

Emirates Insurance Company P.J.S.C.

Reports and condensed interim financial
information for the three-month period
ended 31 March 2025

Principal business address:

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

Emirates Insurance Company P.J.S.C.

Condensed interim financial information

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Report of the Board of Directors for the three months ended 31 March 2025.

The Board of Directors takes pleasure in presenting the unaudited results for the first three months of 2025.

<u>Income Statement</u>	AED '000	
	<u>Mar 2025</u>	<u>Mar 2024</u>
Gross Written Premium	477,950	408,898
Insurance revenue	371,352	308,785
Insurance service expenses	(140,789)	(243,400)
Insurance service results before reinsurance contracts held	230,563	65,385
Allocation of reinsurance premiums	(232,900)	(172,010)
Amounts recoverable from reinsurers	14,097	116,524
Net expense from reinsurance contracts held	(218,803)	(55,486)
Insurance service result	11,760	9,899
Insurance finance expenses	(21,591)	(3,202)
Reinsurance finance income	23,031	4,790
Net insurance finance income	1,440	1,588
Total Insurance Income	13,200	11,487
Investment Income	36,001	41,899
Other Expenses	(14,289)	(11,143)
Profit for the period before Tax	34,912	42,243
Income tax expense	(1,111)	(1,470)
Profit for the period after Tax	33,801	40,773
<u>Balance Sheet</u>	<u>Mar 2025</u>	<u>Dec 2024</u>
Shareholders' Equity	1,380,083	1,347,278
Total Assets	2,856,884	2,935,847
Total Liabilities	1,476,801	1,588,569
Earnings per share (Fils)	<u>0.23</u>	<u>0.27</u>

Management Commentary Q1 2025

Our insurance business:

Gross Written Premium increased by 17% and Insurance Revenue increased by 20% compared to the same period for 2024. The increase was mainly due to a rise in premium volumes written in Motor, Fire and General Insurance, Engineering and Casualty. Motor and property rates have also increased across the market following the 2024 severe weather events – however our reinsurance costs also saw an increase for the same reason.

Thankfully, last year's adverse weather events were not repeated in Q1 2025 and consequently we saw a 42% reduction in our insurance service expenses compared to last year following a much improved claims experience across all our domestic lines.

This improved underwriting performance resulted in our insurance service result increasing 19% from 2024.

Once the effects of our Insurance and Reinsurance finance income are considered, our total insurance income is up 15% from 2024 to around Aed13.2m.

Our investment business:

EIC's investment portfolio generated AED 36 million in P&L income during Q1 2025, representing a 14.1% decline from AED 41.9 million in Q1 2024. The shortfall was primarily driven by lower dividend income following the strategic sale of equity holdings to fund the company's share buyback program. While overall income was lower, our money market allocations continued to benefit from elevated short-term rates, delivering a 5.7% increase year-on-year. The total investment portfolio delivered a holding period return of 2.08%, compared to 2.44% in Q1 2024.

Regionally, investor sentiment was muted amid weaker oil prices and persistent global uncertainty. The IMF has revised its 2025 growth forecast for the MENA region downward, though the UAE remains a relative outperformer, with GDP growth projected at 5.1% supported by strong non-oil activity.

Looking ahead, we maintain a defensive portfolio posture, balancing capital preservation with selective exposure to high-quality opportunities in a challenging macro environment.

Other expenses

These expenses relate to operating expenses which cannot be attributed directly to the insurance business of the company. Other expenses increased by 28% from Q1_2024 mainly due to the growth in our business as well as one off consulting expenses relating to EIC's recent share buyback transaction.

Profit after tax

Our profit after tax for the period decreased from Aed40.8m Q1_2024 to Aed33.8m mainly because of lower investment income and higher other expenses.

Share Buyback and redistribution

At the AGM held during Q1_25, our shareholders authorized the company 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. During April 2025, these shares were purchased at a price of Aed7.95 per share with the total cost of the transaction being 140.9m. The AGM also voted in favor of distributing the acquired shares, on a pro rata basis, to existing shareholders. This redistribution was also completed in April 2025.

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

Even after considering the share buyback transaction, our liquidity, solvency and working capital position continues to remain very strong.

Balance Sheet:

The Total Assets of the Company have decreased marginally to Aed 2.85 billion from December 2024.

Shareholders Equity improved by 2% to Aed1.38bn from Aed1.34bn in December 2024



ABDULLAH M. MAZRUI
CHAIRMAN
14 May 2025

INDEPENDENT AUDITOR'S REVIEW REPORT

**The Board of Directors
Emirates Insurance Company P.J.S.C.
Abu Dhabi
United Arab Emirates**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Emirates Insurance Company P.J.S.C. (the "Company") as at 31 March 2025 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

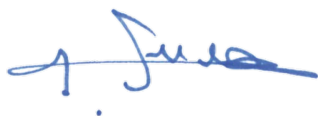
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Other matter

The financial statements of the Company for the year ended as at 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 26 March 2025. The interim financial information of the Company for the three-month period ended 31 March 2024 was reviewed by another auditor who expressed an unmodified conclusion on that information on 13 May 2024.

Deloitte & Touche (M.E.)



Signed by:
Firas Anabtawi
Registration No. 5482
14 May 2025
Abu Dhabi
United Arab Emirates

Emirates Insurance Company P.J.S.C

Condensed interim statement of financial position as at

	Note	(Unaudited) 31 March 2025 AED'000	(Audited) 31 December 2024 AED'000
Assets			
Cash and cash equivalents	4	304,846	276,573
Term deposits	4(ii)	64,967	88,666
Financial assets at amortised cost	5	303,367	298,903
Financial assets at fair value through other comprehensive income ("FVTOCI")	5	739,265	740,148
Financial assets at fair value through profit or loss ("FVTPL")	5	322,964	335,655
Insurance contract assets	6	602	-
Reinsurance contract assets	7	1,061,342	1,130,763
Other receivables and prepayments		35,900	41,079
Investment properties	8	5,385	3,681
Statutory deposit	9	10,000	10,000
Property and equipment		8,246	10,379
Total assets		2,856,884	2,935,847
Equity and liabilities			
Equity			
Share capital	10	150,000	150,000
Statutory reserve	11	75,000	75,000
General reserve	12	710,873	635,000
Reinsurance risk reserve	13	19,002	17,017
Fair value reserve		238,939	239,935
Retained earnings		186,269	230,326
Total equity		1,380,083	1,347,278
Liabilities			
Employees' end of service obligation		21,714	22,243
Provisions and other payables	14	87,212	99,641
Insurance contract liabilities	6	1,351,378	1,447,740
Reinsurance contract liabilities	7	16,497	18,945
Total Liabilities		1,476,801	1,588,569
Total Equity and Liabilities		2,856,884	2,935,847

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.


Chairman of the Board of Directors


Chief Executive Officer


Chief Financial Officer

The notes set out on pages 10 to 29 form an integral part of this condensed interim financial information.

Emirates Insurance Company P.J.S.C

Condensed interim statement of profit or loss for the three-month period ended 31 March (Unaudited)

	Note	2025 AED'000	2024 AED'000
Insurance revenue	6	371,352	308,785
Insurance service expenses	6	(140,789)	(243,400)
Insurance service result before reinsurance contracts held		230,563	65,385
Allocation of reinsurance premiums	7	(232,900)	(172,010)
Amounts recoverable from reinsurers	7	14,097	116,524
Net expense from reinsurance contracts held		(218,803)	(55,486)
Insurance service result		11,760	9,899
Insurance finance expense for insurance contracts issued	6	(21,591)	(3,202)
Reinsurance finance income from reinsurance contracts issued	7	23,031	4,790
Net insurance finance income		1,440	1,588
Total Insurance Income		13,200	11,487
Net investment income	17	35,622	41,550
Income from investment properties		379	349
Total net investment income		36,001	41,899
Other expenses - Net		(14,289)	(11,143)
Profit for the period before tax		34,912	42,243
Income tax expense	16	(1,111)	(1,470)
Profit for the period after tax		33,801	40,773
Basic and diluted earnings after tax per share	18	0.23	0.27

The notes set out on pages 10 to 29 form an integral part of this condensed interim financial information.

Emirates Insurance Company P.J.S.C

Condensed interim statement of comprehensive income for the three-month period ended 31 March (Unaudited)

	2025 AED'000	2024 AED'000
Profit for the period	33,801	40,773
<i>Items that will not be reclassified subsequently to statement of profit or loss:</i>		
Changes in fair value of equity instruments at fair value through other comprehensive income	(1,298)	4,526
Related income tax	(76)	(407)
	<u>(1,374)</u>	<u>4,119</u>
<i>Items that are or may be reclassified subsequently to statement of profit or loss:</i>		
Changes in fair value of debt instruments at fair value through other comprehensive income	415	(735)
Related income tax	(37)	66
	<u>378</u>	<u>(669)</u>
Other comprehensive (loss) / income for the period	<u>(996)</u>	<u>3,450</u>
Total comprehensive income for the period	<u><u>32,805</u></u>	<u><u>44,223</u></u>

The notes set out on pages 10 to 29 form an integral part of this condensed interim financial information.

Emirates Insurance Company P.J.S.C

Condensed interim statement of changes in shareholders' equity

for the three-month period ended 31 March (Unaudited)

	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 2024 (Audited)	150,000	75,000	600,000	11,712	252,078	190,229	1,279,019
<i>Total comprehensive income:</i>							
Profit for the period	-	-	-	-	-	40,773	40,773
Other comprehensive income for the period	-	-	-	-	3,450	-	3,450
Total comprehensive income for the period	-	-	-	-	3,450	40,773	44,223
<i>Transactions with owners of the Company:</i>							
Dividends (note 10)	-	-	-	-	-	(82,500)	(82,500)
Total transactions with owners of the Company	-	-	-	-	-	(82,500)	(82,500)
Transfer to General Reserve (note 12)	-	-	35,000	-	-	(35,000)	-
Transfer to retained earnings on disposal of equity investments designated at FVOCI	-	-	-	-	(1,272)	1,272	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	1,417	-	(1,417)	-
Balance at 31 March 2024 (Unaudited)	150,000	75,000	635,000	13,129	254,256	113,357	1,240,742
Balance at 1 January 2025 (Audited)	150,000	75,000	635,000	17,017	239,935	230,326	1,347,278
<i>Total comprehensive income:</i>							
Profit for the period	-	-	-	-	-	33,801	33,801
Other comprehensive loss for the period	-	-	-	-	(996)	-	(996)
Total comprehensive income for the period	-	-	-	-	(996)	33,801	32,805
Transfer to General Reserve (note 12)	-	-	75,873	-	-	(75,873)	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	1,985	-	(1,985)	-
Balance at 31 March 2025 (Unaudited)	150,000	75,000	710,873	19,002	238,939	186,269	1,380,083

The notes set out on pages 10 to 29 form an integral part of this condensed interim financial information.

Emirates Insurance Company P.J.S.C

Condensed interim statement of cash flows for the three-month period ended 31 March (Unaudited)

		2025 AED'000	2024 AED'000
	Note		
Cash flows from operating activities			
Profit for the period before tax		34,912	42,243
Adjustments for:			
Depreciation of property and equipment		803	804
Depreciation of investment properties		118	88
Net loss on disposal of investments in securities	17	767	844
Unrealised gain on investments measured at FVTPL	17	(6,226)	(6,090)
Premium amortisation	5	(364)	(212)
Dividends from investments in securities	17	(22,754)	(28,306)
(Reversal) / Charge for expected credit losses on financial assets		(2,262)	1,101
Charge for employees' end of service benefit obligation		800	547
Interest income	17	(7,901)	(8,510)
Cash (used in) / generated from operating activities		(2,107)	2,509
Increase in insurance contract assets		(602)	-
Decrease / (increase) in reinsurance contract assets		69,421	(29,714)
Decrease / (increase) in other receivables and prepayments		11,879	(5,084)
(Decrease) / increase in insurance contract liabilities		(94,074)	26,332
(Decrease) / increase in reinsurance contract liabilities		(2,448)	2,240
Decrease in provisions and other payables		(13,653)	(41,822)
Cash used in operating activities		(31,584)	(45,539)
Payment for employees' end of service benefit obligation		(1,329)	(745)
Net cash used in operating activities		(32,913)	(46,284)
Cash flows from investing activities			
Payments for purchase of property and equipment		(492)	(348)
Payments for purchase of financial assets		(26,011)	(23,427)
Proceeds from disposal of financial assets		40,019	30,241
Placement of term deposits		(13,217)	(65,797)
Maturities of term deposits		36,932	75,944
Dividends received		15,215	28,306
Interest income received		8,740	8,077
Net cash generated from investing activities		61,186	52,996
Net increase in cash and cash equivalents		28,273	6,712
Cash and cash equivalents at the beginning of the period		276,573	126,279
Cash and cash equivalents at the end of the period	4	304,846	132,991

The notes set out on pages 10 to 29 form an integral part of this condensed interim financial information.

Emirates Insurance Company P.J.S.C

Notes to the condensed interim financial information

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 Law No. 48 of 2023 concerning Insurance Companies and Agents and is governed by the provisions of the Federal 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 condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting* and also complies with the applicable requirements of the laws in the UAE.

It does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2024, which were prepared in accordance with International Financial Reporting Standards (“IFRS”). Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025

(b) Basis of measurement

The condensed interim financial information has 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

The condensed interim financial information is 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 condensed interim financial information, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period in which the estimate is revised and in any future period affected.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

Emirates Insurance Company P.J.S.C

Notes to the condensed interim financial information

3 Material accounting policy information

The accounting policies applied in the condensed interim financial information are the same as those applied in the company's financial statements as at and for the year ended 31 December 2024.

3.1 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) ('IFRS')

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in this condensed interim financial information. The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior periods.

<i>Forthcoming requirements</i>	<i>Effective date</i>
• Amendments to IAS 21 – Lack of Exchangeability	1 January 2025
• Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

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

<i>New standards or amendments</i>	<i>Effective date</i>
• Amendments to IFRS 9 and IFRS 7 – Amendment regarding the classification and measurement of financial instrument	1 January 2026
• Amendments to IFRS 9 and IFRS 7 – Contracts referencing nature-dependent electricity	1 January 2026
• Annual improvements to IFRS Accounting Standards	1 January 2026
• Amendments to IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
• Amendments to IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)	N/a*

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

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Company in the period of initial application.

Emirates Insurance Company P.J.S.C

Notes to the condensed interim financial information

4 Cash and cash equivalents

	<i>(Unaudited)</i> 31 March 2025 AED'000	<i>(Audited)</i> 31 December 2024 AED'000
Cash at banks inside UAE	240,380	125,173
Cash at banks outside UAE	473	42,232
Cash in hand	17	17
Cash and bank balances	240,870	167,422
Term deposits (i)	129,030	197,902
	369,900	365,324
Less: deposits with original maturities of three months or more (i),(ii)	(65,000)	(88,714)
Cash and cash equivalents	304,900	276,610
Less: allowance for expected credit losses	(54)	(37)
	304,846	276,573

(i) Term deposits carry interest rates ranging from 3.50% to 4.50% (31 December 2024: 4.00% to 6.00%) per annum.

(ii) Term deposits with original maturities of three months or more, net of allowance for expected credit losses of AED 32 thousand (31 December 2024: AED 48 thousand), amount to AED 64,967 thousand (31 December 2024: AED 88,666 thousand).

5 Investments in securities

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

	<i>(Unaudited)</i> 31 March 2025 AED'000	<i>(Audited)</i> 31 December 2024 AED'000
Financial assets at amortised cost		
Fixed income portfolio at amortised cost	303,726	299,220
Less: allowance for expected credit losses	(359)	(317)
	303,367	298,903

Emirates Insurance Company P.J.S.C

Notes to the condensed interim financial information

5 Investments in securities (continued)

	(Unaudited) 31 March 2025 AED'000	(Audited) 31 December 2024 AED'000
Financial assets at fair value through other comprehensive income		
Quoted UAE equity securities	497,269	499,708
Unquoted UAE equity securities	2,960	2,960
Investment funds	170,710	169,625
Unquoted overseas equity securities	1,545	1,545
Bond portfolio	66,781	66,310
	<u>739,265</u>	<u>740,148</u>
Financial assets at fair value through profit or loss		
Quoted UAE equity securities	35,956	34,251
Unquoted UAE equity securities	1,000	1,000
Investment funds	89,861	86,878
Unquoted overseas equity securities	29,983	30,875
Bond portfolio	166,164	182,651
	<u>322,964</u>	<u>335,655</u>

The movement in investments during the period is as follows:

	(Unaudited) 31 March 2025 AED'000	(Unaudited) 31 March 2024 AED'000
Financial assets at amortised cost		
Amortised cost at the beginning of the period	298,903	284,365
Purchases	6,019	4,734
Maturities	(1,877)	(6,936)
Premium amortisation	364	212
Allowance for expected credit losses	(42)	(2)
Amortised cost at the end of the period	<u>303,367</u>	<u>282,373</u>
Financial assets at fair value through other comprehensive income		
Fair value at the beginning of the period	740,148	797,208
Purchases	-	804
Disposals	-	(3,175)
Change in fair values taken to other comprehensive income	(883)	3,791
Fair value at the end of the period	<u>739,265</u>	<u>798,628</u>

Emirates Insurance Company P.J.S.C

Notes to the condensed interim financial information

5 Investments in securities *(continued)*

	(Unaudited) 31 March 2025 AED'000	(Unaudited) 31 March 2024 AED'000
Financial assets at fair value through profit or loss		
Fair value at the beginning of the period	335,655	309,523
Purchases	19,992	17,889
Disposals	(38,909)	(20,974)
Change in fair values taken to profit or loss	6,226	6,090
Fair value at the end of the period	322,964	312,528

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance contract assets and insurance contract liabilities

At 31 March 2025 (Unaudited)

AED ('000')

	<u>Liability for remaining coverage</u>		<u>Liability for incurred claims</u>		<u>Total Liability</u>
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
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
Insurance revenue	(371,352)	-	-	-	(371,352)
Insurance service expenses					
Incurred claims and other expenses	-	-	168,484	2,617	171,101
Amortisation of insurance acquisition cash flows	38,354	-	-	-	38,354
Losses on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(57,620)	(11,046)	(68,666)
Transfer of investment components	-	-	-	-	-
Insurance service expense	38,354	-	110,864	(8,429)	140,789
Insurance service result before reinsurance contracts held	(332,998)	-	110,864	(8,429)	(230,563)
Interest accreted	-	-	16,699	-	16,699
Effect of changes in interest rates and other financial assumptions	-	-	4,892	-	4,892
Net foreign exchange income / (expenses)	-	-	-	-	-
Insurance finance expenses from insurance contracts issued	-	-	21,591	-	21,591
Total changes in the statement of comprehensive income	(332,998)	-	132,455	(8,429)	(208,972)
Cash flows					
Premiums received	411,936	-	-	-	411,936
Claims and other expenses paid	-	-	(260,312)	-	(260,312)
Insurance acquisition cash flows paid	(39,616)	-	-	-	(39,616)
Total cash flows	372,320	-	(260,312)	-	112,008
Net insurance contract liabilities as at 31/03/2025	209,033	-	1,092,714	49,029	1,350,776
Insurance contract assets as at 31/03/2025	(736)	-	127	7	(602)
Insurance contract liabilities as at 31/03/2025	209,769	-	1,092,587	49,022	1,351,378
Net insurance contract liabilities as at 31/03/2025	209,033	-	1,092,714	49,029	1,350,776

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

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

At 31 December 2024 (*Audited*)

AED ('000')

	<u>Liability for remaining coverage</u>		<u>Liability for incurred claims</u>		<u>Total Liability</u>
	<u>Excluding loss component</u>	<u>Loss component</u>	<u>Estimates of the present value of future cash flows</u>	<u>Risk adjustment</u>	
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

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

7 Reinsurance contract assets and reinsurance contract liabilities

At 31 March 2025 (Unaudited)

AED ('000')	<u>Asset for remaining coverage</u>		<u>Amounts recoverable on incurred claims</u>		<u>Total Asset</u>
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 31/12/2024	(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
Allocation of reinsurance premiums	(232,900)	-	-	-	(232,900)
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the period	-	-	172,871	-	172,871
Adjustments for onerous underlying contracts	-	-	-	-	-
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(148,680)	(10,094)	(158,774)
Transfer of pre-recognition cash flows	-	-	-	-	-
Transfer of reinsurance investment components	(4,973)	-	4,973	-	-
Amounts recoverable from reinsurers	(4,973)	-	29,164	(10,094)	14,097
Net (expense) / income from reinsurance contracts held	(23,873)	-	29,164	(10,094)	(218,803)
Interest accreted	-	-	18,081	-	18,081
Effect of changes in interest rates and other financial assumptions	-	-	4,950	-	4,950
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Net foreign exchange income / (expenses)	-	-	-	-	-
Reinsurance finance income from reinsurance contracts held	-	-	23,031	-	23,031
Total changes in the statement of comprehensive income	(237,873)	-	52,195	(10,094)	(195,772)
Cash flows					
Premiums paid	320,343	-	-	-	320,343
Amounts received	-	-	(191,544)	-	(191,544)
Total cash flows	320,343	-	(191,544)	-	128,799
Net reinsurance contract assets as at 31/03/2025	(181,753)	-	1,182,221	44,377	1,044,845
Reinsurance contract assets as at 31/03/2025	(155,072)	-	1,172,283	44,131	1,061,342
Reinsurance contract liabilities as at 31/03/2025	(26,681)	-	9,938	246	(16,497)
Net reinsurance contract assets as at 31/03/2025	(181,753)	-	1,182,221	44,377	1,044,845

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

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

At 31 December 2024 *(Audited)*

<i>AED ('000')</i>	<u>Asset for remaining coverage</u>		<u>Amounts recoverable on incurred claims</u>		<u>Total Asset</u>
	<u>Non-loss-recovery component</u>	<u>Loss-recovery component</u>	<u>Estimates of the present value of future cash flows</u>	<u>Risk adjustment</u>	
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

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

8 Investment properties

Investment properties represent the cost, net of accumulated depreciation and impairment, of properties owned by the Company in Abu Dhabi, Al Ain and Mussafah. Land for the construction of the Abu Dhabi and Al Ain buildings have been allotted free of cost by the Executive Council of Abu Dhabi and land for the construction of Mussafah building is on a long-term lease from the Abu Dhabi Municipality and Urban Planning Department which is classified as right-of-use asset. As at 31 March 2025, the fair value of these properties is estimated to be AED 63,395 thousand (31 December 2024: AED 63,395 thousand).

9 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 2024: AED 10,000,000) which cannot be utilised without the consent of the Central Bank of UAE.

10 Issued and paid-up share capital

	(Unaudited) 31 March 2025 AED'000	(Audited) 31 December 2024 AED'000
Authorised:		
150,000,000 (2024: 150,000,000) shares of AED 1 each	150,000	150,000
Allotted, issued and fully paid:		
150,000,000 (2024: 150,000,000) shares of AED 1 each	150,000	150,000

At the Annual General Meeting held on 21 April 2025, the Shareholders approved a cash dividend in respect of 2024 results amounting to AED 75 million (2023: AED 82.5 million).

11 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.

12 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 75.87 million from retained earnings to general reserve. (31 December 2024: AED 35 million).

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

13 Reinsurance risk reserve

In accordance with Article (34) of the Insurance Authority Decision No. (23) of 2019, an insurance company has to allocate an amount equal to 0.5% of the total reinsurance premiums ceded in all classes in its annual financial statements in order to create a provision for the probability of failure/default of any of the reinsurers. During the period the Company has transferred AED 1.99 million from retained earnings to reinsurance risk reserve. (31 December 2024: AED 5.31 million).

14 Provisions and other payables

	(Unaudited) 31 March 2025 AED'000	(Audited) 31 December 2024 AED'000
Provisions and accruals	34,943	42,799
Deferred income	877	905
Provision for current tax	9,266	8,042
Other payables	42,126	47,895
	87,212	99,641

15 Related parties

Related parties comprise 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. 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 executives 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:

	(Unaudited) 31 March 2025 AED'000	(Audited) 31 December 2024 AED'000
Due from policy holders (Directors' affiliates) <i>(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	7,002	2,660
Due to policy holders (Directors' affiliates) <i>(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)</i>	898	509

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

15 Related parties (continued)

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

	(Unaudited) 31 March 2025 AED'000	(Unaudited) 31 March 2024 AED'000
Insurance revenue - Directors' affiliates	4,766	3,973
Insurance service expenses - Directors' affiliates	2,352	614
Board of Directors' remuneration paid	-	2,550
Remuneration of key management personnel	5,603	4,820

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

16 Income tax expense

	(Unaudited) 31 March 2025 AED'000	(Unaudited) 31 March 2024 AED'000
Condensed interim statement of profit or loss:		
Current tax	1,111	1,470
Condensed interim statement of comprehensive income:		
Current tax	113	341
Relationship between tax expense and accounting profit		
Profit for the period before taxation	34,912	42,243
Basic exemption limit	(375)	(375)
Tax applicable profit	34,537	41,868

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

16 Income tax expense (continued)

	<i>(Unaudited)</i> 31 March 2025 AED'000	<i>(Unaudited)</i> 31 March 2024 AED'000
Tax at the applicable rate of 9%	(3,108)	(3,768)
Effect of items that are not considered in determining taxable income – net		
Exempt income	2,000	2,301
Non-deductible expenses	(3)	(3)
	<hr/>	<hr/>
Income tax expense	1,111	1,470
	<hr/>	<hr/>

17 Net investment income

	<i>(Unaudited)</i> 31 March 2025 AED'000	<i>(Unaudited)</i> 31 March 2024 AED'000
Dividends from investments in securities	22,754	28,306
Unrealised gain on investments measured at fair value through profit or loss	6,226	6,090
Net loss on disposal of investments	(767)	(844)
Interest on bonds	5,367	5,898
Interest on bank deposits	2,534	2,612
Investment expenses	(492)	(512)
	<hr/>	<hr/>
	35,622	41,550
	<hr/>	<hr/>

18 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit after tax 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 after tax 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.

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

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

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

	(Unaudited) 31 March 2025	(Unaudited) 31 March 2024
Profit for the period after tax (AED '000)	33,801	40,773
Weighted average number of ordinary shares (shares in '000)	150,000	150,000
Earnings after tax per share for the period – basic and diluted (AED)	0.23	0.27

19 Commitments and contingent liabilities

	(Unaudited) 31 March 2025 AED'000	(Audited) 31 December 2024 AED'000
Commitments in respect of investments	6,243	6,243
Bank guarantees	4,883	4,883

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.

20 Segment information

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.

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

20 Segment information (continued)

Primary segment information - Business segments

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

	Three-month period ended 31 March (Unaudited) (in AED'000)					
	Underwriting		Investments		Total	
	2025	2024	2025	2024	2025	2024
Segment revenue	371,352	308,785	36,392	42,262	407,744	351,047
Segment result	13,200	11,487	36,001	41,899	49,201	53,386
Unallocated expenses					(14,289)	(11,143)
Profit for the period before tax					34,912	42,243

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

	(In AED '000)					
	Underwriting		Investments		Total	
	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (Unaudited)	31 December 2024 (Audited)	31 March 2025 (unaudited)	31 December 2024 (Audited)
Segment assets	1,100,635	1,175,927	1,441,403	1,473,347	2,542,038	2,649,274
Unallocated assets					314,846	286,573
Total assets					2,856,884	2,935,847
Segment liabilities	1,454,778	1,566,015	309	311	1,455,087	1,566,326
Unallocated liabilities					21,714	22,243
Total liabilities					1,476,801	1,588,569

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

21 Fair value of financial instruments

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

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

21 Fair value of financial instruments (continued)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 31 March 2025 (Unaudited)				
<i>Financial assets measured at fair value through other comprehensive income</i>				
Quoted UAE equity securities	496,727	542	-	497,269
Unquoted UAE equity securities	-	-	2,960	2,960
Investment funds	159,077	-	11,633	170,710
Unquoted overseas equity securities	-	-	1,545	1,545
Investment in bond portfolio	28,590	24,332	13,859	66,781
<i>Financial assets measured at fair value through profit or loss</i>				
Quoted UAE equity securities	35,956	-	-	35,956
Unquoted UAE equity securities	-	-	1,000	1,000
Investment funds	78,715	8,365	2,781	89,861
Unquoted overseas equity securities	-	-	29,983	29,983
Investment in bond portfolio	141,065	-	25,099	166,164
Total	940,130	33,239	88,860	1,062,229
At 31 December 2024 (Audited)				
<i>Financial assets measured at fair value through other comprehensive income</i>				
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
<i>Financial assets measured at fair value through profit or loss</i>				
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
Total	949,711	36,128	89,964	1,075,803

There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period.

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

21 Fair value of financial instruments (continued)

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

For investment in funds, the fair values are based on Net Asset Values (NAV) calculated by the respective fund managers. For investments in unquoted equity securities, the fair values are based on internal valuation techniques such as discounted cash flows and comparable companies' multiples. The valuation of funds and unquoted equity securities qualifies as Level 3 fair value measurement.

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 March 2025 (Unaudited)			
Opening balance	59,435	30,529	89,964
Purchases	-	-	-
Disposals	-	-	-
Total gains or (losses)			
- in profit or loss	(572)	-	(572)
- in other comprehensive income	-	(532)	(532)
Closing balance	58,863	29,997	88,860
At 31 March 2024 (Unaudited)			
Opening balance	58,367	28,758	87,125
Purchases	-	1,735	1,735
Disposals	-	-	-
Total gains or (losses):			
- in profit or loss	571	-	571
- in other comprehensive income	-	(60)	(60)
Closing balance	58,938	30,433	89,371

Following are the fair value of financial assets that are not measured at fair value (but fair value disclosures are required):

	(Unaudited) At 31 March 2025		(Audited) At 31 December 2024	
	Carrying amount AED'000	Fair value AED'000	Carrying amount AED'000	Fair value AED'000
Financial assets				
Investments at amortised cost	303,367	299,336	298,903	291,353

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

21 Fair value of financial instruments *(continued)*

Investments at amortised cost comprise mainly of fixed income bonds and sukuku. The fair value of these bonds and sukuku are determined based on quoted prices in an active market and classified as Level 1 fair value measurement. Except for the above, management consider that the carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair value.

22 Financial risk management

Company's risk management policies with regards to financial instruments are the same as those disclosed in note 31 to the annual financial statements of the Company for the year ended 31 December 2024.

23 Capital risk management

The solvency regulations identify the required solvency margins to be held in addition to insurance liabilities. The solvency margins (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 period. The Company has incorporated in its policies and procedures, the necessary tests to ensure continuous and full compliance with such regulations.

The table below summaries 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 as defined in the regulations.

	31 March 2025 AED '000	31 December 2024* AED '000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	414,554	404,660
Minimum Guarantee Fund (MGF)	138,185	134,887
Own Funds		
- Basic Own Funds	1,024,387	930,447
- Ancillary Own Funds	-	-
Own funds eligible to meet the MCR	1,024,387	930,447

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

23	Capital risk management <i>(continued)</i>	31 March 2024 AED'000	31 December 2024 AED'000
	MCR Solvency Margin - Surplus	924,387	830,447
	SCR Solvency Margin - Surplus	609,833	525,787
	MGF Solvency Margin - Surplus	886,202	795,560

*The disclosed amounts include the proposed dividend of AED 75 million, as mentioned in Note 10.

24 Share Buyback and redistribution

At the AGM held on 25 March 2025, our shareholders authorized the company 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. During April 2025, these shares were purchased at a price of Aed 7.95 per share with the total cost of the transaction being 140.9m. The AGM also voted in favor of distributing the acquired shares, on a pro rata basis, to existing shareholders after the completion of the transaction. This redistribution was also completed in April 2025.

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

25 Seasonality of results

No income of seasonal nature was recorded in the condensed interim statement of comprehensive income for the three-month period ended 31 March 2025 and 2024.

26 General

This condensed interim financial information of the Company was approved for issuance by the Board of Directors on 14 May 2025.