

**ZURICH LIFE INSURANCE COMPANY LIMITED -
DUBAI BRANCH**

FINANCIAL STATEMENTS (AUDITED)

FOR THE YEAR ENDED 31 DECEMBER 2025

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

Financial Statements

For the year ended 31 December 2025 (audited)

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INDEPENDENT AUDITOR'S REPORT TO THE HEAD OFFICE OF ZURICH LIFE INSURANCE COMPANY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zurich Life Insurance Company Limited - Dubai Branch (the "Branch"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for opinion

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

Key Audit Matters

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE HEAD OFFICE OF ZURICH LIFE INSURANCE COMPANY LIMITED (continued)

Report on the Audit of Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit Addressed the Key Audit Matter
Valuation of insurance contract liabilities	
<p>The valuation of insurance contract liabilities requires the application of actuarial assumptions and methodologies, as well as robust actuarial modelling and comprehensive policyholder data. These processes involve complex and significant judgments regarding future internal and external factors affecting the business, where even minor adjustments can materially affect the final valuation results.</p> <p>As at 31 December 2025, insurance contract liabilities amounted to AED 38.04 million.</p> <p>The Branch has adopted the General measurement model (GMM) to value its traditional life insurance products.</p> <p>Misstatement that occurs in relation to valuation of insurance contract liabilities would affect the liabilities under insurance contracts and the related income statement accounts.</p> <p>Based on the above factors which involve significant judgements and estimation, this is considered as a key audit matter.</p>	<p>Our procedures will include:</p> <p>We evaluated and tested the design and operational effectiveness of selected key controls within the actuarial valuation process for life insurance contract liabilities, with particular focus on the calculation of the present value of future cashflows (PVFCF) as part of the liabilities for remaining coverage (LFRC). Our evaluation encompasses the controls related to method selection, completeness and accuracy of data, assumption setting, and the governance processes employed by management</p> <ul style="list-style-type: none">▪ On a sample basis, tested the completeness of the data, including in-force policyholder data and experience studies as utilized by the management to value these insurance contract liabilities, by reconciling such amounts and the related output to the underlying accounting records.▪ Evaluated the skills, qualifications, and competence of the management's appointed actuary to assess if the actuary's conclusions are sufficient for audit purposes.▪ On a sample basis, evaluated the actuarial models and related model changes used in the determination of these life insurance liabilities and their compliance with product specificities and related guarantees.



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INDEPENDENT AUDITOR'S REPORT TO THE HEAD OFFICE OF ZURICH LIFE INSURANCE COMPANY LIMITED (continued)

Report on the Audit of Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit Addressed the Key Audit Matter
	<ul style="list-style-type: none">▪ Assessed the quantitative and qualitative key estimate assumptions used in the selected actuarial models, based on our knowledge of the local markets, products offered, publicly available market and macroeconomic data.▪ Performed targeted analytical review procedures, including period to period analysis of change and, on a sample basis, performed independent calculation of the PVFCF for selected products.▪ Assessing the methods used in the determination and application of the discount rate and risk adjustment factor.▪ We obtained and reviewed the management's actuary certificate to assess the adequacy of reserves.▪ On a sample basis, tested the key components of the calculation for both the illiquidity premium and risk adjustment factors.

Responsibilities of Management and those charged with governance for the Financial Statements

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

In preparing the financial statements, head office is responsible for assessing the Branch'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 Branch or to cease operations, or has no realistic alternative but to do so.

The Head office are responsible for overseeing the Branch's financial reporting process.



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INDEPENDENT AUDITOR'S REPORT TO THE HEAD OFFICE OF ZURICH LIFE INSURANCE COMPANY LIMITED (continued)

Report on the Audit of Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE HEAD OFFICE OF ZURICH LIFE INSURANCE COMPANY LIMITED (continued)

Report on the Audit of Financial Statements (continued)

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

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

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (6) of 2025 and the related Financial Regulations for *Insurance Companies*, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit. For further disclosure on solvency ratios, refer to Note 5.

For Ernst & Young Middle East (Dubai Branch)

A handwritten signature in blue ink that reads 'Emin Mammadov'.

Emin Mammadov
Registration No.: 5687

10 March 2026

Dubai, United Arab Emirates

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH
STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	31 December 2025 AED	<i>31 December 2024 AED (restated*)</i>
ASSETS			
Investments			
Cash and cash equivalents	7	245,486,927	240,896,821
Bank deposits with original maturities greater than three months	7	3,999,098	3,998,897
Total investments		249,486,025	244,895,718
Receivables and other assets	8	1,866,234	1,865,460
Due from Head Office	10	413,014	559,407
TOTAL ASSETS		251,765,273	247,320,585
LIABILITIES			
Insurance contract liabilities	9	38,047,043	39,819,107
Due to Head Office	10	6,453,484	4,386,528
Total liabilities		44,500,527	44,205,635
NET ASSETS ATTRIBUTABLE TO HEAD OFFICE	11	207,264,746	203,114,950



Avinash Lakhan
General Manager

** Comparative figures have been restated due to a misclassification of short-term cash deposits amounting to AED 48,986,485. These were incorrectly presented as deposits with maturities exceeding three months. The restatement did not impact total assets or profit for the year. (refer to note 7.1)*

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		2025	2024
		AED	AED
	<i>Notes</i>		
Insurance Revenue	9	1,856,135	1,480,758
Insurance Service Expense	9	(274,634)	(771,583)
Insurance Service Result		1,581,501	709,175
Interest Income on Investment	7	4,623,223	6,255,943
Net Capital Gains / (Losses)		2,446	(2,333)
Foreign Currency (Losses) / Gains	13	(33,672,080)	17,677,385
Insurance Finance (Expenses) / Income	9	(7,604,850)	(325,624)
Total Investment (Loss) / Income		(36,651,261)	23,605,371
Net Insurance Financial Result		(35,069,760)	24,314,546
Other (Expense) / Income	12	(1,746,242)	(2,292,470)
(LOSS) / PROFIT FOR THE YEAR		(36,816,002)	22,022,076
Other comprehensive Income / (Loss) for the year	11	25,617,119	(21,649,491)
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR			
TRANSFERRED TO NET ASSETS ATTRIBUTABLE TO			
HEAD OFFICE ACCOUNT		(11,198,883)	372,585

The accompanying notes 1 to 15 form an integral part of these financial statements

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Note	2025 AED	2024 AED (restated*)
(LOSS) / PROFIT FOR THE YEAR		(36,816,002)	22,022,076
OPERATING ACTIVITIES			
<i>Adjustments for:</i>			
-Foreign Currency transaction Losses / (Gains)		33,672,080	(17,677,385)
-Interest Income on bank deposits		(4,623,223)	(6,255,943)
		(7,767,145)	(1,911,252)
<i>Working capital movements:</i>			
-Movement in receivables		55	(106)
-(Increase) Decrease in bank deposits >3 months tenure		-	53,000,000
-Change in insurance contract liabilities		(1,772,064)	570,694
		(9,539,154)	51,659,336
Interest received from bank deposits		4,622,395	7,780,178
Net cash (used in) / generated from operating activities		(4,916,759)	59,439,514
FINANCING ACTIVITIES			
Net movement in net assets attributable to Head Office		9,506,865	1,269,126
Net cash generated from / (used in) financing activities		9,506,865	1,269,126
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,590,106	60,708,640
Cash and cash equivalents at the beginning of the year		240,896,821	180,188,181
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	245,486,927	240,896,821

* Comparative figures have been restated due to a misclassification of short-term cash deposits amounting to AED 48,986,485. These were incorrectly presented as deposits with maturities exceeding three months. The restatement did not impact total assets or profit for the year. (refer to note 7.1)

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

1 NATURE OF OPERATIONS

Zurich Life Insurance Company Limited – Dubai Branch (“the Branch”) is registered and licensed to carry out life insurance business in the United Arab Emirates (“UAE”). It is a branch of Zurich Life Insurance Company Limited (“Head Office”/ “the Company”) which is incorporated in Switzerland. The ultimate holding company is Zurich Insurance Group Limited registered in Zurich, Switzerland (“the Group”) and is listed on the Swiss Stock Exchange. The Group financial statements are available at www.zurich.com.

The address of the registered office of the Branch is Office 401, 4th Floor, Emaar Square Building 3, PO Box 50389, Dubai, United Arab Emirates.

The principal activity of the Branch is limited to administering a portfolio of Individual Life (“IL”) insurance policies that have been in run-off for many years. The Branch will continue to service its existing contracts for the remainder of their duration, as well as maintaining ongoing claims management and fulfilment of all obligations to policyholders. Accordingly, these financial statements are prepared on a going concern basis.

Federal Decree-Law No. 32 of 2021 (“Companies Law”), which repealed Federal Law No. 2 of 2015, became effective on 2 January 2022 and remains the principal corporate legislation in the UAE. The law has since been amended by Federal Decree-Law No. 20 of 2025. The Branch has complied with the applicable provisions of the Companies Law, including the amendments currently in force.

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

Corporate Taxation

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The permanent establishment assessment has been finalized. After thorough evaluation, it has been concluded that the Branch’s activities should not give reason for a permanent establishment of the Branch in Dubai. Consequently, the Branch will not be subject to the newly implement Corporate Tax Law in the UAE.

The financial statements were approved by Board of Directors and authorized for issue on 9 March 2026.

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of UAE Federal Decree Law No. 32 of 2021 (“Companies Law”), relating to commercial companies and the UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the CBUAE and regulation of its operations.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Though the Branch is on run-off, it will continue to service its existing contracts for the remainder of their duration, as well as maintaining ongoing claims management and fulfilment of all obligations to policyholders. Accordingly, these financial statements are prepared on a going concern basis.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (continued)

2.1 Statement of Compliance

The financial statements of the Branch have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on a historical cost basis, except for those financial assets and financial liabilities that have been measured at fair value.

The functional currency of the Branch is Swiss Francs (CHF). The main part of the Branch's business is incorporated in the Swiss Business Unit and is accounted for in CHF. Further, the Branch does not operate autonomously as it receives funds from the Head Office in Switzerland who operates with functional currency CHF. On transaction date, a foreign currency item is translated with the exchange rate effective on the date of transaction (spot rate) to the functional currency. Subsequent revaluation is done at reporting date with closing rate in effect at reporting date and the gains / losses arising from retranslation are recorded in comprehensive income statement.

The translation from functional currency CHF to reporting currency AED is done with year-end rates for financial position and average rate for comprehensive income statement.

All amounts are shown in AED and are rounded to the nearest whole Dirham.

The Branch's statement of financial position is not presented using a current/non-current classification. The following balances are generally considered to be current: cash and bank balances, short-term bank deposits, receivables and other assets and payables and other liabilities. The following balances are mixed in nature (including both current and non-current portions): insurance liabilities. Since the Branch has not issued any equity instruments, a statement of changes in equity has not been presented for the periods ended 31 December 2025 and 2024.

2.2 Implementation of new accounting standards

2.2.1 New and amended standards and interpretations

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements. The Branch has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new and revised IFRS effective in the year did not have any significant impact.

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

2.2.2 Standards issued but not effective

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

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

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the respective accounting policy disclosures and in Note 4. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held in banks, with original maturity of three months or less and include amounts pledged to the Central Bank of UAE. The principal accounting policies applied in the preparation of these financial statements are set out below.

3.1 Insurance contracts

3.1.1 Product classification

An insurance contract is a contract where the Branch (the "insurer") has accepted significant insurance risk from another party (the "policyholder") by agreeing to compensate the policyholder if a specified uncertain future event (the "insured event") adversely affects the policyholder. As a general guideline, the Branch determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, foreign exchange rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this year, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

3.1.2 Insurance contract liabilities

The Branch issues contracts that transfer insurance risk, financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The level of insurance risk transfer which is deemed significant for the Branch is 10%; at 10% and above the contract is classified as an insurance contract. At 5%-10% contracts could still be classified as insurance contracts. At below 5% the contract is classified as an investment contract. Where a product, as standard, offers sufficient level of risk transfer to be classified as an insurance product, all contracts within that product will be classed as insurance regardless of whether the policyholders have opted out of the cover or not.

The Branch assesses its life insurance to determine whether they contain distinct components which must be accounted for under another IFRS rather than IFRS 17. After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Branch's products do not include distinct components that require separation.

3.1.2.1 Separating components from insurance contracts

Some term life contracts issued by the Branch include a surrender option under which the surrender value is paid to the policyholder on maturity or earlier lapse of the contract. These surrender options have been assessed to meet the definition of a non-distinct investment component in IFRS 17. IFRS 17 defines investment components as the amounts that an insurance contract requires an insurer to repay to a policyholder even if an insured event does not occur. Investment components which are highly interrelated with the insurance contract of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are recorded outside of profit or loss. The surrender options are considered non-distinct investment components as the Branch is unable to measure the value of the surrender option component separately from the life insurance portion of the contract.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Insurance contracts (continued)

3.1.2 Insurance contract liabilities (continued)

3.1.2.2 Level of aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Branch is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Branch identifies a contract as the smallest unit, i.e., the lowest common denominator. However, the Branch makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management).

The Branch has defined portfolios of insurance contracts issued based on its product lines, namely endowment and term life contracts since the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the existing actuarial valuation models which take into consideration existing and new business. Both run-off portfolios are being classified as group of contracts which has no significant possibility of becoming onerous.

3.1.2.3 Recognition

The Branch recognizes groups of insurance contracts that it issues from the earliest of the following:

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

3.1.2.4 Contract boundary

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

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

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract are not recognised. Such amounts relate to future insurance contracts. For life contracts with renewal years, the Branch assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals are established by the Branch by considering all the risks covered for the policyholder by the Branch's the Branch considers when underwriting equivalent contracts on the renewal dates for the remaining coverage. The Branch reassess contract boundary of each group at the end of each reporting year.

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Insurance contracts (continued)

3.1.2 Insurance contract liabilities (continued)

3.1.2.5 Measurement- general model

Insurance contracts – initial measurement

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows;
- A CSM representing the unearned profit the Branch will recognise as it provides service under the insurance contracts in the group.

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

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

- Premiums and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
 - o Payments to policyholders resulting from embedded surrender value options;
 - o An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs;
- Claims handling costs;
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries;

The Branch incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Branch estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Branch's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions
- Current pricing information, when available

The Branch's CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Branch will recognize as it provides services in the future. The liability for remaining coverage is the Branch's obligation to investigate and pay valid claims for insured events that have not yet occurred (i.e., the obligation that relates to the unexpired portion of the coverage year). The liability for incurred claims is the Branch's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses.

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Insurance contracts (continued)

3.1.2 Insurance contract liabilities (continued)

3.1.2.5 Measurement- general model (continued)

Insurance contracts – subsequent measurement

The CSM at the end of the reporting year represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided. For a group of insurance contracts, the carrying amount of the CSM of the group at the end of the reporting year equals the carrying amount at the beginning of the reporting year adjusted, as follows:

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

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period. The discount rate used for accretion of interest on the CSM is determined using the bottom-up approach at inception. The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the estimate, at the beginning of the year, of the amounts expected. Differences related to premiums received (or due) related to current or past services are recognized immediately in profit or loss while differences related to premiums received (or due) for future services are adjusted against the CSM;
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM);
- Differences between any investment component expected to become payable in the year and the actual investment component that becomes payable in the year;
- Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition. The Branch measures the carrying amount of a group of insurance contracts at the end of each reporting year as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Branch comprised the fulfilment cash flows related to past service allocated to the group at that date.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Insurance contracts (continued)

3.1.2 Insurance contract liabilities (continued)

3.1.2.5 Measurement- general model (continued)

Insurance contracts – modification and derecognition

The Branch derecognises insurance contracts when:

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

3.1.2.6 Presentation

The Branch has presented separately in the statement of financial position the carrying amount of groups of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts held that are assets and groups of reinsurance contracts held that are liabilities. Any assets or liabilities for insurance acquisition cash flows recognized before the corresponding insurance contracts are recognised, are included in the carrying amount of the related groups of insurance contracts issued.

The Branch disaggregates the amounts recognized in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses. The Branch does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

3.1.3 Insurance revenue

The Branch's insurance revenue depicts the provision of coverage and other services arising from a group of insurance contracts at an amount that reflects the consideration to which the Branch expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the year of the total consideration for the contracts, (i.e., the amount of premiums paid to the Branch adjusted for financing effect (the time value of money) and excluding any distinct investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- The CSM release;
- Amounts related to insurance acquisition cash flows.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Insurance contracts (continued)

3.1.4 Insurance finance income and expense

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

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

The Branch disaggregates insurance finance income or expenses on insurance contracts issued for its endowment and term life portfolios between profit or loss and OCI. The impact of changes in market interest rates on the value of the life insurance liabilities are reflected in OCI in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Branch's financial assets backing the insurance issued portfolios are predominantly measured at amortized cost.

The Branch systematically allocates expected total insurance finance income or expenses over the duration of the group of contracts to profit or loss using discount rates determined on initial recognition of the group of contracts. In the event of transfer of a group of insurance contracts or derecognition of an insurance contract, the Branch reclassifies the insurance income finance or expense to profit or loss as a reclassification adjustment to any remaining amounts for the group (or contract) that were previously recognised in other comprehensive income.

3.2 Financial Assets

3.2.1 Initial recognition

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially recognised on the trade date measured at their fair value. The Branch classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The branch has Cash and cash equivalents comprise cash in hand and deposits held at call with bank, short-term cash investments with original maturity of 3 months or less from date of placement. Cash and cash equivalents are stated at face value. Additionally, the branch has Cash deposits for regulatory purposes which are held at amortized cost.

3.2.1.1 Debt instruments measured at amortised cost

Debt instruments are held at amortised cost if both of the following conditions are met:

- The instruments are held within a business model with the objective of holding the instrument to collect the contractual cash flows
- The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below.

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Financial Assets (continued)

3.2.1.2 Business model assessment

The Branch determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Branch holds financial assets to generate returns and provide a capital base to provide for settlement of claims as they arise. The Branch considers the timing, amount and volatility of cash flow requirements to support insurance liability portfolios in determining the business model for the assets as well as the potential to maximize return for shareholders and future business development.

The Branch's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios that is based on observable factors such as:

- The fulfilment of local capital regulatory requirements at all time
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Branch's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed

The business model assessment is based on reasonably expected scenarios without taking ,worst case, or ,stress case, scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Branch's original expectations, the Branch does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

3.2.1.3 The SPPI test

As a second step of its classification process the Branch assesses the contractual terms to identify whether they meet the SPPI test. ,Principal, for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a debt arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Branch applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the year for which the interest rate is set.

3.2.2 Subsequent measurement

3.2.2.1 Debt instruments at amortized cost

After initial measurement, debt instruments are measured at amortised cost, using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. ECLs are recognised in the statement of profit or loss when the investments are impaired.

3.2.2.2 Reclassification of financial assets and liabilities

The Branch does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Branch acquires, disposes of, or terminates a business line.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Financial Assets (continued)

3.2.3 Derecognition

3.2.3.1 Derecognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Branch has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either: (a) the Branch has transferred substantially all the risks and rewards of the asset; or (b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Branch considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Branch has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Branch's continuing involvement, in which case, the Branch also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Branch has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Branch could be required to pay.

3.2.3.2 Derecognition due to substantial modification of terms and conditions

The Branch derecognizes a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognized as a derecognition gain or loss. In the case of debt instruments at amortized cost, the newly recognized loans are classified as Stage 1 for ECL measurement purposes. When assessing whether or not to derecognize an instrument, amongst others, the Branch considers the following factors:

- Change in currency of the debt instrument
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Branch records a modification gain or loss.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Financial Assets (continued)

3.2.4 Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Impairment losses on financial instruments are below in Note 3.2.4 and in Note 7
- Disclosures for significant judgements and estimates Note 4

The Branch recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at the appropriate effective interest rate. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Branch's debt instruments comprise solely of pledged cash deposits with Citibank which is graded in the top investment category (Very Good and Good) by Fitch and, therefore, are considered to be low credit risk investments. It is the Branch's policy to measure ECLs on such instruments on a 12-month basis. The Branch considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.2.5 The calculation of ECLs

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

When estimating the ECLs the Branch considers four scenarios (a base case, an upside, a mild downside and a more extreme downside). When relevant, the assessment of multiple scenarios also incorporates the probability that the defaulted loans will cure. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- **PD** The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- **EAD** The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- **LGD** The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Branch would expect to receive. It is usually expressed as a percentage of the EAD.

The Branch allocates its assets subject to ECL calculations into one of these categories, determined as follows:

- **12mECL** The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- **LTECL** When an instrument has shown a significant increase in credit risk since origination, the Branch records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected losses are discounted by an appropriate EIR.
- **Impairment** For debt instruments considered credit-impaired, the Branch recognises the lifetime expected credit losses for these instruments. The method is similar to that for LTECL assets, with the PD set at 100%.

As at 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Financial Assets (continued)

3.2.6 Forward looking information

In its ECL models, the Branch relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Central Bank base rates

3.2.7 Write-offs

Financial assets are written off either partially or in their entirety only when the Branch has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense. There were no write-offs over the years reported in these financial statements.

3.2.8 Investment Income

Investment income consists of interest income on bank deposits.

3.3 Foreign Currency Transaction and Translation

The functional currency of the Branch is CHF. Reporting currency is AED. The main part of the Branch's business is incorporated in the Swiss Business Unit and is accounted for in CHF. Further, the Branch does not operate autonomously as it receives funds from the Head Office in Switzerland who operates with functional currency CHF.

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transaction or, for practical reasons, a weighted average rate, if exchange rates do not fluctuate significantly. Foreign currency monetary items are translated at end-of-year exchange rates. Foreign currency non-monetary items which are carried at historical cost are translated at historical exchange rates. The impact is recognised in statement of comprehensive income.

The translation from functional currency CHF to presentation currency AED is done with quarter end rates for financial position and average rate for comprehensive income statement.

3.4 Net assets attributable to Head Office

The Branch is not a separate legal entity and hence it did not issue own equity instruments. Therefore, as a practical expedient, the Branch measures the Net assets attributable to Head Office, at the carrying value of the Branch's net assets.

3.5 Recognition of cash bank balances and deposits

The Branch recognises cash bank balances and deposits on the statement of financial position although these are held in the name of the Head Office. In deciding the appropriateness of whether the Branch should recognise the assets, the Branch has considered the following:

- the Branch has control over the assets;
- the Branch obtains direct economic benefit from the assets (i.e. income earned from these assets is recognised in the statement of comprehensive income of the Branch);
- the assets are used solely for the operations of the Branch and any use of these assets is authorised by the Branch's management;
- the assets are held for the beneficial interest of the Branch and are part of the assets that are required to be maintained at the Branch level to meet local regulatory requirements; and
- on liquidation or sale of the Branch's the assets would form part of the Branch's assets and not assets of the Head Office.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE ACCOUNTING POLICIES

The Branch makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The overall risk management program of the Branch is managed by the Head Office as part of a global risk management program for the products sold by the Branch. It focuses on the unpredictability of financial markets and seeks to minimize potential negative effects on the product lines, overall financial performance. Risk management is carried out by the management of the Group under policies approved by the Board of Directors of the Zurich Insurance Group Limited.

4.1 Insurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Branch based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Branch. Such changes are reflected in the assumptions when they occur.

4.1.1 The methods used to measure insurance contracts

The Branch primarily uses deterministic projections to estimate the present value of future cash flows and for some groups it uses stochastic modelling techniques. A stochastic model is a tool for estimating probability distributions of potential outcomes by allowing for random variation in one or more inputs over time.

The following assumptions were used when estimating future cash flows:

- Mortality rates (insurance risk)

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Branch's own experiences. Assumptions are differentiated by policyholder gender, and contract type.

- Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Branch's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, and contract type. An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Branch.

- Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

- Lapse rates

Lapse rates relate to the voluntary termination of policies or due to non-payment premiums by policyholders. Policy termination assumptions are determined using statistical measures based on the Branch's experience and vary by product type, policy duration and contract term.

- Discount rate

The IFRS 17 curve in Swiss Francs used for all reporting years in 2025 is being based on the swap rates with applying of the concept of ultimate forward rate (UFR) and interpolation to the UFR from last liquid point (LLP). The UFR as at 31 December 2025 is 2.20% (31 December 2024: 2.25%) with LLP equal to 15y. The illiquidity premium is 15bps as at 31 December 2025 (31 December 2024: 25bps).

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE ACCOUNTING POLICIES (continued)

4.1.2 Risk adjustment for non-financial risk

The risk adjustment (RA) for non-financial risk represents the compensation that the Branch requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Branch has estimated the risk adjustment using a cost of capital technique. The cost of capital technique requires the Branch to estimate the probability distribution of the fulfilment cash flows, and the additional capital that it requires at each future date in the cash flow projection to comply with the ZLIC's and Zurich Group's internal economic capital requirements.

4.1.3 Amortization of the Contractual Service Margin

CSM is presented as a separate component of the insurance liability representing unearned profits from in-force contracts. An amount of the CSM for a group of insurance contracts is recognized in profit or loss as insurance revenue in each year to reflect the services provided under the group of insurance contracts in that year. The amount is determined by:

- Identifying the coverage units in the group;
- Allocating the CSM at the end of the year (before recognizing any amounts in profit or loss to reflect the services provided in the year) equally to each coverage unit provided in the current year and expected to be provided in the future;
- Recognizing in profit or loss the amount allocated to coverage units provided in the year.

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting year to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the year. For amortization purpose, they are then allocated based on probability-weighted average duration of each coverage unit provided in the current year and expected to be provided in the future.

4.1.4 Fair Value Measurement

In determining the fair values of financial debt instruments the Branch makes extensive use of independent, reliable and reputable third-party pricing providers and only in rare cases places reliance on prices that are derived from internal models. In addition, the Branch's policy is to ensure that independently sourced prices are developed by making maximum use of current observable market inputs derived from orderly transactions and by employing widely accepted valuation techniques and models. When third party pricing providers are unable to obtain adequate observable information for a particular financial instrument, the fair value is determined either by requesting selective non-binding broker quotes or by using internal valuation models. Valuations can be subject to significant judgment, especially when the fair value is determined based on at least one significant unobservable input parameter; such items are classified within level 3 of the fair value hierarchy.

4.2 Financial risk

4.2.1 Market risk

The Branch is exposed to market risk through its financial assets and insurance liabilities. In particular, the key market risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of the financial risk are market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), liquidity risk and credit risk.

4.2.2 Foreign exchange risk

The Branch is exposed to foreign exchange risk as it periodically transacts in different currencies other than its functional currency. The net exposure to the foreign exchange risk is being hedged through forward contracts by the Head Office when the exposure exceeds 5 million USD equivalent per currency. Financial position in foreign currencies is disclosed in note 6.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE ACCOUNTING POLICIES (continued)

4.2 Financial risk (continued)

4.2.3 Interest rate risk

The Branch is exposed to interest rate risk (fair value interest rate risk and cash flow interest rate risk).

The Branch invests in bank deposits that are subject to interest rate risk. Interest rate risk to the Branch is the risk of changes in market interest rates reducing the overall return on fixed deposits.

The weighted average interest rate of bank deposits as at 31 December 2025 is 3.21% per annum (31 December 2024: 0.59% per annum).

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates. Floating rate instruments expose the Branch to cash flow interest risk, whereas fixed interest rate instruments expose the Branch to fair value interest risk. There is no direct contractual relationship between financial assets and insurance contracts, However, the Branch's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The policy also requires it to manage the maturities of interest-bearing financial assets.

The Branch has no significant concentration of interest rate risk.

The method used for deriving sensitivity information and significant variables has not changed from the previous year.

4.2.4 Credit risk

Ownership of financial assets involves the risk that counterparts may be unable to meet the terms of their agreements. The Branch's exposure to credit risk arises mainly from cash and cash equivalents, deposits with banks, issuers of debt securities and receivables from related parties. The risks are monitored by management by limiting the aggregate risk to any individual counterparty and covered by collaterals if deemed necessary. Management is confident in its ability to continue to control and minimize the loss arising from its exposure to credit risk resulting from the cash at bank and term deposits based on the fact that cash at bank and term deposits are held with reputable foreign and local banks, where the risk of default is low.

The credit risk from transactions with companies within the Zurich group is deemed low as in the event of default the credit risk would ultimately be absorbed by the Head office. The Branch has also minimal exposure to credit risk for policyholder loans and accrued interest arising from contractual arrangements based on the surrender value of the policy. The credit quality of bank balances and deposits can be assessed by reference to external credit ratings as shown below:

	<i>31 December 2025 AED</i>	<i>31 December 2024 AED</i>
<i>Fitch rating</i>		
F1	92,993,932	90,609,332
F1+	156,492,093	154,286,386
Total	249,486,025	244,895,718

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE ACCOUNTING POLICIES (continued)

4.2 Financial risk (continued)

4.2.5 Credit loss assessment

Significant increase in credit risk, default and cure

The branch continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Branch assesses whether there has been a significant increase in credit risk since initial recognition. The Branch considers that there has been a significant increase in credit risk when any contractual payments are more than 30 days past due. In addition, the Branch also considers a variety of instances that may indicate unlikelihood to pay by assessing whether there has been a significant increase in credit risk. Such events include:

- Internal rating of the counterparty indicating default or near-default
- The counterparty having past due liabilities to public creditors or employees
- The counterparty (or any legal entity within the debtor's group) filing for bankruptcy application/protection
- Counterparty's listed debt or equity suspended at the primary exchange because of rumours or facts about financial difficulties

The Branch considers a financial instrument defaulted and, therefore, credit-impaired for ECL calculations in all cases when the counterparty becomes 90 days past due on its contractual payments. The Branch may also consider an instrument to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. In such cases, the Branch recognizes a lifetime ECL.

In rare cases when an instrument identified as defaulted, it is the Branch's policy to consider a financial instrument as cured, and therefore re-classified out of credit-impaired when none of the default criteria have been present for at least twelve consecutive months. There has been no significant increase in credit risk or default for the financial assets during the Expected credit loss.

The Branch assesses the possible default events within 12 months for the calculation of the 12mECL. Given the investment policy, the probability of default for new instruments acquired is generally determined to be minimal and the expected loss given default ratio assumed to be 100%. In rare cases where a lifetime ECL is required to be calculated, the probability of default is estimated based on economic scenarios.

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
ECL		
Cash Deposit held for regulatory purpose	12,171	14,618

4.2.6 Liquidity risk

The Branch has minimised its exposure to liquidity risk. In accordance with the regulations in the United Arab Emirates, the Branch is required to maintain sufficient funds equal or greater than the insurance liabilities. In addition to this, any potential deficit is funded by the Head Office.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE ACCOUNTING POLICIES (continued)

4.2 Financial risk (continued)

4.2.6 Liquidity risk (continued)

The following table summarises the maturity profile of financial assets of the Branch based on remaining undiscounted contractual cash flows, including interest receivable.

	31 December 2025			31 December 2024		
	AED			AED		
	No more than 12 months	More than 12 months	Total	No more than 12 months	More than 12 months	Total
ASSETS						
Investments						
Cash, bank balances & deposits	249,486,025	-	249,486,025	244,895,718	-	244,895,718
Total investments	249,486,025	-	249,486,025	244,895,718	-	244,895,718
Receivables and other assets	550,969	1,315,265	1,866,234	550,140	1,315,320	1,865,460
Due from Head Office	413,014	-	413,014	559,407	-	559,407
Total assets as at end of the year	250,450,008	1,315,265	251,765,273	246,005,265	1,315,320	247,320,585

Maturity analysis for insurance and reinsurance contract liabilities (present value of future cash flows basis)

The following table summarises the maturity profile of portfolios of insurance contract issued that are liabilities of the Branch based on the estimates of the present value of the future cash flows expected to be paid out in the years presented.

	31 December 2025			31 December 2024		
	AED			AED		
	No more than 12 months	More than 12 months	Total	No more than 12 months	More than 12 months	Total
LIABILITIES						
Insurance Contract Liabilities	(4,312,401)	(33,734,642)	(38,047,043)	(3,017,483)	(36,801,624)	(39,819,107)
Due to Head Office	(6,453,484)	-	(6,453,484)	(4,386,528)	-	(4,386,528)
Total liabilities as at end of the year	(10,765,885)	(33,734,642)	(44,500,527)	(7,404,011)	(36,801,624)	(44,205,635)

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES IN APPLYING THE ACCOUNTING POLICIES (continued)

4.2 Financial risk (continued)

4.2.7 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events such as outsourcing, catastrophes, legislation, or external fraud.

The Branch has a comprehensive framework with a common approach to identify, assess, quantify, mitigate, monitor and report operational risk. The Branch conducts risk assessments where operational risks are identified for key business areas. Risks identified and assessed above a certain threshold must be mitigated.

Risk mitigation plans are documented and tracked on an ongoing basis. In the assessments, the Branch uses such sources of information as the Total Risk Profiling™ process, internal control assessments and audit findings. Preventing, detecting and responding to fraud is embedded in the Branch's business. Both claims and non-claims fraud are included in the common framework for assessing and managing operational risks.

The Branch considers controls to be key instruments for monitoring and managing operational risk. The branch's internal control system makes operations more effective and aims to ensure legal and regulatory compliance. The internal controls system is designed to manage rather than eliminate the material risk that business objectives might not be achieved. It can provide only reasonable, not absolute, assurance against material financial misstatement or loss.

Management is responsible for identifying, evaluating and addressing significant risks, and designing and maintaining internal controls. Key processes and controls in the organization are subject to reviews by management and Zurich Group functions: Risk Management; Group Audit and Group Compliance.

The internal auditors also regularly report conclusions, observations and recommendations that arise as a result of their independent reviews and testing of internal controls over financial reporting and operations.

5 CAPITAL MANAGEMENT

The overall capital management program of the Branch is managed by the Head Office, which is subject to Swiss solvency regulations, and is part of the global capital management framework of the Group. In particular, the Group endeavours to manage its capital such that the Group and all of its regulated entities are adequately capitalized in compliance with the relevant regulatory capital adequacy requirements, while at the same time maximizing long term shareholder value.

In accordance with the law governing the operation of insurance companies within the UAE, an irrevocable bank guarantee of AED 4 million (31 December 2024: AED 4 million) in favour of the Insurance Authority (CBUAE) is in place. The Branch has maintained a fixed deposit with the bank as security against this guarantee.

The Branch is required to maintain sufficient funds at a value equal or greater than the mathematical reserves calculated for regulatory purposes (IFRS 4). The amount of cash and short-term bank deposits at 31 December 2025 amounted to AED 249,486,025 (31 December 2024: AED 244,895,718). The mathematical reserves at 31 December 2025 are AED 21.6 million (31 December 2024: AED 24.3 million).

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

5 CAPITAL MANAGEMENT (continued)

In addition, the Branch is required to satisfy the Minimum Capital Requirement of AED 100,000,000 subscribed and paid up share capital to be maintained at Head Office level under Cabinet resolution no. 42 of 2009 of the United Arab Emirates. The Branch monitors its capital level on a regular basis to assess whether such requirements have been met, and reports to the CBUAE annually. Management believes that the Branch has complied with the above- mentioned paid up share capital requirement of a minimum AED 100,000,000 maintained at the Head Office level, including the solvency margin requirements as per the CBUAE's financial regulations as at 31 December 2025.

These numbers are based on IFRS 4 numbers and are unaudited.

	<i>31 December 2025</i>	<i>31 December 2024</i>
	<i>AED</i>	<i>AED</i>
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	15,252,087	15,449,536
Minimum Guaranteed Fund (MGF)	5,084,029	5,149,845
Own Funds		
Basic Own Funds	201,961,854	190,603,143
MCR Solvency Margin Surplus / (Deficit)	101,961,854	90,603,143
SCR Solvency Margin Surplus / (Deficit)	186,709,767	175,153,607
MGF Solvency Margin Surplus / (Deficit)	196,877,825	185,453,298

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

6 FOREIGN CURRENCY SPLIT FOR FINANCIAL POSITION

	<i>31 December 2025</i>				
	<i>USD</i>	<i>GBP</i>	<i>CHF</i>	<i>AED</i>	<i>Total</i>
ASSETS					
Investments					
Cash, bank balances & deposits	334,819	-	-	249,151,206	249,486,025
Total investments	334,819	-	-	249,151,206	249,486,025
Receivables and other assets	1,315,265	-	-	550,969	1,866,234
Due from Head Office	-	-	-	413,014	413,014
Total assets as at end of the year	1,650,084	-	-	250,115,189	251,765,273
LIABILITIES					
Reserves for insurance contracts	35,701,567	1,763,755	581,721	-	38,047,043
Due to Head Office	-	-	-	6,453,484	6,453,484
Total liabilities as at end of the year	35,701,567	1,763,755	581,721	6,453,484	44,500,527
Net assets attributable to Head Office					207,264,746

	<i>31 December 2024</i>				
	<i>USD</i>	<i>GBP</i>	<i>CHF</i>	<i>AED</i>	<i>Total</i>
ASSETS					
Investments					
Cash, bank balances & deposits	335,633	-	-	244,560,085	244,895,718
Total investments	335,633	-	-	244,560,085	244,895,718
Receivables and other assets	1,315,320	-	-	550,140	1,865,460
Due from Head Office	-	-	-	559,407	559,407
Total assets as at end of the year	1,650,953	-	-	245,669,632	247,320,585
LIABILITIES					
Reserves for insurance contracts	38,586,007	767,712	465,388	-	39,819,107
Due to Head Office	-	-	-	4,386,528	4,386,528
Total liabilities as at end of the year	38,586,007	767,712	465,388	4,386,528	44,205,635
Net assets attributable to Head Office					203,114,950

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

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7 CASH BANK BALANCES, DEPOSITS AND FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT AND LOSS

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Cash and Cash equivalents	245,486,927	240,896,821
Bank deposits with original maturities greater than three months	3,999,098	3,998,897
Total	249,486,025	244,895,718

Cash, bank balances and deposits are legally owned by ZLIC for the beneficial interest of the Branch and compose of cash accounts held in UAE and cash deposits held in UAE. Prior to the establishment of “Board of Directors, Decision Number 25 of 2014 (BOD 25 of 2014) Pertinent to Financial Regulations for Insurance Companies” which established Solvency and Admissibility requirements for Insurance Companies in UAE, ZLIC Dubai was required to place liens against its Insurance Liabilities in favor of the Insurance Authority (CBUAE). Despite BOD 25 of 2014 establishing new Solvency and Admissibility requirements, ZLIC Dubai has retained Liens in favor of the Insurance Authority (CBUAE) to show its commitment to its policyholders and the ongoing run-off process. The Management of ZLIC Dubai is in constant dialogue with the Central Bank of UAE to discuss the next steps and the possibility of removal of the liens. The Management is also in discussions to change the liens, where necessary, in favour of the CBUAE. The liens total to an amount of AED 94.1 million as at 31 December 2025 (total lien amount as of 31 December 2024: AED 91.7 million).

Cash and cash equivalents compose of cash accounts held in UAE and cash deposits held in UAE with a duration of 3 months or less. The amount of interest realised against these deposits is AED 4.6 million (2024: AED 6.3 million), earned at rates ranging from 2.50% to 3.73% (2024: 2.50% to 5.30%) per annum.

Total cash, bank balances and deposits are further analysed as follows:

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Current Accounts	105,431,908	104,235,735
Bank Deposits	144,054,117	140,659,983
Total cash, bank balances and deposits	249,486,025	244,895,718
Less deposits with maturity of more than 3 months	(3,999,098)	(3,998,897)
Cash and cash equivalents	245,486,927	240,896,821

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

7 CASH BANK BALANCES, DEPOSITS AND FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT AND LOSS (continued)

7.1 Restatement

In 2024, a cash deposit originally classified as “bank deposits with original maturities greater than three months” was renewed with a maturity of only three months. As such, it should have been classified as “cash and cash equivalents” in accordance with IAS 7.

This misclassification affected the presentation of the statement of financial position and the statement of cash flows for the prior year. Accordingly, comparative figures have been restated to reflect the correct classification of AED 48,986,485 as cash and cash equivalents.

The restatement had no impact on total assets or profit for the year.

7.2 Fair Value Measurement

To measure fair value, the Branch gives the highest priority to quoted and unadjusted prices in active markets. In the absence of quoted prices, fair values are calculated through valuation techniques, making the maximum use of relevant observable market data inputs. Whenever observable parameters are not available, the inputs used to derive the fair value are based on common market assumptions that market participants would use when pricing assets and liabilities. Depending on the observability of prices and inputs to valuation techniques, the Branch classifies instruments measured at fair value within the following three levels (the fair value hierarchy):

Level 1 – includes assets and liabilities for which fair values are determined directly from unadjusted current quoted prices resulting from orderly transactions in active markets for identical assets/liabilities.

Level 2 – includes assets and liabilities for which fair values are determined using significant inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable market inputs.

Level 3 – includes assets and liabilities for which fair values are determined using valuation techniques with at least one significant input not being based on observable market data. This approach is used only in circumstances when there is little, if any, market activity for a certain instrument, and the Group is required to rely on third party providers or develop internal valuation inputs based on the best information available about the assumptions that market participants would use when pricing the asset or liability.

The governance framework and oversight of the Branch’s standards and procedures regarding the valuation of financial instruments measured at fair value lies within the responsibility of Group Risk Management, Group Investment Management, Treasury Capital Management and Group Finance. Specialists from these departments ensure the adequacy of valuation models, approve methodologies and sources to derive model input parameters, provide oversight over the selection of third-party pricing providers, and on a semi-annual basis review the classification within the fair value hierarchy of the financial instruments in scope.

The branch has only cash and cash deposits which are not included in the levels as their carrying value is a reasonable approximation of their fair value.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

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8 RECEIVABLES AND OTHER ASSETS

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
Inside UAE		
Policyholder loans *	1,315,265	1,315,320
Accrued interest Cash, bank balances & deposits	550,969	550,140
	<u>1,866,234</u>	<u>1,865,460</u>
Total	<u>1,866,234</u>	<u>1,865,460</u>
Aging of amounts due from policyholders		
Less than 30 days	-	-
31 – 90 days	-	-
91 – 180 days	-	-
181 – 360 days	-	-
More than 360 days	1,315,265	1,315,320
Total due from policyholders	<u>1,315,265</u>	<u>1,315,320</u>

* Policyholder loans are repayable on demand and are secured against the cash surrender value of the policy, thus ensuring full recoverability.

9 INSURANCE CONTRACT LIABILITIES

Individual Business:

The ZLIC UAE Individual long-term business liabilities comprise the remaining coverage of the present value of future cashflows, the risk adjustment and the contractual service margin. The mathematical reserves are calculated according to the actuarial principle of equivalence, and they are subject to supervision of the CBUAE and Swiss Insurance Authority FINMA. The parameters used in the model relating to mortality, costs, interest rate are defined on a prudent basis. The chief life actuary is responsible for the correct calculation of the reserves.

There is a statutory obligation to provide an adequate solvency margin at any time. The solvency margin must meet the requirements of the CBUAE and FINMA. There are 161 policies remaining (31 December 2024: 214 policies) as part of the overall individual life portfolio. The total of insurance contract liabilities amounted to AED 38,047,043 for these policies (As at 31 December 2024: AED 39,819,107).

	<i>31 December</i> <i>2025</i> <i>AED</i>	<i>31 December</i> <i>2024</i> <i>AED</i>
PVFCF – remaining coverage	24,077,818	29,498,085
CSM – remaining coverage	13,771,040	10,099,112
Risk adjustment – remaining coverage	198,185	221,910
Total liabilities for insurance contracts	<u>38,047,043</u>	<u>39,819,107</u>

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

9 INSURANCE CONTRACT LIABILITIES (continued)

The breakdown of groups of insurance contracts that are in asset or liability position is set out below:

<i>Amounts in AED</i>	<i>31 December 2025</i>			<i>31 December 2024</i>		
	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>
Insurance contracts issued						
Life contracts	-	38,047,043	38,047,043	-	39,819,107	39,819,107
Total Insurance contracts	-	38,047,043	38,047,043	-	39,819,107	39,819,107

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

9 INSURANCE CONTRACT LIABILITIES (continued)

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage for the portfolio included in the Branch is disclosed below:

31 December 2025

	<i>Liabilities for Remaining coverage</i>		<i>Liabilities for incurred claims</i>	<i>Total</i>
	<i>Excluding loss component</i>	<i>loss component</i>		
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
Net opening balance	39,273,220	-	545,887	39,819,107
Changes in the statement of profit or loss and OCI				
Insurance revenue	(1,856,135)	-	-	(1,856,135)
Contracts under the modified retrospective transition approach	(1,856,135)	-	-	(1,856,135)
Contracts under the fair value transition approach	-	-	-	-
Other contracts	-	-	-	-
Insurance service expenses	79,131	-	195,503	274,634
Incurred claims and other incurred insurance service expense	-	-	195,503	195,503
Amortization of insurance acquisition cash flows	79,131	-	-	79,131
Changes that relate to past services	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-
Impairment and reversal of impairment of assets for insurance acquisition cash flows	-	-	-	-
Total gross insurance service result	(1,777,004)	-	195,503	(1,581,501)
Cash in/(out)flows in the year				
Premiums received	353,761	-	-	353,761
Insurance acquisition cash flows	-	-	-	-
Claims and other insurance service expenses paid, including investment components	-	-	(5,822,381)	(5,822,381)
Net cash inflows/(outflows)	353,761	-	(5,822,381)	(5,468,620)
Investment components	(5,626,878)	-	5,626,878	-
Insurance finance (income)/expenses recognized in P&L	7,604,850	-	-	7,604,850
Insurance finance (income)/expenses recognized in OCI	(333,684)	-	-	(333,684)
Acquisitions/(divestments) and transfers	-	-	-	-
Other changes (incl. Foreign currency translation effects)	(1,993,109)	-	-	(1,993,109)
Total changes not related to provision of insurance services	(348,821)	-	5,626,878	5,278,057
Net closing balance	37,501,156	-	545,887	38,047,043

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

9 INSURANCE CONTRACT LIABILITIES (continued)

31 December 2024

	<i>Liabilities for</i>		<i>Liabilities for</i>	<i>Total</i>	
	<i>Remaining coverage</i>				<i>incurred</i>
	<i>Excluding</i>	<i>loss</i>			
	<i>loss</i>	<i>component</i>			
<i>component</i>	<i>component</i>	<i>claims</i>	<i>AED</i>		
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	
Net opening balance	38,702,527	-	545,886	39,248,413	
Changes in the statement of profit or loss and OCI					
Insurance revenue	(1,480,758)	-	-	(1,480,758)	
Contracts under the modified retrospective transition approach	(1,480,758)	-	-	(1,480,758)	
Contracts under the fair value transition approach	-	-	-	-	
Other contracts	-	-	-	-	
Insurance service expenses	73,572	-	698,011	771,583	
Incurred claims and other incurred insurance service expense	-	-	698,011	698,011	
Amortization of insurance acquisition cash flows	73,572	-	-	73,572	
Changes that relate to past services	-	-	-	-	
Losses on onerous contracts and reversal of those losses	-	-	-	-	
Impairment and reversal of impairment of assets for insurance acquisition cash flows	-	-	-	-	
Total gross insurance service result	(1,407,186)	-	698,011	(709,175)	
Cash in/(out)flows in the year					
Premiums received	430,596	-	-	430,596	
Insurance acquisition cash flows	-	-	-	-	
Claims and other insurance service expenses paid, including investment components	-	-	(2,069,487)	(2,069,487)	
Net cash inflows/(outflows)	430,596	-	(2,069,487)	(1,638,891)	
Investment components	(1,371,477)	-	1,371,477	-	
Insurance finance (income) / expenses recognized in P&L	325,624	-	-	325,624	
Insurance finance (income)/expenses recognized in OCI	584,136	-	-	584,136	
Acquisitions/(divestments) and transfers	-	-	-	-	
Other changes (incl. Foreign currency translation effects)	2,009,000	-	-	2,009,000	
Total changes not related to provision of insurance services	1,547,283	-	1,371,477	2,918,760	
Net closing balance	39,273,220	-	545,887	39,819,107	

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

9 INSURANCE CONTRACT LIABILITIES (continued)

The table below presents a roll-forward of the net asset or liability for insurance contracts issued showing estimates of the present value of future cash flows, risk adjustment and CSM for the portfolio included in the Branch.

	<i>31 December 2025</i>				
	<i>Estimates of present value of future cash flows AED</i>	<i>Risk adjustment AED</i>	<i>CSM AED</i>	<i>Totals AED</i>	
	Net insurance contracts, as of 1 January 2025	29,498,085	221,910	10,099,112	39,819,107
	Changes that relate to future services	(3,442,568)	(39,700)	3,482,268	(0)
Changes in estimates that adjust the CSM	(3,442,568)	(39,700)	3,482,268	(0)	
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	-	-	
Contracts initially recognized in the period	-	-	-	-	
Changes that relate to current services	(357,494)	(14,251)	(1,355,954)	(1,727,699)	
CSM recognised for services provided	-	-	(1,355,954)	(1,355,954)	
Risk adjustment recognized for the risk expired	-	(14,251)	-	(14,251)	
Experience adjustments	(357,494)	-	-	(357,494)	
Changes that relate to past services	146,198	-	-	146,198	
Changes in fulfilment cash flows relating to incurred claims	146,198	-	-	146,198	
Insurance service result	(3,653,864)	(53,951)	2,126,314	(1,581,501)	
Cash in/(out)flows in the year					
Premium received	353,761	-	-	353,761	
Insurance acquisition cash flows	-	-	-	-	
Claims and other insurance service expenses paid, including investment components	(5,822,381)	-	-	(5,822,381)	
Net cash inflows/(outflows)	(5,468,620)	-	-	(5,468,620)	
Insurance finance (income)/expenses	7,270,213	953	-	7,271,166	
Other changes (incl. Foreign currency translation effects)*	(3,567,996)	29,273	1,545,614	(1,993,109)	
Total changes not related to provisions of insurance services	3,702,217	30,226	1,545,614	5,278,057	
Net insurance contracts, as of 31 December 2025	24,077,818	198,185	13,771,040	38,047,043	

*Please note that Other changes contains mainly FX differences.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

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9 INSURANCE CONTRACT LIABILITIES (continued)

	<i>31 December 2024</i>				
	<i>Estimates of present value of future cash flows AED</i>	<i>Risk adjustment AED</i>	<i>CSM AED</i>	<i>Totals AED</i>	
	Net insurance contracts, as of 1 January 2024	28,628,624	211,961	10,407,828	39,248,413
	Changes that relate to future services	(1,493,114)	35,553	1,457,561	-
Changes in estimates that adjust the CSM	(1,493,114)	35,553	1,457,561	-	
Changes in estimates that result in onerous contract losses or reversal of losses	-	-	-	-	
Contracts initially recognized in the year	-	-	-	-	
Changes that relate to current services	168,376	(13,184)	(1,029,197)	(874,005)	
CSM recognised for services provided	-	-	(1,029,197)	(1,029,197)	
Risk adjustment recognized for the risk expired	-	(13,184)	-	(13,184)	
Experience adjustments	168,376	-	-	168,376	
Changes that relate to past services	164,830	-	-	164,830	
Changes in fulfilment cash flows relating to incurred claims	164,830	-	-	164,830	
Insurance service result	(1,159,908)	22,369	428,364	(709,175)	
Cash in/(out)flows in the year					
Premium received	430,596	-	-	430,596	
Insurance acquisition cash flows	-	-	-	-	
Claims and other insurance service expenses paid, including investment components	(2,069,487)	-	-	(2,069,487)	
Net cash inflows/(outflows)	(1,638,891)	-	-	(1,638,891)	
Insurance finance (income)/expenses	907,010	2,750	-	909,760	
Other changes (incl. Foreign currency translation effects)*	2,761,250	(15,170)	(737,080)	2,009,000	
Total changes not related to provisions of insurance services	3,668,260	(12,420)	(737,080)	2,918,760	
Net insurance contracts, as of 31 December 2024	29,498,085	221,910	10,099,112	39,819,107	

The Branch's insurance business is in run off and therefore there is no new business. The Branch has not identified any onerous contracts.

*Please note that Other changes contains mainly FX differences.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

9 INSURANCE CONTRACT LIABILITIES (continued)

Remaining CSM from insurance Contracts estimated at 31 December 2025

	<i>Participating business</i> AED	<i>Non- participating business</i> AED
1 year or less	1,152,936	26,672
1-2 years	1,089,472	24,037
2-3 years	1,043,797	22,318
3-4 years	983,132	19,518
4-5 years	917,848	16,767
5-10 years	3,751,438	53,667
More than 10 years	4,638,119	31,319
Total	13,576,742	194,298

Remaining CSM from insurance Contracts estimated at 31 December 2024

	<i>Participating business</i> AED	<i>Non- participating business</i> AED
1 year or less	814,269	21,202
1-2 years	754,074	17,549
2-3 years	714,775	16,070
3-4 years	684,320	15,019
4-5 years	641,325	13,097
5-10 years	2,619,372	42,857
More than 10 years	3,717,192	27,991
Total	9,945,327	153,785

Insurance Revenue

	<i>31 December 2025</i> AED	<i>31 December 2024</i> AED
CSM Amortization	1,355,954	1,029,197
Risk Adjustment Release	14,251	13,184
Expected Claims (excl. NDIC)	254,569	217,230
Expected Other Qualifying Non-Deferrable Expenses	152,230	147,575
Allocation of Insurance Acquisition Costs	79,131	73,572
Total Insurance Revenue	1,856,135	1,480,758

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

10 RELATED PARTY BALANCES AND TRANSACTIONS

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

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Due from Head Office	413,014	559,407
Due to Head Office	6,453,484	4,386,528

The above amounts pertain to premium payments, claims payments, and other amounts arising in the normal course of business.

11 RECONCILIATION OF MOVEMENTS IN NET ASSETS ATTRIBUTABLE TO HEAD OFFICE

	<i>31 December</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Balance as of 1 January	203,114,950	199,574,895
Re-measurement due to:		
Net (loss) / profit for the year	(36,816,002)	22,022,076
Other comprehensive income / (loss)	25,617,119	(21,649,491)
Other movements	15,348,679	3,167,470
Balance as at the end of the year	207,264,746	203,114,950

Other comprehensive income as of 31 December 2025 includes exchange differences on translation of functional currency change in CTA due to conversion of functional currency CHF to reporting currency AED amounting to AED 25,611,042 and adjustments of insurance liabilities of AED 14,195 which do not flow through P&L resulting from several effects as i.e., discount rate changes. Also, the difference between assets measured at amortized costs and their fair value is recognized within the OCI against the insurance contract liabilities, in the amount of AED (8,119). Other movements as of 31 December 2025 driven by changes in branch capital and the mutualization effect resulting from IFRS 17.

ZURICH LIFE INSURANCE COMPANY LIMITED - DUBAI BRANCH

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

12 OTHER EXPENSES

	<i>31 December</i> 2025 <i>AED</i>	<i>31 December</i> 2024 <i>AED</i>
Other expenses	<u>1,746,242</u>	<u>2,292,470</u>
	<u>1,746,242</u>	<u>2,292,470</u>

During Q4 2024, the process for non-qualifying expenses of Zurich Life Insurance Company Ltd. Dubai Branch was aligned to Zurich Insurance Group to ensure a standardized process. These mainly consists of administration costs, consultancy costs as well as representation costs.

13 FOREIGN CURRENCY (LOSSES) / GAINS

	<i>31 December</i> 2025 <i>AED</i>	<i>31 December</i> 2024 <i>AED</i>
Foreign Currency (Losses) / Gains	<u>(33,672,080)</u>	<u>17,677,385</u>
	<u>(33,672,080)</u>	<u>17,677,385</u>

This includes the foreign exchange (FX) gains or losses on the cash accounts and cash deposits as CHF is the functional currency of the Branch. Compared to the previous year, an FX loss is recorded, driven by the weaker AED against CHF on a year-to-date comparison.

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NOTES TO THE FINANCIAL STATEMENTS

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14 CONTINGENT LIABILITIES

As at 31 December 2025, the Branch had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 100 million.

Federal Decree-Law No. (48) of 2023 regarding the regulation of insurance activities, stipulated in Article (50) that:

“The foreign Insurance Company's Branch shall submit an irrevocable letter of bank guarantee in favour of the CBUAE, in an amount not less than (AED 100,000,000) one hundred million dirhams in case of engagement in insurance activity”. With effect from 31 May 2024, a letter of bank guarantee in favour of the CBUAE was issued by Credit Agricole following the terms of the Federal Decree-Law No. (48) of 2023.

Federal Decree-Law No. (48) of 2023 has since been repealed by Federal Decree-Law No. (6) of 2025, under which Article (95) now requires branches of foreign insurance companies to provide an unconditional and irrevocable bank guarantee in favour of the Central Bank in an amount determined by the Board of Directors from time to time. The Branch continues to comply with the applicable regulatory requirements currently in force.

The bank guarantee amounting to AED 100,000,000 is valid for one year from the issuance date, and is automatically renewable for similar periods until the original financial guarantee is returned to the issuer. Credit Agricole undertakes to pay to the Central bank of the UAE an amount equal to this Financial Guarantee, upon the first demand of Central bank of the UAE notwithstanding any contestation.

Additionally, as disclosed in Note 7, liens in favor of the Insurance Authority (CBUAE) amount to AED 94.1 million as at 31 December 2025.

The Branch is currently involved in a single litigation matter, which is at the execution/enforcement stage with ZLIC as the claimant. Based on management's best estimates, the Branch does not expect the outcome of this matter to have a material impact on its income or financial condition.

Bank Guarantees and other contingent liabilities are not recognised on the balance sheet by virtue of their contingent nature. Any liabilities would be recognised when an obligation for a liability crystallises.

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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2025

15 GROSS WRITTEN CONTRIBUTIONS

As per the CBUAE's reporting requirements, the following disclosures are provided which are not prepared under IFRS 17 and hence have not been audited.

<i>31 December 2025</i>	<i>Life Insurance AED</i>	<i>Fund Accumulation AED</i>	<i>Medical Insurance AED</i>	<i>Property & Liability AED</i>	<i>Total AED</i>
Direct Written Contributions	357,667	-	-	-	357,667
Assumed Business	-	-	-	-	-
Foreign	-	-	-	-	-
Local	-	-	-	-	-
Gross Written Contributions	357,667	-	-	-	357,667

<i>31 December 2024</i>	<i>Life Insurance AED</i>	<i>Fund Accumulation AED</i>	<i>Medical Insurance AED</i>	<i>Property & Liability AED</i>	<i>Total AED</i>
Direct Written Contributions	493,643	-	-	-	493,643
Assumed Business	-	-	-	-	-
Foreign	-	-	-	-	-
Local	-	-	-	-	-
Gross Written Contributions	493,643	-	-	-	493,643