Watania
International Holding

INTEGRATED REPORT 2024

Laying the Foundation for Long-term **Sustainable** Growth

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Introduction

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Chairman's Letter

The UAE has one of the highest insurance penetrations across the GCC with government and regulators driving reforms and updates

2024 was an eventful yet productive year. WIH built solidly on the turnaround that was accomplished in 2023 and maintained the momentum to deliver sustainably rising profitability. Despite considerable challenges at operational and market levels, the successful execution of the forward-looking strategy, set in motion following the 2022 merger, generated positive outcomes. It positioned the Company well on the path to achieving long-term and sustainable business growth, both operationally and financially.

During the year, continuing geopolitical volatility on the global and regional stages created headwinds for the insurance market. Additionally, the once-in-75-years April rains in the UAE had a significant impact on the profitability across the insurance and Takaful sectors. This, combined with the tough pricing competition and the prevalence of the traditional insurance players in the country, presented further challenges in the operating environment for the Company.

However, driven by the UAE's visionary leadership to double the country's gross domestic product (GDP) from AED 1.49 trillion to AED 3 trillion in 2031, the economy once again demonstrated admirable strength and resilience in 2024. With GDP growth in 2024 projected at 4% by the International Monetary Fund, and the announcement of significant megaprojects throughout the year injected plenty of energy into the economy.

The UAE also has one of the highest insurance penetrations across the GCC markets with the government and regulators continuing to drive reforms and updates that are leading to setting up a strong and very encouraging regulatory framework. This included more mandatory insurance schemes coming into effect with growing awareness about the need for insurance and preference for Takaful products.

Leveraging these updates and building on the disciplined operational updates the Company introduced in 2023, we successfully and steadily saw an increase in profitability.

Our net profit for the year reached AED 13 million, maintaining the same level as the AED 13 million recorded in 2023, achieved in spite of the unexpected one-off payments for rains claims. This represented earnings per share of AED 0.051. Revenues reached AED 869 million compared to AED 954 million in 2023, impacted by optimizations in some of our business lines to move away from product structures that have served their purpose.

Operationally, we achieved further significant costs savings in 2024 as we continued to identify and execute synergies within our business following the 2022 merger. Our operating companies' active and industry-leading response to the April rains, including rapid turnaround of claims and prompt payments to members and customers, showed how far we have come in enhancing customer service processes. Meanwhile our ability to absorb these large one-off payments demonstrated the robust strength of our risk mitigation infrastructure.

In August, we were delighted to appoint Al Ramz, as a liquidity provider for our shares. Al Ramz, a licensed market maker on the Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX), bring more than 25 years' experience in UAE capital markets. They are mandated with supporting WIH's drive to enhance investors' confidence and participation in the trading of our publicly listed shares and promoting a transparent and active trading environment.

Following on our post-merger structure and strategy, WIH operated as a pure investment holding company, while our two subsidiaries, WTG and WTF, pursued their mission as leading Takaful operators in the UAE market. Combined, the Watania Takaful companies commanded 25% of the country's Takaful business in 2024 and were the second largest Takaful provider, as well as a top 10 insurance provider overall.

WTG and WTF both strengthened their leadership structures in 2024, establishing new respective Boards of Directors with the ideal expertise and experience to guide them through their next phase of growth. New appointments were also made at the Internal Shari'ah Supervision Committee to ensure full adherence to the tenets of Shari'ah principles across all areas of the growing Takaful products.

Towards the end of the year WIH, in its capacity as the sole shareholder in both WTG and WTF, completed the process to increase the share capital of both operating companies. The increase was for AED15 million of WTF's capital from AED132.5 million to AED147.5 million and for AED35 million of WTG's capital from AED132.5 million to AED167.5 million. Both increases were through the issuance of new shares to be fully paid in cash by the sole shareholder, WIH. The increases take effect following regulatory approvals and aim to provide strategic support and enhancing resources for both companies to underpin their expansion for years to come.

In line with the tenets of Takaful and our commitment to lead by example, we pursued many positive social initiatives during the year. These ranged from promoting the wellness and wellbeing of our members to celebrating the diversity of our staff. Increasingly we prioritized our Emiratization drive to benefit from the talent and creativity of UAE nationals and provide them with appropriate leadership and development opportunities. Our environmental initiatives ranged from further minimization of carbon emissions to reducing water consumption.

The prospects for the Takaful industry in our region are excellent, with the market expected to grow by a CAGR of 11.6% from 2023-2030 in the GCC, where the UAE is the second largest consumer after Saudi Arabia, according to McKinsey & Well.

The new holding structure which was created in March 2023 following regulatory and shareholders' approvals, and the forward-looking strategy have placed WIH well to benefit shareholders in 2025 and beyond. WIH's strategy is geared towards maximizing the performance of the two Takaful subsidiaries, further diversifying our portfolio and exploring new growth opportunities across the Takaful and Islamic finance sector more broadly in the UAE and around the region.

Meanwhile, WTG and WTF are already making the most of this positive climate by increasing their prominence and visibility in the UAE Takaful sector. The two operating companies are focusing solely on the Takaful operations to implement more disciplined underwriting and claims management practices, optimize sales and distribution channels to facilitate cross-selling to maximize revenue synergies. As well with new technologies in place, they are better positioned to offer more tailoring and personalization of services and more accurate pricing strategies across all portfolios to increase retention, maintain customer loyalty and increase further their prominence and market share. This in turn will make their products more attractive to a larger base of consumers, increasing uptake and revenues, while also supporting sustainable profitability.

In closing, I extend my deepest gratitude to our shareholders for your trust during our journey together, as well as our Board of Directors for their exemplary guidance, and our executive team and employees for their dedication and continued hard work. To our customers, we thank you for your continued confidence in the Company. We look forward to a productive new year ahead.

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman

Chief Executive Officer's Letter

Gautam Datta
Chief Executive Officer

Our business model and strategy proved their worth, enabling us to successfully navigate the unexpected challenges of the year

The year 2024 was transformative for WIH and our Takaful operator subsidiaries, as well as for the insurance industry in the UAE as a whole. The unprecedented April rains had a major impact on profitability but also acted as a positive catalyst for a change in mindset and procedures across the industry. Many other developments also took place during the year that, while less eye-catching than the rains, were no less important. Meanwhile the Company strengthened its risk management, product portfolio, pricing models, and particularly commitment to customer service.

Our business model and strategy proved their worth during the year, enabling us to successfully navigate both the higher claims environment following the rains and other market trends. Pricing improved considerably in both the health and motor lines, continuing their normalization following the effects of COVID-19. Profitability was driven mainly by the medical business lines, with the technical lines and the family (life) Takaful business providing steady support.

As a result of our agile responses to the changing market we achieved profitability in every quarter of 2024, building consistently on our return to profit that began in the last quarter of 2023. Our net profit of AED 13 million in 2024 achieved in spite of the unexpected one-off payments for rains claims, followed a profit of AED 13 million in 2023 after a loss of AED 53 million the year before, demonstrating clear upward momentum as a result of our business turnaround. Our investment income remained strong at AED 36 million, driven by better performance across all the asset classes, particularly fixed income and the equity portfolio. Takaful expenses fell 8.3% year on year in 2024, reflecting our continuing operational streamlining and search for efficiencies.

Overall revenues were, however, affected by the pricing pressures in the motor segment as well as property lines, though these were mitigated by the continued upward trend in other areas of the business including the technical portfolio.

The unprecedented rains in April tested our resources and abilities and I am delighted that we rose successfully to the challenge with an industry-leading response. We immediately set up an emergency Claims Command Centre to assist our affected Takaful customers with an expedited and simplified claims submission and settlement process. A claim could be lodged with a single email and payment was swift.

Our motor claims were up 340% while property claims rose 75% as a result of the rains, leading to losses in those lines of AED 200 million. As one of the largest Takaful companies following the merger, we were better placed than many to withstand the resulting financial pressures. The rains exposed the dangers of the fragmentation that still affects the UAE insurance industry, with many smaller companies vulnerable to shocks that a company of our size and strength can more easily deal with.

The rains had some positive effects. Other insurers as well as ourselves have overhauled and streamlined their claims management infrastructure to serve customers more effectively in future. The damage from the rains has also raised awareness among the public of the importance of insurance, which is leading to increased demand for new or upgraded coverage notably in the property and motor fields.

The successful execution of this unique response approach is underpinned by our drive to build a superior technological infrastructure with the introduction of a sophisticated and smart centralized data and business intelligence platform, Data Lake. These advances reflect our commitment to taking our place at the forefront of the technological revolution that is transforming the insurance industry worldwide, bringing benefits ranging from more accurate pricing to customer-centric product development and from tailored customer service to enhanced understanding of market trends.

In line with our priority to become a leader in technology in the insurance space, we began building a highly predictive and smart centralized data and business intelligence tool in 2024. This platform, Snowflake Data Lake, will help optimize operational efficiencies, enhance our risk management and financial transparency, and support customer services by providing accurate and fast analysis of customer needs and market trends. It will also assist with pricing and product development.

As we continue our business turnaround, we have increased our focus on our engagement with the financial markets. The appointment of Al Ramz as a liquidity provider in 2024 will play a key role in optimizing share trading to achieve fair value by strengthening the order book and reducing price volatility.

The share capital increase agreed in December of AED 15 million for WTF and AED 35 million for WTG (subject to regulatory approval) reflects WIH's confidence in their long-term prospects as they gear up for accelerated growth.

Our ESG focus has gone from strength to strength, including partnering with entities such as Emirates Red Crescent and Dubai Police on promoting wellness, health and safe driving initiatives. Increasing Emiratization remains a pillar of our strategy to benefit from the talents of nationals and their understanding of the market in which we operate.

The road ahead looks very promising. Our research indicates that the UAE insurance market is likely to expand by a 4% CAGR between 2023 and 2028, giving plenty of scope for stronger companies such as ours to expand. In the Takaful space we see notable opportunities in 2025, particularly in the medical and family (life) product lines. At the same time, we will heighten our efforts to achieve efficiencies and cut costs in line with the changing demands of the market and our own business trajectory.

WIH remains open to opportunities for expansion and mergers and stands to benefit from the growing climate of transparency in the Takaful sector, created both by regulators and the adoption of IFRS 17 uniform accounting standards. These will make the financial status of target companies across the GCC easier to assess.

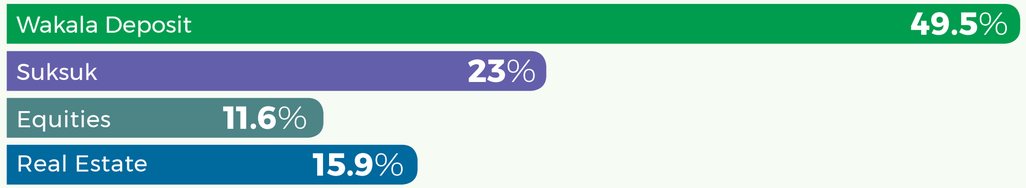
After a very active and fast-moving year for our Company, I would like to thank all our stakeholders for their involvement and support. In particular our staff deserve special mention. As the Company has rapidly evolved while also engaging with new opportunities and short-term challenges, our employees time and time again have shown the dedication and creativity needed to deliver excellent results. I am confident they will deliver new peaks of growth and development in coming years.

Financial Performance Highlights

Portfolio Breakdown

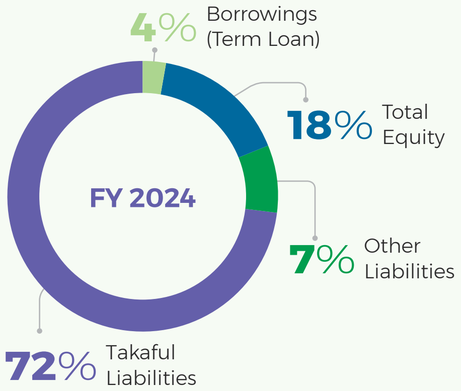
As at 31 December 2024

By Asset Type

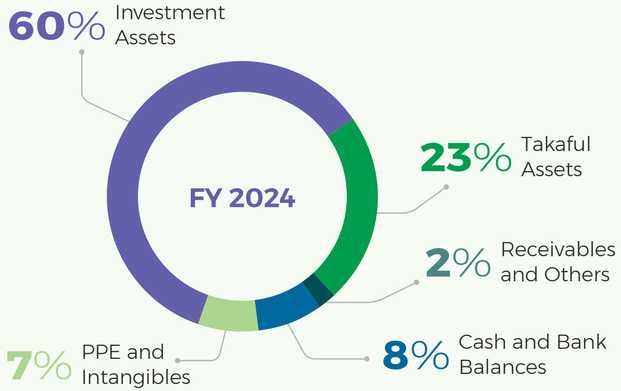


By Type of Takaful (Insurance) Contract

Liabilities and Equity



Assets

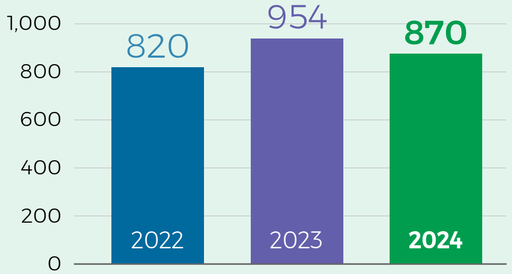


2024 Performace Summary

As at 31 December 2024

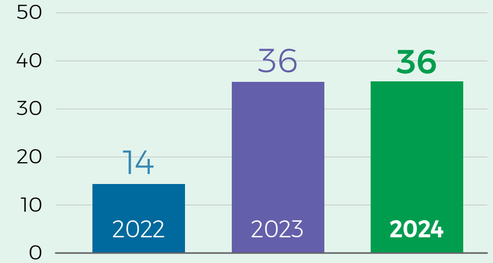
Takaful Revenue

AED Million



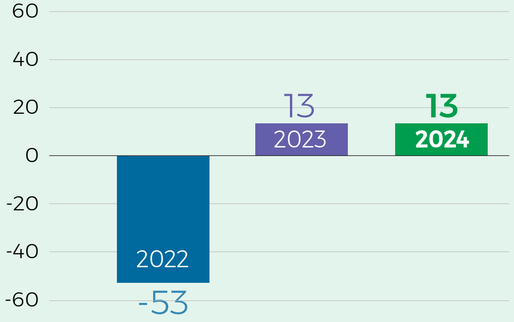
Investment Income

AED Million



Profit/Loss

AED Million



Year in Review

Operational Updates 2024

FEB

FY23 Preliminary Financial Results

WIH announced the preliminary consolidated financial results for the year 2023, indicating the success of the transformation strategy with the achievement of an operating profit in the last quarter of the year, for the first time since the merger in July 2022.

MAR

Update on Accumulated Losses

The company navigated a challenging FY22, investing in merger-related integration, supporting increased post-COVID hospital utilization, and adapting to pandemic-driven pricing pressures, resulting in an exceptional loss of AED 53M.

APR

WIH General Assembly – Results

In 2023, WIH's performance depended on its subsidiaries WTG and WTF, which still need support to meet regulatory requirements. To ensure financial stability, the Board prioritized capital preservation and chose not to distribute dividends. However, it remains committed to shareholder value and future growth.

MAY

Q1 Financial Results

WIH announced net profit of AED 5.9 million in Q1 2024 on higher underwriting earnings. The turnaround achieved towards the end of 2023 continued in Q1 2024 with solid improvements in the Company's financial and operational performance that are paving a clear path towards sustainable growth and profitability.

AUG

Liquidity Provider Appointed

WIH appointed Al Ramz as the first liquidity provider in its shares. The move aimed to strengthen WIH's market positioning and investor confidence by fostering a dynamic and transparent trading environment.

H1 WIH Results

Despite large claims following the April rains, higher underwriting earnings led to net profit of AED 7.9 million in H1, compared to a loss of AED 3.9 million in H1 2023. The medical and group family (life) lines performed especially well.

SEP

Operating Companies Establish Boards of Directors

The two Takaful operators established new Boards of Directors with the ideal blend of experience and expertise to lead the companies forward. The Internal Shari'ah Supervision Committee was also strengthened by the appointment of two new members.

OCT

Centralized Data Platform Announced

WIH agreed with Solution BI to deliver a new centralized Data and Business Intelligence platform. This will advance our technology leadership in the UAE through sophisticated analytics and advanced machine learning.

NOV

Q3 WIH Results

Net profit for the first nine months reached AED 9.7 million compared to a loss of AED 6.6 million year on year, driven primarily by ongoing improvement in the medical portfolio. Operational performance improved further underpinned by advanced technological capabilities to tailor services and provide better pricing structures.

DEC

WIH Injects New Capital into WTF and WTG

In a strategic move, WIH announced it will increase the capital of WTF by AED 15 million and WTG by AED 35 million respectively by buying new shares in the companies (subject to regulatory approval). They will use the extra resources to expand including through technology, new products and enhanced customer service.

FY 2024 Results

WIH reported a net profit of AED 13.3 million, despite one-off losses in the General line of business due to the April rains and higher loss ratio in Motor.

Strategic Report

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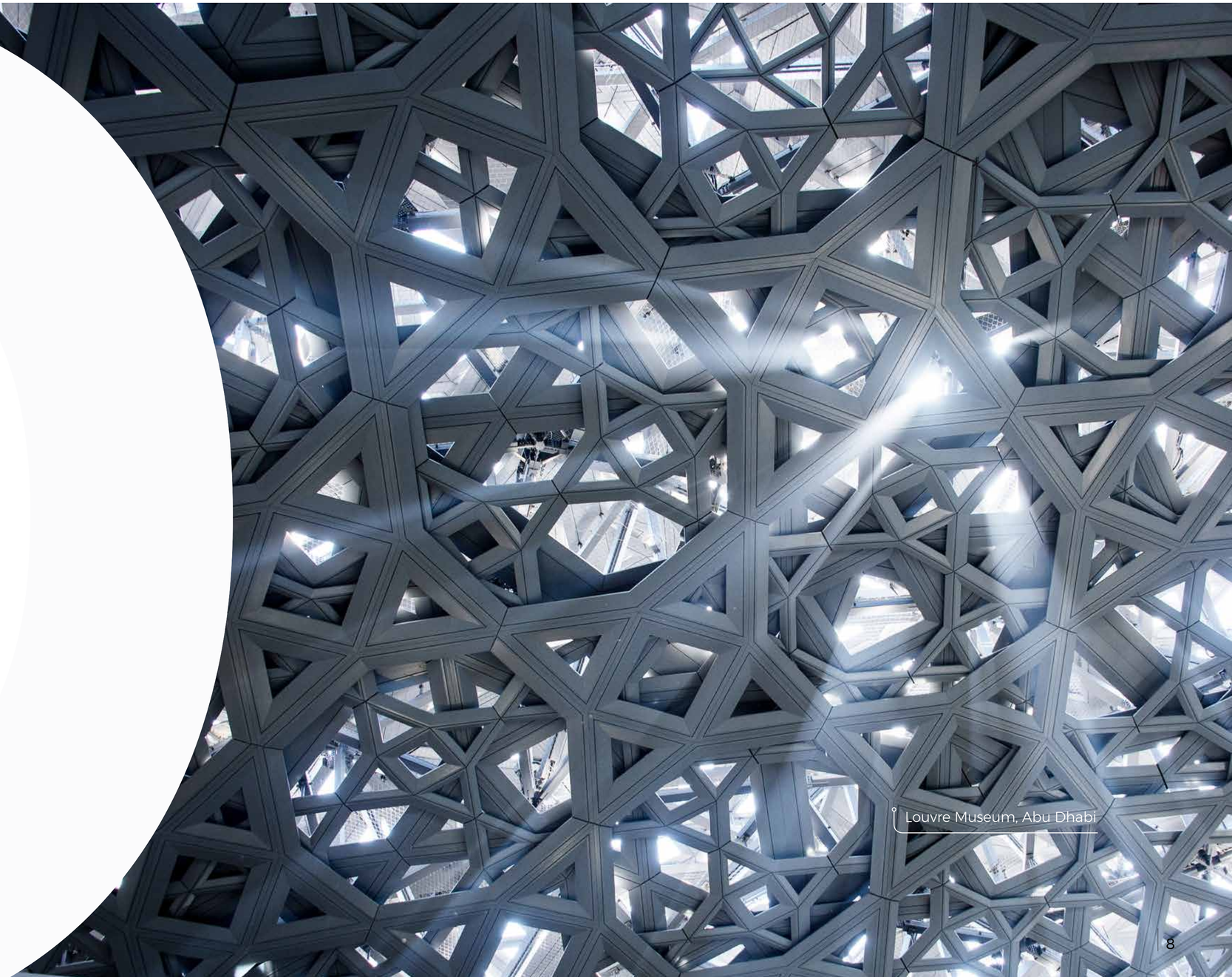


Louvre Museum, Abu Dhabi

Our History at a Glance

Founded in 2008, Dar Al Takaful, WIH's predecessor, secured its UAE insurance license in July of the same year and commenced operations in September. After years of successful growth and development, the Company acquired Noor Takaful in 2020. This strategic move broadened the Company's portfolio, demonstrating a commitment to growth and market influence. Subsequently, in July 2024, National Takaful Company (Watania) merged with Dar Al Takaful, resulting in the establishment of one of the largest Takaful entities in the UAE.

In March 2024, the holding company, Dar Al Takaful, underwent a strategic rebranding, emerging as WIH PJSC. This transformation was not merely symbolic; it represented a fundamental shift in the Company's identity and strategic objectives. Concurrent with this rebranding, the decision was made to relinquish the insurance license. This transitioned the Company into an investment holding entity, aiming to expand its footprint within the UAE and regional Takaful and Islamic financial services sectors.

2008

Dar Al Takaful (DAT) established as a local Dubai Takaful provider

2009

Noor Takaful launched by **Noor Investment Group** with 2 operating entities: **Noor Takaful** + **Noor Family**

2011

National Takaful Company (Watania Takaful) founded by 4 institutional investors

2020

Dar Al Takaful acquisition of **Noor Takaful**

2022

Merger of **Watania** + **Dar Al Takaful**

2023

Watania Takaful Family

Watania Takaful General

WIH Board of Directors

Dr. Ali Saeed Sultan Bin Harmal Aldhaheri

Non-Executive/ Non-Independent Chairman

Mr. Matar Hamdan Sultan Al Ameri

Non-Executive/ Independent Vice Chairman

Dr. Mohammed Al Barwani

Non-Executive/ Independent Director

Eng. Usama Mohamed Ali Al Barwani

Non-Executive/ Independent Director

Mr. Mohammed Nayel Rashed Al Nayeli Al Shamsi

Non-Executive/ Independent Director

Mr. Rashid Mahboob Ali AlQubaisi

Non-Executive/ Independent Director

Mr. Abdallah Malek Osseiran

Non-Executive/ Independent Director

Internal Shari'ah Supervision Committee

WTG PJSC and WTF PJSC operate in accordance with the teachings of the Islamic Shari'ah principles and within the provisions of UAE Federal Law No. 6 of 2007 relating to Takaful companies and Takaful agents and the Memorandum and Articles of Association of the companies.

Their business operations are conducted with support from an experienced and deeply knowledgeable internal Senior Shari'ah VP and oversight of an Internal Islamic Shari'ah Supervision Committee (ISSC) comprising the following leading Islamic scholars.

Sheikh Dr. M. Abdul Rahim Sultan Al Olama
Chairman

Sheikh Dr. Mohammed Abdul Rahim Sultan Al Olama is the Chairman of the Internal Shari'ah Supervision Committee at Watania Takaful, a subsidiary of WIH, a listed investment holding company (DFM: WATANIA). He is an expert in Islamic finance and was previously a professor at the School of Shari'ah at the United Arab Emirates University in Al Ain.

Dr. Al Olama is the head of the Shari'ah Board of the Zakat Funds in the United Arab Emirates. He is known for his extensive writing on modern Islamic finance and research, having presented numerous papers at various international conferences around the world. He serves on the Shari'ah Boards of several leading financial institutions and Takaful companies, including Dubai Islamic Bank, Abu Dhabi Islamic Bank, National Bond Corporation, Emirates Islamic Bank, Mitsubishi Bank Tokyo, Mawarid Finance, and Emirates NBD Bank - Islamic.

Dr. Al Olama holds a PhD in Comparative Islamic Law from Ummul Qura University in Makkah, Saudi Arabia.

Dr. Salim Ali Al Ali
Member

Dr. Salim Ali Al Ali is a member of the Internal Shari'ah Supervision Committee at Watania Takaful, a subsidiary of WIH, a listed investment holding company (DFM: WATANIA).

Dr. Al Ali is the Chairman of the Internal Shari'ah Supervisory Committee for First Abu Dhabi Bank and HSBC Middle East as well as a member of the Internal Shari'ah Supervisory Committees of various Islamic financial institutions.

He is an educator on various topics related to Islamic law and banking with a role as Assistant Professor at the Department of Shari'ah and Islamic Studies at the College of Law at the United Arab Emirates University. He has also been a part-time lecturer for the LLM program at the BPP Law School, BPP University, London.

Dr. Al Ali is an established speaker and Islamic finance scholar with regular participation in international conferences organized by Harvard University and the University of Cambridge to name a few where he covered topics such as Islamic finance law, Islamic financial products, and the legal and regulatory aspects of developing Islamic financial markets.

He received his PhD in Islamic Financial Law from the University of London.

Dr. Ashraf Bin Md Hashem
Member

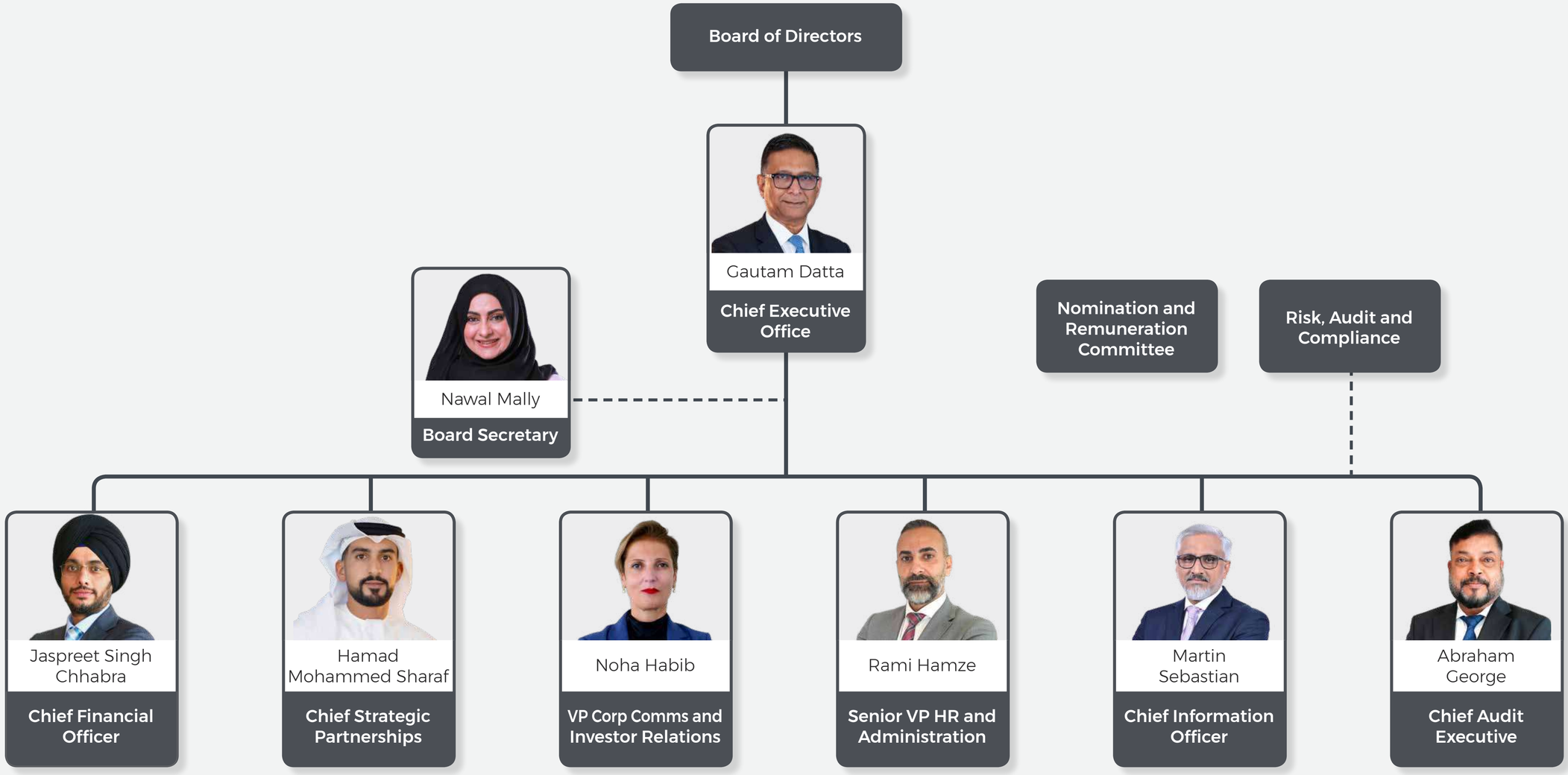
Dr. Ashraf bin Md Hashem is a member of the Internal Shari'ah Supervision Committee at Watania Takaful, a subsidiary of WIH, a listed investment holding company (DFM: WATANIA).

He is a highly experienced independent Shari'ah adviser and holds several leading roles as the Chairman of the Central Bank of Malaysia's Shariah Advisory Council, Member of the Shariah Advisory Council, Securities Commission of Malaysia, Member of the Shari'ah Committee for the International Islamic Liquidity Management Cooperation and Chairman of the Shari'ah Committee of Bursa Malaysia.

In addition to his role as part of the Watania Internal Shari'ah Supervision Committee, Dr Hashem is an international Shari'ah expert. He is a Member of the Shari'ah Board for Abu Dhabi Islamic Bank and Standard Chartered Bank (Saadiq Islamic) in the United Arab Emirates.

He holds a PhD in Islamic Law from University of Birmingham, United Kingdom, and his masters in Fiqh and Usul Fiqh from the University of Jordan.

WIH Organization Structure



Forward Looking Strategy

WIH has a clear pathway towards sustainable growth and rising shareholder value, based on the 2022 merger and the progress we have made since then. The future is bright due to the combination of favorable economic, market and demographic trends together with our own initiatives and strategies that will expand our absolute and relative presence and activities in the Takaful sector and beyond. We are particularly well placed to take advantage of the expected 11.6% CAGR expansion of the Takaful market across the GCC from 2023-2030.

Our success will flow from our well-defined priorities and plans, both for WIH as the holding company and WTF and WTG as the Takaful operators:

Leadership in Technology

We are taking specific steps to become a regional leader in insurance technology, taking advantage of tools that are set to transform the industry globally and revolutionise business practices. Our projects include adopting effective AI, machine-learning and data analytics ahead of our competitors. These plans include leveraging our own as well as market data and business intelligence to provide a series of superior outcomes.

Areas of our business that will benefit include development and introduction of new and attractive products, improving underwriting processes and personalized segmentation, and pricing products more accurately and competitively, as well as entering new markets. All areas of customer service will be enhanced, from providing quotations to responding to queries and concerns, streamlining processes to file claims, fast claims management and settlement, and satisfaction with the overall customer experience. Our risk management will be strengthened through superior forecasting and analysis techniques.

Growth of Takaful Operators

Our WTF and WTG subsidiaries will expand their presence and profitability in the UAE market as acknowledged leaders in Takaful best practice and service to consumers. They will strengthen their focus on implementing tighter underwriting practices, introducing innovative products, and maximizing sales and distribution opportunities to leverage revenue synergies. They will maintain their drive to streamline costs and find further operational efficiencies.

Particular emphasis will be placed on customer service as a key differentiator in the market for Takaful and insurance companies. Leveraging their technological advantages and extra human resources devoted to this area, WTF and WTG will ensure maximum visibility for their public profile and products through their superior marketing campaigns. Enhancements to their websites will provide clear explanations of products as well as how to apply for them and make Takaful claims. Our Call Centre and other points of contact will be on hand to provide unmatched assistance at every step of the Takaful process.

The extra share capital of AED 50 million to be provided by WIH to WTF and WTG (subject to regulatory approval) will provide impetus to the subsidiaries to help them implement their strategy, enabling them to build on their existing status as the second largest Takaful operator in the UAE. The new resources will strengthen all areas of the companies, from human resources to technology, product development and claims settlement.

With further moves to more accurate pricing and tailored product offerings in the pipeline, WTF and WTG are well positioned to leverage their scale, enhance their profitability and expand their already comprehensive Takaful provision across the country to individuals and SMEs.

They will also benefit from operating in an expanding market, including new mandatory motor and unemployment insurance, and compulsory employer-funded health insurance for private sector employees and domestic workers in all Emirates from the start of 2025.

WTF's strategic focus will include a strong drive in the expanding family (life) sector as well as taking advantage of ongoing improvement in the profitability of the medical portfolio. WTG will also focus on areas of greatest potential, including the expected 60% growth in the UAE auto finance market by 2026* as well as the expected demand for superior motor coverage, such as comprehensive instead of third party, following the April 2024 rains. Demand for property and contents insurance is also expected to increase following the flooding.
**McKinsey & Well*

Expansion of WIH as a holding company

The strategic ambitions of WIH remain focused on expanding as a dynamic investment holding company, which is the purpose for which the Company was created in 2023 following the 2022 merger. Benefiting from its flexible and scalable business model, WIH is committed to delivering sustainable returns to shareholders through organic and inorganic growth. It will seek opportunities not only across the Takaful sector, but in the Islamic finance arena more broadly, drawing on the vast experience of its board level and executive leadership and the expertise of its Internal Shari'ah Supervision Committee. This expansion will take place in tandem with supporting the success of the two existing subsidiaries, WTF and WTG, by providing them with the resources that they need.

Considerable opportunities for WIH to expand are potentially available in the Takaful sector, which remains fragmented both in the UAE and elsewhere in the GCC, with many companies too small to prosper. The logic of combining with a larger company such as WIH may therefore be compelling if the right synergies are present to increase competitive advantage and profitability through a more powerful unified entity. With the Takaful sector expected to grow significantly in coming years, we are optimistic that attractive possibilities may become available. We may also look beyond the GCC market to expand.

We will also stay alert to options for portfolio diversification across the wider Islamic finance industry, through inorganic opportunities that would lead to valuable revenue diversification.

Risk

WIH and its subsidiaries will further refine our sophisticated risk mitigation strategies. These include responding to the evolving nature of climate change as well as short-term weather risks and other high-impact events, including through financial models, product design, and accurate pricing. Our reTakaful activities are key to our successful management of risk and we will make best use of this option in terms of financial amounts and types of contracts as well as carefully selecting our reTakaful partners.

In addition, we will ensure that all entities in our Group remain adequately capitalized to enable them to handle unforeseen events while continuing to grow and prosper.

Forward Looking Strategy continued

Sustainability

In building the value of our Company, we aim to ensure that our gains and successes are sustainable rather than fragile and short-term. We apply this mindset to all our activities and plans, often rejecting options that might bring only temporary rewards, however tempting, and pursuing instead those that hold long-term promise and therefore greater eventual benefit. Through this approach we are able to focus on increasing shareholder value over time through solid and grounded advancements, expansion and improvements in our business.

Excellence in all aspects of ESG is part of this commitment. We will continue to prioritize good governance and transparency in our corporate structures and processes. Fraud and corruption prevention as well as regulatory and ethical compliance are priorities. Equally we are committed to pursuing beneficial social initiatives and meeting our responsibilities to the wider community. Environmental best practices are woven into our behavior at all levels. For more details, please refer to our Sustainability Report from page 32.

The Terra / Sustainability Pavilion at Expo 2020, Dubai

Strategic Updates - Operational

WIH took many strategic steps in 2024 to maintain the growing profitability of its business, mitigate risk, and chart its path towards sustainable expansion for the long term.

The injection of share capital into WTF and WTG, announced at the end of the year (subject to regulatory approval by the Central Bank and Securities and Commodities Authority), will give the subsidiaries substantial extra resources to expand their capabilities and reach. For WTG, the capital increase also supports the company following the very high level of motor and property claims that were paid out following the unprecedented rains in April.

The share capital for WTF will increase by AED 15 million to AED 147.5 million and the capital for WTG will increase by AED 35 million to AED 167.5 million, following issuances of new shares in the companies to WIH as the sole shareholder of both.

The capital increases also support WIH's strategic goals as an investment holding company to expand its footprint in the Islamic insurance sector and Shari'ah compliant financial services.

The appointment of Al Ramz Capital as a liquidity provider for WIH shares traded on Dubai Financial Market significantly strengthened the Company's relationships with investors and the financial markets as a whole. Al Ramz's activities to optimize share trading and support fair value are an important step forward in our commitment to create sustainable value for our shareholders.

Advanced technology

We began implementation of an advanced technology upgrade program in October through the signing of an agreement with BI Solution Middle East to develop a sophisticated and centralized data and business intelligence platform, as part of the Data Lake data warehousing system. This AI and machine learning driven platform will establish a highly predictive and smart single source of truth, which will optimize operational efficiencies and strengthen the insightful customer-centric approach at both WTF and WTG. Its benefits will include superior pricing structures and the introduction of products that are increasingly attractive to our customer base.

Operational successes

In 2024 **WTG** fulfilled its mission to live up to its promises to customers in exemplary style. Immediately after the extraordinary April rains began and the extent of the deluge became clear, an emergency Claims Command Centre was established with a remit to focus on the surge in motor and property claims that followed, which were up 75% and 340% respectively.

The claims process was simplified to a single email and turnaround times for settlement shortened. By the end of May not a single motor claim had been rejected. Our team's empathy and responsiveness to support customers as well as their speed and efficiency will have long-term benefits for our claim-handling abilities. This industry-leading response to the rains was noticed by customers and created much goodwill, as did our initiative to promote safer driving undertaken with Dubai Police. In Takaful pricing, the motor portfolio achieved significant improvements during the year.

WTF achieved solid profitability during the year driven mainly by continued improvement in the medical portfolio as well as the growing popularity of life products. The pricing of medical products benefited from further recovery from the impact of COVID-19 as well as enhanced data management drawing on our analytic tools.

The company also put a particular focus on leading by example with a series of wellness and wellbeing initiatives. These ranged from promoting breast cancer awareness, healthy Ramadan fasting and good mental health to a highly successful blood donation drive organized with Emirates Red Crescent in which Company staff, Takaful customers and members of the wider community participated.

Both WTF and WTG found new cost savings and efficiencies during the year as the synergies of the 2022 merger continued to bear fruit. In a year of successful turnaround, they built a firm foundation to further strengthen their position in the market and take full advantage of the many exciting opportunities in the expanding Takaful sector.

Strategic Updates - People

Strengthened Operational leadership

WTF and WTG both established Boards at their inaugural Annual General Meetings in September 2024, to prepare for their next phase of growth. The new seven-member Boards were selected for their in-depth business leadership and diverse financial services expertise, as well as rich individual experiences and proven track record in leading private and public sector entities. WTF is led by Mr. Matar Hamdan Al Ameri as Chairman, while the Chairman of WTG is Dr. Ali Saeed bin Harmal Aldhaheri. Under their guidance both companies are well positioned to prosper through varying business cycles and expansion initiatives and benefit from first-class governance.

The appointment of Mr. Shankar Krishnan as General Manager of WTG brings over two decades of insurance industry experience to this vital role, together with a wealth of know-how and expertise particularly in technical segments. Together with the rest of the executive team, he has already helped to steer WTG towards its growth goals and recovery from the impacts of the April rains.

The Internal Shari'ah Supervision Committee was also strengthened by the appointments of Dr. Ashraf Bin Md Hashem and Dr. Salim Ali Al Ali. They have brought new perspectives and expertise that will support the Company as it embarks on new activities, such as innovative products and services, and give further comfort to our stakeholders that our compliance with Shari'ah remains robust. The Committee continues to be led by the expert guidance of Sheikh Dr. M. Abdul Rahim Sultan Al Olama as Chairman.

Our People

We never forget that our people are the foundation of everything that we have achieved and all our ambitions for the future. Through our management of staff, including appraisals, KPIs, promotion and pay, we aimed throughout 2024 to bring the best out of everyone and ensure they achieve their career potential as well as fulfilment in the workplace. We made training programs a priority to equip our employees with the skills required to thrive in the fast-changing Takaful environment, from product development and data analysis to IT and sales.

Our monthly Lunch & Learn sessions brought staff together to strengthen relationships and appreciate the diversity that we enjoy through our many nationalities and cultures as well as the strong representation of women in the Company. The gatherings also focused on beneficial themes, from personal health and wellbeing to celebrating Emirati culture.

Emiratization

At the heart of our focus on our people lies our Emiratization program. In 2024 we were very active at university careers fairs in the UAE to find the next generation of enthusiastic national talent and empower them to take leadership roles in the Takaful industry of the future. New Emirati recruits are inducted into our comprehensive mentorship and accelerated development pathways which make the most of their homegrown ability and energy, unleashing these to drive forward both their careers as individuals and the progress and success of the Company.

As a homegrown leading Takaful provider, Watania aims to harness the abilities, ambition and innovative powers of local talent to nurture the future leaders of our industry.

We prioritize the attraction, retention, training and development of Emiratis through tailored and highly incentivizing initiatives. This is underpinned by our commitment to running a robust internal mentorship program that provides guidance and explores career advancement opportunities.

Through our ongoing Emiratization drive, we have strong industry and government partnerships to further our offerings for stimulating and rewarding careers that take them to the highest tier of executive decision-making and strategizing.

Laying the foundations for **Sustainable Growth**

Watania Takaful is a leading Takaful provider, positioned as the second largest Takaful provider with 25% of the UAE Takaful market share and one of the top 10 insurers in the UAE. with approximately 3% of overall UAE insurance market share.

The company offers a comprehensive range of Islamic insurances products comprising of Motor, Technical or General Takaful Plans including Home, Personal Accidents, Travel, Marine, Engineering, Casualty & Liability, Warranty, Property, Office, General Accident, SME, as well as Medical and Family (life insurance) coverage plans.

Watania Takaful caters to both individuals and companies through a national network of full-service offices.

It is a fully owned subsidiary of WIH, a DFM-listed investment holding company strategically positioned to capitalize on growth opportunities within the Takaful industry.

The success of Watania Takaful is data-led and rests on a number of pillars. These include:

- Innovative product design and development
- Streamlined delivery of products and services
- Advanced digital tools and analytics to guide underwriting
- Sustained and efficient customer engagement
- Timely handling of claims and settlement

Vision, Mission and Values

Vision
Become the leading UAE Takaful Operator

Mission
Provide best quality Shari'ah-compliant Takaful while creating value for all our stakeholders

Purpose
Empower our members to take charge of tomorrow

Our Core Values

Empathy
Share the feelings of others

We are a Takaful business that is based on Solidarity. We consider our Policyholders perspective first in eveything we do.

Integrity
Do what is right, always

We always do what is right. We respect the trust placed on us, and our commitment to honesty and transparency always comes first.

Responsiveness
Always respond, not react

Our clients deserve listening, understanding, and responsible action. We are solutions driven.

Simplicity
Stay in the moment

We strive for simplicity in all things: products, process, and relationships. It makes our work efficient, and relationships meaningful.

Sector Growth Drivers

Watania Takaful Family

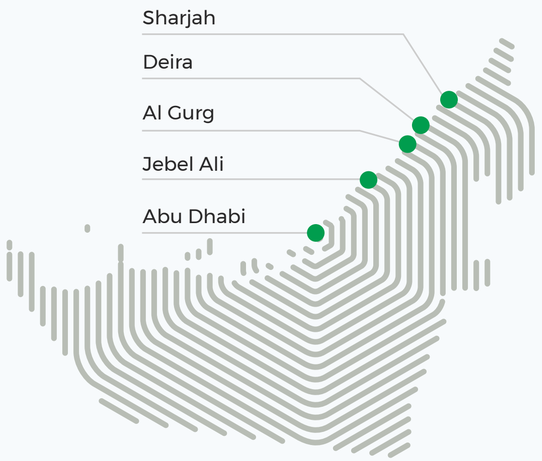
Family (Life) Takaful

Medical Takaful

Watania Takaful General

Motor Takaful

Technical Takaful



TOP 10 Leading Insurance Providers

2nd Largest Insurance Providers

3% Insurance Market

25% Takaful Market

Takaful Market Growth Drivers

WIH is well positioned operationally and financially to benefit from the growth opportunities in the GCC Takaful sector driven by:

2023 ⟶ **2030**

11.6% Compounded Annual Growth Rate (CAGR) expected in GCC Takaful

Evolving regulatory landscape and government support

Stronger talent flow into the Takaful sector

Acceleration of digital transformation of Takaful providers

Higher customer demand for digitally integrated services

~60% growth in UAE Auto Finance Market by 2026

Higher awareness and demand for Family Takaful (life insurance)

Increased customer preference for one-stop-shop insurance providers

Watania Takaful

General

Our commitment to our customers is unwavering and remains our first priority

Delivering on our **Promise**

About Watania Takaful General

WTG offers a full range of motor and technical or general Takaful products to both individuals and companies in the UAE. It is a fully owned subsidiary of WIH, a DFM-listed investment holding company, focused on growth opportunities across the Takaful industry.

The Watania Takaful group of companies are leading Takaful providers, positioned as the second largest Takaful provider with 25% of the UAE Takaful market share and one of the top 10 insurers in the UAE, with approximately 3% of overall UAE insurance market share.

The two companies operate full-services offices located in Abu Dhabi, Sharjah, and in Al Gurg and Business Point buildings in Deira and in Jebel Ali in Dubai.

WTG Board of Directors

Dr. Ali Saeed Bin Harmal Al Dhaheri

Non-Executive/ Non-Independent Chairman

Dr. Ali Saeed Sultan Bin Harmal Aldhaheri is a non-executive, Non-independent member, and Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Dr. Aldhaheri is a seasoned business professional with over two decades of exemplary experience and a proven track record of success. Graduating with distinction from the American University in Washington DC with an MBA, Dr. Aldhaheri embarked on a journey of entrepreneurship, founding, launching, and adeptly managing numerous thriving enterprises across diverse sectors including IT, finance, education, tourism, and real estate.

Driven by a steadfast commitment to lifelong learning, Dr. Aldhaheri recently completed his doctoral studies at Durham University, further enriching his expertise and insights in the realm of business and academia. Throughout his illustrious career, Dr. Aldhaheri has actively engaged at a high level with governmental initiatives pertaining to tourism and development strategy. He has also made significant contributions to the fields of MICE (Meetings, Incentives, Conferences, and Exhibitions) and education management, showcasing his strategic acumen and leadership prowess. With a keen eye for innovation and a passion for fostering growth, Dr. Ali Aldhaheri continues to be a driving force in shaping the landscape of business and education, leaving an indelible mark on industries worldwide.

Other Positions:

- Chairman and Founder of Abu Dhabi University.
- Chairman of NEMA Holding.
- Managing Director of Bin Harmal Group.
- Chairman of Liwa Education.
- Chairman of Magna Investment.
- Board member of Amanat Holding.
- First Vice Chairman of the Abu Dhabi Chamber of Commerce.
- Board of Directors and a member of the Economic Cooperation Committee for Government and Private Sectors in Abu Dhabi.
- Board member of Sandooq Al Watan.

Aldhaheri leverages his extensive expertise and strategic vision to drive impactful initiatives, foster collaboration, and contribute to the advancement of various economic, educational, and governmental endeavors in the region.

Usama Mohamed Ali Al Barwani

Non-Executive/ Independent Director

Usama Mohamed Ali Al Barwani is a distinguished professional with a diverse background and extensive experience in the energy, finance, and maritime industries. Holding a Bachelor of Science degree in Petroleum Engineering from the University of Tulsa in Oklahoma and a Master of Science degree in Energy, Trade, and Finance from City University's Cass Business School in London, Mr. Al Barwani has cultivated a strong foundation of expertise. As a graduate of the prestigious 'President Leadership Program' from Harvard Business School, facilitated through the YPO Harvard Program, he has demonstrated a commitment to continuous learning and leadership development.

Currently, Mr. Al Barwani serves as a non-executive, independent Board Director of WIH. He is a shareholder of MB Holding Co, a prominent family-controlled conglomerate with a significant presence in the Middle East, Europe, and Africa, operating across sectors including Oil & Gas, Engineering, and Tourism. In addition, he holds several other key positions:

- Chief Executive Officer of Petrogas E&P, a leading privately held upstream producer with oil and gas assets strategically located in Oman, the Netherlands, and Egypt.
- Managing Director of Mawarid Mining, a reputable copper mining producer headquartered in Oman.
- He is a Member of the Board of Arcapita Bank, a distinguished Bahrain-based Islamic Merchant Bank and Private Equity Company.
- Previously he was a Director of National Takaful.
- Member of the Board of Directors of Oceanco Yachts, a renowned Dutch-based company recognized as one of the world's premier super yacht builders.

Beyond his professional endeavors, Mr. Al Barwani actively contributes to diplomatic relations as the Honorary Council of Uganda in Oman. Additionally, he has been a member of the Young Presidents' Organization (YPO) since 2009 and serves on the Board of the Oman Chapter, reflecting his dedication to fostering business leadership and networking opportunities within the community.

Mohammed Salem Omair Al Shamsi

Non-Executive/ Independent Director

Mohammed Salem Omair AlShamsi possesses a wealth of knowledge in the distribution industry including strategic guidance. He has held a variety of senior positions at Al Ain Distribution Company (AADC), the sole distributor and supplier of water and electricity in the Eastern Region of the Emirate of Abu Dhabi, since joining the company in 1996.

In his current role as advisor to AADC he provides strategic insights and consultancy services to support ongoing projects. Previously as General Manager his experience included spearheading overall operations and strategic initiatives, launching an initiative for consultations aimed at optimizing water and electricity consumption, and updating customer service systems.

Mr. Alshamsi has held Board Directorships at companies including Masaar Company (previously known as Al Wathba Company), Abu Dhabi Transmission and Despatch Company (TRANSCO), Fujairah Asia Energy Company, and First Energy Bank, Bahrain. His awards include the Social Responsibility Award, Al Ain, and the Abu Dhabi Excellence in Government Performance Awards, Al Ain, for his activities at AADC.

He holds a BA degree from Pacific Christian College, US, Al Ain, majoring in Management.

WTG Board of Directors continued

Faisal Nasser Al Shamsi
Non-Executive/ Independent Director

Faisal Nasser Al Shamsi is a seasoned executive with a strong background in finance, leadership development, and talent management. Known for his exceptional budgetary, organizational, and motivational skills, Faisal has held significant roles in various prestigious institutions, contributing to their success through strategic expertise and innovative leadership.

With a Bachelor of Science in Business Administration from Gwynedd-Mercy College in the US and advanced studies in Human Resource Management, Faisal brings a wealth of knowledge and experience to every endeavor.

He is an active Board Member at Belvidere International School and GNRC Abu Dhabi University.

Also, he was a board member at Al Etihad Biwater Waste Water PJSC and Shuweihat Asia Power Plant S2.

Badreya Al Dashti
Non-Executive/ Independent Director

Badreya Al Dashti is an accomplished banking executive with 23 years experience in the management and growth of large corporate portfolios as well as leadership and motivational activities. Her Cass Business School background has helped develop her strategic thinking and relationship skills.

She has built, grown and managed a portfolio of top Government entities, publicly listed corporates and large multinational and local companies across a broad spectrum of disciplines and industries with total lending of more than AED 23 billion. Her experience includes a portfolio of RERA Escrow balances in excess of AED 4 billion and large bilateral and syndication deals including bilateral financing of AED 1.7 billion for a real-estate developer and an MLA role in a syndication financing of USD 1.45 billion for a luxury hospitality player.

Ms. Al Dashti is currently Regional Head of Islamic Finance, Corporate and Commercial banking at HSBC, UAE. Previous experience includes Executive Director of Investment Banking at First Abu Dhabi Bank. Earlier she was a founding member of Noor Bank in 2007 where her roles included Head of Public Sector & Contracting Finance, Head of Public Sector, and Head of SME Department. She previously held roles at Mashreq Bank and Emirates Bank International.

In addition to holding an Executive MBA at Cass Business School in the UK, she holds a Bachelor of Engineering (Architecture) from UAE University.

Yusuf Alami
Non-Executive/ Independent Director

Yusuf Alami has over 40 years' experience in corporate finance and global capital markets, including leading roles and considerable experience in private placements and public offerings in the Middle East, Europe, Asia and the US. He has led and supported a broad range of strategic mergers and acquisitions, investment banking and private equity activities.

Mr. Alami has held several senior posts in large financial institutions in the UAE and worldwide. He was Chief Operating Officer and then Chief Executive of Abu Dhabi Investment Company and earlier was Chief Executive of The National Investor in the UAE. Prior to that, he was the Head of Marketable Securities at Kuwait Foreign Trading Contracting and Investment Company, an Executive Director at Blyth Eastman Paine Webber and a Senior Vice President at The First Boston Corporation in New York, London and Athens.

Currently he serves as a financial advisor to a Board of Directors and as a Board member of a number of regional investment entities.

Mr. Alami holds a Master's degree in Business Administration from Indiana University in the US, and a Bachelor's degree in Economics from the American University of Beirut.

Abdulaziz Al-Hemaidi
Non-Executive/ Independent Director

Al-Hemaidi joined Abu Dhabi Water and Electricity Authority (ADWEA) in 1997 and has held a number of key positions, including Managing Director at Abu Dhabi Distribution Company (ADDC) and Abu Dhabi Water and Electricity Company (ADWEC).

He was involved in several IWPP projects and served as a Chairman of Shuweihat Asia Power Company (SAPCO), member of the Board of Directors for Taweelah Asia Power Company (TAPCO), member of the board of directors of Abu Dhabi Transmission & Despatch Company (Transco), Abu Dhabi Distribution Company (ADDC), Al Ain Distribution Company (AADC). As well as, Chairman of ADWEA Capital Projects Committee, and member of ADWEA Executive Committee.

From 2011 till 2019, Mr. Al-Hemaidi served as a member of the Board of Directors of Abu Dhabi National Energy Company (TAQA), the President of the Supervisory Board of TAQA-Morocco, and a member of the Board of Directors of Sohar Aluminum Company.

Also he served as a member of the Board of Directors of Abu Dhabi Airports Company (ADAC) and Abu Dhabi General Services Company (Musanada).

Prior to this, Mr. Al-Hemaidi held key positions at Abu Dhabi Health Services Company and Al Ain International Airport.

He holds a Bachelor of Science in Civil Engineering from United Arab Emirates University (1997) and a Postgraduate Diploma in Airport Engineering from SAA/Nanyang Technological University-Singapore (2001).

WTG Takaful Products

Technical or General Takaful

WTG' offerings include an array of Technical or General Takaful Plans, including Home, Personal Accidents, Travel, Marine, Engineering, Casualty and Liability, Warranty, Property, Office, General Accident, and SME. This comprehensive suite of coverage reflects the commitment to meeting diverse Islamic insurance needs across various aspects for corporates and individuals.

General Takaful Plans for Corporates

- Engineering
- Casualty and Liability
- Warranty
- Property
- Office
- General Accident
- SME

General Takaful Plans for Individuals

- Home
- Personal Accident
- Travel
- Marine

Motor Takaful

WTG provides a range of motor insurance policies designed to offer customers not only affordability but also flexibility. These policies are value-packed and crafted to provide comprehensive coverage, ensuring that individuals can navigate the roads with peace of mind, knowing that they are well protected.

Individual Motor

With our solutions for car Takaful, customers are not only well covered for loss or damage but can also benefit from prompt and efficient claims service for minimum inconvenience.

Corporate Fleet

This plan covers all corporate vehicles for organizations in a single Takaful certificate with reduced individual contributions due to group discounts and facilities for the automatic addition of vehicles.

WTG: Delivering on Our Promise

Led by its highly experienced and capable Board of Directors and executive team, WTG's commitment to its members is unwavering and remains its priority.

In 2024, it delivered on its promise to take good care of members' needs throughout the year and across all product lines. This dedication was particularly evident following the extraordinary April rains.

WTG set up an emergency Claims Command Centre to handle the surge of claims that followed the April rains. This industry-leading response made claiming easy with just one-email, and paid settlements promptly.

In the first five weeks, every single motor claim was registered and processed within 50% of the normal timeframe. Zero claims were rejected. Half of the vehicles were submerged and declared a total loss, while half were only partially submerged and reparable.

Cars driving in a flooded motorway after a heavy rainfall, Dubai

Watania Takaful

Family

Empowering our community through wellness and wellbeing

Leading by **Example**

About Watania Takaful Family

WTF offers a full range of medical and family Takaful or Islamic life insurance products to both individuals and companies in the UAE. It is a fully owned subsidiary of WIH, a DFM-listed investment and asset management company, focused on growth opportunities across the Takaful industry.

The Watania Takaful companies are leading Takaful providers, positioned as the second largest Takaful provider with 25% of the UAE Takaful market share and one of the top 10 insurers in the UAE, with approximately 3% of overall UAE insurance market share.

The two companies operate full-services offices located in Abu Dhabi, Sharjah, and in Al Gurg and Business Point buildings in Deira and in Jebel Ali in Dubai.

WTF Board of Directors

Matar Hamdan Sultan Al Ameri
Non-Executive/ Independent Director

Matar Al Ameri is a non-executive independent member and Chairman of the Board of Directors of WTF and Vice Chairman of the Board of Directors of WIH a listed investment holding company (DFM: WATANIA).

He is a prominent UAE corporate leader, with extensive experience in top-level executive roles in both public and private enterprises. His expertise spans over 30 years in upstream and downstream petroleum sectors, banking, and agriculture. This is supported by deep relationships at the most senior level in UAE public and government entities.

During his long tenure at ADNOC, he transformed the onshore finance function, oversaw the placement and financing of a USD 6 billion corporate loan, and led the partial privatization of ADNOC Distribution. His roles included serving as ADNOC's Director of Finance and Investments.

Other roles & appointment have included:

- Lead liquidator of Bank of Credit & Commerce International on behalf of the Abu Dhabi government.
- Director of the Board at First Abu Dhabi Bank, Aafaq Islamic Finance, and Abu Dhabi National Exhibition Center; also Chairman of the Audit Committee.
- Chairman of Dar Al Takaful PJSC, with a pivotal role in the successful merger with National Takaful Company (Watania) PJSC.

Current roles, in addition to Chair of WTF, include Deputy Managing Director of Jenaan Investment, a privately owned international agricultural businesses.

Mohammed Al Ghussein
Non-Executive/ Independent Director

Mohammed Al Ghussein is an experienced corporate leader and strategist with diverse expertise including board governance, stakeholder engagement, and risk management across various industries such as construction, manufacturing, real estate, travel, and education.

He has been the Chief Executive of Bin Harmal Group since 2020, driving the Group's long-term growth strategy. Since 2019, he has served as Chairman of Stella Stays and Managing Director of Stella Investments.

Mr. Al Ghussein was formerly the Chairman of Al Ain English Speaking School, overseeing the institution's operations and growth. He also serves as a Board Director at Liwa College and Abu Dhabi University. He holds a Bachelor of Science degree in Civil Engineering.

Rehab Mohamed Lootah
Non-Executive/ Independent Director

Rehab Lootah brings over 20 years of experience in the UAE's finance and government sectors. She currently serves as the Group Deputy Chief Executive Officer at National Bonds, where she plays a pivotal role in steering the company towards creating and enhancing investment and savings solutions. In addition to promoting financial literacy and fostering a culture of saving, Lootah is dedicated to empowering individuals across society, enabling them to achieve financial independence and prosperity.

Lootah created a remarkable legacy of multiple successful projects and commercial ventures, with the most recent venture being the unique 'Sukuk Al Waqf', the pioneering program that supports the development of sustainable endowment projects, and 'Second Salary', the first of its kind, customized savings solution created for the UAE's national and expat population to help individuals generate supplementary income.

In addition to her role at National Bonds, Lootah is on the executive board for several key entities in the UAE including 'Taaleem', the UAE's second largest education provider for early years, primary and secondary schools. She is also a board member of "Watania Takaful - Life", contributing to the development of insurance solutions in the UAE. In addition, a board member of 'Noqodi', the digital wallet serving more than 40 governmental and semi-governmental entities, which provides innovative solutions for account management and digital payments. Finally, Rehab Lootah is a member of the 'Dubai Quality Group', a non-profit organization set up by the Dubai Economy, to promote service quality and business excellence in the region.

Lootah has received numerous prestigious awards, including the late His Highness Sheikh Khalifa Bin Zayed Award, and is also the world's first woman to receive the CIMA certification in Islamic Finance. She holds a Bachelor of Science degree in Electrical Engineering and an MBA from Stratford University in the US.

Dr. Ghuwaya M. Al Neyadi
Non-Executive/ Independent Director

Dr. Ghuwaya Al Neyadi has more than 22 years of experience in the management and administration fields. She is also a consultant family physician.

She is currently Senior Vice President for ADNOC Group Medical Services and Wellbeing, where she has enhanced service lines by establishing best practices and securing international accreditations. Dr. Al Neyadi led implementation of a new medical operational model and re-structuring of ADNOC Group Medical Services through successful partnerships with the private sector. She effectively managed the crisis of COVID-19, ensuring staff health and safety across ADNOC Group and preventing any impact on business operations.

Earlier Dr. Al Neyadi served at the Ministry of Health and Health Authority Abu Dhabi in various and inter-related senior managerial positions including Public Health, Health Regulation, and HSE.

She holds Board memberships in Burjeel Holdings and Manzil Healthcare Services.

Dr. Al Neyadi received her medical degree from the Faculty of Medicine and Health Sciences at UAE University, followed by a PhD in family medicine from the Arab Board of Medical Specialization and an Executive Master of Healthcare Administration.

WTF Board of Directors continued

Ammar Abdullah Al-Ali
Non-Executive/ Independent Director

Ammar Abdullah Al-Ali is a seasoned private equity specialist with nearly 20 years of experience in projects involving investment banking, asset management, and corporate finance as well as overseeing high-talent teams.

He is Chief Commercial Officer at MB LLC, where he leads commercial operations, drives business sustainability, and manages the company's hydrocarbon sector. His expertise includes maximizing shareholder value and reviving and executing significant transactions.

Earlier Mr. Al-Ali held key positions at MB Holding including Director of Corporate Finance with responsibilities including financial reporting, liaising with auditors, managing compliance, and spearheading investment analysis. His strategic leadership in financial consolidation and navigation of complex tax regulations helped optimize the financial health of the company.

His earlier career included significant roles such as CEO of Al Madina Investment, where he managed the company's investments and subsidiaries, and Director of Business Development at the company, structuring deals in healthcare and real estate.

Mr. Al-Ali has earned several professional qualifications enhancing his expertise in Islamic finance, investment banking, and customer service.

He holds a Bachelor's degree in Business Administration in Finance & Banking from the American University in Dubai.

Abdallah Malek Osseiran
Non-Executive/ Independent Director

Abdallah Malek Osseiran has extensive financial and business experience. He has been the Managing Director of Magna Investment in Abu Dhabi since 2006, managing and controlling investments in sectors including education, hospitality, Takaful, financial services, real estate, private equity, and venture capital.

He was previously a Director of Dar Al Takaful PJSC. Prior to that he served in several financial and managerial roles with Arab Bank over 16 years, where he acquired deep expertise in disciplines such as corporate finance, corporate banking, private equity, strategic planning, and business development. From 2001 he was the financial advisor to a royal family member in the UAE, overseeing a large investment portfolio and negotiating strategic investments in real estate, fixed income, equities, and private equity.

Mr. Osseiran is a non-executive, independent Board Director of WIH. He is also a Board Director of several established and socially active organizations. He holds a BBA from Lebanese American University and a Banking Diploma from the University of Saint Joseph.

Other Positions:

- General Manager of Magna Investment.
- Member of the Board of Directors of Nema Holding.
- Member of the Board of Directors of Abu Dhabi University.
- Member of the Board of Directors of Khawarizmi Holding Company.
- Member of the Board of Directors of Khawarizmi International College.
- Member of the Board of Directors of Liwa Education.
- Former Member of the Board of Directors of National Takaful Company (Watania).

Mahomed Akoob
Non-Executive/ Independent Director

Mahomed Akoob has extensive international experience in financial services particularly insurance and reinsurance with in-depth expertise in technical underwriting, Takaful and Retakaful, risk management, and strategic investment management.

Previously, he was Managing Director at Hannover Retakaful B.S.C.(c), Bahrain, and Executive Director of the Hannover Reinsurance Group Africa. He also served as General Manager and Executive Director of Munich Reinsurance Company of Africa handling non-life business, finance, business development and strategy.

Mr. Akoob has held directorships on numerous Boards including Noor Takaful and Dar Al Takaful and is currently Director of the Credit Guarantee Insurance Corporation in South Africa and a Director of Chedid Capital Holdings.

He has been recognized as one of the Top 50 Most Influential Leaders in the region by the MENA Insurance Review. Past appointments include serving on the Financial Services Board's Advisory Committee on Short-Term Insurance in South Africa.

Mr. Akoob is a Fellow of The Insurance Institute of South Africa and an Executive Development Program Graduate from the School of Business Administration at the University of Witwatersrand.

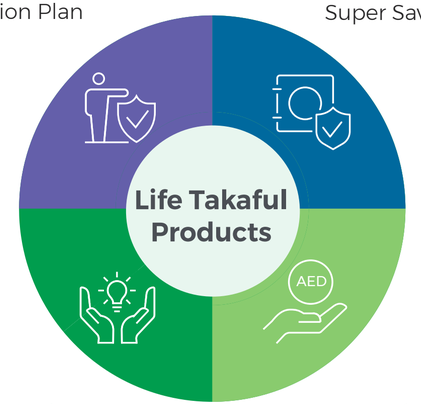
WTF Takaful Products

Family (Life) Takaful

WTF specializes in Family Takaful solutions or Life Islamic Insurance, delivering flexible savings, investment, and income protection plans. These offerings are strategically designed to address and mitigate the uncertainties that individuals, families and groups may face throughout their life journey. The emphasis is on providing financial security and peace of mind to help policyholders protect what matters to them most including their financial future, their family and their business.

Protection
Life Care and Pure Protection Plan

Wealth Accumulation/ Enhancement
Super Saver



Regular Savings
Smart Save Plus

Protection Cash Back
Pure Protection Cash Back

Individual Life Takaful Coverage Plans

1. **Pure Protection**
   - Level Term protection providing coverage for a specific term
   - Can be assigned to a bank against mortgage, credit facility etc.
2. **Life Care**
   - Whole of Life protection plan providing coverage till age 99 along with the cash value
   - Available to Resident as well as Non-resident clients
3. **Super Saver**
   - Low-cost regular contribution wealth accumulation plan
4. **Smart Save Plus**
   - Regular Savings plan providing option to invest into Sharia compliant global mutual funds to meet the need of retirement planning, children's future etc.
   - Available to Resident as well as Non-resident clients
5. **Pure Protection Cash Back Plan**
   - Level Term protection providing coverage for a specific term
   - Can be assigned to a bank against mortgage, credit facility etc.
   - Free built-in terminal Illness & repatriation Benefit
   - Cash back on maturity

Medical Takaful

The commitment to wellbeing extends to WTF's offerings via Medical Takaful solutions. The company offers customized and flexible Takaful plans specifically covering the health insurance needs of individuals and groups. These plans are thoughtfully designed to ensure their health and well- being, providing them with the assurance that their medical expenses are appropriately covered.

Corporate

SME Medical Plan
Digital fulfillment, Defined Table of Benefit with Defined rate) – Quote through digital portal

Customized Plans for Large Corporates
(DHA/DOH Abu Dhabi Compliant Solutions) – Quote on referral

Individual

Self and Dependents Plans

Domestic Workers Plans

Parents and Visitors Medical Plans

WTF: Leading by Example

WTF believes in leading by example, not only providing first class Takaful plans for its individual and corporate members, but also by vigorously promoting ongoing wellness initiatives and awareness, to keep certificate holders and wider society in the best possible health and empower them to take control of their health and wellbeing.

In July Watania Takaful conducted a blood drive at its headquarters with the support of Emirates Red Crescent. The initiative gave vital help to many of the thousands of people in the UAE who require blood transfusions for life-saving operations and essential treatments every year.

In line with their mission to lead by example, many of the Company's staff donated their blood alongside Watania Takaful certificate holders and members of the wider community.

Sustainability Report

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Date palms play a role in water conservation. Their deep root systems help stabilize the soil and reduce water evaporation, making them valuable in desert agriculture

Foreword

I am honored to present our second ESG (Environmental, Social, and Governance) Report for 2024. With great pride and deep personal commitment, I share our journey and achievements over the past year.

This year, 2024, will be remembered for the severe weather phenomenon that struck in mid-April. The UAE experienced unprecedented rainstorms, leading to a sudden surge in motor claims—three times our usual daily volume. During this challenging period, our team rose to the occasion, and I am immensely proud of everyone at Watania Takaful who processed every single auto claim without rejection. This remarkable response underscores our resilience and dedication to serving our customers when they need us most.

We continued our "Year of Sustainability" initiative into 2024, reinforcing our commitment to fostering positive change and sustainable practices. Our focus on ESG excellence, firmly rooted in Shari'ah principles, aligns seamlessly with the UAE's ambitious sustainability agenda and the United Nations' Sustainable Development Goals (SDGs). This commitment is more than just a strategic decision—it is a moral imperative that creates value for our company and all our stakeholders.

Our dedication extends beyond policies and performance metrics. WIH take great pride in our strong connection to the UAE and its people. We have worked diligently to nurture local talent and build a diverse, inclusive workforce. This commitment is reflected in our 14% increase in workforce, supported by a 69% rise in training hours, reinforcing our belief in the transformative power of human capital.

As our business continues to expand, we recognize the challenges ahead. Our greenhouse gas (GHG) emissions increased by 28% in 2024. However, this was offset by a reduction in total energy consumption, primarily due to the relocation of our Head Office. Moving to a newer, more efficient building improved our Energy Intensity Rate per employee by 16% compared to the previous year.

While the overall rise in GHG emissions reflects our business growth, emissions intensity per employee decreased by 10.3%, highlighting our commitment to operational efficiency. These figures serve as a reminder of the ongoing need to refine our environmental practices and integrate sustainability into every aspect of our operations.

On the technology front, I am excited about the progress we have made on three key initiatives. Our IT division is developing a cutting-edge centralized data lake to enhance operational efficiency, financial transparency, and service speed. Additionally, we have been beta-testing two innovative applications—a Wellness App and a Safer Driving App—which are set to launch in Q1 2025. These initiatives will play a vital role in promoting sustainable and equitable health outcomes for our customers.

In this report, you will find details on the core pillars of our sustainable business practices:

- Environmental Stewardship – We are committed to reducing our environmental footprint through effective energy management, emissions reduction, and waste management.
- Social Empowerment – We focus on human capital development, responsible investment, and customer protection.
- Ethical Governance – We uphold a robust framework that ensures transparency and ethical conduct.

This year's severe flooding in the UAE was a stark reminder of the growing impact of climate change. It also served as a critical learning experience in crisis management for both our company and the industry as a whole.

Looking ahead, I see great potential for growth. While insurance coverage in our region remains below global standards, the expanding economy and growing consumer base signal a promising outlook for sustainable progress.

Thank you for your continued support and trust. I am confident that, together, we will build a more sustainable and prosperous future for all.

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman

Introduction

About this ESG Report

Welcome to WIH's 2024 ESG Report. This comprehensive document outlines our commitment to sustainability and ESG practices, along with key achievements from January 1, 2024, to December 31, 2024. The report follows the Dubai Financial Market (DFM) ESG reporting guidelines and is prepared with reference to the Global Reporting Initiative (GRI) standards. Within its chapters, we highlight our contributions to and alignment with the United Nations' Sustainable Development Goals (SDGs). The accuracy of our report, performance disclosures, and claims has been verified by the Board of Directors.

This report delves into WIH's wide-ranging Environmental, Social, and Governance initiatives. WIH remains steadfast in upholding rigorous corporate governance standards, as demonstrated by our solid governance framework built on the pillars of transparency, accountability, and integrity. We are dedicated to safeguarding stakeholder interests while leading with ethical conduct and responsible decision-making. Our commitment to governance excellence enhances trust and credibility, reinforcing our position as a leader in corporate accountability.

Moreover, our dedication to social responsibility extends beyond conventional practices, as we actively engage in uplifting communities through a variety of impactful initiatives. At the core of our ethos lies the belief that investing in human capital yields invaluable returns. This is reflected in our robust employee development programs, which focus on enhancing skills, fostering growth, and empowering individuals to reach their full potential. By prioritizing the well-being and professional advancement of our workforce, we cultivate a culture of inclusivity and diversity while driving positive social change on a broader scale.

Equally significant is our approach to environmental stewardship. We take a strategic stance on energy conservation, resource management, and the adoption of innovative solutions to minimize our environmental footprint. Through these efforts, we are paving the way for a greener, more sustainable future.

Our Approach

Our ESG strategy is built on the foundation of creating long-term value for all stakeholders, including policyholders, shareholders, business partners, and employees. We recognize the importance of aligning our objectives with global frameworks such as the UN Sustainable Development Goals (UN SDGs) along with national priorities from key institutions such as the UAE's ESG goals, and the Securities and Commodities Authority (SCA).

At WIH, sustainability is embedded in our corporate culture, guided by our deep roots in the tenets of Takaful and a dedication to ESG excellence. Our approach to sustainability is comprehensive, encompassing environmental, social, and governance aspects across all facets of our portfolio and our assets' operations.

Our commitment to sustainability and ESG strongly aligns with our values and contributes to long-term value creation for our company and stakeholders. By integrating ESG considerations into our business practices, we mitigate risks, enhance regulatory compliance, improve stakeholder satisfaction, and bolster our public image. In an environment where sustainability is increasingly expected and mandated, we recognize the importance of staying ahead of the curve to maintain our competitive edge and ensure the prosperity of WIH and its subsidiaries in the long run.

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

SUSTAINABLE DEVELOPMENT GOALS

Social Initiatives

Our social commitments extend to attracting and developing Emirati talent, fostering community solidarity, and promoting diversity and inclusion within our workforce.

Transparent Governance

We uphold maximum transparency and accountability in our governance structure. All Board members are non-executive and independent, ensuring sound oversight and ethical decision-making.

Our ESG values

Business Optimization

At our operating companies' level, we optimize our practices for efficiency, high quality customer service, product diversification, and regulatory compliance, ensuring sustainability and sound capital management.

Environmental Commitment

We prioritize environmental sustainability by measuring and reducing our carbon emissions, conserving energy, minimizing consumption of water and materials and on operational level, ensuring continuous digitalization to minimize paper usage and maximize efficiencies.

Data Governance

Robust data governance practices ensure the responsible use of data, protection of privacy, meetingv regulatory standards, addressing customer confidentiality concerns, and supporting sustainable revenue and profitability.

Our Approach continued

Long-term Value Creation

Sustainability and ESG are not merely aspirations; they are integral to our long-term value creation strategy. They underpin regulatory compliance, revenue growth, stakeholder satisfaction, and public perception. We believe that meeting high sustainability and ESG standards is no longer optional; it is a prerequisite for success in today's evolving business landscape. Our commitment to sustainability ensures resilience, growth, and trust among our stakeholders, driving our company towards a more prosperous and sustainable future.

National and Global Alignments

In today's dynamic business environment, aligning with national and global frameworks is not just about compliance but a strategic necessity. This year, we have refreshed our national commitments, building on UAE Vision 2021 with an expanded focus on the UAE Centennial 2071, the UAE Green Growth Strategy, the extended Year of Sustainability, and the UAE Net Zero by 2050 Strategic Initiative.

Alongside these national priorities, we have aligned our contributions to the UN Sustainable Development Goals (SDGs), ensuring our ESG efforts support global sustainability objectives. By integrating carbon reduction strategies and energy efficiency measures in line with UAE Net Zero by 2050, we are reinforcing our commitment to environmental responsibility and sustainable business practices. These initiatives will culminate in 2024 with the completion of our enhanced ESG strategy, further strengthening our role as a responsible corporate leader in the UAE and beyond.

National Alignments

The UAE Centennial 2071

Launched in 2017 by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the UAE Centennial 2071 is a long-term strategic vision designed to shape the nation's progress over the next five decades. This initiative serves as a comprehensive roadmap for strengthening the UAE's global influence, reputation, and soft power, ensuring sustainable growth and long-term prosperity.

The key pillars of the UAE Centennial Plan 2071 are:

- Future-focused government
- Excellent education
- A diversified knowledge economy
- A happy and cohesive society

UAE Green Growth Strategy

In 2012, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, launched a national initiative to accelerate the development of a green economy in the UAE. This strategy aims to create a sustainable environment that supports the nation's long-term economic growth objectives. At its core, it focuses on increasing investment and fostering innovation to drive the emergence of new, more sustainable industries and employment opportunities, reinforcing the UAE's commitment to environmental stewardship and economic resilience.

International Alignments

The Sustainable Development Goals

In 2015, all United Nations Member States adopted the 2030 Agenda for Sustainable Development, which introduced 17 Global Goals (UN SDGs) to promote peace, prosperity, and sustainability worldwide. These goals serve as a unified framework for addressing global challenges, urging collaborative action across governments, corporations, civil society, and academia to build a more dignified and inclusive future for all.

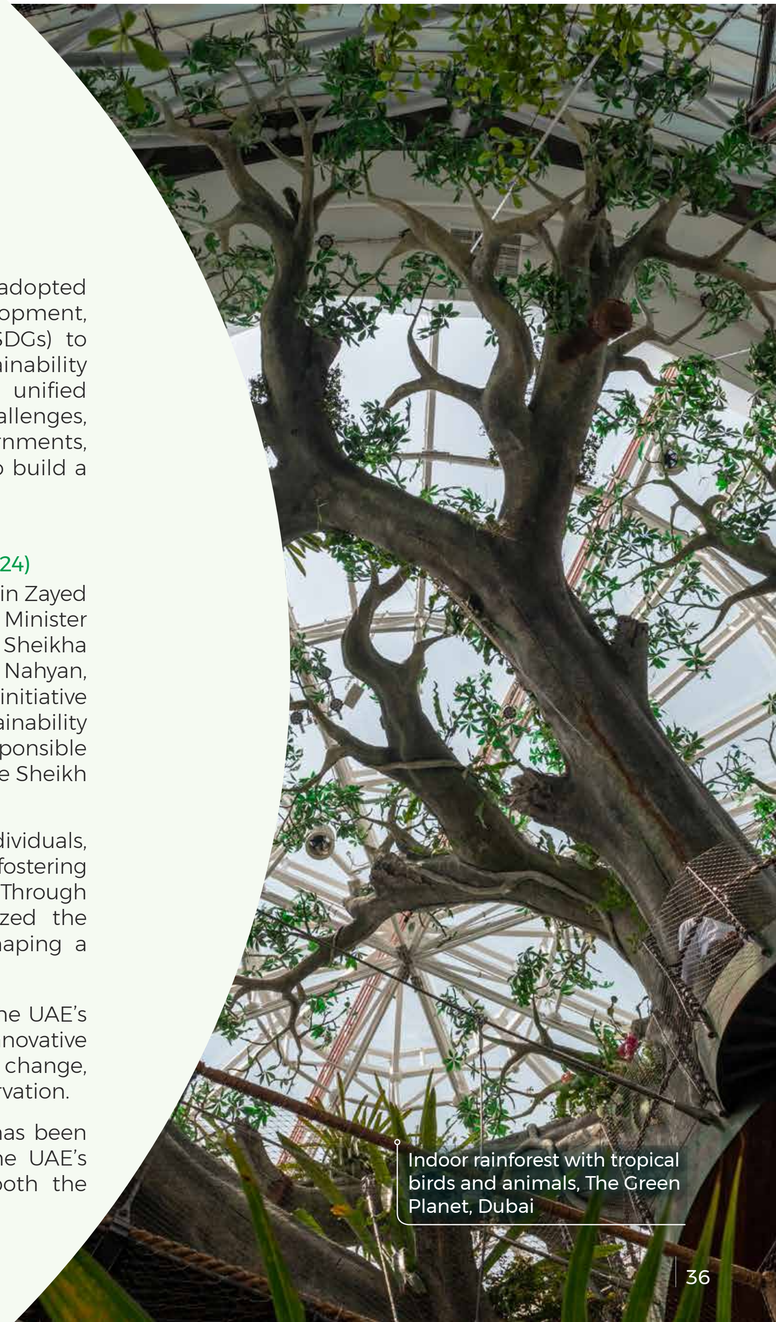
The Year of Sustainability (Extended into 2024)

Overseen by His Highness Sheikh Mansour bin Zayed Al Nahyan, UAE Deputy Prime Minister and Minister of the Presidential Court, and Her Highness Sheikha Mariam bint Mohamed bin Zayed Al Nahyan, the Year of Sustainability was a national initiative dedicated to advancing environmental sustainability and reinforcing the UAE's legacy of responsible stewardship, inspired by the vision of the late Sheikh Zayed bin Sultan Al Nahyan.

The initiative brought together individuals, businesses, and institutions across the UAE, fostering a collective commitment to sustainability. Through various activities and events, it emphasized the importance of sustainable practices in shaping a resilient and prosperous future.

The Year of Sustainability also showcased the UAE's leadership in global collaboration, driving innovative solutions to challenges such as climate change, energy efficiency, and environmental conservation.

Recognizing its significance, the initiative has been extended into 2024, further reinforcing the UAE's ongoing dedication to sustainability at both the national and global levels.



Indoor rainforest with tropical birds and animals, The Green Planet, Dubai

Our Approach continued

Our commitment to the National Vision and the United Nations Sustainable Development Goals (UN SDGs) underscores our dedication to driving meaningful change. Recognizing the urgency and significance of these global initiatives, we have meticulously crafted a targeted approach to achieve substantial impact. Through detailed analysis and strategic planning, we have identified and prioritized alignments particularly pertinent to our industry, ensuring our efforts resonate with both national and international objectives.

Below, we present our alignment with these frameworks in order of priority:

Pillars	UN SDG	The UAE Centennial 2071	UAE Green Growth Strategy	2023 The Year of Sustainability
Ethical Governance	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Diversified knowledge economy		Partnerships for Sustainability
Social Empowerment	3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES	Happy and cohesive society	Employment opportunities in the non-oil economy	
Environmental Stewardship	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION		Eco-friendly practices in business	Nation-wide commitment to climate action

Mangroves in the UAE are crucial to maintaining the health of coastal ecosystems. Their protection and restoration are vital to sustaining the environment

Stakeholder Collaboration

WIH recognize the critical role that stakeholders play in shaping our business practices, strategies, and long-term success. Our approach to stakeholder engagement is built on transparency, collaboration, and mutual respect, reflecting our commitment to fostering strong relationships that create shared value.

At the operating company level, we strive to deliver exceptional services that exceed customer expectations while addressing their evolving needs and preferences. We actively seek feedback to continuously enhance our offerings and improve customer satisfaction.

Our employees are central to our success. We prioritize their well-being, professional development, and engagement, providing opportunities for growth, open communication, and a supportive work environment. This empowers them to thrive and contribute to our collective achievements.

We actively engage with government authorities and regulators to ensure compliance with national policies and contribute to policy discussions that promote sustainable economic development, in alignment with UAE Net Zero by 2050 and other strategic initiatives.

We foster strong partnerships to drive innovation, create business value, and achieve shared goals, cultivating mutually beneficial relationships based on trust and collaboration.

Additionally, we remain deeply engaged with local communities, supporting social and environmental initiatives to create positive, lasting impacts in the regions where we operate. Through ongoing dialogue and collaboration, we aim to build trust, drive sustainable growth, and generate long-term value for all stakeholders.

Materiality

Understanding materiality involves identifying and prioritizing the issues and factors that have a significant impact on our business, performance, and stakeholders. By focusing on material aspects, we can effectively allocate resources, manage risks, and capitalize on opportunities that align with our long-term objectives.

A materiality-driven approach enables us to uphold our commitment to sustainable and responsible business practices, ensuring that our operations meet stakeholder expectations while contributing positively to society and the environment. As WIH continues to grow, maintaining a sharp focus on materiality will be essential for sustainable value creation and reinforcing our position as a trusted industry leader.

Looking ahead, WIH is committed to conducting a comprehensive materiality assessment in the forthcoming year. This initiative will identify, evaluate, and rank our material topics based on their significance to our key stakeholders, ensuring that our ESG priorities remain strategic, relevant, and impactful.

WIH stakeholders

Internal Stakeholders

- Shareholders & Investors
- Employees
- Contracted Workers

External Stakeholders

- Operating Companies Customers
- Government & Regulators
- Partners & Suppliers
- Community

Our ESG Focus Areas

Making a positive impact is the foundation of our operations, guided by three key pillars: Ethical Governance, Social Empowerment, and Environmental Stewardship. These pillars shape our sustainability strategy, driving inclusive growth and ensuring adherence to the highest ethical standards.

Environmental Stewardship

WIH embrace our role as responsible custodians of the environment. Our commitment to environmental stewardship is reflected in initiatives aimed at reducing our carbon footprint, conserving energy, and minimizing waste generation.

By prioritizing energy efficiency, emissions reduction, and responsible waste management, we actively contribute to environmental preservation in line with Islamic Shari'ah principles and the UAE's sustainability agenda, including the UAE Net Zero by 2050 Strategic Initiative. These efforts align with our broader ESG commitment to ensuring a sustainable future for generations to come.

Social Empowerment

Social Empowerment is at the heart of WIH's mission. We believe that strong, empowered communities are essential for sustainable development. To this end, we invest in human capital, ensuring our employees have access to training and professional development opportunities that unlock their full potential.

Our commitment to responsible investment extends beyond financial returns to prioritize opportunities that create positive social and environmental impact. Additionally, customer protection is integral to our approach, as we provide transparent, ethical products and services that meet our clients' needs while safeguarding their interests.

This commitment to governance and social responsibility strengthens our ability to drive meaningful change while maintaining sustainable growth across all facets of our operations.

Ethical Governance

Ethical Governance forms the backbone of WIH's operations. Our robust governance framework upholds transparency, accountability, and integrity across all aspects of our business. Ethical principles are embedded in our decision-making processes, ensuring regulatory compliance and adherence to Islamic Shari'ah principles. We prioritize systemic risk management, proactively identifying and mitigating potential risks to safeguard the long-term sustainability of our business and the interests of our stakeholders.

The following chapters will provide a comprehensive overview of WIH's performance and progress in each of these key areas.

Environmental Chapter

Environmental stewardship is a fundamental pillar of WIH's sustainability strategy, reflecting our deep commitment to protecting the planet for current and future generations.

As a signatory of the Dubai Declaration of Financial Institutions in the UAE on Sustainable Finance, we actively support the federal government's commitment to the Paris Climate Agreement and the United Nations' Sustainable Development Goals (SDGs).

As a leading investment holding company with Takaful subsidiaries, our primary environmental focus is on addressing climate change, a global challenge that requires urgent action.

Our efforts to reduce our carbon footprint include:

- Optimizing energy consumption to improve efficiency and sustainability.
- Minimizing the use of non-biodegradable materials in our operations.
- Increasing the adoption of recycled and recyclable materials across business functions.
- Promoting environmental responsibility awareness among employees, stakeholders, and policyholders.

Through these initiatives, we not only fulfill our environmental responsibilities but also strive to set a benchmark for sustainable practices within the Takaful industry. By embedding environmental consciousness into our operations, we contribute meaningfully to global conservation efforts and reinforce WIH's role as a responsible corporate leader in sustainability.

SUSTAINABLE DEVELOPMENT GOALS

A key factor contributing to the marked reduction in energy consumption and emissions was the downsizing of office space during WIH's relocation in 2024, from 20,700 square feet to 15,000 square feet.

In addition to this, several energy-saving initiatives implemented in the previous year continued to have a positive impact in 2024:

- **Digital tools:** The increased use of digital tools for document signing helped reduce energy consumption associated with office supplies and minimized waste.
- **Energy-efficient appliances and equipment:** Office appliances, such as refrigerators, microwave ovens, and the outdated air conditioning system in non-centralized offices, were replaced with ENERGY STAR-rated models that consume less electricity.
- **Smart lighting systems:** Traditional incandescent bulbs were replaced with energy-efficient LED lighting. Motion sensors were installed in rooms to automatically turn off lights when not in use.
- **Energy-efficient heating and cooling:** Energy-efficient HVAC systems were implemented in the Galleries, Business Point, and Al Gurg locations. Programmable thermostats were used to adjust heating and cooling based on occupancy and time of day.
- **Green office design:** The office design prioritizes energy efficiency, featuring double-glazed tinted windows that reflect heat while allowing natural light to enter.
- **Sustainable office supplies:** All branded stationery is made from recycled paper.

These combined efforts have significantly contributed to our goal of reducing environmental impact while maintaining operational efficiency.

The Energy Trees are part of Terra's design, which includes a 130-meter-wide canopy covered with 4,912 solar panels, generating up to 4 GWh of electricity annually

Environmental Chapter continued

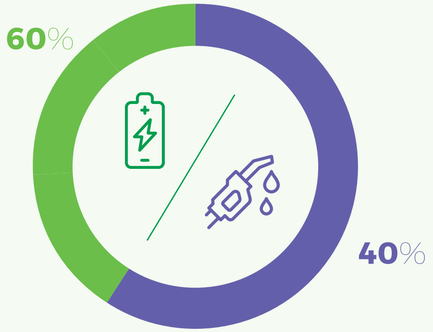
By implementing energy management practices, including the adoption of energy-efficient technologies and optimization of energy usage, WIH aims to minimize its carbon footprint and contribute to global efforts to mitigate climate change.

Energy

Total energy consumption in 2024 was 3.7% lower than the previous year, at 246,548 kWh compared to 256,713 kWh. This reduction was attributed to the head office moving to a newer, smaller premises. This relocation improved the Energy Intensity rate per employee by 16% compared to the previous year.

In 2024, the overall energy mix was approximately 60:40 (electricity-to-fuel) ratio. This a 4% increase in fuel energy and a 4% decrease in electricity, primarily caused by the same factors mentioned above.

Energy Mix

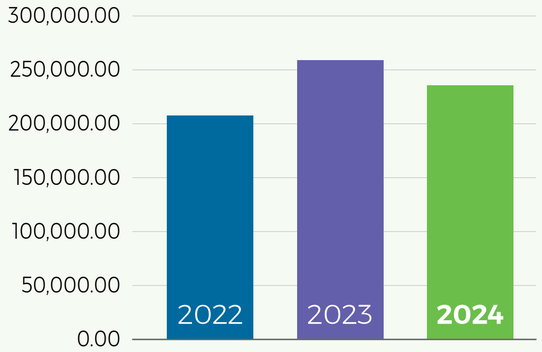


Energy Mix using GRI Compliance*

Electricity: 887.57 GJ (60.2%)
Fuel (Unleaded Petrol): 585.97 GJ (39.8%)
Total Energy: 1,473.54 GJ

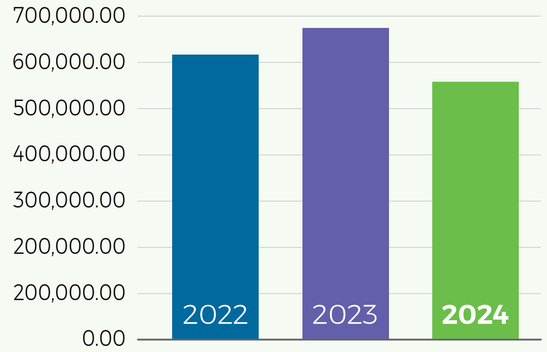
*8.9kWh per liter=163,994.05kWh

Electricity Consumption in KwH



Total energy consumption in 2024 was 246,548 kWh, 3.7% less than previous year

Energy Intensity in KwH



Energy Intensity rate per person per month in 2024 was 577.39 kWh, 16% less than previous year.

3.7%
Reduction in total Electricity Consumption

16%
Decrease in energy intensity

Environmental Chapter continued

Emissions

Scope 1 Emissions: In 2024, Scope 1 emissions were calculated at 42,322.45 kg CO2e, reflecting direct greenhouse gas (GHG) emissions from sources owned or controlled by the company. This was a 28% increase compared to the previous year, attributed to the additional mileage traveled by the five company vehicles between WIH's five branch locations, including daily trips to the Abu Dhabi office.

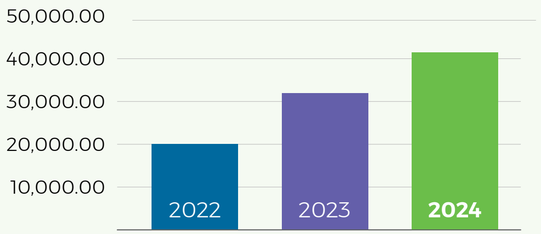
Scope 2 Emissions: Electricity emissions decreased by 3.8%, due to the relocation of staff to a smaller office space. This represented a 27% reduction in office space, from 20,700 sqft to 15,000 sqft. The adoption of flexible work-from-home practices also contributed to energy savings. These factors combined to improve the emission intensity rate, reducing it by 10.3% compared to the previous year.

Scope 3 Emissions: For 2025, there is an initiative to include Scope 3 emissions. Employee surveys for fuel usage are being circulated to track emissions from personal cars, aligning with Category 7 (Employee Commuting under the GHG Protocol). Efficient emissions management not only aligns with our environmental objectives but also supports our operational and financial targets as a responsible corporate entity.

Technical Notes and Data Sources

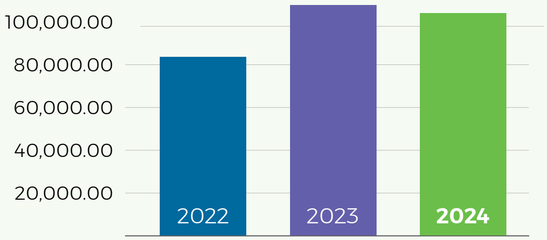
- Energy Mix Calculation (GRI Compliant): 8.9 kWh per liter = 163,994.05 kWh
- Scope 1 and Scope 2 Emissions Calculation: Based on GHG Protocol and IPCC standards, using the UAE grid emission factor of 0.4716 kg CO_2e per kWh.

Scope 1 Emissions in kg CO_2e



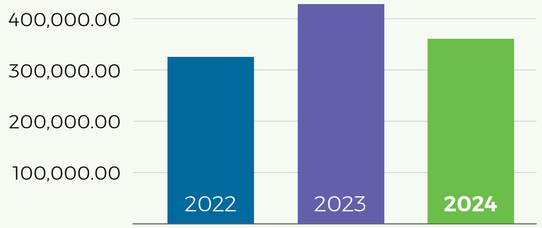
Direct emissions (fuel combustion) in 2024 was 42,322.45 Kg CO_2e, 28% more than previous year.
* GHG Protocol and IPCC 2.31 kg CO_2e per liter of unleaded petrol

Scope 2 Emissions in kg CO_2e



Indirect emissions in 2024 was 116,272.2 Kg CO_2e, 3.8% less than prior year.
* UAE grid emission factor of 0.4716 kg CO_2e per kWh

Emission Intensity in kg CO_2e



Emissions intensity per person/ per month in 2024 was 371.57 Kg CO_2e 10.3% less than previous year
* UAE grid emission factor of 0.4716 kg CO_2e per kWh.

Carbon Footprint and Emissions

Our sustainability efforts focus on reducing our carbon footprint and emissions through several key initiatives:

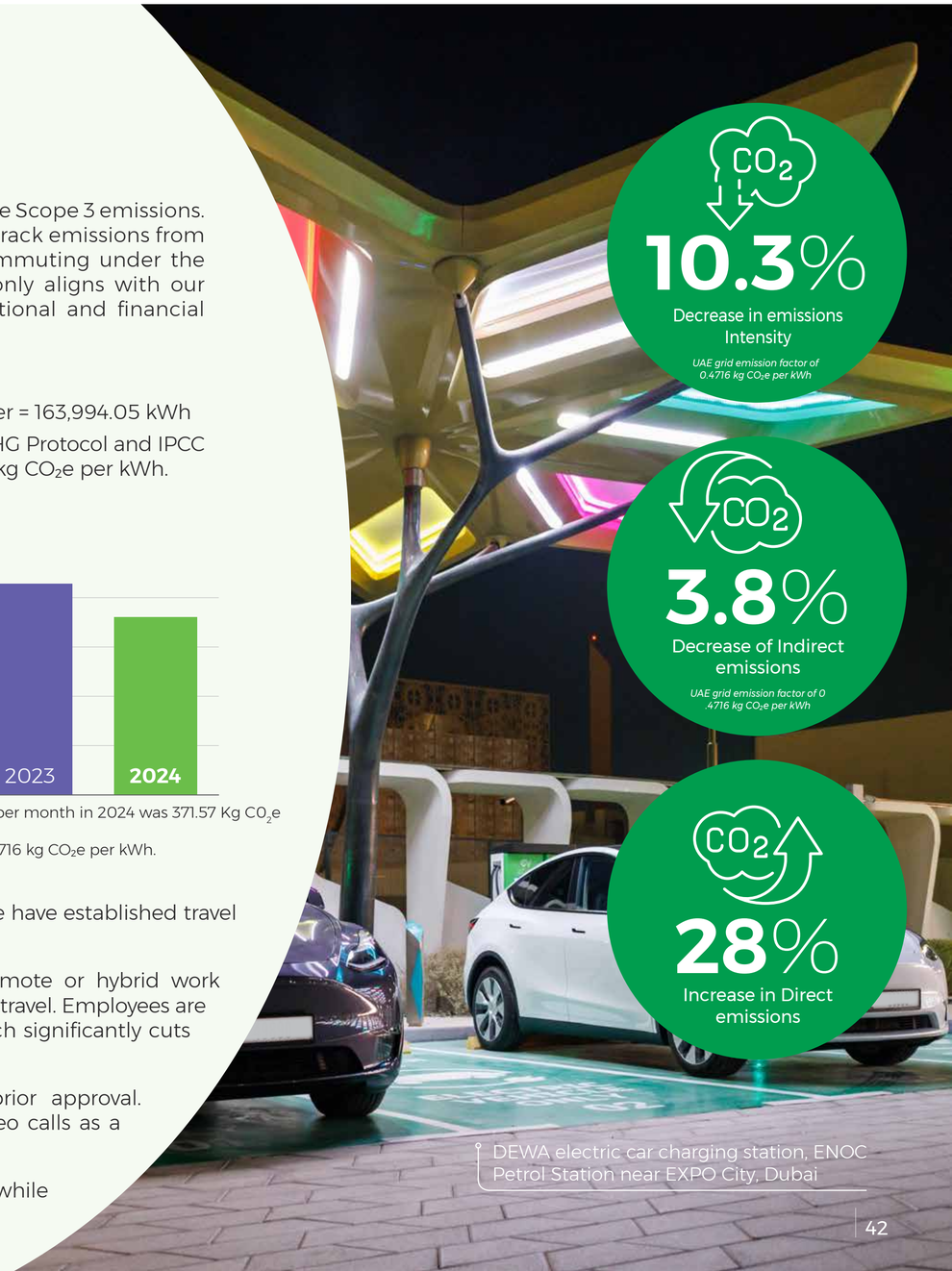
- **Energy and Operations:** we upgrade to energy-efficient systems and transition to paperless operations. These changes, along with waste reduction and recycling programs, help cut both waste and emissions.
- **Sustainable Sourcing and Offsetting:** we prioritize eco-friendly products through sustainable sourcing and compensate for unavoidable emissions by investing in carbon offsetting projects.
- **Employee Engagement and Data-Driven Decisions:** by educating and engaging our employees in eco-conscious practices and using data to guide our decisions, we continuously improve our environmental performance.

Travel Policies to Reduce Emissions

To further lower emissions related to transportation, we have established travel policies that include:

1. Encouraging Remote and Flexible Work: offering remote or hybrid work options reduces the need for commuting and business travel. Employees are allowed to work from home several days a week, which significantly cuts down transportation-related emissions.
2. Limiting Business Travel: business travel requires prior approval. We minimize non-essential travel and encourage video calls as a sustainable alternative.

These measures help us reduce our overall emissions while supporting a more sustainable way of working.



DEWA electric car charging station, ENOC Petrol Station near EXPO City, Dubai

Environmental Chapter continued

Sustainable Procurement

Our approach to sourcing environmentally friendly materials is based on clear guidelines:

Key Guidelines

- Obtain relevant environmental certifications.
- Choose recycled and recyclable materials.
- Support local sourcing to reduce transportation emissions.
- Ensure that manufacturing processes are eco-friendly.

Compliance Monitoring

Compliance with these guidelines is ensured through internal audits.

Vendor and Supplier Management

To guarantee that our vendors and suppliers follow sustainable practices, we establish clear sustainability criteria and work collaboratively with them to meet these standards.

Environmental Risk Management

We actively assess and mitigate environmental risks by making sustainability a core part of our decision-making process. This involves:

Integration

Considering eco Sustainability-friendly alternatives, applying sustainable procurement criteria, and incorporating stakeholder feedback into our operations.

Mitigation Strategies

- Reducing waste and improving resource efficiency.
- Adopting green technologies to enhance environmental performance.

Together, these efforts help us minimize the environmental impact of our operations.

Environmental Chapter continued

Waste

Recycling Programs

As part of ongoing efforts to reduce waste and recycle WIH provided designated recycling bins across the offices and partnered with certified e-waste disposal services (Enviroserve).

During the year we continued our Employee Education and Engagement displayed clear signage of recycling bins next to printing areas within our new office premises encouraged employees to bring reusable items (e.g., coffee cups, water bottles) to work to reduce single-use plastic.

We encouraged employees to use reusable containers, mugs, and lunch boxes to avoid disposable packaging waste, and installed water refill stations to reduce the need for bottled water.

Waste Management

Effective waste management is a vital element of our sustainable business practices, presenting both challenges and opportunities. At WIH, we understand that responsible waste handling is essential to meeting our sustainability targets and fulfilling our corporate responsibilities. By focusing on waste reduction, recycling, and responsible disposal, we strive to lower our environmental impact while optimizing resource use.

Disposal Management

In 2024 Enviroserve were appointed to handle the regular collection and proper disposal of different types of waste.

Enviroserve comply with UAE waste disposal laws and regulations, especially concerning hazardous materials like e-waste and chemicals.

Enviroserve Waste Management		
Location	**Address**	**Amount Collected Kg**
The Galleries	Jebel Ali, Dubai	113.00
Business Point Building	Port Saeed, Deira	82.00
Al Gurg Tower	Baniyas, Deira	47.00
Al Jazeera Club Tower A	Abu Dhabi	482.96
Sharjah Branch	Sharjah	54.50
Total		779.46
		(0.78 metric tonnes)

enviroserve

Progress Toward Paperless Operations

In 2024, waste collection decreased by 86% compared to the previous year, representing a significant improvement driven by our move toward paperless administration. Our digital transformation includes several key initiatives:

Digital Communication
We replace physical memos, letters, and in-person meetings with emails, instant messaging, and video conferencing.

Cloud-Based Document Management Systems (DMS)
Tools such as Google Drive and Microsoft SharePoint are used to store, share, and collaborate on files, reducing reliance on paper documents.

Digital Signatures and Forms
Instead of printing documents for signatures, we utilize digital signature tools like Nitro for contracts and approvals, while internal forms are completed and submitted electronically.

Paperless Meetings
Meetings are conducted virtually or through digital collaboration platforms, with agendas, reports, and presentations shared electronically in advance.

Digitization of Archives
Legacy documents are scanned and stored on secure servers or in the cloud, making them easily retrievable without occupying physical storage space.

Digital Distribution of Internal Communications and Reports
Internal reports and communications are circulated via email or internal portals rather than through printed copies.

This comprehensive approach to waste management and digital transformation underscores our commitment to environmental stewardship and operational efficiency.

Materials Recovery Facility
MRF Dubai Industrial City

Environmental Chapter continued

Waste continued

Innovative Technological Solutions

To support these objectives, we have adopted several advanced technologies. For example, implementing Robotic Process Automation (RPA) in our reconciliation processes has significantly reduced paper usage, supporting both our environmental and operational goals. In addition, we use sophisticated applications that help minimize claims and avoid losses, which not only boosts operational efficiency but also contributes to waste reduction.

Furthermore, we employ Application Programming Interfaces (APIs) to streamline both internal and external transaction processes. This integration minimizes manual intervention and cuts down on paper consumption. Automated banking processes, such as eliminating the need for paper checks, also play a key role in reducing waste.

Recent Partnerships and Environmental Impact

In July 2024, WIH partnered with Enviroserve to manage waste collection and recycling across all Watania offices in the UAE. Over a 12-month period, collecting roughly 779.46 kg (approximately 0.78 metric tons) of office waste.

It is primarily paper that can yield notable environmental benefits and based on common conversion factors used in “green” fact sheets, the following outcome is an estimate how 779.46Kg of waste collection can impact the environment.

Since most of the waste is paper, recycling it can offer significant environmental benefits. Using common green fact sheet conversion factors*, collecting 779.46 kg of waste is estimated to have the following impact on the environment:

Preservation of
13 Trees

Savings of
3.1 Kwh
of energy

Absorption of
2,572.2
kilograms of CO_2

Conservation of
1.8 m^3
cubic meters of landfill space

Conservation of
20.7 K
liters of water

The above figures illustrate the significant and positive environmental impact that effective waste collection and recycling can achieve over the course of a year, though actual benefits may vary depending on waste composition and recycling methods.

*Common green fact sheet conversion factors are standard estimates that quantify the environmental benefits of recycling paper, such as the number of trees preserved, the amount of CO_2 absorbed, energy saved, and water conserved.

Environmental Chapter continued

Water and Effluents

We manage water consumption and wastewater discharge through a range of effective initiatives:

Efficient Water Usage

- Install water-efficient fixtures such as low-flow faucets, showerheads, toilets, and urinals in restrooms, kitchens, and other high-use areas.
- Use water-efficient appliances and smart watering systems to minimize usage and prevent overwatering.

Regular Audits and Leak Detection

- Conduct routine water audits to pinpoint areas of excessive consumption and inefficiency.
- Implement leak detection and maintenance programs to quickly address and reduce water waste.

Wastewater Treatment and Recycling

- Implement proper wastewater treatment and recycling systems to ensure water discharge complies with environmental regulations while reducing overall environmental impact.

Employee and Stakeholder Engagement

- Promote water-saving habits through employee education and training programs.
- Encourage behavior-based initiatives, such as turning off taps when not in use, reducing the duration of showers, and reporting leaks promptly.
- Involve employees and communities in water stewardship programs and pursue water-related certifications.

These initiatives collectively help reduce water consumption and enhance wastewater recycling, contributing to more sustainable water management practices.

Social Chapter

Social empowerment is a centerpiece of WIH's philosophy and practical action. Our position at the heart of UAE society as the sole shareholder of leading Takaful operators presents us with unique opportunities to contribute to the well- being of citizens and residents in numerous ways.

Recognizing the strength that lies in diversity, the Company is committed to creating a workplace that embraces individuals from various backgrounds, fostering an environment that values and leverages many perspectives.

We prioritize the well-being of our workforce, addressing both physical and mental health. We also ensure they are equipped with the skills to thrive in a rapidly evolving industry.

Beyond its internal focus, WIH supports the broader community through robust engagement and corporate social responsibility programs. These initiatives aim to address societal challenges and create a positive impact beyond the realm of Takaful insurance, aligning the Company with a wider vision of shared prosperity and development. At the level of our operating companies, we design Takaful products with positive social outcomes in mind.

Social Chapter continued

Human Capital Development

At WIH, we prioritize the development of our human capital, recognizing its pivotal role in our organizational success. Rooted in sustainability and responsible practices, our approach to human capital development is shaped around our commitment to nurturing talent, promoting growth, and creating an inclusive culture.

As a part of the insurance industry, we understand the profound impact made by our employees. Their expertise and dedication drive innovation and adaptation, essential in our dynamic landscape. Therefore, we invest in our people, acknowledging their growth as fundamental to our long-term sustainability strategy.

Our approach goes beyond conventional training, encompassing employee wellness, diversity, and continuous learning. By creating a supportive environment, we empower our team to excel, innovate, and contribute meaningfully.

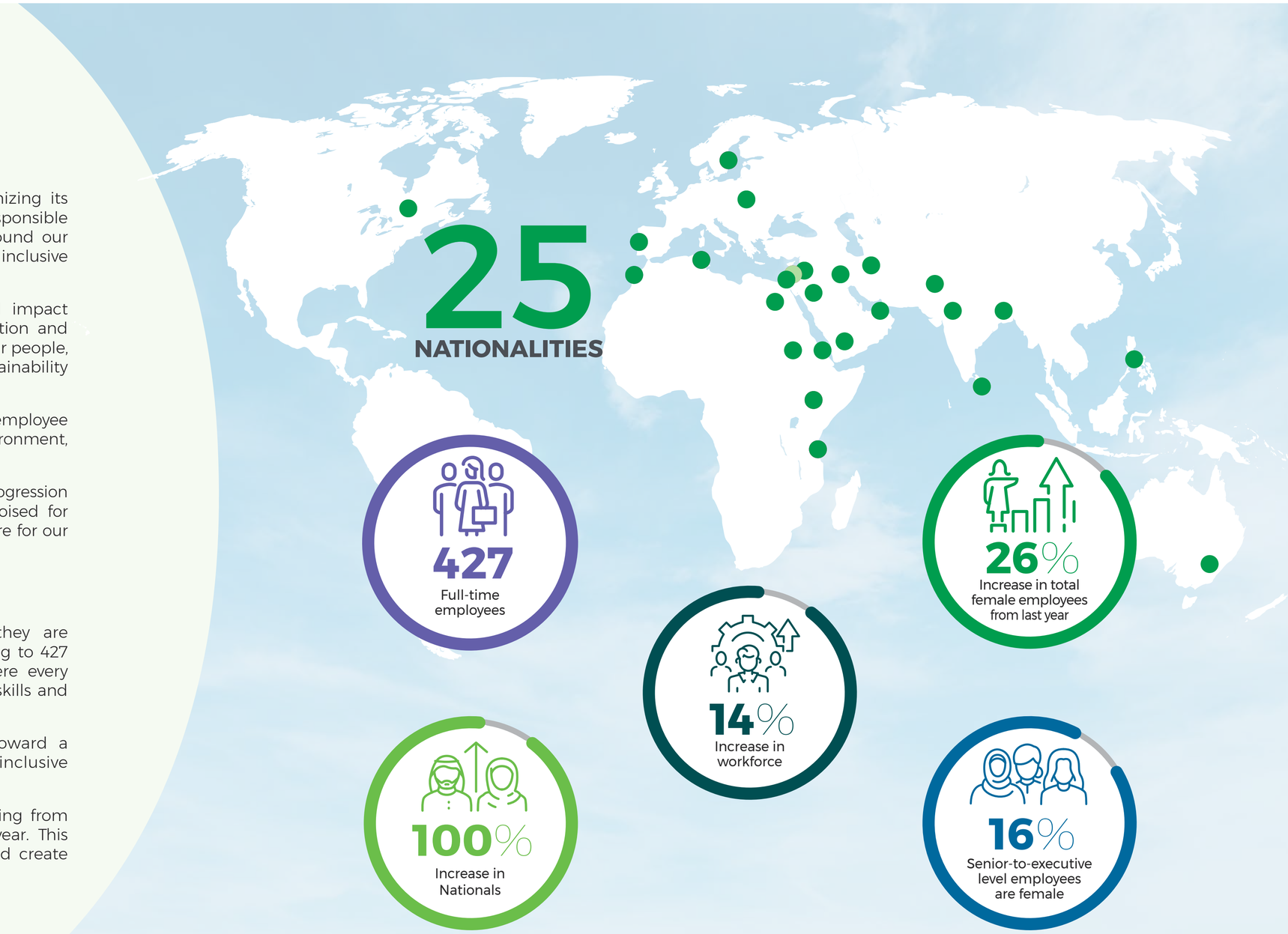
WIH's holistic approach to human capital development from talent progression to fostering diversity aims to cultivate an agile, engaged workforce, poised for success. Through collaborative efforts, we set out to shape a brighter future for our employees, business, and communities.

Diversity Initiatives

At WIH diversity and inclusion are more than just principles, they are fundamental to our culture and success. With our workforce expanding to 427 employees in 2024, we take pride in fostering an environment where every individual feels valued, respected, and empowered to contribute their skills and dedication.

Our diverse team represents 25 nationalities, working together toward a common goal, reflecting our commitment to a multicultural and inclusive workplace.

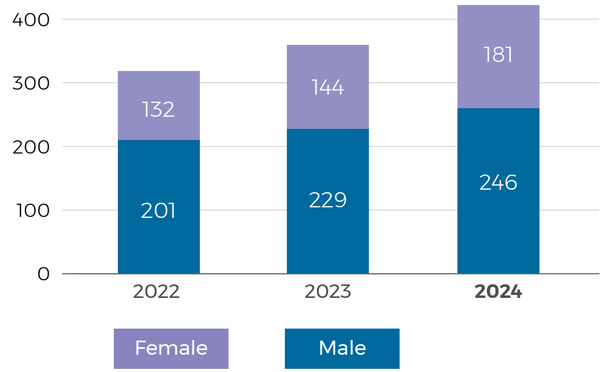
In 2024, we achieved a notable increase in female representation, rising from 144 to 181 women, marking an increase of 26% from the previous year. This growth highlights our ongoing efforts to promote gender equality and create opportunities for women across all levels of the organization.



Social Chapter continued

Total Employees by Employment Contract

Full-Time Contract*



*Alternative Contracts:
0 outsourced
0 part-time contracts (2023 and 2024)
1 Student intern

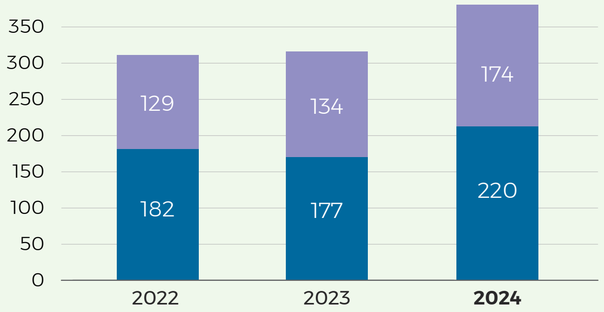
Age Diversity at WIH

At Watania International Holding (WIH), age diversity is a key component of our workforce composition. Our team includes a dynamic mix of talent across all levels, from entry and mid-level roles to senior and executive positions, fostering a balanced and experienced workforce.

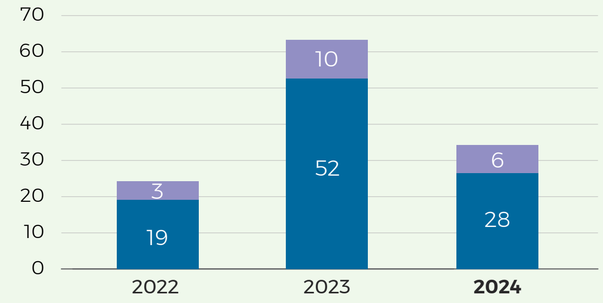
In 2024, employees aged 30–50 saw a 5% increase, this segment now represents 76% of the total workforce. Additionally, employees under 30 make up 22% of our team, underscoring our commitment to nurturing emerging talent and ensuring a strong pipeline of future leaders.

Total Employees by Job Category and by Gender

Entry-to-Mid Level

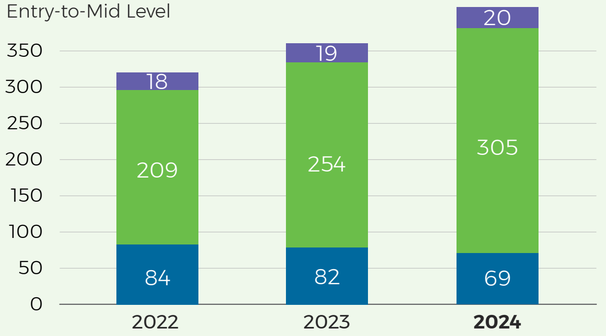


Senior-to-Executive Level

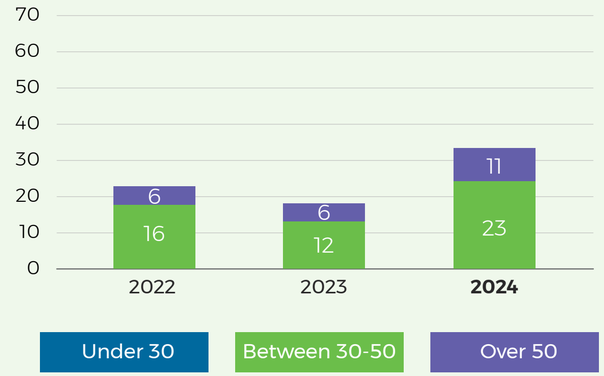


Total Employees by Job Category and Age Group

Entry-to-Mid Level



Senior-to-Executive Level



Social Chapter continued

Managerial Level Representation

Our commitment to diversity extends to leadership positions, ensuring our managerial team reflects the diverse backgrounds and experiences of our workforce. In 2024, 16% of senior-to-executive level employees were female, marking significant progress toward gender parity in leadership.

The number of women in senior-to-executive roles rose to 10, triple the figure from last year. This growth underscores our ongoing efforts to foster inclusivity and create equal opportunities at the highest levels of the organization.

Inclusion Strategies

Trends and Conclusions from 2024 New Hires by gender

1. **Increased female representation in hiring:** The number of female hires increased from 52 in 2023 to 67 in 2024, reflecting a 29% growth. This suggests a stronger focus on gender diversity, reinforcing WIH's commitment to inclusive hiring practices and gender balance in the workforce.
2. **Decrease in male hires:** Male hires dropped from 106 in 2023 to 64 in 2024, a 40% decline. While this may indicate a more balanced hiring strategy, it could also suggest changes in workforce needs, role availability, or industry hiring trends.
3. **More equitable hiring trends:** In 2023, male hires significantly outnumbered female hires (106 vs. 52), but in 2024, the gap closed (64 vs. 67), making female hires slightly higher than male hires. This shift highlights a more equitable recruitment approach, potentially reflecting a focus on diversity, equal opportunity, and talent inclusion across genders.

Key Takeaways:

- The increase in female hires suggests greater inclusion efforts and progress toward gender diversity at WIH.
- The decrease in male hires could indicate a shift in hiring priorities, role distribution, or evolving workforce dynamics.
- The almost equal hiring of males and females in 2024 demonstrates a more balanced approach to workforce expansion, aligning with WIH's diversity and inclusion goals.

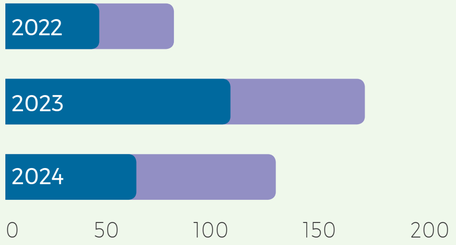
Trends and Conclusions from 2024 New Hires by Age

1. **Decline in hiring for employees under 30:** The number of new hires under 30 decreased from 42 in 2023 to 35 in 2024 (17% decline). This suggests a potential shift in hiring priorities toward more experienced professionals, possibly reflecting the organization's evolving needs or a strategic focus on mid-career talent.
2. **Decrease in hiring for employees aged 30–50:** Hiring in the 30–50 age group fell from 106 in 2023 to 90 in 2024, a 15% decline. Despite this decrease, this group still represents the majority of new hires, aligning with WIH's workforce composition, where employees in this age bracket make up 76% of the total workforce.
3. **Increase in hiring for employees over 50:** New hires over 50 increased from 6 in 2023 to 10 in 2024, a 67% rise. While this remains the smallest group, the increase suggests a greater focus on senior leadership, experienced professionals, or specialized roles requiring deep industry expertise.

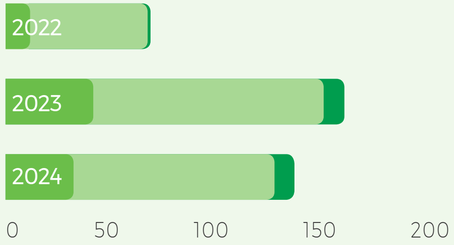
Key Takeaways:

- The decline in hiring for employees under 30 could indicate a shift away from entry-level recruitment, possibly emphasizing roles that require greater experience or specialized skills.
- The 30–50 age group remains the dominant hiring segment, aligning with overall workforce distribution but experiencing a slight reduction.
- The increase in hiring employees over 50 suggests a growing emphasis on leadership roles, experienced talent, or mentorship within the organization.

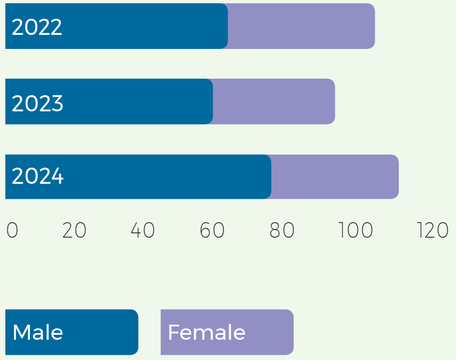
Total New Hires by Gender



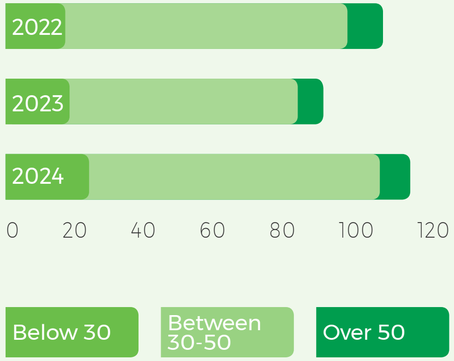
Total New Hires by Age Group



Total Employees that left by Gender



Total Employees that left by Age Group



Social Chapter continued

Inclusive Initiatives and Practices

At WIH we are committed to fostering diversity and inclusion through the following initiatives:

Diverse Hiring Practices

We actively promote diversity in recruitment, ensuring equal opportunities for candidates from varied backgrounds. Our workforce comprises 25 nationalities, reflecting our commitment to a multicultural and inclusive environment.

Inclusive Workplace Policies

Our policies strictly prohibit discrimination and harassment, fostering a safe, respectful, and equitable work environment for all employees.

Employee Resource Groups (ERGs)

We support the formation of Employee Resource Groups (ERGs), providing employees with a platform to connect, share experiences, and advocate for diversity and inclusion within the organization.

Training and Awareness Programs

We offer training on diversity, inclusion, and unconscious bias, equipping employees with the knowledge and skills to foster an inclusive workplace culture and promote equitable behaviors.

Staff Incentives and Workplace Inclusion

At WIH we recognize and appreciate our employees' dedication by offering a comprehensive range of benefits to full-time staff. These include:

1. **Group Life Insurance** – Coverage of 60 times the employee's monthly salary.
2. **Medical Takaful** – Provided for employees, their spouse, and up to three children under 18.
3. **Disability and Invalidity Coverage** – Seamlessly integrated into the life insurance policy.
4. **Future Preparedness** – Additional support to ensure long-term financial security and well-being.

Commitment to a Discrimination-Free Workplace

At WIH, discrimination, harassment, and unethical behavior are strictly prohibited. Our anti-discrimination policy ensures a safe, inclusive, and respectful work environment where every employee is valued and empowered.

Through ongoing initiatives, training programs, and collaborative efforts, we are committed to fostering diversity, equity, and inclusion. By celebrating differences and leveraging collective strengths, we continue to drive positive change within our organization and beyond.

Zero Incidents

WIH reported zero incidents of discrimination in 2024. Employees are informed about the company's 'open door' policy to report any grievances to their line manager, Head of the department, GM and HR or CEO. For staff privacy, an anonymous employee feedback survey is conducted to collect information on such sensitive incidents.

Diversity Equity and Inclusion

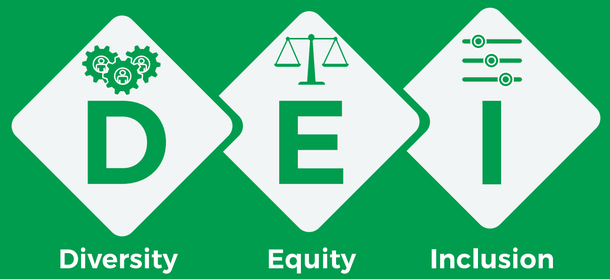
HR have implemented a diverse recruitment strategy that actively seeks candidates from varied backgrounds, genders, and experiences.

We have introduced diversity metrics to track the representation of different demographic groups across departments.

We regularly collect employee feedback through surveys, focus groups, and open forums, where employees can freely share their thoughts on the inclusiveness of the workplace.

Flexible Work Policies which help understanding the importance of work-life balance. We have adopted flexible working hours and remote working options. This is especially important for employees with caregiving responsibilities, people with disabilities, or those who need flexibility for religious or cultural practices.

DEI policies are implemented and monitored through the publishing of a DEI Policy Framework manual, and Training and Awareness Programs. All relevant data is recorded and monitored for tracking purposes.



Diversity: All the ways in which people differ.

Equity: Fair treatment, access, opportunity, and advancement for all people. One's identity cannot predict the outcome.

Inclusion: A variety of people have power, a voice, and decision-making authority.

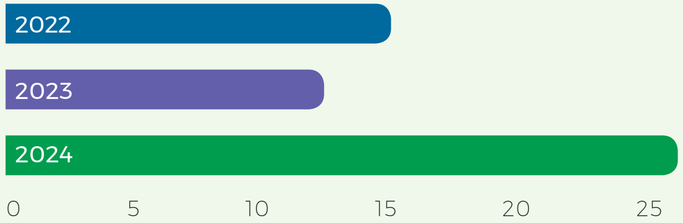
Social Chapter continued

Emiratization

At WIH Emiratization is a key pillar of our commitment to empowering and integrating Emirati talent within the insurance sector. This initiative aligns with UAE Vision 2021 and the broader national agenda to enhance Emirati participation in the private sector workforce.

As part of this effort, we actively support the Ministry of Human Resources and Emiratization (MoHRE) in driving Emiratization across various industries, including insurance. Through targeted recruitment, career development programs, and leadership opportunities, WIH is dedicated to nurturing Emirati professionals, equipping them with the skills and experience needed to thrive in the evolving financial landscape.

Total UAE National Employees (Emiratization)



Our Emiratization initiatives encompass a comprehensive array of strategies and programs

Talent Acquisition and Development We prioritize the recruitment and development of Emirati talent, offering incentives for high-quality Emirati candidates and providing robust training and development programs tailored to the needs of the Takaful sector.

2024 indicate a clear and positive trend toward a more strategic and sustainable approach to Emiratization.

Here are the key trends and conclusions that can be drawn:

1. **Significant Workforce Growth**
   The number of Emirati employees has doubled from 13 to 29 within a single year (2023 to 2024), representing a 100% increase. This sharp rise is a strong indicator that the company is making tangible progress in its efforts to integrate local talent.

2. **Strategic Commitment Beyond Compliance**
   The statement emphasizes that Emiratization is viewed not just as a regulatory requirement but as a strategic imperative. This suggests that the company is investing in the development of local talent with an eye toward long-term leadership and industry innovation, rather than merely fulfilling quotas.

3. **Investment in Future Leadership**
   By framing Emiratization as a means to nurture future leaders in the insurance industry, the results imply that there is a focus on building a robust internal pipeline for leadership. This may involve enhanced training, mentorship, and development programs tailored to empower local employees.

4. **Cultural and Organizational Shift**
   The growth in the number of Emirati employees reflects a broader cultural shift within the organization toward valuing local insights and talents. This shift not only aligns with national goals for workforce localization but also positions the company to better understand and serve its local market.

5. **Potential for Long-Term Impact**
   With more local talent being integrated into the workforce, the company is likely to benefit from a stronger connection to the local community and market. This can lead to improved customer relations, enhanced brand reputation, and a more adaptable workforce poised to respond to future industry challenges.

Overall, the data suggests that WIH's proactive approach to Emiratization is yielding results that not only meet regulatory expectations but also set the stage for sustainable growth and leadership development in the insurance sector.

Social Chapter continued

Emiratization continued

Internal Mentorship and Support

We have established mentorship programs led by senior Emirati executives within the company, aimed at providing guidance, support, and opportunities for career advancement to Emirati staff.

Collaborations and Partnerships

We collaborate with respected institutions such as the Emirates Institute of Finance (EIF) and participate in initiatives such as the Tawdheef x Zaheb Empowerment Program, leveraging these platforms to engage with Emirati talent and offer meaningful career pathways.

Cultural Relevance and Empowerment

We position ourselves as culturally relevant employers, celebrating Emirati culture and heritage while fostering a culture of innovation and knowledge-sharing among our Emirati workforce.

Our commitment to Emiratization extends beyond recruitment and retention. We strive to create an inclusive and supportive work environment where Emirati employees feel valued, empowered, and equipped to drive innovation and excellence in the Takaful sector.

Through initiatives such as the Ethraa program initiated by the Central Bank of the UAE, we support the localization strategy, capacity building, and qualification enhancement of young Emirati citizens, ensuring their readiness for specialized and leadership roles within the financial sector.

Occupational Health and Safety

WIH have set-up a Occupational Health and Safety Management System and put in place an OHS policy.

This implementation was driven by a combination of legal requirements and adherence to recognized risk management/management system standards such as ADHICS Audit requirements, ISO 9001 Quality Management Audit compliance and DCD (Dubai Civil Defense).

WIH have processes used to identify work-related hazards, assess risks, and apply controls to minimize risks. The results of our processes are used to evaluate and improve the occupational health and safety management systems.

Our (OHS) checklist covers the following 3 areas:

1. **Hazard Identification:** Regular workplace inspections, employee input, incident investigations, and reporting.
2. **Risk Control:** Applying controls such as administrative measures (deploying office security, appointing Frie warden and First Aiders and conducting Health and Safety orientation to all new joiners
3. **Ensuring Process Quality:** Monitoring and measuring the effectiveness of controls through audits, inspections, and management reviews.
4. **Continuous Improvement:** Using corrective and preventive actions and employee feedback.

Social Chapter continued

Promoting Workplace Wellness

WIH recognize that employee well-being and engagement are essential to our success as a knowledge-driven organization. Our commitment to workplace wellness is deeply embedded in our culture, ensuring a work environment that fosters happiness, productivity, and innovation.

World Well-Being Initiative

Lunch and Learn Activity

We introduced a recurring 'lunch and learn' event, held on the last Thursday of every month, fostering engagement and unity among employees. These sessions include:

- Informal addresses from the CEO
- Departmental challenges
- Guest speakers on professional / personal development

This initiative encourages collaboration, learning, and mutual support across teams.

Event for Employee Engagement

WIH invited inspirational business leader Ms. Rehab Lootah, Group Deputy CEO of National Bonds, and newly nominated member of the board of directors of WTF.

Ms. Lootah addressed our teams to outline the key pillars to achieving life and work successes. She emphasized the importance of getting to know colleagues very well and communicating clearly and with empathy to create a workplace with one vision for success. She also highlighted the critical need to set defined goals, prioritize and reprioritize tasks as needed while persevering, being adaptable, diligent and always learning as key factors to ensure career advancement and build strong relationships.

In December 2024 as part of our commitment to foster a healthier workplace, WIH organized a Flu Vaccination Drive for our staff across our national network of offices in collaboration with life Medical Centre.

A flu vaccine once a year is highly recommended to protect employees and their families, particularly vulnerable individuals like the elderly and those with chronic conditions.

Comprehensive Employee Benefits

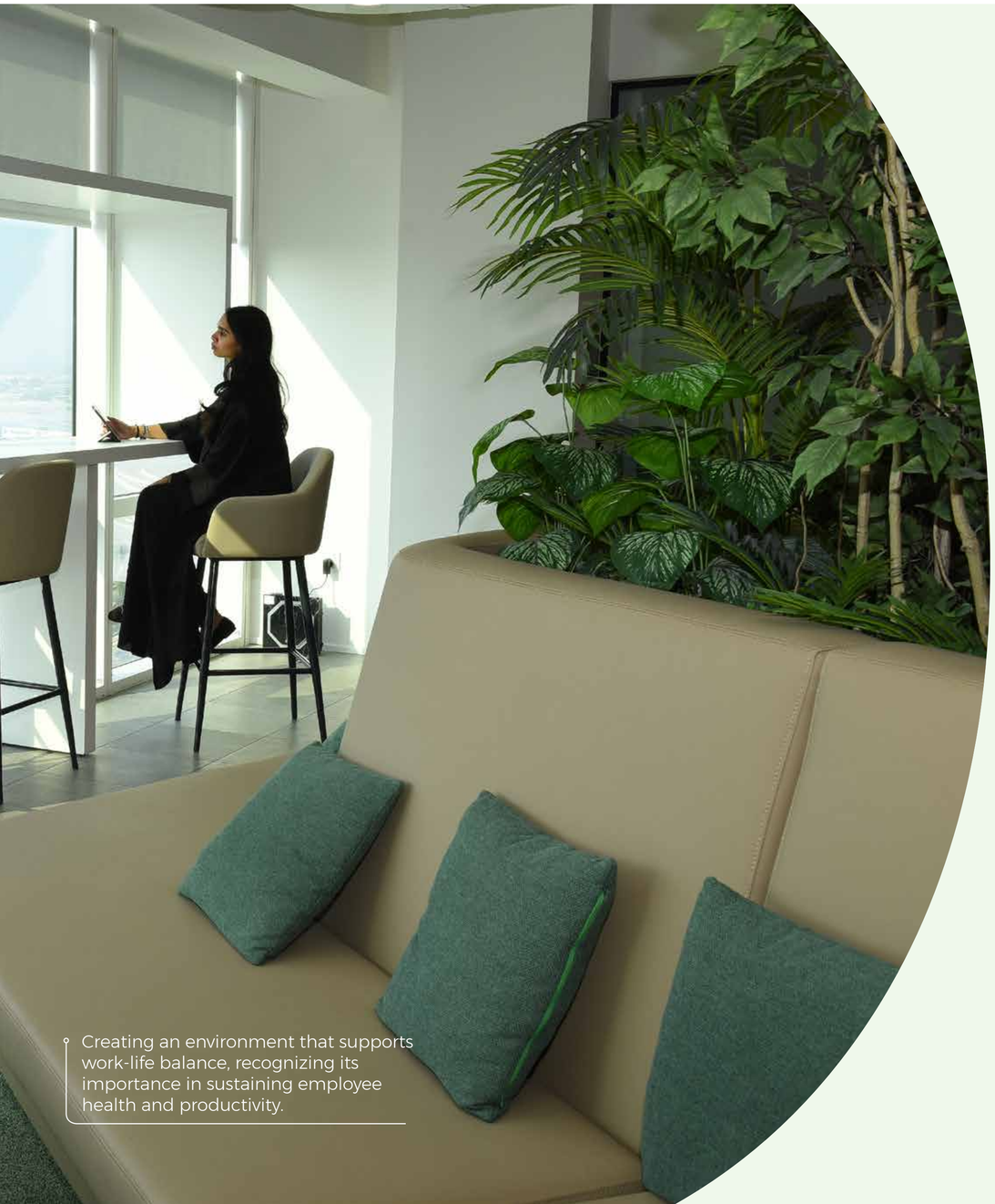
WIH provide further support to employees with a comprehensive benefits package, including:

- **Life Insurance:** Group life insurance coverage, extending benefits to employees' dependents.
- **Health Care:** Medical Takaful for employees, spouses, and dependent children.
- **Disability and Invalidity Coverage:** Included within the life insurance package.
- **Parental Leave:** Generous maternity and paternity leave provisions.
- **Retirement Benefits:** Retirement age set at 65, in compliance with UAE labor laws and regulations.

Employees also have the flexibility to coordinate with their line managers when they need annual or sick leave. In addition, the opportunity to work from home is given to all employees when they have personal commitments.

Through these initiatives and benefits, WIH continues to foster a healthy, engaged, and high-performing workforce, reinforcing our commitment to employee well-being and long-term success.

'Lunch and Learn' activity, held every month, fosters engagement and unity among employees



Creating an environment that supports work-life balance, recognizing its importance in sustaining employee health and productivity.

Social Chapter continued

Work-life Balance Policies

In alignment with our core values, we remain dedicated to creating a workplace culture centered on employee happiness. Building upon past successes, our focus for 2024 remained on enhancing employee well-being through targeted initiatives and strategic interventions.

Key Pillars of our Workplace Wellness Strategy

Cultivating a Sense of Value
We are committed to making our employees feel valued and appreciated for their contributions.

Investing in Learning and Growth
We provide opportunities for continuous learning and professional development, empowering our employees to thrive in their respective specialties.

Active Listening and Responsiveness
We continue to be attentive to the evolving needs of our employees, promoting open channels of communication.

Recognition and Appreciation
We celebrate the achievements of our employees through our Reward and Recognition program, acknowledging their dedication and hard work.

Promoting Work-Life Balance
We create an environment that supports work-life balance, recognizing its importance in sustaining employee health and productivity.

Nurturing a Collaborative Team Spirit
We promote a culture of collaboration and teamwork, recognizing the collective efforts that drive our success.

Measures to Enhance Employee Experience

Comprehensive Onboarding
We prioritize the seamless integration of new employees through our comprehensive regular induction program, ensuring they feel welcomed and equipped to contribute from day one.

Reward and Recognition Program
Our Reward and Recognition policy remains integral to acknowledging the exceptional contributions of our employees, with monthly, quarterly, and yearly awards aimed at celebrating excellence across various dimensions. Employees are awarded for long service to appreciate their commitment as part of a well-defined performance management system with 5 ratings towards performance bonuses and promotions.

Ongoing Feedback Mechanisms
We maintain our commitment to gathering insights through our quarterly online employee happiness survey, providing a platform for anonymous feedback and continuous improvement.

Social Chapter continued

Reflecting on Well-Being and Future Plans

In 2024, WIH strengthened its commitment to employee well-being and development with various initiatives including Emirati and Women Empowerment.

Building upon this momentum, we launched several initiatives aimed at enhancing employee happiness and empowerment. Our strategic approach focuses on promoting a positive work environment while empowering staff through increased motivation. Moving forward, we aim to further invest in employee support programs, explore hybrid work options and strengthen leadership development initiatives to create a culture of fulfillment and success at WIH.

Emirati Women's Day 2024 was another initiative opportunity to strengthen WIH's commitment to employee well-being and development with particular focus on Emirati and Women Empowerment.

The WIH team celebrated the dedication, innovation, and hard work of the Watania Emirati staff who are charting new paths towards success in the Takaful sector.

The Lunch & Learn event in November 2024 raised awareness for Breast Cancer Awareness Month. It was an informative and inspirational talk by our guest speaker Dr. Pranjali Singh from International Modern Hospital Dubai who brought to light the critical importance of early detection and mental health struggles that come with it.

With kindness and empathy at the core, our One Watania Team is creating a vibrant and well-connected community where people matter. Each one of us matter and all of us are there to support when needed.

Social Chapter continued

Training and Development

WIH recognize the vital role of training and development in empowering our employees and maintaining a competitive edge in the insurance sector. Our comprehensive training initiatives cover a wide range of areas, from fundamental industry knowledge to specialized skills development.

Key Training Programs

Product Training
Equipping employees with in-depth knowledge of insurance products, coverage options, and policy terms.

Regulatory and Compliance Training
Ensuring employees remain updated on evolving regulatory frameworks governing the insurance industry.

Skills Enhancement Training
Covering underwriting, claims handling, customer service, sales, and marketing.

Technology and Systems Training
Enhancing operational efficiency through digitalization and process automation.

Ethical compliance Training
Reinforcing professionalism and adherence to ethical standards.

IT Security Training
Addressing cybersecurity risks and promoting data protection protocols.

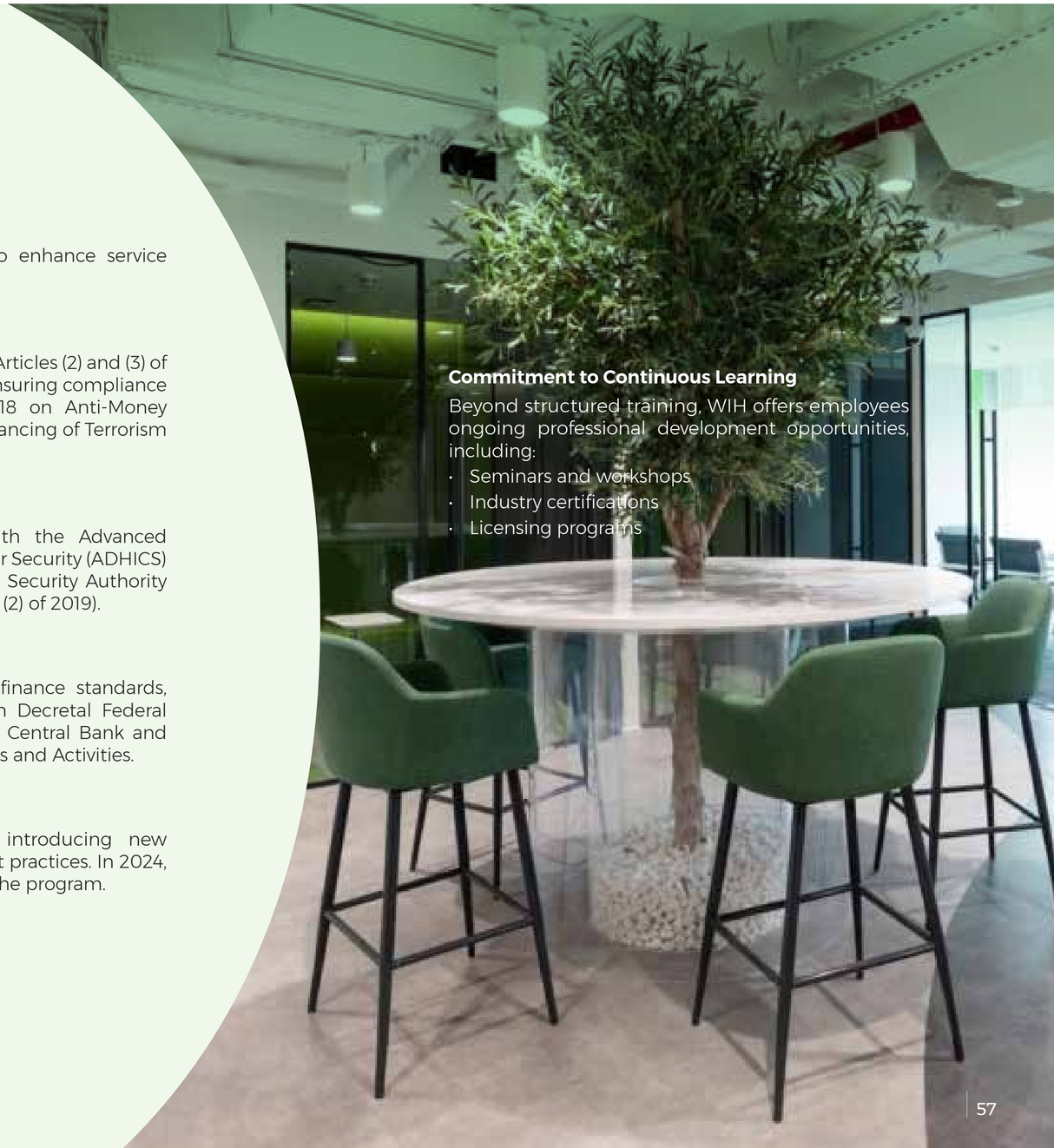
Customer Service Training
Providing employees with tools to enhance service quality and customer experience.

AML and CFT Training
Online e-learning module covering Articles (2) and (3) of Cabinet Decision No. (10) of 2019, ensuring compliance with Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations.

ADHICS Training
Cybersecurity training aligned with the Advanced Digital Health Information and Cyber Security (ADHICS) framework and National Electronic Security Authority (NESA) regulations (Federal Law No. (2) of 2019).

Annual Shari'ah Training
Ensuring alignment with Islamic finance standards, comprising four sessions based on Decretal Federal Law No. (14) of 2018 regarding the Central Bank and Organization of Financial Institutions and Activities.

Employee Induction
Conducted in regular batches, introducing new employees to Watania Takaful's best practices. In 2024, 131 new employees participated in the program.



Commitment to Continuous Learning

Beyond structured training, WIH offers employees ongoing professional development opportunities, including:

- Seminars and workshops
- Industry certifications
- Licensing programs

Social Chapter continued

Training and Development continued

At WIH, we prioritize equipping our workforce with the knowledge and skills required to excel in their roles and contribute to organizational success. Through a diverse range of training programs, we address the varying needs and professional aspirations of our employees.

Training Highlights:
A total of 4 training programs were conducted, covering key business areas.The total training hours completed reached 8,204, marking a 69% increase from the previous year.The average number of training hours per employee rose to 19 hours, reflecting a 46% increase compared to last year.

We are also committed to promoting inclusivity and equal opportunities in our training initiatives:

- Employees across all managerial levels benefited from these programs
- Gender diversity was a key focus, with active female participation in training sessions

Through ongoing investment in employee learning, WIH fosters a highly skilled workforce, strengthens organizational excellence, and reinforces its position as an industry leader in Takaful and Islamic finance.

Shari`ah Compliance Training

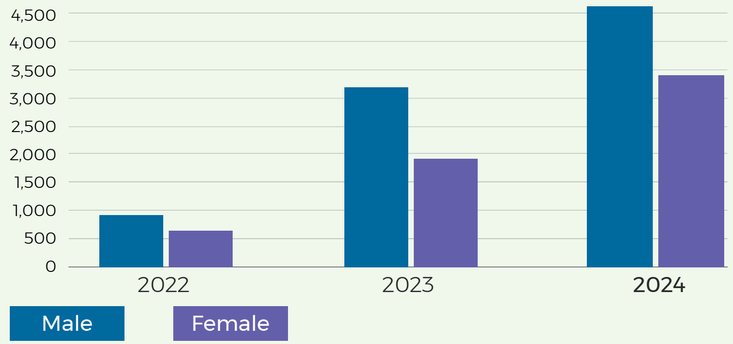
As one of the leading Takaful providers in the UAE, WIH is dedicated to deepening understanding of Takaful (Islamic insurance) principles among its employees and stakeholders. To reinforce this commitment, Watania Takaful team members successfully completed a mandatory Shari'ah Training course over several days in Dubai and Abu Dhabi.

The sessions, held in November and December 2024, were led by Mufti Aziz, Head of Internal Shari'ah Control Department. This training reflects WIH's commitment to continuous learning, ensuring that employees understand and uphold Shari'ah principles in all aspects of our operations.

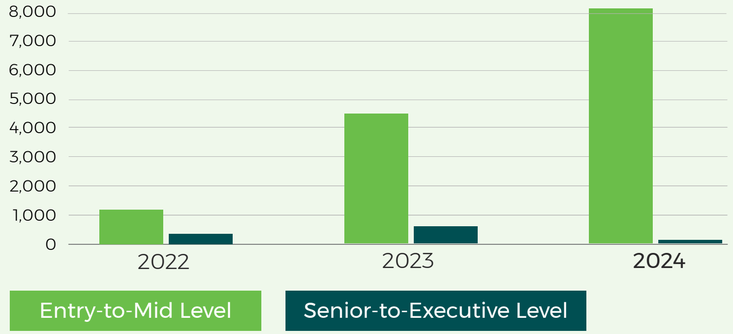
By educating our staff on Islamic financial ethics, we cultivate a workplace culture where empathy, integrity, responsiveness, and simplicity guide everything we do. This strengthens our ability to serve our members with transparency and excellence when they need us most.

Total number of training hours

By gender



By employee category



8,204 Training Hours

19 Training Hours Per Employee

46% Increase in Training Hours Per Employee

Social Chapter continued

Talent Management Strategies

At WIH we are dedicated to creating a dynamic and engaging workplace culture that empowers employees and fosters innovation. In 2024, we launched strategic talent management initiatives to attract, develop, and retain top-tier talent, ensuring our workforce remains motivated and engaged.

A key element of our approach is enhancing employee happiness and well-being. To support this, we have implemented a comprehensive workplace wellness strategy, including:

- **Quarterly Staff Happiness Surveys:** Measuring employee satisfaction and identifying areas for continuous improvement.
- **Wellness and Engagement Initiatives:** Focused on fostering a positive work environment and boosting staff motivation.

Beyond employee well-being, our talent management framework includes:

- **Robust Performance Evaluation Systems:** Ensuring fair and transparent assessments.
- **Comprehensive Career Development Pathways:** Providing opportunities for growth and progression.
- **Targeted Leadership Programs:** Preparing employees for future leadership roles.
- **Succession Planning:** Ensuring seamless transitions in key positions.

To reinforce a culture of appreciation and excellence, we celebrate outstanding contributions through recognition and rewards initiatives.

Employee Retention: Rewards and Recognition

At WIH, we recognize and reward employee dedication and achievements through: Monthly, Quarterly, and Yearly Recognition Programs:

- **Spotlight Awards:** Line managers acknowledge employees who go above and beyond in their roles.
- **High-Five Awards:** Encouraging cross-departmental collaboration, where teams commend each other for outstanding teamwork and support.
- **Long-Service Awards:** Honoring employees for their loyalty and long-term contributions to WIH.

These programs reinforce employee engagement, motivation, and a strong sense of belonging within the organization.

Recruitment and Emiratization Efforts

As part of our ongoing Emiratization roadshow, WIH actively engages with young Emiratis at various career fairs across the UAE throughout October 2024. This initiative strengthens our strategic partnerships with leading institutions, including:

- The Emirates Institute of Finance (EIF)
- Expo Centre Sharjah Career Fair
- Ethraa Career Fair in Fujairah

Our goal is to attract and develop the next generation of Emirati business leaders who will shape the future of the Takaful and insurance sectors in the UAE. We were proud to participate in:

- HCT Career Fair (Dubai Academic City Campus and Ras Al Khaimah)
- Tawdheef X Zaheb at ADNEC (Abu Dhabi)

At these events, we shared our vision for the future of the insurance industry, discussing career growth opportunities with aspiring Emirati professionals. Our commitment to nurturing young talent is reflected in our efforts to provide mentorship, knowledge-building, and hands-on industry experience.

As WIH's team grows, so does our commitment to attracting Emirati talent, harnessing fresh perspectives, and fostering innovation. By equipping young Emiratis with essential skills and industry insights, we empower them to become future leaders in the UAE's insurance sector.

Social Chapter continued

Community Engagement

WIH recognize community engagement as a fundamental pillar of social responsibility. In alignment with the UAE's vision for inclusive growth and social solidarity, we actively support initiatives that foster resilient communities, promote responsible conduct, and address pressing societal challenges.

We contributed AED 95,292 towards social initiatives, reinforcing our commitment to positive community impact, and reaffirmed our dedication to ESG practices through a collaboration with the UAE Red Crescent, donating and supporting various community initiatives during Ramadan.

Strategic Partnerships and Collaborations

Through our operating companies, WTG and WTF, we have strengthened key partnerships, expanding our reach and impact. We also established an exclusive strategic partnership with Fazaa, a social initiative dedicated to fostering social interdependence and strengthening community bonds in the UAE. This collaboration aligns with our commitment to solidarity and societal well-being, offering exclusive Takaful discounts for Fazaa members and their families.

Ramadan Initiatives: Fostering Community Unity

As part of the "Kasret Seyam" initiative, 13,000 Iftar meals were distributed in honor of the UAE's Founding Father, the late Sheikh Zayed Bin Sultan Al Nahyan, and in recognition of Sheikh Zayed's Humanitarian Day.

Watania staff actively participated, distributing 2,500 Iftar meals on the streets. Additionally, other employees helped set up Mae'dt Rahman (Mercy Tables) in labour camps across Jebel Ali, sharing Iftar meals in a warm and welcoming environment.

The dedication of our staff volunteers, who collectively contributed over 50 hours of their time, was instrumental in the success of these initiatives. Their efforts reflect our commitment to collective action for the greater good. The Company also donated 1,250 Iftar meals through the Mae'dt Rahman initiative, extending the spirit of Ramadan to those who tirelessly contribute to our communities.

Blood Donation Drive

The blood donation initiative received an overwhelming response from Watania staff, Takaful certificate holders, and community members.

In collaboration with Al Tadawi and Dubai Health, WIH actively participated in blood donations to help sustain critical blood supplies. With over 100 employees and members of the Jebel Ali business community taking part, the initiative made a significant contribution to the UAE's blood banks, supporting lifesaving medical treatments.

The campaign successfully collected 50 blood donation bags in just five hours—double the initial target. This initiative underscored the power of community engagement and corporate responsibility, reinforcing the importance of lifesaving transfusions that help thousands of patients across the UAE every year.

International Volunteer Day Participation

In December, Watania staff joined an event organized by Emirates Red Crescent to commemorate International Volunteer Day. The event brought together volunteers from various organizations, celebrating the spirit of giving and humanitarian work, values deeply rooted in Watania's mission as a Takaful provider.

A highlight of the day was the volunteer march, aimed at raising awareness about the importance of volunteering and its role in building a stronger, more connected community.

As part of our ongoing commitment to social responsibility, we continue to honor the tradition of charity, fostering a culture of giving and compassion.

AED 95,292
contributed to social initiatives

Social Chapter continued

Community Engagement continued

At WIH, community engagement is not just a corporate responsibility, it is a fundamental aspect of our identity and ethos. Through strategic partnerships, CSR initiatives, and employee engagement programs, we aim to make a positive impact on society and contribute to the well-being of our communities.

Summary of CSR Initiatives in 2024

Esaad Partnership: As part of our commitment to road safety, WIH has partnered with the Dubai Police initiative 'Promoting Responsible Driving'. Through awareness campaigns, this initiative aims to cultivate a culture of safe driving, reduce traffic accidents, and encourage responsible driving behaviors.

'Share an Iftar' Campaign: In the spirit of Ramadan and our commitment to humanitarian efforts, WIH partnered with Emirates Red Crescent and Sharjah Charity International to distribute iftar meals to labor camps across the UAE. This initiative reflects our dedication to social solidarity and community resilience.

Breast Cancer Awareness Month: Through social media campaigns, we actively participated in Breast Cancer Awareness Month, emphasizing the importance of early detection, survivor support, and community solidarity in the fight against breast cancer.

DHA Patient Support Program: In collaboration with the Dubai Health Authority (DHA), WIH supported Patient Support Programs, focusing on cancer care and hepatitis C eradication. Our involvement underscores our commitment to public health and disease prevention.

World Health Awareness Days: We actively participated in global health awareness campaigns, including:

- **World Diabetes Day:** Promoting early detection and diabetes management
- **World Mental Health Day:** Advocating for mental well-being and reducing stigma around mental health issues

Unified Gulf Traffic Week: As a Takaful partner with the UAE Ministry of Interior, WIH supported Unified Gulf Traffic Week, promoting safe driving practices and recognizing responsible drivers. Through awareness campaigns and support services, we contribute to reducing road accidents and fostering a culture of road safety.

UAE National Day Campaign: To celebrate the 53rd Eid Al Etihad, WIH hosted a flag-raising ceremony, followed by an insightful presentation by an Emirati colleague, honoring the vision, leadership, and legacy of the UAE's Founding Fathers, Sheikh Zayed bin Sultan Al Nahyan and Sheikh Rashid bin Saeed Al Maktoum.

Employee Well-being Initiatives: We prioritize employee health and wellness through initiatives such as:

- Flu vaccination drives to promote preventive healthcare
- Wellness weekends focusing on relaxation and mental well-being
- Educational sessions on work-life balance, supporting a healthy and productive workforce

Through these initiatives, WIH continues to uphold its commitment to corporate social responsibility, fostering positive change within the UAE and beyond.

Social Chapter continued

Customer Protection

At WIH, safeguarding customer financial interests and sensitive data is a top priority. Our operating companies, WTG and WTF, have implemented robust security mechanisms and compliance frameworks to ensure financial security, regulatory adherence, and data protection. These initiatives reflect our commitment to customer-centricity and transparency, ensuring a safe and seamless experience for all our policyholders.

Protection Mechanisms

Transparency in Customer Interactions

WIH upholds clear and honest communication in all customer dealings. Our customer-centric approach ensures that policy terms, pricing, and service details are presented transparently, empowering customers to make informed financial decisions.

Fraud Prevention and Security Measures

We have implemented strict fraud prevention policies to protect customer assets. Our Fraud Prevention, Anti-Bribery, and Anti-Corruption policies, along with strong internal controls and compliance structures, help detect and mitigate fraudulent activities. Through continuous monitoring of transactions and ownership records, we proactively identify potential risks and take necessary actions.

Accessibility and Customer Support

Ensuring convenient access to services is fundamental to our approach. We offer multiple engagement channels, including online platforms, mobile applications, and dedicated customer service centers, allowing customers to manage their policies efficiently from anywhere.

Data Protection and Cybersecurity

With the increased reliance on digital services, WIH has implemented sustainable data governance practices to safeguard customer information and maintain data integrity. Our security infrastructure incorporates multiple layers of protection, including firewalls, anti-virus-protected endpoints, data leakage prevention, mobile device management, network access control, and regular security testing.

WIH ensures full compliance with ADHICS, SCA, and AML regulations, reinforcing our commitment to data protection, retention, and record-keeping standards.

Risk Management and Compliance

The Board of Directors oversees a comprehensive risk management framework, addressing governance-related risks, data security compliance, and conflicts of interest. Regular audits and assessments allow us to update our policies and mitigate emerging risks, ensuring ethical business practices and customer trust remain at the core of our operations.

Customer-Centric Solutions

Our operating companies, WTG and WTF, uphold the highest service standards through digital transformation, data governance, and regulatory compliance.

We prioritize digital innovation to enhance customer experience and operational efficiency, ensuring that our services evolve in response to changing customer needs and market demands.

Additionally, we maintain strong governance policies, ensuring that:

Regulatory compliance is met at all levels

Robust risk management strategies are in place

Data security measures are continually updated.

Sustainable and Socially Responsible Insurance Solutions

Beyond traditional coverage, WIH provides insurance solutions designed to support environmental and social sustainability initiatives. Our comprehensive health packages include preventive healthcare programs, ensuring that customers receive coverage tailored to their well-being.

As data collection continues to transform the insurance industry, we remain committed to ethical and sustainable data governance practices. This includes ensuring strict data protection measures, responsible information management, and compliance with regulatory requirements, reinforcing our position as a trusted and forward-thinking Takaful provider.

Social Chapter continued

Customer Privacy KPIS

We monitor key performance indicators related to customer privacy, including substantiated complaints, incidents of non-compliance, and data breaches. Our commitment to customer privacy is evidenced by our track record of zero incidents in customer data breaches and regulatory non-compliance during 2024.

We are proud to hold ISO certifications that reflect our commitment to quality management and customer satisfaction:

ISO 9001 Certification

This certification validates our commitment to maintaining a robust Quality Management System (QMS) in accordance with the ISO 9001 standard. It reflects our ability to consistently meet regulatory requirements and customer expectations while ensuring the highest quality in our Takaful products and services. By adhering to this globally recognized standard, we continuously enhance our operational efficiency, risk management practices, and overall customer satisfaction.

ISO 10004 Certification

Our ISO 10004 certification highlights our dedication to effectively monitoring, analyzing, and responding to customer and partner feedback. This framework allows us to measure satisfaction levels, identify areas for improvement, and implement data-driven enhancements to our insurance offerings. By leveraging feedback insights, we strive to optimize our service delivery and strengthen our customer relationships, ensuring a seamless and positive experience across all touchpoints.

ZERO

- Customer Complaints
- Data Security Breaches
- Compliance Breaches Regarding Labeling
- Compliance Breaches Regarding Marketing Communications
- Warnings or Advisories

Social Chapter continued

Customer Satisfaction

Social Responsibility: Supporting Customers Through Crisis

In the aftermath of the unprecedented heavy rains that impacted the UAE on April 15, 2024, Watania Takaful demonstrated its unwavering commitment to customer support and resilience. Over the five weeks following the storm, the company rejected zero motor claims, ensuring policy-holders received the assistance they needed during this challenging period.

The extreme weather event led to an exceptional surge in claims, with three times the daily average number of motor claims recorded in the first few days. Additionally, the company handled an unprecedented volume of over 1,000 customer calls per day. Despite this, Watania Takaful processed 100% of submitted claims within 50% of the usual timeframe, with settlement offers extended to nearly 70% of customers. Some policyholders are still exploring repair options before finalizing their settlements.

The property insurance sector faced an equally extraordinary challenge, as Watania Takaful received in just two weeks as many property claims as they would typically register in two years. Despite this unprecedented volume, all claims have been registered and are in active process.

Delivering Excellence in Service

The operating companies of WIH place the customer at the core of all their decisions and actions. This commitment to a customer-centric approach is part of their core strategies and organizational culture.

Both WTG and WTF are committed to understanding the diverse and evolving needs of customers. Through comprehensive market research, customer feedback mechanisms, and data analytics, they continuously gather insights into customer preferences, behaviours, and pain points to affect improvements. This enables them to develop inclusive insurance solutions that address specific requirements and provide meaningful value to customers.

ZERO

REJECTION
every auto insurance claim was processed

100%

OF ALL CLAIMS
were processed within 50% of the normal timeframe

75

YEARS
since the UAE experienced such heavy rain

Source: www.agbi.com/

$2.5Bn

UAE insurers lost up to $2.5 billion (Dh9.175 billion) due to rains in 2024, according to global ratings agency S&P

* Mid April 2024 servere rain-storms

Social Chapter continued

Commitment to Customer-Centricity

A core pillar of WIH's 2025 strategy is customer-centricity. We continuously challenge ourselves to listen to our clients and stakeholders, gaining deeper insight into their evolving needs. Through innovation and service enhancement, we strive to provide affordable, accessible, and high-quality insurance solutions complemented by value-added services.

The WIH Customer Call Centre, fully automated and digitized, operates from our headquarters in Jebel Ali. Staffed with highly trained professionals, this facility ensures that customers receive efficient and seamless support throughout their claim. By leveraging advanced technology, we optimize operational efficiency and service quality, allowing us to handle inquiries with speed and precision.

Our commitment to customer financial protection and data security is ingrained in our corporate values and operational practices.

By prioritizing transparency, regulatory compliance, and sustainable data governance, we build trust and confidence among our customers while ensuring their financial well-being and privacy.

Ensuring Seamless Claims Processing

In the insurance industry, client satisfaction is measured not just by policy offerings, but by how effectively and efficiently claims are processed. Customers rely on insurance for security in times of unforeseen circumstances, making it our top priority to ensure claims are handled swiftly and seamlessly.

At WIH, we have invested in automation and digitalization to make the claims process as fast and hassle-free as possible. Our advanced claims management system is designed to handle high volumes efficiently, as demonstrated during the mid-April 2024 floods. Despite receiving an unprecedented number of claims—equivalent to two years' worth in just two weeks—our system successfully processed them while managing an average of over 1,000 customer calls per day.

By continuously refining our claims processing systems and customer engagement strategies, we uphold our promise to policyholders, ensuring that WIH remains a trusted and reliable partner in their time of need.

To ensure efficient and timely customer support, Watania Takaful swiftly implemented several key measures:

- Establishing an emergency command center to manage crisis response
- Creating a streamlined email-based claims process for quicker submissions
- Deploying additional resources and adjusting staff schedules to provide enhanced support
- Leveraging technology to expedite claims processing and customer communications

These proactive initiatives reinforced Watania Takaful's position as a as a customer-focused industry leader, setting a benchmark for resilience, efficiency, and unwavering support in the face of adversity.

Governance Chapter

WIH have established a robust governance framework rooted in integrity, transparency, and accountability across all aspects of our operations. Our commitment to ethical governance is aligned with global best practices and the regulatory standards set forth by the UAE Securities and Commodities Authority (SCA).

By adhering to these sound governance principles, we drive sustainable growth, enhance stakeholder confidence, and ensure compliance with Islamic Shari'ah principles and national regulations. This chapter outlines the key elements of our governance framework, emphasizing our approach to ESG oversight and our commitment to maintaining the highest standards of corporate governance excellence.

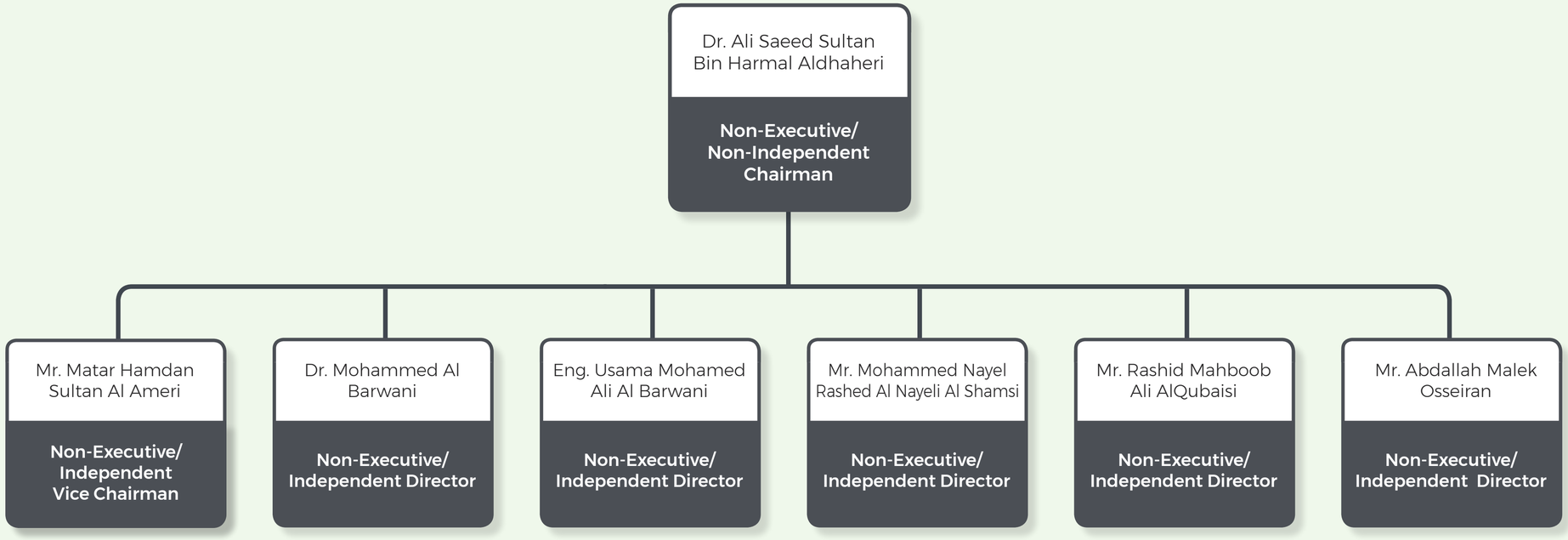
For more details, please refer to our Corporate Governance Report from page 73.

Governance Chapter continued

Board Oversight

Our Board of Directors, led by Dr. Ali Saeed Sultan Bin Harmal Aldhaheri as Chairman, plays a pivotal role in setting the strategic direction of the company and overseeing its operations. Our Board consists of respected and successful individuals from various fields, including insurance, finance, business and law, bringing invaluable insights to the table. Their collective expertise and experience ensure a comprehensive perspective on decision-making processes and that enables the Board to act effectively in the interests of stakeholders. The Chairman and Vice-Chairman, along with other Directors, assume distinct responsibilities to steer the company towards its objectives. For more detail, please refer to the Board of Directors information in the Corporate Governance Report from page 78.

Board of Directors



Governance Chapter continued

Strategic Direction

The board is responsible for defining WIH's strategic goals and ensuring alignment with our core values and mission. Through regular evaluations and strategic planning sessions, the board sets the course for sustainable growth and long-term value creation. In accordance with regulatory requirements, company law, and global best practices, WIH has established specialized committees within our board and senior leadership to address specific risks and issues. These committees play a crucial role in ensuring effective governance and oversight across key areas of our operations.

For more information on these committees please refer to the corporate governance section.

The Audit and Risk Committee

Nomination and Remunerations Committee

Investment and Strategic Committee

Insider Trading Supervision Committee

Code of Conduct and Ethical Business Practices

Our Core Values

Empathy
Share the feelings of others
We are a business that has deep roots in the tenets of Takaful and based on Solidarity. We consider our stakeholders' perspective first in everything we do.

Integrity
Do what is right, always
We always do what is right. We respect the trust placed on us, and our commitment to honesty and transparency always comes first.

Responsiveness
Always respond, not react
Our stakeholders deserve listening, understanding, and responsible action. We are solutions driven.

Simplicity
Stay in the moment
We strive for simplicity in all things: products, processes, and relationships. It makes our work efficient, and relationships meaningful.

These values are ingrained in our ethos and serve as guiding principles that inform our conduct, decisions, and relationships within the organization and with external stakeholders. We have a comprehensive Code of Conduct that outlines our expectations for ethical behavior and integrity. This code serves as a guiding framework for our employees, emphasizing honesty, fairness, empathy and respect in all interactions.

At WIH, our internal control management plays a critical role in ensuring the integrity, efficiency, and compliance of the operational processes both at the holding entity level and within our operating companies. Their responsibilities include evaluating risk management procedures, monitoring governance rule implementation, and ensuring adherence to legal and regulatory provisions. Additionally, they assess the effectiveness of internal committees and provide recommendations for improvement. They also review financial data and analyze financial results to ensure accuracy and transparency.

We have policies in place as part of our governance framework that enhance compliance measures and reflect our commitment to upholding ethical standards and regulatory requirements, including:

1. Anti-money Laundering and Compliance Management Framework
2. Anti-money Laundering Policies and Procedures
3. Authority Matrix
4. Credit Policy
5. Whistleblowing Policy
6. Conflict of Interest Policy
7. Insider Trading Policy
8. Stock Trading Policy
9. Code of Conduct

For more information on the scope, responsibilities and implementation mechanisms of these policies, please refer to the Internal Control section of our Corporate Governance Report on page 99.

Governance Chapter continued

Compliance Management

We maintain a diligent compliance management framework to ensure adherence to regulatory requirements and industry standards. Regular assessments, training programs, and internal controls are integral components of our compliance efforts.

Training Initiatives

We have conducted a training program covering ethical conduct, compliance, anti-money laundering (AML), cybersecurity, and anti-bribery practices as well as Shari'ah compliance practices for the operating companies' staff members.

Data Security and Compliance

We prioritize data security and privacy protection, particularly regarding customer details, and maintain compliance with regulatory requirements. Our Fraud Prevention and Anti-Bribery & Anti- Corruption policies, coupled with strong internal control and compliance structures, ensure the integrity of our operations.

Continuous Improvement and Monitoring

We regularly assess and enhance compliance systems, policies, and procedures through audits and feedback mechanisms, maintaining alignment with regulatory requirements and industry standards.

Transparency and Accountability

We adhere to Decision no. (03/R.M) of 2020 of the Chairman of the Securities and Commodities Authority and its amendments, which outline standards of corporate governance and discipline. Our governance practices align with company law and international best practices, ensuring transparency and accountability.

Through transparent communication and disclosure we provide accurate and timely information to our stakeholders covering our operations, financial performance, and governance practices. Transparency builds trust and develops strong relationships with our customers, shareholders, and regulatory authorities. The recent changes in our corporate identity demonstrate our dedication to maintaining our commitment to transparency and alignment with our stakeholders' expectations.

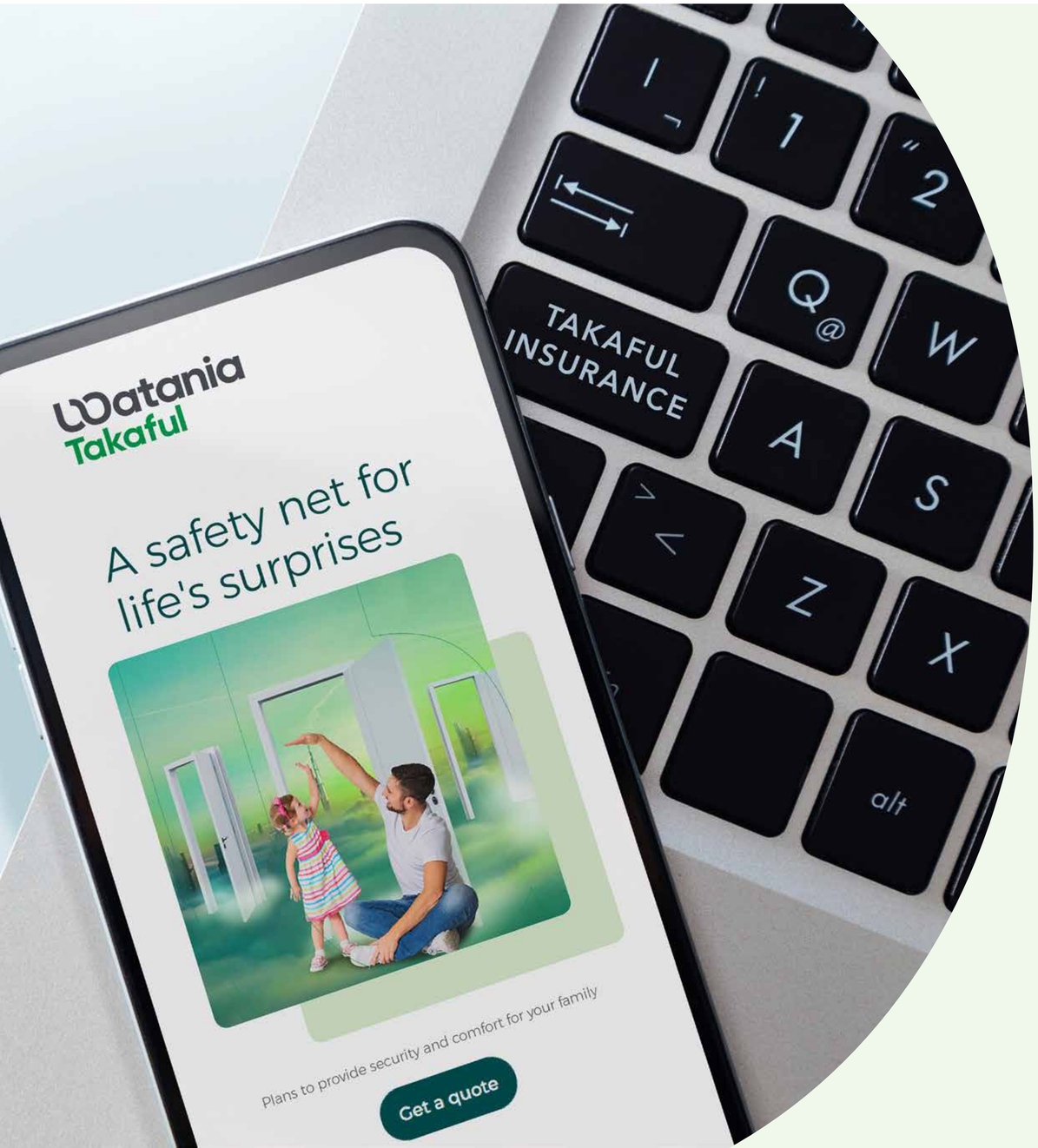
Disclosure Practices

We maintain open communication with including shareholders, regulators, and the wider community. Our periodic reports, disclosures, and investor communications adhere to the highest standards of transparency and clarity.

Accountability Mechanisms

We believe in holding accountable for our actions and decisions. Our governance framework includes mechanisms for internal and external oversight, ensuring accountability to all stakeholders. For more information, please refer to our Corporate Governance Report from page 73.

Watania International Holding	Change of Company name from Dar Al Takaful PJSC to Watania International Holding PJSC
Watania Takaful General Watania Takaful Family	Noor Takaful General PJSC and Noor Takaful Family PJSC changed their trade license names respectively to Watania Takaful General and Watania Takaful Family
100%	awareness of corporate ethics policies and procedures
100%	of employees have undergone ethics and compliance training
Zero	incidents of corruption or bribery



Governance Chapter continued

Innovative Business Model

WIH is an investment holding company, formerly an insurance provider, with a strategic focus on sustainable and ethical investments. Its subsidiaries, WTG and WTF, are leading Takaful providers in the UAE market, operating under the principles of Shari'ah law.

WTG and WTF offer a diverse range of Takaful solutions tailored to meet the evolving needs of individuals and businesses. With a customer-centric approach, both subsidiaries prioritize comprehensive coverage and financial security for their members (policyholders), ensuring that protection is delivered in alignment with Islamic finance principles.

Embracing technological advancements, WTG and WTF are committed to streamlining processes, enhancing accessibility, and delivering personalized services, reinforcing their mission to provide ethical, transparent, and efficient Takaful solutions in a dynamic and growing market.

Business Model Overview

WIH operates a unique business model that is deeply rooted in the tenets of Takaful that brought together the merged companies under one shared vision and value system. This model is underpinned by a strong focus on the principles of Islamic finance and responsible investment as well as Takaful insurance best practices. It aims at ensuring sustainable growth and value creation while aligning with the priorities of key stakeholders and addressing the evolving market needs.

The role of the fully owned subsidiaries WTG and WTF is key to the success of WIH in delivering sustainable value. The two companies are committed to implementing sustainable practices across all their Takaful operations and business practices including efficiencies, customer service, product and geographical spread, and regulatory excellence.

Customer-centric Approach Across Operating Companies

The operating companies of WIH place the customer at the core of all their decisions and actions. This commitment to a customer-centric approach is part of their core strategies and organizational culture.

Both WTG and WTF are committed to understanding the diverse and evolving needs of customers.

Seamless Customer Experience

Armed with insights into diverse customer needs, the two companies design and offer a wide range of tailored Islamic insurance products and services. Whether it is personal Takaful insurance coverage, business risk management solutions, or specialized offerings, they provide flexible and customizable options. This approach ensures that customers receive Takaful insurance solutions that offer comprehensive coverage, optimal protection, and peace of mind.

Governance Chapter continued

Harnessing Technology

By harnessing technology, we enhance operational efficiency, strengthen risk resilience, and deliver value-added services, reinforcing our commitment to innovation, security, and customer empowerment in the evolving financial landscape.

WIH entered into an agreement with Solution BI Middle East to develop a centralized AI and machine learning-driven data and business intelligence platform. This initiative aims to optimize operational efficiencies, enhance financial transparency, and support customer-centric strategies within its subsidiaries, WTG and WTF.

The technology output is an intelligent computing platform that helps them manage all their important information in one place. This new system is like a giant 'brain' that learns from the data (what people do and what the company spends money on) to help WIH operate more efficiently.

What it does

Organizes Information: It puts all their information into one location (called a Data Lake).

Gets Smarter Over Time: The system has AI and machine learning, so it can start understanding patterns and makes future predictions. For Example: highlighting customers likes and dislikes.

Helps WIH Make Better Decisions: With this smart system, WIH can quickly see what is working and what isn't.

Makes Things Clearer for Everyone: The system helps WIH understand monetary expenditure, and improves efficiency, to benefit the customer.

In summary it functions like a new brain to help track all information, understand what's happening, and make better choices to improve customer satisfaction.

How does a centralized AI and machine learning-driven data and business intelligence platform align with UN SDG's and GRI's:

Goal 8: Decent Work and Economic Growth

How it aligns: By improving decision-making and operational efficiency, the system enhances business productivity and economic growth.

Example: AI predicts customer preferences, allowing WIH to create targeted promotions, increasing sales and providing better service.

Goal 9: Industry, Innovation, and Infrastructure

How it aligns: The system's use of AI, machine learning, and a centralized Data Lake represents cutting-edge technology that fosters innovation.

Example: Machine learning identifies patterns in logistics data, reducing transportation costs and improving supply chain efficiency.

GRI 201: Economic Performance

How it aligns: The system enables detailed analysis of economic performance, including expenditure efficiency and profit forecasting.

Example: Tracking cost-effectiveness across departments highlights areas for financial optimization.

GRI 418: Customer Privacy

How it aligns: The centralized system protects sensitive customer data by ensuring it's securely stored and accessed responsibly.

Example: Implementing robust encryption and access controls ensures compliance with data protection regulations.

Data Security and Compliance

We prioritize data security and privacy protection, particularly regarding customer details, and maintain compliance with regulatory requirements. Our Fraud Prevention and Anti-Bribery & Anti- Corruption policies, coupled with strong internal control and compliance structures, ensure the integrity of our operations.

Technology Integration

Our operating companies leverage cutting-edge technology solutions to streamline operations, enhance service delivery, and elevate the customer experience. A key component of our technology integration strategy is the implementation of online e-learning modules for Anti-Money Laundering (AML), Counter-Terrorism Financing (CFT), and Cybersecurity awareness, in line with the Abu Dhabi Healthcare Information & Cyber Security (ADHICS) framework. These one-hour training modules ensure that employees are well-equipped with the knowledge and skills required to comply with regulatory standards and safeguard sensitive information.

Beyond employee training, our focus on digital transformation extends to customer-facing platforms and services. Our digital platforms provide seamless access to policy management tools, claims processing, and customer support, ensuring that customers can efficiently manage their Takaful portfolios with ease and convenience.

Technology also plays a vital role in risk management and compliance. We utilize advanced data analytics tools and risk assessment frameworks to identify and mitigate potential risks effectively. Through real-time monitoring and analysis, we proactively detect emerging threats and implement pre-emptive measures to protect our operations and safeguard our customers' interests.

Additionally, the IT division has made progress on three key new initiatives:

1. Cloud Migration to AWS: Successfully migrated workloads to AWS, enhancing scalability and reliability. This transformation ensures improved system performance, streamlined operations, and enhanced security, enabling agile and data-driven decision-making.
2. Centralized Data Lake: A cutting-edge data lake has been developed to enhance operational efficiency, financial transparency, and service speed, ensuring improved data management and decision-making.
3. Wellness App (Beta-Testing): Designed to support sustainable and equitable health outcomes, this app aims to promote holistic well-being for customers.
4. Safer Driving App (Beta-Testing): This app focuses on improving road safety, encouraging responsible driving behaviors, and reducing accident risks.

Governance Chapter continued

Technology Development (Beta Testing in 2024)

By integrating forward-thinking solutions into our broader ESG strategy, we continue to prioritize sustainability, responsible business practices, and long-term value creation for both our stakeholders and the wider community.

Safe Driver App

We conducted beta testing for the Safe Driver App, designed to promote safer driving habits and enhance road safety. The app provides users with a Safer Driving Score based on driving behavior, monitoring key metrics related to safe driving practices, road safety, and reduced environmental impact.

The anticipated future impact aligns primarily with UN SDG 3 (Good Health and Well-Being) and UN SDG 11 (Sustainable Cities and Communities), contributing to safer roads and responsible urban mobility. Additionally, the app supports:

- UN SDG 12 (Responsible Consumption and Production): Encouraging efficient vehicle usage.
- UN SDG 13 (Climate Action): Reducing emissions through improved driving habits.

For reporting, the app is relevant to key GRI Standards:

- GRI 403 (Occupational Health and Safety): Impact on driver and road safety.
- GRI 416 (Customer Health and Safety): Enhancing user safety through improved driving behavior.
- GRI 302 (Energy) & GRI 305 (Emissions): Addressing fuel efficiency and emissions reduction.
- GRI 418 (Customer Privacy): Protecting sensitive user data collected through telematics.

The internal trial with company employees was highly successful, demonstrating positive results in influencing behavior and engagement. These encouraging outcomes reinforce the potential of the app to drive meaningful change. As we evaluate the next steps, this pilot will serve as a critical benchmark in guiding our decision on whether to move forward with a full-scale commercial launch. Beyond its immediate impact, this initiative reflects our ongoing commitment to harness innovative technologies to foster positive social and environmental change.

Wellness App

We also conducted beta testing for our Health Wellness App, designed to promote sustainable and equitable health outcomes. The app helps users monitor and improve their health indirectly reducing insurance costs through preventive care and lifestyle adjustments.

The beta phase focuses on assessing the anticipated future impact, primarily supporting UN SDG 3 (Good Health and Well-Being) by encouraging healthier habits and improved health metrics. Additionally, the app aligns with:

- UN SDG 10 (Reduced Inequalities): Ensuring inclusive health solutions for a diverse user base.
- UN SDG 12 (Responsible Consumption and Production): Encouraging sustainable healthcare practices.

For alignment, the app is relevant to key GRI Standards:

- GRI 403 (Occupational Health and Safety): Addressing preventive health measures.
- GRI 416 (Customer Health and Safety): Ensuring safe and effective health interventions.
- GRI 404 (Training and Education): Enhancing health literacy and awareness.
- GRI 413 (Local Communities): If applicable, assessing community-wide health benefits

The actual impact on users will be measured and reported in 2025 following the app's official launch, providing insights into its role in preventive healthcare and cost efficiency.

Watania International Holding

CORPORATE GOVERNANCE REPORT 2024

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1 Introduction

Watania International Holding PJSC is a listed entity trading on Dubai Financial Market under the ticker WATANIA.

The Company is incorporated as a public joint stock company in accordance with Federal Law No. 8 of 1984 (as amended) relating to commercial companies in the UAE. It obtained its commercial license on 23 July 2008 and commenced operations on 1 September 2008.

The Company was formed following the consolidation of key operators including the acquisition in 2020 of Noor Takaful by Dar Al Takaful PJSC and the merger in July 2022 of Dar Al Takaful PJSC with National Takaful Company PJSC (Watania).

In March 2023, the public joint stock company changed its name from Dar Al Takaful PJSC to Watania International Holding PJSC and its insurance license was cancelled as it became an investment holding company aiming to expand its footprint in the Takaful Islamic financial services sector.

Watania International Holding PJSC is the sole shareholder of two operating companies: Watania Takaful General PJSC and Watania Takaful Family PJSC. Together, they create one of the leading Takaful providers in the UAE, ranking second with almost 25% of the market share and amongst the top 10 insurance companies in the market.

The two operating companies offer a range of Takaful products including motor, general, technical, medical, and family to both individuals and companies in the UAE. They operate in accordance with the teachings of Islamic Shari'ah and within the provisions of UAE Federal Law No. 6 of 2007 relating to Takaful companies and Takaful agents and the Memorandum and Articles of Association of the companies. The two companies operate through full-services offices located in Abu Dhabi, and Deira and Jebel Ali in Dubai.

Watania International Holding is dedicated to conducting its operations in alignment with industry-leading practices in business safety and integrity, while upholding the highest standards of corporate governance. At Watania International Holding PJSC, effective corporate governance constitutes a fundamental aspect of our organizational identity. The guiding principles of corporate governance within Watania International Holding are formulated to foster sustainable growth and safeguard the interests of shareholders while providing value to all stakeholders.

The Company takes pride in its unwavering commitment to upholding the highest standards and adhering to best practices in compliance with the governance regulations of the United Arab Emirates and the Companies Law. The Company actively embraces the best international practices and adheres to the Chairman's Decision No. (03 R/M) of 2020 issued by the UAE Securities and Commodities Authority, along with its subsequent amendments concerning the standards of corporate discipline and governance for Joint Stock companies.

Watania International Holding believes that corporate governance plays a pivotal role in shaping its future. The commitment to a culture that motivates the Board of Directors, Executive Managers, Head of Departments, Employees, and In-Charge Personnel is integral to enhancing all activities and operations within the Company. This commitment extends to implementing best practices and fostering ethical conduct, with the overarching goal of securing profitable returns and long-term growth.

Corporate governance at Watania International Holding is not merely a mandatory requirement; rather, it is an intrinsic part of the Company's legal structure. The Company has established an internal framework of monitoring and scrutiny that, complements the regulations of the United Arab Emirates, to promote transparency and credibility across all transactions.

The Board of Directors and Executive Management believe that governance is key to enhancing shareholder confidence.

The Company implements the highest standards of transparency, accountability, and best management practices. This includes adopting and monitoring appropriate corporate strategies, objectives and procedures that are consistent with its legal and ethical responsibilities. In addition, a strict Good Governance code of conduct is in place to ensure the optimum performance of business activities within the various departments of the Company.

2 The measures taken to adhere to corporate governance standards in 2024

The Board of Directors at Watania International Holding (PJSC) exhibits due diligence in implementing the requisite principles of corporate governance, as outlined in the Chairman's Decision No. (03 R/M) for the year 2020, and its subsequent amendments addressing the standards of institutional discipline and governance for public joint stock companies. The Company has actively embraced the best practices and guidelines to foster transparency and integrity in transactions, concurrently ensuring the efficacy of the internal audit system to enhance business transactions. Consequently, the procedures executed in the year 2024 can be summarized as follows:

1. The Company has implemented internal audit procedures that include cross-referencing and validating internally generated data and reports against data verified by the external auditor. This process enhances the Audit Risk & Compliance Committee's (ARCC) oversight capabilities and supports the effective execution of their supervisory responsibilities.
2. The company's Board of Directors and senior executive management are dedicated to the ongoing development of its corporate governance framework. This commitment is demonstrated through regular discussions conducted during both Board meetings and management meetings.
3. The Company has updated its corporate governance policies to ensure compliance with the requirements stipulated in Governance Regulations No. (3 R/M) of 2020, as amended.
4. The Company maintains transparent business practices, adhering to prescribed timelines and disclosure protocols for its financial statements. This practice is consistent with the regulations, provisions, and decisions issued by the Securities and Commodities Authority and the Dubai Financial Market.
5. The Board of Directors provides ongoing oversight directly as well as through Company's committees, namely the Nomination and Remuneration Committee, the Audit and Risk Committee, and the Investment and Strategic Committee. This supervisory process is conducted in accordance with the provisions and requirements of applicable corporate governance regulations.
6. The Company's Investment and Strategic Committee has overseen the implementation of the investment policy, ensuring its alignment with recognized international standards. The Committee has also conducted regular reviews of the Company's investment portfolio and implemented strategic decisions to achieve diversification and optimize revenues.
7. The Company ensures the timely publication of its corporate governance report and annual financial statements, well in advance of the Annual General Assembly meeting, This approach ensures shareholders have adequate time to review and approve the reports.

3 Ownership and transactions of Board members their spouses and children in the Company's securities during 2024

Member's Name	Position	Total Sale	Total Purchase	Owned Shares as of 31/12/2024
Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman	-	10,397,434	31,252,920
Mr. Matar Hamdan Sultan Hamad Al Ameri	Vice-Chairman	-	-	2,000,000
Dr. Mohamed Ali Mohamed Al Barwani	Director	-	-	-
Eng. Usama Mohamed Barwani	Director	-	-	-
Mr. Mohamed Nael Al Shamsi	Director	-	-	-
Mr. Rashid Mahboob AlQubaisi	Director	-	-	-
Mr. Abdallah Malek Osseiran	Director	-	-	-
Mr. Sultan Ali Saeed Bin Harmal Aldhaheri	The Chairman's son	-	-	135,191
Mr. Mohammed Ali Saeed Bin Harmal Aldhaheri	The Chairman's son	-	-	134,999
Ms. Mouza Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	142,826
Ms. Maha Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	120,000
Ms. Maitha Ali Saeed Bin Harmal Aldhaheri	The Chairman's daughter	-	-	194,617

4 Board Formation

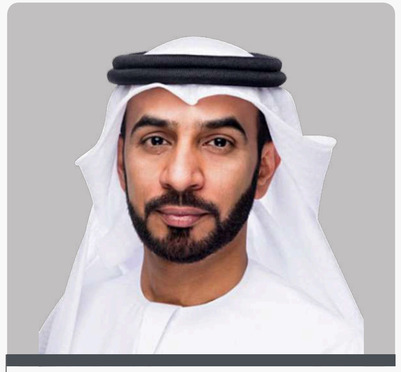
The Board of Directors consists of six independents, non-executive members and one non- independent, non-executive member elected at the General Assembly meeting held on April 25, 2022, for a three-years term. These members possess extensive competencies, capabilities, and in-depth expertise in the monetary and financial sectors, enabling them to effectively analyze and interpret financial statements. Their qualifications and expertise have demonstrably contributed to the Company's strategic direction.

Prior to each Board meeting, members receive comprehensive information and regular reports detailing the Company's financial position, key activities, and other relevant matters to facilitate informed discussion and decision-making.

Their active and engaged participation has cultivated a cohesive and highly effective Board, well-equipped to navigate evolving economic challenges, enhance shareholder value, strengthen stakeholder confidence, and ensure business continuity. The following section provides the names of the Board members, along with their educational qualifications, professional experience, and positions held in other joint stock companies.

Their active and engaged participation has cultivated a cohesive and highly effective Board, well-equipped to navigate evolving economic conditions, enhance shareholder value, strengthen stakeholder confidence, and ensure business continuity. The following section provides the names of the Board members, along with their educational qualifications, professional experience, and positions held in other joint stock companies.

Board Members Experience and Qualifications



Dr. Ali Saeed Sultan Bin Harmal Aldhaheri
Non-Executive/ Non-Independent Chairman

Election Date: 2022, Term of Membership: 2 years, 8 months

Dr. Ali Saeed Sultan Bin Harmal Aldhaheri is a non-executive, Non-independent member, and Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Dr. Aldhaheri is a seasoned business professional with over two decades of exemplary experience and a proven track record of success. Graduating with distinction from the American University in Washington DC with an MBA, Dr. Aldhaheri embarked on a journey of entrepreneurship, founding, launching, and adeptly managing numerous thriving enterprises across diverse sectors including IT, finance, education, tourism, and real estate.

Driven by a steadfast commitment to lifelong learning, Dr. Aldhaheri recently completed his doctoral studies at Durham University, further enriching his expertise and insights in the realm of business and academia. Throughout his illustrious career, Dr. Aldhaheri has actively engaged at a high level with governmental initiatives pertaining to tourism and development strategy. He has also made significant contributions to the fields of MICE (Meetings, Incentives, Conferences, and Exhibitions) and education management, showcasing his strategic acumen and leadership prowess. With a keen eye for innovation and a passion for fostering growth, Dr. Ali Aldhaheri continues to be a driving force in shaping the landscape of business and education, leaving an indelible mark on industries worldwide.

Other Positions:

- Chairman and Founder of Abu Dhabi University.
- Chairman of NEMA Holding.
- Managing Director of Bin Harmal Group.
- Chairman of Liwa Education.
- Chairman of Magna Investment.
- Board member of Amanat Holding.
- First Vice Chairman of the Abu Dhabi Chamber of Commerce.
- Board of Directors and a member of the Economic Cooperation Committee for Government and Private Sectors in Abu Dhabi.
- Board member of Sandooq Al Watan.

Aldhaheri leverages his extensive expertise and strategic vision to drive impactful initiatives, foster collaboration, and contribute to the advancement of various economic, educational, and governmental endeavors in the region.

The Board of Directors of Watania International Holding (PJSC) hereby acknowledges the validity of the information presented in clauses 2 and 3 above.

Board Members Experience and Qualifications continued

Mr. Matar Hamdan Sultan Al Ameri

Non-Executive/ Independent Vice Chairman

Election Date: 2020, Term of Membership: 4 years, 4 months

Matar Hamdan Al Ameri is a non-executive, independent member, and Vice Chairman of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Prominent UAE corporate leader, with extensive experience in top-level executive roles in public and private enterprises. His expertise spans over 30 years in upstream and downstream petroleum sectors, banking, and agriculture. Supported by deep relationships at the most senior level in UAE public and government entities.

As Chairman of Dar Al Takaful PJSC, Mr. Matar played a pivotal role in its successful merger with National Takaful Company (Watania) PJSC.

During his long tenure at ADNOC, he transformed the onshore finance function, oversaw the placement and financing of a USD 6 billion corporate loan, and led the partial privatization of ADNOC Distribution. His roles included serving as ADNOC's Director of Finance and Investments.

Mr. Al Ameri currently serves as Vice Chairman of Eshraq Investment PJSC. He previously served as Deputy Managing Director of Saas Daari Poultry Trading LLC, a company with international agricultural business interests. He also served as the lead liquidator of Bank of Credit and Commerce International for the Abu Dhabi government. His prior board directorships include First Abu Dhabi Bank, Aafaq Islamic Finance, and the Abu Dhabi National Exhibition Center. Mr. Al Ameri holds a Bachelor of Science degree in Accounting and Information Systems from the United Arab Emirates University and is a Certified Public Accountant (CPA) in the United States of America.

Dr. Mohammed Al Barwani

Non-Executive/ Independent Director

Election Date: 2022, Term of Membership: 2 years, 8 months

Dr. Mohammed Al Barwani is a non-executive, independent member of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

The founder and chairman of MB Holding Company, which has wide ranging interests in oilfield services, oil and gas exploration and production, mining, marine, and engineering services. MB Holding also invests in financial services, hotels, and resorts, operating in more than 20 countries.

As an independent non-executive Director of Watania International Holding PJSC, Dr. Barwani brings exceptional experience and diverse business skills. He previously served as a Director of National Takaful Company (Watania) PJSC. He is the non-executive Chairman of Oman Air and a non-executive Director of several listed companies, including Al Madina Insurance. He was formerly a director of the Board for various companies including National Bank of Oman, Nautilus Minerals (Toronto Stock Exchange), and UCL Resources (Australian Stock Exchange).

Dr. Barwani received the Royal Order of Commendation - Second Class from His Majesty Sultan Haitham bin Tariq Al Said for his contributions to society. He holds a bachelor's degree in science from Miami University, USA, and a master's degree and Honorary PhD in Petroleum Engineering from Herriot-Watt University, UK.

The Board of Directors of Watania International Holding (PJSC) hereby acknowledges the validity of the information presented in clauses 2 and 3 above.

Board Members Experience and Qualifications continued

Eng. Usama Mohamed Ali Al Barwani

Non-Executive/ Independent Director

Election Date: 2022, Term of Membership: 2 years, 8 months

Usama Mohamed Ali Al Barwani is a non-executive, independent member of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

Usama Barwani is a distinguished professional with a diverse background and extensive experience in the energy, finance, and maritime industries. Holding a Bachelor of Science degree in Petroleum Engineering from the University of Tulsa in Oklahoma and a Master of Science degree in Energy, Trade, and Finance from City University's Cass Business School in London, Usama has cultivated a strong foundation of expertise.

As a graduate of the prestigious 'President Leadership Program' from Harvard Business School, facilitated through the YPO Harvard Program, Usama has demonstrated a commitment to continuous learning and leadership development.

Currently, Usama Barwani serves as a shareholder of MB Holding Co, a prominent family-controlled conglomerate with a significant presence in the Middle East, Europe, and Africa, operating across sectors including Oil & Gas, Engineering, and Tourism.

In addition to his role within MB Holding Co, Usama holds several key positions:

- Chief Executive Officer of Petrogas E&P, a leading privately held upstream producer with oil and gas assets strategically located in Oman, the Netherlands, and Egypt.
- Managing Director of Mawarid Mining, a reputable copper mining producer headquarter in Oman.
- Member of the Board of Arcapita Bank, a distinguished Bahrain-based Islamic Merchant Bank and Private Equity Company.
- Member of the Board of Directors of Oceanco Yachts, a renowned Dutch-based company recognized as one of the world's premier super yacht builders.
- Previously a director of National Takaful.

Beyond his professional endeavours, Usama Barwani actively contributes to diplomatic relations as the Honorary Council of Uganda in Oman. Additionally, he has been a member of the Young Presidents' Organization (YPO) since 2009 and serves on the Board of the Oman Chapter, reflecting his dedication to fostering business leadership and networking opportunities within the community.

Mr. Mohammed Nayel Rashed Al Nayeli Alshamsi

Non-Executive/ Independent Director

Election Date: 2022, Term of Membership: 2 years, 8 months

Mohammed Nayel Rashed Al Nayeli Al Shamsi serves as a non-executive, independent director on the Board of Watania International Holding, a listed investment holding company (DFM: WATANIA).

The General Manager of Nael & Bin Harmal Group, comprising more than 60 companies in sectors including construction, manufacturing, engineering, medical facilities, education, real estate, IT, travel, and tourism, shopping malls, and insurance.

Mr. Alshamsi served as a Director of National Takaful Company (Watania) PJSC.

He has extensive strategic business and financial experience, covering contract negotiation, project management, new business development, cost control, risk management and mitigation, and strategy development and execution.

Holds an honorary BA in Business Administration from UAE University, Al Ain.

The Board of Directors of Watania International Holding (PJSC) hereby acknowledges the validity of the information presented in clauses 2 and 3 above.

Board Members Experience and Qualifications continued

Mr. Rashid Mahboob Ali AlQubaisi
Non-Executive/ Independent Director

Appointment Date: 2023, Term of Membership: 1 year, 7 months

Rashid Mahboob AlQubaisi is a non-executive, independent member of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

With a strong track record of more than 30 years of executive leadership, service excellence, strategic development successes, and market insights, Mr. AlQubaisi brings a wealth of knowledge in retail and corporate banking and financial services. This complements his management and strategic advisory expertise, extensive business network in the UAE, and experience as an organization founder.

His experience includes serving as Chief Executive of Aafaq Islamic Finance and holding senior roles at Emirates Development Bank and Dubai Islamic Bank. He focused on enhancing growth and driving profitability, playing a pivotal role in developing new strategies and initiatives for Dubai Customs and other large government organizations.

Holds a Bachelor of Science in Business Administration from the University of Arizona, U.S.A.

Mr. Abdallah Malek Osseiran
Non-Executive/ Independent Director

Election Date: 2020, Term of Membership: 4 years, 4 months

Abdallah Malek Osseiran is a non-executive, independent member of the Board of Directors of Watania International Holding, a listed investment holding company (DFM: WATANIA).

He has extensive financial and business experience. He has been the Managing Director of Magna Investment in Abu Dhabi since 2006, managing and controlling investments in various sectors including education, hospitality, Takaful, financial services, real estate, private equity, and venture capital. He was previously a Director of Dar Al Takaful PJSC.

Prior to that, he had served several financial and managerial roles with Arab Bank over 16 years, where he acquired deep expertise in disciplines such as corporate finance, corporate banking, private equity, strategic planning, and business development. Since 2001, he was financial advisor to a royal family member in the UAE, overseeing a large investment portfolio and negotiating strategic investments in real estate, fixed income, equities, and private equity.

Mr Osseiran is a member of the Board of Directors for several established and socially active organizations. He holds a BBA from Lebanese American University and a Banking Diploma from the University of Saint Joseph.

Other Positions:
- Managing Director Magna Investment (LLC) – Nayel and Bin Harmal Group, Abu Dhabi.
- Member of NEMA Holding BOD.
- Member of Abu Dhabi University (ADU) BOD.
- Member of Watania Takaful Family Company BOD.
- Chairman of Abu Dhabi University Audit Committee.
- Vice Chairman for Abu Dhabi University Finance Committee.
- Member of Watania Executive & Investment Committee.
- Member of Khawarizmi International College BoT.
- Member of Liwa Education BoT.
- Member of Liwa College BoT.

The Board of Directors of Watania International Holding (PJSC) hereby acknowledges the validity of the information presented in clauses 2 and 3 above.

5 The percentage of female representation on the Board in 2024

In 2024, the Board of Directors did not include any female members.

6 Statement of the reasons for not nominating any female candidate for membership of the Board of Directors.

No formal nominations were received from female candidates for election to the Board of Directors.

7 The total remuneration paid to the Board members for the year 2023

The Board of Directors was granted remuneration amounting to AED 1,199,032 for the fiscal year 2023, in accordance with the approval of the Annual General Assembly.

8 The total remuneration proposed for the Board members for the year 2024

The Board of Directors' remuneration for the 2024 fiscal year will be presented for deliberation and approval at the upcoming General Meeting. The resulting resolution will be promptly communicated to the appropriate authorities.

9 Allowances allocated for members of the Board attending committee meetings during the fiscal year 2024

Member's Name	Investment and Strategic Committee	Audit Risk and Compliance Committee	Nomination and Remuneration Committee	Number of Attended Meetings	Amount Paid in AED
Dr. Ali Saeed Bin Harmal Aldhaheri	3	—	—	3	30,000
Matar Hamdan Sultan Al Ameri	3	7	2	12	120,000
Dr. Mohamed Ali Al Barwani	—	—	—	—	—
Usama Mohamed Al Barwani	3	4	2	9	90,000
Mohamed Nael Al Shamsi	—	—	2	2	20,000
Rashid Mahboob Ali AlQubaisi	—	—	—	—	—
Abdallah Malek Osseiran	3	7	—	10	100,000
Youssef Sami Alami **(Advisor)**	3	—	—	3	30,000

In the fiscal year 2024, the Board of Directors did not receive any additional allowances, salaries, or fees.

9 Allowances allocated for members of the Board attending committee meetings during the fiscal year 2024 continued

Board Meetings

9a. Number of Board Meetings

Meeting Date	Number of Attendees	Number of Attendees by Proxy	Names of Absent Members
18/03/2024	7	None	None
14/05/2024	6	None	Usama Mohamed Al Barwani
13/08/2024	7	None	None
12/11/2024	6	None	Usama Mohamed Al Barwani
26/12/2024	7	None	None

9b. Number of Board resolutions passed during the fiscal year 2024

During the 2024 fiscal year, no resolutions were adopted through passing.

Number of individual attendances for all ARCC members:

Member's Name	Number of Personal Attendances
Dr. Ali Saeed Bin Harmal Aldhaheri	5/5
Matar Hamdan Sultan Al Ameri	5/5
Dr. Mohamed Ali Al Barwani	5/5
Usama Mohamed Al Barwani	3/5
Mohamed Nael Al Shamsi	5/5
Rashid Mahboob Ali AlQubaisi	5/5
Abdallah Malek Osseiran	5/5

10 Audit Risk and Compliance Committee (ARCC)

a. Acknowledgment from the Chairman of the ARCC of his responsibility for the committee's system in the company and for reviewing its operations and ensuring its effectiveness.

The Chairman of the ARCC of Watania International Holding acknowledges his responsibility for overseeing the committee's system within the company. This includes ensuring that the committee operates in accordance with the regulations set forth by the Securities and Commodities Authority (SCA) of the United Arab Emirates, as well as the company's internal policies and governance framework.

I am committed to reviewing the operations of the ARCC to ensure its effectiveness in fulfilling its duties. This includes, but is not limited to, monitoring the integrity of financial reporting, assessing the effectiveness of internal controls and risk management systems, overseeing the internal and external audit processes, and ensuring compliance with applicable laws and regulations.

I will strive to ensure that the ARCC maintains its independence, objectivity, and professionalism in executing its responsibilities, thereby contributing to the overall governance and sustainability of the company."

In accordance with the governance framework set by the Securities and Commodities Authority (SCA), the Chairman of the ARCC holds a key leadership role in overseeing the committee's functions and ensuring its effectiveness in maintaining transparency, accountability, and regulatory compliance.

As per regulatory guidelines, the primary powers and responsibilities of the ARCC Chairman include:

1. **Leadership and Oversight** – Leading the committee in fulfilling its mandate, setting the agenda, and ensuring alignment with governance and regulatory requirements.
2. **Financial and Risk Supervision** – Reviewing financial reports, monitoring risk management practices, and ensuring adherence to internal control frameworks.
3. **Audit and Compliance Review** – Overseeing internal and external audit activities, ensuring independence, and evaluating audit findings for corrective actions.
4. **Regulatory Compliance** – Ensuring the company's adherence to SCA regulations, corporate governance policies, and ethical standards.
5. **Whistleblower and Fraud Monitoring** – Supervising mechanisms for reporting misconduct, addressing concerns related to fraud, and recommending necessary actions.
6. **Reporting to the Board** – Communicating key audit and compliance matters to the Board of Directors, providing insights and recommendations for governance improvements.

The ARCC Chairman plays a crucial role in reinforcing strong governance practices within the organization.

b. Names of the ARCC members

The ARCC consists of the following Board members:

Member's Name	Position
Matar Hamdan Sultan Al Ameri	Chairman
Usama Al Barwani	Member
Abdallah Malek Osseiran	Member

The ARCC demonstrates its persistence in interacting with the external auditors, fostering a productive relationship with them, as well as reviewing the financial statements. As part of its responsibilities, the committee supervises the Internal Control Department and plays an active role in ensuring that the company adheres to competent regulatory requirements while also ensuring that accounting practices are efficient.

10 Audit Risk and Compliance Committee (ARCC) continued

Duties of the ARCC:

1. Review the Company's financial and accounting policies and procedures.
2. Monitor the integrity of the company's financial statements; its (annual, semi-annual, and quarterly) reports, its control systems, and review them as part of its normal work during the year, with particular attention being provided to the following:
   - Any changes in the accounting policies and practices.
   - Highlighting aspects which are subject to management discretion.
   - Ensure that the company updates its policies, procedures, and control systems annually or whenever required.
   - Substantive amendments resulting from the audit.
   - Ensure the continuity of the company's business.
   - Assumption of business continuity.
   - Compliance with accounting standards established by the competent Authorities.
   - Compliance with listing and disclosure regulations and the relevant legal requirements related to financial reporting.
3. Coordinate with the Company Board, the senior executive management and the financial manager or the manager delegated the same tasks in the company to perform its assigned duties.
4. Consider any significant and unusual terms contained or to be contained in such reports and accounts and shall give due consideration to any matters raised by the Company Chief Financial Officer, or the manager performing the same duties, the compliance officer, or the auditor.
5. Raise recommendations to the Board regarding the selection, resignation, or dismissal of the auditor. In case the Board does not approve the ARCC recommendations in this regard, the Board shall attach to the governance report a statement explaining the ARCC recommendations and the reasons why the Board has not followed them.
6. Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.
7. Ensure that the auditor meets the conditions stated in the applicable laws, regulations, and decisions and in the company's articles of association, along with following up and monitoring its independence.
8. Meet the auditor of the company without the presence of any senior executive management personnel or its representatives and discuss with regards nature and scope of the audit process and its effectiveness in accordance with the audited standards.
9. Approve any additional works made by an external auditor and the fees received in consideration for that works.
10. Examine all matters related to the auditor's work, his work plan, correspondence with the company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the senior executive management regarding the accounting records, financial accounts or control systems, in addition to following up the response of the company management and provision of the necessary facilities to do his work.
11. Ensure that the Board responds in a timely manner to the clarifications and substantive issues raised in the external auditor's letters.
12. Review and evaluate the company internal audit and risk management systems.
13. Discuss the internal audit system with the Board and ensure that it performs its duty of establishing an effective internal audit system.
14. Consider the results of the main investigations regarding the internal auditing matters mandated by the Board or at the initiative of the Committee and the approval of the Board.
15. Review the external auditor's evaluation of the internal control procedures and ensure coordination between the internal and external auditors.
16. Ensure the availability of necessary resources for the internal auditing department, and review and monitor the effectiveness of such department.
17. Examine the internal auditing reports and follow up on the implementation of corrective actions for the observations contained therein.
18. Establish controls to enable company employees to report confidentially on any potential violations in financial reporting, internal audit or other matters and steps to ensure that such violations are independently and fairly investigated.
19. Monitor the Company's compliance with the code of conduct.
20. Review related party transactions with the company, ensure there is no conflict of interest and raise related recommendations to the Board before concluding them.
21. Ensure the implementation of the business rules of its functions and powers entrusted in it by the Board.
22. Ensure that all the matters mentioned above are reported to the Board with relevant recommendations.

10 Audit Risk and Compliance Committee (ARCC) continued

c. Number of meetings held by the ARCC during 2024 and their dates to discuss issues related to the financial statements and any other matters, and a statement of the number of personal attendance times of the members in the held meetings.

The committee held seven meetings during 2024 as follows:

The ARCC Meeting 2024							
Member's Name	**08/03/2024**	**14/03/2024**	**10/05/2024**	**30/05/2024**	**12/08/2024**	**02/10/2024**	**11/11/2024**
Matar Hamdan Sultan Al Ameri	✓	✓	✓	✓	✓	✓	✓
Abdallah Malek Osseiran	✓	✓	✓	✓	✓	✓	✓
Usama Al Barwani	✓	✓	-	-	✓	✓	-

Number of individual attendances for all ARCC members

Member's Name	Number of Personal Attendances
Matar Hamdan Sultan Al Ameri	7/7
Abdallah Malek Osseiran	7/7
Mr. Usama Al Barwani	4/7

d. Annual ARCC report

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

   The ARCC has reviewed significant audit matters related to the financial statements, focusing on key areas that could impact the company's financial reporting and compliance. These matters include valuation of financial instruments, impairment assessments, revenue recognition, provisions for doubtful debts, and compliance with IFRS standards. The committee engaged in detailed discussions with the external auditors and finance team to assess the appropriateness of accounting treatments, key judgments, and underlying assumptions.

   To address these matters, the committee ensured that adequate disclosures were made in the financial statements, internal controls were strengthened to mitigate risks, and necessary adjustments were incorporated where required. Any material misstatements identified by the external auditor were promptly rectified, and action plans were developed to enhance financial accuracy. Additionally, periodic follow-ups were conducted to ensure continuous improvement in financial reporting processes, reinforcing the company's commitment to transparency, accuracy, and regulatory compliance.

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

   The ARCC assesses the independence and effectiveness of the external audit process through a structured evaluation. Auditor independence is reviewed regularly, ensuring compliance with regulatory and ethical standards, with auditors required to provide independence confirmations. The effectiveness of the audit process is assessed based on audit quality, reports, and a risk-based approach, along with feedback from management and a review of significant audit findings and corrective actions. The appointment or reappointment of the external auditor follows a rigorous selection process, considering expertise, industry experience, and past performance, with recommendations made to the Board and shareholders. Additionally, the tenure of the current audit firm is disclosed, ensuring adherence to audit rotation policies to maintain objectivity. This approach aligns with corporate governance best practices, reinforcing transparency and accountability in financial reporting.

10 Audit Risk and Compliance Committee (ARCC) continued

d. Annual ARCC report continued

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

The ARCC recommends the external auditor based on a comprehensive evaluation of their independence, audit quality, technical expertise, and adherence to regulatory requirements. The recommendation considers the auditor's performance, industry experience, and effectiveness in identifying financial risks and ensuring compliance with corporate governance standards.

However, the Board of Directors may choose to reject this recommendation if there are concerns about factors such as the auditor's ability to meet the organization's evolving business needs, cost considerations, potential conflicts of interest, or any issues related to regulatory compliance. In such cases, the Board will provide a clear rationale and may propose an alternative course of action in the best interest of the company and its stakeholders.

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

The independence of the external auditor is maintained when providing non-audit services through strict governance policies and regulatory compliance. The ARCC ensures that non-audit services do not create conflicts of interest or impair the auditor's objectivity. A pre-approval process is followed, where the nature and scope of non-audit services are reviewed to confirm they are permissible and do not compromise independence. Additionally, the total fees for non-audit services are monitored to ensure they remain proportionate and do not exceed established thresholds. The external auditor is required to provide periodic declarations affirming their independence, and any potential risks are addressed through appropriate safeguards. This structured approach ensures that the auditor's impartiality and ability to conduct an unbiased financial audit remain intact.

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

In the event of failures in internal control or risk management, the ARCC at Watania Takaful takes immediate corrective actions, including root cause analysis, development of action plans with clear timelines. Policies and procedures are updated to align with SCA regulations and Sharia principles, while staff receive regular training on these updates. Enhanced monitoring mechanisms, including internal audits and key risk indicator tracking, ensure continuous oversight, with regular reporting to the Board and Watania International Holding. The Enterprise Risk Management framework is strengthened through risk mapping, scenario analysis, and stress testing, while a risk-aware culture is promoted via training and whistleblower mechanisms. Follow-up audits and periodic reviews verify the effectiveness of corrective actions, ensuring a robust governance framework and regulatory compliance.

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

The ARCC confirms that it has reviewed all internal audit reports categorized with medium and high risks to assess whether they arise from significant violations or weaknesses in internal controls. This review process includes a detailed examination of audit findings, discussions with the Internal Audit Department, and follow-up on management's action plans to address identified risks. The committee ensures that all critical issues are escalated appropriately and that corrective measures are effectively implemented. Additionally, regular meetings are held where internal audit reports are presented, and key risk areas are analyzed to strengthen the company's governance framework. The committee's review and oversight demonstrate its commitment to maintaining a robust internal control environment and ensuring compliance with corporate policies and regulatory requirements.

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

The company has implemented a Corrective Action Plan to address substantial deficiencies in risk management and internal control systems, ensuring timely and effective remediation. This plan involves identifying and analyzing deficiencies, prioritizing risks based on their impact, and developing targeted corrective measures with clear responsibilities and implementation timelines. The Internal Audit Department and Risk Management function closely monitor execution, with periodic progress reports submitted to the ARCC and senior management. Completed actions undergo validation and effectiveness testing, while continuous improvements are made to strengthen governance and compliance. Additionally, regular follow-ups are conducted to ensure sustained resolution of identified deficiencies and to prevent their recurrence.

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

The ARCC confirms that it has audited all transactions with related parties to ensure transparency, fairness, and compliance with applicable laws and corporate governance policies.

Committee for monitoring and supervising transactions of stakeholders. Observations from the audit include assessments of potential conflicts of interest, adherence to disclosure requirements, and the effectiveness of internal controls in mitigating risks. The committee has also evaluated whether all related-party transactions comply with regulatory frameworks, shareholder agreements, and financial reporting standards.

11 The Nomination and Remuneration Committee

In fulfillment of its duties, the Nomination and Remuneration Committee is entrusted with formulating and evaluating the remuneration policy for the Board and executive management, determining total compensation in accordance with the approved salary and remuneration frameworks. Furthermore, the Committee is responsible for drafting and assessing the human resources policy to ensure strict adherence to applicable laws and regulations, in addition to overseeing the nomination process for candidates to the Board of Directors.

a. Acknowledgment from the Chairman of the Nominations and Remuneration Committee regarding his responsibility for overseeing the committee system within the company and for reviewing its operations and ensuring its effectiveness.

The Chairman of the Nomination and Remuneration Committee acknowledges their responsibility for ensuring the effective implementation of the Committee's mandate within the Company. Furthermore, they are committed to regularly reviewing the Committee's effectiveness and functionality, in compliance with Securities and Commodities Authority Board Decision No. (03 R/M) of 2020, as amended, concerning the implementation of governance standards, institutional discipline, and governance for public joint stock companies.

b. Names of the Nomination and Remuneration Committee Members

The Nomination and Remuneration Committee consists of the following Board members:

Member's Name	Position
Usama Mohamed Barwani	Chairman
Matar Hamdan Sultan Al Ameri	Member
Mohamed Nael Al Shamsi	Member

Terms of Reference for the Nomination and Remuneration Committee include:

1. Set forth the nomination policy for the composition of the Board and executive management, prioritizing the promotion of gender diversity. This policy should actively encourage the inclusion of female candidates through the implementation of benefits, incentives, and comprehensive training programs.
2. Coordinate and execute the nomination procedures for Board membership in alignment with the directives outlined by the Board of the Securities and Commodities Authority, as per Decision No. (03 R/M) for the year 2020 and its subsequent amendments.
3. Ensure the consistent adherence to the membership criteria on the Board on an annual basis.
4. Develop a policy outlining the procedures for remuneration, benefits, incentives, and salaries of Board Members, executive management, and employees. and conduct an annual review of this policy. The committee is responsible for ensuring that the remunerations and benefits provided to senior executive management are equitable and aligned with the Company's performance.
5. Conduct an annual review to determine the necessary skills for Board of Directors membership and establish a policy delineating the capabilities and qualifications required for Board membership.
6. Identify the Company's competency requirements at the senior executive management level and among employees, along with the criteria for their selection.
7. Set the human resources and training policy for the Company, oversee its implementation, and conduct an annual review thereof.

c. Statement of the number of meetings held by the Committee during 2024

Member's Name	Date of the Meetings	
	13/03/2024	07/06/2024
Usama Mohamed Barwani	✓	✓
Matar Hamdan Sultan Al Ameri	✓	✓
Mohamed Nael Al Shamsi	✓	✓

Number of individual attendances for all nomination and remuneration members:

Member's Name	Number of Individual Attendances
Usama Mohamed Barwani	2/2
Matar Hamdan Sultan Al Ameri	2/2
Mohamed Nael Al Shamsi	2/2

12 Insider Trading Supervision Committee

The Company has implemented procedures designed to ensure confidential information is not used by insiders for material or moral gain.

The insiders' transactions and ownership are supervised, their records are kept, and periodic statements and reports are submitted to the market as determined by the chairman of the Securities and Commodity Authority. (3/ R.M) and its amendments regarding standards of institutional discipline and governance for joint stock companies for 2020.

In addition, the Company has demonstrated commitment to updating its disclosure policy, ensuring the implementation of the transparency policy conforms to the regulatory authorities' and applicable regulations' requirements, which include the obligations to disclose periodic reports material information, as well as the ownership of insiders and their first-degree relatives. The Company has also complied to provide information to shareholders and investors on the Company website and the Dubai Financial Market in an accurate, clear, non-misleading, and timely manner, facilitating their decisions and enhancing disclosure.

In addition to updating insider transactions, disclosure, and transparency policies, the Company has taken the following actions in 2024:

1. Prepared a comprehensive record of all insiders, including those who may be considered temporary insiders and their disclosures.
2. Provided an updated list of insiders to the relevant authority and the DFM each fiscal year including any changes made during the year.
3. Submitted an insider's register and data to the relevant authority upon request.

The Insider Trading Supervision Chairman acknowledges responsibility for the transactions made by insiders, reviews its mechanisms, and ensures their effectiveness.

13 The Investment and Strategic Committee

a. Names of the members of the Investment and Strategic Committee

Member's Name	Position
Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman
Matar Hamdan Sultan Al Ameri	Member
Usama Mohamed Barwani	Member
Abdallah Malek Osseiran	Member
Youssef Sami Alami	Advisor

b. The Terms of Reference for the Investment and Strategic Committee

1. Conduct regular reviews and evaluations of investment plans and policies, which involve specifying risk thresholds and exposures related to the Company's investment activities. This scrutiny is intended to ensure their suitability for the Company in light of current market conditions.
2. Assess prospective strategic investment proposals necessitating Board approval prior to their submission and subsequently provide recommendations to the Board.
3. As part of its responsibilities, the committee is entrusted with the duty of conducting a thorough evaluation of investment proposals, ensuring they are in alignment with the interests of the Company. Moreover, it is the responsibility of the committee to establish transparent processes aimed at providing guidance and support for approved transactions and contracts. Additionally, the committee consistently monitors progress, intervening when necessary to ensure the effective execution of the Company's strategies.
4. The committee is also entrusted with considering and addressing any other matters referred to or vested in it by the Board, as outlined in its mandate. This includes managing additional responsibilities or decision-making powers that may be delegated to the committee by the Board while ensuring that all actions undertaken adhere to regulations and guidelines.
5. The committee is entrusted with overseeing the investment portfolio, which entails closely monitoring its performance. This includes evaluating returns, risks, and overall effectiveness. By regularly assessing performance metrics and market conditions, the committee can make informed decisions on adjusting the portfolio or reallocating assets to optimize returns and manage risks. Collaboration with investment managers or advisors may also be sought to gather insights and recommendations for improving portfolio performance.

c. Statement of the number of meetings held by the Committee during 2024

Member's Name	Date of the Meetings		
	26/02/2024	11/06/2024	10/12/2024
Dr. Ali Saeed Bin Harmal Aldhaheri	✓	✓	✓
Matar Hamdan Sultan Al Ameri	✓	✓	✓
Usama Mohamed Barwani	✓	✓	✓
Abdallah Malek Osseiran	✓	✓	✓
Youssef Sami Alami **(Advisor)**	✓	✓	✓

Number of individual attendances for Investment and Strategic Committee members:

Member's Name	Number of Individual Attendances
Dr. Ali Saeed Bin Harmal Aldhaheri	3/3
Matar Hamdan Sultan Al Ameri	3/3
Eng. Usama Mohamed Barwani	3/3
Abdallah Malek Osseiran	3/3
Youssef Sami Alami **(Advisor)**	3/3

14 Duties and responsibilities of the Board members or executive management throughout the year 2024, in alignment with the authorization granted by the Board. This statement shall include details regarding the duration and validity of the authorization.

Name and Position	Delegated Authority	Delegation Period
Mr. Gautam Datta CEO	On March 21, 2022, Mr. Gautam Datta was appointed as the Chief Executive Officer, with the responsibility of overseeing business operations and management within the Company. His duties include the following: 1. Signing all transactions and correspondence related to the Company's activities within the United Arab Emirates. 2. Representing the Company's Board of Directors before local government departments throughout the Emirates, including, but not limited to, the Departments of Economic Development, Municipalities, Health Authorities, Police, Courts (including Arbitration Courts), Notary Public, and other relevant governmental entities. 3. Conducting any business activities consistent with the Company's stated objectives and in compliance with all applicable laws and regulations. These activities must be directly related to, affiliated with, or complementary to the Company's purposes, funds, assets, and properties. 4. Signing of any necessary legal documents or procedures that are required to be filed with the relevant authorities. 5. Delegating authority, in whole or in part, to legal counsel and other individuals, commensurate with assigned responsibilities, and having the authority to revoke, amend, or otherwise alter such delegated powers. 6. Appointing and terminating the employment of staff and consultants and establishing their respective roles and compensation. 7. Supervising the planning and management of the Company's budget.	The Company's executive management assumes the duties and authority granted to them through a duly authorized delegation from the Board. These delegated powers are subject to ongoing review by the Board and remain in effect unless specifically rescinded or revoked.

15 Definition of transactions with related parties

The transactions referenced herein pertain to those in which one party exerts material influence over the financial and operational decision-making of the other. Related party transactions present the potential for, or actuality of, internal conflicts of interest or external perceptions of undue influence on business decisions, potentially detrimental to the interests of the Company and its shareholders. While such transactions may, on occasion, be beneficial to the Company and its shareholders, all related party transactions require prior approval from the Board of Directors. Furthermore, Company management is required to define the specific terms and conditions governing these transactions. For the purposes of this policy, related parties include major shareholders, members of the Board of Directors, key management personnel of the group, and any companies or entities that exert significant influence over the Company.

Detailed information about transactions with related parties

During 2024, the company did not engage in any transactions with related parties. In the ARCC, no such transactions were noted or reviewed during the year.

16 Assessment of the Board of Directors

a. Internal Evaluation

The Board of Directors' performance is critically assessed to evaluate its effectiveness, governance practices, and overall fulfilment of its responsibilities. The Board, through the Nomination and Remuneration Committee (NRC), conducts an annual internal evaluation to systematically review and assess its performance.

These assessments encompass, but are not limited to, the following areas:

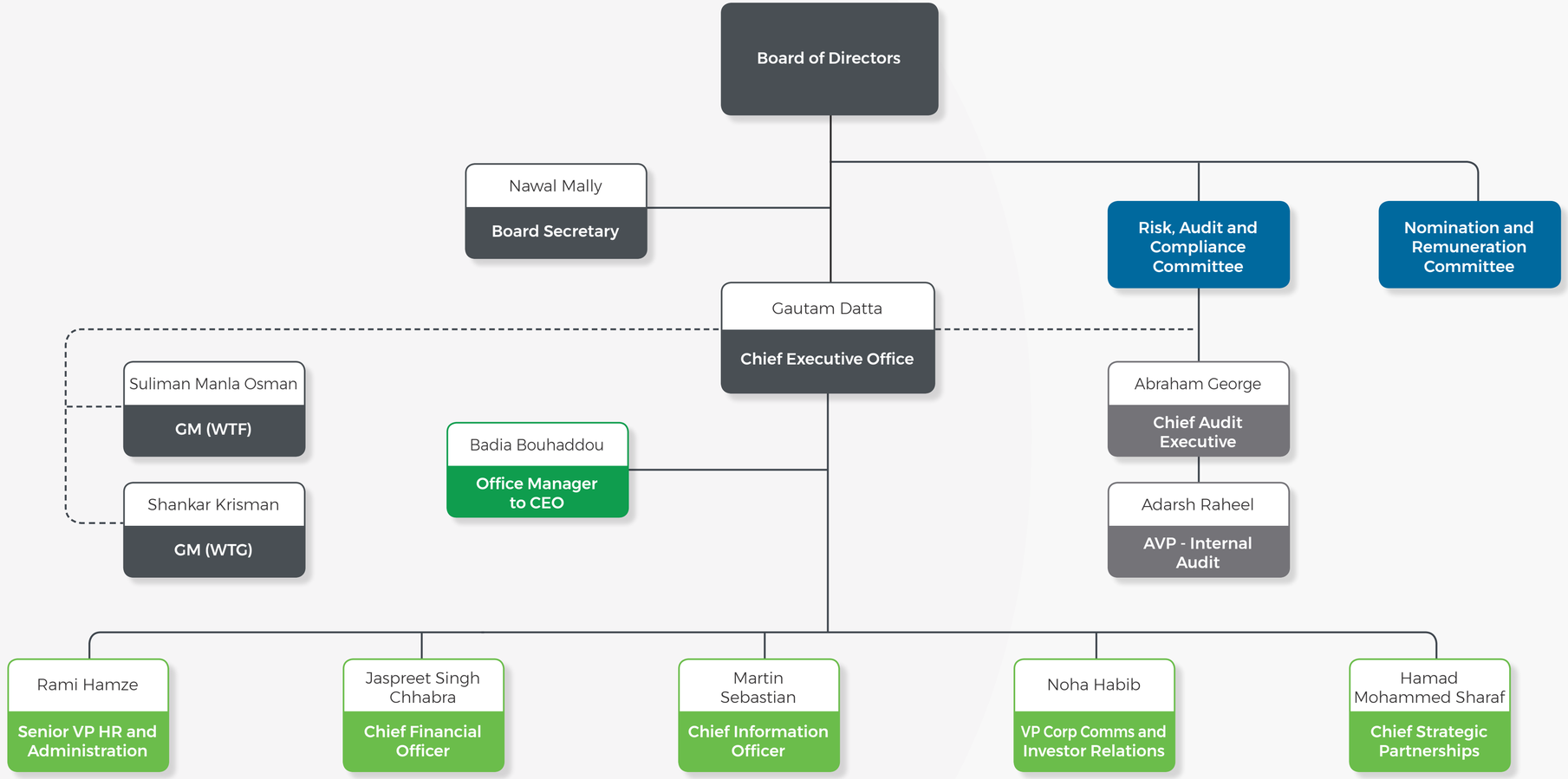
- **Structure and Composition:** An evaluation of the Board's and its committees' overall structure, size, and composition is conducted to ensure adherence to best practices in corporate governance.
- **Board Governance:** A review of the efficacy of existing governance procedures is undertaken, including the identification of areas requiring enhancement and the subsequent implementation of necessary improvements.
- **Board Member Performance:** The Board members' competence is subject to ongoing evaluation to ensure optimal performance. This assessment considers adherence to fit and proper criteria, individual contributions, and overall effectiveness in fulfilling their responsibilities.

These regular evaluations facilitate continuous improvement, enhanced accountability, and alignment with the organization's strategic objectives and regulatory requirements.

b. External Evaluation

In compliance with the Chairman of the Securities and Commodities Authority's Decision (3/R.M) of 2020, and its amendments, concerning standards of institutional discipline and governance for joint stock companies, the entity intends to engage an external firm to conduct its Board evaluation.

17 Organizational structure of the Company and the experience and qualifications of its first and second-ranking senior executives



17 Organizational structure of the Company and the experience and qualifications of its first and second-ranking senior executives

continued

Comprehensive report of first and second rank senior executives, as per the Company's organizational structure, incorporates their respective roles, dates of appointment, and offers a breakdown of total salaries and bonuses allocated to each individual:

Position	Date of Appointment	Total Salaries and Allowances Paid in 2024	Total Bonuses Paid in 2024	Any other Cash/ In-Kind Reward for 2024 or Payable in the Future
Chief Executive Officer	21/03/2022	2,519,341	–	–
Chief Financial Officer	01/07/2022	1,088,000	–	–
General Manager – Watania Takaful Family	01/07/2022	997,000		
General Manager – Watania Takaful General	17/10/2024	283,968	–	–
Senior Vice President – Human Resources	27/04/2022	788,000	–	–
Chief Information Officer	01/07/2022	990,900	–	–
Chief Audit Executive	01/07/2022	618,992	–	–
Chief Strategic Partnership	20/11/2011	648,000	–	–
Vice President – Corporate Communications and Investor Relations	01/04/2023	665,417	–	–
General Manager – Watania Takaful General (resigned on 21 Aug 2024)	14/05/2017	569,750	–	–

v

18 External Auditor of the Company

a. Overview of the external auditor

The Board of Directors submitted its recommendations for the appointment of an external auditor, which the General Assembly subsequently reviewed. At its meeting on April 24, 2024, the General Assembly approved the appointment of Grant Thornton. Grant Thornton, recognized globally as the sixth-largest professional services network, is accredited as an independent entity by financial markets, regulatory authorities, and international standard-setting bodies. With over 50 years of experience, Grant Thornton has consistently contributed to the economic advancement of organizations across diverse industries. In the UAE, their local team comprises more than 200 professionals and is supported by a robust regional network spanning 12 international branches.

b. Statement outlining the fees and costs associated with the audit or services rendered by the external auditor

The name of the audit firm	Grant Thornton
The name of the partner auditor	Mr. Osama El Bakry
Number of years spent as the company's external auditor	5
Number of years the partner auditor spent auditing the company's accounts	3
Total value of audit fees for 2024 (in AED)	AED 945,000
Details and the nature of other services	Nil
The value of fees and costs incurred for other special services other than auditing the financial statements for 2024 (in AED)	Nil
Statement of other services that an external auditor other than the company auditor provided during 2024	Nil

c. A statement of reservations included by the Company's external auditor in the interim and annual financial statements for the year 2024

In the opinion of Grant Thornton, the consolidated financial statements fairly present the Group's consolidated financial position in all material respects as of December 31, 2024. Furthermore, the consolidated financial performance of the Company and its cash flows for the year ended on the same date have been prepared in accordance with International Financial Reporting Standards.

19 Internal Control System

a. Acknowledgment by the Board of Directors for the company's internal control system and for reviewing its operations and ensuring its effectiveness.

The Board acknowledges its responsibility for establishing and maintaining the company's internal control system. It is committed to regularly reviewing its operations to ensure effectiveness, mitigate risks, and uphold compliance with regulatory and corporate governance standards.

The company updated its internal policies and procedures related to risk management and internal controls in 2022 to align with applicable regulations and enhance governance frameworks. The following updated policies have been implemented to strengthen compliance and operational integrity:

- Anti-money Laundering and Compliance Management Framework
- Anti-money Laundering Policies and Procedures
- Authority Matrix
- Credit Policy
- Whistleblowing Policy
- Conflict of Interest Policy
- Stock Trading Policy
- Code of Conduct

These policies ensure adherence to regulatory requirements, promote ethical business practices, and reinforce internal controls across the organization.

Internal Control Management Framework

This structured approach ensures a robust internal control environment, fostering transparency, accountability, and regulatory compliance while safeguarding the company's operational and financial integrity.

1. Establishment and Governance

The Internal Control Management function was established in July 2022 and operates under the direct responsibility of the Board of Directors. The function is founded on principles of absolute transparency, ensuring that periodic written reports are submitted to the Board detailing the organization's procedures, findings, and recommendations.

During a recent Board meeting, a decision was made to further define the specific responsibilities assigned to Internal Control Management in alignment with the applicable ministerial resolution on governance.

2. Internal Control Management Mechanism

The Internal Control Management Framework is structured to monitor the control environment in collaboration with the ARCC on behalf of the Board of Directors. The management team meets with the committee approximately every three months to review reports, recommendations, and compliance with organizational objectives and policies set by the Board.

3. Key Responsibilities of Internal Control Management

1. Risk Management Evaluation – Assessing and overseeing the company's risk management procedures.
2. Governance Compliance – Ensuring the effective implementation of governance rules.
3. Regulatory and Policy Compliance – Monitoring adherence to applicable laws, regulations, internal policies, and procedures.
4. Internal Committee Oversight – Evaluating the efficiency of internal committees in mitigating risks and recommending corrective measures.
5. Financial Data Review – Assessing financial information provided to senior management for the preparation of financial statements.
6. Financial Performance Analysis – Comparing actual financial results with forecasts, analyzing variances, and providing solutions and recommendations.
7. Coordination with External Auditors – Facilitating collaboration with external auditors and regulatory bodies, addressing their queries, and ensuring compliance with their recommendations.
8. Periodic Reporting – Preparing periodic and on-demand reports on control and audit processes for Board review and decision-making.
9. Enhanced Departmental Oversight – Implementing additional controls over key business functions, including:
   - Operational efficiency and effectiveness.
   - Financial transaction safeguards (payments, transfers, deductions, etc.).
   - Accuracy and integrity of accounting records.
   - Secure data management and IT system controls.
   - Reconciliation of internal data with external sources.
   - Verification of financial results with recorded accounts.
   - Asset protection and records management.
   - Immediate response to significant control issues.

19 Internal Control System continued

b. The name, qualifications, and date of appointment of the department director

Abraham George is the Chief Audit Executive of Watania International Holding (DFM: WATANIA), a publicly listed investment holding company.

A seasoned finance and insurance professional, he brings nearly four decades of experience in the financial sector across the UAE and India.

In his role as Chief Audit Executive, he is responsible for overseeing internal audit functions, ensuring the effectiveness of internal controls, risk management, and governance frameworks, as well as compliance with regulatory requirements. Prior to this, he served as Chief Audit Executive at National Takaful Company (Watania) PJSC.

His extensive experience in the insurance sector covers all classes of general insurance, including life insurance and group health insurance, with leading organizations in the Middle East.

His core expertise includes:

1. Internal Audit and Internal Control
2. Quality Management and Business Excellence
3. Financial Accounting and Compliance

Abraham George holds a Master of Commerce from the University of Kerala and an MBA in Audit Management from the School of Business Management.

He is also a Certified Internal Control Auditor (CICA), Certified Fraud Examiner (CFE), and an associate in general insurance.

c. The name, qualifications, and date of appointment of the compliance officer

Mr. Ali Bin Magram assumed leadership of the Compliance Department. He holds a bachelor's degree in business administration (Financial Management) and has completed several specialized courses in Anti-Money Laundering (AML) and Countering the Financing of Terrorism (CFT).

With 17 years of experience in the banking sector, Mr. Ali has gained extensive expertise in financial compliance and risk management. He has previously held key roles at HSBC, Mashreq Bank, Dubai Islamic Bank (DIB), and Abu Dhabi Commercial Bank (ADCB), where he developed a deep understanding of financial institutions and regulatory frameworks.

d. How the Internal Control Department deals with any major company issues or those disclosed in the annual reports and accounts. (If no major problems have occurred, this should also be stated)

No major issues have occurred or been reported by the External Auditor or Internal Control Department. The department continues to monitor and assess internal controls to ensure compliance and operational efficiency, with no significant deficiencies disclosed in the annual reports or accounts.

e. Number of reports issued by the Internal Control Department to the Board of Directors

The Internal Control Department has issued periodic reports covering key areas such as Underwriting, Claims, Compliance (including AML & CFT), and Internal Control over Financial Reporting. These reports have been presented to and thoroughly reviewed by the ARCC, ensuring that all critical issues are appropriately escalated and that corrective actions are effectively implemented.

Additionally, regular follow-ups are conducted to verify the sustained resolution of identified deficiencies and to mitigate the risk of recurrence, reinforcing the organization's commitment to strong governance and internal controls.

The Board of Directors is responsible for overseeing the company's internal control system, evaluating its effectiveness, and ensuring its role in preventing fraud. The Board acknowledges its responsibility for the internal control framework, regularly reviews its operational mechanisms, and ensures its continued efficiency in safeguarding the organization's interests.

20 Details of violations incurred during the year 2024, their underlying causes, proposed remedies, and preventive measures to preclude their reoccurrence in the future.

The Company maintains its commitment to full compliance with all applicable regulatory requirements and regularly updates its internal control procedures to preclude any regulatory breaches. Notably, no violations were recorded during 2024.

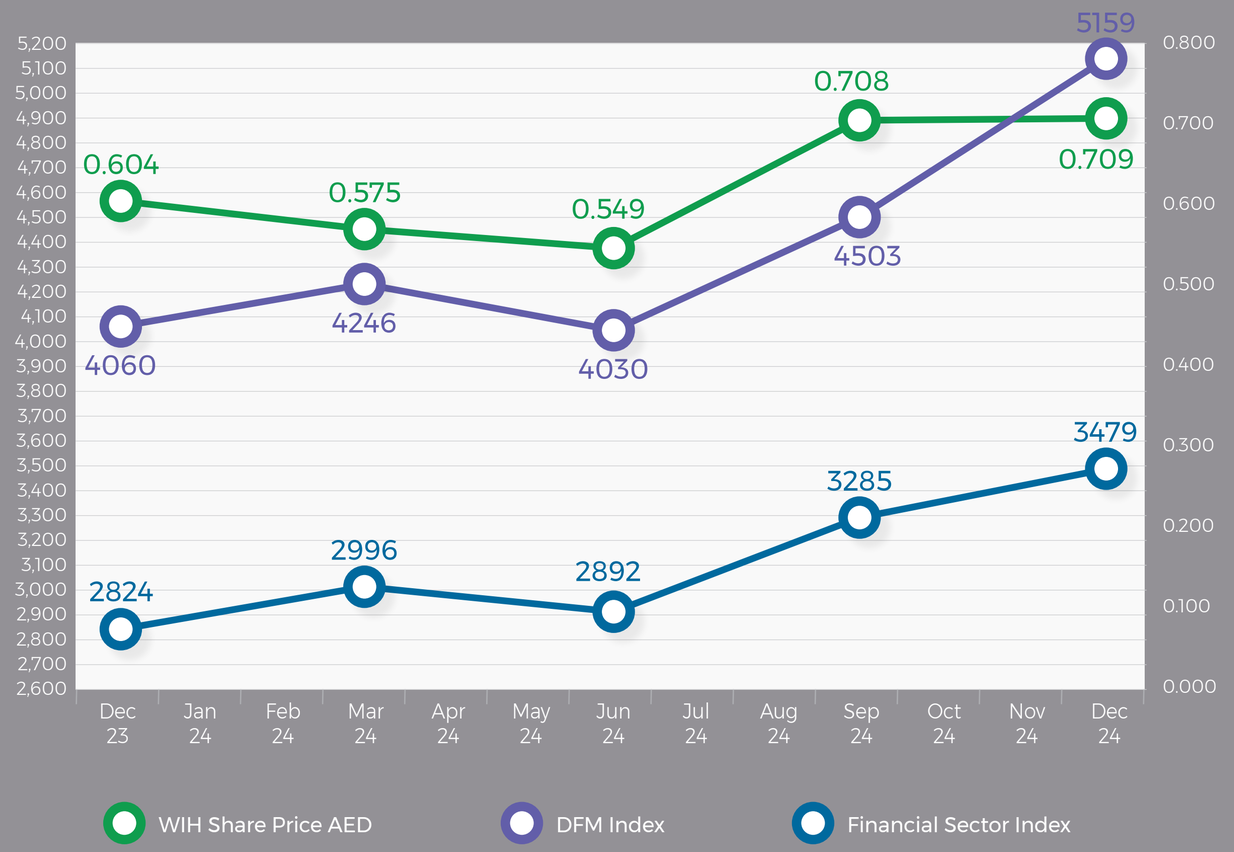
21 Statement of Cash and in-kind sustainability contributions made by the Company during 2024

Event	Description	Amount AED
Rashid Center for People of Determination	Student Sponsorship	36,000
Mohammed bin Rashid Al Maktoum Global Initiatives	The Mothers' Endowment Campaign	25,000
Ramadan Iftar Donations	Donation to Labour Camp Iftars	10,000
Ramadan Iftar Donations	Donation to Red Crescent	50,000
Corporate Social Responsibility: Community Service and health care initiatives in collaboration with Al Tadawi Specialty hospital	Blood Donation Campaign and free lunch for the donors	5,800

22 General information

Statement detailing the company's share price in the market at the end of each month throughout the financial year 2024, including the closing price, highest price, and lowest price:

Month	High (AED)	Low (AED)	Closing (AED)
Jan-24	0.732	0.582	0.665
Feb-24	0.691	0.561	0.614
Mar-24	0.624	0.541	0.575
Apr-24	0.640	0.530	0.580
May-24	0.623	0.522	0.564
Jun-24	0.564	0.494	0.549
Jul-24	0.600	0.474	0.506
Aug-24	0.740	0.492	0.720
Sep-24	0.770	0.685	0.708
Oct-24	0.705	0.650	0.660
Nov-24	0.730	0.637	0.668
Dec-24	0.778	0.656	0.709



22 General information continued

b. A comprehensive assessment of the Company's share performance vis-à-vis both the general market index and the sector index it is part of, spanning the entire fiscal year 2024

Year	DFM Index	Financial Sector Index	WIH Share Price AED
Dec-23	4060	2824	0.604
Mar-24	4246	2996	0.575
Jun-24	4030	2892	0.549
Sep-24	4503	3285	0.708
Dec-24	5159	3479	0.709

c. A breakdown of shareholders' ownership distribution as of December 31, 2024

Shareholder's Classification	Percentage of Owned Shares			
	Individuals	Companies	Government	Total
Local	35.0250%	53.1580%	0.0006%	88.1836 %
Arab	5.3147%	4.7361%	—	10.0508 %
Foreign	1.7347%	0.0310%	—	1.7657%
Total	42.0744%	57.9251%	0.0006%	100.000%

d. Statement detailing shareholders possessing 5% or more of the Company's capital as of December 31, 2024

Name	No. of Shares	Percentage of Shareholding
Magna Investment LLC	65,165,308	25.0485 %
MB UAE Investment	56,179,687	21.5946 %
Ali Saeed Sultan Bin Harmal Aldhaheri	31,252,920	12.0131 %
Mohammed Qusai Mohammed Al Ghussein	14,900,657	5.7276 %

e. Statement of shareholders categories based on ownership as of December 31, 2024

Category	No. of Shareholders	Owned Quantity	Owned Quantity %
Less than 50,000	2,045	6,716,741	2.582
Between 50,000 and 500,000	140	21,217,317	8.156
Between 500,000 and 5,000,000	22	32,377,347	12.445
Greater than 5,000,000	8	199,844,845	76.817
Total	2,215	260,156,250	100.000

22 General information continued

A statement setting forth the procedures undertaken in relation to investor relations control, including the following:

Watania International Holding (PJSC) has recently revised and enhanced its investor relations website to ensure compliance with the regulations and standards set forth by the Securities and Commodities Authority's investor relations department. Shareholders, investors, and interested parties can now conveniently access the Company's website at www.watania.ae.

a. Contact details for the Investor Relations Manager

Mr. Hamad Sharaf, Chief Strategic Partnership, Business Development
Email address: hamad.sharaf@watania.ae
Contact No. +971 50 676 7605
www.watania.ae/investors/company-profile

b. Statement of Special Resolutions Passed at the 2024 General Assembly and Subsequent Actions Taken

No Special Resolutions were passed at the 2024 General Assembly.

c. Board Secretary

Mrs. Nawal Saleh Ahmad Ma'ally was appointed Board Secretary on March 21, 2022. She is a qualified Board Secretary, certified by The Chartered Governance Institute UK & Ireland and the Hawkamah Institute, UAE. She is also a fellow of the Arab British Academy. Additionally, a bachelor's degree of Business Administration degree from the Swiss School of Management and a Diploma in English Literature from Al-Balqa Applied University, Jordan.

d. Detailed statement of significant activities, events, and material disclosures encountered by the Company during the fiscal year 2024

None

e. Statement on Emiratization percentage within the Company as of December 31, 2024

No requirement is applicable for Watania International Holding PJSC

f. Statement on innovative projects and initiatives implemented or in development by the Company during 2024

None

Date: March 25, 2025

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman of the Board of Directors

Usama Mohamed Al Barwani
Chairman of Nomination and Remuneration Committee

Matar Hamdan Sultan Al Ameri
Chairman of ARCC

Abraham George
Chief Audit Executive

Appendices

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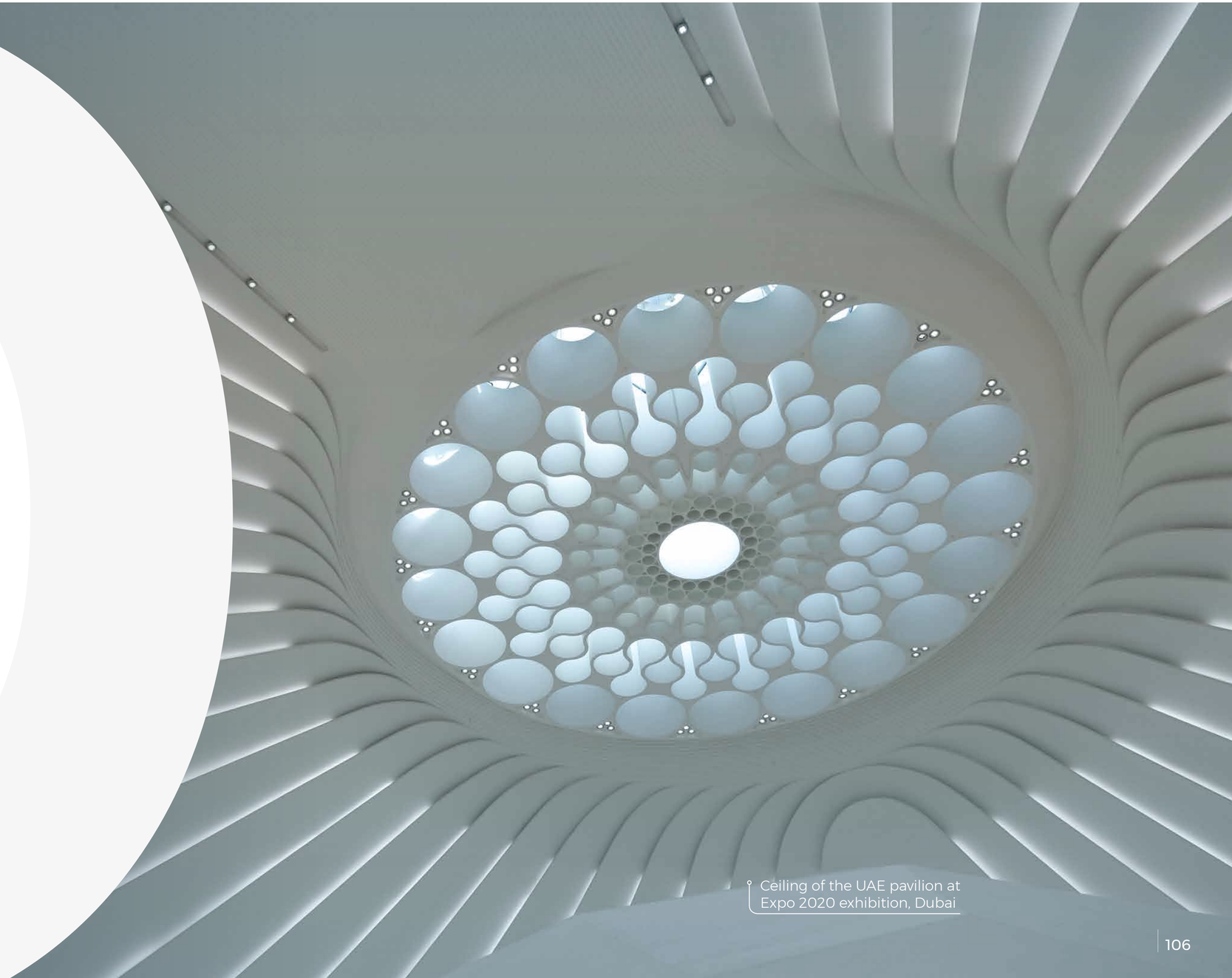

Ceiling of the UAE pavilion at Expo 2020 exhibition, Dubai

GRI/DFM Index

METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
ENVIRONMENT				
E1. GHG Emissions	E1.1) Total amount of Scope 1 emissions	GRI: 1-305	SDG 13	42
	E1.2) Total amount of Scope 2 emissions	GRI: 305 -2		
	E1.3) Total amount of Scope 3 emissions	GRI: 3-305		
	E1.4) Please describe investments, initiatives and projects to reduce CO2 emissions			
E2. Emissions Intensity	E2.1) GHG emissions intensity	GRI: 4-305		
	E2.2) Non-GHG emissions intensity	GRI: 7-305		
E3. Energy Usage	E3.1) Total amount of direct energy consumed	GRI: 1,2-302	SDG 12	
	E3.2) Total amount of indirect energy consumed	GRI: 1,2-302		
E4. Energy Intensity	E4.1) Direct energy use intensity	GRI: 1-302	SDG 7, SDG 12	
	E4.2) Total indirect energy usage per output scaling factor	GRI: 2-302		
	E4.3) Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency	GRI: 1,2-302		
E5. Energy Mix	E5.1) Renewable energy used	GRI: 1-302	SDG 7	46
	E5.2) Non-renewable energy used	GRI: 2-302		
E6. Water and Effluents	E6.1) Total amount of water withdrawn	GRI: 3-303	SDG 6, SDG 12	
	E6.2) Total amount of water discharged	GRI: 4-303		
	E6.3) Total amount of water consumed (If possible, a breakdown by source: surface water, groundwater, seawater, etc.)	GRI: 303-5		
	E6.4) Water intensity			
	E6.5) Water recycled (If applicable)			
	E6.7) Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling			

METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
ENVIRONMENT continued				
E7. Waste	E7.1) Total amount of waste generated (if possible, broken down by Hazardous and Non-hazardous)	GRI: 3-306	SDG 12, SDG 14, SDG 15	44-45
	E7.2) Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Nonhazardous)	GRI: 4-306		
	E7.3) Total amount of waste directed to disposal (if possible, broken down by Hazardous and Nonhazardous)	GRI: 306-5		
	E7.4) Total number and volume of oil spills (if applicable)			
	E7.5) Please describe investments, initiatives and projects to reduce waste generation consumption and to increase waste recycling	GRI: 11 Oil and Gas Sector		
E8. Environmental Management	E8,.1) Does your company follow a formal Environmental Policy?	GRI: 23-2	SDG 13	
	E8.2) Does your company follow specific waste, water, energy, and/or recycling polices?	GRI: 24-2		
	E8.3) Does your company adopt a recognized environment and energy management systems such as ISO14001 and ISO50001?			
	E8.4) Does you company have targets in place with regards to environment, energy, water and waste?			
	E8.5) Please indicate if any fines received (> USD 10,000) for non-compliance with laws and regulations regarding environmental management during the last reporting period	GRI 27-2:2		
E9. Climate Risk Management and Oversight	E9.1) Does your Board/Management Team oversee and/or manage climate-related risks and opportunities? If yes, describe.	GRI 12:2	- SDG 13	
	E9.2) Please describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term			
	E9.3) Please describe the organisation´s processes for identifying and assessing climate-related risks			
	E9.4) Please describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning			
	E9.5) Total amount invested, periodically, in climate-related infrastructure, resilience and product development			
	E9.6) Please describe the greenhouse gas emission targets (Scope1, Scope2 and Scope3) and the related risks			42
	E9.7) Please share your actions to align with UAE's Net Zero Commitment by 2050. Do you have a net zero emissions target in place?			
E10. Biodiversity	E10.1) Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversity value.	GRI: 1-304	SDG 15	
	E10.2) Please describe significant impacts of activities, products and services on biodiversity	GRI: 2-304		

GRI/DFM Index continued

METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
SOCIAL				
S1. CEO Pay Ratio	S1.1) Please share the ratio of CEO total compensation to median full-time employee (FTE) total compensation	GRI 2:21	SDG 10	
	S1.2) Does your company report this metric (above) in any regulatory filings?			
	S2.1) Please share the total enterprise headcount held by full-time employees (broken down by: gender, age and seniority level)	GRI 2:7	SDG 5, SDG 8	48-53
S3. Breakdown with Staff	S3.2) Please share the total enterprise headcount held by part-time employees (broken down by, gender, age and seniority level)	GRI 2:7		
	S3.3) Please share the total enterprise headcount held by contractors and/or consultants	GRI 2:8		
	S3.4) Please share the total of national employees (broken down by, gender, age and seniority level)	GRI: 202-2		
S4. Employee Turnover and New Hires	S4.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level)	GRI: 401-1		
	S4.2) Year-over-year change for part-time employees	GRI: 401-1		
	S4.3) Year-over-year change for contractors and/or consultants	GRI 2:8		
	S4.4) Year-over-year of new hires (broken down by age, gender and seniority level	GRI: 401-1		
S5. Gender Diversity and Equality	S5.1) Total enterprise headcount held by men and women	GRI 2:9 / GRI: 405-1	SDG 5	
	S5.2) Total entry and mid-level positions held by men and women	GRI 2:9 / GRI: 405-1		
	S5.3) Total senior and executive-level positions held by men and women	GRI 2:9 / GRI: 405-1		
	S5.4) The ratio of median male employee compensation to median female employee compensation	GRI: 405-1		
	S5.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions.	GRI: 2-19		

METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
SOCIAL continued				
S6. Human Rights	S6.1) Does your company follow a harassment and/or non-discrimination policy?	GRI 2: 23	SDG 10	51-52, 57-58, 69-70
	S6.2) Does your company have a formal grievance mechanism in place?	GRI 2: 23		
	S6.3) Does your company follow a child and/or forced labor policy?	GRI 2: 23		
	S6.4) Does your company follow a human rights policy?	GRI 2: 23		
	S6.5) Does your company provide training on human rights and related internal policies for your employees?	GRI: 404-1		
S7. Health and Safety	S7.1) Does your company follow an occupational health and safety policy?	GRI 2: 23 GRI: 403-9 GRI: 403-9	SDG 3	
	S7.2) Does your company adopt a recognized health and safety management system such as ISO45001?			
	S7.3) Please share the total employee and total contractors (if available) manhours	GRI: 403-9		
	S7.4) Please share the total employee fatalities	GRI: 403-9		
	S7.5) Please share the employee lost time injury (LTI)	GRI: 403-9		
	S7.6) Please share the lost time injury frequency (LTIF)	GRI: 403-9		
	S7.7) Please share the total health and safety training provided to employees	GRI: 403-5		
S8. Community Engagement	S8.1) Please share the total amount invested in the community, including philanthropy, donations and sponsorships		SDG 8	60-61
	S8.2) Please share the total employee volunteering completed during the reporting period			

GRI/DFM Index continued

METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
GOVERNANCE				
G1. Board Diversity	G1.1) Total board seats occupied by men and women	GRI 405-1	SDG 10	10, 79-82
	G1.2) Total committee chairs occupied by men and women	GRI 405-1		
G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair?	GRI 405-1		
	G2.2) Please share the total board seats occupied by independents	GRI 405-1		
G3. Collective Bargaining	*G3.1) Please share the total enterprise headcount covered by collective bargaining agreement(s) *Applicable to companies operating in countries in which collective bargaining is applicable by law "	GRI 2:30		N/A
G4. Supply Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?		SDG 12	
	G4.2) If yes, what percentage of your suppliers are formally certified and compliant with the Code?	GRI: 308-1		
	G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period	GRI: 414-1		
	G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period	GRI: 308-1, 414-1		
	G4.5) Please share the new suppliers receiving warning due to the environmental/social screening	GRI: 2-19		
G5. Ethics and Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti- Corruption policy?	GRI 2:23	SDG 6	66-72
	G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy	GRI: 205-2		
	G5.3) Please share the confirmed incidents of corruption during the reporting period	GRI: 205-3		
	G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any)	GRI: 205-4		

METRIC	INDICATOR	CORRESPONDING GRI STANDARDS	CORRESPONDING SDGS	PAGE NUMBER
GOVERNANCE continued				
G6. Data Security	G6.1) Does your company follow a Data Privacy policy?	GRI: 418-1		62-63
	G6.2) Has your company taken steps to comply with GDPR rules or similar standards?			
	G6.3) Data security breaches during the reporting period (if any)	GRI: 418-1		
G7. Sustainability Practices	G8.1) Does your company publish a sustainability report?			Yes
	G8.2) Does your company publish a GRI, WEF SCM, SASB, IIRC, UNGC or CDP based reporting?			Yes
	G8.3) Does your company provide training to its employees regarding topics related to sustainability (environment, human rights, ethics, etc.)?	GRI: 404-1		Yes
	G8.4) Please share the total sustainability related training provided to employees	GRI: 404-2		57-58
G9. External Assurance	G9.1) Are your sustainability disclosures assured or validated by a third party?	GRI 2:5		

Watania International Holding (PJSC)

Consolidated financial statements
For the year ended 31 December 2024

Directors' report

The directors submit their report on the audited consolidated financial statements for the year ended 31 December 2024.

Incorporation and registered offices

Watania International Holding (PJSC) (formerly, Dar Al Takaful (PJSC)) (the "Company") was incorporated as a public joint stock company and obtained its commercial license on 23 July 2008 while commenced operations on 1 September 2008. The address of the Company's registered office is P.O. Box. 235353, Dubai, United Arab Emirates.

Principal activities

The Company with its subsidiaries is collectively referred to as the "Group". The Group mainly issues long term and short term takaful contracts in connection with life and non-life takaful such as motor, marine, fire, engineering, medical and general accident risks (collectively known as general takaful). The Group also invests its funds in investment securities.

Financial position and results

The financial position and results of the Group for the year ended 31 December 2024 are set out in the accompanying consolidated financial statements.

The Board of Directors have agreed to not to distribute dividends to its shareholders for the financial period ended on 31st December 2024. This decision is attributed to the following:

1. Watania International Holding Company's earnings are through its investment income and dividends earned from the profits of its Takaful operating subsidiaries, Watania Takaful General and Watania Takaful Family. During the year ended 31 December 2024, one of the companies, Watania Takaful General, faced financial losses due to floods in UAE. Even though the other subsidiary, Watania Takaful Family saw turnaround and improvement in its results, we believe any payment of dividend to Watania International Holding PJSC will impose a stress on its Solvency Margins.
2. The solvency position of the company requires a need for prudent capital allocation to support ongoing operations, strategic initiatives, and future growth endeavours. It is imperative to prioritize the retention of capital to fortify our financial resilience and ensure the sustainability of our business operations amidst the prevailing economic uncertainties.
3. The decision-making process surrounding dividend distribution involves a meticulous evaluation of various factors, including regulatory compliance, operating conditions, company expenses, financial liquidity, and capital requisites essential for sustained growth. Our board of directors has diligently assessed these factors considering the prevailing circumstances, leading to the conclusion that dividend distribution would not be viable or prudent at this juncture.
4. The Board of Directors are optimistic about the future and the performance of the Company and rewarding its shareholders in the near future.

In light of these considerations, the board of directors has made a conscientious decision to prioritize the financial stability and long-term growth prospects of our company by deferring dividend distribution to the holding company shareholders. While we understand the importance of dividends as a means of rewarding our shareholders, we believe that the prudent allocation of capital towards strengthening our financial position and pursuing strategic objectives is paramount at this juncture.

Directors' report (continued)

Financial position and results (continued)

We assure you that this decision has been made after thorough deliberation and with utmost consideration for the interests of our shareholders and the long-term sustainability of our business. We remain committed to transparent communication and will continue to keep our shareholders informed of any developments pertinent to dividend distribution in the future.

Directors

The following were the Directors of the Group for the year ended 31 December 2024:

Dr. Ali Saeed Bin Harmal Aldhaheri	Chairman
Mr. Matar Hamdan Al Ameri	Vice Chairman
Dr. Mohamed Ali Al Barwani	Member
Eng. Usama Mohamed Al Barwani	Member
Mr. Abdallah Malek Osseiran	Member
Mr. Mohammed Nayel Rashed Al Nayeli Alshamsi	Member
Mr. Rashid Mahboob Ali AlQubaisi	Member

Auditors

The consolidated financial statements for the year ended 31 December 2024 have been audited by Grant Thornton UAE.

Approved by order of the Board of Directors on 19 March 2025

Chairman **Vice Chairman**

Grant Thornton Audit and Accounting Limited (Dubai Branch)

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Independent Auditor's Report
To the Shareholders of Watania International Holding (PJSC)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Watania International Holding (PJSC) (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including international independence standards) ("IESBA Code")* together with the other ethical requirements that are relevant to our audit of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. 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.

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Independent Auditor's Report
To the Shareholders of Watania International Holding (PJSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of takaful contract liabilities, takaful contract assets, retakaful contract assets and retakaful contract liabilities	
As at 31 December 2024, The Group's takaful contract liabilities, takaful contract assets, retakaful contract assets and retakaful contract liabilities are valued at AED 896 million, AED 0.02 million, AED 298 million and AED 52 million respectively. (Refer to note 9 to the consolidated financial statements). The valuation of takaful contract liabilities, takaful contract assets, retakaful contract assets and retakaful contract liabilities involves significant judgements and estimates particularly with respect to, estimation of the present value of future cash flows, the eligibility of the PAA model and estimation of the liabilities for incurred claims. These cashflows and liabilities primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of takaful acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows. As a result of the above factors, we consider the valuation of takaful contract liabilities and assets, retakaful contract liabilities and assets as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: • Understood and evaluated the process, the design and implementation of controls in place to determine valuation of Retakaful and takaful contract assets and liabilities; • Assessed the competence, capabilities and objectivity of the management appointed actuary; • Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; • Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; • We independently reperformed the calculation to assess the mathematical accuracy of the takaful contract liabilities, takaful contract assets, retakaful contract assets and retakaful contract liabilities on selected classes of business, particularly focusing on largest and most uncertain reserves; • Evaluated and tested the data used in the impairment model calculations for takaful receivables; and • Evaluated and tested the calculation of the expected credit loss allowance and the key assumption and judgements used.

Independent Auditor's Report
To the Shareholders of Watania International Holding (PJSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of investment properties	
The Group holds investment properties under the fair value model as at 31 December 2024 amounting to AED 73.1 million (2023: AED 67.8 million. (Refer to note 5 to the consolidated financial statements). The fair value requires significant judgement and estimates by management and independent valuers. The Group has involved two external valuers in order to value their investments properties for the purpose of determining the fair value for inclusion in the consolidated financial statements. The existence of significant judgement and estimation could result in material change. Therefore, the valuation of these investment properties were significant to our audit.	Our audit procedures, among others, included: • Assessed the competence, capabilities, and objectivity of external valuers; • Evaluated the accuracy and completeness of the source data used in the calculation of fair values; • Assessed the appropriateness of the key assumptions and methodologies used; • Performed an independent calculation after carrying out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management experts; and • Assessed the adequacy of disclosures included in consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Independent Auditor's Report
To the Shareholders of Watania International Holding (PJSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Responsibilities of the 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 International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

Independent Auditor's Report
To the Shareholders of Watania International Holding (PJSC)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Group and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law 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

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

- We have obtained all the information we considered necessary for the purposes of our audit;
- 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;
- The Group has maintained proper books of account;
- The financial information included in the report of the Directors is consistent with the books of accounts of the Group;
- As disclosed in note 8 to the consolidated financial statements, the Group has investment in shares during the financial year ended 31 December 2024;

Grant Thornton

Independent Auditor's Report
To the Shareholders of Watania International Holding (PJSC)

Report on Other Legal and Regulatory Requirements (continued)

- Note 22 to the consolidated financial statements reflects material related party transactions, and the terms under which they were conducted;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has, during the financial year ended 31 December 2024, contravened any of the applicable provisions of the U.A.E. Federal Decree Law No. (32) of 2021, 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 2024; and
- Note 20 to the consolidated financial statements discloses the social contributions during the financial year ended 31 December 2024.

GRANT THORNTON UAE

Dr. Osama El-Bakry
Registration No. 935
Dubai, United Arab Emirates

19 March 2025

Watania International Holding (PJSC)
Consolidated statement of financial position
As at 31 December 2024

	Notes	2024 AED'000	2023 AED'000
ASSETS			
Investment properties	5	**73,069**	67,807
Property and equipment	6	**14,676**	15,131
Intangible assets	7	**76,636**	83,065
Investments at amortised cost	8	**20,915**	33,737
Investments at fair value through other comprehensive income (FVTOCI)	8	**1,000**	6,197
Investments at fair value through profit or loss (FVTPL)	8	**476,205**	427,521
Retakaful contract assets	9	**298,256**	103,519
Takaful contract assets	9	**19**	-
Trade and other receivables	10	**24,015**	36,001
Cash and cash equivalents	11	**339,190**	409,949
TOTAL ASSETS		**1,323,981**	1,182,927
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	**260,156**	260,156
Statutory reserve	13	**12,621**	9,828
Restricted reserve	13	**7,359**	5,383
Cumulative change in fair value of securities		**-**	199
Accumulated losses		**(38,660)**	(45,972)
Treasury shares	13	**(7,554)**	-
Reserves for treasury shares	13	**2,282**	-
TOTAL EQUITY		**236,204**	229,594
LIABILITIES			
Employees' end of service benefits	14	**20,025**	19,893
Deferred tax liability	32	**5,064**	4,249
Lease liability		**6,066**	7,557
Takaful contract liabilities	9	**895,576**	722,413
Retakaful contract liabilities	9	**51,833**	53,171
Trade and other payables	15	**60,315**	71,300
Current tax liability	32	**23**	-
Borrowings	16	**48,875**	74,750
TOTAL LIABILITIES		**1,087,777**	953,333
TOTAL EQUITY AND LIABILITIES		**1,323,981**	1,182,927

These consolidated financial statements were approved by the Board of Directors on 19 March 2025 and were signed on their behalf by:

Dr. Ali Saeed Bin Harmal Aldhaheri
Chairman

Ms. Gautam Datta
Chief Executive Officer

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

Watania International Holding (PJSC)
Consolidated statement of comprehensive income
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Takaful income	17	**869,585**	954,363
Takaful expenses	18	**(875,661)**	(954,761)
Investment income	19	**36,293**	36,128
Net operating income		**30,217**	35,730
General and administrative expenses	20	**(18,681)**	(31,780)
Amortisation of intangibles		**(6,301)**	(6,301)
Finance cost		**(4,680)**	(6,066)
Other income		**13,563**	21,454
Profit before tax for the year		**14,118**	13,037
Income tax (credit) / expense	32	**(838)**	238
Profit after tax for the year		**13,280**	13,275
Other comprehensive (loss) / income			
Items that will not be reclassified subsequently to profit or loss			
Unrealised (loss)/gain on equity investments at FVTOCI		**(199)**	199
Total Comprehensive Income for the Year		**13,081**	13,474
Earnings per share (AED)			
Basic and diluted	21	**0.051**	0.051

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

Watania International Holding (PJSC)
Consolidated statement of changes in equity
For the year ended 31 December 2024

	Share capital AED'000	Treasury shares AED'000	Statutory reserve AED'000	Restricted reserve AED'000	Cumulative change in fair value of securities AED'000	Accumulated losses AED'000	Reserve for treasury shares AED'000	Total AED'000
Balance at 1 January 2023	260,156	-	8,500	3,636	(1,655)	(52,176)	-	218,461
Impact of initial application of new standard IFRS 9	-	-	-	-	1,655	(3,996)	-	(2,341)
Net profit for the year	-	-	-	-	-	13,275	-	13,275
Cumulative change in fair value of securities	-	-	-	-	199	-	-	199
Total comprehensive income for the year	-	-	-	-	199	13,275	-	13,474
Transfer to statutory reserve (note 13)	-	-	1,328	-	-	(1,328)	-	-
Transfer to restricted reserve (note 13)	-	-	-	1,747	-	(1,747)	-	-
Balance at 31 December 2023	260,156	-	9,828	5,383	199	(45,972)	-	229,594
Balance at 1 January 2024	**260,156**	**-**	**9,828**	**5,383**	**199**	**(45,972)**	**-**	**229,594**
Board of directors' remuneration fees	-	-	-	-	-	**(1,199)**	-	**(1,199)**
Purchase of treasury shares (note 13)	-	**(7,554)**	-	-	-	-	2,282	**(5,272)**
Profit for the year	-	-	-	-	-	**13,280**	-	**13,280**
Other comprehensive loss for the year	-	-	-	-	**(199)**	-	-	**(199)**
Total comprehensive income for the year	-	-	-	-	**(199)**	**13,280**	-	**13,081**
Transfer to statutory reserve (note 13)	-	-	**2,793**	-	-	**(2,793)**	-	-
Transfer to restricted reserve (note 13)	-	-	-	**1,976**	-	**(1,976)**	-	-
Balance at 31 December 2024	**260,156**	**(7,554)**	**12,621**	**7,359**	**-**	**(38,660)**	**2,282**	**236,204**

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

Watania International Holding (PJSC)
Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit for the year before tax		**14,118**	13,037
Adjustments for:			
Depreciation of property and equipment	6	**3,444**	4,722
Amortisation of intangible assets	7	**9,085**	9,720
Write-off of assets		**(41)**	1,243
Change in fair value of investment properties	5	**(5,262)**	(2,585)
Unrealised (gain)/loss on sale of financial assets at FVTPL		**(6,189)**	291
Realised gain on sale of financial assets at FVTPL		**(2,325)**	(14,201)
Income from wakala deposits	19	**(16,206)**	(14,477)
Income from debt securities	19	**(3,300)**	(2,188)
Dividend income on securities	19	**(1,915)**	(4,658)
Rental income		**(5,046)**	(1,518)
Finance cost		**4,680**	6,066
Finance cost on lease		**224**	-
Impairment on investments at FVTOCI	8	**-**	945
(Reversal)/allowance for expected credit losses	10	**(1,469)**	3,440
Provision for employees' end of service benefits	14	**4,675**	2,835
Operating cash flows before changes in operating assets and liabilities		**(5,527)**	2,672
Change in trade and other receivables		**15,409**	(10,273)
Change in retakaful contract assets and liabilities - net		**(196,094)**	51,798
Change in takaful contract liabilities		**150,302**	(93,694)
Change in trade and other payables		**(10,985)**	(13,607)
Cash used in operations		**(46,895)**	(63,104)
End of service benefits paid	14	**(4,543)**	(527)
Net cash used in operating activities		**(51,438)**	(63,631)
Cash flows from investing activities			
Purchase of property and equipment	6	**(3,030)**	(12,982)
Write-off of leases and fixed assets		**82**	5,448
Purchase of intangible assets	7	**(2,656)**	(142)
Purchase of investment securities	8	**(146,187)**	(150,210)
Proceeds from sale investment securities		**128,872**	259,227
IFRS 9 ECL Impact		**(16)**	-
Proceeds from redemption of FVTOCI investments	8	**4,998**	-
Amortisation of held to maturity investments	8	**(329)**	(8)
Proceeds from redemption of investments at amortized cost		**13,173**	-
Income received on wakala deposits		**17,729**	12,406
Rental income received		**2,112**	3,704
Dividend received		**1,907**	4,585
Finance costs paid		**(4,680)**	(6,066)
Income received from sukuk		**2,765**	1,839
Investment in wakala deposits – net		**115,520**	(56,833)
Net cash generated from investing activities		**130,260**	60,968

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

Watania International Holding (PJSC)
Consolidated statement of cash flows (continued)
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Cash flows from financing activities			
Net movement in lease liabilities		**(1,715)**	(1,342)
Board of directors' remuneration fees paid		**(1,199)**	-
Issuance of treasury shares	13	**(5,272)**	-
Repayment of borrowings	16	**(25,875)**	(20,700)
Net cash used in financing activities		**(34,061)**	(22,042)
Net change in cash and cash equivalents		**44,761**	(24,705)
Cash and cash equivalents at the beginning of year		**78,350**	103,055
Cash and cash equivalents at the end of the year	11	**123,111**	78,350

The accompanying notes 1 to 33 form an integral part of these consolidated financial statements.

1. Legal status and activities

Watania International Holding (PJSC) (the "Company") was incorporated as a public joint stock company. During the year 2023, the Company's insurance license has been cancelled as it will be an investment holding company and changed its name from Dar Al Takaful (PJSC) to Watania International Holding (PJSC). The address of the Company is P.O. Box 235353, Dubai, United Arab Emirates. The Company's ordinary shares are listed on the Dubai Financial Market ("DFM"), United Arab Emirates.

The Company obtained its commercial license on 23 July 2008 and commenced operations on 1 September 2008.

The primary activity of the company includes investment in subsidiaries and securities such as agricultural, commercial, educational, energy, industrial, technological, and tourist enterprises & management, outer space projects, health care, sports, and water enterprises & development, oil & natural gas projects.

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

The Company with its subsidiaries is collectively referred to as the "Group" in these consolidated financial statements. At 31 December 2023, the Company had the following subsidiaries:

Name of subsidiary	Proportion of ownership interest		Principal activities
	2024	2023	
Watania Takaful Family (PJSC)	100%	100%	Family takaful and retakaful activities
Watania Takaful General (PJSC)	100%	100%	General takaful and retakaful activities

2. Statement of compliance with IFRS and basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of UAE Federal Law No. (32) of 2021 relating to commercial companies. These consolidated financial statements are prepared in UAE Dirhams ("AED").

Standards, interpretations, and amendments to existing standards

a) 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 1	Amendments to IAS 1 – Non current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendments to IFRS 16 – Lease on sale and leaseback	1 January 2024

2. Statement of compliance with IFRS and basis of preparation (continued)

b) Standards and interpretations issued but not yet effective

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

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability; Disclosures	1 January 2027

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments and investment properties which are stated at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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, trade and other receivables, trade and other payables and current tax liability. The following balances would generally be classified as non-current: investment properties, property and equipment, intangible assets, investments at fair value through other comprehensive income, provision for employees' end of service, deferred tax liability and. The following balances are of mixed nature (including both current and non-current portions): investments at fair value through profit or loss, investments at amortised cost, retakaful contract assets and liabilities, takaful contract assets and liabilities, lease liability, and borrowings.

Basis of consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and all of its subsidiaries as of 31 December 2024. 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.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Changes in the group ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

3. Material accounting policy information

IFRS 17 Insurance Contracts

IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of takaful contracts, retakaful contracts and investment contracts with discretionary participation features.

It introduces a model that measures groups of contracts based on the Group's estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

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

The Group applies PAA to simplify the measurement of contracts in the non-family and group family takaful segment. When measuring liabilities for remaining coverage, PAA is similar to the Group's previous accounting treatment. However, when measuring liabilities for incurred claims, the Group now discounts the future cash flows and includes an explicit risk adjustment for non-financial risk. For individual life takaful contracts, the Group has applied the General Measurement Model (GMM) and Variable Fee Approach (VFA), as applicable.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2024.

Recognition

Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognised at the earliest of the following:

- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; and
- For a group of onerous contracts when the group becomes onerous.

Retakaful contracts held by an entity are recognised on the earlier of:

- Beginning of the coverage period of the group of retakaful contracts held; and
- Date the entity recognises an onerous group of underlying takaful contracts provided the retakaful contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional retakaful contracts held shall be delayed until the recognition of the first underlying contract issued under that retakaful contract.

Level of Aggregation

Level of aggregation relates to the unit of account under IFRS 17. The unit of account under IFRS 17 is referred to as a 'Group of Contracts' and requirements relating to level of aggregation define how groups of contracts have to be determined.

The standard has set out the following three requirements to determine a group of contracts:

- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped.
- Cohorts – contracts from 1st January to 31st December based on issue date are combined into annual cohorts

3. Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Level of Aggregation (continued)

For this purpose, the standard has mandated at least the following three classifications however it is permitted to use more granular classifications:

- Contracts that are onerous at inception;
- Contracts that are not onerous and have no significant possibility of becoming onerous; and
- All other contracts.

Cohorts

Contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed. The Group has used this simplification while calculating the transition impact of its individual life contracts using fair value approach.

A unique combination of the above three requirements forms a group of contracts i.e., contracts with same portfolio, same expected profitability and issued in the same year can be grouped together. This grouping is permanent and cannot be changed once assigned, regardless of how the actual experience emerges after initial recognition. For instance, as experience emerges an entity may realise that a contract which was thought to be onerous at initial recognition is not onerous, but the grouping will not be changed.

Measurement Models

Measurement model, in rudimentary terms, refers to the basis or a set of methodologies for the computation of takaful contract assets and liabilities and associated revenues and expenses. IFRS 17 has provided the following three measurement models:

Premium Allocation Approach ("PAA")

PAA is an optional simplification that an entity can apply to contracts that have a coverage period of up to 12 months or to contracts for which it can demonstrate that the liability for remaining coverage will not be materially different under PAA and GMM. In terms of computations, the major simplification relates to LRC.

Under PAA, it is not required to consider each component of the contribution separately, instead, a single liability can be set up. The components of liability under PAA as at any valuation date can be summarised as follows:

Liability for Remaining Coverage ("LRC")

- Excluding Loss Component
- Loss Component, if any

Liability for Incurred Claims ("LIC")

- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows

All the Group's short-term business is eligible for this simplification and the Group has adopted this simplification for the eligible business. Under PAA, loss component and claim reserves requires an explicit provision of risk adjustment, this would increase the liabilities whereas discounting will generally decrease the liabilities.

3. Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Measurement Models (continued)

General Measurement Model ("GMM")

GMM is the default measurement model and is applied to all contracts to which Premium Allocation Approach ("PAA") and Variable Fees Approach ("VFA") are not applied. GMM is based on the premise that contributions (or considerations) for takaful contracts comprises of certain components (such as claims, expenses, and profits) and that each component needs to be considered according to its nature. The liability under GMM as at any valuation date comprises of the following:

Liability for Remaining Coverage ("LRC")

- Estimates of future cashflows;
- Risk adjustment;
- Discounting of estimates of future cashflows; and
- Contractual Service Margin ("CSM").

Liability for Incurred Claims ("LIC")

- Estimates of future cashflows;
- Risk adjustment; and
- Discounting of estimates of future cashflows.

Variable Fees Approach ("VFA")

VFA is a mandatory modification to contracts with direct participation features. A contract is a contract with direct participation feature if it meets all three of the following requirements:

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

The components of the liability under VFA are same as GMM and their calculations are quite similar too except for the computation of CSM. Under VFA, CSM calculations reflect the variability related to underlying items, but GMM does not reflect this variability. Similarly, there are some other aspects related to financial risk that impact the CSM under VFA but, not under GMM.

Above, the measurement models have been discussed in terms of takaful contract issued and associated liabilities, but same principles are applicable to retakaful contract held and associated assets (except for VFA). Similarly, both LRC and LIC components are mentioned, however, at initial recognition only LRC will be applicable.

Estimates of future cashflows, risk adjustment and discounting are collectively referred to as the Fulfilment Cashflows ("FCF"). In terms of revenues and expense GMM and VFA are quite similar, however, a significant difference exists between GMM/VFA and PAA.

The revenues under GMM and VFA show each component of the contribution separately (such as expected claims and expenses) whereas under PAA, the revenue shows just an aggregate amount.

Group's unit-linked business is measured using VFA, all other long-term business is measured using GMM. There are fundamental differences between GMM/VFA and the current methodologies for the long-term business. The key differences are discussed on the next page:

3. Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Measurement Models (continued)

Variable Fees Approach ("VFA") (continued)

- Under IFRS 17 assets or liabilities will be determined using gross contribution calculations as opposed to risk contribution calculations. This implies that under IFRS 17 all components of assets or liabilities such as expenses or profits will be computed explicitly. This also implies that expenses or costs that occur only at the start will be deferred implicitly. The impact of this difference cannot be generalised as it depends on whether the implicit margins within risk-contribution based calculations are higher or lower than those required in gross-contribution based calculations.
- Similar to PAA, GMM and VFA also require an explicit risk adjustment. Risk adjustment is a new requirement, and it does not exist under the current standard. Risk adjustment will increase the liabilities for takaful contracts issued and increases the asset for the retakaful contracts held.
- IFRS 17 also introduces substantial changes to the pattern in which profits are recognised for long-term contracts it requires that the profits to be recognised in relation to the service provided. The new standard introduces a new measure, 'coverage units', to quantify the services provided in any period. Given that single contribution contracts recognise all expected profits at the start of the coverage whereas services are provided throughout that coverage period, it is expected that under IFRS 17 profit recognition for single contribution contracts will be delayed and therefore the net liabilities will increase because of this requirement. Similarly, for limited-payment plans, all expected profits are recognised by the end of the payment term and therefore the profits for these will also be relatively delayed in IFRS 17. The impact for regular payment plans will depend on how close the service pattern is to the one currently implied under the plans.
- The definition of revenue under GMM and VFA is quite different for long-term contracts. Under IFRS 17 revenue (or consideration) is more direct and separately includes each component of the contribution (i.e., expected claims and expenses and the portion of the profits relating to the period).

Estimates of Future Cashflows

The standard requires that future cashflows should be estimated till the end of the contract boundary. End of contract boundary is defined as the point at which an entity can either reassess the risk or consideration i.e., contribution. The standard does not provide the methodology for the estimation of future cashflows however, it does provide detailed guidance on the cashflows that are within and beyond the contract boundary. It also provides certain principles in relation to the estimates of future cashflows.

Risk Adjustment

Risk adjustment reflects the compensation that an entity requires for bearing the uncertainty about the amount and timing of the cashflows that arises from non-financial risk. Risk adjustment does not consider financial risk. The standard does not set out the methodology for the computation of risk adjustment, but it has provided certain principles.

Discounting

The standard requires the estimates of future cashflows should be discounted to reflect the effect of time value of money and financial risks. Similar to other provisions, it does not specify a methodology for discounting or the derivation of discount rates however, it sets out certain principles. The standard recognises the following two approaches for the derivation of the discount rates:

- Bottom-Up: An approach where a risk-free rate or yield curve is used and an illiquidity contribution is added to reflect the characteristics of the cashflows.
- Top-Down: An approach where the expected yield on a reference portfolio is used and adjustments are applied to reflect the differences between the liability cashflow characteristics and the characteristics of the reference portfolio.

3. Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Variable Fees Approach ("VFA") (continued)

Discounting (continued)

For cashflows that are linked to the underlying items for contracts with direct participation features, the discount rates must be consistent with other estimates used to measure takaful contracts. The above two approaches may have to be adjusted to reflect the variability in the underlying items for such cashflows.

For cashflows that are linked to the underlying items for contracts with direct participation features, the discount rates must be consistent with other estimates used to measure takaful contracts. The above two approaches may have to be adjusted to reflect the variability in the underlying items for such cashflows; the company has adopted the Bottom-Up approach.

Contractual Service Margin ("CSM")

Contractual Service Margin (CSM) represents the unearned profit the entity will recognise as it provides takaful contract services in the future. At initial recognition, CSM is computed using the FCF whereas at subsequent measurement CSM is computed using the opening CSM balance and various adjustments relating to the period. A portion of CSM is released to profit and loss as revenue in every period using coverage units.

Onerous Contracts and Loss Components

When a group of contracts, whether at initial recognition or subsequently, is or becomes onerous, a loss component liability must be maintained. Under GMM and VFA this liability is implicitly included in the FCFs for LRC but for PAA an explicit loss component over the base LRC must be computed and set aside.

Key Accounting Policy Choices

IFRS 17 requires Group to make various accounting policy choices. The key accounting policy choices made by the Group are described below:

Accounting Policy	Group Decision
Level of Aggregation – Adopting more granular profitability classification	For short term contracts, the Group has decided profitability based on the following criteria: • If the normalised and risk adjusted combined ratio is greater than 100%, tag the cluster as "onerous". • If the normalised and risk adjusted combined ratio is less than 95%, tag the cluster as "non-onerous". • All other clusters will be tagged as "remaining". For individual life long-term contracts, the following approach will be used to determine profitability: • If a LC is produced, the policy will be categorised as onerous. • If a CSM is produced, the following should be tested: i. If CSM/PV(Premiums) is greater than or equal to the 5%, tag the policy as non-onerous. ii. If CSM/PV(Premiums) is less than 5%, tag the policy as remaining.
Level of Aggregation – Adopting more granular cohort	The Group has decided to use annual cohorts for all portfolios and define the year from 1st January to 31st December.
PAA – Deferring takaful acquisition cashflows	The Group has decided to continue deferring takaful acquisition cashflows under IFRS 17.

3. Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Key Accounting Policy Choices (continued)

Accounting Policy	Group Decision
PAA – Discounting LIC	Since there are a significant number of claims that are expected to be paid in more than one year, the Group has decided to discount LIC for all its group of contracts.
Profit Accretion – OCI Option	The Group has decided to not disaggregate the difference between profit and loss and other comprehensive income.

Assumptions

While requirements relating to assumptions are within the requirements relating to measurement models, some aspects of the assumptions have been presented separately in this section due to their significance. IFRS 17, unlike IFRS 4, sets out detailed guidance on the basis to derive the assumptions (underlying the calculations of takaful and retakaful contract assets and liabilities and associated revenues and expenses).

The key assumptions are provided below:

- IFRS 17 requires separate estimation of a best estimate liability and an explicit risk adjustment.
- Financial variables (such as discount rates) must be market consistent.

Presentation and disclosures

IFRS 17 also contains comprehensive requirements related to presentation and disclosures. One of the key requirements is the presentation of revenue. For contracts under GMM and VFA, contributions will not be presented as revenues instead each component of the contribution (such as expected claims and expenses) will be shown separately. Another key requirement relates to the presentation of retakaful contracts held.

Under IFRS 17 amounts related to takaful contract issued will be reported and effect of retakaful contracts held will be reported separately.

In addition to the above requirements, the new standard also introduces various new disclosures related to the takaful and retakaful contract assets and liabilities and associated revenues and expenses.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value plus transactions costs. Regular way purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset i.e. the trade date. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished.

3. Material accounting policy information (continued)

IFRS 9 Financial Instruments (continued)

Classification and subsequent measurement of financial assets

For the purposes of subsequent measurement, the Group classifies its financial assets into the following categories:

i) Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Group's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective funding cost method, less provision for impairment. Discounting is omitted where the effect is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Financial assets at amortised cost comprise of investments at amortised cost, cash and cash equivalents, statutory deposits and most other receivables.

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

Investments in equity securities are classified as FVTOCI. At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity investments at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Gain or loss arising from change in fair value of investments at FVTOCI is recognised in other comprehensive income and reported within the fair value reserve for investments at FVTOCI within equity. When the asset is disposed of, the cumulative gain or loss recognised in other comprehensive income is not reclassified from the equity reserve to income statement but is reclassified to retained earnings.

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

Investments in equity instruments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at fair value through other comprehensive income (FVTOCI) on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in statement of income.

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

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 profit 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.

3. Material accounting policy information (continued)

Financial assets for participants

Financial assets for participants are designated at fair value through profit or loss at inception as these are held in external funds to match takaful and investment contract liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Business combinations and goodwill

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

For common control transactions in which all the combining entities or businesses ultimately are controlled by the same party or parties both before and after the combination, and that control is not transitory, the Group recognises the difference between purchase consideration and carrying amount of net assets of acquired entities or businesses as an adjustment to equity. This accounting treatment is also applied to later acquisition of some or all shares of the non-controlling interests in a subsidiary.

Bonus reserve

The Reserve for the up-front Bonus for applicable savings plans is based on two different vesting periods. A four-year vesting period applies on policies issued before October 2016. A maturity vesting period applies on policies issued after October 2016.

Property and equipment

Property and equipment, including owner-occupied property, is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Capital work-in-progress (CWIP) is not depreciated.

Depreciation is provided on a straight-line basis over the useful lives of the following classes of assets:

Building	40 years
Leasehold improvement	5-10 years
Furniture and fixtures	4-5 years
Office equipment	3-5 years
Vehicles	5 years

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate at each financial year end.

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

3. Material accounting policy information (continued)

Property and equipment (continued)

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenditure is recognised in the consolidated statement of income as the expense is incurred.

Leases

The right-to-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus as initial direct costs incurred. The right-to-use is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

The estimated useful life of the right-to-use asset is determined on the same basis as those of property and equipment. In addition, the right-to-use is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the funding cost rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate.

The lease liability is measured at amortised cost using the effective funding cost method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in the profit or loss if the carrying amount of the right-to-use asset has been reduced to zero. The Group presents right-to-use assets that do not meet the definition of investment property in 'Property and equipment' and the lease liabilities as a separate item in the statement of financial position.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of income. The following estimated useful lives are applied:

- Life takaful contracts — 40 years
- Non-life takaful contracts — 5 months
- Customer relationships — 4.5 – 5 years
- Software — 3 – 4 years

Amortisation is calculated on a straight-line basis over the estimated useful lives of the assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of income when the asset is derecognised.

3. Material accounting policy information (continued)

Investment properties

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

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Transfer is made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use.

If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use. Fair value is determined by open market values based on valuations performed by two independent surveyors annually.

Revenue recognition (other than takaful income)

Investment income

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

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

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

Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the carrying amount and are recorded on occurrence of the sale transaction.

Employee benefits

Short-term employee benefits

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

Provision for employees' end of service benefits

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

Foreign currency transactions

Transactions in foreign currencies are translated to AED at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to AED at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3. Material accounting policy information (continued)

Impairment of non-financial assets

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

Short term operating leases

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

Cash and cash equivalents

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

Provisions, contingent liabilities and contingent assets

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

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

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

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

Segment reporting

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

3. Material accounting policy information (continued)

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

3. Material accounting policy information (continued)

Taxes (continued)

Deferred tax (continued)

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

4. Critical accounting estimates and judgements in applying accounting policies

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

In preparing these consolidated financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited consolidated financial statements as at and for the year ended 31 December 2023 except for the new policies under IFRS 17. Key judgements are listed below:

Takaful and retakaful contracts

The Group applies the PAA to simplify the measurement of takaful contracts where possible. 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 discounts all cash flows and includes an explicit risk adjustment for non-financial risk for liability for incurred claims.

Liability for remaining coverage

For takaful acquisition cash flows, the Group chooses to not recognise the payments as an expense immediately. The acquisition costs are, thus, capitalised.

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,Bornheutter-Ferguson and per member per month cost 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.

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

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

4. Critical accounting estimates and judgements in applying accounting policies (continued)

Discount rates

Takaful contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity contribution. Risk free rates are determined by reference to the USD risk free yield curves. The illiquidity premium is determined based on judgment.

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

	1 year		3 years		5 years		10 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Takaful contracts issued								
	4.68%	5.26%	**4.56%**	4.56%	**4.52%**	4.00%	**4.57%**	3.95%
Retakaful contracts issued								
	4.68%	5.26%	**4.56%**	4.56%	**4.52%**	4.00%	**4.57%**	3.95%

Risk adjustment for non-financial risk

For contracts measured under the PAA, the Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach (using Over Dispersed Poisson methodology) at the 65th 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 65th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

For individual life business, the Group has used a cost of capital approach at the 75th percentile.

Fair value judgement on investment properties

Fair value of investment property is estimated by two independent professional valuers for disclosure purposes only, considering the rental yield (income approach). This estimate was made considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Fair value of unquoted financial assets at fair value through profit or loss

The fair value of unquoted financial assets carried at fair value through profit or loss is based on the periodic valuations by fund managers and represents the net asset value of the funds at the date of valuation and the fair value of quoted financial assets securities carried at fair value through profit or loss is based on quoted prices in active markets. Fair value of unquoted securities has been determined by the management based on Net Assets Value techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees. Actual results may substantially be different.

Expected credit losses

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

Classification of investments

Management decides on acquisition of an investment whether it should be classified as FVTOCI, FVTPL or, Investments at amortised cost.

Equity instruments are classified as FVOCI securities when they are considered by management to be strategic equity investments that are not held to benefit from changes in their fair value and are not held for trading. Management is satisfied that the Group's investments in securities are appropriately classified.

4. Critical accounting estimates and judgements in applying accounting policies (continued)

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Group monitors financial assets measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5. Investment properties

	2024 AED'000	2023 AED'000
Balance at 1 January	**67,807**	65,222
Gain on fair value during the year (note 19)	**5,262**	2,585
Balance at 31 December	**73,069**	67,807

The investment properties represent the fair value of the properties located in U.A.E.

The fair value of the Group's investment properties as at 31 December 2024 and 2023 has been arrived at on the basis of valuations carried on the respective dates by two independent valuers who are not related to the Group and have appropriate qualification and recent market experience in the valuation of properties in the United Arab Emirates. The fair value is mainly based on unobservable inputs (i.e. Level 3).

The fair value was determined based on the income capitalisation approach and market comparable approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

The property rental income earned by the Group from its investment properties which are leased under operating leases and the direct operating expenses arising in the management of investment properties were as follows:

	2024 AED'000	2023 AED'000
Rental income	**5,046**	4,319
Direct operating expenses	**(2,372)**	(3,090)
Income from investment property (note 19)	**2,674**	1,229

6. Property and equipment

2024	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Vehicles AED'000	Capital work in progress AED'000	Right to use assets AED'000	Total AED'000
Cost							
At 1 January	6,983	8,719	8,918	1,162	908	7,161	33,851
Additions	309	124	310	-	2,823	-	3,566
Transfers	-	-	301	-	(837)	-	(536)
Transfer from capital work in progress	481	17	-	-	(498)	-	-
Disposal/ write-off	-	-	(186)	-	-	-	(186)
At 31 December	7,773	8,860	9,343	1,162	2,396	7,161	36,695
Accumulated depreciation							
At 1 January	1,263	8,220	7,950	1,162	26	99	18,720
Charge for the year	850	120	895	-	-	1,579	3,444
Disposal/ write-off	-	-	(145)	-	-	-	(145)
At 31 December	2,113	8,340	8,700	1,162	26	1,678	22,019
Carrying amount							
At 31 December 2024	5,660	520	643	-	2,370	5,483	14,676

6. Property and equipment (continued)

2023	Leasehold improvements AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Vehicles AED'000	Capital work in progress AED'000	Right to use assets AED'000	Total AED'000
Cost							
At 1 January	1,795	8,444	8,034	1,162	3,430	19,365	42,230
Additions	3,508	140	887	-	3,128	5,319	12,982
Transfers	2,442	135	-	-	(2,577)	-	-
Transfers to intangible assets (note 7)	-	-	-	-	(2,093)	-	(2,093)
Disposal/ write-off	(762)	-	(3)	-	(980)	(17,523)	(19,268)
At 31 December	6,983	8,719	8,918	1,162	908	7,161	33,851
Accumulated depreciation							
At 1 January	1,455	8,069	6,564	1,131	26	9,330	26,575
Charge for the year	465	151	1,386	31	-	2,689	4,722
Disposal/ write-off	(657)	-	-	-	-	(11,920)	(12,577)
At 31 December	1,263	8,220	7,950	1,162	26	99	18,720
Carrying amount							
At 31 December 2023	5,720	499	968	-	882	7,062	15,131

7. Intangible assets

2024	Trade name AED'000	Life takaful contracts AED'000	Non-life takaful contracts AED'000	Customer relationships AED'000	Software AED'000	Total AED'000
Cost						
At 1 January	**6,092**	**70,034**	**3,339**	**25,514**	**20,745**	**125,724**
Additions during the year	**-**	**-**	**-**	**-**	**2,656**	**2,656**
31 December	**6,092**	**70,034**	**3,339**	**25,514**	**23,401**	**128,380**
Accumulated amortisation						
At 1 January	**-**	**5,982**	**3,339**	**16,014**	**17,324**	**42,659**
Charge for the year	**-**	**1,751**	**-**	**4,550**	**2,784**	**9,085**
31 December	**-**	**7,733**	**3,339**	**20,564**	**20,108**	**51,744**
Carrying amount						
31 December 2024	**6,092**	**62,301**	**-**	**4,950**	**3,293**	**76,636**
2023						
Cost						
At 1 January	6,092	70,034	3,339	25,514	18,510	123,489
Additions during the year	-	-	-	-	142	142
Transfer from property and equipment (note 6)	-	-	-	-	2,093	2,093
31 December	6,092	70,034	3,339	25,514	20,745	125,724
Accumulated amortisation						
At 1 January	-	4,231	3,339	11,464	13,905	32,939
Charge for the year	-	1,751	-	4,550	3,419	9,720
31 December	-	5,982	3,339	16,014	17,324	42,659
Carrying amount						
31 December 2023	6,092	64,052	-	9,500	3,421	83,065

8. Investment in securities

Investment at amortised cost

Investment at amortised cost comprises the following:

	2024 AED'000	2023 AED'000
Quoted debt securities inside U.A.E.	**20,915**	25,014
Unquoted debt securities outside U.A.E.	**-**	8,723
	20,915	33,737

The fair value of the investments at amortised cost amounted to AED 20.6 million as of 31 December 2024 (2023: AED 33.7 million).

Sukuk worth AED 17.2 million are held in margin accounts against a guarantee of AED 14.8 million to issue takaful business related performance and tender bonds (2023: 14.8 million).

Investments at fair value through comprehensive income (FVTOCI)

Investments at FVTOCI comprise the following:

	2024 AED'000	2023 AED'000
Unquoted equity securities in U.A.E.	**-**	5,197
Unquoted debt securities in U.A.E.	**1,000**	1,000
	1,000	6,197

Investments at fair value through profit or loss (FVTPL)

Investments at fair value through profit or loss comprises the following:

	2024 AED'000	2023 AED'000
Investment in mutual funds	**339,011**	349,387
Investment in debt securities	**83,982**	47,384
Investment in equity securities	**53,212**	30,750
	476,205	427,521
Quoted securities inside U.A.E.	**137,194**	78,134
Unquoted securities inside U.A.E.	**15,321**	17,139
Unquoted securities outside U.A.E.	**323,690**	332,248
	476,205	427,521

8. Investment in securities (continued)

The movement in securities are as follows:

2024	Investments at amortised cost AED'000	Investments at FVTOCI AED'000	Investments at FVTPL AED'000	Total AED'000
At 1 January	33,737	6,197	427,521	467,455
Addition during the year	-	-	146,187	146,187
Maturity during the year	(13,173)	-	-	(13,173)
Disposal during the year	-	(4,998)	(128,873)	(133,871)
Amortisation of premiums	329	-	-	329
Expected credit losses	22	-	(5)	17
Fair value gain for investments recorded in the consolidated statement of income (FVTPL investments – unit linked)	-	-	22,861	22,861
Fair value gain recorded in the consolidated statement of income	-	-	8,514	8,514
Fair value loss recorded in the consolidated comprehensive statement of income	-	(199)	-	(199)
At 31 December 2024	20,915	1,000	476,205	498,120
2023				
At 1 January	47,353	71,624	391,782	510,759
Addition during the year	-	-	150,210	150,210
Disposal during the year	(13,598)	(139)	(245,464)	(259,201)
Change in business models due to adoption of IFRS 9	-	(64,107)	64,107	-
Amortisation of premiums	8	-	-	8
Impairment of investments	-	(945)	-	(945)
Expected credit losses	(26)	-	-	(26)
Fair value gain for investments recorded in the consolidated statement of income (FVTPL investments – unit linked)	-	-	52,976	52,976
Fair value gain recorded in the consolidated statement of income	-	-	13,910	13,910
Fair value loss recorded in the consolidated comprehensive statement of income	-	(236)	-	(236)
At 31 December 2023	33,737	6,197	427,521	467,455

9. Takaful and retakaful contracts

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

Takaful contracts issued

	2024			2023		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
General takaful	**-**	**(426,218)**	**(426,218)**	-	(224,645)	(224,645)
Medical takaful	**-**	**(105,071)**	**(105,071)**	-	(149,761)	(149,761)
Family takaful	**19**	**(364,287)**	**(364,268)**	-	(348,007)	(348,007)
Total takaful contracts issued	**19**	**(895,576)**	**(895,557)**	-	(722,413)	(722,413)

Retakaful contracts held

	2024			2023		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED'000	**AED'000**	**AED'000**	AED'000	AED'000	AED'000
General takaful	**208,091**	**(3,307)**	**204,784**	21,530	(16,070)	5,460
Medical takaful	**85,087**	**(1,001)**	**84,086**	81,989	(975)	81,014
Family takaful	**5,078**	**(47,525)**	**(42,447)**	-	(36,126)	(36,126)
Total takaful contracts issued	**298,256**	**(51,833)**	**246,423**	103,519	(53,171)	50,348

9. Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA

	Liabilities for remaining coverage		Liabilities for incurred claims		
2024	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Takaful contract liabilities as at 1 January 2024	175,071	297	236,325	9,577	421,270
Takaful revenue	(855,078)	-	-	-	(855,078)
Takaful service expenses					
Incurred claims and other expenses	-	-	700,503	25,582	726,085
Net takaful acquisition costs	151,338	-	-	-	151,338
Losses on onerous contract and reversals	-	(297)	-	-	(297)
Changes to liabilities for incurred claims			98,819	(15,925)	82,894
Takaful service result	(703,740)	(297)	799,322	9,657	104,942
Takaful finance expenses	-	-	3,263	-	3,263
Total changes in statement of comprehensive income	(703,740)	(297)	802,585	9,657	108,205
Cash flows					
Contributions received	842,762	-	-	-	842,762
Claims and other expenses paid	-	-	(626,310)	-	(626,310)
Direct attributable expense	-	-	(11,342)	-	(11,342)
Takaful acquisition cash flows	(154,739)	-	-	-	(154,739)
Total cash flows	688,023	-	(637,652)	-	50,371
Net takaful contract liabilities as at 31 December 2024					
Takaful contract liabilities as at 31 December 2024	159,376	-	401,255	19,234	579,865
Less: Takaful contract assets as at 31 December 2024	(22)	-	3	-	(19)
Net takaful contract liabilities as at 31 December 2024	159,354	-	401,258	19,234	579,846

9. Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA (continued)

	Liabilities for remaining coverage		Liabilities for incurred claims		
2023	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Takaful contract liabilities as at 1 January 2023	158,583	14,717	273,173	10,937	457,410
Takaful revenue	(898,891)	-	-	-	(898,891)
Takaful service expenses	-	-	-	-	-
Incurred claims and other expenses	-	-	586,775	16,514	603,289
Net takaful acquisition costs	152,823	-	-	-	152,823
Losses on onerous contract and reversals	-	(14,420)	-	-	(14,420)
Changes to liabilities for incurred claims	-	-	71,338	(17,874)	53,464
Takaful service result	(746,072)	(14,420)	658,113	(1,360)	(103,739)
Takaful finance expenses	-	-	4,525	-	4,525
Total changes in statement of comprehensive income	(746,072)	(14,420)	662,638	(1,360)	(99,214)
Cash flows					
Contributions received	914,419	-	-	-	914,419
Claims and other expenses paid	-	-	(680,988)	-	(680,988)
Direct attributable expense	-	-	(18,498)	-	(18,498)
Takaful acquisition cash flows	(151,859)	-	-	-	(151,859)
Total cash flows	762,560	-	(699,486)	-	63,074
Net takaful contract liabilities as at 31 December 2023	175,071	297	236,325	9,577	421,270

9. Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA

	Liability for remaining coverage		Liabilities for incurred claims	
2024	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
Net takaful contract liabilities as at 1 January 2024	262,094	35,689	3,360	301,143
Takaful revenue	(14,507)	-	-	(14,507)
Takaful service expenses				
Incurred claims and other expenses	-	-	3,925	3,925
Net takaful acquisition costs	7,328	-	-	7,328
Losses on onerous contract	-	25,763	-	25,763
Changes to liabilities for incurred claims	-	-	(2,942)	(2,942)
Investments component	(71,762)	-	71,762	-
Takaful service result	(78,941)	25,763	72,745	19,567
Takaful finance expenses	22,897	(34)	13	22,876
Total changes in statement of comprehensive income	(56,044)	25,729	72,758	42,443
Cash flows				
Contribution received	68,489	-	-	68,489
Claims and other expenses paid	-	-	(70,942)	(70,942)
Takaful acquisition cash flows	(25,422)	-	-	(25,422)
Total cash flows	43,067	-	(70,942)	(27,875)
Net takaful contract liabilities as at 31 December 2024	249,117	61,418	5,176	315,711

9. Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA (continued)

	Liability for remaining coverage		Liabilities for incurred claims	
2023	Excluding loss component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
Net takaful contract liabilities as at 1 January 2023	295,032	1,453	9,236	305,721
Takaful revenue	(55,472)	-	-	(55,472)
Takaful service expenses				
Incurred claims and other expenses	-	-	5,593	5,593
Net takaful acquisition costs	4,701	-	-	4,701
Losses on onerous contract	-	34,318	-	34,318
Changes to liabilities for incurred claims	-	-	(9,402)	(9,402)
Investments component	(77,285)	-	77,285	-
Takaful service result	(128,056)	34,318	73,476	(20,262)
Takaful finance expenses	53,935	(82)	40	53,893
Total changes in statement of comprehensive income	(74,121)	34,236	73,516	33,631
Cash flows				
Contribution received	56,125	-	-	56,125
Claims and other expenses paid	-	-	(77,370)	(77,370)
Direct attributable expense	-	-	(2,022)	(2,022)
Takaful acquisition cash flows	(14,942)	-	-	(14,942)
Total cash flows	41,183	-	(79,392)	(38,209)
Net takaful contract liabilities as at 31 December 2023	262,094	35,689	3,360	301,143

9. Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

2024	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Net takaful contract liabilities as at 1 January 2024	277,660	9,319	14,164	301,143
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,990)	(1,990)
Change in risk adjustment for non-financial risk for risk expired	-	3,281	-	3,281
Experience adjustments	(8,516)	3,184	-	(5,332)
Changes that relate to future services				
Contracts initially recognised in the year	(13,014)	2,078	11,121	185
Changes in estimates that adjust the CSM	8,655	192	(8,846)	1
Changes in estimates that result in losses and reversals of losses on onerous contracts	30,765	(4,401)	-	26,364
Changes that relate to past services				
Adjustments to liabilities for incurred claims	166	(3,108)	-	(2,942)
Takaful service result	18,056	1,226	285	19,567
Net finance expenses from takaful contracts	22,729	-	147	22,876
Total changes in the statement of profit or loss	40,785	1,226	432	42,443
Cash flows				
Contributions received	68,489	-	-	68,489
Claims and other directly attributable expenses paid	(70,942)	-	-	(70,942)
Takaful acquisition cash flows paid	(25,422)	-	-	(25,422)
Total cash flows	(27,875)	-	-	(27,875)
Net takaful contract liabilities as at 31 December 2024	290,570	10,545	14,596	315,711

9. Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

2023	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Net takaful contract liabilities as at 1 January 2023	144,865	48,127	112,729	305,721
Changes that relate to current services				
CSM recognised for services provided	-	-	(2,473)	(2,473)
Change in risk adjustment for non-financial risk for risk expired	-	(40,604)	-	(40,604)
Experience adjustments	(5,686)	3,487	-	(2,199)
Changes that relate to future services				
Contracts initially recognised in the year	(9,531)	564	8,990	23
Changes in estimates that adjust the CSM	103,559	1,613	(105,172)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	34,528	(134)	-	34,394
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(5,668)	(3,734)	-	(9,402)
Takaful service result	117,202	(38,808)	(98,655)	(20,261)
Net finance expenses from takaful contracts	53,803	-	90	53,893
Total changes in the statement of profit or loss	171,005	(38,808)	(98,565)	33,632
Cash flows				
Contributions received	56,121	-	-	56,121
Claims and other directly attributable expenses paid	(79,390)	-	-	(79,390)
Takaful acquisition cash flows paid	(14,941)	-	-	(14,941)
Total cash flows	(38,210)	-	-	(38,210)
Net takaful contract liabilities as at 31 December 2023	277,660	9,319	14,164	301,143

9. Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA

	Assets for remaining coverage		Amounts recoverable on incurred claims		
2024	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Retakaful contract assets as at 1 January 2024	(194,941)	-	296,385	2,075	103,519
Less: Retakaful contract liabilities as at 1 January 2024	(200,253)	-	157,431	4,337	(38,485)
Net retakaful contract (liabilities)/assets	(395,194)	-	453,816	6,412	65,034
An allocation of retakaful contributions	(359,143)	-	-	-	(359,143)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	319,366	6,676	326,042
Changes in fulfilment cash flows that do not adjust underlying CSM	-	-	-	-	-
Expenses directly attributable to retakaful	-	-	(2,092)	-	(2,092)
Changes to amounts recoverable for incurred claims and other expenses	-	-	134,680	2,297	136,977
Net income or expense from retakaful contracts held	(359,143)	-	451,954	8,973	101,784
Retakaful finance income	-	-	5,380	-	5,380
Total changes in the statement of comprehensive income	(359,143)	-	457,334	8,973	107,164
Cash flows					
Retakaful Contributions and expenses paid	129,160	-	-	-	129,160
Directly attributable expenses paid	-	-	2,136	-	2,136
Amounts received	-	-	(62,149)	-	(62,149)
Total cash flows	129,160	-	(60,013)	-	69,147
Net retakaful contract (liabilities)/assets as at 31 December 2024					
Retakaful contract assets as at 31 December 2024	(422,533)	-	703,278	12,433	293,178
Less: Retakaful contract liabilities as at 31 December 2024	(202,644)	-	147,859	2,952	(51,833)
Net retakaful contract (liabilities)/asset as at 31 December 2024	(625,177)	-	851,137	15,385	241,345

9. Takaful and retakaful contracts (continued)

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

Contracts measured under the PAA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
2023	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Retakaful contract assets as at 1 January 2023	(105,650)	4,895	235,173	2,807	137,225
Less: Retakaful contract liabilities as at 1 January 2023	(122,954)	45	93,686	4,350	(24,873)
Net retakaful contract (liabilities)/assets	(228,604)	4,940	328,859	7,157	112,352
An allocation of retakaful contributions	(329,618)	-	-	-	(329,618)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	187,576	2,161	189,737
Changes in fulfilment cash flows that do not adjust underlying CSM	-	(4,895)	-	-	(4,895)
Expenses directly attributable to retakaful	-	-	(3,613)	-	(3,613)
Changes to amounts recoverable for incurred claims and other expenses	-	(45)	32,722	(2,906)	29,771
Net income or expense from retakaful contracts held	(329,618)	(4,940)	216,685	(745)	(118,618)
Retakaful finance income	-	-	5,089	-	5,089
Total changes in the statement of comprehensive income	(329,618)	(4,940)	221,774	(745)	(113,529)
Cash flows					
Retakaful Contributions and expenses paid	163,029	-	-	-	163,029
Directly attributable expenses paid	-	-	3,594	-	3,594
Amounts received	-	-	(100,411)	-	(100,411)
Total cash flows	163,029	-	(96,817)	-	66,212
Net retakaful contract (liabilities)/assets as at 31 December 2023					
Retakaful contract assets as at 31 December 2023	(194,941)	-	296,385	2,075	103,519
Less: Retakaful contract liabilities as at 31 December 2023	(200,253)	-	157,431	4,337	(38,485)
Net retakaful contract (liabilities)/asset as at 31 December 2023	(395,194)	-	453,816	6,412	65,034

9. Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA

2024	Assets for remaining coverage		Amounts recoverable on incurred claims	
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
Net retakaful contract (liabilities) / assets as at 1 January 2024	(15,788)	192	910	(14,686)
An allocation of retakaful contributions	892	-	-	892
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	936	936
Changes in fulfilment cash flows that do not adjust underlying CSM	-	13,657	-	13,657
Expenses directly attributable to retakaful	-	-	(637)	(637)
Changes that relate to past service	-	-	49	49
Net income or expense from retakaful contracts held	892	13,657	348	14,897
Retakaful finance income	(353)	-	3	(350)
Total changes in the statement of comprehensive income	539	13,657	351	14,547
Cash flows				
Retakaful contribution and expenses paid	4,728	-	-	4,728
Directly attributable expenses paid	-	-	639	639
Amounts received	-	-	(150)	(150)
Total cash flows	4,728	-	489	5,217
Net retakaful contract (liabilities) / assets as at 31 December 2024	(10,522)	13,849	1,751	5,078
	1	-	(1)	-
Net retakaful contract (liabilities) / assets as at 31 December 2024	(10,521)	13,849	1,750	5,078

9. Takaful and retakaful contracts (continued)

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

Contracts not measured under the PAA (continued)

2023	Assets for remaining coverage		Amounts recoverable on incurred claims	
	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Total AED'000
Net retakaful contract (liabilities) / assets as at 1 January 2023	(13,457)	738	2,513	(10,206)
An allocation of retakaful contributions	(1,211)	-	-	(1,211)
Amounts recoverable from reinsurers for incurred claims				
Amounts recoverable for incurred claims and other expenses	-	-	(65)	(65)
Changes in fulfilment cash flows that do not adjust underlying CSM	-	(546)	-	(546)
Expenses directly attributable to retakaful	-	-	(635)	(635)
Changes that relate to past service	-	-	(1,542)	(1,542)
Net income or expense from retakaful contracts held	(1,211)	(546)	(2,242)	(3,999)
Retakaful finance income	(1,439)	-	10	(1,429)
Total changes in the statement of comprehensive income	(2,650)	(546)	(2,232)	(5,428)
Cash flows				
Retakaful contribution and expenses paid	319	-	-	319
Directly attributable expenses paid	-	-	635	635
Amounts received	-	-	(6)	(6)
Total cash flows	319	-	629	948
Net retakaful contract (liabilities) / assets as at 31 December 2023	(15,788)	192	910	(14,686)
Net retakaful contract (liabilities) / assets as at 31 December 2023	(15,788)	192	910	(14,686)

9. Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA

2024	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Net retakaful contract (liabilities) / assets as at 1 January 2024	(9,002)	3,423	(9,107)	(14,686)
Changes that relate to current services				
CSM recognised for services provided	-	-	1,519	1,519
Change in risk adjustment for non-financial risk for risk expired	-	982	-	982
Experience adjustments	(1,340)	30	-	(1,310)
Changes that relate to future services				
Contracts initially recognised in the period	(646)	76	570	-
Changes in estimates that adjust the CSM	1,638	25	(1,663)	1
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	13,657	13,657
Changes that relate to past service	(7)	55	-	48
Net expenses from retakaful contracts	(355)	1,169	14,083	14,897
Net finance income from retakaful contracts	(224)	-	(126)	(350)
Total changes in the statement of comprehensive income	(579)	1,169	13,957	14,547
Cash flows				
Contributions received	4,728	-	-	4,728
Claims and other directly attributable expenses paid	639	-	-	639
Recoveries from retakaful	(150)	-	-	(150)
Total cash flows	5,217	-	-	5,217
Net retakaful contract (liabilities) / assets as at 31 December 2024	(4,364)	4,592	4,850	5,078

9. Takaful and retakaful contracts (continued)

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

Analysis by measurement component – Contracts not measured under the PAA (continued)

2023	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Net retakaful contract (liabilities) / assets as at 1 January 2023	(11,438)	3,098	(1,866)	(10,206)
Changes that relate to current services				
CSM recognised for services provided	-	-	1,449	1,449
Change in risk adjustment for non-financial risk for risk expired	-	(1,380)	-	(1,380)
Experience adjustments	(1,909)	(71)	-	(1,980)
Changes that relate to future services				
Contracts initially recognised in the period	(362)	190	171	(1)
Changes in estimates that adjust the CSM	6,614	1,678	(8,292)	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	(546)	(546)
Changes that relate to past service	(1,450)	(92)	-	(1,542)
Net expenses from retakaful contracts	2,893	325	(7,218)	(4000)
Net finance income from retakaful contracts	(1,406)	-	(23)	(1,429)
Total changes in the statement of comprehensive income	1,487	325	(7,241)	(5,429)
Cash flows				
Contributions received	318	-	-	318
Claims and other directly attributable expenses paid	637	-	-	637
Recoveries from retakaful	(6)	-	-	(6)
Total cash flows	949	-	-	949
Net retakaful contract (liabilities) / assets as at 31 December 2023	(9,002)	3,423	(9,107)	(14,686)

9. Takaful and retakaful contracts (continued)

Reconciliation of the measurement components of takaful and retakaful contract balances measured under both PAA and Non-PAA as at:

2024	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	**579,865**	**315,711**	**895,576**
Less: Takaful contract assets	**(19)**	**-**	**(19)**
Less: Retakaful contract assets	**293,178**	**5,078**	**298,256**
Retakaful contract liabilities	**(51,833)**	**-**	**(51,833)**
Net contract liabilities	**338,501**	**310,633**	**649,134**

2023	PAA AED'000	Non-PAA AED'000	Total AED'000
Takaful contract liabilities	421,270	301,143	722,413
Less: Retakaful contract assets	103,519	-	103,519
Retakaful contract liabilities	(38,485)	(14,686)	(53,171)
Net contract liabilities	356,236	315,829	672,065

10. Trade and other receivables

	2024 AED'000	2023 AED'000
Trade receivables	**37,999**	45,230
Other receivables	**11,488**	17,712
	49,487	62,942
Less: Expected credit losses	**(25,472)**	(26,941)
	24,015	36,001

Movements in charge for expected losses is given below:

	2024 AED'000	2023 AED'000
As at 1 January	**26,941**	23,501
(Reversal)/charge for the year	**(1,469)**	3,440
	25,472	26,941

	2024 AED'000	2023 AED'000
Trade receivables - Inside UAE		
Gross receivables	**32,459**	39,273
Less: Expected credit losses	**(22,514)**	(23,859)
	9,945	15,414
Trade receivables - Outside UAE		
Gross receivables	**5,540**	5,957
Less: Expected credit losses	**(2,958)**	(3,082)
	2,582	2,875
Total trade receivables	**12,527**	18,289

10. Trade and other receivables (continued)

Ageing of trade receivables is given below:

	2024 AED'000	2023 AED'000
Trade receivables - inside UAE		
30 - 90 days	-	202
91 - 180 days	-	3
181 - 360 days	6	70
More than 360 days	32,454	38,998
Less: Expected credit losses	(22,515)	(23,859)
	9,945	15,414
Trade receivables - outside UAE		
30 - 90 days	-	162
91 - 180 days	-	182
181 - 360 days	-	1,831
More than 360 days	5,540	3,782
Less: Expected credit losses	(2,958)	(3,082)
	2,582	2,875
Total	12,527	18,289

11. Cash and cash equivalents

	2024 AED'000	2023 AED'000
Cash and bank balances	111,484	68,850
Wakala deposits	227,706	341,099
	339,190	409,949
Less: Restricted deposit	(10,000)	(16,000)
Less: Deposits under lien	(7,473)	(24,451)
Less: Deposits with original maturities of more than three months	(198,606)	(291,148)
Cash and cash equivalents for the purpose of cash flows	123,111	78,350

Wakala deposits:

Wakala deposits yield a profit rate of 3.80% p.a. to 5.20% p.a. (2023: 4.75% p.a. to 5.80%). Wakala deposits worth AED 61.9 million are hypothecated against Murabaha facility (note 16).

Restricted deposits:

Wakala deposits held as restricted deposits are maintained in accordance with the requirements of Article (42) of the Federal Law No. (48) of 2024 (previously, U.A.E Federal Law No. (6) of 2007, as amended) and are not available to finance the day-to-day operations of the Group.

These deposits have a fixed maturity of one year from the date of deposit and yield a profit rate of 3.8% p.a. to 5.20% p.a. (2023: 4.75% p.a. to 5.80% p.a).

12. Share capital

	2024 AED'000	2023 AED'000
Issued and fully paid:		
260,156,250 ordinary shares of AED 1 each (31 December 2023: 260,156,250 ordinary shares)	**260,156**	260,156

No dividend was declared and paid during the current year (2023: Nil).

13. Reserves

Statutory reserve

In accordance with the Commercial Companies Law No. (32) of 2021, Article No. 241 and the Company's Articles of Association, a minimum 10% of profit for the year is required to be transferred to statutory reserve. The Group may resolve to discontinue such annual transfers when the statutory reserve is equal to 50% of the paid-up share capital. The reserve is not available for distribution except in the circumstances stipulated by the law.

For the year ended 31 December 2024, balance amounting to AED 2.8 million from the profit of Watania Takaful Family (subsidiary) and Watania International Holding (Parent) was transferred to statutory reserve (2023: AED 1.3 million).

Restricted reserve

This reserve pertains to the subsidiaries which are takaful entities, and in accordance with article 34 of Central Bank of UAE' Board of Directors Decision No. 23 of 2019, concerning instructions organising retakaful operations, the reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of UAE.

For the year ended 31 December 2024, balance amounting to AED 0.6 million from the profit of Watania Takaful General and AED 1.3 million from the profit of Watania Takaful Family (subsidiaries) was transferred to restricted reserve (2023: 1.74 million).

Treasury shares

During the year, the Group engaged a third-party licensed Market Maker on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At 31 December 2024, the Market Maker held 7,553,607 of Watania International Holding PJSC's shares on behalf of the Company, which are classified under equity as treasury shares at par value of AED 1 at 31 December 2024. During the period, the Company recorded Treasury Shares reserves of AED 2.3 million to reflect the discount on the acquisition of treasury shares.

At the end of the contract term with the Market Maker, the Company will have the option to either transfer the outstanding shares under its name or dispose of the shares in the market.

14. Employees' end of service benefits

	2024 AED'000	2023 AED'000
As at 1 January	**19,893**	17,585
Charged during the year	**4,675**	2,835
Paid during the year	**(4,543)**	(527)
As at 31 December	**20,025**	19,893

15. Trade and other payables

	2024 AED'000	2023 AED'000
Trade payables	7,028	33,641
Other payables	53,287	37,659
	60,315	71,300

16. Borrowings

The Group got engaged in Murabaha facility of AED 215 million with bank on 27 February 2020 held at amortised cost. The facility was obtained for the purpose of acquiring Watania Takaful General PJSC "WTG" and Watania Takaful Family PJSC "WTF". The facility includes two tranches as given below:

Tranche A consist of AED 100 million carrying flexible profit rate of 3 months EIBOR plus 2.25% having a maturity period of 12 months from the date of acquisition of NTF and NTG. Full amount of Tranch A is repaid during the year ended 31 December 2021.

Tranche B consist of AED 115 million carrying flexible profit rate of 3 months EIBOR plus 2.05% having a maturity period of 5 years ending 30 June 2025.

Other Murabaha arrangements are as follows:

Pledged collateral

- Pledger over Wakala deposits valued up to AED 61.9 million;
- Pledge over the shares of target entities i.e. WTF and WTG;
- A profit service reserve account will be maintained by the Company with bank that holds 6 months of profit service for Tranche B at all the times;
- All proceeds from the operating target entities shall be deposited into a dividend account that the Company maintains with the bank; and
- Pledge over profit service reserve account and dividend account maintained with the bank.

Financial covenants

- A minimum capital requirement of AED 300 million so long as the 3 licenses are outstanding and AED 200 million post cancellation of Company's license;
- A minimum solvency coverage ratio of 100%;
- A minimum special purpose Liquid Assets Cover (cash plus marketable securities) of 100%; and
- Compliance with minimum guaranteed fund and net admissible assets requirements.

Other covenants

- Company to endeavour to place 50% of total deposits with ENBD Group.

These covenants pertain to the Company along with its subsidiaries (together referred to as the Group) and as at the reporting date the Group is in 'Technical' breach of the covenant related to minimum solvency coverage ratio of 100%. The Group's ability to comply with the solvency requirements depends on preparing and implementing an effective business plan subject to the approval of regulatory authorities.

	2024 AED'000	2023 AED'000
Opening balance as at 1 January	74,750	95,450
Repayments made during the period	(25,875)	(20,700)
As at 31 December	48,875	74,750

17. Takaful income

2024	General and motor AED'000	Medical AED'000	Group family AED'000	Individual family AED'000	Total AED'000
Contracts not measured under the PAA	-	-	-	14,507	14,507
Contracts measured under the PAA	334,646	389,753	130,679	-	855,078
	334,646	389,753	130,679	14,507	869,585
2023					
Contracts not measured under the PAA	-	-	-	55,472	55,472
Contracts measured under the PAA	346,770	424,027	128,094	-	898,891
	346,770	424,027	128,094	55,472	954,363

18. Takaful expense

	2024 AED'000	2023 AED'000
Takaful service expense	994,094	830,362
Allocation of retakaful premiums	358,251	330,829
Amounts recoverable from retakaful for incurred claims	(474,932)	(208,212)
Takaful finance expenses for takaful contracts issued	26,139	58,418
Net gain on investments at FVTPL *(unit-linked)*	(22,861)	(52,976)
Retakaful finance income for retakaful contracts held	(5,030)	(3,660)
	875,661	954,761

19. Investment income

	2024 AED'000	2023 AED'000
Fair value gain		
Fair value gain on investment properties (note 5)	5,262	2,585
Fair value gain on financial assets at FVTPL (note 8)	8,514	13,910
Other investment income		
Income from wakala deposits	16,206	14,477
Dividend income	1,915	4,658
Income from debt securities	3,300	2,188
Asset impairment	-	(945)
Charge for expected credit losses	139	(229)
Investment expenses	(1,717)	(1,745)
Rental income from investments properties - net (note 5)	2,674	1,229
	36,293	36,128

20. General and administrative expenses

	2024 AED'000	2023 AED'000
Staff cost	**10,187**	15,224
Administrative expenses	**4,603**	5,594
Depreciation and amortisation	**1,610**	2,395
Marketing expenses	**486**	328
Other expenses	**1,795**	8,239
	18,681	31,780

The Group has made social contributions during the year amounting to AED 0.19 million (2023: 0.08 million).

21. Earnings per share

Earnings per share are calculated by dividing the net profit for the year by the weighted average number of ordinary shares outstanding during the year as follows:

	2024	2023
Profit for the year attributable to shareholders (in AED'000)	**13,280**	13,275
Weighted average number of shares outstanding at 31 December	**260,156,250**	260,156,250
Basic and diluted earnings per share (in AED)	**0.051**	0.051

22. Related party transactions

Related parties comprise companies and entities under common ownership and/or common management and control, their partners and key management personnel. The management decides on the terms and conditions of the transactions with related parties.

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

Compensation of key management personnel

	2024 AED'000	2023 AED'000
Short-term benefits	**7,245**	7,193
Employees' end of service benefits	**870**	835
	8,115	8,028

Outstanding balances at the year-end arise in the normal course of business. The Group has no Due from/(Due to) balances as at 31 December 2024 from related parties.

23. Fatwa and Sharia'a supervisory board

The Group's business activities are subject to the supervision of a Fatwa and Shari'a Supervisory Board (FSSB) consisting of three members appointed by the shareholders. FSSB performs a supervisory role in order to determine whether the operations of the Group are conducted in accordance with Shari'a rules and principles.

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

24. Zakat

This pertains to the subsidiaries, where Zakat is applicable. Zakat as approved by the Group's Sharia'a Supervisory Board amounted to AED 0.00890 per share (2023: AED 0.00911 per share).

The Management has opted to communicate the amount of Zakat payable to each shareholder, requiring them to pay their share of Zakat directly.

25. Segmental information

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

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

Except for Wakala fees, Mudarib's fees and Qard Hassan, no other inter-segment transactions occurred during the year. If any other transaction were to occur, transfer prices between operating segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment income, expenses and results will include those transfers between business segments which will then be eliminated on consolidation as shown below:

	Takaful			Investments	
2024	General takaful AED'000	Group family (employee benefits) AED'000	Family AED'000	AED'000	Total AED'000
Takaful income	724,399	130,679	14,507	-	869,585
Takaful expenses	(728,616)	(127,503)	(19,542)	-	(875,661)
Investment income	26,641	2,265	-	7,387	36,293
Net operating income/(losses)	22,424	5,441	(5,035)	7,387	30,217
General and administrative expenses	-	-	-	-	(18,681)
Amortisation of intangibles	-	-	-	-	(6,301)
Finance cost	-	-	-	-	(4,680)
Other income	-	-	-	-	13,563
Profit/ (loss) for the period before tax	22,424	5,441	(5,035)	(8,712)	14,118

25. Segmental information (continued)

2023	Takaful			Investments	
	General takaful AED'000	Group family (employee benefits) AED'000	Family AED'000	AED'000	Total AED'000
Takaful income	770,797	128,094	55,472	-	954,363
Takaful expenses	(777,073)	(136,134)	(41,554)	-	(954,761)
Investment income	17,757	2,452	1,026	14,893	36,128
Net operating income/(losses)	11,481	(5,588)	14,944	14,893	35,730
General and administrative expenses	-	-	-	-	(31,542)
Amortisation of intangibles	-	-	-	-	(6,301)
Finance cost	-	-	-	-	(6,066)
Other expenses	-	-	(86)	-	(86)
Other income	-	-	-	-	21,540
Profit / (loss) for the period before tax	11,481	(5,588)	14,858	14,893	13,275

The following tables demonstrate other information related to each business segments:

2024	**Takaful AED'000**	**Investment AED'000**	**Total AED'000**
Total assets	**1,091,803**	**232,178**	**1,323,981**
Total liabilities	**1,007,747**	**80,030**	**1,087,777**
2023			
Total assets	997,052	185,875	1,182,927
Total liabilities	875,098	106,449	953,333

26. Capital management

Governance framework

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

The Group's risk management function is carried out by the Board of Directors, with its associated committees. This is supplemented with a clear organisational structure with delegated authorities and responsibilities from the Board of Directors to the Managing Director.

The Board of Directors meets regularly to approve any commercial, regulatory and organisational decisions. The Management under the authority delegated from the Board of Directors defines the Group's risk and its interpretation, limits structure to ensure the appropriate quality and diversification of assets, aligns underwriting and retakaful strategy to the corporate goals, and specifies reporting requirements.

26. Capital management (continued)

Capital management framework

The primary objective of the Group's capital management is to comply with the regulatory requirements in the U.A.E. and to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group has not fully complied with the externally imposed capital requirements. The Group's ability to comply with the solvency requirements depends on preparing and implementing an effective business plan subject to the approval of regulatory authorities.

Regulatory framework

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

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

27. Financial instruments

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.

Categories of financial instruments

	2024 AED'000	2023 AED'000
Financial assets		
At amortised cost	**384,120**	479,687
At fair value	**477,205**	433,718
	861,325	913,405
Financial liabilities		
At amortised cost	**120,343**	157,856

28. Capital risk management

The Group's objectives when managing capital are:

- to comply with the takaful capital requirements required by UAE Federal Law No. 6 of 2007. The Group manages its capital on a basis of its minimum regulatory capital position presented in the table on the next page;
- 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 takaful contracts commensurately with the level of risk.

29. Risk management

Asset liability management (ALM) framework

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

The Managing Director actively monitors the ALM to ensure in each period sufficient cash flow is available to meet liabilities arising from takaful contracts.

The Managing Director regularly monitors the financial risks associated with the Group's other financial assets and liabilities not directly associated with takaful liabilities.

The risks faced by the Group and the way these risks are mitigated by management are summarised as follows:

Takaful risk

The principal risk the Group faces under takaful contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations.

This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The variability of risks is improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

i) Frequency and amounts of claims

The frequency and amounts of claims can be affected by several factors. The Group underwrites mainly property, motor, marine, fire and medical risks. These are regarded as short-term takaful contracts, as claims are normally advised and settled within one year of the insured event taking place. This helps to mitigate Takaful risk.

Motor

Motor Takaful is designed to compensate contract holders for damage suffered to their vehicles or liability to third parties arising through accidents. Contract holders could also receive compensation for the fire or theft of their vehicles.

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

Property

Property takaful is designed to compensate contract holders for damage suffered to properties or for the value of property lost. Contract holders could also receive compensation for the actual loss caused by the inability to use the insured properties.

For property takaful contracts the main risks are fire and business interruption. The Group's policies aim careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

These contracts are underwritten by reference to the replacement value of the properties and contents insured. The cost of rebuilding properties and obtaining replacement contents and the time taken to restart operations which leads to business interruptions are the main factors that influence the level of claims.

29. Risk management (continued)

Takaful risk (continued)

i) Frequency and amounts of claims (continued)

Liability

For miscellaneous accident classes of takaful such as loss of money, infidelity of employees, personal accident, workmen's compensation, travel, general third party liability and professional indemnity are underwritten.

Medical

Medical takaful is designed to compensate the contract holders for medical costs. Personal accident takaful entitles the contract holders or their beneficiaries to specified amounts in case of death or permanent or partial disability.

For medical takaful, the main risks are illness and related healthcare costs. The Group generally does not offer medical takaful to walk-in customers and is mainly offered to corporate customers with large population to be covered under the policy. The Group has retakaful to limit losses for any individual claim to 75%-80% of the claim amount.

Marine

Marine takaful is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes. For marine takaful the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Fire

Fire takaful is designed to compensate contract holders for damage and liability arising through loss or damage to the insured assets.

The Group's policies aim careful selection and implementation of underwriting strategy guidelines, as well as the use of retakaful arrangements.

Long term takaful contracts (life)

For unit-linked contracts, the capital risk element of the takaful liabilities can be matched against the investment for policyholders and therefore any change in the variables used to calculate these liabilities does not have any impact on the net asset or profit of the Group. In respect of unit-linked contracts, there is no uncertainty as to the amount to be paid by the Group on mortality or disability, as these are normally the coverage amounts under the policy. Reserves for mortality risk under unit-linked contracts include the reasonable possibility of significant loss due to the uncertainty of deaths among policyholders and rates of disability among policyholders.

29. Risk management (continued)

Takaful risk (continued)

ii) Sources of uncertainty in the estimation of future claim payments

Claims on takaful 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 compared to 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 takaful Group until many years after the event that gave rise to the claims. For some takaful contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

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

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

Where possible, the 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.

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

The Group believes that the claim liabilities under takaful contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the consolidated financial statements. The takaful claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

29. Risk management (continued)

Takaful risk (continued)

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

A hypothetical 1% change in the loss ratio, net of retakaful, would impact net underwriting income/ (loss) as follow:

	2024 AED'000	2023 AED'000
Impact of change in loss ratio by +/- 1%		
Medical	**2,482**	3,061
Motor	**1,495**	1,804
Non-Motor	**483**	488
Group family	**217**	134
	4,677	5,487

iii) Process used to decide on assumptions

The risks associated with these takaful contracts are complex and subject to several variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Group's quarterly claims reports and screening of the actual takaful contracts carried out at the reporting date to derive data for the contracts held. The 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.

iv) Concentration of risks

The Takaful risk arising from Takaful contracts is concentrated mainly in the United Arab Emirates. The geographical concentration of risks is similar to prior year.

The table below sets out the concentration of contract liabilities by type of contract:

	Gross liabilities AED'000	Retakaful share of liabilities AED'000	Retakaful Contract Assets AED'000	Net liabilities AED'000
2024				
Medical	**105,071**	**1,001**	**(85,087)**	**20,985**
Motor	**112,270**	**-**	**(22,223)**	**90,047**
Non-Motor	**313,948**	**3,307**	**(185,887)**	**131,368**
Group Family	**48,576**	**47,525**	**-**	**96,101**
Individual Family	**315,711**	**-**	**(5,078)**	**310,633**
Total	**895,576**	**51,833**	**(298,275)**	**649,134**
2023				
Medical	149,761	975	(81,989)	68,747
Motor	84,413	7,468	(13,662)	78,219
Non-Motor	140,232	8,602	(7,868)	140,966
Group Family	46,864	21,441	-	68,305
Individual Family	301,143	14,685	-	315,828
Total	722,413	53,171	(103,519)	672,065

29. Risk management (continued)

Takaful risk (continued)

v) Claims development process

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

Gross claims development

Accident Year	Before 2022 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	Total AED'000
At the end of each reporting year					
2023	1,917,768	589,334	592,089	-	-
2024	1,918,103	610,331	591,766	754,738	3,874,938
Gross estimates of Ultimate claims*					3,874,938
Gross estimates of the undiscounted claims and other attributable expenses payable					33,560
Gross estimates of the undiscounted amount of Ultimate claims* and payables					3,908,498
Cumulative payments to date					(3,500,097)
Gross undiscounted liabilities for incurred claims					408,401
Effect of discounting					(7,143)
Effect of risk adjustment for non-financial risk					19,234
Total gross liabilities for incurred claims					420,492

Net claims development processs

Accident Year	Before 2022 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	Total AED'000
At the end of each reporting year					
2023	1,210,117	382,797	386,406	-	-
2024	1,213,903	394,287	402,442	278,517	2,289,149
Gross estimates of Ultimate claims*					2,289,149
Gross estimates of the undiscounted claims and other attributable expenses payable					(535,450)
Gross estimates of the undiscounted amount of Ultimate claims* and payables					1,753,699
Cumulative payments to date					(2,209,365)
Gross undiscounted liabilities for incurred claims					(455,666)
Effect of discounting					5,787
Effect of risk adjustment for non-financial risk					3,848
Total net assets for incurred claims					(446,031)

*Includes unallocated loss adjustment expense (ULAE) reserve

29. Risk management (continued)

Takaful risk (continued)

vi) Retakaful risk

As general industry practice and in order to minimise financial exposure arising from large Takaful claims, the Group, in the normal course of business, enters into arrangements with other parties for retakaful purposes. Such retakaful arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the retakaful is effected under treaty, facultative and excess of loss retakaful contracts.

To minimise its exposure to significant losses from retakaful insolvencies, the Group evaluates the financial condition of its retakaful and ensure diversification of retakaful providers. The Group deals with retakaful approved by the Board of Directors.

vii) Sensitivities

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

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

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

29. Risk management (continued)

Takaful risk (continued)

vii) Sensitivities (continued)

	Changes in assumption	Takaful contract liabilities AED'000	Retakaful contract assets AED'000	Net liabilities AED'000	Gross equity impact AED'000	Net equity impact AED'000	Gross SOCI impact AED'000	Net SOCI impact AED'000
2024								
Base		(895,557)	246,423	(649,134)	-	-	-	-
Discount Rate	1.0%	(893,414)	243,604	(649,810)	2,143	(676)	2,143	(676)
Discount Rate	-1.0%	(897,824)	249,268	(648,556)	(2,266)	578	(2,266)	578
Risk Adjustment	2.5%	(803,318)	251,725	(551,593)	92,239	97,540	92,239	97,540
Risk Adjustment	-2.5%	(879,250)	240,437	(638,813)	16,307	10,320	16,307	10,320
2023								
Base		(722,413)	50,348	(672,065)	-	-	-	-
Discount Rate	1.0%	(722,125)	49,151	(672,974)	288	(910)	288	(910)
Discount Rate	-1.0%	(722,962)	51,550	(671,412)	(549)	653	(549)	653
Risk Adjustment	2.5%	(746,522)	54,680	(691,843)	(24,109)	(19,778)	(24,109)	(19,778)
Risk Adjustment	-2.5%	(709,348)	46,733	(662,615)	13,065	9,449	13,065	9,449

29. Risk management (continued)

Financial risk

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

The Group does not enter into any derivative transactions.

i) Credit risk

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

- Retakaful share of takaful liabilities;
- Amounts due from retakaful in respect of claims already paid;
- Amounts due from takaful contract holders; and
- Amounts due from takaful intermediaries.
- Investments in debt instruments;
- Cash and cash equivalents excluding cash in hand; and
- Fixed deposits.

The Group follows IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of takaful and other receivables. The Group applied the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected impairment provision by creating provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions. Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor.

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

Of the bank balances and fixed deposits balance at the end of year, AED 135 million (2023: AED 140.1 million) is placed with one bank. The credit risk on liquid funds is limited because the single largest counterparty is a UAE sovereign bank.

The table on the next page presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting period based on S&P's rating or its equivalent for the main banking relationships:

29. Risk management (continued)

Financial risk (continued)

i) Credit risk (continued)

	2024 AED'000	2023 AED'000
AA	**9,297**	11,470
A	**327,561**	321,604
BBB	**1,281**	70,832
BB and others	**1,051**	6,043
	339,190	409,949

The Group's other financial assets are held across various countries. The table below presents an analysis of financial assets apart from bank balances and fixed deposits by rating agency designation at the end of the reporting period based on S&P's rating or its equivalent:

	2024 AED'000	2023 AED'000
AAA	**1,150**	657
AA	**24,904**	16,811
A	**74,898**	70,360
BBB	**35,890**	13,767
BB and others	**22,267**	16,473
	159,109	118,068

ii) Collateral

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Collateral is mainly obtained in the form of postdated cheques and guarantees.

Financial instruments - investments

Investments in financial assets represent investments in quoted and unquoted equity and debt instruments of companies incorporated in the United Arab Emirates, and outside United Arab Emirates (note 6).

Cash and cash equivalents

Cash and cash equivalents of the Group are with Banks and other financial institutions registered and operate in the United Arab Emirates.

iii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its commitments associated with its financial liabilities when they fall due.

Liquidity requirements are monitored on a monthly basis and management ensures that sufficient liquid funds are available to meet any commitments as they arise.

The table below summarises the maturity 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 is given on the next page:

29. Risk management (continued)

Financial risk (continued)

iii) Liquidity risk (continued)

2024	Less than one year AED'000	More than one year AED'000	No term AED'000	Total AED'000
Assets				
Investment securities	**97,685**	**61,424**	-	**159,109**
Cash and cash equivalents	**111,484**	-	-	**111,484**
Restricted deposits	**10,000**	-	-	**10,000**
Wakala deposits	**217,706**	-	-	**217,706**
Retakaful contract assets	**298,256**	-	-	**298,256**
Takaful contract assets	**19**	-	-	**19**
Trade and other receivables (excluding prepayments)	**6,683**	**12,521**	-	**19,204**
	741,833	**73,945**	-	**815,778**
Liabilities				
Trade and other liabilities	**64,970**	**24,956**	-	**89,926**
Borrowings	-	**48,875**	-	**48,875**
Takaful and investment contracts liabilities	**895,576**	-	-	**895,576**
Retakaful contract liabilities	**51,833**	-	-	**51,833**
	1,012,379	**73,831**	-	**1,086,210**
2023				
Assets				
Investment securities	95,733	22,335	-	118,068
Cash and cash equivalents	68,850	-	-	68,850
Restricted deposits	16,000	-	-	16,000
Wakala deposits	325,099	-	-	325,099
Retakaful contract assets	103,519	-	-	103,519
Trade and other receivables (excluding prepayments)	17,845	15,839	-	33,684
	627,046	38,174	-	665,220
Liabilities				
Trade and other liabilities	77,040	25,959	-	102,999
Borrowings	12,937	61,813	-	74,750
Takaful and investment contracts liabilities	722,413	-	-	722,413
Retakaful contract liabilities	53,171	-	-	53,171
	865,561	87,772	-	953,333

iv) Market risk

Market risk arises from fluctuations in foreign exchange rates, profit rates and equity prices. The value of risk that may be accepted by the Group is monitored on a regular basis by management.

v) Profit rate risk

Profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market rates. Floating rate instruments expose the Group to cash flow risk.

The Group is exposed to profit rate risk on certain of its investments and bank balances and cash. The Group limits its risk by monitoring changes in such rates.

The sensitivity analysis on the next page has been determined based on the exposure to profit rates for profit-bearing financial assets assuming the amount of assets at the end of the reporting period were outstanding for the whole year:

29. Risk management (continued)

Financial risk (continued)

v) Profit rate risk (continued)

	Increase in basis points	Effect on profit for the year AED'000
2024		
Profit bearing assets	**+100**	**6,518**
2023		
Profit bearing assets	+100	4,592

Any movement in profit rates in the opposite direction will produce exactly opposite results.

The impact of changes in profit rate risk is not expected to be significant for the Group, as all financial assets and financial liabilities bears fixed profit rates.

vi) Equity price risk

Equity price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from profit rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group has no significant concentration of price risk. The price risk is managed by outsourcing the trading of securities held by the Group to professional brokers. However, the activities of brokers are also monitored and supervised by the management.

The following table shows the sensitivity of fair values to 20% increase or decrease as at 31 December:

	Reflected in profit or loss		Reflected in other comprehensive income	
	Favourable change AED'000	Unfavourable change AED'000	Favourable change AED'000	Unfavourable change AED'000
2024				
Equity securities	**10,642**	**(10,642)**	**-**	**-**
2023				
Equity securities	6,150	(6,150)	1,039	(1,039)

vii) Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

30. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market policyholders 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.

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.

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

The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the audited annual consolidated financial statements for the year ended 31 December 2023.

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

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

The table on the next page provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, Group 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).

Financial assets	Fair value as at 31 December 2024 AED'000	31 December 2023 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Investments at FVTOCI						
Unquoted equity securities	-	5,197	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value.
Unquoted debt securities	1,000	1,000	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value
	1,000	6,197				

30. Fair value measurements (continued)

Financial assets (continued)	Fair value as at 31 December 2024	31 December 2023	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	AED'000	AED'000				
Investments at FVTPL						
Quoted equity ecurities	**137,194**	78,134	Level 1	Quoted bid prices in an active market	N/A	N/A
Mutual funds units	**339,011**	349,387	Level 3	Net assets valuation method.	Net assets value	Higher the net assets value of the investees, higher the fair value
	476,205	427,521				

The management considers that the carrying amounts of financial assets held at amortised costs in the consolidated financial statements approximate their fair values. The fair value is mainly based on unobservable inputs (i.e. Level 3).

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

31. Contingencies and commitments

Commitments

The Group has capital commitments amounting to AED 0.87 million as at year end (2023: AED 0.03 million).

Guarantees

As at 31 December 2024, the Group has bank guarantees against labour and third-party commitments for AED 267,000 (2023: AED 267,000).

Legal claims

The Group is subject to litigation in the normal course of its business. Based on independent legal advice, except for the provisions already made as at 31 December 2024 the management does not believe that the outcome of these court cases will have a material impact on the Group's consolidated performance or consolidated statement of financial position.

32. Corporate tax

On 9 December 2023, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2023 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2024.

The Cabinet of Ministers Decision No. 116/2023 effective from 2024, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

32. Corporate tax (continued)

For the Group, current taxes shall be accounted for as appropriate in the consolidated financial statements for the period beginning 1 January 2024. As per IAS 12 – 'Income Taxes', deferred tax is the amount of taxes expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements (from applying IFRS Standards) and the corresponding amounts attributed to those assets and liabilities for tax purposes i.e. the tax bases used in the computation of taxable income.

The Group has assessed the deferred tax implications and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), has recognised a deferred tax liability of AED 4.2 million in 2024.

As the Group's accounting period ends on 31 December, the first tax period is from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

	2024	2023
	AED'000	AED'000
Consolidated statement of comprehensive income		
Current tax	**23**	-
Deferred tax	**815**	(238)
Net income tax expense/(credit) recognised in the consolidated SOCI	**838**	(238)

Movement in net deferred tax asset/(liabilities):

	2024	2023
	AED'000	AED'000
Balance as of 1 January	**4,249**	4,487
Reversal of deferred tax liability on intangibles	**(250)**	(238)
Changes in fair value of investments	**591**	-
Changes in fair value real estate investments	**474**	-
Balance as of 31 December	**5,064**	4,249

33. Comparatives

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

Watania
International Holding

THE GALLERIES BUILDING 2, LEVEL 13
DOWNTOWN JEBEL ALI
DUBAI, UAE