Al Fujairah National Insurance Company PJSC

Financial Statements

For the Year ended 31 December 2024

Al Fujairah National Insurance Company PJSC
Directors' report for the year ended 31 December 2024

The Board of Directors has the pleasure of submitting their report and the audited financial statements for the year ended 31 December 2024.

Incorporation and registered office

Al Fujairah National Insurance Company PJSC (the "Company") was incorporated under Emiri Decree No. 3 issued by His Highness, The Ruler of Fujairah in 1976. The address of the Company's registered head office is P.O. Box 277, Fujairah, United Arab Emirates.

Financial position and results

The Company incurred a net profit of AED 25.03 million for the year ended 31 December 2024 compared to net loss of AED 7.98 million for the year ended 31 December 2023.

The Company insurance service results are AED 2.58 million for the year ended 31 December 2024 compared to AED (8.20) million for the year ended 31 December 2023.

The Company's insurance revenue is AED 420.63 million for the year ended 31 December 2024 compared to AED 282.18 million for the year ended 31 December 2023.

The Company's investment and other income is AED 32.78 million for the year ended 31 December 2024 compared to AED 14.11 million for the year ended 31 December 2023.

Basic earnings per share for the year ended 31 December 2024 is improved to AED 18.80 as compared to basic loss per share AED 5.99 of the prior year on a paid-up capital base of AED 133.10 million.

The shareholder's equity increased from AED 301.57 million to AED 303.86 million as at 31 December 2024.

On behalf of the Board of Directors of Al Fujairah National Insurance Company P.J.S.C I would like to thank all who are working hard in the turnaround journey of the Company. Our sincere appreciation to the executive management and to the staff for their dedication and constant hard work.

Mr. ABDUL GHAFOUR BEHROOZIAN
Chairman
6 March 2025

Fujairah
P.O. Box 277
T 092233355
ho@fujinsco.ae

Abu Dhabi
P.O. Box 4798
T 026773429
adh@fujinsco.ae

Dubai
P.O. Box 11296
T 042772155
dub@fujinsco.ae

Sharjah
P.O Box 3988
T 065737226
shj@fujinsco.ae

Dibba
P.O. Box 11723
T 092444844
dib@fujinsco.ae

www.afnic.ae

هاتف: ٦٦٦٦ ٥١٨ ٤ ٩٧١+
فاكس: ٠١٥١ ٢٢٧ ٤ ٩٧١+

الطابق ٢٣، برجمان برج المكاتب
شارع الشيخ خليفة بن زايد
ص ب ١٩٦١، دبي، إ ع م

Tel: +971 4 518 6666
Fax: +971 4 227 0151
info@bdo.ae
www.bdo.ae

23rd floor, Burjuman Office Tower
Sheikh Khalifa Bin Zayed Road
P O Box 1961, Dubai, UAE

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Fujairah National Insurance Company PJSC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al Fujairah National Insurance Company PJSC (the Company), which comprise the statement of financial position as at December 31, 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of Company's financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with 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 Matter	Audit Response
Valuation of insurance contract liabilities and reinsurance contract assets	
As of 31 December 2024, the Company's insurance contract liabilities and reinsurance contract assets amounted to AED 469.36 million and AED 165.05 million, respectively (refer to Note 9). The valuation of these balances is a key audit matter due to the significant judgements and estimates involved, including the application of the Premium Allocation Approach (PAA) to value general insurance and short-term life contracts.	Our procedures, supported by our actuarial expert, included: • Tested the design and implementation of key controls over the valuation of insurance liabilities and reinsurance contract assets; • Developed an understanding of management's process for evaluation of all inputs related to future cash flows;

بي دي أو محاسبون قانونيون ومستشارون شركة مساهمة مسجلة بدبي وعضو بشركات بي دي أو العالمية المحدودة وبضمان محدود من المملكة المتحدة وتشكل جزء من شبكة بي دي أو العالمية ذات عضوية مستقلة.

BDO Chartered Accountants & Advisors, a partnership firm registered in Dubai, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the International BDO network of independent member firms.
Branch Offices: Abu Dhabi, ADGM, Dubai, Sharjah, JAFZA & SAIF Zone

INDEPENDENT AUDITOR'S REPORT *(Continued)*

To the Shareholders of Al Fujairah National Insurance Company PJSC *(Continued)*

Report on the Audit of the Financial Statements *(Continued)*

Key Audit Matters *(Continued)*

<table>
<tr><th>Key Audit Matter</th><th>Audit Response</th></tr>
<tr><td colspan="2">Valuation of insurance contract liabilities and reinsurance contract assets (continued)</td></tr>
<tr><td>This process includes determining expected premium receipts, ultimate claims costs, insurance acquisition cash flows, and the present value of future cash flows for incurred claims.

The valuation process incorporates several actuarial estimation methodologies. These methodologies rely on historical data and incorporate assumptions that are inherently subjective. These assumptions include loss ratios, claims development factors, and discount rates. Inaccurate data or inappropriate assumptions can lead to material misstatements in the financial statements. Additionally, the risk of error arises from the selection of methodologies and assumptions, as well as the accuracy of the underlying data. We consider the valuation of insurance contract liabilities and reinsurance assets a key audit matter due to the complexity involved in the estimation process and the significant judgements that management considers in determining the reasonableness and adequacy of the same.</td><td>• Assessed the key controls (automated and manual) related to the integrity of the data used in the valuation process;
• Assessed the reasonableness of key management assumptions used during the valuation process by comparing them to external data and industry trends where possible;
• Challenged the methods used by management in deriving key assumptions and evaluated changes in assumptions over time;
• Evaluated the appropriateness of PAA approach on the new insurance products issued during the period;
• Engaged actuarial experts to review the methodology, assumptions, and inputs related to these balances;
• Evaluated the competence of the Company's appointed actuary and the appropriateness of the actuarial methodology applied;
• Tested the data, used in the valuation process for the liability for incurred claims, ensuring its accuracy and completeness;
• Tested the claims case reserves by comparing estimated amounts to supporting documentation such as loss adjuster reports, lawyer confirmations, and reinsurance contracts;
• Assessed the reasonableness of expense assumptions, including the split between allocated and unallocated expenses;
• Evaluated management's process for determining the risk adjustment and tested the application of the risk adjustment in the models;
• With the assistance of our actuarial expert, reviewed key assumptions such as loss ratios, claims development factors, and discount rates; and
• Evaluated the reasonableness and appropriateness of disclosures in the financial statements.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT ***(Continued)***

To the Shareholders of Al Fujairah National Insurance Company PJSC ***(Continued)***

Report on the Audit of the Financial Statements ***(Continued)***

Other Information

Management is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

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 obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on the financial statements on March 06, 2024.

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 as issued by the IASB and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and UAE Federal 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT ***(Continued)***

To the Shareholders of Al Fujairah National Insurance Company PJSC ***(Continued)***

Report on the Audit of the Financial Statements ***(Continued)***

Auditor's Responsibilities for the Audit of the Financial Statements ***(Continued)***

- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public 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.

INDEPENDENT AUDITOR'S REPORT ***(Continued)***

To the Shareholders of Al Fujairah National Insurance Company PJSC ***(Continued)***

Report on Other Legal and Regulatory Requirements ***(Continued)***

As required by UAE Federal Law No. 32 of 2021, we report that:

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 in comply, in all material respects, with the applicable provisions of UAE Federal 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 or invested in shares or securities during the year ended 31 December 2024;

vi. note 11 of 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 on, 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 Federal Law No. 32 of 2021, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2024; and

viii. note 20 to the financial statements discloses the social contributions made during the year ended 31 December 2024.

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

BDO CHARTERED ACCOUNTANTS & ADVISORS
P.O.Box 1961 DUBAI

BDO CHARTERED ACCOUNTANTS & ADVISORS
Mohamed Afzal Koya Ali
Reg No. 522
06 March 2025
Dubai
United Arab Emirates

Al Fujairah National Insurance Company PJSC
Statement of financial position
As at 31 December 2024

	Notes	2024 AED	2023 AED
Assets			
Property and equipment	5	**38,006,245**	28,440,316
Investment properties	6	**80,426,000**	79,368,925
Financial assets	7	**340,838,290**	333,676,498
Statutory deposits	8	**10,000,000**	10,000,000
Reinsurance contract assets	9	**165,051,316**	106,055,899
Other receivables	10	**17,717,406**	18,526,512
Deferred tax	12	**2,037,118**	-
Cash and cash equivalents	14	**181,489,159**	94,764,274
Total assets		**835,565,534**	670,832,424
Equity and liabilities			
Equity			
Share capital	15	**133,100,000**	133,100,000
Statutory reserve	16	**43,465,976**	40,963,430
General reserve	16	**39,620,816**	37,118,270
Reinsurance reserve	16	**2,207,733**	1,571,230
Cumulative changes in fair value of FVTOCI investments		**68,829,721**	91,771,972
Property revaluation reserve		**11,205,588**	11,205,588
Retained earnings/ (accumulated losses)		**5,433,805**	(14,163,606)
Total equity		**303,863,639**	301,566,884
Liabilities			
Provision for employees' end of service benefits	17	**17,727,519**	15,577,401
Insurance contract liabilities	9	**469,359,958**	327,349,595
Other payables		**20,976,342**	15,447,544
Tax payable	13	**1,617,573**	-
Lease liabilities		**22,020,503**	10,891,000
Total liabilities		**531,701,895**	369,265,540
Total equity and liabilities		**835,565,534**	670,832,424

These financial statements were approved by the Board of Directors and signed on their behalf by:

Mr. Abdul Ghafour Behroozian
Chairman

Mr. Antoine Maalouli
Chief Executive Officer

The notes from 1 to 27 form an integral part of these financial statements.

Al Fujairah National Insurance Company PJSC
Statement of profit or loss
For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Insurance revenue	9	420,630,858	282,183,589
Insurance service expenses	18	(415,566,048)	(261,761,224)
Insurance service results before reinsurance contracts held		5,064,810	20,422,365
Allocation of reinsurance premium		(126,715,436)	(71,070,870)
Amounts recoverable from reinsurance for incurred claims		126,827,963	42,851,091
Net income/ (expense) from reinsurance contracts held		112,527	(28,219,779)
Net reinsurance finance expense for reinsurance contracts held		(2,598,513)	(406,885)
Insurance service result		2,578,824	(8,204,299)
Investment and other income	19	32,781,400	14,106,872
Other operating expenses	20	(8,501,208)	(13,881,807)
Profit/ (loss) for the year before tax		26,859,016	(7,979,234)
Tax expense	13	(1,833,559)	-
Profit/ (loss) for the year after tax		25,025,457	(7,979,234)
Basic and diluted earnings/ (loss) per share after tax	21	18.80	(5.99)

The notes from 1 to 27 form an integral part of these financial statements.

Al Fujairah National Insurance Company PJSC
Statement of comprehensive income
For the year ended 31 December 2024

	2024 AED	2023 AED
Profit/ (loss) for the year	25,025,457	(7,979,234)
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss		
Net increase in fair value of investments designated at FVTOCI	381,720	1,430,573
Tax related to items that will be reclassified	(34,355)	-
Items that will not be reclassified subsequently to profit or loss		
Net (decrease)/ increase in fair value of investments designated at FVTOCI	(26,061,463)	10,490,711
Gain on sale of investments designated at FVTOCI	697,936	5,700,557
Tax related to items that will not be reclassified	2,287,459	-
Other comprehensive (loss)/ income for the year	(22,728,703)	17,621,841
Total comprehensive income for the year	2,296,754	9,642,607

The notes from 1 to 27 form an integral part of these financial statements.

Al Fujairah National Insurance Company PJSC
Statement of changes in equity
For the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	General reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	Property revaluation reserve AED	Retained earnings/ (accumulated losses) AED	Total equity AED
Balance at 1 January 2023	133,100,000	40,963,430	37,118,270	1,158,635	77,471,992	11,205,588	(9,093,638)	291,924,277
Loss for the year	-	-	-	-	-	-	(7,979,234)	(7,979,234)
Other comprehensive income for the year	-	-	-	-	17,621,841	-	-	17,621,841
Total comprehensive income/ (loss) for the year	-	-	-	-	17,621,841	-	(7,979,234)	9,642,607
Transfer to retained earnings on sale of investments at FVTOCI	-	-	-	-	(3,321,861)	-	3,321,861	-
Transfer to reinsurance reserve	-	-	-	412,595	-	-	(412,595)	-
Balance at 31 December 2023	133,100,000	40,963,430	37,118,270	1,571,230	91,771,972	11,205,588	(14,163,606)	301,566,884
Balance at 1 January 2024	133,100,000	40,963,430	37,118,270	1,571,230	91,771,972	11,205,588	(14,163,606)	301,566,884
Profit for the year	-	-	-		-	-	25,025,457	25,025,457
Other comprehensive loss for the year	-	-	-	-	(22,728,703)	-	-	(22,728,703)
Total comprehensive income/ (loss) for the year	-	-	-	-	(22,728,703)	-	25,025,457	2,296,754
Transfer to statutory reserve	-	2,502,546	-	-	-	-	(2,502,546)	-
Transfer to general reserve	-	-	2,502,546	-	-	-	(2,502,546)	-
Transfer to reinsurance reserve	-	-		636,503	-	-	(636,503)	-
Transfer to retained earnings on sale of investments at FVTOCI	-	-	-	-	(213,548)	-	213,548	-
Balance at 31 December 2024	133,100,000	43,465,976	39,620,816	2,207,733	68,829,721	11,205,588	5,433,805	303,863,639

The notes from 1 to 27 form an integral part of these financial statements.

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Profit/ (loss) for the year before tax		26,859,016	(7,979,234)
Adjustments for:			
Depreciation of property and equipment	5	14,999,391	14,929,014
Realised gain on disposal of property & equipment	19	(40,859)	(63,184)
Gain on disposal of investments	19	(10,064,568)	(1,678,785)
Unrealised (gain)/ loss from change in fair value of investments at FVTPL	7	(1,342,773)	3,574,576
Gain from change in fair value of investment property	6	(1,057,075)	(2,474,425)
Provision for employees' end of service benefits	17	2,646,448	1,422,676
Interest on deposits	19	(7,912,946)	(3,507,596)
Dividend income	19	(10,395,309)	(8,123,142)
Income from investment properties	19	(1,678,229)	(662,884)
Amortisation of premium on amortised cost debt investments	7	101,496	-
Finance costs		1,141,114	159,961
Operating cash flows before changes in working capital		13,255,706	(4,403,023)
Changes in working capital:			
Reinsurance contract assets		(58,995,417)	(31,756,300)
Insurance contract liabilities		142,010,363	83,073,103
Other receivables		809,106	10,980,702
Other payables		5,528,805	(6,139,166)
Net cash generated from operations		102,608,563	51,755,316
Employees' end of service benefits paid	17	(496,330)	(1,602,572)
Net cash generated from operating activities		102,112,233	50,152,744
Cash flows from investing activities			
Purchase of property and equipment		(1,445,178)	(1,342,824)
Increase in investment in fixed deposits with maturity over 3 months		(1,960,030)	(45,085,455)
Purchase of investment in securities	7	(216,819,495)	(98,340,184)
Proceeds from disposal of investments		195,827,922	96,317,621
Interest received	19	7,912,946	3,507,596
Dividend received	19	10,395,309	8,123,142
Income from investment properties	19	1,678,229	662,884
Proceeds from disposal of property and equipment		30,768	75,341
Net cash used in investing activities		(4,379,529)	(36,081,879)
Cash flows from financing activity			
Payment of lease liabilities		(12,967,848)	(12,531,455)
Net cash used in financing activity		(12,967,848)	(12,531,455)
Net increase in cash and cash equivalents		84,764,856	1,539,410
Cash and cash equivalents at beginning of the year		40,137,788	38,598,378
Cash and cash equivalents at end of the year	14	124,902,644	40,137,788

The notes from 1 to 27 form an integral part of these financial statements.

1 Legal status and activities

Al Fujairah National Insurance Company PJSC, Fujairah (the "Company") is incorporated as a public shareholding Company by Emiri Decree No. 3 issued by His Highness, The Ruler of Fujairah in 1976. The Company is subject to the regulations of the U.A.E. Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the United Arab Emirates under registration number (11). The address of the Company's registered head office is P.O. Box 277, Fujairah, United Arab Emirates.

The Company's ordinary shares are listed on Abu Dhabi Securities Exchange, United Arab Emirates.

The principal activity of the Company is the writing of all classes of general insurance and short-term life insurance. The company operates through its head office in Fujairah and branch offices in Dubai, Abu Dhabi, Sharjah, Khorfakkan and Dibba.

These financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. 32 of 2021.

2 Application of new and revised International Financial Reporting Standards ("IFRS Accounting Standards")

New and revised IFRS Accounting Standards, interpretations and amendments applied on the financial statements

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

Standard number	Title	Effective date
IAS 1	Amendments to IAS 1: Presentation of Financial Statements - Non-Current Liabilities with Covenants and classification of liabilities into current and non-current.	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Statements Disclosures -Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024

The Company has adopted these amendments in the annual financial statements for the year ended 31 December 2024 which have not had a significant effect on the financial statements of the Company.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early which are disclosed below. The Company is currently assessing the effect of these new accounting standards and amendments.

2 Application of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") (continued)

New standards, interpretations and amendments not yet effective (continued)

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.	1 January 2025
IFRS 9 and 7	Amendments to IFRS 9 Financial instruments and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3 Statement of compliance with IFRS

These financial statement are for the year ended 31 December 2024 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the United Arab Emirates (UAE) Federal Decree Law No. 32 of 2021 ("Companies Law"), relating to commercial companies and United Arab Emirates (UAE) Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations for Insurance Companies issued by the Central Bank of the UAE ("CBUAE") and regulation of its operations.

Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income, financial assets carried at fair value through profit or loss and investment properties which are carried at fair value and the provision for employees' end of service benefits which is calculated in line with UAE labor laws.

The Company' statement of financial position is not presented using a current/ non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at fair value through profit or loss, other receivables and other payables. The following balances would generally be classified as non-current: property and equipment, investment properties and statutory deposits and employees' end of service benefits. The following balances are of a mixed nature (including both current and non-current portions): financial assets at fair value through other comprehensive income, financial assets at amortised cost, reinsurance contract assets, insurance contract assets and liabilities, bank balances and fixed deposits.

4 Material accounting policy information

IFRS 17 Insurance Contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

4 Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods on or after 1 January 2023. The nature of the changes in accounting policies can be summarised, as follows:

Insurance and reinsurance contracts classification

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

Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

Level of aggregation

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

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

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

4 Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Level of aggregation (continued)

The profitability of groups of contracts is assessed by the profitability committee that take into consideration existing and new business. The Company assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

Below are some of the relevant facts and circumstances that the Company considers:

- Evaluation of expected combine ratios;
- Pricing information;
- Results of similar contracts it has recognised; and
- Environment factors, e.g., a change in market experience or regulations.

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Recognition

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

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous the Company recognises a group of reinsurance contracts held;
- If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage period of the group, or the initial recognition of any underlying contract; and
- In all other cases, from the beginning of the coverage period of the group The Company adds new contracts to the group when they are issued or initiated.

Contract boundary

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

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

Both of the following criteria are satisfied:

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

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

4 Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

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

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

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

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

Insurance contracts – subsequent measurement

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

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

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

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss (through insurance revenue).

Reinsurance contracts

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

4 Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Insurance contracts – modification and de-recognition

The Company de-recognises insurance contracts when:

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

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

Presentation

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

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

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

The Company disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion which will be presented in insurance finance income or expenses and in insurance service result respectively.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

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

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

4 Material accounting policy information (continued)

IFRS 17 Insurance Contracts (continued)

Insurance finance income and expense

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

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

The Company disaggregates insurance finance income or expenses between profit or loss.

Net income or expense from reinsurance contracts held

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

Classification of insurance contracts

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

Short-term insurance contracts

These contracts are medical, motor, property, casualty, marine, engineering and short-duration life insurance contracts.

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

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

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

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

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

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

4 Material accounting policy information (continued)

IFRS 17 Insurance contracts (continued)

Short-term insurance contracts (continued)

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

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

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives of the property and equipment.

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

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

The rates of depreciation used are based on the following estimated useful lives of the assets:

	Years
Freehold property	30
Motor vehicles	5
Furniture and office equipment	4-5
Scrap yard improvements	10

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in income statement within 'other income'.

Investment properties

Investment properties are properties held to earn rentals and /or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Cost includes the cost of replacing part of an existing investment properties at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of investment properties. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair value of investment properties are included in the profit or loss in the period in which they arise.

4 Material accounting policy information (continued)

Investment properties (continued)

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in the income statement in the period of retirement or disposal.

Transfer is made to or from investment properties only when there is a change in use evidenced by the end of owner-occupation or commencement of an operating lease to another party. For a transfer from investment properties to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of the change in use.

The Company determines fair value on the basis of valuation performed by two independent external valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. The Company takes average of the value from two different valuers as a fair value in its financial statements.

Leases

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, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-to-use asset or is recorded in the profit or loss if the carrying amount of the right-to-use asset has been reduced to zero.

The Company presents right-to-use assets that do not meet the definition of investment properties in 'Property and equipment' and the lease liabilities as a separate item in the statement of financial position.

Other Income

Other income is recognised on an accrual basis taking into the nature of the transaction.

Interest income

Interest income is recognised on an accrual basis taking into account effective interest rates on the instrument, on a time proportionate basis when it becomes receivable.

Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

4 Material accounting policy information (continued)

Financial assets

Classification and measurement - Financial assets

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

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

(i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;

(ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);

(iii) all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL. However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset by-asset basis:

    a. The Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and

    b. The Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Equity instruments at FVTOCI

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

Dividend income on these investments in equity instruments is recognized in 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. Other net gains and losses are recognised in OCI and are never reclassified to statement of profit or loss.

Debt instruments at amortised cost or at FVTOCI

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to statement of profit or loss.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

4 Material accounting policy information (continued)

Financial assets (continued)

Financial assets at FVTPL

Financial assets at FVTPL are:

(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option. These assets are measured at fair value, with any gains/losses arising on re-measurement recognised in the statement of profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are those financial assets for which:

- the Company's business model is to hold them in order to collect contractual cash flows; and
- the contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition of issue and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Financial assets at amortised cost comprise statutory deposits, cash and cash equivalents, investment in debt securities and other receivables.

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 and also recognises a collateralised borrowing for the proceeds received.

Fair value measurement

For investments traded in organised financial markets, fair value is determined by reference to stock exchange quoted prices at the close of business on the statement of financial position date. Investments in unquoted securities are measured at fair value, considering observable market inputs and unobservable financial data of investees.

Impairment and collectability of financial assets

The Company recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVTPL:

- Financial assets that are debt instruments.
- Financial guarantee contracts issued; and
- Loan commitments issued.

The Company measures loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

4 Material accounting policy information (continued)

Financial assets (continued)

Measurement of ECL

ECL are probability-weighted estimates of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- Financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include other payables and lease liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the statement of profit or loss are included within finance costs or finance income.

Employee benefits

Defined Contribution plan

UAE national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to U.A.E. Labour Law No. 7 of 1999. The Company is required to contribute 12.5% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Company contribute 5% and 12.5% respectively. Effective October 2023 based on Ministerial Decision No. (1) of 2024 regarding pension and social security, for the employees joining after October 2023 the contribution from the employee and the Company is 11% and 12.5% of the "contribution calculation salary" respectively, to the scheme. The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to profit or loss.

Annual leave and leave passage

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

Provision for employees' end of service benefits

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as separate line item in the statement of financial position.

The entitlement to end of service benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

4 Material accounting policy information (continued)

Foreign currency transactions

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). For the purpose of the financial statements, the results and financial position of the Company are expressed in Arab Emirates Dirham ("AED"), which is the functional currency of the Company and the presentation currency for the financial statements.

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

Exchange differences are recognised in income statements in the period in which they arise.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each statement of financial position date or whenever there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment losses are recognised in the income statement. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Short term operating leases

The Company has entered into commercial property leases on its investment properties. The Company, as a lessor, has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for them as operating leases. Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits with an original maturity of three months or less in the statement of financial position. Thes are subject to an insignificant risk of changes in value. Cash and cash equivalents are within the scope of IFRS 9 expected credit loss calculation for the assessment of impairment.

Provisions, contingent liabilities and contingent assets

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Equity reserves and dividend payments

Share capital represents the nominal value of shares that have been issued.

Other details for reserves are mentioned in note 16 to the financial statements.

Retained earnings include all current and prior period retained profits or losses.

Dividend payable to equity shareholders is included in other liabilities only when the dividend has been approved in a general assembly meeting prior to the reporting date.

4 Material accounting policy information (continued)

Segment reporting

Under IFRS 8 "Operating Segments", reported segments' profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker. The measurement policies used by the Company for segment reporting under IFRS 8 are the same as those used in its financial statements.

For management purposes, the Company is organised into business units based on their products and services and has two reportable operating segments as follows:

Underwriting of general insurance business incorporating all classes of general insurance including fire, marine, motor, medical, general accident and miscellaneous. All underwriting activities are carried out in the UAE except for reinsurance which is done principally with companies outside UAE.

Investment incorporating investments in UAE marketable equity securities, fixed deposits with banks and investment properties.

Related parties

A related party is defined as follows:

A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company.

Transactions with related parties

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rate.

Taxation

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 or tax rates expected to apply to the profit for the period.

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

Deferred taxation

Deferred tax is accounted for in respect of all temporary differences at the balance sheet date between the tax bases 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 balance sheet date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

4 Material accounting policy information (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above in these financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects both current and future periods. The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Measurement of the expected credit loss ("ECL") allowance

The measurement of ECL is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on the credit loss allowance for debt instruments carried at amortised cost, FVTOCI investments, bank balances and fixed deposits: definition of default, significant increase in credit risk, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD") and the historical loss experience per ageing bucket has the major impact on the credit loss allowance for Insurance and other receivables. The Company regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

Insurance and reinsurance contracts

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

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to capitalise all insurance acquisition cashflows upon payments.

The effect of recognising insurance acquisition cash flows as an expense on initial recognition of group of insurance contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage year. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

Liability for incurred claims

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

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types.

4 Material accounting policy information (continued)

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

Liability for incurred claims (continued)

Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk-free rate was derived using swap rates available in the market denominated in the same currency as the product being measured. When swap rates are not available, highly liquid sovereign bonds with an AAA credit rating were used. Management uses judgment to assess liquidity characteristics of the liability cash flows.

Discount rates applied for discounting of future cash flows are listed below:

	1 year		3 years		5 years		10 years	
	2024	2023	2024	2023	2024	2023	2024	2023
Insurance contracts issued	4.84%	5.95%	4.72%	4.91%	4.68%	4.69%	4.72%	4.64%
Reinsurance contracts held	4.84%	5.95%	4.72%	4.91%	4.68%	4.69%	4.72%	4.64%

Risk adjustment for non-financial risk

The Company uses Mack method or bootstrapping to determine its risk adjustment for non-financial risk. The bootstrap effectively allows the Company to measure the uncertainty about the amount and timing of the cash flows that arise from non-financial risk since bootstrapping the triangles aims to illustrate the variability of the paid claims.

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 75th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 75th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

4 Material accounting policy information (continued)

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

Classification of investment properties and related fair value judgement

The Company makes judgement to determine whether a property qualifies as investment properties and follows the guidance of IAS 40 'Investment properties' to consider whether any owner-occupied property is not significant and is classified accordingly as investment properties.

Fair value of investment properties is estimated by an independent professional valuer considering the rental yield (income approach). This estimate was made considering market rent and average rental yield. Fair value was dependent on market factors and availability of information.

Fair value of unquoted securities

Fair value of unquoted securities has been determined by the management based on Net Assets Value Techniques using observable market data of comparable public entities, certain discount factors and unobservable financial data of respective non-public investees. Actual results may be different.

5 Property and equipment

	Right of use assets AED	Freehold property AED	Motor vehicles AED	Furniture and office equipment AED	Scrap yard improvements AED	Capital work in progress AED	Total AED
Cost							
At 1 January 2024	70,236,327	7,043,095	2,692,423	40,193,910	1,893,410	2,170,082	124,229,247
Additions	23,598,509		230,751	899,252	4,601	310,574	25,043,687
Transfer		-		110,867	-	(110,867)	-
Contract modification/disposals	(476,333)	-	(83,000)	(2,032)	-	-	(561,365)
At 31 December 2024	93,358,503	7,043,095	2,840,174	41,201,997	1,898,011	2,369,789	148,711,569
Accumulated depreciation							
At 1 January 2024	56,029,645	1,956,415	1,963,699	34,341,737	1,497,435	-	95,788,931
Charge for the year	12,155,047	234,768	296,122	2,176,240	137,214	-	14,999,391
Disposals	-	-	(80,968)	(2030)	-	-	(82,998)
At 31 December 2024	68,184,692	2,191,183	2,178,853	36,515,947	1,634,649	-	110,705,324
Net book value							
At 31 December 2024	25,173,811	4,851,912	661,321	4,686,050	263,362	2,369,789	38,006,245
Cost							
At 1 January 2023	58,802,177	7,043,095	2,336,634	39,428,755	1,893,410	2,054,412	111,558,483
Additions	12,955,431	-	461,999	365,155	-	515,670	14,298,255
Transfer	-	-	-	400,000	-	(400,000)	-
Contract modification/disposals	(1,521,281)	-	(106,210)	-	-	-	(1,627,491)
At 31 December 2023	70,236,327	7,043,095	2,692,423	40,193,910	1,893,410	2,170,082	124,229,247
Accumulated depreciation							
At 1 January 2023	44,659,501	1,721,646	1,738,375	31,473,235	1,361,213	-	80,953,970
Charge for the year	11,370,144	234,769	319,377	2,868,502	136,222	-	14,929,014
Disposals	-	-	(94,053)	-	-	-	(94,053)
At 31 December 2023	56,029,645	1,956,415	1,963,699	34,341,737	1,497,435	-	95,788,931
Net book value							
At 31 December 2023	14,206,682	5,086,680	728,724	5,852,173	395,975	2,170,082	28,440,316

5 Property and equipment (continued)

- Freehold property comprise apartments purchased in Dubai to be used for Dubai branch operations.
- At 31 December 2024, the cost of fully depreciated property and equipment that was still in use amounted to AED 5.8 million (2023: AED 4.4 million).

6 Investment properties

	2024 AED	2023 AED
Fair value		
At 1 January	79,368,925	76,894,500
Increase in fair value during the year	1,057,075	2,474,425
Net book value at 31 December	80,426,000	79,368,925

Investment properties represents fair value of two buildings and a plot of land which are located in Fujairah U.A.E.

The investment properties of the Company were valued by two independent and experienced professionals Arab Loss Adjusters Co LLC and Technical and Loss Adjusting Company LLC which estimated the fair value of investment properties as at 31 December 2024 at a value of AED 81.6 million and AED 79.30 million respectively (2023: Valuers Najmat Al Murjan Real Estate Valuation Services LLC and Chartered Real Estate Valuation Service LLC which estimated the fair value of investment properties as at 31 December 2023 at a value of AED 78.9 million and AED 79.83 million respectively). The Company has taken average of the two investment properties valuations. The valuers hold relevant professional qualifications and experience. Investment properties are held for capital appreciation and rental purposes.

Investment properties are classified as Level 3 in the fair value hierarchy as at 31 December 2024 (31 December 2023: Level 3) and are located in U.A.E.

	31 December 2024			Fair value as at 31 December 2023
	Level 1 AED	Level 2 AED	Level 3 AED	Level 3 AED
Plot of land	-	-	9,905,000	10,015,445
Buildings and plots of land on which such buildings are constructed	-	-	70,521,000	69,353,480
	-	-	80,426,000	79,368,925

For investment properties categorised into level 3 of the fair value hierarchy, the following information is relevant:

Valuation techniques	Significant input(s)	Sensitivity
Income capitalisation approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of properties, and prevailing market condition.	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.
	Yearly market rent, taking into account the differences in location, and individual factors, such as frontage and size, between the comparable and the investment properties.	A slight increase in the market rent used would result in a significant increase in fair value, and vice versa.

7 Financial assets

The Company's financial assets at the end of reporting year are detailed below:

	2024 AED	2023 AED
Financial assets measured at fair value through other comprehensive income (FVTOCI)		
Quoted equity securities	94,954,357	133,184,511
Mutual funds	54,840,392	94,434,301
Unquoted equity securities	49,897,903	51,193,364
Quoted debt securities	1,410,776	2,091,870
Allowance for impairment	(56,539)	(44,144)
	201,046,889	280,859,902
Financial assets measured at fair value through profit and loss (FVTPL)		
Quoted equity securities	69,427,306	52,816,596
Financial assets measured at amortised cost		
Quoted debt Securities	70,607,012	-
Allowance for impairment	(141,421)	-
Amortisation	(101,496)	-
	70,364,095	-
	340,838,290	333,676,498

The movements in the financial investments are as follows:

	2024 AED	2023 AED
At fair value through other comprehensive income		
Fair value at the beginning of the year	280,859,902	296,749,237
Purchases during the year	15,152,630	4,469,629
Disposals during the year	(69,918,758)	(32,236,104)
Net (decrease)/ increase in fair value	(25,034,490)	11,921,284
Allowances for impairment	(12,395)	(44,144)
Fair value at the end of the year	201,046,889	280,859,902

Investments at FVTOCI comprise the following:

	2024 AED	2023 AED
Within U.A.E.	115,988,138	168,672,029
Outside U.A.E.	85,058,751	112,187,873
	201,046,889	280,859,902

Mutual funds comprise investment in local and international funds which are administered by financial institutions domiciled in U.A.E.

The cumulative changes in fair value of financial investments carried at FVTOCI amounting to AED 68.8 million (2023: AED 91.8 million) is shown under equity.

7 Financial assets (continued)

	2024 AED	2023 AED
At fair value through profit or loss		
Fair value at the beginning of the year	52,816,596	19,222,792
Purchases during the year	131,059,853	93,870,555
Disposals during the year	(115,791,916)	(56,702,175)
Net increase/ (decrease) in fair value	1,342,773	(3,574,576)
Fair value at the end of the year	69,427,306	52,816,596

Investments at FVTPL comprise the following:

	2024 AED	2023 AED
Within U.A.E.	67,996,165	52,816,596
Outside U.A.E.	1,431,141	-
	69,427,306	52,816,596

8 Statutory deposits

	2024 AED	2023 AED
Statutory deposit maintained in accordance with Article 42 of U.A.E., Federal Law No. (6) of 2007	10,000,000	10,000,000

Statutory deposits held with local banks in UAE represent deposit held under a lien in favour of the Ministry of Economy and Planning in accordance with Article 42 of the Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and Organisation of its Operations relating to insurance companies and brokers. This deposit cannot be withdrawn without prior approval of the CBUAE and bears an interest rate of 4.5% per annum (31 December 2023: 4.2% per annum).

9 Insurance and reinsurance contract

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

	31 December 2024			31 December 2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	AED	AED	AED	AED	AED	AED
Insurance contracts issued						
Life and medical	-	91,505,754	91,505,754	-	32,994,593	32,994,593
General	-	133,822,989	133,822,989	-	101,123,940	101,123,940
Motor	-	244,031,215	244,031,215	-	193,231,062	193,231,062
Total insurance contracts issued	-	469,359,958	469,359,958	-	327,349,595	327,349,595
Reinsurance contracts held						
Life and medical	29,302,686	-	29,302,686	13,754,259	-	13,754,259
General	110,036,434	-	110,036,434	87,740,962	-	87,740,962
Motor	25,712,196	-	25,712,196	4,560,678	-	4,560,678
Total reinsurance contracts held	165,051,316	-	165,051,316	106,055,899	-	106,055,899

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

The Company disaggregates information to provide disclosure in respect of major product lines separately: life and medical, general and motor. This disaggregation has been determined based on how the Company is managed.

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

9 Insurance and reinsurance contract (continued)

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

31 December 2024	Life and Medical				General				Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	8,208,372	-	24,460,193	326,028	43,689,894	49,110	54,423,709	2,961,227	95,425,201	-	93,997,226	3,808,635	327,349,595
Insurance revenue	(118,094,482)		-	-	(82,939,739)	-	-	-	(219,596,637)	-	-	-	(420,630,858)
Insurance service expenses	9,400,974		91,171,612	189,566	1,910,518	(49,110)	67,876,360	1,269,618	1,747,788	-	241,943,664	105,058	415,566,048
Incurred claims and other Expenses	-	-	65,380,568	357,812	-	(48,542)	63,525,986	2,891,904	-	-	137,145,442	1,939,109	271,192,279
Amortisation of insurance acquisition cash flows	9,400,974		-	-	1,910,518	-	-	-	1,747,788		-	-	13,059,280
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	(568)	-	-	-	-	-	-	(568)
Changes to liabilities for incurred claims	-		25,791,044	(168,246)	-	-	4,350,374	(1,622,286)	-		104,798,222	(1,834,051)	131,315,057
Insurance service result	(108,693,508)		91,171,612	189,566	(81,029,221)	(49,110)	67,876,360	1,269,618	(217,848,849)	-	241,943,664	105,058	(5,064,810)
Insurance finance expenses	-	-	747,668	-	-	-	1,793,234	-	-	-	4,043,359	-	6,584,261
Total changes in the statement of comprehensive income/ (loss)	(108,693,508)		91,919,280	189,566	(81,029,221)	(49,110)	69,669,594	1,269,618	(217,848,849)	-	245,987,023	105,058	1,519,451
Cash flows													
Premiums received	169,283,280		-	-	89,730,114	-	-	-	265,345,109	-	-	-	524,358,503
Claims and other expenses paid	-		(81,960,803)	-	-	-	(45,590,182)	-	-	-	(240,146,342)	-	(367,697,327)
Insurance acquisition cash Flows	(12,226,654)		-	-	(1,301,764)	-		-	(2,641,846)	-	-	-	(16,170,264)
Total cash flows	157,056,626	-	(81,960,803)	-	88,428,350	-	(45,590,182)	-	262,703,263	-	(240,146,342)	-	140,490,912
Net insurance contract liabilities as at 31 December 2024	56,571,490	-	34,418,670	515,594	51,089,023	-	78,503,121	4,230,845	140,279,615	-	99,837,907	3,913,693	469,359,958

9 Insurance and reinsurance contract (continued)

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

31 December 2023	Life and Medical				General				Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	1,052,925	-	17,644,015	206,940	3,562,815	38,415	67,990,762	2,576,931	60,880,058	497,956	87,484,846	2,340,829	244,276,492
Insurance revenue	(60,154,637)	-	-	-	(62,140,843)	-	-	-	(159,888,109)	-	-	-	(282,183,589)
Insurance service expenses	2,637,005	-	61,933,889	119,088	3,458,557	10,695	24,543,667	384,296	(734,815)	(497,956)	168,438,992	1,467,806	261,761,224
Incurred claims and other expenses	-	(3,611,840)	46,027,404	179,073	-	(178,920)	39,671,743	1,730,591	-	(9,950,403)	131,479,093	2,248,509	207,595,250
Amortisation of insurance acquisition cash Flows	2,637,005	-	-	-	3,458,557	-	-	-	(734,815)	-	-	-	5,360,747
Losses on onerous contracts and reversals of those losses	-	3,611,840	-	-	-	189,615	-	-	-	9,452,447	-	-	13,253,902
Changes to liabilities for incurred claims	-	-	15,906,485	(59,985)	-	-	(15,128,076)	(1,346,295)	-	-	36,959,899	(780,703)	35,551,325
Insurance service result	(57,517,632)	-	61,933,889	119,088	(58,682,286)	10,695	24,543,667	384,296	(160,622,924)	(497,956)	168,438,992	1,467,806	(20,422,365)
Insurance finance expenses	-	-	(426,415)	-	-	-	(818,219)	-	-	-	(2,083,592)	-	(3,328,226)
Total changes in the statement of comprehensive (loss)/ income	(57,517,632)	-	61,507,474	119,088	(58,682,286)	10,695	23,725,448	384,296	(160,622,924)	(497,956)	166,355,400	1,467,806	(23,750,591)
Cash flows													
Premiums received	66,235,964	-	-	-	101,558,809	-	-	-	195,066,674	-	-	-	362,861,447
Claims and other expenses paid	-	-	(54,691,296)	-	-	-	(37,292,501)	-	-	-	(159,843,020)	-	(251,826,817)
Insurance acquisition cash flows	(1,562,885)	-	-	-	(2,749,444)	-	-	-	101,393	-	-	-	(4,210,936)
Total cash flows	64,673,079	-	(54,691,296)	-	98,809,365	-	(37,292,501)	-	195,168,067	-	(159,843,020)	-	106,823,694
Net insurance contract liabilities as at 31 December 2023	8,208,372	-	24,460,193	326,028	43,689,894	49,110	54,423,709	2,961,227	95,425,201	-	93,997,226	3,808,635	327,349,595

9 Insurance and reinsurance contract (continued)

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

31 December 2024	Life and Medical				General				Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract liabilities as at 1 January	36,028,821	-	-	-	-	-	-	-	7,028,054	-	-	-	43,056,875
Reinsurance contract assets as at 1 January	-	-	(49,014,703)	(768,377)	(23,327,546)	-	(60,570,449)	(3,842,967)	-	-	(11,064,722)	(524,010)	(149,112,774)
Net reinsurance contract (assets)/ liabilities as at 1 January	36,028,821	-	(49,014,703)	(768,377)	(23,327,546)	-	(60,570,449)	(3,842,967)	7,028,054	-	(11,064,722)	(524,010)	(106,055,899)
An allocation of reinsurance premiums	55,670,458	-	-	-	59,269,327	-	-	-	11,775,651	-	-	-	126,715,436
Amounts recoverable from reinsurers for incurred claims	-	-	(45,987,726)	(847,512)	-	-	(52,758,036)	(1,733,004)	-	-	(24,579,911)	(921,774)	(126,827,963)
Amounts recoverable for incurred claims and other expenses	-	-	(33,379,288)	(629,118)	-	-	(52,534,625)	(2,930,354)	-	-	(8,778,010)	(322,186)	(98,573,581)
Changes to amounts recoverable for incurred claims	-	-	(12,608,438)	(218,394)	-	-	(223,411)	1,197,350	-	-	(15,801,901)	(599,588)	(28,254,382)
Net income or expense from reinsurance contracts held	55,670,458	-	(45,987,726)	(847,512)	59,269,327	-	(52,758,036)	(1,733,004)	11,775,651	-	(24,579,911)	(921,774)	(112,527)
Reinsurance finance income		-	(1,789,541)	-	-	-	(1,969,089)	-	-	-	(227,118)	-	(3,985,748)
Total changes in the statement of comprehensive (loss)/ income	55,670,458	-	(47,777,267)	(847,512)	59,269,327	-	(54,727,125)	(1,733,004)	11,775,651	-	(24,807,029)	(921,774)	(4,098,275)
Cash flows													
Premiums paid	(31,389,279)	-	-	-	(51,497,801)	-	-	-	(7,880,198)	-	-	-	(90,767,278)
Amounts received	2,954	-	8,792,219	-	3,657,599	-	22,735,532	-			681,832		35,870,136
Total cash flows	(31,386,325)	-	8,792,219	-	(47,840,202)	-	22,735,532	-	(7,880,198)	-	681,832	-	(54,897,142)
Net reinsurance contract (assets)/ liabilities as at 31 December 2024	60,312,954	-	(87,999,751)	(1,615,889)	(11,898,421)	-	(92,562,042)	(5,575,971)	10,923,507	-	(35,189,919)	(1,445,784)	(165,051,316)
Reinsurance contract Liabilities as at 31 December 2024	60,312,954				8,363,765	-			10,923,507	-	-		79,600,226
Reinsurance contract assets as at 31 December 2024	-	-	(87,999,751)	(1,615,889)	(20,262,186)	-	(92,562,042)	(5,575,971)	-	-	(35,189,919)	(1,445,784)	(244,651,542)
Net reinsurance contract (assets)/ liabilities as at 31 December 2024	60,312,954	-	(87,999,751)	(1,615,889)	(11,898,421)	-	(92,562,042)	(5,575,971)	10,923,507	-	(35,189,919)	(1,445,784)	(165,051,316)

9 Insurance and reinsurance contract (continued)

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

31 December 2023	Life and Medical				General				Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract liabilities as at 1 January	-	-	(26,861,537)	(238,966)	-	-	(64,993,196)	(2,338,505)	-	-	(10,091,743)	(319,819)	(104,843,766)
Reinsurance contract assets as at 1 January	23,255,025	-	-	-	5,453,657	-	-	-	1,835,485	-	-	-	30,544,167
Net reinsurance contract (assets)/ liabilities as at 1 January	23,255,025	-	(26,861,537)	(238,966)	5,453,657	-	(64,993,196)	(2,338,505)	1,835,485	-	(10,091,743)	(319,819)	(74,299,599)
An allocation of reinsurance premiums	23,509,245	-	-	-	42,500,524	-	-	-	5,061,101	-	-	-	71,070,870
Amounts recoverable from reinsurers for incurred claims	-	-	(27,554,554)	(529,411)	-	-	(11,571,806)	(1,504,462)	-	-	(1,486,667)	(204,191)	(42,851,091)
Amounts recoverable for incurred claims and other expenses	-	-	(21,848,781)	(298,231)	-	-	(28,811,651)	(1,746,247)	-	-	(1,214,165)	(55,428)	(53,974,503)
Changes to amounts recoverable for incurred claims	-	-	(5,705,773)	(231,180)	-	-	17,239,845	241,785	-	-	(272,502)	(148,763)	11,123,412
Net income or expense from reinsurance contracts held	23,509,245		(27,554,554)	(529,411)	42,500,524	-	(11,571,806)	(1,504,462)	5,061,101	-	(1,486,667)	(204,191)	28,219,779
Reinsurance finance income	-	-	1,765,119	-	-	-	1,456,304	-	-	-	513,688	-	3,735,111
Total changes in the statement of comprehensive income/ (loss)	23,509,245	-	(25,789,435)	(529,411)	42,500,524	-	(10,115,502)	(1,504,462)	5,061,101	-	(972,979)	(204,191)	31,954,890
Cash flows													
Premiums paid	(10,735,449)	-	-	-	(74,864,353)	-	-	-	131,468	-	-	-	(85,468,334)
Amounts received		-	3,636,269	-	3,582,626	-	14,538,249	-	-	-	-	-	21,757,144
Total cash flows	(10,735,449)	-	3,636,269	-	(71,281,727)	-	14,538,249	-	131,468	-	-	-	(63,711,190)
Net reinsurance contract (assets)/ liabilities as at 31 December 2023	36,028,821	-	(49,014,703)	(768,377)	(23,327,546)	-	(60,570,449)	(3,842,967)	7,028,054	-	(11,064,722)	(524,010)	(106,055,899)
Reinsurance contract Liabilities as at 31 December 2023	36,028,821	-	-	-	-	-	-	-	7,028,054	-	-	-	43,056,875
Reinsurance contract assets as at 31 December 2023	-	-	(49,014,703)	(768,377)	(23,327,546)	-	(60,570,449)	(3,842,967)	-	-	(11,064,722)	(524,010)	(149,112,774)
Net reinsurance contract (assets)/ liabilities as at 31 December 2023	36,028,821	-	(49,014,703)	(768,377)	(23,327,546)	-	(60,570,449)	(3,842,967)	7,028,054	-	(11,064,722)	(524,010)	(106,055,899)

9 Insurance and reinsurance contracts (continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Company's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Company's estimate of total liability for incurred claims for the years up to 2024.

Gross insurance contract liabilities

	2019 and prior AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	Total AED
At the end of each reporting year	-	139,526,477	139,766,525	212,030,946	206,207,516	319,938,340	1,327,103,558
One year later	-	125,382,937	138,785,301	191,814,305	195,513,408	-	934,709,646
Two years later	-	121,104,708	137,438,399	192,693,903	-	-	731,367,370
Three years later	-	121,387,969	136,629,077	-	-	-	535,014,800
Four years later	-	121,418,865	-	-	-	-	396,840,205
Five years later	-	-	-	-	-	-	275,081,441
Six years later	-	-	-	-	-	-	129,432,394
Seven years later	-	-	-	-	-	-	-
Estimate of cumulative claims	283,102,654	121,418,865	136,629,077	192,693,903	195,513,408	319,938,340	1,249,296,247
Cumulative payments to date	(278,044,425)	(120,643,416)	(134,785,180)	(178,491,299)	(177,227,383)	(198,123,843)	(1,087,315,545)
Unallocated loss adjustment expense	256,396	36,675	60,724	182,549	587,143	4,236,447	5,359,934
Claims payable	956,922	3,307,394	13,363,574	9,741,851	16,528,749	4,540,311	48,438,801
Total gross undiscounted liabilities for incurred claims	6,271,547	4,119,519	15,268,195	24,127,005	35,401,916	130,591,255	215,779,438
Attributable expenses	-	-	-	-	-	-	-
Mathematical reserves	-	-	-	-	-	-	3,733,142
Effect of discounting	-	-	-	-	-	-	(6,752,879)
Total discounted gross reserves included in the statement of financial position							212,759,700
Risk Adjustments							8,659,785

9 Insurance and reinsurance contracts (continued)

Net Insurance contract liabilities at 31 December 2024

	2019 and prior AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	Total AED
At the end of each reporting year	-	89,861,899	87,880,961	127,015,875	153,105,820	185,210,071	903,922,831
One year later	-	94,759,577	93,469,673	120,818,162	151,915,103	-	697,775,449
Two years later	-	95,479,939	93,293,712	121,198,699	-	-	543,663,077
Three years later	-	95,592,098	92,279,849	-	-	-	421,437,244
Four years later	-	95,377,910	-	-	-	-	329,484,042
Five years later	-	-	-	-	-	-	233,896,884
Six years later	-	-	-	-	-	-	106,377,291
Seven years later	-	-	-	-	-	-	-
Estimate of cumulative claims	236,972,599	95,377,910	92,279,849	121,198,699	151,915,103	185,210,071	882,954,231
Cumulative payments to date	(233,043,803)	(94,945,560)	(91,135,276)	(116,998,203)	(139,513,609)	(128,822,509)	(804,458,959)
Unallocated loss adjustment expense	256,396	36,675	60,724	182,549	587,143	4,236,447	5,359,934
Claim receivable – net	(6,262,269)	(4,840,966)	(4,440,108)	(22,097,865)	(31,420,496)	(20,602,704)	(89,664,408)
Total net undiscounted liabilities for incurred claims	(2,076,93)	(4,371,829)	(3,234,951)	(17,711,263)	(18,390,881)	39,976,660	(5,809,202)
Attributable expenses	-	-	-	-	-	-	-
Mathematical reserves	-	-	-	-	-	-	373,314
Effect of discounting	-	-	-	-	-	-	2,443,880
Total discounted net reserves included in the statement of financial position							(2,992,008)
Net risk adjustments							22,136

10 Other receivables

	2024 AED	2023 AED
Interest receivable	4,777,333	1,846,177
Advances and prepayments	4,592,804	7,454,004
Deposits and guaranties	550,262	4,118,413
Tenants' receivables	1,405,523	1,356,913
Staff receivables	2,526,222	513,742
Others	5,605,768	5,361,891
Allowance for impairment	(1,740,506)	(2,124,628)
	17,717,406	18,526,512

11 Related party balances and transactions

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

All related party transactions are carried on terms approved by the management.

Amounts due from related parties

	2024 AED	2023 AED
Related parties due to common directorship		
Fujairah National Group of Companies	7,546,373	4,260,236

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

	2024 AED	2023 AED
Insurance revenue	55,410,972	24,078,678
Insurance service expenses	38,072,456	11,181,262
Deposits placed with National Bank of Fujairah	66,071,278	39,111,249
Interest receivables	1,982,344	1,141,657
Interest income	3,074,101	1,392,665

Premiums are charged to related parties at rates agreed with the management.

Compensation of key management personnel:

	2024 AED	2023 AED
Key management staff:		
Short-term benefits	9,254,128	8,797,313
Long-term benefits	1,635,549	542,636

12 Deferred taxation

	31 December 2024 AED	31 December 2023 AED
Deferred tax arising in respect of:		
Recognised in profit or loss:		
Net fair value gain on investments designated at FVTPL	215,986	-
Recognised in other comprehensive income:		
Net fair value gain on debt investments designated at FVTOCI	34,355	-
Net fair value loss on equity investments designated at FVTOCI	(2,287,459)	-
	(2,253,104)	-
	(2,037,118)	-

Deferred taxes arising from temporary differences are summarized as follows:

	Net balance at 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Net balance at 31 December 2024
Financial assets	-	(215,986)	2,253,104	2,037,118

13 Tax expense

	2024 AED	2023 AED
Statement of profit or loss:		
Current tax	1,617,573	-
Deferred tax	215,986	-
Tax expense for the period	1,833,559	-

Relationship between accounting profit and tax profit is as follows:

Profit for the period before tax	26,859,016	-
Other comprehensive loss for the period before tax	(24,981,807)	-
Total comprehensive income for the year before tax	1,877,209	-
Exempt income	(6,963,903)	-
Unrealised loss	23,279,896	-
Non-deductible expenses	154,829	-
Taxable income	18,348,031	-
Less: Basic exemption	(375,000)	-
Tax applicable profit	17,973,031	-
Tax at the applicable rate of 9%	1,617,573	-
Fair value gain recognised as part of investment income	215,986	-
Tax expense for the period	1,833,559	-

14 Cash and cash equivalents

	2024 AED	2023 AED
Current and call accounts	43,842,896	24,660,775
Fixed deposit	137,054,532	69,626,486
Cash in hand	659,690	637,989
	181,557,118	94,925,250
Allowance for impairment	(67,959)	(160,976)
	181,489,159	94,764,274

Bank balances are maintained with banks within United Arab Emirates.

Cash and bank includes short term deposits (3-12 months) with local banks carrying interest ranging from 3% to 5.8% per annum (2023: 3% to 6% per annum).

Fixed deposits amounting to AED 12.32 million (2023: AED 7 million) is under lien in respect of bank credit facilities granted to the Company.

For the purposes of statement of cash flows, cash and cash equivalents include cash on hand and in bank net of fixed deposits with maturity over three months from date of placement. Cash and cash equivalents at the end of the year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2024 AED	2023 AED
Bank balances and cash	181,489,159	94,764,274
Deposit under lien	(12,315,000)	(7,000,000)
Fixed deposits with maturity over 3 months	(44,271,515)	(47,626,486)
	124,902,644	40,137,788

15 Share capital

The authorised and issued share capital comprises 1,331,000 fully paid-up shares of AED 100 each:

	2024 No of shares	2024 AED	2023 No of shares	2023 AED
Balance at 31 December	1,331,000	133,100,000	1,331,000	133,100,000

16 Reserve

Statutory reserve

In accordance with the Company's Articles of Association and Article 241 of the Federal Law No. 32 of 2021, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable statutory reserve. As per the Company's Articles of Association, such transfers are required until the balance in the statutory reserve equals 50% of the Company's paid-up share capital. Accordingly, Company has transferred AED 2.5 Million during the year. (2023: Nil).

16 Reserve (continued)

General reserve

The Company has established a General reserve by appropriation of 10% of profit for each year. Appropriation to the General reserve may be stopped by the Shareholders' General Assembly based on recommendation from the Board of Directors. This reserve is distributable based on a recommendation by the Board of Directors and Shareholders' approval. Accordingly, the Company has transferred AED 2.5 million during the year (2023: Nil).

Reinsurance reserve

In accordance with Article 34 of the Insurance Authority's Board of Directors Decision No. (23) of 2019, the Company has transferred AED 0.637 million from 'Retained earnings/ (accumulated losses)' to the 'Reinsurance Reserve' being 0.5% of the total insurance premium ceded to reinsurers during the year ended 31 December 2024 (year ended 31 December 2023: AED 0.413 million). The Company shall accumulate such provision year on year and shall not dispose of the reserve without the written approval of the assistant governor of the banking and insurance supervision department within CBUAE.

17 Provision for employees' end of service benefits

	2024	2023
	AED	AED
Balance at 1 January	15,577,401	20,265,551
Charge for the year	2,646,448	1,422,676
Payments during the year	(496,330)	(1,602,572)
Transferred (ex-gratia) *	-	(4,508,254)
Balance at 31 December	17,727,519	15,577,401

*As per UAE Law the in all cases, the total gratuity shall not exceed the wage of two years. However, its Company policy that the employees who have long association with the Company they will be provided ex-gratia allowance for the long services.

18 Insurance service expenses

For the year ended 31 December 2024	Life and medical	General	Motor	Total
	AED	AED	AED	AED
Incurred claims and other expenses	65,738,381	66,369,347	139,084,551	271,192,279
Amortisation of insurance acquisition cash flows	9,400,974	1,910,518	1,747,788	13,059,280
Losses on onerous contracts	-	(568)	-	(568)
Changes to liabilities for incurred claims	25,622,797	2,728,089	102,964,171	131,315,057
	100,762,152	71,007,386	243,796,510	415,566,048
For the year ended 31 December 2023				
Incurred claims and other expenses	42,594,637	41,223,414	123,777,199	207,595,250
Amortisation of insurance acquisition cash flows	2,637,005	3,458,557	(734,815)	5,360,747
Losses on onerous contracts	3,611,840	189,615	9,452,447	13,253,902
Changes to liabilities for incurred claims	15,846,500	(16,474,371)	36,179,196	35,551,325
	64,689,982	28,397,215	168,674,027	261,761,224

19 Investments and other income

	2024 AED	2023 AED
Dividends from financial investments	10,395,309	8,123,142
Interest on fixed deposits	7,912,946	3,507,596
Gain from change in fair value of investment properties (note 6)	1,057,075	2,474,425
Gain on disposal of financial investments	10,064,568	1,678,785
Other income	391,137	1,171,432
Net income from investment properties	1,678,229	662,884
Gain on disposal of property and equipment	40,859	63,184
Gain/ (loss) from change in fair value of financial investments at FVTPL (note 7)	1,342,773	(3,574,576)
Amortisation of premium on amortised cost debt investments	(101,496)	-
	32,781,400	14,106,872

The investment income is allocated to general and motor segment.

20 Other operating expenses

	2024 AED	2023 AED
Staff cost	4,180,892	7,444,647
Depreciation	552,072	2,985,833
Rent	242,477	2,444,376
Policy registration and printing	315,819	271,901
Business promotion and social contributions	296,156	91,223
Insurance	21,026	10,247
Other expenses*	2,892,766	633,580
	8,501,208	13,881,807

*Other expenses include directors' remuneration of AED 1.5 million.

21 Basic and diluted earnings/ (loss) per share after tax

	2024 AED	2023 AED
Profit/ (loss) for the year after tax (AED)	25,025,457	(7,979,234)
Weighted average number of shares	1,331,000	1,331,000
Earnings/ (loss) per share after tax (AED) - basic and diluted	18.80	(5.99)

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) after tax for the period by the number of weighted average shares outstanding during the year. Diluted profit/ (loss) per share is equivalent to basic profit/ (loss) per share as the Company did not issue any new instrument that would impact earnings/ (loss) per share when executed.

22 Commitments and contingencies

	2024 AED	2023 AED
Letter of guarantee	20,670,500	22,125,674

23 Risk management

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 carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The 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.

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 territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

The reinsurance arrangements include excess and catastrophe coverage. The Company has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once in 3 years and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Company actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

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

23 Risk management (continued)

Frequency and severity of claims (continued)

	As at 31 December 2024		
	Gross AED	Reinsurance AED	Net AED
Life and medical	91,505,754	(29,302,686)	62,203,068
General	133,822,989	(110,036,434)	23,786,555
Motor	244,031,215	(25,712,196)	218,319,019
Total	469,359,958	(165,051,316)	304,308,642

	As at 31 December 2023		
	Gross AED	Reinsurance AED	Net AED
Life and medical	32,994,593	(13,754,259)	19,240,334
General	101,123,940	(87,740,962)	13,382,978
Motor	193,231,062	(4,560,678)	188,670,384
Total	327,349,595	(106,055,899)	221,293,696

Insurance risks

The Company accept insurance risk through its written insurance contracts. The Company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Company write the following types of general insurance contracts:

- Property insurance
- Motor insurance
- Marine insurance
- General insurance

The principal risk the Company face under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Company only issue short term insurance contracts in connection with property, motor, marine and general accident risks.

Frequency and amounts of claims

The Company has developed its underwriting strategy to diversify the type of insurance risks accepted and within each of the categories to achieve sufficiently large populations of risk to reduce the variability of the expected outcome. The frequency and amounts of claims can be affected by several factors. The Company underwrites mainly property, motor, general accident and marine risks. These are regarded as short- term insurance contracts as claims are normally advised and settled within one year of the insured event taking.

23 Risk management (continued)

Insurance risks (continued)

Property

Property insurance covers a diverse collection of risks and therefore property insurance contracts are subdivided into four risk groups: fire, business interruption, weather damage and theft.

These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured. The cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruptions are the key factors that influence the level of claims under these policies. The greatest likelihood of significant losses on these contracts arises from fire, storm, flood damage or other weather-related incidents.

Motor

Motor insurance contracts are designed to compensate contract holders for damage suffered to vehicles, liability to third parties arising through accidents and fire or theft of their vehicles. Underwriting limits and guidelines are in place to enforce appropriate risk selection criteria. The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

Marine

Marine insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes. The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

General accident

For general accident class of business, such as workmen's compensation, personal accident, general third party liability, medical and loss of money, the extent of loss or damage and the potential court awards are the main factors that influence the level of claims.

The Company manage these 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. Underwriting limits are in place to enforce appropriate risk selections. The Company proactively manage and pursue early settlement of claims to reduce its exposure to unpredictable developments.

The Company has adequate reinsurance arrangements to protect its financial viability against such claims for all classes of business.

The Company has obtained adequate non-proportionate reinsurance cover for all classes of business to limit losses of the Company to an amount considered appropriate by the management.

Reinsurance

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect capital resources.

The Company, in the normal course of business, enter into agreements with other parties for reinsurance purposes. Such reinsurance arrangements provide for greater diversification of business, allow management to control exposure to potential losses arising from large risks, and provide additional capacity for growth. A significant portion of the reinsurance is effected under treaty, facultative and excess of loss reinsurance contracts.

23 Risk management (continued)

Insurance risks (continued)

Sensitivity of underwriting profit and losses

The Company has exposures to risks in each class of business that may develop and that could have a material impact upon the Company' financial position. The geographical and insurance risk diversity within the Company' portfolio of issued insurance policies makes it impossible to predict whether material developments will occur and, if they do occur, the location and timing of such occurrences. The Company evaluate the concentration of exposures to individual and cumulative insurance risk and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

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 element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the 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 reporting date.

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

23 Risk management (continued)

Insurance risks (continued)

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

The initial estimate of loss ratios Used for the current year before and after reinsurance are analyses below by line of business where the insured operates for current and prior year premium earned.

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	Gross loss ratio	Net loss ratio	Gross loss ratio	Net loss ratio
Life and medical	60%	35%	90%	69%
General	72%	22%	24%	24%
Motor	83%	75%	75%	76%

The Company believes that the claims liabilities under insurance contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact net underwriting income/ (loss) as follows:

	For the year ended 31 December	
	2024 AED	2023 AED
Impact of change in loss ratio by 1%		
Life and medical	617,024	369,629
General	135,143	127,459
Motor	2,099,551	1,508,107
	2,851,718	2,005,195

Process used to decide on assumptions

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Company's quarterly claims reports and review of the actual insurance contracts carried out at the reporting date 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

Substantially all of the Company's underwriting activities are carried out in the United Arab Emirates. In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purpose.

23 Risk management (continued)

Insurance risks (continued)

Concentration of insurance risk (continued)

To minimise its exposure to significant losses from reinsurer insolvencies, the Company primarily deals with reputed counter parties and monitors the receivable position from these parties on regular basis.

Reinsurance risk

To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers. Reinsurance ceded contracts do not relieve the 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.

Sensitivity of underwriting profit and losses

The contribution by the insurance operations in the profit of the Company amounts to AED 2.58 million for the year ended 31 December 2024 (2023: loss of AED 8.20 million). 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 75% (2023: 63%) and the same is mainly contributed by one class of business i.e., Motor line wherein the retention level is 96% (2023: 97%). However, in this class the liabilities are adequately covered by excess of loss reinsurance programs to guard against major financial impact.

The Company has net commission incurred of AED 6.6 million (2023: AED 7.6 million). Commissions earned arise primarily from the reinsurance placements and are a consistent and recurring source of income.

Financial risk

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and equity price risk.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

Foreign currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is fixed.

Interest rate risk

The Company's exposure to interest rate risk relates to its bank deposits. At 31 December 2024, bank deposits carried interest rates ranging from 3% to 5.8% per annum (2023: 3% to 6% per annum).

The Company's exposure to interest rate risk related to its investments. The Company has investments in bonds carrying interest rates ranging from 4.8% to 8%.

The Company's sensitivity to interest rates has not changed significantly from the prior year.

The Company generally manages to minimize the interest rate risk by closely monitoring the market interest rates and investigating those financial assets in which such risk is expected to be minimal.

23 Risk management (continued)

Financial risk (continued)

Interest rate risk (continued)

The Company is exposed to interest rate risk on:

i) Liability for incurred claims; and

ii) Amounts recoverable from reinsurance for incurred claims

The below table shows the impact of 1% change in risk adjustment and discounting on liability for incurred claims and assets for incurred claims:

31 December 2024	Impact on profit gross of reinsurance	Impact on profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
Risk Adjustment				
1% Increase	(2,127,597)	29,920	(2,127,597)	29,920
1% Decrease	2,127,597	(29,920)	2,127,597	(29,920)
Discounting				
1% Increase	1,581,681	(143,128)	1,581,681	(143,128)
1% Decrease	(1,581,681)	143,128	(1,581,681)	143,128
31 December 2023				
Risk Adjustment				
1% Increase	1,683,608	500,711	1,683,608	500,711
1% Decrease	(1,683,608)	(500,711)	(1,683,608)	(500,711)
Discounting				
1% Increase	1,254,490	(368,828)	1,254,490	(368,828)
1% Decrease	(1,281,595)	379,644	1,281,595	379,644

Credit risk

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

Key areas where the Company is exposed to credit risk are:

- reinsurers’ share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries;

The Company has adopted a policy of 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.

23 Risk management (continued)

Financial risk (continued)

Credit risk (continued)

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 policyholder. The creditworthiness of reinsurers 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 provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Company.

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

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks registered in the United Arab Emirates.

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.

Below table presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting period based on Moodys' rating or its equivalent for the main banking relationships;

	As at 31 December	
	2024	2023
	AED	AED
A	51,842,452	24,063,247
AA	27,863,187	22,559,670
BBB	101,123,830	47,503,368
Unrated	659,690	637,989
	181,489,159	94,764,274

The Company's financial assets at FVTOCI & FVTPL are held across various countries. The table next page presents and analysis of financial assets at FVTOCI & FVTPL by rating agency designation at the end of the reporting period based on Moody's rating or equivalent:

23 Risk management (continued)

Financial risk (continued)

Credit risk (continued)

	As at 31 December	
	2024	2023
	AED	AED
A	77,842,733	61,058,407
AA	23,185,027	18,882,257
B	16,351,357	3,715,499
BB	8,834,247	6,788,993
BBB	118,894,440	152,019,294
Unrated	95,730,486	91,212,048
	340,838,290	333,676,498

Market 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 price risk with respect to their quoted investments. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Company actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees.

Sensitivity analysis

At the reporting date if the investments prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant the Company's:

- (Losses)/profit would have increased/ (decreased) by AED 6.9 million (2023: AED 5.3 million) in the case of financial investments at FVTPL.
- Other comprehensive income would have increased/ (decreased) by AED 20.1 million (2023: AED 28.1 million) in the case of financial investments designated at FVTOCI.

Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk as at the reporting date.
- As at the reporting date if investments prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on profit or loss and other comprehensive income has been shown on previous page.
- A 10% change in investments prices has been used to give a realistic assessment as a plausible event.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities at maturity date. Ultimate responsibility for liquidity risk management rests with the management, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

23 Risk management (continued)

Financial risk (continued)

Liquidity risk (continued)

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 to ensure that funds are available to meet its commitments for liabilities as they fall due.

The table below page summarises the maturity profile of the Company's financial assets, financial liabilities, insurance contract liabilities and reinsurance contracts assets held. The maturity analysis has been presented on a contractual undiscounted cash flow basis except for insurance contract liabilities and reinsurance contract assets held which have been presented on their expected cash flows.

The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained.

	Less than 1 year	1-5 years	5+ years	No Maturity	Total
	AED	AED	AED	AED	AED
31 December 2024					
Financial assets					
At fair value through OCI	6,858,536	4,313,011	18,460,652	171,414,690	201,046,889
At fair value through profit or loss	-	-	-	69,427,306	69,427,306
At amortised cost	-	52,205,885	18,158,210	-	70,364,095
Statutory deposit	-	-	-	10,000,000	10,000,000
Other receivables	17,717,406	-	-	-	17,717,406
Bank balance and cash – non interest bearing	44,502,586	-	-	-	44,502,586
Bank balance and cash – interest bearing	136,986,573	-	-	-	136,986,573
	206,065,101	56,518,896	36,618,862	250,841,996	550,044,855
Financial liabilities					
Other payables	20,976,342	-	-	-	20,976,342

	Less than 1 year	1-5 years	5+ years	No Maturity	Total
	AED	AED	AED	AED	AED
31 December 2023					
Financial assets					
At fair value through OCI	14,696,369	14,674,373	15,692,451	235,796,709	280,859,902
At fair value through profit or loss	-	-	-	52,816,596	52,816,596
Statutory deposit	-	-	-	10,000,000	10,000,000
Other receivables	18,526,512	-	-	-	18,526,512
Bank balance and cash – non interest bearing	25,298,764	-	-	-	25,298,764
Bank balance and cash – interest bearing	69,465,510	-	-	-	69,465,510
	127,987,155	14,674,373	15,692,451	298,613,305	456,967,284
Financial liabilities					
Other payables	15,447,544	-	-	-	15,447,544

23 Risk management (continued)

Financial risk (continued)

Liquidity risk (continued)

	Less than 1 year	1-5 years	5+ years	Total
	AED	AED	AED	AED
31 December 2024				
Reinsurance contract assets	138,559,740	26,240,916	250,660	165,051,316
Insurance contract liabilities	370,582,849	97,834,045	943,065	469,359,958
31 December 2023				
Reinsurance contract assets	(3,268,957)	109,313,097	11,759	106,055,899
Insurance contract liabilities	213,831,824	113,334,187	183,584	327,349,595

24 Capital risk management

The Company's objective when managing capital risks are:

- to comply with the insurance capital requirements required by UAE Federal Law No. 6 of 2007. The Company manages its capital on a basis of its minimum regulatory capital position presented in the table below:
- 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.

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table on the below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these solvency margins as defined in the Regulations.

24 Capital risk management (continued)

	31 December 2024 AED '000'	31 December 2023 AED '000'
Minimum Capital Requirement (MCR)	100,000	100,000
Basic Solvency Capital Required (BSCR)		
Underwriting Risk - Property and Liability Insurance	36,339	28,458
Underwriting Risk - Life Insurance	624	525
Underwriting Risk - Health Insurance	13,199	2,380
Investment Risk	89,314	100,387
Credit Risk	27,239	18,905
Basic Solvency Capital Required (BSCR)	115,022	113,629
Operational Risk	24,747	14,163
Solvency Capital Requirement (SCR)	139,769	127,792
Minimum Guarantee Fund (MGF)	82,221	59,891
Basic Own Funds	203,600	191,230
MCR Solvency Margin - Surplus	103,600	91,230
SCR Solvency Margin - Surplus	63,831	63,438
MGF Solvency Margin - Surplus	121,379	131,339
Solvency Ratio (Basic Own Funds/ MGF)	248%	319%
Solvency Ratio (Basic Own Funds/ MCR)	204%	191%
Solvency Ratio (Basic Own Funds/ SCR)	146%	150%

Based on the Central Bank of UAE regulatory requirements, the minimum regulatory capital required is AED 100 million (31 December 2023: AED 100 million) against which the paid up capital of the Company is AED 133.1 million (31 December 2023: AED 133.1 million).

The Company and its individually regulated operations have complied with all externally imposed capital requirements throughout the year. There have been no changes in the Company's management of capital during the year.

25 Segment information

The Company is organised into two segments: Life and Medical as one segment and Motor and General as the other segment.

These segments are the basis on which the Company reports its primary segment information to the Chief Executive Officer. Insurance revenue represent the total income arising from insurance contracts. The Company does not conduct any business outside the UAE. There are no transactions between the business segments.

The analysis on the below shows Company's statement of profit or loss classified by major segments:

For the year ended 31 December 2024	Life and medical AED	Motor and general AED	Total AED
Insurance revenue	118,094,482	302,536,376	420,630,858
Insurance service expenses	(100,762,152)	(314,803,896)	(415,566,048)
Insurance service result before reinsurance contracts held	17,332,330	(12,267,520)	5,064,810
Allocation of reinsurance premiums	(55,670,458)	(71,044,978)	(126,715,436)
Amounts recoverable from reinsurance for incurred claims	46,835,238	79,992,725	126,827,963
Net expenses from reinsurance contracts held	(8,835,220)	8,947,747	112,527
Net reinsurance finance (expense)/income for reinsurance contracts held	1,041,873	(3,640,386)	(2,598,513)
Insurance service result	9,538,983	(6,960,159)	2,578,824
Income from investment	-	32,781,400	32,781,400
Other operating expenses	-	(8,501,208)	(8,501,208)
Profit for the period before tax	9,538,983	17,320,033	26,859,016

25 Segment information (continued)

For the year ended 31 December 2023	Life and medical AED	Motor and general AED	Total AED
Insurance revenue	60,154,637	222,028,952	282,183,589
Insurance service expenses	(64,689,982)	(197,071,242)	(261,761,224)
Insurance service result before reinsurance contracts held	(4,535,345)	24,957,710	20,422,365
Allocation of reinsurance premiums	(23,509,245)	(47,561,625)	(71,070,870)
Amounts recoverable from reinsurance for incurred claims	28,083,965	14,767,126	42,851,091
Net expenses from reinsurance contracts held	4,574,720	(32,794,499)	(28,219,779)
Net reinsurance finance (expense)/income for reinsurance contracts held	(1,338,704)	931,819	(406,885)
Insurance service result	(1,299,329)	(6,904,970)	(8,204,299)
Income from investment	-	14,106,872	14,106,872
Other operating expenses	-	(13,881,807)	(13,881,807)
Loss for the period	(1,299,329)	(6,679,905)	(7,979,234)

The following is an analysis of the Company's assets, liabilities and equity classified by segment:

As at 31 December 2024	Life and medical AED	Motor and General AED	Total AED
Total assets	70,094,451	765,471,083	835,565,534
Total equity	8,330,445	295,533,194	303,863,639
Total liabilities	61,764,006	469,937,889	531,701,895
As at 31 December 2023			
Total assets	37,510,470	633,321,954	670,832,424
Total equity	(1,208,538)	302,775,422	301,566,884
Total liabilities	38,719,008	330,546,532	369,265,540

25 Segment information (continued)

Gross premium

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

31 December 2024	Life and Medical AED	General AED	Motor AED	All types of Business Combined AED
Direct Written Premiums	179,243,991	66,266,251	269,174,318	514,684,560
Assumed Business				
Local	2,045,165	389,793	-	2,434,958
Total Assumed Business	2,045,165	389,793	-	2,434,958
Gross Written Premiums	181,289,156	66,656,044	269,174,318	517,119,518
31 December 2023				
Direct Written Premiums	68,325,983	94,304,206	190,739,674	353,369,863
Assumed Business				
Local	1,271,632	492,222	-	1,763,854
Total Assumed Business	1,271,632	492,222	-	1,763,854
Gross Written Premiums	69,597,615	94,796,428	190,739,674	355,133,717

26 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

26 Fair value measurement (continued)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	Fair value as at 31 December 2024 AED	31 December 2023 AED	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Quoted equity investments – FVTOCI	94,954,357	133,184,511	Level 1	Quoted bid prices in an active market.	None.	NA
Mutual funds	54,840,392	94,434,301	Level 3	Net assets value	Net assets value.	Higher the net assets value of the investees, higher the fair value.
Unquoted equity investments – FVTOCI	49,897,903	51,193,364	Level 3	Adjusted net assets value	Net assets value.	Higher the net assets value of the investees, higher the fair value.
Quoted equity investments – FVTPL	69,427,306	52,816,596	Level 1	Quoted bid prices in an active market.	None.	NA
Quoted Debt Securities – FVTOCI	1,410,776	2,091,870	Level 1	Quoted bid prices in an active market.	None.	NA
Quoted debt securities – Amortized cost	70,364,095	-	Level 1	Quoted bid prices in an active market.	None	NA

27 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the financial statements as at and for the year ended 31 December 2024.