Emirates Insurance Company P.J.S.C.

Financial Statements

31 December 2024

Principal business address:
Emirates Insurance Company P.J.S.C.
P.O. Box: 3856
Abu Dhabi
UAE

Emirates Insurance Company P.J.S.C.

Financial Statements

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BOARD OF DIRECTORS' ANNUAL REPORT 2024

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present the annual report of Emirates Insurance Company P.S.C. ("EIC") detailing the progress we have made across our business for the fiscal year ended 31 December 2024.

During the first half of this year, the UAE experienced several severe weather events with easily the worst event being the April storm – a storm that impacted the whole country, but particularly Dubai. The April storm was the worst weather event to hit the country for 75 years with some observers predicting that the gross loss to the entire UAE insurance market will be close to Aed11bn.

Macroeconomic picture

The UAE economy grew by 3.8% in 2024, driven by pro-business policy agenda, diversification efforts, and record foreign investments. The most notable themes that underpinned growth during the year were strong consumer spending, a thriving tourism sector and a booming real estate market. With positive expectations of UAE GDP growth rate accelerating to 4.1% - 6.2% in 2025, whilst retaining a strong fiscal position, EIC is committed to supporting the dynamic landscape with innovative risk solutions.

Insurance Operations

I am pleased to report that our insurance revenue increased to Aed1.348 billion, an increase of approximately 19% compared to 2023.

Inevitably our underwriting business suffered from the effects of the year's weather events, our gross weather losses before reinsurance were close to Aed800m however our robust reinsurance program combined with strong results in unaffected segments meant our total insurance income declined only marginally to Aed76 million from Aed80 million in 2023, a decrease of 4.8%.

Investment Performance

During FY 2024, our investment activity generated a net income of Aed84.7m, slightly lower than the Aed85.3m reported in FY 2023.

Despite the challenges presented by heightened market volatility, geopolitical tensions, and uncertainty surrounding the 2024 US elections, our portfolio demonstrated resilience, with equities producing an 11.8% return and bonds delivering 5.3% despite tight credit spreads. While regional equity markets underperformed global developed markets, our diversified allocation allowed us to capture upside while mitigating risks. In fixed income, strategic positioning helped us outperform regional bonds and navigate weakness in international corporate debt.

Looking ahead, we remain focused on long-term value creation. By emphasizing high-quality, idiosyncratic opportunities and rigorous security selection, we aim to continue delivering positive alpha and sustainable returns for our stakeholders.

Overall Performance

Our underwriting performance combined with our investment income generated a net profit before tax for 2024 of Aed119 million, a 5.7% decrease from 2023, resulting in an Earnings per share of 0.74 fils.

With the introduction of corporate tax in the UAE for the first time in 2024, our calculated tax expense amounts to Aed8.3 million, resulting in a net profit after tax of Aed111 million.

Dividend Distribution
Based on the strong operating performance and considering our strong solvency margins, I am very pleased to confirm that the Board will be recommending a cash dividend of 50 fils per share. The company's ability to pay above industry level dividends reflects our continuing financial strength and our commitment to shareholder returns.

Solvency Margin
Solvency margins are a measure of the financial strength of an insurance company and its ability to meet its commitments to policyholders. The Central Bank's regulations stipulate a common methodology for all insurers in the UAE to calculate this important indicator so that each company may be compared with its peers. I am pleased to report that EIC's solvency margin surplus (after proposed dividend of Aed75m) remains very strong at Aed 526m.

EIC's Credit Ratings
EIC enjoys A- credit ratings with stable outlooks from the international credit rating agencies, AM Best and Standard and Poor's. I am pleased to say both ratings were confirmed again in 2024.

Transactions with related Parties
The financial statements disclose related party transactions and balances in note 21. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Our Thanks
It gives me pleasure to express the appreciation of the Board of Directors for our shareholders for their support and confidence. On behalf of our shareholders, I thank the management of EIC and its entire staff for their steadfast dedication and belief in EIC and its future.

My thanks are also due to EIC's many external stakeholders: customers, brokers, reinsurers and professional advisors who support us every day in our operations. We should also express our appreciation for the work of the UAE Central Bank in its regulation of the country's insurance industry.

The Board of Directors would also like to express sincere appreciation to His Highness Sheikh Mohammed Bin Zayed Al Nahyan, UAE President and Ruler of Abu Dhabi, His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister and Ruler of Dubai, for their invaluable support to the UAE business community and economic interests of the country. Moreover, we shall not forget to pay tribute to the memory of the late Sheikh Zayed Bin Sultan Al Nahyan and the late Sheikh Maktoum Bin Rashid Al Maktoum for their remarkable vision. The UAE owes to them its miraculous developments and achievements.

Yours faithfully,

A. Mazrui

ABDULLAH MOHAMMED AL MAZRUI
CHAIRMAN
26 March 2025

CHIEF EXECUTIVE OFFICER'S REPORT

Dear Shareholders, Business Associates and Fellow Employees,

2024 was a particularly challenging year for all UAE insurers as the nation experienced a number of severe weather events with easily the worst event being the April storm – a storm that impacted the whole country, but particularly Dubai.

So, even under these challenging conditions, it is particularly pleasing to present a set of positive results in both our insurance and our investment businesses with our total insurance income decreasing only marginally by 4.8% to Aed76 million.

We experienced another exceptionally strong investment performance in 2024, contributing Aed85m to the profit for the year.

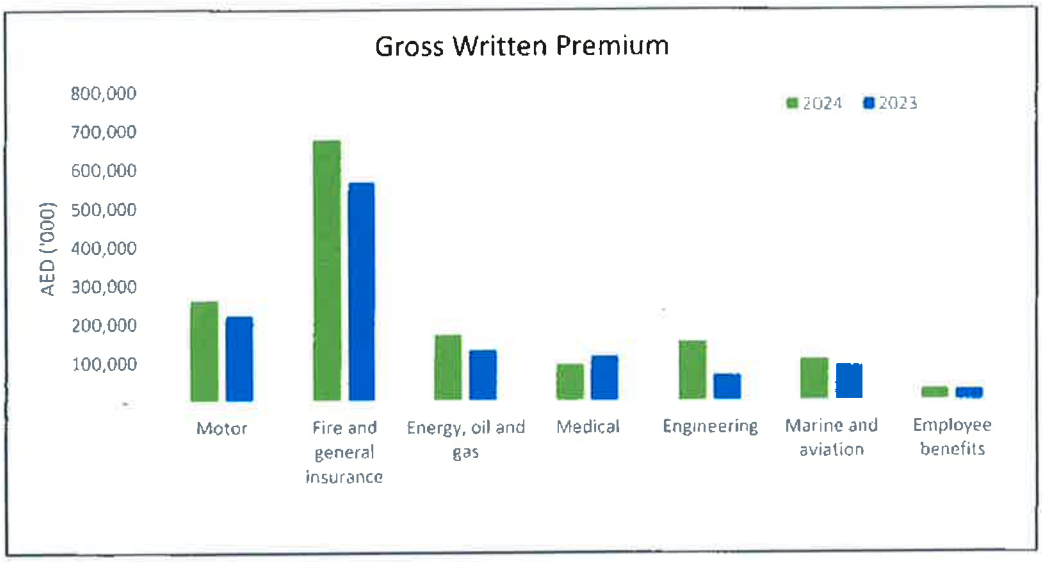
Our net profit before income tax for 2024 decreased by 5.7% to Aed119 million.

2024 is also the first year of implementation of the corporate tax regime in the UAE. The corporate tax payable for the 2024-year amounts to Aed8.04 million (P&L Income tax expense of Aed 8.33 million and OCI income tax benefit of Aed 0.29 million).

Insurance Operations Report

Premium income

Although GWP is not reported under IFRS17, this remains an important metric for the company. Overall, EIC's Gross Premium Income increased by approximately 23% during the year to Aed1,496 billion.



Insurance Service result

Under IFRS17, our insurance revenue increased 19% to Aed1,348 billion from Aed1,134 billion in 2023.

The insurance service result declined by 9% from Aed89 million in 2023 to Aed81 million in 2024, mainly because of the impact of the storms experienced in the first half of the year. Whilst the major share of our gross losses is recoverable from our reinsurers, EIC's retained losses after reinsurance still impacted our net underwriting results with our motor and property classes most notably affected.

Unfortunately, our International Business also picked up storm related losses in the region and was also impacted by the earthquake in Taiwan.

Undoubtedly the first major natural catastrophe loss to hit the UAE since the foundation of the country has caused, and will continue to cause, some hardening of reinsurance terms available to the company. Our reinsurance relationships, built over many years, remain robust, however, and we have fully cooperated with our reinsurance partners in the management of nearly AED800m of gross claims related to the weather events. Inevitable premium levels for our client's insurance policies have risen in all the classes affected and this trend seems set to continue into 2025. Undoubtedly, an element of pricing to pay for natural catastrophe losses should always now figure in the premium calculations of insureds, insurers and reinsurers.

The administrative tasks of handling so many claims concentrated in a short period are substantial but I am proud to say that all my colleagues in our Claims, Reinsurance and Finance Departments played their part with the high degree of dedication and professionalism, for which EIC was already justly famous. As ever, our priority is the prompt and fair settlement of all valid claims.

Aside from the impact of the storm events, there was an underlying improvement in our motor book. Since the COVID pandemic, insurance companies have faced multiple challenges in generating acceptable profitability from motor. Our hard work, analytical enhancements and regular price adjustments together with strict underwriting disciplines enabled us to improve our core underwriting result in this important class during 2024.

Our other domestic product segments- notably marine, energy, casualty and medical saw improved performance and helped contribute to an underwriting result that remained strong despite the impact of the weather events.

Insurance and Reinsurance finance (expenses)/income

Insurance and Reinsurance finance (expenses)/income relate to the effect of discounting of cash flows on insurance contract liabilities and reinsurance contract assets, driven by changes in market interest rates. Net Insurance and reinsurance finance expenses decreased from a net expense of Aed9.1 million in 2023 to a net expense of Aed4.9 million for the 2024 year due to the unwinding of the discounted interest from the prior year as well as the reduction in global interest rates.

Total Insurance income

Taking all these factors into account, our total insurance income decreased by 4.8% from 2023 to Aed76 million in 2024 with our loss ratio increasing marginally from 48.9% to 50.1%.

Investments

In 2024, EIC generated a total investment income of Aed124.5 million, with a holding period return of 7.2%. P&L income was Aed84.7 million, consistent with the previous year. Notably, our strategic pivot towards income-generating assets led to a 18% increase in net interest income and a 50.7% rise in dividend income compared to 2023.

Amid market volatility driven by geopolitical events and economic uncertainties, particularly with regards to the interest rate trajectory, we reduced concentrated positions and optimized our portfolio to enhance risk-adjusted returns. Since 2023, our total portfolio has achieved a cumulative return of 16.8%, reflecting our effective risk management and strategic asset allocation.

As we move forward, we remain committed to identifying high-quality opportunities to sustain performance in an evolving investment landscape.

Emiratization and Corporate Social Responsibility

During 2024, EIC built further on the success of our e-team program that encourages the training and mentoring of UAE nationals working for the company. During 2024, and in line with priorities clearly identified by the Central Bank, we further increased our local citizens' staff contingent. Our excellent record in this field has been regularly commended by various government entities.

My Thanks

I would like to pay tribute to the wise leadership of our Board of Directors and particularly our Chairman, Mr. Abdullah Mohamed Al Mazrui.

Once again, my colleagues at EIC have worked extremely diligently for the company during the year to produce a strong result. I commend them for their professionalism and hard work.

2025

As always, my colleagues and I look forward to a new year of challenges. From an underwriting standpoint we see a commercial scene that presents plenty of positives. The continued prosperity and dynamism of the UAE as well as an enhanced post storm pricing environment combine to play to EIC's many strengths. The opportunity for a strong, well-resourced organization with demonstrable expertise is clearer than ever.

We shall also continue our digitization journey encouraged now with further investment and commitment. The insurance industry is rich in data but has not always made the most efficient use of this important. I also reflect that our customers see the increasing availability of easy digital solutions in so many other areas of their economic and personal life. Insurance certainly cannot afford to be left behind in this world. Our commitment is to ensure that EIC is never left behind.

Jason Light
Chief Executive Officer
26 March 2025

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Independent auditors' report

To the Shareholders of Emirates Insurance Company PJSC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emirates Insurance Company PJSC ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, 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 (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with 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 the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters (continued)

Measurement of Insurance contract Liabilities	
See note 2(d), 3 and 8 to the financial statements.	
The key audit matter	**How the matter was addressed in our audit**
Measurement of gross insurance contract liabilities is a key audit matter due to the financial significance to the financial statements, and the inherent complexity involved within the estimation process. The gross insurance contract liabilities comprise premium provisions (liability for remaining coverage – LRC) and claims provisions (liability for incurred claims – LIC). The Company has applied the Premium Allocation Approach ("PAA") for all groups of insurance contracts. The measurement process involves a number of actuarial estimation techniques. These techniques are reliant on historical data and a number of assumptions which are subjective in nature. Further, significant judgement is required in determining the appropriate measurement approach for distinct portfolios. Changes to estimation techniques and assumptions, can lead to a material impact on the measurement of insurance contract liabilities and a corresponding effect on the statement of profit or loss. Insurance contract liabilities measured using the PAA remain susceptible to a risk that an inappropriate amount of LIC is estimated due the following elements: • Methods to determine ultimate expected claims are inappropriately determined. • Assumptions used in estimating ultimate expected claims are inappropriately developed. • The methods, assumptions and data are inappropriately applied.	Our audit procedures, supported by our actuarial and accounting specialists, included: • Performing walkthroughs to understand and assess the design effectiveness and implementation of the controls over the underwriting and premiums, claims and benefits and reserving (estimation of LIC and LRC) processes. • Testing operating effectiveness of key controls over underwriting and premiums, claims and benefits and reserving process, including IT general and application controls. • Holding discussions with finance and actuarial staff and management's actuarial specialists to obtain an understanding of the following: - LIC and LRC estimation methodology; - Key assumptions used and changes thereof; and - Assessing the appropriateness of management's assessment to determine the classification of groups of insurance contracts; and the selection of the appropriate measurement approaches. • Evaluating methods and assumptions to determine the appropriateness of ultimate expected claims including ultimate claim ratios, frequency and severity of claims, and claims payment patterns. This included evaluating management's methodology against market practice. • Performing an independent calculation of LIC for a sample of insurance contract groups to challenge management's assumptions used within the LIC calculation. • Checking the mathematical accuracy of the methods, assumptions and data to measure the insurance contract liabilities. • With the support of actuarial specialists, evaluating management's method for determining expected premium receipts, including the methodology for allocation of expected premium receipts to the relevant accounting period. • Assessing the competence, qualification, independence and integrity of the Company's external actuarial experts.

Key Audit Matters (continued)

Measurement of Insurance contract Liabilities	
See note 2(d), 3 and 8 to the financial statements.	
The key audit matter	**How the matter was addressed in our audit**
The measurement of these liabilities depends on complete and accurate data. If the data used in calculating the above insurance contract liabilities is not complete and accurate, then material impacts on financial statements may arise. Specific audit and actuarial expertise is required to evaluate complex actuarial methodologies and assumptions.	• Testing the completeness, accuracy and relevance of data used to determine LIC and LRC balances by reconciling it to the underlying accounting records. • Assessing the completeness and accuracy of disclosures within the financial statements in respect of LIC and LRC considering the disclosure requirements of IFRS 17.

Other Matter

We draw attention to the fact that the supplementary information included in Note 36 does not form part of the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Supplementary Information disclosed in Note 36 and the Annual Report (including the Directors' Report and the Chief Executive Officer's Report), but does not include the financial statements and our auditors' report thereon. We obtained the Supplementary information, the Directors' Report and Chief Executive Officer's Report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Annual Report after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and UAE Federal Decree Law No. 48 of 2023, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, we report that for the year ended 31 December 2024:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;

iii) the Company has maintained proper books of account;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) as disclosed in note 7 to the financial statements, the Company has purchased shares during the year ended 31 December 2024;

vi) note 21 to the financial statements discloses material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024; and

viii) note 32 to the financial statements discloses the social contributions made during the year ended 31 December 2024.

Further, as required by the UAE Federal Decree Law No. 48 of 2023, we report that we have obtained all the information and explanations we considered necessary for the purposes of our audit.

KPMG Lower Gulf Limited

Maher AlKatout
Registration No.: 5453
Abu Dhabi, United Arab Emirates

Date: 26 MAR 2025

Emirates Insurance Company P.J.S.C.

Statement of financial position
as at

	Note	31 December 2024 AED'000	31 December 2023 AED'000
Assets			
Cash and cash equivalents	5	**276,573**	126,279
Term deposits	6	**88,666**	203,399
Financial assets at amortised cost	7	**298,903**	284,365
Financial assets at fair value through other comprehensive income ("FVTOCI")	7	**740,148**	797,208
Financial assets at fair value through profit or loss ("FVTPL")	7	**335,655**	309,523
Reinsurance contract assets	9	**1,130,763**	626,566
Other receivables and prepayments	10	**41,079**	29,908
Investment properties	11	**3,681**	4,034
Statutory deposit	12	**10,000**	10,000
Property and equipment	13	**10,379**	8,615
Total assets		**2,935,847**	2,399,897
Equity and liabilities			
Equity			
Share capital	14	**150,000**	150,000
Statutory reserve	15	**75,000**	75,000
General reserve	16	**635,000**	600,000
Reinsurance risk reserve	17	**17,017**	11,712
Fair value reserve		**239,935**	252,078
Retained earnings		**230,326**	190,229
Total equity		**1,347,278**	1,279,019
Liabilities			
Employees' end of service obligation	18	**22,243**	20,725
Provisions and other payables	19	**99,641**	93,337
Insurance contract liabilities	8	**1,447,740**	990,671
Reinsurance contract liabilities	9	**18,945**	16,145
Total Liabilities		**1,588,569**	1,120,878
Total Equity and Liabilities		**2,935,847**	2,399,897

To the best of our knowledge, the financial statements fairly present, in all material respects, the financial position, results of operations and cash flows of the Company as of, and for, the year ended 31 December 2024.

A. Magnini

Chairman of the Board of Directors | Chief Executive Officer | Chief Financial Officer

The notes set out on pages 16 to 73 form an integral part of these financial statements.
The independent auditors' report is set out on pages 6 to 10.

Emirates Insurance Company P.J.S.C.

Statement of profit or loss
for the year ended 31 December

	Note	2024 AED'000	2023 AED'000
Insurance revenue	8	**1,348,153**	1,133,944
Insurance service expenses	8	**(1,351,218)**	(685,995)
Insurance service result before reinsurance contracts held		**(3,065)**	447,949
Allocation of reinsurance premiums	9	**(811,984)**	(645,687)
Amounts recoverable from reinsurers	9	**896,147**	286,817
Net income / (expense) from reinsurance contracts held		**84,163**	(358,870)
Insurance service result		**81,098**	89,079
Insurance finance expense for insurance contracts issued	8	**(24,091)**	(30,256)
Reinsurance finance income from reinsurance contracts issued	9	**19,092**	21,143
Net insurance finance expenses		**(4,999)**	(9,113)
Total Insurance Income		**76,099**	79,966
Net investment income*	24	**83,343**	83,920
Income from investment properties	25*(a)*	**1,401**	1,364
Total Investment income		**84,744**	85,284
Other expenses – Net	25*(b)*	**(41,760)**	(38,957)
Profit for the period before tax		**119,083**	126,293
Income tax expense	26	**(8,331)**	-
Profit for the year		**110,752**	126,293
Basic and diluted earnings per share, in AED	27	**0.74**	0.84

The notes set out on pages 16 to 73 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 10.

*This includes interest income calculated using effective interest rate amounting to AED 32.8 million (2023: AED 27.8 million).

Emirates Insurance Company P.J.S.C.

Statement of profit or loss and other comprehensive income
for the year ended 31 December

	2024 AED'000	2023 AED'000
Profit for the period	**110,752**	126,293
Items that will not be reclassified subsequently to statement of profit or loss:		
Changes in fair value of equity instruments at fair value through other comprehensive income	**38,909**	79,439
Items that are or may be reclassified subsequently to statement of profit or loss:		
Changes in fair value of debt instruments at fair value through other comprehensive income	**809**	772
Reversal for impairment loss on debt instruments measured at fair value through other comprehensive income	-	(27)
Related income tax	**289**	-
Other comprehensive income for the year	**40,007**	80,184
Total comprehensive income for the year	**150,759**	206,477

The notes set out on pages 16 to 73 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 10.

Emirates Insurance Company P.J.S.C.

Statement of changes in shareholders' equity
for the year ended 31 December 2024

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Reinsurance risk reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2023	150,000	75,000	600,000	7,630	212,795	102,117	1,147,542
Total comprehensive income:							
Profit for the year	-	-	-	-	-	126,293	126,293
Other comprehensive income for the year	-	-	-	-	80,184	-	80,184
Total comprehensive income for the year	-	-	-	-	80,184	126,293	206,477
Transactions with owners of the Company:							
Dividends	-	-	-	-	-	(75,000)	(75,000)
Total transactions with owners of the Company	-	-	-	-	-	(75,000)	(75,000)
Transfer to General Reserve (Note 16)	-	-	-	-	-	-	-
Transfer to retained earnings on disposal of equity investments designated at FVOCI	-	-	-	-	(40,901)	40,901	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	4,082	-	(4,082)	-
Balance at 31 December 2023	150,000	75,000	600,000	11,712	252,078	190,229	1,279,019
Balance at 1 January 2024	**150,000**	**75,000**	**600,000**	**11,712**	**252,078**	**190,229**	**1,279,019**
Total comprehensive income:							
Profit for the year	-	-	-	-	-	**110,752**	**110,752**
Other comprehensive income for the year	-	-	-	-	**40,007**	-	**40,007**
Total comprehensive income for the year	-	-	-	-	**40,007**	**110,752**	**150,759**
Transactions with owners of the Company:							
Dividends *(note 20)*	-	-	-	-	-	**(82,500)**	**(82,500)**
Total transactions with owners of the Company	-	-	-	-	-	**(82,500)**	**(82,500)**
Transfer to General Reserve *(note 16)*	-	-	**35,000**	-	-	**(35,000)**	-
Transfer to retained earnings on disposal of equity investments. designated at FVTOCI	-	-	-	-	**(52,150)**	**52,150**	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	**5,305**	-	**(5,305)**	-
Balance at 31 December 2024	**150,000**	**75,000**	**635,000**	**17,017**	**239,935**	**230,326**	**1,347,278**

The notes set out on pages 16 to 73 form an integral part of these financial statements.

Emirates Insurance Company P.J.S.C.

Statement of cash flows
for the year ended 31 December

	Note	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit before tax for the year		**119,083**	126,293
Adjustments for:			
Depreciation of property and equipment	*13*	**3,228**	3,289
Depreciation of investment properties	*11*	**353**	252
Net gain on disposal of property and equipment		**(13)**	(82)
Net (gain)/loss on disposal of investments in securities	*24*	**(6,241)**	8,540
Unrealised gain on investments measured at FVTPL	*24*	**(3,767)**	(38,473)
Premium amortisation	*7*	**(1,181)**	(1,049)
Dividends from investments in securities	*24*	**(42,601)**	(28,268)
Reversal for expected credit losses on financial assets		**557**	(1,199)
Charge for employees' end of service benefit obligation	*18*	**3,507**	4,678
Interest income	*24*	**(32,846)**	(27,808)
Cash generated from operating activities before change in operating assets and liabilities		**40,079**	46,173
Decrease in insurance contract assets		**-**	2,376
Increase in reinsurance contract assets		**(504,197)**	(168,778)
Increase in other receivables and prepayments		**(10,989)**	(2,218)
Increase in insurance contract liabilities		**456,568**	81,717
Increase/ (decrease) in reinsurance contract liabilities		**2,800**	(25,678)
(Decrease)/ increase in provisions, reinsurance and other payables		**(1,738)**	57,451
Cash used in operating activities		**(17,477)**	(8,957)
Payment for employees' end of service benefit obligation	*18*	**(1,989)**	(2,064)
Net cash used in operating activities		**(19,466)**	(11,021)
Cash flows from investing activities			
Payments for purchase of property and equipment	*13*	**(4,992)**	(1,538)
Proceeds from disposal of property and equipment		**13**	131
Payments for purchase of financial assets		**(184,324)**	(160,750)
Proceeds from disposal of financial assets		**251,559**	213,580
Placement of term deposits		**(383,245)**	(263,821)
Maturities of term deposits		**497,984**	240,959
Dividends received		**42,601**	28,268
Interest income received		**32,664**	27,755
Net cash generated from investing activities		**252,260**	84,584
Cash flows from financing activities			
Dividends paid		**(82,500)**	(75,000)
Repayment of lease liability		**-**	(32)
Net cash used in financing activities		**(82,500)**	(75,032)
Net increase/ (decrease) in cash and cash equivalents		**150,294**	(1,469)
Cash and cash equivalents at the beginning of the year		**126,279**	127,748
Cash and cash equivalents at the end of the year	*5*	**276,573**	126,279

The notes set out on pages 16 to 73 form an integral part of these financial statements.

The independent auditors' report is set out on pages 6 to 10.

1 Legal status and activities

Emirates Insurance Company P.J.S.C. (the "Company") is a public joint stock company which was incorporated in Abu Dhabi, United Arab Emirates on 27 July 1982. The Company is registered in accordance with UAE Federal Decree Law No. (48) of 2023 concerning Insurance Companies and Agents and is governed by the provisions of the Federal Decree Law No. (32) of 2021 concerning the commercial companies, Central bank of UAE Board decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 concerning Instructions Organizing Reinsurance Operations, and is registered in the Insurance Companies Register of Central Bank of UAE under registration No. (2). The Company's principal activity is the writing of general insurance and reinsurance business of all classes. The Company operates through its head office in Abu Dhabi and branch offices in Dubai, Al Ain and Jebel Ali Freezone. The Company is domiciled in the United Arab Emirates and its registered office address is P.O. Box 3856, Abu Dhabi, United Arab Emirates.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and comply with applicable requirements of the Federal Decree Law No. (48) of 2023 concerning the Establishment of the Insurance Authority & Organisation of the Insurance Operations, the Federal Decree Law No. (32) of 2021 concerning the Commercial Companies, Insurance Authority Board of Directors' Decision No. (25) of 2014 pertinent to Financial Regulations for Insurance Companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 Concerning Instructions Organizing Reinsurance Operations.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are carried at fair values and insurance and reinsurance contracts which are measured at the estimated fulfilment cash flows that are expected to arise as the company fulfils its contractual obligations.

(c) Functional and reporting currency

These financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional currency. Except as indicated, the financial information presented in AED has been rounded to the nearest thousand.

(d) Use of judgments and estimates

In preparing the financial statements, management has made certain judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimates made by management that have a significant

2 Basis of preparation *(continued)*

(d) ***Use of estimates and judgment*** *(continued)*

risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

Insurance and reinsurance contracts

With the introduction of IFRS 17, insurance and reinsurance contracts require several estimates and judgments to be made for recognition and measurement which are described in note 3.

Other estimates

Impairment of investment properties and building under property and equipment

Investment properties and buildings under property and equipment are assessed for impairment, when there are impairment indicators, using acceptable valuation techniques which are conducted by an independent third-party valuator. The fair values are compared to the carrying amount, to assess any possible impairment. Management is satisfied that there are no impairment indicators present on 31 December 2024.

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Classification and fair value of investments

Management designates at the time of acquisition of securities whether these should be classified as at Fair Value through Other Comprehensive Income ("FVOCI"), Fair Value through Profit or Loss ("FVTPL") or amortised cost. While making the judgments of whether investments in securities are as at FVOCI, FVTPL or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 "Financial Instruments". Management is satisfied that its investments in securities are appropriately classified.

Management decides on acquisition of an investment whether it should be classified as investments carried at fair value or amortised cost on the basis of both:

(a) its business model for managing the financial assets; and

(b) the contractual cash flow characteristics of the financial asset.

2 Basis of preparation *(continued)*

(e) ***Use of estimates and judgment*** *(continued)*

For equity investments carried at fair value, management decides whether it should be classified as financial assets carried at FVOCI or FVTPL.

Investments in equity instruments are classified and measured at FVTPL except if the equity investment is not held for trading and is designated by the Company at FVOCI.

Further, even if the asset meets the amortised cost criteria the Company may choose at initial recognition to designate the financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

3 Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed as below:

Leases

At inception of a contract, the Company assesses whether a contract is or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimate of costs to dismantle and remove the underlying assets or to restore the underlying asset or the site on which it is located, less any lease incentives received. Subsequently, the right of use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for certain re-measurements of the lease liability.

3 Material accounting policies *(continued)*

Leases *(continued)*

As a lessee *(continued)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

(b) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.
To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'income from investment properties'.

3 Material accounting policies *(continued)*

Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation is calculated so as to write off the cost of property and equipment less their estimated residual values, on a straight-line basis over their expected useful economic lives. The useful lives used for this purpose are:

	Years
Buildings	15
Furniture, fixtures and office equipment	4
Motor vehicles	4
Computer equipment and accessories	4

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Capital work in progress

Capital work in progress is stated at cost. When commissioned, capital work in progress is transferred to the appropriate property and equipment category and is depreciated in accordance with Company's policy.

Investment properties

Investment properties which are properties held to earn rentals and/or for capital appreciation, are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is calculated using the straight-line method to reduce the cost of investment properties to their estimated residual values over their expected useful life of 15 years. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation for any subsequent incremental expenditures or additions is calculated based on an expected useful life of 4 years.

The gain or loss arising on the disposal or retirement of an investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of profit or loss. An investment property's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3 Material accounting policies *(continued)*

Impairment of non-financial assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

Provisions

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

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

Employees' end of service benefits

Defined benefit plan

The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final basic salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Defined contribution plan

The Company pays its obligations for UAE citizens into a Social Security and UAE Pension Fund in accordance with the Federal Law No. (7) of 1999 for Pension and Social Security.

3 Material accounting policies *(continued)*

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time-frame established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL), which are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Classification of financial assets

The Company classifies its financial assets under the following categories: financial assets at amortised cost, financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI).

Financial assets at amortised cost and the effective interest method

Cash and cash equivalents

Cash and cash equivalents which include cash on hand and deposits held at call with banks with original maturities of three months or less, are classified as financial assets at amortised cost.

Other receivables

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Investments at amortised cost

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments meeting these criteria are measured initially at fair value plus transaction costs except if they are designated as at FVTPL. They are subsequently measured at amortised cost using the effective interest method less any impairment.

Subsequent to initial recognition, the Company is required to reclassify debt instruments from amortised cost to FVTPL if the objective of the business model changes so that the amortised cost criteria is no longer met.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3 Material accounting policies *(continued)*

Financial assets *(continued)*

Financial assets at amortised cost and the effective interest method *(continued)*

The Company may irrevocably elect at initial recognition to classify a debt instrument that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

Financial assets at FVTPL

Debt instrument financial assets that do not meet the amortised cost criteria or that meet the criteria but the entity has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Subsequent to initial recognition, the Company is required to reclassify debt instruments from FVTPL to amortised cost if the objective of the business model changes so that the amortised cost criteria starts to be met and the instrument's contractual cash flows meet the amortised cost criteria. Reclassification of debt instruments designated as at FVTPL at initial recognition is not permitted.

Investments in equity instruments are mandatorily classified as at FVTPL, unless the Company designates an investment that is not held for trading as at FVOCI at initial recognition as described in the note below.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on re-measurement recognised in statement of profit or loss.

Dividend income on investments in equity instruments at FVTPL is recognised in statement of profit or loss when the Company's right to receive the dividends is established and is included in the 'net investment income' line item in the statement of profit and loss.
At initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking.

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the Cumulative change in FVOCI. When the asset is disposed of, the cumulative gain or loss previously accumulated in the Cumulative change in FVOCI is not reclassified to statement of profit or loss, but is reclassified to retained earnings.

Dividends on these investments in equity instruments are recognised in statement of profit or loss when the Company's right to receive the dividends is established unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends earned are recognised in the statement of profit or loss and are included in 'net investment income' in the statement of profit or loss.

3 Material accounting policies *(continued)*

Financial assets *(continued)*

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or fair value through other comprehensive income, insurance receivables and bank balances including term deposits. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

ECL for bank balances, term deposits and debt instruments at amortised cost or fair value through other comprehensive income are determined using the low credit risk expedient, and therefore recognise a 12 month ECL, as they are held with reputable financial institutions. The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company always recognises lifetime ECL for insurance receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument.

Definition of default:

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of insurance receivables, when the amounts are long past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit or loss.

3 Material accounting policies *(continued)*

Financial assets *(continued)*

Impairment of financial assets *(continued)*

Measurement and recognition of expected credit losses:

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. There is no discounting effect on the insurance receivables as these are interest free and has a lifetime of less than one year.

Derecognition of financial assets

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

Financial liabilities comprised of insurance payables and other liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term liabilities when the recognition of interest would be immaterial.

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

3 Material accounting policies *(continued)*

Financial assets *(continued)*

Financial liabilities and equity instruments *(continued)*

Derecognition of financial liabilities

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

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign currency rate risks, including interest rate swaps and foreign currency forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit of loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement profit or loss depends on the nature of the hedge relationship.

Dividend distribution

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

Insurance and reinsurance contracts

IFRS 17, 'Insurance contracts' is applicable for annual reporting periods commencing on 1 January 2023. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with direct participation features ("DPF"). The key objectives of IFRS 17 are comparable recognition and measurement of contracts in the scope of the standard, the recognition of insurance service results based on the services provided to the policyholder and provision of disclosures that will enable the users of the financial statements to assess the impact of these contracts on the financial position, financial results and cash flows of the entity. The standard distinguishes between the sources of profit and quality of earnings between insurance service results and insurance finance income and expense (reflecting the time value of money and financial risk).

Insurance contracts

Definition and classification

The Company issues contracts that transfer either insurance risk or both insurance and financial risks. The Company does not issue contracts that transfer only financial risks.

3 Material accounting policies *(continued)*

Insurance and reinsurance contracts *(continued)*

Insurance contracts *(continued)*

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk (that is, if there is a scenario with commercial substance in which the Company has the possibility of a loss on a present value basis) and whether the accepted insurance risk is significant.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all of the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss. All references to insurance contracts in these financial statements apply to insurance contracts issued or acquired and reinsurance contracts held unless specifically stated otherwise.

The Company does not write any investment contracts with discretionary participation features or insurance contracts with direct participation features.

Measurement approach

Premium Allocation Approach

The Company applies the premium allocation approach (PAA) to simplify the measurement of contracts for all groups. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Contracts written by the Company that have a coverage period of one year or less are automatically eligible for the PAA. The Company does write some contracts that have a coverage period exceeding one year and which were not automatically eligible. These are the Property, Motor (non-Fleet), Casualty, Energy and Engineering portfolios. For all the groups of contracts within the portfolio, the LRC measured under the PAA and the Gross measurement model were projected over the lifetime of the contracts, considering different reasonable scenarios, to determine if the differences were significant. The Company has found that for all these contracts the PAA provided a reasonable approximation of the Gross measurement model and were thus eligible for measurement under the PAA.

As the premium allocation approach ("PAA") is an optional simplified approach for the measurement of the liability of remaining coverage, an entity may choose to use the premium allocation approach when the measurement is not materially different from that under the general measurement model or if the coverage period of each contract in the group of insurance contracts is one year or less.

Under the premium allocation approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and

3 Material accounting policies *(continued)*

Insurance and reinsurance contracts (continued)

***Measurement approach** (continued)*

acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

Insurance revenue and insurance service expenses are recognized in the income statement based on the concept of services provided during the period. The standard requires losses to be recognized immediately on contracts that are expected to be onerous. For insurance contracts measured under the PAA, it is assumed that contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Company's focus is to grow a profitable and sustainable business and does not anticipate the recognition of onerous contracts except where the following have been identified:

- Relevant pricing decisions;
- Initial stages of a new business acquired where the underlying contracts are onerous; and
- Any other strategic decisions the management considers appropriate.

The Company applies the premium allocation approach to groups of insurance contracts that it issues and groups of reinsurance contracts that it holds where the coverage period is 12 months or less. The Company performed PAA eligibility assessment for the groups of contracts where the coverage period is more than 12 months. Based on the assessment performed, the Company expects all of its contracts to be eligible for PAA measurement model.

The measurement of the liability for incurred claims is identical under all three measurement models, apart from the determination of locked-in interest rates used for discounting. An explicit risk adjustment for non-financial risk is estimated separately from the other estimates for the liability for incurred claims. This risk adjustment represents compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk. The risk adjustment forms part of the fulfilment cash flows for a group of insurance contracts.

Insurance revenue and insurance service expenses

As the Company provides insurance contract services under the group of insurance contracts, it reduces the Liability for Remaining Coverage and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

For insurance contracts measured under the premium allocation approach, expected premium receipts are allocated to insurance revenue based on the passage of time. IFRS 17 requires losses to be recognised immediately on contracts that are expected to be onerous.

Insurance service expenses include incurred claims and benefits, other incurred directly attributable expenses, insurance acquisition cash flows amortisation, changes that relate to past service i.e., changes in the Fulfilment cash flows ("FCF") relating to the liability for incurred claims ("LIC"), changes that relate to future service (i.e., changes in the FCF that result in onerous contract losses or reversals of those losses) and insurance acquisition cash flows assets impairment.

3 Material accounting policies *(continued)*

Insurance and reinsurance contracts (continued)

Insurance revenue and insurance service expenses (continued)

Accounting policy choices

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

	IFRS 17 options	Adopted approach
Insurance acquisition cash flows	Where the coverage period of each contract in the group at initial recognition is no more than one year, IFRS 17 allows an accounting policy choice of either expensing the insurance acquisition cash flows when incurred or amortising them over the contract's coverage period.	The Company adopted the policy choice of amortising the insurance acquisition cash flows over the contract's period regardless of the total coverage period of the contracts.
Liability for Remaining Coverage ("LRC") adjusted for financial risk and time value of money	Where there is no significant financing component in relation to the LRC, or where the time between providing each part of the services and the related premium due date is no more than a year, an entity is not required to make an adjustment for accretion of interest on the LRC.	The Company has not accounted for an allowance for time value of money on the LRC for groups of contracts, since the contracts do not contain a significant financing component.
Liability for Incurred Claims ("LIC") adjusted for time value of money	Where claims are expected to be paid within a year of the date that the claim is incurred, it is not required to adjust these amounts for the time value of money.	The Company has decided to adjust LIC cash flows for the time value of money, as claims are not expected to be paid within 12 months from the date of loss.
Insurance finance income and expenses	IFRS 17 provides an accounting policy choice to recognise the impact of changes in discount rates and other financial variables in profit or loss or in OCI. The accounting policy choice (the PL or OCI option) is applied on a portfolio basis.	The Company has included changes in discount rates and other financial changes in profit or loss.
Disaggregation of risk adjustment	An insurer is not required to include the entire change in the risk adjustment for non-financial risk in the insurance service result. Instead, it can choose to split the amount between the insurance service result and insurance finance income or expenses.	The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and plans to include the entire change within the insurance service result.

The Gross measurement model has not been applied by the Company, as the contracts written / held are either auto PAA eligible or have passed the PAA eligibility test carried out by the Company.

Variable fee approach is also not being applied as the Company does not issue any unit linked insurance contracts.

3 Material accounting policies *(continued)*

Insurance and reinsurance contracts *(continued)*

Areas of significant judgements

The following are key judgements and estimates which the Company applied as a result of IFRS 17. The Company has elected to determine cumulative results for each interim reporting period, and estimates made by the Company in previous interim financial statements will not be considered when applying IFRS 17 in subsequent interim periods or in the annual financial statements.

Discount rates

The Company uses the bottom-up approach for groups of contracts. Under the bottom-up approach, the discount rate is determined as the risk-free yield, adjusted for territory risk premiums. The risk-free curve itself will either be derived by the Company from risk free assets in the market, or the Company may choose to apply a published risk-free curve.

The yield curves that were used to discount the estimates of future cash flows are as follows:

Financial year	**1 Year**	**5 Year**	**10 Year**	**20 Year**	**30 Year**
31 December 2024	**5.44%**	**6.01%**	**6.20%**	**6.39%**	**5.55%**
31 December 2023	4.55%	4.12%	4.27%	5.02%	3.37%

Risk adjustment

The Company estimates the risk adjustment on a value at risk (bootstrapping) / confidence level approach as this method allows the disclosure of confidence level as per IFRS 17 requirements. The Company uses stochastic techniques to estimate the probability distribution of the future cash flows which forms the basis for determining the risk adjustment.

The risk adjustment for the all the portfolios corresponds to a 75% confidence interval.

Onerous contracts – loss component

EIC assume that no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. EIC assesses whether contracts that are not onerous at initial recognition have no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, EIC shall calculate the difference between:

(a) the carrying amount of the liability for remaining coverage; and
(b) the fulfilment cash flows that related to the remaining coverage of the group

A contract measured using the PAA is onerous if the fulfilment cash flows exceed the PAA Liability for remaining coverage. EIC will therefore use a combined ratio as a proxy for fulfilment cashflows, determined on the following basis (to ensure consistency with fulfilment cash flows):

- Based on expected claims and expenses rather than incurred amounts
- Includes the impact of the time value of money at locked-in rates
- Includes an allowance for the risk adjustment

3 Material accounting policies *(continued)*

Insurance and reinsurance contracts *(continued)*

Onerous contracts – loss component *(continued)*

- Includes an allowance for directly attributable expenses (which includes a portion of overheads) as required by IFRS 17
- Calculated at the most granular segmentation for which such assessments are available, which is currently at Actuarial Reserving class level

The key indicator EIC will use for the purpose of this assessment is the forward-looking combined ratio derived as per the above points. Should this ratio exceed 100% for a given segment, this group shall be classified as onerous

Modification and derecognition

An insurance contract may be modified, either by agreement between the parties or as result of regulation. If the terms are modified, an entity must derecognise the original insurance contract and recognise the modified contract as a new contract, if and only if certain conditions as prescribed in IFRS 17 are satisfied. The exercise of a right included in the terms of a contract is not a modification. Any contract modification that changes the accounting model or the applicable standard for measuring the components of the insurance contract, is likely to result in derecognition.

If a contract modification meets none of the conditions for derecognition, any changes in cash flows caused by the modification are treated as changes in the estimates of the fulfilment cash flows. For contracts applying the premium allocation approach, any adjustments to premium receipts or insurance acquisition cash flows arising from a modification adjust the liability for remaining coverage and insurance revenue is allocated to the period for services provided (which would also require judgement in determining the period to which the modification applies).

Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the Liability for Remaining Coverage and recognizes insurance revenue. The amount of insurance revenue recognized in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services. For insurance contracts measured under the premium allocation approach, expected premium receipts are allocated to insurance revenue based on the passage of time. IFRS 17 requires losses to be recognized immediately on contracts that are expected to be onerous.

Contract boundaries

Under IFRS 17, the measurement of a group of contracts includes all of the future cash flows within the boundaries of each contract in a group. The period covered by the premiums within the contract boundary is the "coverage period', which is relevant when applying IFRS 17 requirements.

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligation that exist during the reporting period in which the Company can compel the policyholder to pay premium or has a substantive obligation to provide services. For reinsurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligation that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. Judgement might be required to assess the Company's practical ability to reprice the entire contract to determine if related cash flows are within the contract boundary.

3 Material accounting policies *(continued)*

Insurance and reinsurance contracts *(continued)*

Measurement of expenses

The Company has defined acquisition expenses as the costs of selling, underwriting and starting issuing a group of insurance contracts as per IFRS 17 requirements. The Company had defined acquisition costs as attributable to a contract (or group of contracts) if the cost is incurred to acquire a specific contract or group of contracts (as opposed to new business in general).

The Company has defined all other expenses as maintenance expenses. The Company has defined maintenance costs as attributable if they could not have been avoided if the contract had not been entered into. Where this is unclear, the Company has determined that maintenance costs are attributable if that expense would continue in run-off. The Company has separated the outwards reinsurance costs from other expenses using a systematic allocation.

The Company defines such expenses as attributable to the reinsurance contracts in line with the principles for direct contracts. Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognized in other operating expenses as incurred. The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance and reinsurance contracts. Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis. From a quantitative perspective, directly attributable expenses make up 78% of total expenses, leaving 22% of the expenses unallocated.

The Company allocates these using relevant proxies. Similar methods are consistently applied to allocate expenses of a similar nature. The Company does not pay (or recognise a liability, applying a standard other than IFRS 17) directly attributable acquisition costs before a group of insurance contracts is recognised. As such, no pre-recognition acquisition costs assets have been established.

Corporate Tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023.

For the Company, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policy to incorporate the applicable corporate tax.

Taxation

Current Taxation

The Cabinet of Ministers Decision No.116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0%

3 Material accounting policies *(continued)*

Corporate Tax *(continued)*

will apply to taxable income not exceeding AED 375,000. Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates expected to apply to the profit for the period. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the statement of financial position date between the tax base and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income or equity in which case it is included in statement of other comprehensive income or equity.

In accordance to the Article 127 – Unrealised gains and losses, taxable persons are required to include any realised or unrealised gains and losses reported in the financial statements in the calculation of their taxable income, if they would not subsequently be recognised in their income statement. This is unless they make the election to use the realisation basis. The Company has opted to not to elect the use of realisation basis and therefore include any realised and unrealised gains reported in the financial statement in its taxable income calculation. Hence there is no deferred no tax asset/liability is recognised in these financial statements.

Dividend income

Dividend income is recognised when the Company's right to receive the payment has been established.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Foreign currencies

For the purpose of these financial statements, UAE Dirhams (AED) is the functional and the presentation currency of the Company. Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the

3 Material accounting policies *(continued)*

Foreign currencies *(continued)*

fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the statement of profit or loss in the period in which they arise.

4 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Company has not early adopted any of the forthcoming new or amended standards in preparing these financial statements.

Forthcoming requirements	*Effective date*
• Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	N/a*
• Amendments to IAS 21 - Lack of Exchangeability	1 January 2025
• Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments	1 January 2026
• Annual Improvements to IFRS Accounting standards – Volume 11	1 January 2026
• IFRS 18 – Presentation and disclosure in financial statements	1 January 2027
• IFRS 19 – Subsidiaries without Public Accountability – Disclosures	1 January 2027

N/a* Available for optional adoption/ effective date deferred indefinitely.

The following new and amended standards do not have a significant impact on the Company's financial information:

New standards or amendments	*Effective date*
• Amendments to IAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
• Amendments to IAS 1 – Non-current Liabilities with Covenants	1 January 2024
• Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements	1 January 2024

5 Cash and cash equivalents

	31 December 2024 AED'000	31December 2023 AED'000
Cash at banks inside UAE	**125,173**	125,881
Cash at banks outside UAE	**42,232**	400
Cash in hand	**17**	24
Cash and bank balances	**167,422**	126,305
Term deposits	**197,902**	203,453
	365,324	329,758
Less: deposits with original maturities of three months or more	**(88,714)**	(203,453)
Cash and cash equivalents	**276,610**	126,305
Less: allowance for expected credit losses	**(37)**	(26)
	276,573	126,279

6 Term deposits

Term deposits are fixed deposits with original maturity ranges between 4 months and two years (*2023: 12 months and two years*). Interest rate on term deposits ranges between 4.00% and 6.00% (*2023:* 2.00% and 6.00%) per annum. Loss allowance of AED 48 thousand *(2023: AED 54 thousand)* is recognized for the deposits.

7 Investments in securities

The Company's investments at the end of the reporting period are detailed below:

	31 December 2024 AED'000	31 December 2023 AED'000
Financial assets at amortised cost		
Fixed income portfolio at amortised cost - UAE	**137,980**	147,759
Fixed income portfolio at amortised cost – Outside UAE	**161,240**	136,861
Less: allowance for expected credit losses	**(317)**	(255)
	298,903	284,365

7 Investments in securities *(continued)*

	31 December 2024 AED'000	31 December 2023 AED'000
Financial assets at fair value through other comprehensive income ("FVOCI")		
Quoted UAE equity securities	**499,708**	560,607
Unquoted UAE equity securities	**2,960**	3,092
Investment funds	**169,625**	176,911
Unquoted overseas equity securities	**1,545**	2,093
Investment in bond portfolio	**66,310**	54,505
	740,148	797,208
Financial assets at fair value through profit or loss		
Quoted UAE equity securities	**34,251**	42,978
Unquoted UAE equity securities	**1,000**	965
Investment funds	**86,878**	62,766
Unquoted overseas equity securities	**30,875**	31,136
Investment in bond portfolio	**182,651**	171,678
	335,655	309,523

The movement in investments during the year is as follows:

Financial assets at amortised cost		
Amortised cost at the beginning of the year	**284,365**	233,700
Purchases	**53,630**	79,701
Maturities	**(40,211)**	(30,077)
Premium amortisation	**1,181**	1,049
Allowance for expected credit losses	**(62)**	(8)
Amortised cost at the end of the year	**298,903**	284,365

7 Investments in securities *(continued)*

	31 December 2024 AED'000	31 December 2023 AED'000
Financial assets at fair value through other Comprehensive income		
Fair value at the beginning of the year	**797,208**	763,372
Purchases	**29,904**	3,834
Disposals	**(126,682)**	(50,209)
Change in fair values	**39,718**	80,211
Fair value at the end of the year	**740,148**	797,208
Financial assets at fair value through profit or loss		
Fair value at the beginning of the year	**309,523**	335,669
Purchases	**100,790**	77,215
Disposals	**(78,425)**	(141,834)
Change in fair values	**3,767**	38,473
Fair value at the end of the year	**335,655**	309,523

The geographical distribution of investments is as follows:

Within UAE	**723,160**	820,177
Outside UAE	**651,863**	571,174
	1,375,023	1,391,351

8 Insurance contract assets and insurance contract liabilities

At 31 December 2024

AED ('000')

	Liability for remaining coverage		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract assets as at 31/12/2023	-	-	-	-	-
Insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Net insurance contract liabilities as at 31/12/2023	**178,739**	**740**	**768,204**	**42,988**	**990,671**
Insurance revenue	**(1,348,153)**	-	-	-	**(1,348,153)**
Insurance service expenses					
Incurred claims and other expenses	-	(739)	689,931	3,202	692,394
Amortisation of insurance acquisition cash flows	154,025	-	-	-	154,025
Losses on onerous contracts and reversals of those losses	-	(1)	-	-	(1)
Changes to liabilities for incurred claims	-	-	493,532	11,268	504,800
Transfer of investment components	-	-	-	-	-
Insurance service expenses	**154,025**	**(740)**	**1,183,463**	**14,470**	**1,351,218**
Insurance service result before reinsurance contracts held	**(1,194,128)**	**(740)**	**1,183,463**	**14,470**	**3,065**
Interest accreted	-	-	28,314	-	28,314
Effect of changes in interest rates and other financial assumptions	-	-	(4,223)	-	(4,223)
Net foreign exchange income / (expenses)	-	-	-	-	-
Insurance finance expenses from insurance contracts issued	-	-	**24,091**	-	**24,091**
Total changes in the statement of comprehensive income	**(1,194,128)**	**(740)**	**1,207,554**	**14,470**	**27,156**
Cash flows					
Premiums received	1,330,125	-	-	-	1,330,125
Claims and other expenses paid	-	-	(755,187)	-	(755,187)
Insurance acquisition cash flows paid	(145,025)	-	-	-	(145,025)
Total cash flows	**1,185,100**	-	**(755,187)**	-	**429,913**
Net insurance contract liabilities as at 31/12/2024	**169,711**	-	**1,220,571**	**57,458**	**1,447,740**
Insurance contract assets as at 31/12/2024	-	-	-	-	-
Insurance contract liabilities as at 31/12/2024	169,711	-	1,220,571	57,458	1,447,740
Net insurance contract liabilities as at 31/12/2024	**169,711**	-	**1,220,571**	**57,458**	**1,447,740**

8 Insurance contract assets and insurance contract liabilities *(continued)*

At 31 December 2023

AED ('000')

	Liability for remaining coverage		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract assets as at 31/12/2022	(12,464)	-	9,692	396	(2,376)
Insurance contract liabilities as at 31/12/2022	158,427	4,805	708,380	38,522	910,134
Net insurance contract liabilities as at 31/12/2022	145,963	4,805	718,072	38,918	907,758
Insurance revenue	(1,133,944)	-	-	-	(1,133,944)
Insurance service expenses					
Incurred claims and other expenses	-	(4,810)	393,361	6,287	394,838
Amortisation of insurance acquisition cash flows	130,795	-	-	-	130,795
Losses on onerous contracts and reversals of those losses	-	745	-	-	745
Changes to liabilities for incurred claims	-	-	161,834	(2,217)	159,617
Transfer of investment components	-	-	-	-	-
Insurance service expenses	130,795	(4,065)	555,195	4,070	685,995
Insurance service result before reinsurance contracts held	(1,003,149)	(4,065)	555,195	4,070	(447,949)
Interest accreted	-	-	27,873	-	27,873
Effect of changes in interest rates and other financial assumptions	-	-	2,383	-	2,383
Net foreign exchange income / (expenses)	-	-	-	-	-
Insurance finance expenses from insurance contracts issued	-	-	30,256	-	30,256
Total changes in the statement of comprehensive income	(1,003,149)	(4,065)	585,451	4,070	(417,693)
Cash flows					
Premiums received	1,170,600	-	-	-	1,170,600
Claims and other expenses paid	-	-	(535,319)	-	(535,319)
Insurance acquisition cash flows paid	(134,675)	-	-	-	(134,675)
Total cash flows	1,035,925	-	(535,319)	-	500,606
Net insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Insurance contract assets as at 31/12/2023	-	-	-	-	-
Insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Net insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671

9 Reinsurance contract assets and reinsurance contract liabilities

At 31 December 2024

AED ('000')	Asset for remaining coverage		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 31/12/2023	(93,346)	-	688,428	31,484	626,566
Reinsurance contract liabilities as at 31/12/2023	(49,028)	-	31,826	1,057	(16,145)
Net reinsurance contract assets as at 31/12/2023	**(142,374)**	**-**	**720,254**	**32,541**	**610,421**
Allocation of reinsurance premiums	**(811,984)**	**-**	**-**	**-**	**(811,984)**
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the period	-	-	251,281	2,469	253,750
Adjustments for onerous underlying contracts	-	-	-	-	-
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	622,936	19,461	642,397
Transfer of pre-recognition cash flows	-	-	-	-	-
Transfer of reinsurance investment components	(23,997)	-	23,997	-	-
Amounts recoverable from reinsurers	**(23,997)**	**-**	**898,214**	**21,930**	**896,147**
Net (expense) / income from reinsurance contracts held	**(835,981)**	**-**	**898,214**	**21,930**	**84,163**
Interest accreted	-	-	23,130	-	23,130
Effect of changes in interest rates and other financial assumptions	-	-	(4,038)	-	(4,038)
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Net foreign exchange income / (expenses)	-	-	-	-	-
Reinsurance finance income from reinsurance contracts held	**-**	**-**	**19,092**	**-**	**19,092**
Total changes in the statement of comprehensive income	**(835,981)**	**-**	**917,306**	**21,930**	**103,255**
Cash flows					
Premiums paid	714,132	-	-	-	714,132
Amounts received	-	-	(315,990)	-	(315,990)
Total cash flows	**714,132**	**-**	**(315,990)**	**-**	**398,142**
Net reinsurance contract assets as at 31/12/2024	**(264,223)**	**-**	**1,321,570**	**54,471**	**1,111,818**
Reinsurance contract assets as at 31/12/2024	(226,824)	-	1,303,630	53,957	1,130,763
Reinsurance contract liabilities as at 31/12/2024	(37,399)	-	17,940	514	(18,945)
Net reinsurance contract assets as at 31/12/2024	**(264,223)**	**-**	**1,321,570**	**54,471**	**1,111,818**

9 Reinsurance contract assets and reinsurance contract liabilities *(continued)*

At 31 December 2023

AED ('000')	Asset for remaining coverage		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 31/12/2022	(128,445)	-	560,308	25,925	457,788
Reinsurance contract liabilities as at 31/12/2022	(68,415)	-	25,811	781	(41,823)
Net reinsurance contract assets as at 31/12/2022	(196,860)	-	586,119	26,706	415,965
Allocation of reinsurance premiums	(645,687)	-	-	-	(645,687)
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the period	-	-	172,886	4,366	177,252
Adjustments for onerous underlying contracts	-	-	-	-	-
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	108,096	1,469	109,565
Transfer of pre-recognition cash flows	-	-	-	-	-
Transfer of reinsurance investment components	(35,691)	-	35,691	-	-
Amounts recoverable from reinsurers	(35,691)	-	316,673	5,835	286,817
Net (expense) / income from reinsurance contracts held	(681,378)	-	316,673	5,835	(358,870)
Interest accreted	-	-	19,864	-	19,864
Effect of changes in interest rates and other financial assumptions	-	-	1,279	-	1,279
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Net foreign exchange income / (expenses)	-	-	-	-	-
Reinsurance finance income from reinsurance contracts held	-	-	21,143	-	21,143
Total changes in the statement of comprehensive income	(681,378)	-	337,816	5,835	(337,727)
Cash flows					
Premiums paid	735,864	-	-	-	735,864
Amounts received	-	-	(203,681)	-	(203,681)
Total cash flows	735,864	-	(203,681)	-	532,183
Net reinsurance contract assets as at 31/12/2023	(142,374)	-	720,254	32,541	610,421
Reinsurance contract assets as at 31/12/2023	(93,346)	-	688,428	31,484	626,566
Reinsurance contract liabilities as at 31/12/2023	(49,028)	-	31,826	1,057	(16,145)
Net reinsurance contract assets as at 31/12/2023	(142,374)	-	720,254	32,541	610,421

10 Other receivables and prepayments

	31 December 2024 AED '000	31 December 2023 AED '000
Vat receivable in insurance and reinsurance contracts - net	**22,089**	12,906
Receivable from employees	**3,242**	2,600
Prepayments	**1,933**	1,489
Others	**13,815**	12,913
	41,079	29,908

11 Investment properties

	Abu Dhabi building AED'000	Al Ain building AED'000	Mussafah building AED'000	Right of Use leased assets AED'000	Total AED'000
Cost					
At 1 January 2023	24,737	7,833	2,588	644	35,802
At 1 January 2024	24,737	7,833	2,588	644	35,802
At 31 December 2024	**24,737**	**7,833**	**2,588**	**644**	**35,802**
Accumulated depreciation					
At 1 January 2023	21,843	7,085	2,588	-	31,516
Charge for the year	194	58	-	-	252
At 1 January 2024	22,037	7,143	2,588	-	31,768
Charge for the year	294	59	-	-	353
At 31 December 2024	**22,331**	**7,202**	**2,588**	**-**	**32,121**
Carrying amount					
At 31 December 2024	**2,406**	**631**	**-**	**644**	**3,681**
At 31 December 2023	2,700	690	-	644	4,034

11 Investment properties *(continued)*

The property rental income earned by the Company and the direct operating expenses including depreciation arising on the investment properties are as follows:

	31 December 2024 AED '000	31 December 2023 AED '000
Rental income	**2,945**	2,891
Direct operating expenses	**(1,544)**	(1,527)
	1,401	1,364

The Company's investment properties comprise the following:

Abu Dhabi Head Office building

The construction of this building was completed in 1987. The Company occupies three floors of the building for its Head Office with the remaining twelve floors available for letting to third parties. As at 31 December 2024, the fair value of this property is estimated to be AED 43,175 thousand *(31 December 2023: AED 43,700 thousand).*

Al Ain building

The construction of this building was completed in 1992. The Company is utilising half of the second mezzanine floor for housing its Al Ain Branch office with the remaining space available for letting to third parties. As at 31 December 2024, the fair value of this property is estimated to be AED 11,900 thousand *(31 December 2023: AED 9,550 thousand).*

Mussafah building

The construction of this building was completed in 2008. The Company is utilising half of the warehouse area for storage purposes with the remaining warehouse area available for letting to third parties. The front side of the building is being used for Mussafah branch. As at 31 December 2024, the fair value of this property is estimated to be AED 7,780 thousand *(31 December 2023 AED 6,350 thousand).*

Land on which the Abu Dhabi Building and Al Ain Building were constructed has been allotted free of cost by the Executive Council of Abu Dhabi, and land on which Mussafah building is constructed is leased under a long-term lease from the Abu Dhabi Municipality and Town Planning Department.

The disclosed fair value of the Company's investment properties as at 31 December 2024 and 31 December 2023 are based on the valuation carried out on the respective dates by independent valuers having the appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

11 Investment properties *(continued)*

The fair value was determined using the Capitalization Approach, Discounted Cash Flow Method and Direct Comparable Methodology. The main assumptions in the valuation model is the Capitalisation rate ranging from 7% to 11% and the rental rates. Rental rates have been obtained based on capitalisation approach, market comparable approach, term and revision approach and tenancy information. In estimating the fair value of the properties, the highest and best use of the properties is considered as their current use. There has been no change in the valuation techniques used during the year. The inputs used in the valuation are not based on observable market data and thus the valuation techniques are considered as Level 3 fair value measurements.

12 Statutory deposit

In accordance with the requirements of UAE Federal Law No. (48) of 2023 concerning insurance companies and Agents, the Company maintains a bank deposit of AED 10,000,000 *(31 December 2023: AED 10,000,000)* which cannot be utilised without the consent of the Central Bank of UAE.

13 Property and equipment

	Building AED'000	Furniture, fixtures and office equipment AED'000	Motor vehicles AED'000	Computer equipment and accessories AED'000	Capital Work-in-progress AED'000	Total AED'000
Cost						
At 1 January 2023	26,289	4,684	779	25,076	1,035	57,863
Additions	-	21	523	253	741	1,538
Disposals	-	(929)	(515)	(4,659)	-	(6,103)
Transfers	-	-	-	1,404	(1,404)	-
At 1 January 2024	**26,289**	**3,776**	**787**	**22,074**	**372**	**53,298**
Additions	-	**90**	**62**	**1,445**	**3,395**	**4,992**
Disposals	-	-	**(126)**	-	-	**(126)**
Transfers	**62**	-	-	**197**	**(259)**	-
At 31 December 2024	**26,351**	**3,866**	**723**	**23,716**	**3,508**	**58,164**
Accumulated depreciation						
At 1 January 2023	21,221	4,511	676	21,040	-	47,448
Charge for the year	1,187	172	71	1,859	-	3,289
Disposals	-	(930)	(465)	(4,659)	-	(6,054)
At 1 January 2024	**22,408**	**3,753**	**282**	**18,240**	-	**44,683**
Charge for the year	**1,253**	**70**	**164**	**1,741**	-	**3,228**
Disposals	-	-	**(126)**	-	-	**(126)**
At 31 December 2024	**23,661**	**3,823**	**320**	**19,981**	-	**47,785**
Carrying amount						
At 31 December 2024	**2,690**	**43**	**403**	**3,735**	**3,508**	**10,379**
At 31 December 2023	3,881	23	505	3,834	372	8,615

13 Property and equipment *(continued)*

At 31 December 2024, based on the recent valuation reports, the carrying amount of the building is less than its fair value and therefore no impairment is recognised. Building represents Abu Dhabi Head Office Building as shown in note 11 and is located within UAE.

All other property and equipment are also located in the United Arab Emirates.

14 Issued and paid up share capital

	31 December 2024 AED'000	31 December 2023 AED'000
Authorised:		
150,000,000 *(2022: 150,000,000)* shares of AED 1 each	**150,000**	150,000
Allotted, issued and fully paid:		
150,000,000 *(2022: 150,000,000)* shares of AED 1 each	**150,000**	150,000

At 31 December 2024, a total of 17,719,999 shares were held by Al Maamoura Diversified Global Holding Company *(2023 : 17,719,999 shares)*, 131,880,234*(31 December 2023 131,883,942)* shares by UAE nationals, 127,750 *(31 December 2023: 127,750)* shares by Kuwaiti nationals, 5,767 *(31 December 2023: 6,059)* shares by Saudi nationals and 16,250 *(31 December 2023: 12,250)* shares by Bahraini national.

15 Statutory reserves

In accordance with the UAE Federal Law No. (32) of 2021 concerning Commercial Companies and the Company's Articles of Association, 10% of profit is to be transferred to a non-distributable reserve until the balance of the reserve equals 50% of the Company's paid up share capital. This reserve is not available for dividend distribution.

16 General reserve

Transfers to and from the general reserve are made at the discretion of the Board of Directors. This reserve may be used for such purposes as the Directors deem fit. During the period the Company has transferred AED 35 million from retained earnings to general reserve. *(31 December 2023: AED Nil).*

17 Reinsurance risk reserve

In accordance with Article (34) to Insurance Authority's Board of Directors Decision No. (23) of 2019, insurance companies incorporated in the State and licensed by the Central Bank of UAE shall bind in the preparation of its annual financial statements and its final accounts to allocate an amount equal to 0.5% (five per thousand) of the total reinsurance premiums ceded by them in all classes in order to create a provision for the probability of failure of any of the reinsurers with whom the Company deals to pay what is due to the Company or default in its financial position. The provision shall be accounted year after year based on the reinsurance premiums ceded and may not be disposed of without the written approval of the Director General. The decision is effective from 1 December

17 Reinsurance risk reserve *(continued)*

2020. Accordingly, an amount of AED 17,017 thousands (31 December 2023: AED 11,712 thousands) has been recorded in equity as a reinsurance default risk reserve as at 31 December 2024.

During the period the Company has transferred AED 5.31 million from retained earnings to reinsurance risk reserve. *(31 December 2023: AED 4.08 million).*

18 Employees' end of service benefit obligation

	31 December 2024 AED '000	31 December 2023 AED '000
As at 1 January	**20,725**	18,111
Charge for the year	**3,507**	4,678
Paid during the year	**(1,989)**	(2,064)
As at 31 December	**22,243**	20,725

During the year, the Company paid pension contributions in respect of UAE national employees amounting to AED 1,718 thousand *(31 December 2023: AED 1,550 thousand).*

19 Provisions and other payables

	31 December 2024 AED'000	31 December 2023 AED'000
Provisions and accruals	**50,841**	22,576
Deferred income	**905**	801
Other payables	**47,895**	69,960
	99,641	93,337

20 Proposed cash dividends

In respect of the current year, the Board of Directors propose a cash dividend of AED 0.50 per share *(31 December 2023: AED 0.55 per share)* amounting to AED 75,000 thousand *(31 December 2023: AED 82,500 thousand).* The dividends proposed in 2023 were paid during the year.

The cash dividend is subject to the approval of the Shareholders at the forthcoming Annual General Meeting.

21 Related parties

Related parties include the Directors of the Company and those entities in which they have the ability to control or exercise significant influence in financial and operational decisions.

Directors are expected to avoid any action, position or interest that conflict with an interest of the Company. Details of all transactions in which a director and/or related parties might have actual or potential conflicts are provided to the Board of Directors for their review and approval. When a potential conflict of interest arises, the directors concerned neither participate in the discussions nor exercise any influence over other members of the Board. If a major shareholder or a Director has any conflict of interests with any matter to be considered by the Board of Directors and the Board of Directors determines that such a matter is significant, the decision thereon by the Board of Directors shall be made in the presence of all directors and in the absence of the interested director's vote.

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

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

Related parties as per the requirement of local regulations:

	31 December 2024 AED'000	31 December 2023 AED'000
Due from policy holders (Directors' affiliates) *(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)*	**2,660**	30,375
Due to policy holders (Directors' affiliates) *(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)*	**509**	2,228

During the period, the Company entered into the following transactions with related parties:

	31 December 2024 AED'000	31 December 2023 AED'000
Gross premiums written from Directors' affiliates	**16,158**	36,066
Gross claims paid to Directors' affiliates	**26,369**	2,272

21 Related parties *(continued)*

Related parties as per the requirement of IAS 24:

Directors' remuneration for the year	**3,991**	2,550

The remuneration of the Board of Directors is subject to approval by the shareholders and as per limits set by the UAE Federal Law No. (32) of 2021 concerning Commercial Companies.

Remuneration of key management personnel:

Short term benefits	**19,557**	16,168
Post-employment benefits	**1,379**	1,093
	20,936	17,261

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

22 Insurance contracts

	31 December 2024 AED'000	31 December 2023 AED'000
Insurance contract liabilities		
Motor	**163,246**	111,016
Domestic Non-motor	**968,583**	621,089
International	**315,911**	258,566
	1,447,740	990,671

23 Re-insurance contracts

	31 December 2024 AED'000	31 December 2023 AED'000
Reinsurance contract assets		
Motor	**50,016**	20,790
Domestic Non-motor	**880,567**	443,493
International	**200,180**	162,283
	1,130,763	626,566

23 Re-insurance contracts *(continued)*

	31 December 2024 AED'000	31 December 2023 AED'000
Reinsurance contract liabilities		
Motor	**2,588**	822
Domestic Non-motor	**16,357**	15,323
International	**-**	-
	18,945	16,145
Net Insurance contract assets		
Motor	**47,428**	19,968
Domestic Non-motor	**864,210**	428,170
International	**200,180**	162,283
	1,111,818	610,421

24 Net investment income

	31 December 2024 AED'000	31 December 2023 AED'000
Dividends from investments in securities	**42,601**	28,268
Unrealised gain on investments measured at fair value through profit or loss – net	**3,767**	38,473
Net gain / (loss) on disposal of investments	**6,241**	(8,540)
Interest on bonds	**22,728**	19,951
Interest on bank deposits	**10,118**	7,857
Investment expenses	**(2,112)**	(2,089)
	83,343	83,920

25*(a)* Income from investment properties

Rental income	**2,945**	2,891
Direct operating expenses including depreciation	**(1,544)**	(1,527)
	1,401	1,364

25(b) Other expenses - Net

	31 December 2024 AED'000	31 December 2023 AED'000
Staff cost	**26,253**	29,094
Consulting expenses	**3,504**	2,225
Other income	**(13)**	(674)
Other expenses	**12,016**	8,312
	41,760	38,957

26 Income tax expense

	31 December 2024 AED'000	31 December 2023 AED'000
Statement of profit or loss:		
Current tax	**8,331**	-
Statement of comprehensive income:		
Current tax	**(289)**	-
Relationship between tax expense and accounting profit		
Profit for the period before taxation	**119,083**	-
Basic exemption limit	**(375)**	-
Tax applicable profit	**118,708**	-
Tax at the applicable rate of 9%	**(10,684)**	-
Effect of items that are not considered in determining taxable income - net		
Exempt income - Dividends received from UAE listed Companies	**2,715**	-
Exempt income - Participation Exemption	**(339)**	
Non-deductible expenses	**(23)**	-
Income tax expense	**8,331**	-

27 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares used to calculate basic earnings per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

27 Basic and diluted earnings per share *(continued)*

The following reflects the profit and shares data used in the earnings per share computations:

	31 December 2024	31 December 2023
Profit for the year after tax (AED '000)	**110,752**	126,293
Weighted average number of ordinary shares (shares in '000)	**150,000**	150,000
Earnings per share for the year – basic and diluted (AED)	**0.74**	0.84

28 Commitments and contingent liabilities

	31 December 2024 AED'000	31 December 2023 AED'000
Commitments in respect of investments	**6,243**	10,113
Bank guarantees	**4,883**	4,185

The above bank guarantees were issued in the normal course of business.

Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position

29 Segment information

The Company has adopted IFRS 8 *Operating Segments* with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

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

- Underwriting of general insurance business – incorporating all classes of general insurance such as fire, marine, motor, general accident and miscellaneous.
- Investments – incorporating investments in marketable equity securities and investment funds, bonds, term deposits with banks and investment properties and other securities.

29 Segment information *(continued)*

Primary segment information - Business segments

The following is an analysis of the Company's revenue and results by business segments

	Underwriting		Investments		Total	
	31 December 2024 AED'000	31 December 2023 AED'000	**31 December 2024 AED'000**	31 December 2023 AED'000	**31 December 2024 AED'000**	31 December 2023 AED'000
Segment revenue*	**2,244,300**	1,420,761	**88,400**	86,811	**2,332,700**	1,507,572
Segment result	**76,099**	79,966	**84,744**	85,284	**160,843**	165,250
Unallocated expenses					**(41,760)**	(38,957)
Profit for the year					**119,083**	126,293

*Break-down of segment revenue (Underwriting)

	31 December 2024 AED'000	31 December 2023 AED'000
Insurance revenue	**1,348,153**	1,133,944
Amounts recoverable from reinsurers	**896,147**	286,817
	2,244,300	1,420,761

*Break-down of segment revenue (Investments)

	31 December 2024 AED'000	31 December 2023 AED'000
Dividends from investments in securities	**42,601**	28,268
Unrealised gain on investments measured at fair value through profit or loss – net	**3,767**	36,384
Net gain / (loss) on disposal of investments	**6,241**	(8,540)
Interest on bonds	**22,728**	19,951
Interest on bank deposits	**10,118**	7,857
Rental income	**2,945**	2,891
	88,400	86,811

29 Segment information *(continued)*

The following is an analysis of the Company's assets and liabilities by business segments:

	Underwriting		Investments		Total	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Segment assets	**1,175,927**	658,977	**1,473,347**	1,604,641	**2,649,274**	2,263,618
Unallocated assets					**286,573**	136,279
Total assets					**2,935,847**	2,399,897
Segment liabilities	**1,566,015**	1,099,066	**311**	1,087	**1,566,326**	1,100,153
Unallocated liabilities					**22,243**	20,725
Total liabilities					**1,588,569**	1,120,878

There were no transactions between the two business segments during the year.

Secondary segment information - Revenue by underwriting departments

Analysis of the Company's segment revenue (Insurance revenue) classified by major underwriting departments are as below:

	31 December 2024	31 December 2023
	AED'000	AED'000
Insurance Revenue		
Motor	**234,282**	209,729
Domestic Non-motor	**948,226**	775,704
International	**165,645**	148,511
	1,348,153	1,133,944

Secondary segment information - Geographical segment

The Company's underwriting business is based entirely within UAE, except for treaty reinsurance arrangements which are held with companies based primarily in Europe. All the investments of the Company are held in UAE except for the investments in managed portfolios and other securities which are held in the United States of America (USA) and Europe.

29 Segment information *(continued)*

Total revenues and total assets of the underwriting and investment segments by geographical location are detailed below:

	Revenue		Total assets	
	2024	2023	**2024**	2023
	AED '000	AED '000	**AED '000**	AED '000
UAE	**2,015,636**	1,269,158	**2,180,895**	1,770,981
USA	**49,399**	30,195	**747,574**	626,793
Europe	**267,665**	208,219	**7,378**	2,123
	2,332,700	1,507,572	**2,935,847**	2,399,897

30 Insurance risks

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

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

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

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

Claims development process

The following schedules reflect the actual claim payments with previous estimates of the undiscounted amounts of the claim for the last five years on an accident year basis:

30 Insurance risks *(continued)*

Motor – Gross:

Accident year	2020 and earlier AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	Total AED'000
At the end of the accident year	1,501,002	138,377	135,279	133,242	204,011	2,111,911
One year later	1,492,414	142,831	143,790	128,466	-	1,907,501
Two years later	1,487,848	142,291	139,628	-	-	1,769,767
Three years later	1,480,508	139,766	-	-	-	1,620,274
Four years later	1,468,425	-	-	-	-	1,468,425
Gross estimates of the undiscounted amount of the claims	1,468,425	139,766	139,628	128,466	204,011	2,080,296
Cumulative payments to date	(1,468,892)	(138,451)	(136,187)	(121,569)	(143,148)	(2,008,247)
Gross undiscounted liabilities for incurred claims	**(467)**	**1,315**	**3,441**	**6,897**	**60,863**	**72,049**
Effect of discounting						**(3,237)**
Effect of risk adjustment						**3,160**
Others*						**42,814**
Total gross liabilities for incurred claims						**114,786**

Motor - net:

Accident year	2020 and earlier AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	Total AED'000
At the end of the accident year	1,351,291	127,151	105,972	111,241	145,520	1,841,175
One year later	1,349,122	130,884	113,634	111,950	-	1,705,590
Two years later	1,345,369	130,470	110,883	-	-	1,586,722
Three years later	1,338,649	128,234	-	-	-	1,466,883
Four years later	1,330,369	-	-	-	-	1,330,369
Net estimates of the undiscounted amount of the claims	1,330,369	128,234	110,883	111,950	145,520	1,826,956
Cumulative payments to date	(1,330,262)	(127,064)	(108,232)	(105,867)	(96,702)	(1,768,127)
Net undiscounted liabilities for incurred claims	**107**	**1,170**	**2,651**	**6,083**	**48,818**	**58,829**
Effect of discounting						**(2,255)**
Effect of risk adjustment						**1,930**
Others**						**(3,629)**
Total net liabilities for incurred claims						**54,875**

30 Insurance risks *(continued)*

Non-Motor – gross:

Accident year	**2020 and earlier AED'000**	**2021 AED'000**	**2022 AED'000**	**2023 AED'000**	**2024 AED'000**	**Total AED'000**
At the end of the accident year	4,313,649	523,300	341,173	434,833	1,079,556	6,692,511
One year later	4,239,441	436,914	305,514	299,706	-	5,281,575
Two years later	3,964,270	428,467	293,378	-	-	4,686,115
Three years later	3,839,309	426,255	-	-	-	4,265,564
Four years later	3,733,727	-	-	-	-	3,733,727
Gross estimates of the undiscounted amount of the claims	3,733,727	426,255	293,378	299,706	1,079,556	5,832,622
Cumulative payments to date	(3,608,971)	(365,771)	(231,632)	(239,992)	(287,562)	(4,733,928)
Gross undiscounted liabilities for incurred claims	**124,756**	**60,484**	**61,746**	**59,714**	**791,994**	**1,098,694**
Effect of discounting						**(51,333)**
Effect of risk adjustment						**54,298**
Others*						**61,584**
Total gross liabilities for incurred claims						**1,163,243**

Non-Motor - net:

Accident year	**2020 and earlier AED'000**	**2021 AED'000**	**2022 AED'000**	**2023 AED'000**	**2024 AED'000**	**Total AED'000**
At the end of the accident year	1,205,609	105,591	114,832	85,657	83,887	1,595,576
One year later	1,246,617	97,015	117,383	75,254	-	1,536,269
Two years later	1,272,276	93,092	111,432	-	-	1,476,800
Three years later	1,256,085	90,212	-	-	-	1,346,297
Four years later	1,209,799	-	-	-	-	1,209,799
Net estimates of the undiscounted amount of the claims	1,209,799	90,212	111,432	75,254	83,887	1,570,584
Cumulative payments to date	(1,150,392)	(81,707)	(104,395)	(58,158)	(31,710)	(1,426,362)
Net undiscounted liabilities for incurred claims	**59,407**	**8,505**	**7,037**	**17,096**	**52,177**	**144,222**
Effect of discounting						**(1,762)**
Effect of risk adjustment						**1,057**
Others**						**(296,404)**
Total net liabilities for incurred claims						**(152,887)**

* Others includes Gross Unallocated loss adjustment expenses reserve and Insurance claims payable.

* *Others includes Net Unallocated loss adjustment expenses reserve, and Net (re)insurance claims payable.

30 Insurance risks *(continued)*

Frequency and severity of claims

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

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

Sources of uncertainty in the estimation of future claim payments

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

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

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

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

In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims

30 Insurance risks *(continued)*

experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The initial estimate of the loss ratios used for the current year before and after reinsurance are analysed below by type of risk where the insured operates for current and prior year premiums earned.

	31 December 2024		31 December 2023	
Type of risk	**Gross loss ratio**	**Net loss ratio**	Gross loss ratio	Net loss ratio
Motor	**80%**	**66%**	68%	72%
Non-Motor	**85%**	**34%**	39%	30%

Process used to decide on assumptions

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

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

Concentration of insurance risk

The Company's underwriting business is based entirely within the UAE and other GCC countries, except for international energy business written in Afro-Asia. Treaty reinsurance arrangements are placed with companies based in UK and Europe.

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

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

30 Insurance risks *(continued)*

Type of risk	31 December 2024 Gross AED'000	31 December 2024 Net AED'000	31 December 2023 Gross AED'000	31 December 2023 Net AED'000
Motor				
UAE	**11,124,670**	**9,771,252**	8,852,160	8,002,498
Non-Motor				
UAE	**428,768,373**	**45,451,093**	433,400,422	43,158,657
GCC countries	**34,921,897**	**3,440,655**	6,844,428	1,940,989
Others	**34,229,877**	**13,837,503**	12,113,874	6,064,713
	497,920,147	**62,279,251**	452,358,724	51,164,359
Grand total	**509,044,817**	**72,050,503**	461,210,884	59,166,857

30 Insurance risks *(continued)*

Sensitivity of underwriting profit and losses

Sensitivity of insurance contracts *(AED'000)*

	2024				2023			
	LIC as at 31 December	**Impact on LIC**	**Impact on profit**	**Impact on equity**	LIC as at 31 December	Impact on LIC	Impact on profit	Impact on equity
Insurance contract liabilities	**1,278,029**				811,192			
Reinsurance contract assets	**(1,376,041)**				(752,795)			
Net Insurance contract liabilities	**(98,012)**				58,397			
Discount rate + 0.5%								
Insurance contract liabilities		**(4,822)**	**4,822**	**4,822**		(220)	220	220
Reinsurance contract assets		**4,452**	**(4,452)**	**(4,452)**		164	(164)	(164)
Net Insurance contract liabilities		**(370)**	**370**	**370**		(56)	56	56
Discount rate - 0.5%								
Insurance contract liabilities		**4,875**	**(4,875)**	**(4,875)**		220	(220)	(220)
Reinsurance contract assets		**(4,506)**	**4,506**	**4,506**		(164)	164	164
Net Insurance contract liabilities		**369**	**(369)**	**(369)**		56	(56)	(56)
Risk adjustment +5%								
Insurance contract liabilities		**2,873**	**(2,873)**	**(2,873)**		2,149	(2,149)	(2,149)
Reinsurance contract assets		**(2,724)**	**2,724**	**2,724**		(1,627)	1,627	1,627
Net Insurance contract liabilities		**149**	**(149)**	**(149)**		522	(522)	(522)
Risk adjustment -5%								
Insurance contract liabilities		**(2,873)**	**2,873**	**2,873**		(2,149)	2,149	2,149
Reinsurance contract assets		**2,724**	**(2,724)**	**(2,724)**		1,627	(1,627)	(1,627)
Net Insurance contract liabilities		**(149)**	**149**	**149**		(522)	522	522

30 Insurance risks *(continued)*

The contribution by the insurance operations in the profit of the Company amounts to AED 76,099 thousand for the year ended 31 December 2024 *(31 December 2023: AED 79,966 thousand)*. The Company does not foresee any major impact from insurance operations due to the following reasons:

The Company has an overall risk retention level of 29% *(31 December 2023: 33%)* and the same is mainly contributed by one class of business i.e., Motor line wherein the retention level is 90% *(31 December 2023: 88%)*. However, in this class the liabilities are adequately covered by excess of loss reinsurance programs to guard against major financial impact.

The Company's 82% volume of business *(31 December 2023: 76%)* has low risk retention. The Company has limited exposure in high retention areas like Motor, and as a result the Company is comfortable to maintain a net loss ratio in the range of 50% - 60% and does not foresee any serious financial impact in the insurance net profit.

31 Financial instruments

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

Capital risk management

The Company's objectives when managing capital are:

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

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the year. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations.

The table below summarizes the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

31 Financial instruments *(continued)*

Capital risk management *(continued)*

	(Unaudited) **31 December 2024* AED '000**	*(Unaudited)* 31 December 2023 AED '000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**404,660**	323,866
Minimum Guarantee Fund (MGF)	**134,887**	109,035
Own Funds		
- Basic Own Funds	**1,005,447**	997,682
- Ancillary Own Funds	**-**	-
Own funds eligible to meet the MCR	**1,005,447**	997,682
MCR Solvency Margin - Surplus	**905,447**	897,682
SCR Solvency Margin - Surplus	**600,787**	673,817
MGF Solvency Margin - Surplus	**870,560**	888,648

* The disclosed amounts do not include the proposed dividend of AED 75 million, as mentioned in Note 20.

Categories of financial instruments

	31 December 2024 AED '000	31 December 2023 AED '000
Financial assets		
Statutory deposit	**10,000**	10,000
Financial assets at amortised cost	**298,903**	284,365
Financial assets measured at FVOCI	**740,148**	797,208
Financial assets measured at FVTPL	**335,655**	309,523
Other receivables	**17,057**	16,902
Term deposits	**88,666**	203,399
Cash and cash equivalents	**276,573**	126,279
	1,767,002	1,747,676
Financial liabilities		
Other payables	**47,895**	65,138
Accruals and other liabilities	**34,088**	17,893
	81,983	83,031

31 Financial instruments *(continued)*

Market price risk management

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company is exposed to market risk with respect to its investments in quoted securities held by it directly or through investment managers. The Company limits market risk by actively monitoring the key factors that affect stock and the market movements, including analysis of the operational and financial performance of the investees.

Sensitivity analysis

At 31 December 2024, if the equity prices are 5% higher/lower and all the other variables were held constant, the Company's:

- Profit for the year would increase/decrease by AED 7,650 thousand *(2023: AED* 6,892 *thousand),* as a result of the changes in fair value of investments designated at FVTPL; and

- Other comprehensive income for the year would increase/decrease by AED 33,692 thousand *(2023: AED* 37,135 *thousand),* as a result of the changes in fair value investments designated at FVOCI.

Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Key areas where the Company is exposed to credit risk are:
- Insurance/reinsurance contract assets
- Other receivables
- Financial investments
- amounts due from banks for its bank balances and term deposits;

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

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

The Company maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Company. Management information reported to the Company includes details of expected credit losses on insurance receivables and subsequent write-offs. Exposures to individual policy holders and

31 Financial instruments *(continued)*

Credit risk management *(continued)*

groups of policy holders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policy holders, or homogenous groups of policy holders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

The movement for expected credit losses during the year is as follows:

	Bank balances and term deposits AED'000	Financial assets at amortised cost AED'000	Financial assets at FVOCI AED'000	Total AED'000
Expected credit losses as at 1 January 2023	81	247	27	355
Loss (reversal) / allowance for the year	(1)	8	(27)	(20)
Expected credit losses as at 31 December 2023	80	255	-	335
Expected credit losses as at 1 January 2024	**80**	**255**	-	**335**
Loss allowance for the year	**5**	**62**	-	**67**
Expected credit losses as at 31 December 2024	85	317	-	402

Management believes that the concentration of credit risk is mitigated by high credit rating and financial stability of its policy holders.

The credit risk on liquid funds is limited because the counterparties are major banks operating in the UAE and are highly regulated by the Central Bank of UAE. The Company's exposure to bond portfolio is monitored on a regular basis, and all investments are done in bonds which meet the minimum credit rating criteria set and approved by the Board of Directors, in addition to limiting the concentration in a single counterparty. A summary of the company's exposure to credit risk for financial assets at amortised cost, term deposits and bank balances, reinsurance contract assets and financial assets at FVTOCI are as below;

31 Financial instruments *(continued)*

Credit risk management *(continued)*

	31 December 2024 AED'000	31 December 2023 AED'000
Financial assets at amortised cost		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AAA	**1,213**	1,205
AA	**60,400**	48,369
A	**65,384**	90,284
BBB	**86,670**	101,126
BB	**60,310**	27,094
B	**25,243**	16,542
	299,220	284,620
Bank balances, Term deposits and Statutory deposits		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AA	**6,908**	3,898
A	**366,216**	267,219
BBB	**2,183**	68,617
	375,307	339,734
Reinsurance contract assets		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AAA	**23,640**	17,165
AA	**378,091**	174,003
A	**667,413**	372,488
BBB	**60,894**	61,546
BB	**725**	1,364
	1,130,763	626,566
Financial assets at FVTOCI		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
AAA	**36,919**	43,951
AA	**125,694**	191,851
A	**368,503**	334,322
BBB	**161,386**	160,148
BB	**10,641**	31,625
B	**8,989**	8,792
Unrated equity instruments	**28,016**	26,519
	740,148	797,208

31 Financial instruments *(continued)*

Credit risk management *(continued)*

	31 December 2024 AED'000	31 December 2023 AED'000
Debt Instruments at FVTOCI		
(Based on AM Best, S&P, Moody's & Fitch Ratings)		
A	**29,701**	54,505
	29,701	54,505

The Company has no overdue balances within its other receivables as of the reporting date. Management expects to recover all amounts outstanding in other receivables within the stipulated timeframes.

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

Foreign currency risk management

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		**Liabilities**	
	2024 AED '000	2023 AED '000	**2024 AED '000**	2023 AED '000
US Dollars	**193,645**	148,733	**89,974**	68,050
Euro	**12,898**	12,260	**2,368**	8,899
British Pounds	**2,355**	3,461	**785**	1,520
Saudi Riyals	**5,260**	3,219	**2,978**	2,178
Indian Rupees	**2,271**	2,017	**4**	4
South Korean Won	**2,128**	3,029	**-**	-
Others	**63,320**	5,531	**4,463**	2,115
	281,877	178,250	**100,572**	82,766

31 Financial instruments *(continued)*

Foreign currency risk management*(continued)*

The Company is mainly exposed on the above foreign currency denominated balances, except for US Dollars denominated balances as AED is pegged to the US Dollar and other GCC currencies which are pegged to the US Dollar. At 31 December 2024, if the exchange rates of unpegged currencies increased/decreased by 5% against AED, with all variables held constant, the Company's profit and equity would have been higher / lower by AED 3,768 thousand *(2023: AED 688 thousand)* mainly as a result of foreign exchange gain / (loss) on translation of outstanding receivables, payables and bank balances denominated in these currencies.

Liquidity risk management

Liquidity risk is the risk that the Company will be unable to meet its funding requirements. Bank facilities, the policy holders and the re-insurers, are the major sources of funding for the Company and the liquidity risk for the Company is assessed to be low. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's financial liabilities with maturities determined on the basis of the remaining period from the end of the reporting period to the contractual maturity/repayment date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	0 - 180 days AED'000	**181 - 365 Days AED'000**	**More than 1 year AED'000**	**Carrying Amount AED'000**
At 31 December 2024				
Other payables	**41,450**	**6,445**	-	**47,895**
Accruals and other liabilities	**34,088**	-	-	**34,088**
Insurance contract liabilities*	-	-	-	**1,447,740**
Reinsurance contract liabilities*	-	-	-	**18,945**
Total	**75,538**	**6,445**	-	**1,548,668**

	0 - 180 days AED'000	**181 - 365 Days AED'000**	**More than 1 year AED'000**	**Carrying Amount AED'000**
At 31 December 2023				
Other payables	64,130	5,830	-	69,960
Accruals and other liabilities	9,524	-	-	9,524
Insurance contract liabilities*	-	-	-	990,671
Reinsurance contract* liabilities	-	-	-	16,145
Total	73,654	5,830	-	1,086,300

31 Financial instruments *(continued)*

Liquidity risk management *(continued)*

*As per IFRS-17 (132b), an entity is not required to include insurance and reinsurance contract liabilities measured under the premium allocation approach in the maturity profile, and accordingly these balances are excluded and only carrying amount are disclosed.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to cash flow interest rate risk as there are no financial assets or financial liabilities carried at variable interest rates. The Company is exposed to fair value interest rate risk due to investments in quoted bonds carried at fixed interest rates. These investments are measured at FVTPL and amortised cost category. Term deposits with banks are also carried at fixed interest rates, however, these are not subject to fair value interest rate risk, as these have a maximum maturity period of 12 months and are frequently repriced.

Sensitivity analysis

At 31 December 2024, if market interest rates had been 50 basis points higher / lower and all the other variables were held constant, the Company's profit for the year would decrease / increase by AED 913 thousand *(2023: AED 858 thousand)*, as a result of the changes in fair value of quoted bonds measured at FVTPL.

Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This includes legal and compliance risk and excludes strategic and reputational risk.

The Risk committee at the Company is tasked with reviewing the overall risk profile of the Company for appropriateness and to monitor the risk management techniques employed within the divisions and at the corporate level. This task includes a comprehensive annual review of all operational risks to which the Company are exposed to. All risks identified have been categorized according to impact, likelihood and the management controls in place to mitigate. A financial impact assessment was conducted to identify the twenty largest risks in terms of the monetary amount as per the maximum probable loss the Company could be exposed to.

The twenty largest risks were reviewed and where applicable additional controls were designed and implemented or existing controls were refined, to reduce the potential financial impact. The Risk committee reviews the internal controls mitigating the top twenty risks to ensure they are up to date and in line with the business processes and discuss potential control gaps which could represent a significant weakness. The Board of Directors annually review, discuss and approve the top twenty risks, the risk appetite of the company and the risk assessment as presented by the Risk committee.

31 Financial instruments *(continued)*

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

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

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 December 2024				
Financial assets measured at fair value through other comprehensive income				
Quoted UAE equity securities	499,045	663	-	499,708
Unquoted UAE equity securities	-	-	2,960	2,960
Investment funds	157,389	-	12,236	169,625
Unquoted overseas equity securities	-	-	1,545	1,545
Investment in bond portfolio	28,268	24,254	13,788*	66,310
	684,702	24,917	30,529	740,148
Financial assets measured at fair value through profit or loss				
Quoted UAE equity securities	34,251	-	-	34,251
Unquoted UAE equity securities	-	-	1,000	1,000
Investment funds	75,884	8,213	2,781	86,878
Unquoted overseas equity securities	-	-	30,875	30,875
Investment in bond portfolio	154,874	2,998	24,779*	182,651
	265,009	11,211	59,435	335,655
Total	949,711	36,128	89,964	1,075,803

31 Financial instruments *(continued)*

Fair value of financial instruments *(continued)*

At 31 December 2023	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets measured at fair value through other comprehensive income				
Quoted UAE equity securities	496,583	64,024	-	560,607
Unquoted UAE equity securities	-	-	3,092	3,092
Investment funds	99,253	67,384	10,274	176,911
Unquoted overseas equity securities	-	-	2,093	2,093
Investment in bond portfolio	8,700	32,506	13,299*	54,505
	604,536	163,914	28,758	797,208
Financial assets measured at fair value through profit or loss				
Quoted UAE equity securities	24,714	18,264	-	42,978
Unquoted UAE equity securities	-	-	965	965
Investment funds	36,596	22,895	3,275	62,766
Unquoted overseas equity securities	-	-	31,136	31,136
Investment in bond portfolio	132,996	15,691	22,991*	171,678
	194,306	56,850	58,367	309,523
Total	798,842	220,764	87,125	1,106,731

There were no transfers between Level 1 and Level 2 fair value measurements except for investment in seven securities which are transferred to level 1 due to active market and investment in one security is transferred to level 2 due to in-active market, and no transfers into or out of Level 3 fair value measurements during the period.

The investments in quoted equities and bond portfolio are valued based on quoted prices in an active market and thus these have been classified as Level 1.

*These are investments in funds and are valued using the net assets value (NAV) of those funds.

For investments under Level 3, the fair values are based on Net Asset Values (NAV).

Sensitivity analysis for investments under Level 3

For the fair values of investments under level 3, reasonably possible changes at the reporting date to the unobservable inputs would have the following effects.

Total comprehensive income	**Increase AED'000**	**Decrease AED'000**
Equity securities 31 December 2024		
Adjusted net asset value (5% movement)	**4,498**	**(4,498)**
31 December 2023		
Adjusted net asset value (5% movement)	4,356	(4,356)

31 Financial instruments *(continued)*

Fair value of financial instruments *(continued)*

Reconciliation of Level 3 fair value measurements:

	Financial assets measured at fair value through profit or loss AED'000	Financial assets measured at fair value through other comprehensive income AED'000	Total AED'000
At 31 December 2024			
Opening balance	**58,367**	**28,758**	**87,125**
Purchases	**4,006**	**2,561**	**6,567**
Disposals	**(2,770)**	**(4,077)**	**(6,847)**
Transfers	-	-	-
Total gains or (losses):			
- in profit or loss	**(168)**	-	**(168)**
- in other comprehensive income	-	**3,287**	**3,287**
Closing balance	**59,435**	**30,529**	**89,964**
At 31 December 2023			
Opening balance	53,645	27,981	81,626
Purchases	5,300	3,834	9,134
Disposals	(4,792)	(1,308)	(6,100)
Transfers	-	-	-
Total gains or (losses):			
- in profit or loss	4,214	-	4,214
- in other comprehensive income	-	(1,749)	(1,749)
Closing balance	58,367	28,758	87,125

Fair value of financial instruments that are not measured at fair value (but fair value disclosures are required):

	31 December 2024		31 December 2023	
	Carrying amount AED'000	**Fair value AED'000**	Carrying amount AED'000	Fair value AED'000
Financial assets				
Investments at amortised cost	**298,903**	**291,353**	284,365	275,798

31 Financial instruments *(continued)*

Fair value of financial instruments *(continued)*

Investments at amortised cost comprise mainly of fixed income bonds and sukuks. The fair value of these bonds and sukuks are determined based on quoted prices in an active market and classified as Level 1 fair value measurement, except for investments having fair value of AED 9.64 million *(31 December 2023: AED 52.05 million)*, classified at Level 2 based on observable prices as at 31 December 2024.

32 Social contributions

The social contribution made during the year amount to AED Nil (*31 December 2023: AED Nil*).

33 Audit fees

The audit fees charged during the year amount to AED 365 thousand (*31 December 2023: AED 345 thousand*).

The audit related fees charged during the year amount to AED 405 thousand (*31 December 2023: AED 465 thousand*).

34 Subsequent Event (Non-Adjusting Event)

Approval of Share Buyback and Issuance of Bonus Shares in AGM

After the reporting date of 31 December 2024, a General Meeting (GM) held on 25 March 2025. During the GM, shareholders were asked to approve the following special resolutions:

Share Buyback and redistribution

The company is authorized to repurchase 17,719,999 shares of its issued shares from Al Mamoura Diversified Global Holding Company, representing approximately 11.81% of the company's total share capital. The shares will be purchased at a price of Aed7.95 per share, with the total cost of the transaction being 140.9m.

The buyback will be funded from excess investment and cash assets and executed in compliance with the applicable regulatory requirements.

Issuance of Bonus Shares

Following the completion of the share buyback, the repurchased shares will not be cancelled on the market, but will be redistributed to the other 88.19% shareholders, meaning each shareholder will see his holding increase by approximately 13%.

This event occurred after the reporting period and does not require adjustment to the financial statements as it is classified as a non-adjusting event.

35 Approval of financial statements

These financial statements were approved by the Board of Directors and authorised for issue in their meeting on 26 March 2025.

36 Supervision Fees

In accordance with Article 6 of the Federal Law no 48 of 2023 regulating insurance companies, below supervision fees are payable to central bank for the year 2024.

Description	**Medical Insurance AED'000**	**Property and Liability AED'000**	**Total AED'000**
Direct written premiums	118,419	1,127,211	**1,245,630**
Assumed Business			
- Foreign		221,759	**221,759**
- Local		29,013	**29,013**
Total Assumed Business		250,772	**250,772**
Gross written premiums	118,419	1,377,983	**1,496,402**
Local Assumed business		29,013	**29,013**
Gross premiums excl. local assumed business	118,419	1,348,970	**1,467,389**
Ratio by Council of Ministers decision	0.40%	0.50%	
Total Fees to be paid for the year 2024	**474**	**6,745**	**7,219**