessments, and offering continuous training, we mitigate workplace hazards and promote employee health. Our DEI policy empowers individuals to bring their authentic selves to work, enhancing collaboration and stakeholder value. Respect for human rights is embedded across our operations, supported by grievance redressal mechanisms that uphold accountability and ensure ethical conduct throughout the organisation.

In 2025, we transitioned these commitments into tangible actions through a series of specialized health initiatives. These included a Preventative Health Screening program, which provided employees with direct access to vital medical check-ups and diagnostic assessments within the workplace. Furthermore, we hosted a "Gut Health 101" session, focusing on the critical link between nutrition, physical wellness, and mental clarity. By providing these resources, ABNIC actively encourages a culture of preventative care, ensuring our workforce remains healthy, resilient, and supported in their personal and professional lives.



TRAINING & DEVELOPMENT

Our learning and development initiatives are aligned to the ABNIC's objective and are focused around addressing internal capability gaps, as well as facilitating employees' professional development. Programmes are designed around building capabilities at an individual, team and enterprise level to meet immediate needs as well as improving future readiness.

To maintain the highest standards of institutional accountability, we rolled out a comprehensive AML and KYC Screening Tool Training program across our entire regional network. This initiative ensured that teams in Khor Fakkan, Abu Dhabi, Al Ain, Ajman, and our Dubai branches (SZR & Rolla) were equipped with advanced tools to detect and mitigate financial crime. In line with our commitment to innovation, ABNIC accelerated the technical upskilling of our underwriting and claims departments. We hosted specialized workshops across all major insurance lines, including Marine, Medical, Property, and Motor, to refine risk assessment and service excellence.

Recognizing the shift toward a digital-first economy, we prioritized Information Security Awareness through multi-language training (Arabic and English) and launched an AI in Insurance Workshop to explore the transformative potential of artificial intelligence in our sector. Furthermore, our participation in global forums like the Dubai World Insurance Congress (DWIC) ensures that our professionals are aligned with international best practices and emerging global trends, positioning ABNIC as a leader in the regional insurance landscape.





Training Performance

In 2025, ABNIC intensified its commitment to a high-performance culture by ensuring consistent learning opportunities for our **505 employees**. We maintained an average of **2 training hours per employee**, per month, resulting in:

- **Average Annual Training:** 24 hours per employee.
- **Total Workforce Training Hours:** 12,120 hours.

These sessions cover technical insurance expertise, digital transformation tools, and mandatory compliance updates, ensuring our workforce is well-equipped to serve our stakeholders effectively.

Focus on training and development of local employees

By integrating sustainability principles into our learning programs, we promote a culture of awareness, innovation, and continuous improvement throughout the organisation. New employees are provided with a comprehensive induction training program to ensure a smooth transition into their roles and to equip them with the necessary tools to succeed within the company. In addition, we actively invest in local talent development by offering training programs that support the Emiratisation initiative. In CY2025, we allocated AED 1,624,212.38 towards training programs for Emiratis.

ABNIC ensures that all eligible employees receive regular performance and career development reviews. These evaluations provide a formal platform to discuss professional progress, identify future training needs, and align individual goals with corporate objectives. In 2025, 100% of the workforce was included in the annual review process.

Training Feedback

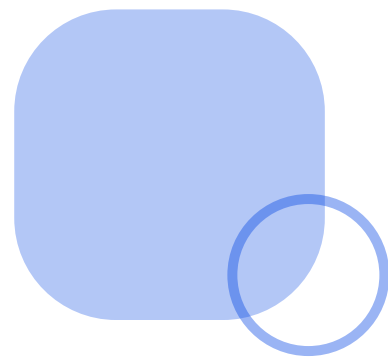
To ensure the ongoing effectiveness of our training programs, we actively seek feedback from both employees and their managers. This allows us to make refinements that address evolving needs and enhance the overall learning experience. Our goal is to offer continuous learning opportunities that support the growth and skill development of every employee. Through these efforts, we are building a skilled, capable workforce that plays a vital role in advancing ABNIC's mission to drive sustainability and create positive change.

07

CUSTOMER RELATIONS



- Customer Satisfaction and Feedback Mechanisms
- Data Privacy and Information Security
- Ethical Procurement and Supply Chain Responsibility
- Customer Support



CUSTOMER SATISFACTION AND FEEDBACK MECHANISMS

We exist to serve and protect our customers by delivering need-based solutions that support them across every life stage. Our commitment towards seamless & fast policy purchase & buying assistance, service with empathy and access to physical and digital service touchpoints are paramount to us. We provide simple and timely claims and benefit payouts, innovative products, strong data security measures and are committed to ethical business practices.

In 2025, ABNIC continued to prioritize high service standards, with Abu Dhabi branches maintaining a strong customer satisfaction rating of 4.6/5.

Key Customer Experience Enhancements

To enrich our customer interactions and streamline services, ABNIC has launched several initiatives:



24/7 Service Accessibility

Maintaining a dedicated medical call centre to provide uninterrupted support and ensure equitable access to healthcare coordination.



Proactive Stakeholder Engagement

Enhancing transparency through automated renewal reminders and systematic claim follow-ups to ensure service continuity.



Customer Empowerment & Literacy

Providing tools and resources to improve financial literacy and ensure a clear understanding of policy coverage.



Value Creation & Retention

Utilizing loyalty incentives and rewards to drive long-term stakeholder value and strengthen customer retention.

Leveraging Technology for a better customer experience

ABNIC has made substantial investments in digital transformation to improve customer service, enhance security, and optimize operations. Recent initiatives include:

Digital Channels & Paperless Initiatives

Developing user friendly digital platforms and eliminating paper-based workflows for faster service delivery.

WhatsApp business

Providing enhanced customer engagement and instant support.

Contact center modernization

Upgrading IP telephony to enable seamless customer interactions.

Improved Response Time

By routing customer queries to dedicated teams.

Medical Individual Portal

Empowering sales teams to issue policies instantly, improving customer convenience.

Increased Follow-ups

For pending customer requests to reduce repeat queries.

Regular Monitoring

Through Google reviews and then addressing customer concerns proactively.

Better coordination

Between branches and head office for quicker issue resolution.

Centralized Medical Support

Established claims@albhaira.com as a dedicated channel for medical claims communication, improving coordination between branches and the head office for faster issue resolution.

Response Time Optimization

Improved query routing to dedicated teams, resulting in increased follow-ups on pending requests and a reduction in repeat customer queries.

Analysis of Grievance Nature and Trends

ABNIC views the systematic categorization of grievances as a vital tool for enhancing operational transparency and identifying service gaps. By analysing the nature of complaints received in 2025, we can perform targeted root-cause analysis across our various insurance portfolios.

During the reporting period, a total of 303 complaints were categorized by their specific line of business. This data allows our Compliance and Customer Excellence teams to pinpoint which sectors require process optimizations or clearer communication strategies.

Nature of Grievance	Complaint Count
Motor (Vehicle & Traffic-related)	119
Medical, Health, and Wellness Services	90
Bodily Injury & Physical Harm Claims	83
Death & Life-related Compensation	7
Medical Service Provider & Production Issues	3
Marine & Cargo Operations	1
Total Recorded Complaints	303



Customer Feedback Mechanisms

Recognizing the importance of continuous feedback, we have deployed customer happiness meters across our branches. Negative feedback is promptly addressed through direct engagement, ensuring customer concerns are resolved efficiently. Throughout 2025, we have monitored a month-on-month trend of customer sentiment to ensure our service remains aligned with evolving expectations.

Our approach is built on two key pillars that are directly informed by our multi-channel feedback ecosystem:

Pillar 1	Pillar 2
<p>Innovative, Customer-Focused Solutions</p>	<p>Responding Quickly to Customer Needs</p>
<p>We leverage data from our website feedback forms and Google Reviews to identify recurring patterns and pain points. By analysing these public and private digital touchpoints, ABNIC can develop innovative insurance products and digital interface enhancements that proactively address the specific needs of our community.</p>	<p>Real-time responsiveness is driven by our internal integration of customer emails and direct service interactions, which are forwarded immediately to the respective departments and branches for action. This localized approach ensures that feedback collected at the branch level is met with a swift, specialized response, maintaining our commitment to operational agility and high-quality stakeholder engagement.</p>



DATA PRIVACY AND INFORMATION SECURITY

We understand that every piece of data we handle represents a person who has placed their trust in us. That trust forms the foundation of our data privacy commitment. Our data protection practices are anchored in the principles of transparency, explicit consent, and secure handling. At the heart of our approach is a commitment: to protect personal information with care and diligence.

To address these challenges, ABNIC has established two dedicated committees:

1. IT Governance Committee and
2. Information Security Management Committee (ISMC)

Both committees are tasked with overseeing and managing potential risks. The IT Governance Committee, led by senior management and the head of IT, is responsible for overseeing data privacy policies, operational security, and Information security strategies. This committee ensures that critical IT security decisions are carefully reviewed and approved, thus promoting a proactive and structured approach to information security. The Information Security Management Committee (ISMC) plays a pivotal role in protecting ABNIC's digital infrastructure. Through regular risk assessments and security audits, the ISMC identifies and mitigates potential vulnerabilities before they can pose significant threats. Comprising IT and security experts, along with senior management, the ISMC collaborates closely with various departments to integrate security measures into broader business operations while ensuring compliance with industry standards and regulations.



Unified Privacy Controls

- Our Advanced Email Security Gateway defends effectively against phishing and ransomware attacks, while centralized patch management ensures regular system updates, reducing potential vulnerabilities.
- ABNIC employs advanced Information security measures to protect against evolving threats and ensure the security of our systems and customer data.
- Additionally, we have implemented an online security awareness program that equips employees with best practices to strengthen internal defences.
- Information security is a key focus, particularly in relation to compliance with UAE regulations. This includes oversight from the Signals Intelligence Agency (SIA) and adherence to the Abu Dhabi Healthcare Information and Information Security (ADHICS) standards, which play a critical role in enhancing Information security within the healthcare sector.

Digitization

- Beyond Information security, ABNIC leverages a variety of digital tools to improve operations and enhance customer engagement. Targeted digital marketing campaigns across platforms such as Google Ads, Facebook, Instagram, and LinkedIn help boost brand visibility, while our Customer Relationship Management (CRM) system streamlines customer interactions, providing a more personalized experience.
- The ABNIC Smart App facilitates seamless digital signatures and payment approvals, fully integrated with banking systems.
- Additionally, our asset management protocols enhance resource tracking and operational efficiency.
- To ensure secure connectivity, ABNIC utilizes a centrally managed Cisco wireless network, offering robust security oversight. Website, domain, and Wi-Fi monitoring across all branches are controlled from the head office, with a secure portal for guest access.

ABNIC remains committed to the highest standards of data integrity. Our digitization efforts, including the ABNIC Smart App and secure CRM systems, are designed to protect personal information against evolving threats. For this reporting period, there were no substantiated complaints concerning breaches of customer privacy or losses of customer data.



ETHICAL PROCUREMENT AND SUPPLY CHAIN RESPONSIBILITY

We partner with many third-party business partners/vendors for effective delivery of sales/services and various other needs within the ambit of regulatory guidelines. The risks associated with such partners can significantly affect our operations, reputation, and financial standing. To mitigate these risks, all third-party vendors undergo a rigorous evaluation process before onboarding, followed by regular performance assessments to ensure continued compliance and alignment with our standards.

At ABNIC, we build a robust procurement strategy through:

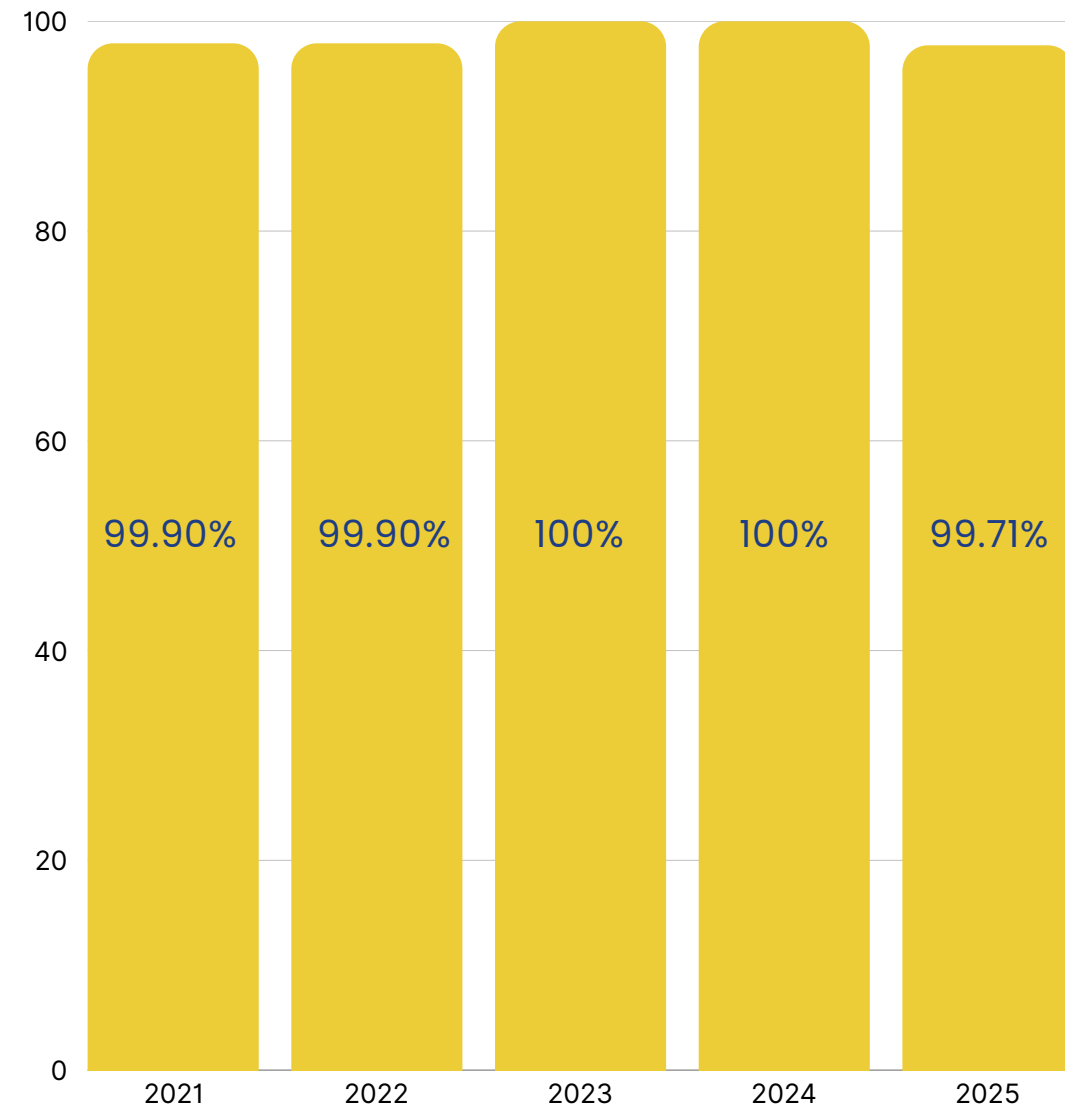
Channel of Communication	Interests and Priorities	Engagement Approach
<ul style="list-style-type: none"> • Procurement and vendor management systems • Regular review meetings and check-ins • Email and contract management platforms • Supplier audits and evaluations • Feedback and performance discussions 	<ul style="list-style-type: none"> • Timely compliance with applicable laws and regulations • Transparent and trustworthy business relationships • Constructive and actionable feedback • Prompt payments and fair contractual terms • Opportunities for service enhancement and process optimisation 	<ul style="list-style-type: none"> • Foster long-term, collaborative partnerships based on mutual trust and accountability • Share performance insights and promote continuous improvement initiatives • Ensure clarity on compliance, ESG expectations and quality standards • Enable suppliers to contribute to innovation, risk mitigation and sustainability goals

This ongoing dialogue with our vendors helps us identify emerging risks and opportunities, address material concerns effectively and build lasting relationships based on trust, accountability and shared purpose.

Total Spend on Local Suppliers

ABNIC remains dedicated to supporting the UAE's national economy and ensuring supply chain efficiency by prioritizing partnerships with local vendors. Investing in the local business ecosystem not only fosters community growth but also aligns with our commitment to sustainability by reducing the environmental impact of long-distance logistics.

Total Amount Spent on Local Suppliers



Total Number of Suppliers

	Local	International	Total
2021	333	7	340
2022	226	7	243
2023	346	7	353
2024	359	7	366
2025	228	9	237

This high percentage of local spending reflects ABNIC's unwavering commitment to In-Country Value (ICV). We ensure that all third-party partners undergo a rigorous evaluation process to maintain compliance with our ethical standards and regulatory requirements, ensuring a resilient and transparent supply chain.



CUSTOMER SUPPORT

At ABNIC, customer-centricity is the foundation of the business. The company is committed to delivering exceptional experiences by building trust, addressing diverse customer needs and fostering long-term relationships.

Our dedicated team is focused on ensuring that every customer receives timely assistance and a smooth, positive experience. We are committed to resolving issues promptly and delivering top-tier customer service. Our customers can reach out to us over below channels:

Online Complaint Forms

Available on our website, these forms provide a simple, secure, and user-friendly way for customers to submit complaints, ensuring a smooth process from start to finish.

Regulatory Escalation: Sanadak Website

We have streamlined the process for submitting formal complaints by providing clear guidelines and direct links to the appropriate authorities, ensuring that issues are escalated to the correct channels when needed.

Google Business Page

Our Google Business page offers an additional platform for customers to share feedback. Our team regularly monitors this page to address concerns promptly and in real time.

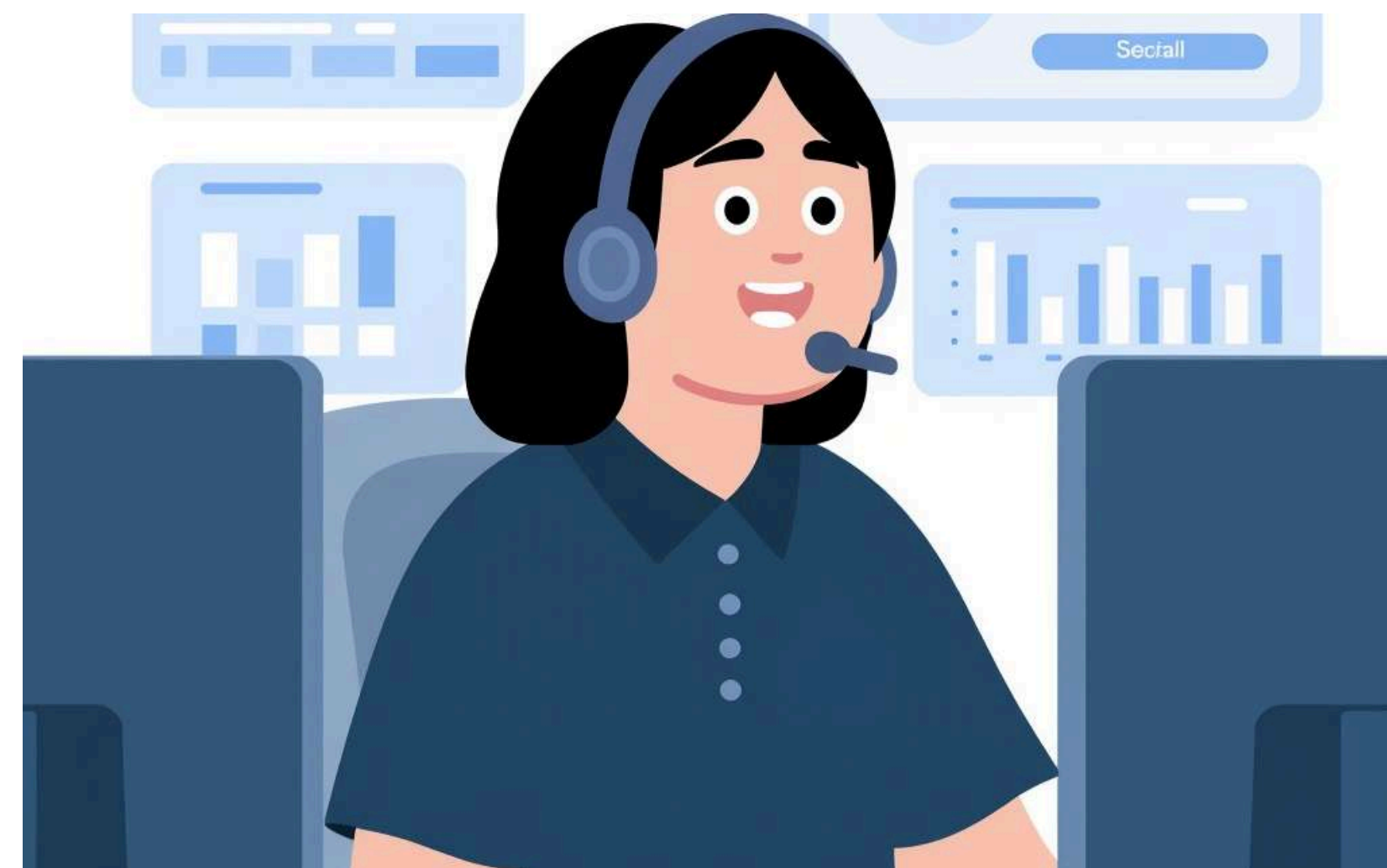
Email Communication

For those who prefer direct contact, customers can email our customer support team. We prioritize these inquiries to ensure quick and efficient resolutions.

In-Person Visits

For customers who prefer face-to-face interaction, our staff are available across all ABNIC branches to provide personalized assistance and resolve grievances on-site.

These channels have significantly improved service delivery, making customer interactions faster, more transparent, and more convenient.

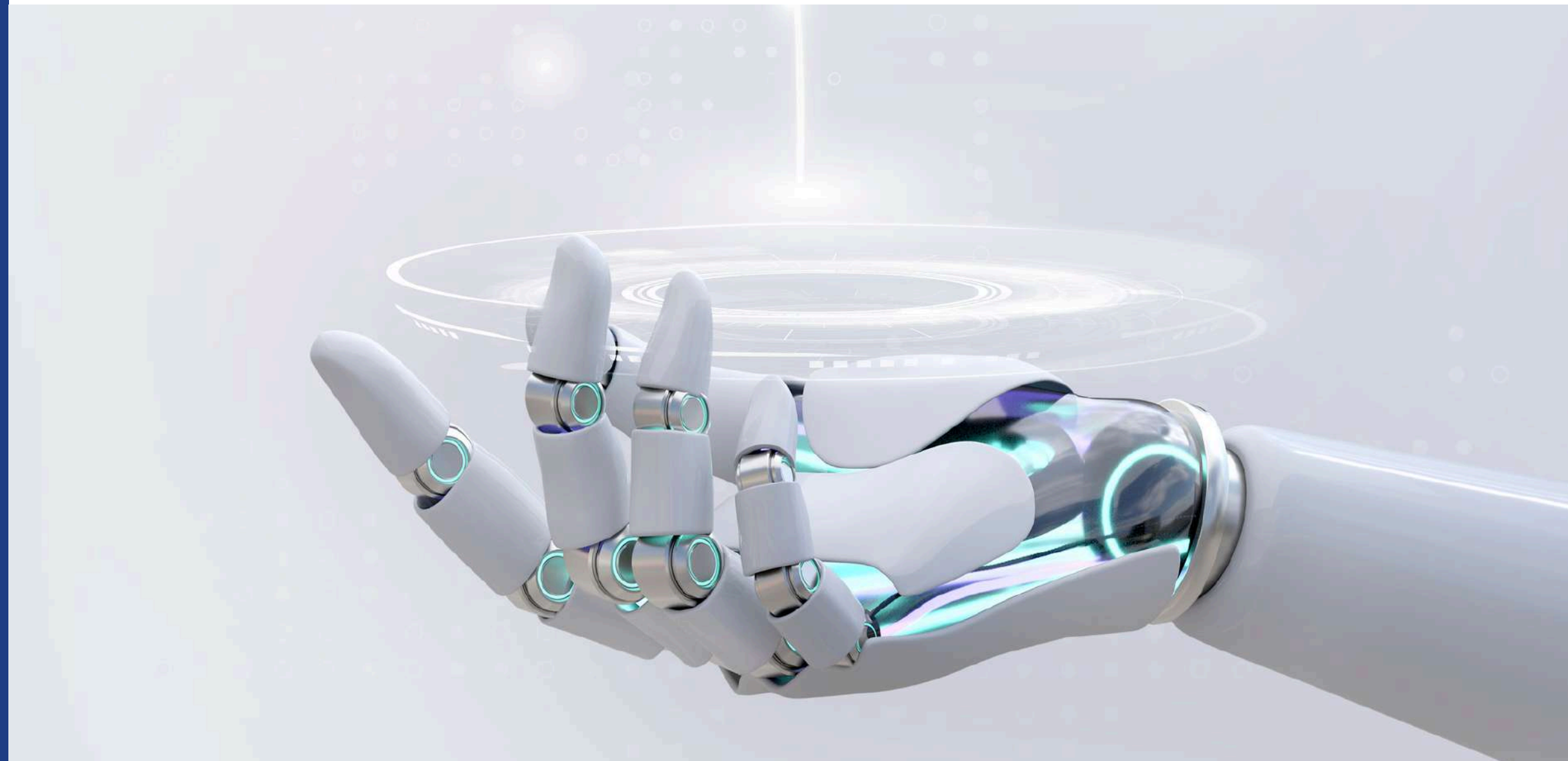
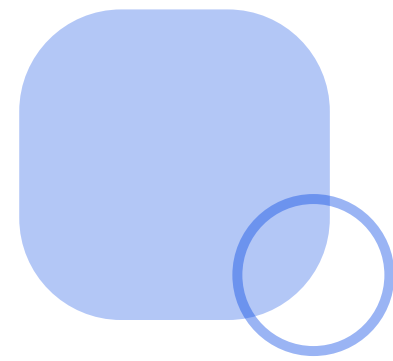


08

INNOVATION FOR SUSTAINABILITY



- Digital Transformation



DIGITAL TRANSFORMATION

Technology and Digitalization are key enablers for ABNIC. Over the years, we have introduced several pioneering digital solutions using advanced technologies which help us set new benchmarks in performance and achieve unmatched operational excellence. All our processes right from acquiring new customers to managing risks, servicing, claims processing and renewals have been completely digitised. These solutions enable us to progress on our core ESG approach in terms of improvements in customer and employee experiences, and reduction in carbon footprint (reduction in employee and customer travels for business related work and reduction in paper consumption).

We have launched several customer-centric digital initiatives, including:

- Online Insurance Portal
- Riayati Platform
- Mobile Application
- Medical Portal for Northern Emirates
- Property Rental Portal
- Agent Medical Portal
- Digital Marketing

In today's digital-first world, safeguarding information is as essential as serving our customers. We see cybersecurity as a core part of how we protect trust, ensure business continuity, and deliver on our promise to stakeholders. Our approach is grounded in a multi-layered security framework that keeps pace with the evolving threat landscape. Designed with both resilience and agility in mind, it spans across prevention, early detection, rapid response, and recovery, ensuring that security is embedded across the entire lifecycle of data and digital assets. Additionally, we strengthen our efforts through a robust governance framework, which ensures oversight and aligns initiatives with business priorities.



Key Pillars of our Innovation Strategy

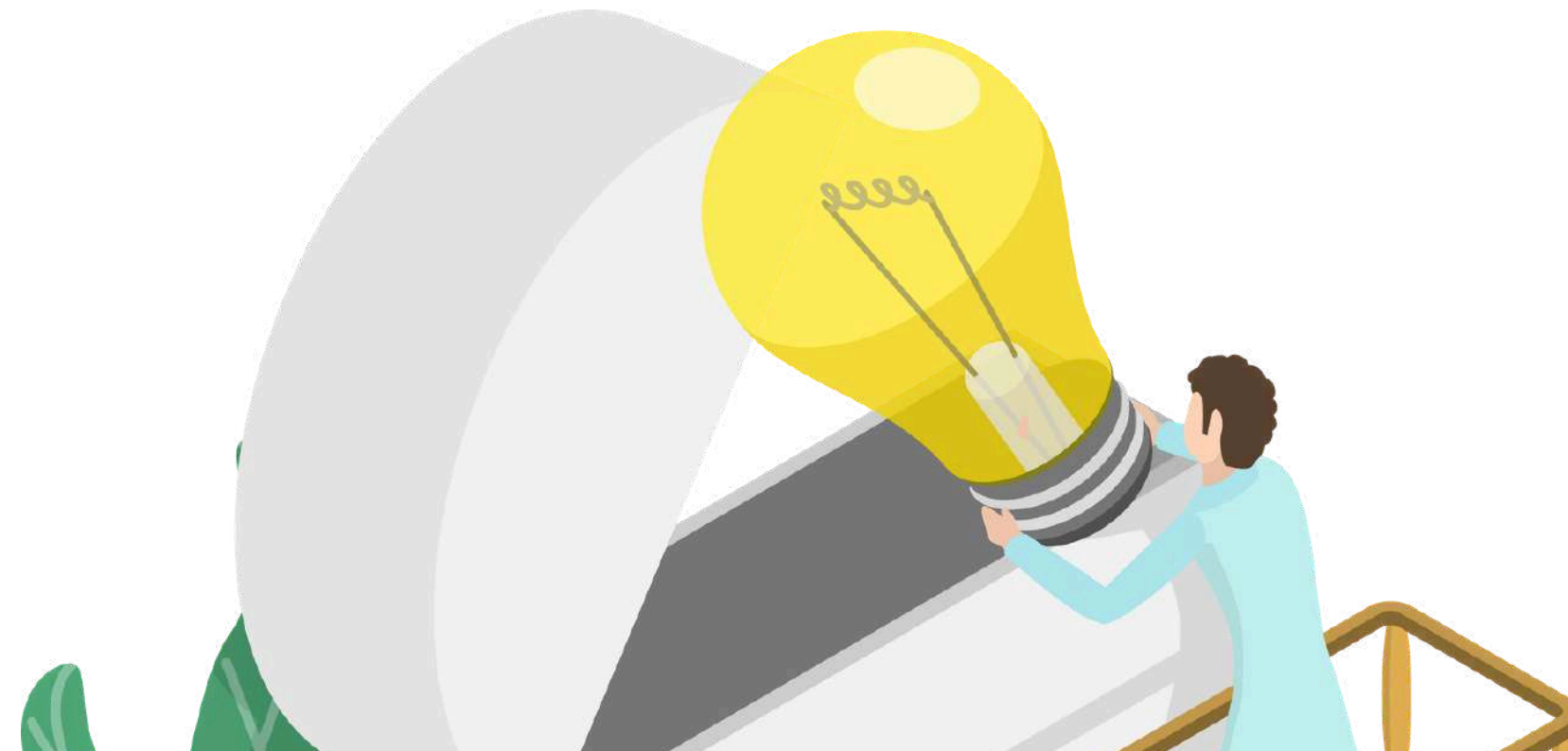
Customer-Focused solutions: Developed online tools and applications designed to enhance the ease of access to our insurance services for clients.

Collaboration and Partnerships: By partnering with tech companies and educational institutions, we stay ahead of industry trends and continuously integrate innovative ideas into our operations.

Sustainability: Actively adopt eco-friendly practices, such as reducing paper usage and implementing energy-saving strategies across our operations.

Employee Empowerment: Focus on staff training to nurture a culture of innovation, ensuring every team member has the opportunity to contribute their perspectives

Risk Management and Compliance: Prioritize the safety and regulatory compliance of our innovations, ensuring the integrity of our products and services remains intact.

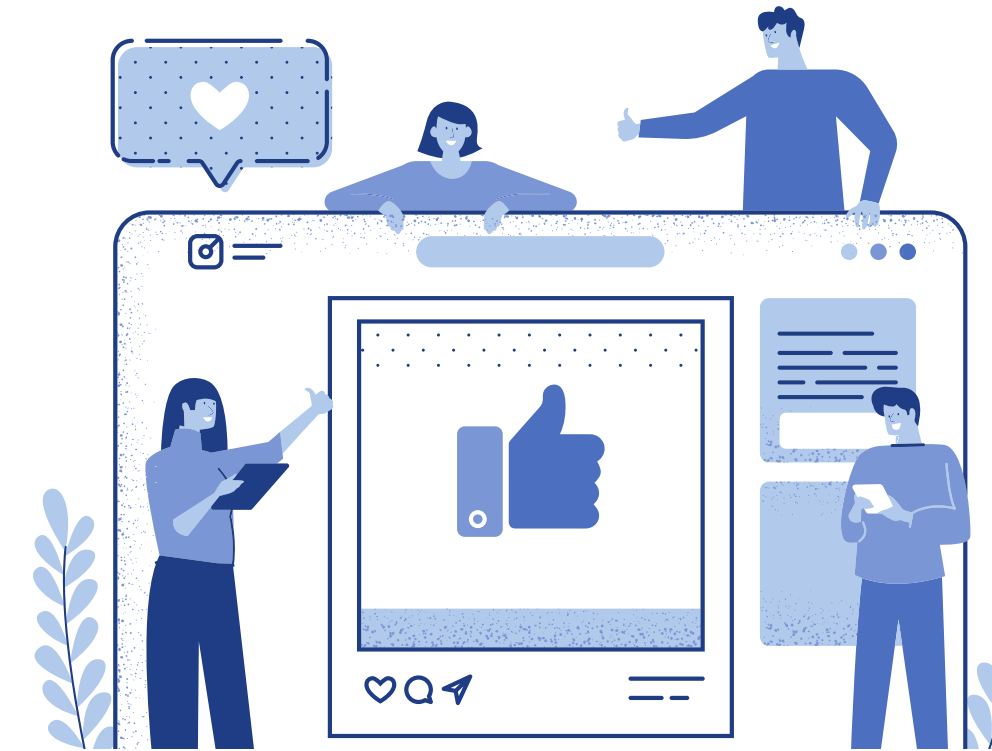


Operational Efficiency & IT Enhancements

Initiative	2025 Status
Track IT – Task Management & TAT Tracking	Improvements continued in task monitoring and turnaround time tracking to enhance operational efficiency.
Intranet Portal	Internal portal enhanced to provide centralized access to company documents and information.
Internal Compliance Portal	Development progressed to support employee consent and internal compliance monitoring.
Managed Print Services (Canon Uniflow)	Implementation matured, improving document security and maintaining low paper usage.
IP Telephony & Contact Centre Upgrade	Communication systems upgraded to IP-based telephony to improve operational connectivity.
Endpoint Security & Device Management	Endpoint protection and device management capabilities strengthened.
Cloud Infrastructure & Business Continuity	Cloud services enhanced to improve system availability and operational resilience.

Cybersecurity & Data Protection

Initiative	2025 Status
Core Firewall & Network Security	Network security infrastructure enhanced through firewall and security upgrades.
Email Security & Endpoint Detection (EDR)	Email protection and endpoint threat detection capabilities strengthened.
AI-Enabled Email Security	AI-based email security solution implemented to detect phishing and cyber threats.
Data Classification & Leakage Prevention	Initial deployment of data governance and data leakage prevention controls.



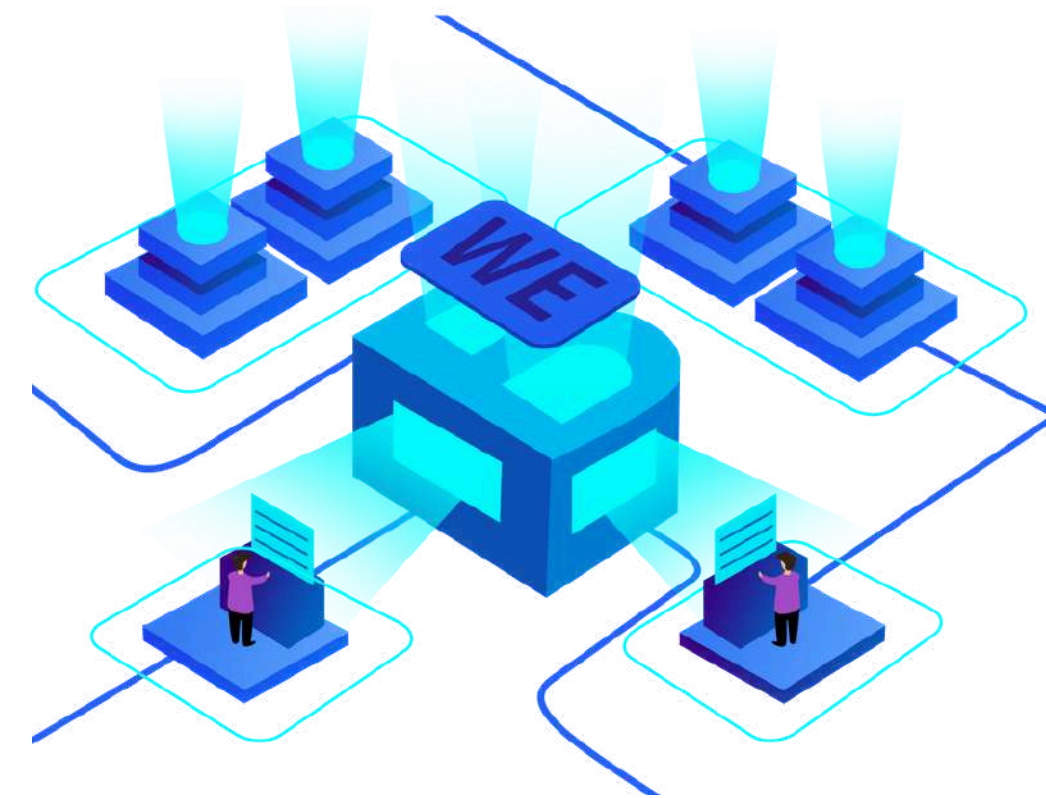
Customer Experience & Digital Platforms

Initiative	2025 Status
WhatsApp Business Integration	Expanded digital customer communication channels and service accessibility.
Medical Individual Portal	Platform enhancements enabled faster policy issuance and improved customer experience.
AI-Enabled AML & E-KYC	Automated customer verification and AML monitoring integrated to streamline onboarding and compliance.

Medium-Term Digital Initiatives

Advanced Digitalization & Automation

Initiative	2025 Status
Data Analytics & Business Intelligence	Development of analytics capabilities to support data-driven decision making.
Paperless Operations	Continued progress toward reducing paper-based workflows through digital documentation.
Enterprise Content Management	Structured document management practices being developed to improve information accessibility.
Secure IT Asset Disposal	Processes refined for secure IT asset disposal and lifecycle management.
Digital Platform for Personal Lines Insurance	Development and evaluation progressed to expand digital insurance service delivery.



Infrastructure & Communication Enhancements

Initiative	2025 Status
Data Centre Infrastructure Upgrade	Infrastructure modernization progressed to improve reliability and scalability.
Centralized IVR & Communication Systems	Evaluation and improvements initiated to enhance customer interaction channels.
IT Service Management Enhancements	Internal IT management tools strengthened to improve service delivery.

Long-Term Digital Innovation Initiatives

Artificial Intelligence & Automation

Initiative	2025 Status
Robotic Process Automation (RPA)	Preliminary assessments conducted to identify automation opportunities.
AI Chatbots for Customer Support	Initial evaluation of AI-powered customer engagement tools.
AI-Enabled Call Center with Voice Capability	Initiated development of AI voice solutions to enhance customer service automation.

Innovation & Digital Ecosystem

Initiative	2025 Status
API Integration Platform (Open Finance)	Concept development initiated to support future embedded insurance capabilities.
Procurement System	Early-stage implementation planning underway to improve procurement efficiency.
Motor Salvage Auction Platform	Concept development initiated to support digital asset recovery processes.
Digital Legal System	Concept development initiated to digitize legal documentation and workflows.
Digital Transformation Roadmap	Strategic roadmap initiated to transition ABNIC operations toward fully digital processes.



Amount invested in Digitalization (in AED)

To enhance service delivery and operational efficiency, we continue to invest in technology, innovation, and digitalization.

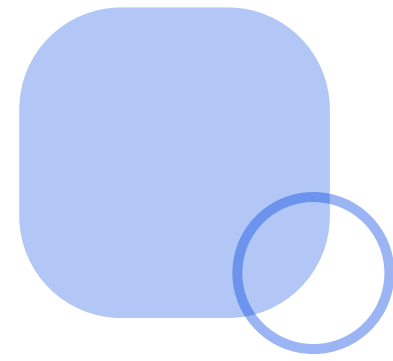
Year	Amount Invested	Invested Area
2021	1,935,993	Software Update, Various Amcs & Uat Implementation Live
2022	1,713,923	Medical digital systems, Oracle support, Canon managed print services, cloud and network services, and computer upgrades.
2023	4,081,886.67	Continued investment in IT infrastructure, cloud services, medical systems, Oracle support, and hardware upgrades.
2024	4,844,618.94	IT infrastructure enhancement, medical digital platforms, network services, software licensing, and cybersecurity improvements.
2025	10,325,817.86	Major digital transformation investments including DHA/Riyati integration, cloud and network services, medical systems, IT infrastructure upgrades, cybersecurity solutions, AML monitoring system deployment, ESG integration, analytics systems, procurement platform licensing, and digital platform initiatives.

09

PERFORMANCE AND IMPACT REPORTING



- Environmental performance metrics
- Social Impact Metrics
- Governance and Compliance Achievements



ENVIRONMENTAL PERFORMANCE METRICS

GHG Emissions (MTCO2e), 2025

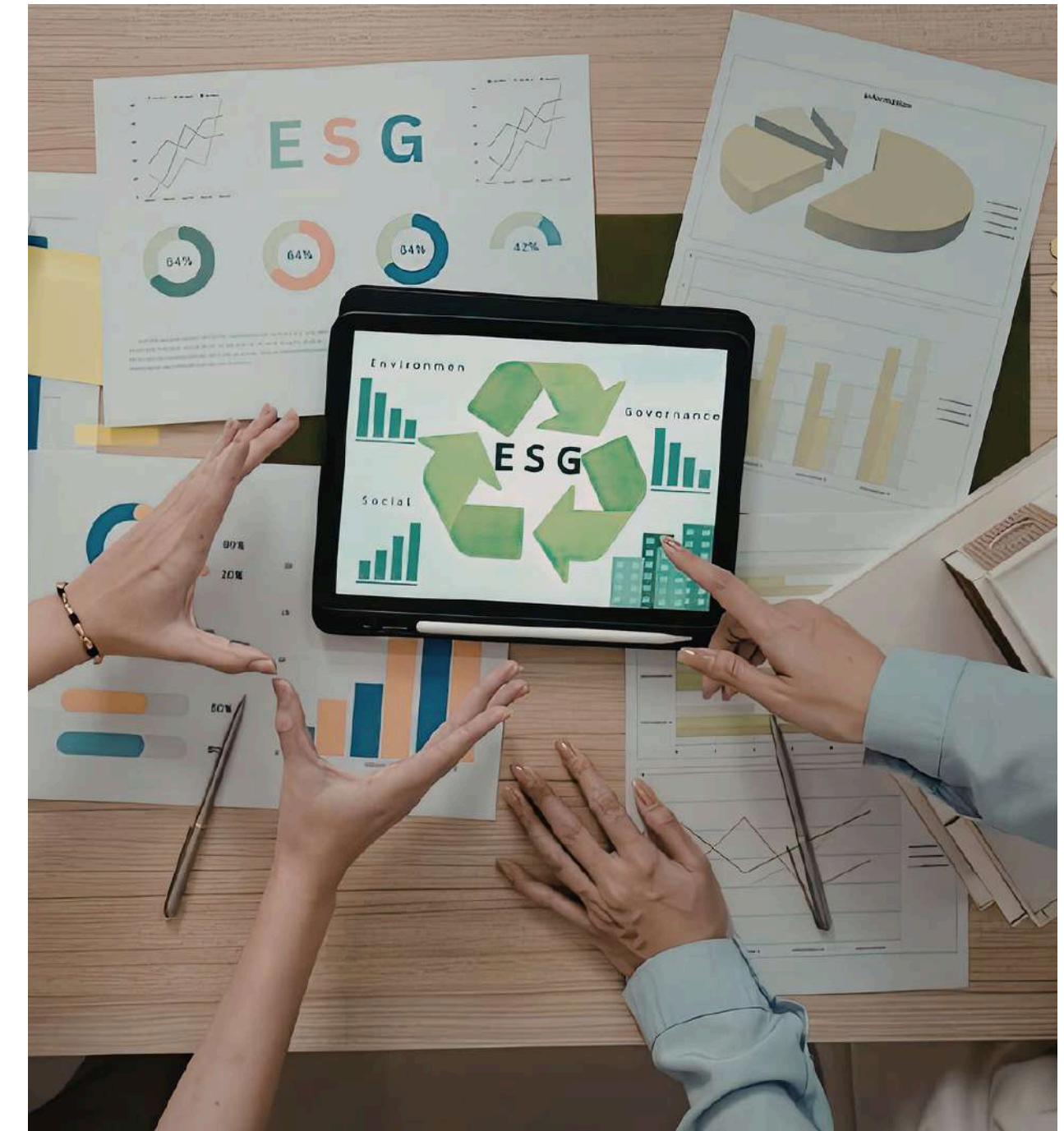
Scope 1 (Direct)	Scope 2 (Indirect)
0.78	7,597.87

Fuel Consumption, Petrol (litres)

2022	2023	2024	2025
14,080	15,012	20,578	-

Energy Consumption (KWh)

	2021	2022	2023	2024	2025
Head Office	156,467	185,463	204,303	202,409	405,230
All Buildings	30,557,315	46,669,037	39,753,993	30,936,196	20,806,030

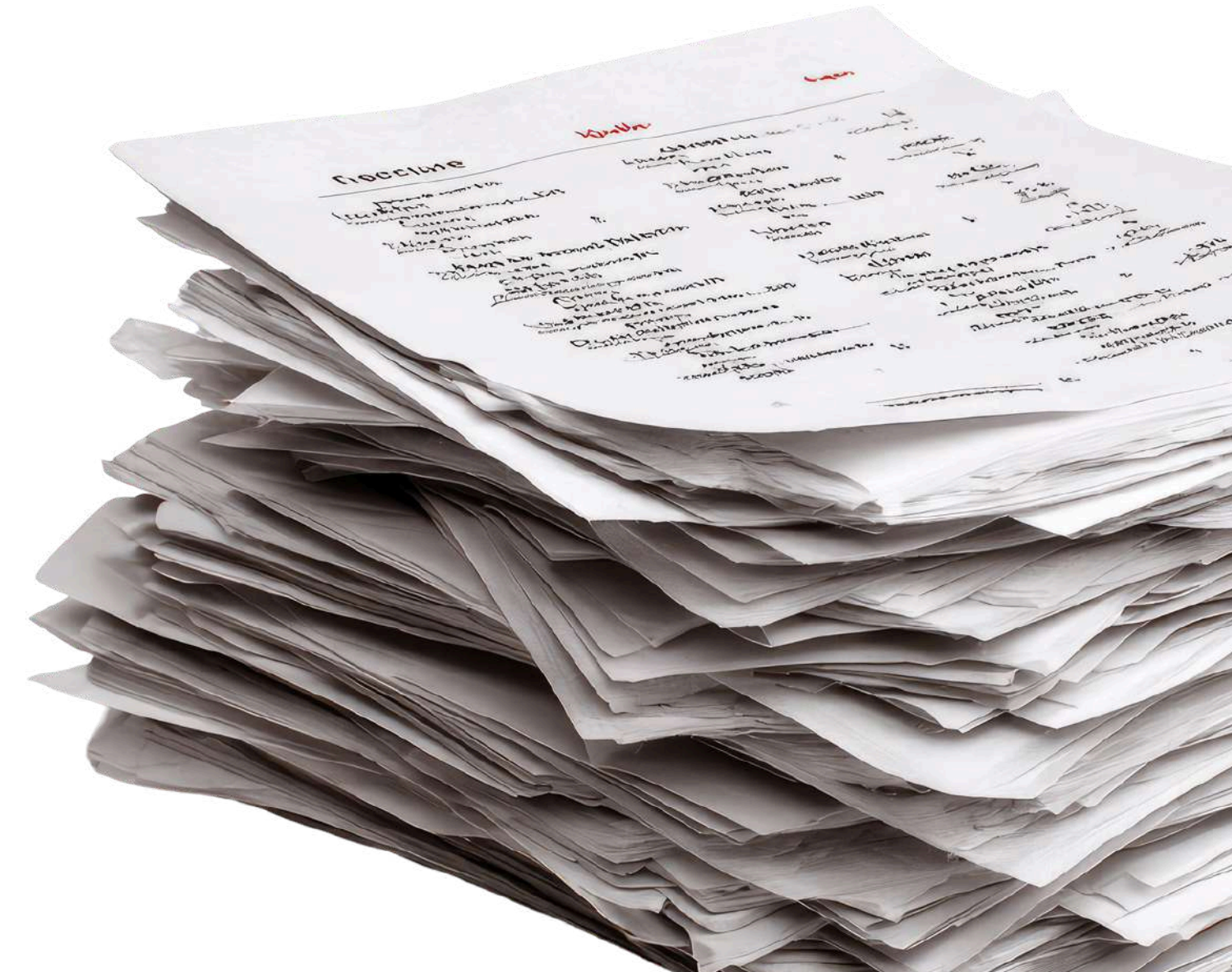


Total Number of Paper Sheets Consumed

	2021	2022	2023	2024	2025
A4	1,836,768	1,227,082	1,179,357	2,143,998	2,090,000
A3	2,213	1,222	1,228	3,791	4,229

Total amount of tissue boxes consumed

Dispenser Tissue Roll(Individual Pack)	846 pcs
Small Toilet Roll (10x10)	24 Boxes
Table Tissue Box (5x6)	12 Boxes



SOCIAL IMPACT METRICS

For this year's report, only our insurance entity has been included in all the Social Impact Metrics.

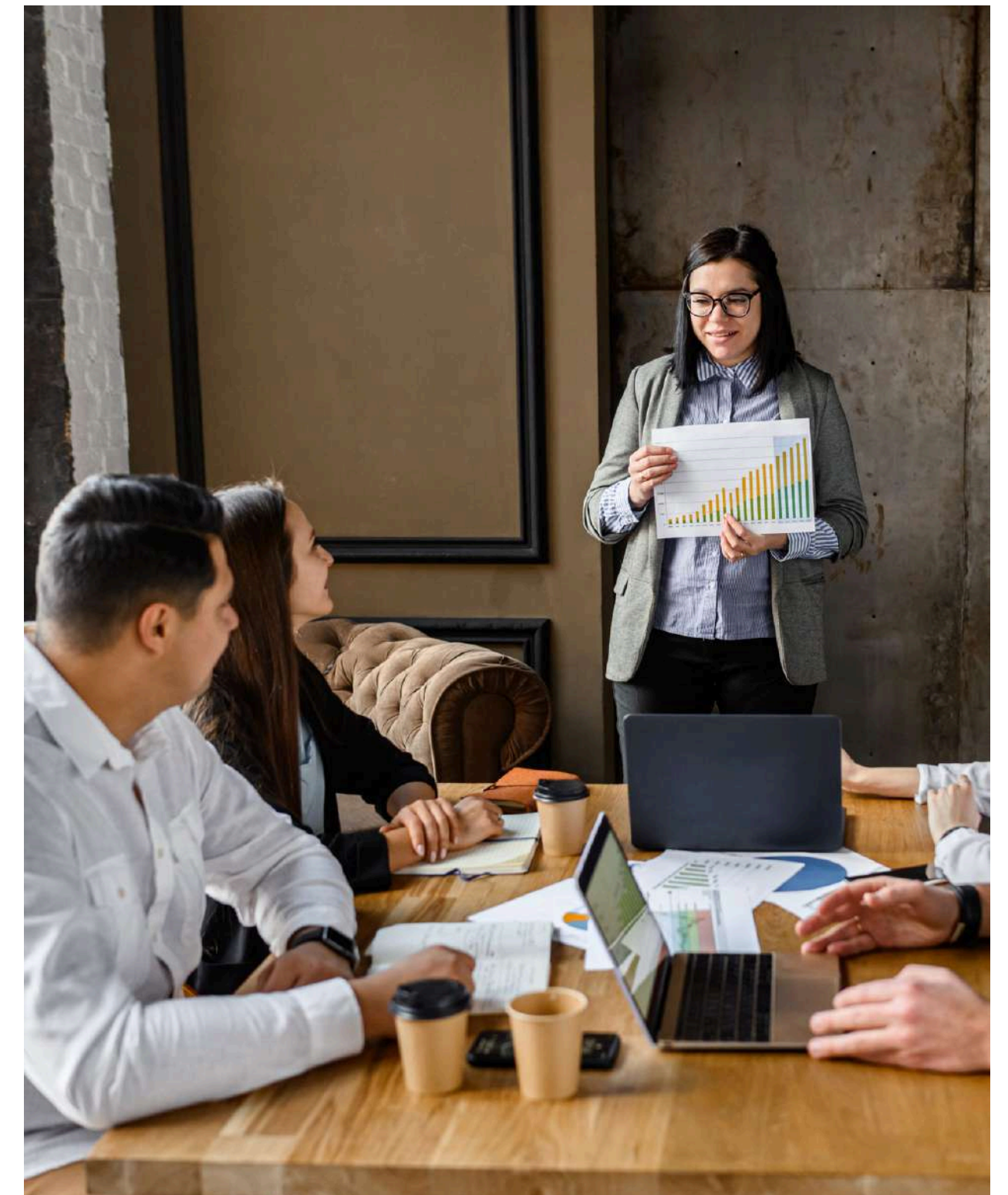
Total number of employees

2021	2022	2023	2024	2025
420	450	476	330	505

Total number of employees by employment contract, by gender

Permanent contract

	Female	Male	Total
2021	113	307	420
2022	130	320	450
2023	149	327	476
2024	117	213	330
2025	183	322	505



Total number of employees, by age group (2025)

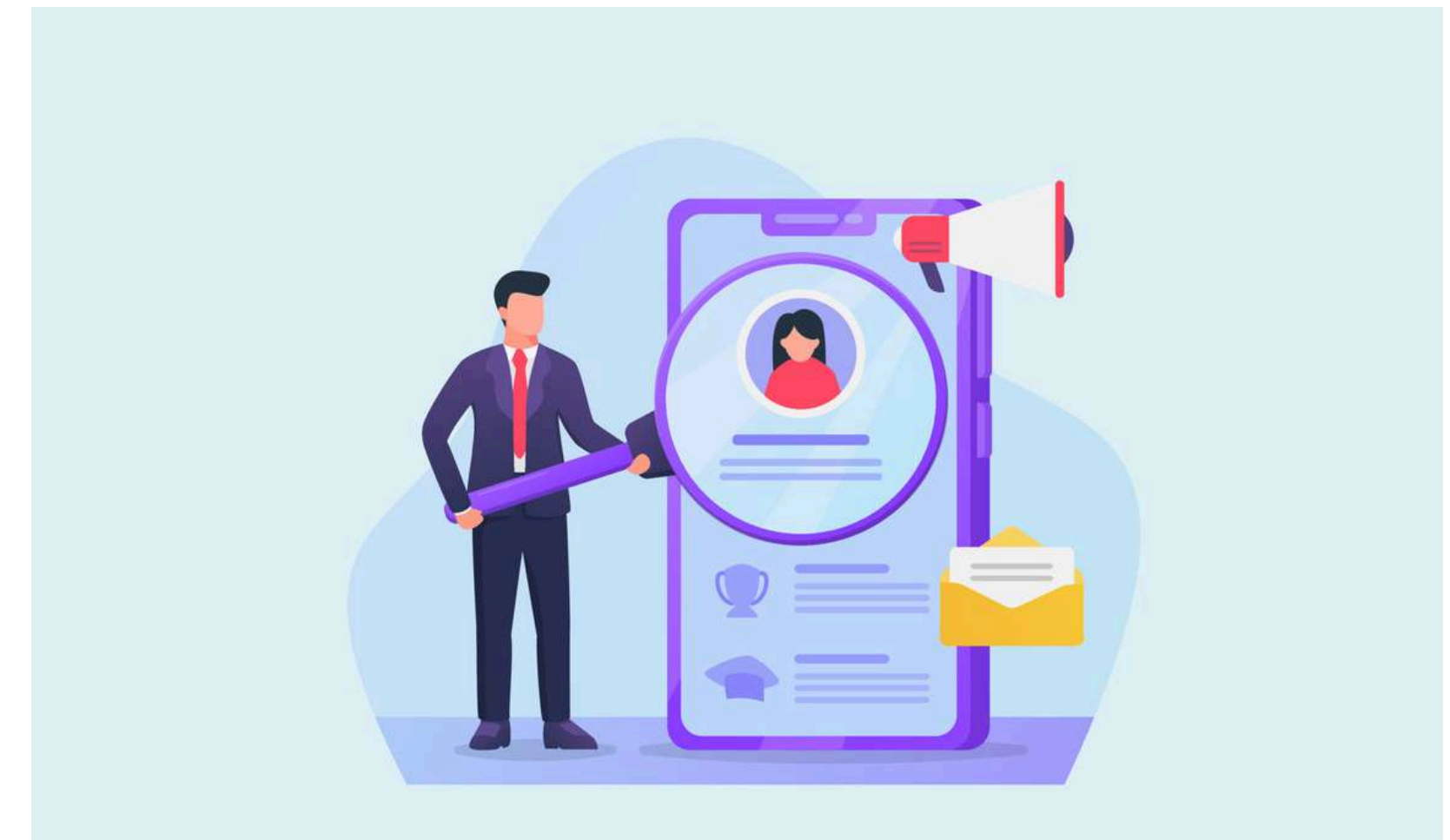
	<30 years	30–50 years	>50 years
2025	120	284	101

Total number of employees, by office locations and age group (2025)

	<30 years	30–50 years	>50 years
Abu Dhabi	13	10	9
Ajman	2	4	3
Al Ain	4	3	1
Dubai	8	29	14
Fujairah	5	5	2
Ras Al Khaimah	-	-	-
Sharjah	88	233	72

Total number of new hires, by gender

	Female	Male
2021	13	22
2022	25	39
2023	33	39
2024	23	16
2025	45	42



Total number of new hires, by age group

	<30 years	30-50 years	>50 years
2021	17	13	5
2022	37	24	3
2023	40	29	3
2024	21	17	1
2025	49	31	7

Total number of new hires, by job level

	Entry-Level	Mid-Level	Senior-Level
2021	16	9	10
2022	46	13	5
2023	50	14	8
2024	18	19	2
2025	51	30	6



All employees per employee category, by gender

Entry Level

	Female	Male
2021	63	182
2022	73	200
2023	87	210
2024	63	131
2025	96	177

Senior/Management level

	Female	Male
2021	5	72
2022	6	67
2023	6	66
2024	4	41
2025	12	68

Mid Level

	Female	Male
2021	45	53
2022	51	53
2023	56	51
2024	50	41
2025	75	77

All employees per employee category (2025)

Entry Level	Mid Level	Senior/Management level
273	152	80

All employees per employee category, by age

	2021	2022	2023	2024	2025
Entry Level (Below 30 Years Old)	51	72	82	30	96
Entry Level (Between 30-50 Years Old)	153	150	161	125	137
Entry Level (Over 50 years Old)	41	51	54	39	40
Mid Level (Below 30 Years Old)	11	10	13	37	18
Mid Level (Between 30-50 Years Old)	71	75	74	38	110
Mid Level (Over 50 Years Old)	16	19	20	16	24
Senior/Management Level (Below 30 Years Old)	5	2	1	1	6
Senior/Management Level (Between 30- 50 Years Old)	41	38	39	27	37
Senior/Management Level (Over 50 Years Old)	31	33	32	17	37

Parental Leave: 100% Retention Rate After Parental Leave for 3 Consecutive Years

Total number of employees, by top 10 nationalities (2025)

Nationality	Number of Employees (or % of total Employees)
India	144 (29%)
UAE	96 (19%)
Jordan	92 (18%)
Pakistan	54 (11%)
Palestine	45 (9%)
Egypt	25 (5%)
Philippines	15 (3%)
Syria	9 (2%)
Sudan	8 (2%)
Sri Lanka	3 (1%)

Number of UAE Nationals by Gender

	Female	Male
2022	27	5
2023	43	15
2024	49	12
2025	78	18

Number of UAE Nationals by Job Level

	Entry Level	Mid Level	Senior/Management level
2022	17	13	2
2023	38	19	1
2024	3	56	2
2025	58	32	6

** Employee classifications across job levels were inferred based on their official job titles.*

GOVERNANCE AND COMPLIANCE ACHIEVEMENTS

Board of Directors composition by Age

	<30 years	30-50 years	>50 years
2025	0	3	6

Number of UAE Nationals by Gender

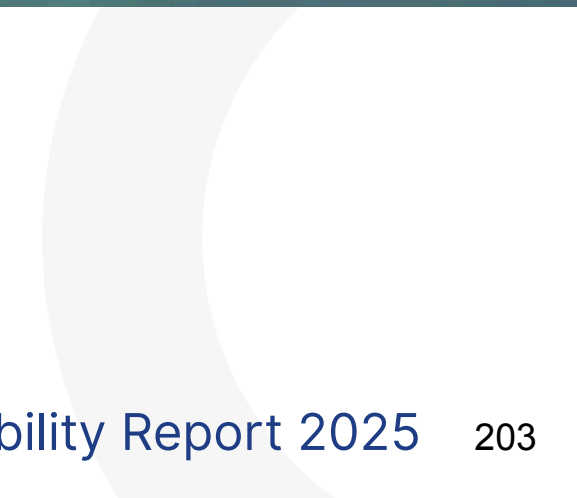
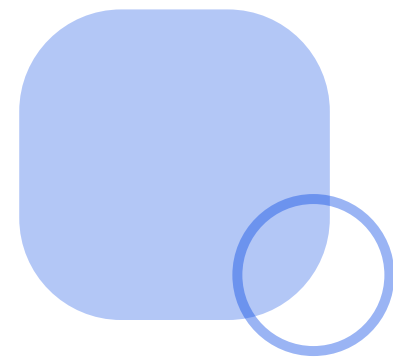
	Female	Male
2021	0	7
2022	1	8
2023	1	8
2024	1	8
2025	1	8

10

FUTURE OUTLOOK AND COMMITMENTS



- Sustainability goals for the upcoming year
- Future Sustainability Initiatives
- Commitment to ongoing sustainability leadership and innovation



SUSTAINABILITY GOALS FOR THE UPCOMING YEAR

Objective

To reduce the environmental footprint of our operations and contribute towards building a better future for our people and planet.

How we do it

- We continue to take responsible steps towards addressing climate-related impacts, with a focus on aligning our operations with long-term sustainability goals. Initiatives to enhance efficiency and minimise energy and water usage are underway.
- We continue to embrace digitisation to minimise waste and streamline processes. We have also undertaken waste management initiatives to foster circularity and sustainability.

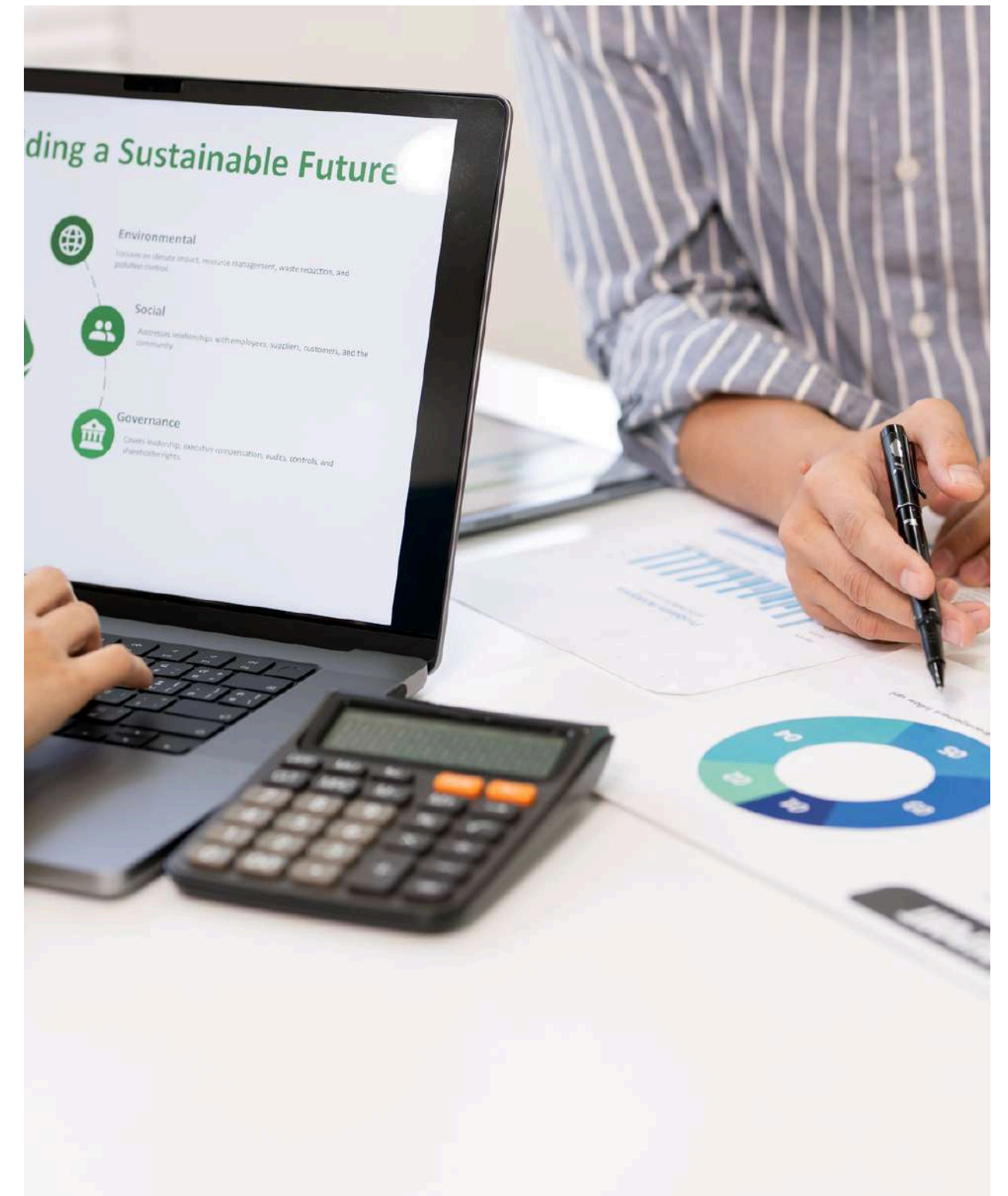
Goals 2026

ESG Strategy Enhancement: Development and launch of new insurance products with incorporation of ESG factors, with an emphasis on sustainability and ethical investments.

Community Engagement and CSR: Increase participation in community engagement and Corporate Social Responsibility (CSR) initiatives among employees, focusing on environmental conservation and social welfare projects.

Sustainability Reporting: Enhance the quality and transparency of disclosures in sustainability reports, and closer alignment with international standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Decrease paper Consumption in operations and transition towards adoption of digital initiatives and innovations.



FUTURE SUSTAINABILITY INITIATIVES

As we move forward to the next year our holistic approach extends our impact beyond the workplace – supporting community initiatives that focus on financial literacy, health, and environmental sustainability. We are committed to minimising our environmental footprint, reducing waste, optimising energy usage, and embedding sustainability into every aspect of our operations.

Our objective for 2026 would be to reduce the environmental footprint of our operations and contribute towards building a better future for our people and planet, to integrate environmental, social, and governance (ESG) factors into investment decisions to ensure sustainable growth.



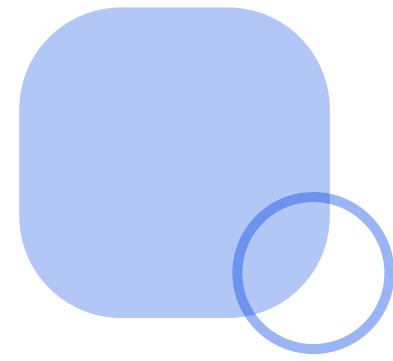
COMMITMENT TO ONGOING SUSTAINABILITY LEADERSHIP AND INNOVATION



We recognise that long-term business sustainability depends on reducing environmental impact and managing climate related risks effectively. Our approach focuses on lowering resource consumption, minimising carbon footprint, and enhancing environmental performance across operations. We periodically engage senior leadership through structured surveys to identify top emerging risks. These span internal and external factors and are broadly classified into Economic, Geo-political, Regulatory and Legal, Environmental, Societal, Health, and Technological categories. Senior leadership takes an active role in shaping not just our corporate goal but a fundamental part of how we operate, inspiring employees and stakeholders alike to prioritize long-term impact.

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GM STATEMENT



GM STATEMENT

A forward-looking statement from the GM regarding the company's commitment to sustainability and future directions.

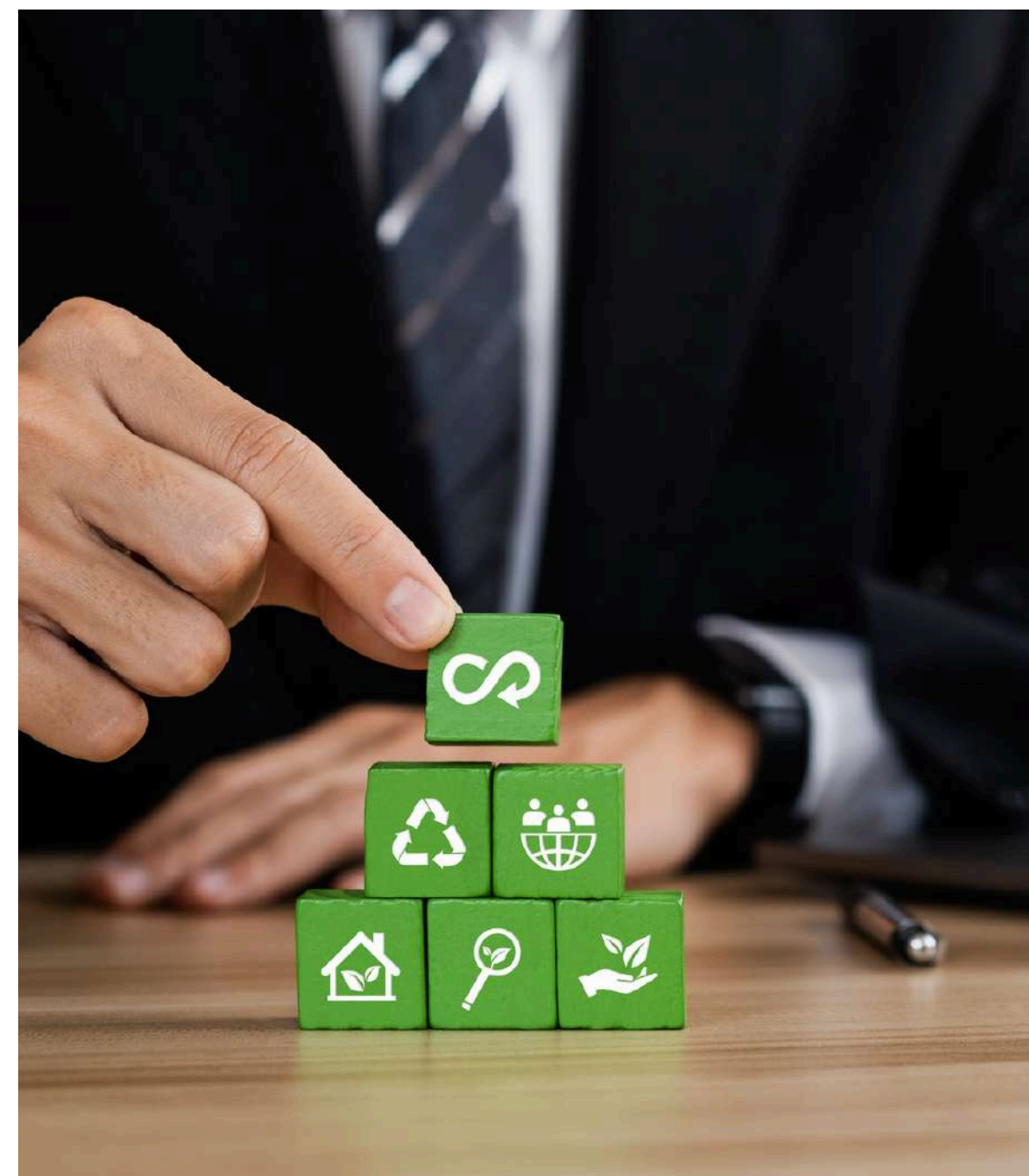
It is my privilege to present the ABNIC Sustainability Report for 2025. This report serves as a comprehensive record of our strategic progress, reflecting a year in which we transitioned from foundational commitments to measurable, impact-driven action. Our ESG journey remains firmly anchored in the UAE's Net Zero by 2050 Strategy and the Sustainable Finance Framework, ensuring that our growth contributes meaningfully to the nation's long-term economic and environmental prosperity.

In 2025, environmental stewardship became a core strategic priority as we worked to meticulously track and minimize our ecological footprint. Through our partnership with Shredit ME, we successfully implemented a secure, eco-friendly recycling initiative that diverted significant waste from landfills. Furthermore, we have accelerated our Digital Transition, implementing paperless workflows across all departments to minimize consumption and streamline administrative efficiency. These efforts are complemented by our Sustainable IT Lifecycle Management, which formalizes responsible recycling protocols for retired hardware to mitigate electronic waste.

Our employees are our key assets, and we remain dedicated to fostering a safe, inclusive, and empowering workplace that promotes diversity and equal opportunity. I am proud to report that our focused efforts on gender diversity have resulted in women comprising 36.24% of our workforce across all roles and levels.

In line with national Emiratisation goals, ABNIC actively participated in numerous Recruitment Days across the UAE in 2025, providing clear career pathways for Emirati graduates and supporting NAFIS objectives. Our commitment to holistic wellness was further demonstrated through preventative health sessions, including "Gut Health" and "Happiness at Work," alongside community medical screenings to promote collective wellbeing.

The 2025 reporting period marked a significant leap in our digital transformation. We conducted specialized AI in Insurance workshops to optimize underwriting and enhance fraud detection, while simultaneously embedding ESG-related metrics directly into our core IT systems to automate sustainability tracking. Our governance is rooted in transparency and accountability, supported by a diverse Board of Directors and robust internal controls that safeguard the interests of our stakeholders.





Looking Ahead

As we look toward the future, we remain steadfast in our mission to integrate ESG considerations into all facets of our strategy. By bridging innovation with accountability, we are better positioned to manage risks and drive sustainable returns.

I extend my sincere gratitude to our staff, clients, and investors for their continued trust. Together, we look forward to building a future defined by responsibility, resilience, and shared progress.

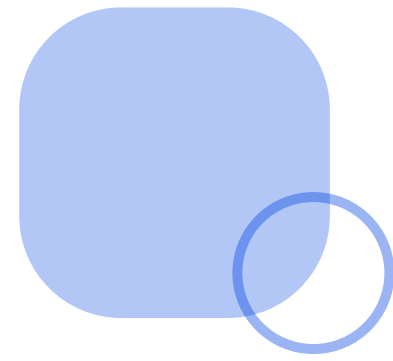
GM, ABNIC

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APPENDIX



- GRI Content Index & Disclosures
- Glossary of Terms and Acronyms



GRI CONTENT INDEX & DISCLOSURES

GRI Standard	Disclosure	ADX Disclosures	Page References
GRI 2: General Disclosures 2021	2-1 Organizational details		7-10
	2-2 Entities included in sustainability reporting		21
	2-3 Reporting period, frequency and contact point	G10. Disclosure Practices	21
	2-4 Restatements of information		There have been no restatements of information provided in previous sustainability reports.
	2-5 External assurance	G11. External Assurance	21
	2-6 Activities, value chain & other business relationships		8-10, 52
	2-7 Employees		38, 65-70
	2-8 Workers who are not employees		38
	2-9 Governance structure and composition		26-28, 72
	2-10 Nomination and selection of highest governance body		26
	2-11 Chair of highest governance body	G1. Board Independence	26
	2-12 Role in overseeing impacts	G8. Sustainability Governance	28

GRI Standard	Disclosure	ADX Disclosures	Page References
	2-13 Delegation of responsibility for managing impacts	G8. Sustainability Governance	28
	2-14 Role of the highest governance body in sustainability reporting		27, 28
	2-15 Conflicts of interest		30
	2-16 Communication of critical concerns		30
	2-17 Collective knowledge of the highest governance body		26-28
	2-19 Remuneration policies		27
	2-20 Process to determine remuneration		27
	2-21 Annual total compensation ratio		9.28:1
	2-22 Statement on sustainable development strategy	G6. Sustainability Strategy	14, 76
	2-23 Policy commitments		30, 31
	2-24 Embedding policy commitments		21, 30, 31
	2-25 Processes to remediate negative impacts		31
	2-26 Mechanisms for seeking advice and raising concerns		30, 51

GRI Standard	Disclosure	ADX Disclosures	Page References
	2-27 Compliance with laws and regulations		30, 51
	2-28 Membership associations		8
	2-29 Approach to stakeholder engagement	I3. Stakeholder Engagement	15, 16
	2-30 Collective bargaining agreements		Not applicable as per the U.A.E. Laws
GRI 3: Material Topics 2021	3-1 Process to determine material topics	G6. Sustainability Strategy	17, 18, 28
	3-2 List of material topics	G6. Sustainability Strategy	17, 18, 28
	3-3 Management of material topics	G7. Sustainability Risks Management	17, 18, 28
Financial Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		11, 12
	201-2 Financial implications and other risks and opportunities due to climate change	E10. Climate Related Risks and Opportunities	34

GRI Standard	Disclosure	ADX Disclosures	Page References
Business Ethics & Compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	G4. Ethics and Prevention of Corruption	30
	205-2 Communication and training about anti-corruption policies and procedures	G4. Ethics and Prevention of Corruption	
	205-3 Confirmed incidents of corruption and actions taken		
DATA PRIVACY AND SECURITY			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	G5. Data Privacy	50, 51

GRI Standard	Disclosure	ADX Disclosures	Page References
EMPLOYEE HEALTH AND WELLBEING			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	S9. Health, Safety and Wellbeing	42
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		42
	403-5 Worker training on occupational health and safety		42
	403-6 Promotion of worker health		42
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		42
	403-8 Workers covered by an occupational health and safety management system		42
	403-9 Work-related injuries	S10. Injury Rate	42
	403-10 Work-related ill health		42

GRI Standard	Disclosure	ADX Disclosures	Page References
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	G3. Supplier Code of Conduct	52, 53
ENVIRONMENTAL FOOTPRINT			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 302: Principle 9 Energy 2016	302-1 Energy consumption within the organization	E4. Energy Usage	63
	302-4 Reduction of energy consumption		33
GRI 303: Water and Effluents 2018	303-5 Water consumption	E2. Water Usage	35, 36
GRI 3: Material Topics 2021	305-1 Direct (Scope 1) GHG emissions	E7. GHG Emissions	33, 63

GRI Standard	Disclosure	ADX Disclosures	Page References
	305-2 Energy indirect (Scope 2) GHG emissions	E7. GHG Emissions	33, 63
	305-3 Other indirect (Scope 3) GHG emissions	E7. GHG Emissions	33, 63
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 306: Waste 2020	306-3 Waste generated	E3. Waste Generation	36
	306-4 Waste diverted from disposal	E3. Waste Generation	36
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	S3. Employee Turnover	66, 67
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		38
	401-3 Parental leave		69
LABOR/MANAGEMENT RELATIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes		30

GRI Standard	Disclosure	ADX Disclosures	Page References
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		44
	404-2 Programs for upgrading employee skills and transition assistance programs		43, 44
	404-3 Percentage of employees receiving regular performance and career development reviews		44
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	S4. Gender Diversity	26, 65-72
	405-2 Ratio of basic salary and remuneration of women to men	S2. Gender Pay Ratio	As per industry standards.
NON-DISCRIMINATION			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	S8. Non-Discrimination	39

GRI Standard	Disclosure	ADX Disclosures	Page References
CHILD LABOR			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	S11. Child and Forced Labor	N/A not allowed as per UAE laws
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3 Management of material topics		18
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	S13. Community Investment	12, 16, 74
	413-2 Operations with significant actual and potential negative impacts on local communities		16, 39, 74

GLOSSARY OF TERMS AND ACRONYMS

S. No	Term	Description
1	ABNIC	Al Buhaira National Insurance Company, a UAE-based insurance provider listed on the Abu Dhabi Securities Exchange (ADX).
2	ESG	Environmental, Social, and Governance factors used to evaluate an organization's sustainability performance and responsible business practices.
3	Sustainability Strategy	ABNIC's long-term approach to integrating environmental, social, and governance considerations into business operations and decision-making.
4	Stakeholder	Individuals or groups who influence or are affected by the company's activities, including customers, employees, regulators, investors, and communities.
5	Materiality Assessment	A process used to identify and prioritize ESG topics that are most significant to the organization and its stakeholders.
6	Material Topics	ESG issues identified as having the most significant impact on ABNIC's business operations, risk exposure, and stakeholder expectations.
7	ESG Integration	The incorporation of environmental, social, and governance considerations into corporate strategy, governance processes, and operational decision-making.

S. No	Term	Description
8	Enterprise Risk Management (ERM)	A structured framework used by ABNIC to identify, assess, monitor, and manage strategic, operational, financial, and compliance risks.
9	Business Continuity Management System (BCMS)	A framework that enables an organization to continue critical operations during disruptions or unexpected events.
10	Business Impact Analysis (BIA)	An assessment used to identify critical business functions and evaluate the potential impacts of operational disruptions.
11	Governance Framework	The structure of policies, oversight mechanisms, and decision-making processes used to ensure accountability, transparency, and responsible management.
12	Sustainability Committee	A governance body responsible for overseeing sustainability strategy, ESG performance monitoring, and reporting activities.
13	Code of Ethics and Conduct	A formal set of principles guiding ethical behavior, integrity, and compliance across all levels of the organization.
14	Whistleblowing Mechanism	A confidential channel allowing employees and stakeholders to report unethical conduct or violations of company policies.
15	Anti-Money Laundering (AML)	Policies and procedures designed to detect and prevent financial crimes involving illegal funds.
16	Know Your Customer (KYC)	Verification procedures used to confirm customer identities and assess potential financial crime risks.

S. No	Term	Description
17	Digital Transformation	The integration of digital technologies into business processes to improve efficiency, service delivery, and operational performance.
18	Artificial Intelligence (AI)	Advanced technologies capable of analyzing data and automating processes to improve decision-making and operational efficiency.
19	AI in Insurance	The application of artificial intelligence technologies to underwriting, fraud detection, claims processing, and customer engagement.
20	Cybersecurity	Measures implemented to protect digital systems, networks, and sensitive data from cyber threats or unauthorized access.
21	Data Privacy	The protection and responsible management of personal and sensitive information collected from customers, employees, and stakeholders.
22	Customer Relationship Management (CRM)	A digital system used to manage customer interactions, service requests, and relationship management activities.
23	Paperless Operations	The reduction or elimination of paper-based processes through digital documentation and workflow systems.
24	Greenhouse Gas (GHG) Emissions	Emissions of gases that trap heat in the atmosphere and contribute to climate change.
25	Scope 1 Emissions	Direct greenhouse gas emissions from sources owned or controlled by the organization.

S. No	Term	Description
26	Scope 2 Emissions	Indirect greenhouse gas emissions resulting from purchased electricity or energy consumed by the organization.
27	Scope 3 Emissions	Other indirect greenhouse gas emissions generated across the organization's value chain.
28	Carbon Footprint	The total greenhouse gas emissions associated with an organization's activities.
29	Energy Efficiency	The practice of reducing energy consumption while maintaining the same level of operational output.
30	Waste Management	The systematic handling, reduction, recycling, and disposal of waste materials generated by operations.
31	Electronic Waste (E-waste)	Discarded electronic equipment requiring responsible recycling and disposal to minimize environmental impact.
32	Circular Economy	An economic model focused on reducing waste through reuse, recycling, and responsible resource management.
33	Diversity, Equity and Inclusion (DEI)	Organizational policies and practices aimed at creating a fair, inclusive, and diverse workplace.
34	Emiratization	A UAE national initiative to increase employment and professional development opportunities for Emirati nationals.

S. No	Term	Description
35	Workforce Development	Programs and initiatives aimed at enhancing employee skills, capabilities, and professional growth.
36	Customer Satisfaction	A measure of how effectively products and services meet customer expectations and service standards.
37	Ethical Procurement	Responsible sourcing practices that ensure transparency, compliance, and sustainability across the supply chain.
38	United Nations Sustainable Development Goals (UN SDGs)	A global framework of 17 goals adopted by the United Nations to promote sustainable economic, environmental, and social development.
39	Parental leave	Leave granted to men and women employees on the grounds of the birth of a child
40	Mitigation	Action(s) taken to reduce the extent of a negative impact
41	Value chain	Range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use
42	Remuneration	Basic salary plus additional amounts paid to a worker.
43	Permanent employee	Employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or part-time work

CONTACT INFORMATION FOR FURTHER INQUIRIES

For further inquiries or to provide feedback on the Sustainability Report 2025 of Al Buhaira National Insurance Company, please do not hesitate to reach out to us via email.

Your insights and questions are invaluable as they help us enhance our sustainability practices and ensure our report accurately reflects our commitments and progress in environmental, social, and governance aspects. We are dedicated to transparent communication and look forward to hearing from you.



Developed with the support of our Sustainability Partner
The One Percent
(Supervised by a GRI Certified Sustainability Professional)

