Union Insurance Company P.J.S.C.

Independent Auditor's Report and Financial Statements
For the year ended 31 December 2024

Union Insurance Company P.J.S.C.

Table of contents

الاتحاد للتأمين
UNIONINSURANCE

Dear Shareholders,

On behalf of the Board of Directors of Union Insurance Company P.J.S.C., we are pleased to present our Annual Report for the year ended 31st December 2024. This report provides an overview of the company's financial and operational performance, key strategic initiatives, and future outlook.

1. Strategic Overview

Despite global economic challenges and evolving regulatory frameworks, Union Insurance Company P.J.S.C. has remained resilient and adaptive throughout 2024. The company continued to strengthen its market position by enhancing operational efficiencies and implementing customer-centric strategies.

The adoption of IFRS 17 for the second consecutive year has reinforced financial transparency and performance assessment. Our focus remains on sustainable growth, risk management, and technological innovation, all of which support our long-term financial stability.

2. Key Financial Performance Indicators

In compliance with the UAE Central Bank regulations, the company continues to maintain technical reserves as recommended by the appointed actuary. The company's financial strength and stability were reaffirmed by Fitch Ratings, which assigned Union Insurance Company P.J.S.C. a first-time Insurer Financial Strength (IFS) Rating of "BBB" with a Positive Outlook.

According to Fitch's latest report, "The Positive Outlook reflects the anticipated improvement in financial performance due to management actions aimed at enhancing underwriting profitability. The rating reflects the company's strong capital base, efficient performance, and robust reinsurance protection."

3. Financial Results for 2024

- Gross Premium: AED 654.7 million (2023: AED 726.7 million)
- Insurance Revenue: AED 591.4 million (2023: AED 633.5 million)
- Insurance Service Result: AED 28.6 million (2023: AED 1.2 million)
- Investment Income: AED 19.7 million (2023: AED 17.2 million)
- Net Profit after Tax: AED 38.3 million (2023: Net Loss of AED 2.5 million)
- Total Equity (31/12/2024): AED 243.3 million (2023: AED 205.0 million)
- Total Assets (31/12/2024): AED 1.514 billion (2023: AED 1.457 billion)

4. **Corporate Governance and Risk Management**

The Board of Directors remains committed to maintaining strong corporate governance standards in line with international best practices. The company continues to enhance its Enterprise Risk Management (ERM) framework to mitigate potential risks and improve capital allocation.

5. **Strategic Initiatives and Future Outlook**

In 2024, the company pursued various strategic initiatives, including:

- Digital transformation to improve customer experience and streamline operations.
- Partnership initiatives and acquisition of new customers to enhance market presence and service offerings.
- Integration of sustainability, environmental, social, and governance (ESG) factors into business strategies to align with global best practices.

Looking ahead, the company will focus on profitable growth, disciplined underwriting, and leveraging innovation to create long-term value for shareholders.

6. **Dividend Policy**

The Board has resolved not to distribute cash dividends for the year 2024. This decision aligns with our long-term strategy to strengthen capital reserves and ensure sustainable financial health.

7. **Acknowledgments**

The Board of Directors extends its sincere appreciation and gratitude to all shareholders, clients, and business partners for their continued support. We also express our deep appreciation to the company's management and employees for their dedication and commitment to the company's success.

We look forward to another successful year ahead, God willing.

For and on behalf of the Board of Directors

شركة الاتحاد للتأمين ش.م.ع
Union Insurance Co. P.S.C.
21

Chairman of the Board
Nasser Rashid Abdulaziz Almoalla

Grant Thornton Audit & Accounting Limited
- SHJ BR

Floor 5
City Gate Tower
Al Ittihad St, Al Mamzar
Sharjah

T +971 6 525 9691
F +971 6 525 9690
www.grantthornton.ae

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Union Insurance Company P.J.S.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Union Insurance Company P.J.S.C. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of other comprehensive income, statement of changes in shareholders' 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 present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements of 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 Company for the year ended 31 December 2024. 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.

GrantThornton

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Union Insurance Company P.J.S.C. (continued)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of Insurance Contract Liabilities and Reinsurance Contract Assets	
As at 31 December 2024, the Company's Insurance Contract Liabilities and Reinsurance Contract Assets are valued at AED 818.8 million and AED 612.2 million, respectively. (Refer to note 14). Valuation of these Insurance contract liabilities and Reinsurance contract assets involves significant judgements and estimates, particularly with respect to the eligibility of measurement models and estimation of the present value of future cash flows. These cash flows and liabilities primarily include expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cashflows, which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure the appropriateness of discount rates, methodology, assumptions and data used to determine the estimated present value of future cash flows. As a result of the above factors, we consider the valuation of these insurance contract liabilities and reinsurance contract assets as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: - Understood and evaluated the process, the design and implementation of controls in place to determine valuation of Insurance contract liabilities and Reinsurance contract assets; - Assessed the competence, capabilities and objectivity of the management's appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; - Independently reperformed the calculation to assess the mathematical accuracy of the Insurance contract liabilities and Reinsurance Contract Assets on selected classes of business, particularly focusing on largest and most uncertain reserves; and - Evaluated and tested the calculation of the allowance for expected credit loss allowance including the data, key assumptions and judgments used.

Other Information

Management and directors are 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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Union Insurance Company P.J.S.C. (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of the Management and the 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 UAE Federal Decree Law No. (32) of 2021, and UAE Federal Law No. (48), 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 judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced 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.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Union Insurance Company P.J.S.C. (continued)

Report on the Audit of the Financial Statements (continued)

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

We communicate to 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 to 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 and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, we report that:

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

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

iii) The Company has maintained proper books of account;

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

v) investments in shares and stocks during the year ended 31 December 2024, are disclosed in note 6 to these financial statements;

vi) Note 11 to the financial statements discloses material related party transactions and balances, and the terms under which they were conducted;

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

viii) The Company did not make any social contribution during the year ended 31 December 2024 as disclosed in note 27.

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.

GRANT THORNTON UAE

جرانت ثورنتون للمحاسبة والمراجعة المحدودة
فرع الشارقة
P.O. Box: 1968
Sharjah - U.A.E.
GRANT THORNTON
Audit and Accounting Limited (Sharjah Branch)

Farouk Mohamed
Registration No: 86
Sharjah, United Arab Emirates

March 19, 2025

Union Insurance Company P.J.S.C.

Statement of financial position
As at 31 December 2024

	Notes	31 December 2024 AED'000	31 December 2023 AED'000 (Restated)
Assets			
Property and equipment	5	3,890	64,195
Intangible assets	17	2,574	3,141
Right-of-use-assets	24.1	912	3,864
Unit-linked assets	6.3	359,176	403,157
Investment securities	6	47,091	72,288
Statutory deposit	7	10,000	10,000
Reinsurance contract assets	14	612,333	524,829
Other receivables	16	55,161	42,966
Bank deposits with original maturities of more than three months	8.1	408,993	294,570
Cash and cash equivalents	8	13,920	38,285
Total assets		1,514,050	1,457,295
Equity and liabilities			
Equity			
Share capital	9	330,939	330,939
Statutory reserve	10.1	21,851	18,020
Special reserve	10.2	21,851	18,020
Fair value reserve	10.3	168	163
Reinsurance reserve	10.4	11,274	9,525
Accumulated losses		(142,745)	(171,641)
Total equity		243,338	205,026
Liabilities			
Provision for employees' end of service benefits	25	12,158	13,954
Insurance contract liabilities	14	818,806	763,770
Reinsurance contract liabilities	14	1,563	1,065
Other payables	18	113,579	103,196
Unit-linked liabilities	13	324,606	370,284
Total liabilities		1,270,712	1,252,269
Total equity and liabilities		1,514,050	1,457,295

To the best of our knowledge, the financial information present fairly in all material respects the financial condition, results of operation and cash flows of the Company as of, and for the year ended 31 December 2024. The financial information was approved by the Board of Directors and signed on their behalf by:

Nasser Rashid Abdulaziz Almoalla
Chairman

Ramez Abou Zaid
Chief Executive Officer

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Union Insurance Company P.J.S.C.

Statement of profit or loss
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Insurance revenue	19	**591,417**	633,537
Insurance service expenses	20	**(522,646)**	(428,480)
Insurance service result before reinsurance contracts held		**68,771**	205,057
Allocation of reinsurance premiums		**(338,713)**	(386,240)
Amounts recoverable from reinsurance for incurred claims		**298,563**	182,397
Net expenses from reinsurance contracts held		**(40,150)**	(203,843)
Insurance service result		**28,621**	1,214
Interest income		**17,036**	13,430
Net gain on financial assets at FVTPL		**716**	1,254
Other investment income		**1,982**	2,529
Total investment income	22	**19,734**	17,213
Insurance finance expenses from insurance contracts issued	21	**(18,609)**	(20,895)
Reinsurance finance income from reinsurance contracts held	21	**13,435**	23,064
Net insurance financial result		**(5,174)**	2,169
Net insurance and investment results		**43,181**	20,596
Other operating expenses - net	23	**(1,123)**	(23,075)
Profit/(loss) for the year before tax		**42,058**	(2,479)
Income tax expense	33	**(3,751)**	-
Profit/(loss) for the year after tax		**38,307**	(2,479)
Basic and diluted earnings/(loss) after tax per share	26	**0.116**	(0.007)

The accompanying notes from 1 to 36 form an integral part of these financial statements.

Union Insurance Company P.J.S.C.

Statement of other comprehensive income
For the year ended 31 December 2024

	2024 AED'000	2023 AED'000
Profit/(loss) for the year after tax	**38,307**	(2,479)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Change in fair value of equity investments held at fair value through other comprehensive income – net of tax	**5**	(3)
Other comprehensive income/(loss) for the year	**5**	(3)
Total Comprehensive Income/(Loss) for the Year	**38,312**	(2,482)

The accompanying notes from 1 to 36 form an integral part of these financial statements.

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

	Share capital AED'000	Statutory reserve AED'000	Special reserve AED'000	Reinsurance reserve AED'000	Fair value reserve AED'000	Accumulated losses AED'000	Total AED'000
Balance as at 1 January 2023	330,939	18,020	18,020	7,406	166	(167,043)	207,508
Loss for the year	-	-	-	-	-	(2,479)	(2,479)
Other comprehensive loss for the year	-	-	-	-	(3)	-	(3)
Total comprehensive loss for the year	-	-	-	-	(3)	(2,479)	(2,482)
Transfer to reinsurance reserve	-	-	-	2,119	-	(2,119)	-
Balance as at 31 December 2023	330,939	18,020	18,020	9,525	163	(171,641)	205,026
Balance as at 1 January 2024	330,939	18,020	18,020	9,525	163	(171,641)	205,026
Profit for the year after tax	-	-	-	-	-	38,307	38,307
Other comprehensive income for the year	-	-	-	-	5	-	5
Total comprehensive income for the year	-	-	-	-	5	38,307	38,312
Transfer to reinsurance reserve	-	-	-	1,749	-	(1,749)	-
Transfer to statutory reserve	-	3,831	-	-	-	(3,831)	-
Transfer to special reserve	-	-	3,831	-	-	(3,831)	-
Balance as at 31 December 2024	**330,939**	**21,851**	**21,851**	**11,274**	**168**	**(142,745)**	**243,338**

The accompanying notes from 1 to 36 form an integral part of these financial statements

Union Insurance Company P.J.S.C.

Statement of cash flows
For the year ended 31 December 2024

	Notes	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit/(loss) for the year before tax		**42,058**	(2,479)
Adjustments for:			
Depreciation and amortisation		**5,200**	10,251
(Gain)/loss on disposal of property and equipment		**(14,215)**	1,298
Gain on disposal of investments at FVTPL	22	**275**	(833)
Write-off of CWIP		**-**	673
Unrealised gain on investments at FVTPL	22	**(716)**	(421)
Interest income	22	**(17,036)**	(13,430)
Dividend income	22	**(3,016)**	(3,540)
Interest on lease liabilities	24.2	**147**	356
Provision for employees' end of service benefits		**1,762**	2,031
Operating cash flows before changes in working capital		**14,459**	(6,094)
Change in:			
Reinsurance contract assets		**(87,006)**	84,148
Insurance contract assets		**-**	6,395
Other receivables		**(12,195)**	4,165
Reinsurance contract liabilities		**-**	(5,290)
Insurance contract liabilities		**55,036**	(54,597)
Other payables		**9,726**	27,720
Unit-linked assets		**43,981**	(53,544)
Unit-linked liabilities		**(45,678)**	39,489
Cash (used in) / generated from operating activities		**(21,677)**	42,392
Employees' end of service indemnity paid	25	**(3,558)**	(2,501)
Net cash (used in)/generated from operating activities		**(25,235)**	39,891
Cash flows from investing activities			
Purchase of property and equipment and intangible assets		**(586)**	(926)
Proceeds from sale of property and equipment		**73,425**	17
Purchase of investments held at FVTPL (excluding unit linked assets)	6.4	**(4,485)**	(8,942)
Proceeds from disposal of investments held at FVTPL (excluding unit linked assets)	6.4	**30,128**	14,684
Interest received		**17,036**	13,430
Dividend received		**3,016**	3,540
Maturities of fixed deposits with banks with original maturities greater than three months		**(114,423)**	(225,682)
Net cash generated from/(used) in investing activities		**4,111**	(203,879)
Cash flows from financing activity			
Payment of lease liabilities	24.2	**(3,241)**	(3,394)
Net cash used in financing activity		**(3,241)**	(3,394)
Net change in cash and cash equivalents		**(24,365)**	(167,382)
Cash and cash equivalents at the beginning of the year	8.1	**38,285**	205,667
Cash and cash equivalents at the end of the year	8.1	**13,920**	38,285

The accompanying notes from 1 to 36 form an integral part of these financial statements

1. General information

Union Insurance Company P.J.S.C. (the "Company") is incorporated as a public shareholding company and operates in the United Arab Emirates ("UAE") under a trade license issued by the Government of Dubai. The Company is registered under the UAE Federal Decree Law No. (32) of 2021, relating to commercial companies. The Company is subject to the regulations of the U.A.E. Federal Law No. (48) of 2023, issued by the Central Bank of UAE. The Company is registered with the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") under registration number 67. The Company's registered corporate office is at Single Business Tower, Sheikh Zayed Road, P.O. Box 119227, Dubai, United Arab Emirates ("UAE"). The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange ("ADX").

The principal activity of the Company is the writing of insurance of all types including life assurance. The Company operates through its Head Office in Dubai and Branch Offices in Abu Dhabi, Dubai, Sharjah, Ajman, and Ras Al Khaimah. This financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including the UAE Federal Decree Law No. (32) of 2021.

2. Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that have been measured at revalued amounts, amortised cost or fair value and the provision for employees' end of service indemnity, which is calculated in line with UAE labour laws.

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). 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 concerning Insurance Law issued by the Central Bank of the UAE ("CBUAE").

2.2 Going concern

The validity of the going concern assumptions is dependent upon future operations and ability of the Company to generate sufficient cash flows to meet its future obligations. The Company has sufficient cash balances as of 31 December 2024 and future plans indicate that the Company will be profitable and will generate sufficient cash flows.

The Company's directors are, therefore, confident that the Company will be able to meet its liabilities as and when they fall due and to carry on its business without a significant curtailment of operations. Accordingly, these financial statements have been prepared on a going concern.

2. Basis of preparation (continued)

2.3 Accumulated losses

As at 31 December 2024, the Company's accumulated losses represent 43.13% of the share capital of the Company (31 December 2023: 51.86%). Article 309 of the Federal Decree Law No. 32 of 2021 requires a Company to conduct a meeting of general assembly in case the accumulated losses exceed 50% of a Company's share capital. Accordingly, the Company conducted a general assembly meeting on 11 January 2024 and passed a resolution for continuity of the Company's operations. Further, as per the requirement of this law, the Company has prepared a business plan and submitted it to Securities and Commodities Authority (SCA), along with the reasons for the accumulated losses. A summary of the accumulated losses and Company's strategy to counter the accumulated losses is provided below:

History of accumulated losses:

- **Provision for real estate properties** – An amount of AED 72.3 million represents a provision made during the year ended 31 December 2021 for investment properties purchased from a former related party who failed to fulfil its obligations, in relation to the said asset. A legal action is underway to recover Company's rights under this transaction.

- **Impairment of freehold land** – A decline in the fair value of the freehold land by AED 22.83 million during the year ended 31 December 2021. Originally the land was recorded at AED 82.04 million. Subsequently, an impairment loss was booked due to the decline in the fair value of the land to AED 59.21 million in the prior years.

- **Doubtful receivables from a former related party** – A provision made amounting to AED 26.20 million during the year ended 31 December 2019. This is related to receivables from a former related party, the Company filed a lawsuit in order to recover the amount, however, the lawsuit was not accepted as it was time barred.

- **Initial adoption of IFRS 17 and IFRS 9** - Accumulated losses increased by AED 35.7 million due to the implementation of IFRS 17, which is effective for annual periods starting on or after 1 January 2023 with a full retrospective application. IFRS 9 adoption resulted in an additional increase of AED 10 million in the accumulated losses due to the change from the impairment model applied under IAS 39 to the expected credit losses required by IFRS 9.

The Company has taken following measures to counter its accumulated losses:

- Focus investments towards bank deposits and other short-term investments in order to maintain strong liquidity position.
- Robust credit control measures taken to speed up the recovery process targeted to reduce the expected credit losses recorded by the Company.
- Focus on profitable business segments and discontinuation of Company's life insurance operations which was previously a loss-making portfolio.
- Formation of a board committee specifically responsible to oversee the accumulated losses and ensure execution of the Company's business plan.

2. Basis of preparation (continued)

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

2.4.1 New and revised IFRSs and interpretations 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	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards did not have a material impact on these financial statements.

2.4.2 Standards issued but not yet effective

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

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

3. Material accounting policy information

Insurance contracts issued and reinsurance contracts held

Insurance contracts are contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. 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.

3. Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Level of aggregation

Level of aggregation relates to the unit of account. The unit of account is referred to as a 'Group of Contracts' and requirements relating to level of aggregation define how groups of contracts have to be determined.

The standard has set out the following requirements to determine a group of contracts:

- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped.

For this purpose, the standard has mandated at least the following three classifications however it is permitted to use more granular classifications:

- Contracts that are onerous at inception;
- Contracts that are not onerous and have no significant possibility of becoming onerous; and
- All other contracts

Cohorts

Contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed.

A unique combination of the above three requirements forms a group of contracts i.e., contracts with same portfolio, same expected profitability and issued in the same year can be grouped together. This grouping is permanent and cannot be changed once assigned, regardless of how the actual experience emerges after initial recognition. For instance, as experience emerges an entity may realise that a contract which was thought to be onerous at initial recognition is not onerous, but the grouping will not be changed.

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 year 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 years 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.

3. Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Recognition

Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognised at the earliest of the following:

- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; and
- For a group of onerous contracts, when the group becomes onerous.

Reinsurance contracts held by an entity are recognised on the earlier of:

- Beginning of the coverage period of the group of reinsurance contracts held; and
- Date the entity recognises an onerous group of underlying insurance contracts provided the reinsurance contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional reinsurance contracts held shall be delayed until the recognition of the first underlying contract issued under that reinsurance contract.

Measurement models

Measurement model, in rudimentary terms, refers to the basis or a set of methodologies for the computation of insurance contract assets and liabilities and associated revenues and expenses. IFRS 17 has provided the following three measurement models:

Premium Allocation Approach ("PAA")

PAA is an optional simplification that an entity can apply to contracts that have a coverage period of up to 12 months or to contracts for which it can demonstrate that the liability for remaining coverage will not be materially different under PAA and GMM. In terms of computations, the major simplification relates to LRC.
Under PAA, it is not required to consider each component of the premium separately instead a single liability can be set up. The components of liability under PAA as at any valuation date can be summarised as follows:

Liability for Remaining Coverage ("LRC")
- Excluding Loss Component
- Loss Component, if any

Liability for Incurred Claims ("LIC")
- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows

All of the Company's short-term business is eligible for this simplification and the Company has adopted this simplification for the eligible business. Under PAA, loss component and claim reserves requires an explicit provision of risk adjustment this would increase the liabilities whereas discounting will generally decrease the liabilities.

3. Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

General Measurement Model ("GMM")

GMM is the default measurement model and is applied to all contracts to which Premium Allocation Approach ("PAA") and Variable Fees Approach ("VFA") are not applied. GMM is based on the premise that premiums (or considerations) for insurance contracts comprises of certain components (such claims, expenses and profits) and that each component needs to be considered according to its nature. The liability under GMM as at any valuation date comprises of the following:

Liability for Remaining Coverage ("LRC")

- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows
- Contractual Service Margin ("CSM")

Liability for Incurred Claims ("LIC")

- Estimates of future cashflows
- Risk adjustment
- Discounting of estimates of future cashflows

Variable Fees Approach ("VFA")

VFA is a mandatory modification to contracts with direct participation features. A contract is a contract with direct participation feature if it meets all three of the following requirements:

- Contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items.
- The entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items.
- The entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

The components of the liability under VFA are same as GMM and their calculations are quite similar too except for the computation of CSM. Under VFA, CSM calculations reflect the variability related to underlying items, but GMM does not reflect this variability. Similarly, there are some other aspects related to financial risk that impact the CSM under VFA but, not under GMM.

The measurement models have been discussed above are in context of insurance contracts issued and associated liabilities, but same principles are applicable to reinsurance contract held and associated assets (except for VFA). Similarly, both LRC and LIC components are mentioned however, at initial recognition only LRC is applicable.

Company's unit-linked business is measured using VFA, all other long-term business is measured using GMM.

Estimates of future cashflows

The standard requires that future cashflows should be estimated till the end of the contract boundary. End of contract boundary is defined as the point at which an entity can either reassess the risk or consideration i.e., premium. The standard does not provide the methodology for the estimation of future cashflows however, it does provide detailed guidance on the cashflows that are within and beyond the contract boundary. It also provides certain principles in relation to the estimates of future cashflows.

3. Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Discounting

The standard requires the estimates of future cashflows should be discounted to reflect the effect of time value of money and financial risks. Similar to other provisions it does not specify a methodology for discounting or the derivation of discount rates however, it sets out certain principles. The standard does recognise the following two approaches for the derivation of the discount rates:

- Bottom-Up: An approach where a risk-free rate or yield curve is used and an illiquidity premium is added to reflect the characteristics of the cashflows.
- Top-Down: An approach where the expected yield on a reference portfolio is used and adjustments are applied to reflect the differences between the liability cashflow characteristics and the characteristics of the reference portfolio.

For cashflows that are linked to the underlying items for contracts with direct participation features, the discount rates must be consistent with other estimates used to measure insurance contracts. The above two approaches may have to be adjusted to reflect the variability in the underlying items for such cashflows.

Contractual Service Margin ("CSM")

Contractual Service Margin (CSM) represents the unearned profit the entity will recognise as it provides insurance contract services in the future. At initial recognition CSM is computed using the fulfillment cash flows (FCF) whereas at subsequent measurement CSM is computed using the opening CSM balance and various adjustments relating to the period. A portion of CSM is released to Profit & Loss as revenue in every period using coverage units.

Onerous contracts and loss components

When a group of contracts, whether at initial recognition or subsequently, is or becomes onerous a loss component liability must be maintained. Under GMM and VFA this liability is implicitly included in the FCFs for LRC but for PAA an explicit loss component over the base LRC must be computed and set aside.

Revenue recognition

Insurance revenue and reinsurance expenses – methods and assumptions used in the determination of the contractual service margin (CSM) to be recognised in statement of profit or loss for the insurance contract services provided or received in the year.

For contracts measured under the General Measurement Model (GMM) in which the Company has discretion over the cash flows to be paid to the policyholders, judgement might be involved in the determination of what the Company considers its commitment on initial recognition of such contracts. Further, judgement might be required to distinguish subsequent changes in the fulfilment cash flows (FCF) resulting from changes in the Company's commitment and those resulting from changes in assumptions that relate to the financial risk on that commitment.

Insurance service expenses

Insurance service expenses include the following:

- incurred claims for the year
- other incurred directly attributable expenses
- insurance acquisition cash flow expenses.

An element of time value of money of LIC for the year.

3. Material accounting policy information (continued)

Insurance contracts issued and reinsurance contracts held (continued)

Insurance acquisition costs

Insurance acquisition cash flows are the costs that are directly associated with selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to a portfolio of insurance contracts. Directly attributable expenses are the costs that can be fully or partially attributed to the fulfilment of groups of insurance contracts. The Company allocates the attributable costs based on a number of drivers. Both acquisition and attributable costs fall under the insurance service expenses. While non-attributable costs are reported under other operating expenses.

Finance income or expenses from insurance contracts issued

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

- Interest accreted on the CSM;
- Interest accreted on the PAA LRC excluding the LC (if adjusted for the financing effect);
- The financing effect on the LC measured under the PAA (if adjusted for the financing effect);
- The effect of changes in FCFs at current rates, when the corresponding CSM unlocking is measured at the locked in rates;
- Any interest charged to or added to insurance / reinsurance asset or liability balances; and
- The effect of changes in interest rates and other financial assumptions.

For all groups of contracts, the Company disaggregates insurance finance income or expenses for the period between profit or loss and other comprehensive income (that is, the OCI option is applied). The finance income and expenses from insurance contracts issued recognised in the statement of profit or loss reflects the unwind of the liabilities at the locked-in rates. The remaining amount of finance income and expenses from insurance contracts issued for the period is recognised in OCI.

Key Accounting Policy Choices

IFRS 17 requires Company to make various accounting policy choices. The key accounting policy choices made by the Company are described below.

Accounting Policy	Company Decision
Level of Aggregation – Adopting more granular profitability	Company adopted the minimum three classifications provided in the standard and not use more granular classifications.
Level of Aggregation – Adopting more granular cohort	Company is using annual cohorts and not shorter cohorts.
PAA – Deferring insurance acquisition cashflows	Under PAA, in some circumstances, it is allowed to recognise insurance acquisition cashflows as expense when incurred however, the Company does not apply this choice instead it defers all insurance acquisition cashflows.
PAA – Discounting LIC	Under PAA, in some circumstances, it is allowed not to discount the LIC, but Company is not using this option and discounts all LIC.
Interest Accretion – OCI Option	The standard allows that finance expense to be split between OCI, and P&L. Company aims to reflect entire finance expense in the P&L and plans not to split between OCI and P&L.

3. Material accounting policy information (continued)

Other revenue recognition

(a) Interest income

Interest income and expense for all interest-bearing financial instruments is calculated by applying the effective interest rate to the gross carrying amount of the financial instrument, except for financial assets that have subsequently become credit-impaired (or stage 3), for which interest income is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision) and are recognised within 'interest income' in the statement of profit or loss.

(b) Dividend income

Dividend income from investments is recognised in the statement of profit or loss when the Company's right to receive dividend has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

(c) Reinsurance commission earned

Commissions earned are recognised fully at the time the related insurance contracts are written.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in United Arab Emirates Dirham ("AED"), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in the statement of profit or loss. Foreign exchange gains and losses are presented in the statement of profit or loss, within "Administrative expenses".

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in statement of other comprehensive income.

3. Material accounting policy information (continued)

Segment reporting

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

(a) The general insurance segment comprises of property, fire, marine, motor, medical, general accident and miscellaneous risks.
(b) The life assurance segment offers short term and long term life insurance. Revenue from this segment is derived primarily from insurance premium, fees and commission income, investment income and fair value gains and losses on investments.

No operating segments have been aggregated to form the above reportable operating segments. Segment performance is evaluated based on profit or loss which, in certain respects, is measured differently from profit or loss in the financial statements. No inter-segment transactions occurred during the year ended 31 December 2024 and 2023. If any transaction were to occur, transfer prices between operating segments would be set on an arm's length basis in a manner similar to transactions with third parties.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The two operating segments i.e. General Insurance and Life Insurance segments, oraganised under two Presidents who report into the Chief Executive Officer. The Board and its various committees have oversight on the overall operations of the company.

Property and equipment

Property and equipment comprises of freehold land, furniture and fixture, office equipment, motor vehicles, computer equipment and capital work in progress.

Property and equipment is carried at historical cost, less accumulated depreciation any recognised impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items. These assets are classified to the appropriate categories of property and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property and equipment, commences when the assets are ready for their intended use.

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.

Freehold land is not depreciated.

Capital work in progress is stated at the lower of cost or net realisable value. The cost includes the cost of construction and other related expenditure which are capitalised as and when activities that are necessary to get the assets ready for use are in progress. Net realisable value represents the estimated recoverable value based on expected future usage. Management reviews the carrying values of the capital work in progress on an annual basis.

Capital work in progress are considered to be completed when all related activities, for the entire assets have been completed. Upon completion, those are transferred to property and equipment.

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 included in the statement of comprehensive income in the year the asset is derecognised.

3. Material accounting policy information (continued)

Property and equipment (continued)

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

Depreciation is recognised so as to write off the cost of assets, other than capital work in progress, over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The useful life considered in calculation of depreciation for all the assets is as follows:

- Office equipment & computer equipment - 5 years
- Motor vehicles - 4 years
- Furniture and fixtures - 12 years

Intangible assets

Intangible assets including software and license fee for access to know how.

(a) Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of directly attributable overheads.

The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives considered in the calculation of amortisation is 5 years.

(b) License know how

Licenses know how is shown at historical cost. It has a definite useful life and is carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost license over their estimated useful lives i.e. 5 years.

3. Material accounting policy information (continued)

Leases

The Company leases office premises. Rental contract of the leases range from 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreement does not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability within "Insurance and other payables" at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The right-of-use asset is depreciated over shorter of the asset's useful life or the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For buildings, the following factors are normally the most relevant.

- if there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate); and
- otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. Termination option is included in the property lease of the Company. This option held is exercisable by the Company and the lessor. Payments associated with short-term leases of premises are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

3. Material accounting policy information (continued)

Dividend distribution

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

Financial instruments

(a) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or statement of other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

All "regular way" purchases and sales of financial assets are recognised on the "trade date", i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is calculated using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'Net investment income/ (loss)' together with foreign exchange gains and losses. Impairment losses are included within 'Net investment income/(loss)' in the statement of profit or loss.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the income statement and is presented net within 'Net investment income' in the period in which it arises.

3. Material accounting policy information (continued)

Financial instruments (continued)

(a) Investments and other financial assets (continued)

(iii) Measurement (continued)

- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net investment income'. Interest income from these financial assets is calculated using the effective interest rate method. Foreign exchange gains and losses are presented in 'Net investment income'.

Equity investments

The Company subsequently measures all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity investment at FVTOCI. The Company's policy is to designate equity investments at FVTOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as "Net investment income / (loss)" when the Company's right to receive payments is established.

The unit-linked assets include investments held on behalf of policyholders of unit linked products, financial assets from reinsurer towards policyholders of unit linked products contracts and cash held on behalf of policyholders. Investments held on behalf of policyholders of unit linked products and financial assets from reinsurer towards policyholders of unit linked products contracts are accrued to the account of the contract holder at the fair value of the net gains arising from the underlying linked assets. All these contracts are designated as at fair value through profit or loss and were designated in this category upon initial recognition. Cash held on behalf of policyholders are designated as amortised cost investment designated in this category upon initial recognition.

Impairment and uncollectibility of financial assets

The Company assesses the collectability of its financial assets based on its credit policy and default events. Refer to (b) below for impairment of insurance and other receivables.

(b) Insurance and other receivables

Impairment of financial assets

The Company applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortised cost and debt instruments classified as FVOCI. Assets migrate through the three stages based on the change in credit quality since initial recognition.

Overview

The Company is recording the allowance for expected credit losses for debt financial assets not held at FVTPL. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss ("12mECL"). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

3. Material accounting policy information (continued)

Financial instruments (continued)

(b) Insurance and other receivables (continued)

Impairment of financial assets (continued)

Overview (continued)

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company categorizes its FVOCI assets into stages as described below:

Stage 1: When financial instruments are first recognised, the Company recognises an allowance based on 12 month ECLs. Stage 1 also include financial instruments where the credit risk has improved and the has been reclassified from Stage 2.

Stage 2: When a financial instrument has shown a significant increase in credit risk since origination, the Company records an allowance for the lifetime ECLs. Stage 2 also include instruments, where the credit risk has improved, and the loan has been reclassified from Stage 3.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and treated, along with the interests calculated. When transitioning financial assets from stage 2 to stage 3, the percentage of provision made for such assets should not be less than the percentage of provision made before transition. Purchased or originated credit impaired assets are financial assets that are credit impaired on initial recognition and are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset. The accounts which are restructured due to credit reasons in past 12 months will be classified under stage 2.

The calculation of ECLs

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- The Probability of Default ("PD") is an estimate of the likelihood of default over a given time horizon.
- The Exposure at Default ("EAD ") is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date.
- The Loss Given Default ("LGD") is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that are expected to receive, including from the realisation of any collateral.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. The mechanics of the ECL method are summarised below:

Stage 1: The 12 month ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12 month ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR.

3. Material accounting policy information (continued)

Financial instruments (continued)

(b) Insurance and other receivables (continued)

Impairment of financial assets (continued)

The calculation of ECLs (continued)

Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.

Stage 3: For financial asset considered credit-impaired, the Company recognises the lifetime expected credit losses for these financial assets. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in other comprehensive income as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in other comprehensive income is recycled to the profit or loss upon derecognition of the assets.

Forward looking information

The Company, for forward looking information, relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Oil prices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

(c) Financial liabilities

The Company recognises a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognised at fair value, minus (in the case of a financial liability that is not at FVTPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortised cost, unless the Company opted to measure a liability at FVTPL.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in insurance and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

3. Material accounting policy information (continued)

Financial instruments (continued)

(c) Financial liabilities (continued)

Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. Income and expense will not be offset in the statement of profit or loss unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value less overdrafts with banks. Bank overdrafts are shown within liabilities in the statement of financial position.

(e) Bank deposits with banks with original maturities of more than three months

Deposits held with banks with original maturities of more than three months are initially measured at fair value and subsequently measured at amortised cost.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using discount rates that reflect current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples or other available fair value indicators. Impairment losses are recognised in the statement of profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

3. Material accounting policy information (continued)

Provisions

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. Provisions are not recognised for future operating losses.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Income tax

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates that are expected to be applied to temporary difference when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3. Material accounting policy information (continued)

Employees' end of service benefits

The Company provides end of service benefits to its expatriate employees in accordance with the UAE Labor Law.

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

Defined contribution plan for UAE national employees

The Company is a member of the pension scheme operated by the Federal Pension General and Social Security Authority. Contributions for eligible UAE National employees are made and charged to the statement of profit or loss, in accordance with the provisions of Federal Law No. 7 of 1999 relating to pension and Social Security Law. The employees and the Government contribute 5% and 2.5% 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 statement of profit or loss.

An accrual has been made for the past contributions relating to the services rendered by the eligible UAE National employees up to 31 December 2024. The Company has no further payment obligations once the contributions have been paid.

Contingencies

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.

Related parties

A related party is defined as follows:

(a) 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.

(b) An entity is related to the Company if any of the following conditions applies:
   (i) The entity and the Company are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
   (iii) Both entities are joint ventures of the same third party.
   (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
   (vi) The entity is controlled or jointly controlled by a person identified in (a);
   (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Material accounting policy information (continued)

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds.

4. Critical accounting judgements and key sources of estimation of uncertainty

In the application of the Company's accounting policies, which are described in note 3, management is required to make judgements, 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 periods if the revision affects both current and future periods. The sensitivities for life insurance contracts are disclosed in note 28.

Significant areas where management has used estimates, assumptions or exercised judgements are as follows:

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining the criteria for significant increase in credit risk;
- Determining the criteria and definition of default;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Estimates of future cash flows to fulfill insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17, are all future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows which includes the expected premium receipts and ultimate cost of claims. The ultimate cost of 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. 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 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. The Company also has the right to pursue third parties for payment of some or all costs. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims costs.

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

Assessment of significance of insurance risk

The Company applies its judgement in assessing whether a contract transfers to the issuer significant insurance risk. A contract transfers significant insurance risk only if an insured event could cause the Company to pay additional amounts that are significant in any single scenario and only if there is a scenario that has commercial substance in which the issuer has a possibility of a loss on a present value basis upon an occurrence of the insured event, regardless of whether the insured event is extremely unlikely.

Risk adjustment

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 amount.

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.

Onerous groups

The Company uses significant judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

Discounting

The Company adjusts the carrying amount of the insurance contracts liabilities and reinsurance contracts assets to reflect the time value of money and the effect of financial risk using discount rates that reflect the characteristics of the cash flows of the group of contracts.

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
Discount rate used	**6.04%**	6.81%	**6.15%**	6.72%	**6.26%**	6.04%	**6.49%**	5.85%

Under the bottom-up 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 curve itself will either be derived by the Company from risk free assets in the market, or the Company may choose to apply a published risk-free yield curve. The top-down approach starts with the determination of a reference portfolio. The reference portfolio yield will be taken as the yield on the underlying items to which the liability cashflows are linked.

5. Property and equipment

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Operating assets (Note 5.1)	3,890	64,018
Capital work-in-progress (CWIP)	-	177
Property and equipment	3,890	64,195

5.1 Operating assets

	Freehold land AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Computer equipment AED'000	Total AED'000
Cost						
1 January 2024	61,067	12,905	2,901	794	10,563	88,230
Additions	-	30	-	-	74	104
Disposal*	(59,211)	-	-	-	-	(59,211)
31 December 2024	1,856	12,935	2,901	794	10,637	29,123
Accumulated depreciation						
1 January 2024	-	10,854	2,780	769	9,809	24,212
Charge for the year	-	662	54	11	294	1,021
31 December 2024	-	11,516	2,834	780	10,103	25,233
Carrying amount						
31 December 2024	1,856	1,419	67	14	534	3,890

*During the year the Board of Directors in its meeting have approved the sale of plot of land in Meydan located in Ras Al Khor Industrial Area. Accordingly, the Company has received net proceeds of AED 73.44 million which resulted in a gain of AED 14.2 million.

5. Property and equipment (continued)

5.1 Operating assets (continued)

	Freehold land AED'000	Furniture and fixtures AED'000	Office equipment AED'000	Motor vehicles AED'000	Computer equipment AED'000	Total AED'000
Cost						
1 January 2023	61,067	16,965	2,930	865	10,244	92,071
Additions	-	-	3	-	319	322
Disposals	-	(4,060)	(32)	(71)	-	(4,163)
31 December 2023	61,067	12,905	2,901	794	10,563	88,230
Accumulated depreciation						
1 January 2023	-	12,690	2,724	828	9,507	25,749
Charge for the year	-	927	70	12	302	1,311
Relating to disposals	-	(2,763)	(14)	(71)	-	(2,848)
31 December 2023	-	10,854	2,780	769	9,809	24,212
Carrying amount						
31 December 2023	61,067	2,051	121	25	754	64,018

6. Investment securities and unit linked assets

Investment securities comprise the following:

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Financial assets at fair value through profit or loss (6.1)	**47,062**	72,264
Financial assets at fair value through other comprehensive income (6.2)	**29**	24
	47,091	72,288
Unit linked assets (6.3)	**359,176**	403,157

6.1 Financial assets at fair value through profit or loss

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Quoted equity securities in U.A.E.	**42,286**	64,076
Quoted equity securities outside U.A.E.	**535**	598
Quoted bonds in U.A.E.	**2,762**	6,106
Unquoted equity securities outside U.A.E.	**127**	134
Unquoted equity securities in U.A.E.	**1,352**	1,350
Fair value at the end of the year	**47,062**	72,264

Investments classified at fair value through profit or loss are designated in this category upon initial recognition.

The bonds carry interests at the rates of 3.70% to 6.05% (31 December 2023: 3.62% to 5.87%) per annum. The bonds are redeemable at par from 2025 to 2026 (31 December 2023: 2024 to 2026) based on their maturity dates. There are no significant concentrations of credit risk to a single counter party for debt instruments and the carrying amount reflected above represents the Company's maximum exposure to credit risk for such assets.

6.2 Investments at fair value through other comprehensive income

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Quoted equity securities in U.A.E.	**29**	24
	29	24

Investments classified at fair value through other comprehensive income are designated in this category upon initial recognition.

During the year ended 31 December 2024, the Company did not dispose any equity investments held at fair value through other comprehensive income (31 December 2023: Nil) in line with the Company's investment strategy.

6. Investment securities and unit linked assets (continued)

6.3 Unit linked assets

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Investments held on behalf of policyholders of unit linked products carried at FVTPL	**203,960**	235,692
Financial assets due from reinsurer towards policyholders of unit-linked products carried at FVTPL	**142,896**	153,589
Cash held on behalf of policyholders of unit linked products carried at amortised cost	**12,320**	13,876
	359,176	403,157

6.4 Movement in the financial investments

	FVTPL AED'000	FVTOCI AED'000	Total AED'000
At 1 January 2023	76,752	27	76,779
Purchases	8,939	-	8,939
Disposals	(14,681)	-	(14,681)
Changes in fair value	421	(3)	418
Realised gain	833	-	833
As at 31 December 2023	72,264	24	72,288
Purchases	**4,385**	**-**	**4,385**
Disposals	**(30,028)**	**-**	**(30,028)**
Changes in fair value	**716**	**5**	**721**
Realised loss	**(275)**	**-**	**(275)**
As at 31 December 2024	**47,062**	**29**	**47,091**

7. Statutory deposit

The statutory deposit of AED 10 million (31 December 2023: AED 10 million) is required to be placed by insurance companies operating in the U.A.E. with the designated national banks. This deposit has been pledged to the bank as security against a guarantee issued by the bank in favour of the CBUAE for the same amount.

Statutory deposits, which depend on the nature of insurance activities, cannot be withdrawn except with the prior approval of the CBUAE in accordance with Article 42 of Federal Law No. 6 of 2007 (now, UAE Federal Law No. 48 of 2023).

8. Cash and cash equivalents

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Cash on hand	**35**	35
Bank balances:		
Current accounts with banks	**13,885**	38,250
Bank deposits with original maturities of three months or less	**-**	-
Cash and cash equivalents for the purpose of the statement of cash flows	**13,920**	38,285
In U.A.E.	**13,920**	38,285
Outside U.A.E	**-**	-
	13,920	38,285

There are no bank deposits with original maturities of three months or less as of 31 December 2024. (2023: AED Nil).

8.1 Bank deposits with original maturities of more than three months

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Deposits with original maturities greater than three months	**408,993**	294,570
In U.A.E.	**408,599**	294,219
Outside U.A.E.	**394**	351
	408,993	294,570

Bank deposits carried interest rates ranging from 2.5% to 6% per annum (31 December 2023: 2.5% to 5.75% per annum).

Bank deposits of AED 45 million (31 December 2023: AED 45 million) have been pledged as security against the credit facility which is to manage the liquidity position.

The Company has obtained overdrafts facilities from commercial banks in the UAE amounting to AED 25 million (31 December 2023: AED 25 million) which carry interest rate of 1% per annum above the highest interest rate payable on fixed deposits under lien for the overdraft facility; or as varied by notice in writing received from the bank from time to time. Unused credit facilities amounted to AED 25 million (31 December 2023: AED 25 million).

9. Share capital

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Issued and fully paid 330,939,180 shares of AED 1 each (31 December 2023: 330,939,180 share of AED 1 each)	**330,939**	330,939

10. Reserves

10.1 Statutory reserve

In accordance with the Federal Law No. 48 of 2023 and the Company's Article of Association, the Company has resolved not to increase the statutory reserve above an amount equal to 50% of its paid up share capital. The Company transfers 10% of the profits for each year to the statutory reserve. The Company transferred AED 3,831 thousand during the year ended 31 December 2024 (2023: AED Nil). The reserve is not available for distribution except in the circumstances stipulated by the law.

10.2 Special reserve

In accordance with the Company's Articles of Association, the Board of Directors may transfer 10% of annual net profits, if any, to a special reserve until an Ordinary General Meeting upon a proposal suspends it. The special reserve can be utilised for the purposes determined by the Ordinary General Meeting upon recommendations of the Board of Directors. The Company transferred AED 3,831 thousand during the year ended 31 December 2024 (2023: AED Nil).

10.3 Fair value reserve

The fair value reserve comprises the cumulative net change in fair value of financial assets designated as fair value through other comprehensive income.

10.4 Reinsurance reserve

In accordance with Article 34 of the UAE Central Board of Directors Decision No. (23) of 2019, the Company has transferred AED 1,749 thousand from the '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 2,119 thousand). The Company shall accumulate such provision year on year and shall not dispose of the reserve without the written approval of the director general within the CBUAE.

11. Related party balances and transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party as defined by International Accounting Standard 24. 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. The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

At the end of the reporting year, amounts due from/(to) related parties which are included in the respective account balances are detailed below:

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Balances with entities related to Board members		
Gross outstanding claims (included in insurance contract liabilities)	**450**	468
Fixed deposits	**197,009**	45,408
Bank account	**5,100**	6,105
Balances with former major shareholder		
Insurance premium receivable (netted from insurance contract liability)	**26,603**	26,603
Provision for expected credit losses	**(26,360)**	(26,360)
Net	**243**	243
Investment properties reclassified to "Advance paid for purchase of real estate properties"	**72,270**	72,270
Reversal of net fair value gains recorded in prior years	**(35,770)**	(35,770)
Advance paid for purchase of real estate properties*	**36,500**	36,500
Provision on advance paid for purchase of real estate properties	**(36,500)**	(36,500)
	-	-

The amounts outstanding are unsecured, interest free and repayable on demand. No guarantees have been given to the related parties.

* The amount under the advance paid for real estate properties (AED 36.5 million) was represented as Investment Properties with a carrying value in the books of AED 72.3 million in the audited financial statements for the year ended 31 December 2020. The said asset represents purchased assets from related parties during the years 2013 and 2014. The purchased assets comprise a 60 residential unit in a single building and a plot of land of 150,000 square feet with integrated infrastructure. For one of the assets, the agreement was entered in 2013 to purchase 150,000 square feet of the land, which was reduced to 56,800 square feet and later amended to 78,900 square feet based on the instruction received from the former Chairman who was also the representative of the related party.

11. Related party balances and transactions (continued)

Balances with former major shareholder (continued)

The counterparties (related parties) to the above transactions never fulfilled their obligations to the Company (the Buyer), and as a result the Company did not obtain the title deeds nor obtain possession of the said assets. This has resulted in the incorrect recognition of fair value gains of AED 35.8 million on investment properties in respect of which the Company never obtained possession or legal title, and the misappropriation of advances amounting to AED 36.5 million paid to a related party towards the acquisition of the investment properties. Accordingly, the Board of Directors of the Company decided to book a full provision (AED 72.3 million) against the said assets and proceed with legal action against all involved parties, to recover the Company's rights, in accordance with the resolution of Shareholders Assembly Meeting held on 30 September 2021.

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

	For the year ended 31 December	
	2024	2023
	AED'000	AED'000
Transactions with entities related to Board members		
Insurance contracts issued (included in insurance revenue)	**267**	349
Claims paid (included in insurance service expenses)	**112**	206
FD interest income from Bank of Umm Al-Quwain	**3,505**	1,524
Bank charges	**177**	100
Rental paid	**821**	825
Allocation of reinsurance premium	**19**	298
Compensation of key management personnel		
Short-term benefits (included in insurance service expenses)	**1,440**	2,300
Long-term benefits (included in insurance service expenses)	**42**	183
Board of Directors' fees	**1,650**	1,350

12. Contingent liabilities

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Letters of guarantee*	**10,496**	11,448

*Includes AED 10 million (31 December 2023: AED 10 million) issued in favor of the CBUAE (Note 7).

The Company, in common with the majority of insurers, is subject to litigation in the normal course of its business. Based on independent legal advice, the Company considers that the outcome of the outstanding court cases will not have a material impact on the Company's financial statements.

13. Unit linked liabilities

The Company issues unit linked policies which have both insurance risk and investment components. The investment portion is invested on behalf of the policyholders as disclosed in note 6.3 to these financial statements.

13. Unit linked liabilities (continued)

Movement during the year:

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Payables to policyholders' of unit-linked products	**359,176**	403,157
Payables classified under insurance contract liabilities*	**(34,570)**	(32,873)
	324,606	370,284

*Under IFRS 17, the liabilities for unit linked policies with significant insurance risk are included within the calculation of the insurance contract liabilities amounting to AED 34,570 thousand (31 December 2023: 32,873 thousand).

14. Insurance and reinsurance contract assets

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 (Restated)		
	Assets AED'000	**Liabilities AED'000**	**Net AED'000**	Assets AED'000	Liabilities AED'000	Net AED'000
Insurance contracts issued						
Life	**-**	**192,658**	**192,658**	-	196,452	196,452
General	**-**	**626,148**	**626,148**	-	567,318	567,318
Total insurance contracts issued	**-**	**818,806**	**818,806**	-	763,770	763,770
Reinsurance contracts held						
Life	**(123,056)**	**1,563**	**(121,493)**	(131,415)	1,065	(130,350)
General	**(489,277)**	**-**	**(489,277)**	(393,414)	-	(393,414)
Total reinsurance contracts held	**(612,333)**	**1,563**	**(610,770)**	(524,829)	1,065	(523,764)

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, is disclosed in the next page.

14. Insurance and reinsurance contract assets (continued)

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

Contracts measured under the PAA:

31 December 2024	Liabilities for remaining coverage – Excluding loss component AED'000	Liabilities for remaining coverage – Loss component AED'000	Liabilities for incurred claims – Estimates of the present value of future cash flows AED'000	Liabilities for incurred claims – Risk adjustment AED'000	Total AED'000
Insurance contract liabilities as at 1 January	(22,672)	1,500	619,712	22,270	620,810
Net Insurance contract liabilities as at 1 January 2024	(22,672)	1,500	619,712	22,270	620,810
Insurance revenue	(578,749)	-	-	-	(578,749)
Insurance service expenses					
Incurred claims and other expenses	-	-	425,102	8,090	433,192
Amortisation of insurance acquisition cash flows	48,644	-	-	-	48,644
Losses on onerous contracts and reversals	-	12,652	-	-	12,652
Changes to liabilities for incurred claims	-	-	25,023	(6,684)	18,339
Insurance service result	(530,105)	12,652	450,125	1,406	(65,922)
Insurance finance expenses	-	-	15,675	(10)	15,665
Total changes in the statement of comprehensive income	(530,105)	12,652	465,800	1,396	(50,257)
Cash flows					
Premiums received	577,878	-	-	-	577,878
Claims and other expenses paid	-	-	(425,102)	-	(425,102)
Insurance acquisition cash flows	(49,648)	-	-	-	(49,648)
Total cash flows	528,230	-	(425,102)	-	103,128
Net insurance contract liabilities as at 31 December 2024	(24,547)	14,152	660,410	23,666	673,681
31 December 2023 (Restated)					
Insurance Contract Liabilities as at 1 January	59,965	2,068	623,349	26,007	711,389
Insurance Contract Assets as at 1 January	105,513	-	(67,273)	(758)	37,482
Insurance contract liabilities as at 1 January 2023	(45,547)	2,068	690,622	26,765	673,908
Insurance revenue	(603,121)	-	-	-	(603,121)
Insurance service expenses					
Incurred claims and other expenses	-	-	453,047	-	453,047
Amortisation of insurance acquisition cash flows	57,859	-	-	-	57,859
Losses on onerous contracts and reversals	-	(569)	-	-	(569)
Changes to liabilities for incurred claims	-	-	(95,849)	(4,452)	(100,301)
Insurance service result	(545,262)	(569)	357,198	(4,452)	(193,085)
Insurance finance expenses	-	-	24,939	(43)	24,896
Total changes in the statement of comprehensive income	(545,262)	(569)	382,137	(4,495)	(168,189)
Cash flows					
Premiums received	633,947	-	-	-	633,947
Claims and other expenses paid	-	-	(453,047)	-	(453,047)
Insurance acquisition cash flows	(65,809)	-	-	-	(65,809)
Total cash flows	568,138	-	(453,047)	-	115,091
Net insurance contract liabilities as at 31 December 2023	(22,672)	1,500	619,712	22,270	620,809

14. Insurance and reinsurance contract assets (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)

Analysis by measurement component – Contracts not measured under the PAA:

31 December 2024	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Insurance contract liabilities as at 1 January 2024	116,605	14,129	12,225	142,959
Changes that relate to current services				
CSM recognised for services provided	-	-	(1,280)	(1,280)
Change in risk adjustment for non-financial risk for risk expired	-	(633)	-	(633)
Experience adjustments	(2,336)	-	-	(2,336)
Changes that relate to future services				
Contracts initially recognised in the year	87	17	10	114
Changes in estimates that adjust the CSM	(398)	(951)	1,349	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	86	(396)	-	(310)
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1,592	-	-	1,592
Insurance service result	(969)	(1,963)	79	(2,853)
Net finance expenses from insurance contracts	3,803	294	354	4,451
Total changes in the statement of profit or loss and OCI	2,834	(1,669)	433	1,598
Cash flows				
Premiums received	12,519	-	-	12,519
Claims and other directly attributable expenses paid	(11,951)	-	-	(11,951)
Insurance acquisition cash flows paid	-	-	-	-
Total cash flows	568	-	-	568
Net insurance contract liabilities as at 31 December 2024	120,007	12,460	12,658	145,125

14. Insurance and reinsurance contract assets (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)

Analysis by measurement component – Contracts not measured under the PAA (continued):

31 December 2023 (Restated)	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Insurance contract liabilities as at 1 January	64,772	18,033	55,256	138,061
Changes that relate to current services				-
CSM recognised for services provided	-	-	(1,452)	(1,452)
Change in risk adjustment for non-financial	-	(1,652)	-	(1,652)
Experience adjustments	(12,057)	-	-	(12,057)
Changes that relate to future services				
Contracts initially recognised in the year	(3,058)	1,718	2,486	1,146
Changes in estimates that adjust the CSM	49,177	(3,106)	(46,070)	(1)
Changes in estimates that result in losses and reversals of losses on onerous contracts	5,025	(1,456)	-	3,569
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(1,527)	-	-	(1,527)
Insurance service result	37,560	(4,496)	(45,036)	(11,972)
Net finance expenses from insurance contracts	2,751	592	2,004	5,347
Total changes in the statement of profit or loss	40,311	(3,904)	(43,032)	(6,625)
Cash flows				
Premiums received	31,386	-	-	31,386
Claims and other directly attributable expenses paid	(18,639)	-	-	(18,639)
Insurance acquisition cash flows paid	(1,225)	-	-	(1,225)
Total cash flows	11,522	-	-	11,522
Net insurance contract liabilities as at 31 December 2023	116,605	14,129	12,225	142,961

14. Insurance and reinsurance contract assets (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

Contracts measured under the PAA:

31 December 2024	Assets for remaining coverage Excluding loss recovery component AED'000	Loss component AED'000	Amounts recoverable on incurred claims Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Reinsurance contract assets as at 1 January 2024	35,289	(411)	(454,548)	(18,798)	(438,468)
An allocation of reinsurance premiums	(276,351)	(411)	-	-	(276,762)
Amounts recoverable from reinsurers for					
Amounts recoverable for incurred claims and other expenses	-	-	201,759	6,479	208,238
Loss-recovery on onerous underlying contracts and adjustments	-	12,569	-	-	12,569
Changes to amounts recoverable for incurred claims	-	-	21,362	(4,388)	16,974
Net income or expense from reinsurance	(276,351)	12,158	223,121	2,091	(38,981)
Reinsurance finance income	-	-	11,242	(9)	11,233
Total changes in the statement of comprehensive income	(276,351)	12,158	234,363	2,082	(27,748)
Cash flows					
Premiums paid	317,719	-	-	-	317,719
Amounts received	-	-	(201,759)	-	(201,759)
Total cash flows	317,719	-	(201,759)	-	115,960
Net reinsurance contract assets as at 31 December 2024	(6,079)	(12,569)	(487,152)	(20,881)	(526,682)

14. Insurance and reinsurance contract assets (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)

Contracts measured under the PAA (continued):

31 December 2023 (Restated)	Assets for remaining coverage: Excluding loss recovery component AED'000	Assets for remaining coverage: Loss component AED'000	Amounts recoverable on incurred claims: Estimates of the present value of future cash flows AED'000	Amounts recoverable on incurred claims: Risk adjustment AED'000	Total AED'000
Reinsurance contract assets as at 1 January 2023	7,605	1,099	499,083	22,957	530,744
Reinsurance contract liabilities as at 1 January 2023	57,180	-	(32,508)	(358)	24,314
Net reinsurance contract liabilities / (assets) as at January 2023	(49,575)	1,099	531,591	23,315	506,430
An allocation of reinsurance premiums	(297,102)	(1,099)	-	-	(298,201)
Amounts recoverable from reinsurers for incurred					
Amounts recoverable for incurred claims and	-	-	210,281	-	210,281
Loss-recovery on onerous underlying contracts	-	411	-	-	411
Changes to amounts recoverable for incurred	-	-	(104,217)	(4,482)	(108,699)
Net income or expense from reinsurance contracts held	(297,102)	(688)	106,064	(4,482)	(196,208)
Reinsurance finance income	-	-	27,174	(34)	27,140
Total changes in the statement of comprehensive income	(297,102)	(688)	133,238	(4,516)	(169,068)
Cash flows					
Premiums paid	311,388	-	-	-	311,388
Amounts received	-	-	(210,281)	-	(210,281)
Total cash flows	311,388	-	(210,281)	-	101,107
Reinsurance contract assets as at 31 December 2023	35,289	(411)	(454,548)	(18,798)	(438,469)
Net reinsurance contract assets as at 31 December 2023	35,289	(411)	(454,548)	(18,798)	(438,469)

14. Insurance and reinsurance contract assets (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)

Analysis by measurement component – Contracts not measured under the PAA:

31 December 2024	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Reinsurance contract assets as at 1 January 2024	(79,217)	(4,340)	(1,734)	(85,291)
Changes that relate to current services				
CSM recognised for services provided	-	-	(318)	(318)
Change in risk adjustment for non-financial risk for	-	(451)	-	(451)
Experience adjustments	(2,163)	-	-	(2,163)
Changes that relate to future services				
Contracts initially recognised in the year	19	9	65	93
Changes in estimates that adjust the CSM	(263)	(20)	284	1
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	312	(222)	-	90
Changes that relate to past services				
Adjustments to assets for incurred claims	1,580	-	-	1,580
Net expenses from reinsurance contracts	(515)	(684)	31	(1,168)
Net finance income from reinsurance contracts	1,694	287	222	2,203
Total changes in the statement of profit or loss and OCI	1,179	(397)	253	1,035
Cash flows				
Premiums received	3,997	-	-	3,997
Claims and other directly attributable expenses paid	(6,235)	-	-	(6,235)
Total cash flows	(2,238)	-	-	(2,238)
Reinsurance contract assets as at 31 December 2024	(76,875)	(3,305)	(5,472)	(85,651)
Reinsurance contract liabilities as at 31 December 2024	(1,285)	(639)	3,487	1,563
Net reinsurance contract assets as at 31 December 2024	(76,160)	(3,945)	(1,986)	(84,091)

14. Insurance and reinsurance contract assets (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)

Analysis by measurement component – Contracts not measured under the PAA (continued):

31 December 2023 (Restated)	Estimates of present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	CSM Contracts under modified retrospective transition approach AED'000	Total AED'000
Net reinsurance contract assets as at 1 January 2023	47,071	8,556	40,563	96,190
Changes that relate to current services				
CSM recognised for services provided	-	-	(436)	(436)
Change in risk adjustment for non-financial risk for	-	(928)	-	(928)
Experience adjustments	(7,133)	-	-	(7,133)
Changes that relate to future services				
Contracts initially recognised in the year	(2,708)	307	2,821	420
Changes in estimates that adjust the CSM	47,320	(4,200)	(43,121)	(1)
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	1,685	140	-	1,825
Adjustments to assets for incurred claims				
Net expenses from reinsurance contracts	37,782	(4,681)	(40,736)	(7,635)
Net finance income from reinsurance contracts	(6,447)	465	1,907	(4,075)
Total changes in the statement of profit or loss and OCI	31,335	(4,216)	(38,829)	(11,710)
Cash flows				
Premiums received	10,122	-	-	10,122
Claims and other directly attributable expenses paid	(9,311)	-	-	(9,311)
Total cash flows	811	-	-	811
Reinsurance contract assets as at 31 December 2023	(79,217)	(4,340)	(1,734)	(85,291)
Reinsurance contract assets as at 31 December 2023	(78,219)	(3,695)	(4,445)	(86,360)
Reinsurance contract liabilities as at 31 December 2023	(1,000)	(647)	2,712	1,065
Net reinsurance contract assets as at 31 December 2023	(79,217)	(4,340)	(1,734)	(85,291)

14. Insurance and reinsurance contract assets (continued)

Expected recognition of the contractual service margin - An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table (number of years until expected to be recognised):

	1 year	2 year	3 year	4 year	5 year	>6 year	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
31 December 2024							
Total CSM for insurance contracts issued	1,164	1,004	865	762	707	8,156	12,658
Total CSM for reinsurance contracts held	298	212	163	141	154	1,018	1,986
	1,462	1,216	1,028	903	861	9,174	14,644
31 December 2023							
Total CSM for insurance contracts issued	941	885	790	718	669	8,222	12,225
Total CSM for reinsurance contracts held	(67)	(75)	(70)	(83)	(105)	(1,334)	(1,734)
	874	810	720	635	564	6,888	10,491

Reconciliation of the measurement components of insurance and reinsurance contract balances measured under both PAA and Non-PAA as at:

	PAA	Non-PAA	Total
	AED'000	AED'000	AED'000
31 December 2024			
Insurance contract liabilities	673,681	145,125	818,806
Reinsurance contract assets	(526,682)	(85,651)	(612,333)
Reinsurance contract liabilities	-	1,563	1,563
	146,999	61,037	208,036
31 December 2023 *(Restated)*			
Insurance contract liabilities	620,809	142,961	763,770
Reinsurance contract assets	(438,469)	(86,360)	(524,829)
Reinsurance contract liabilities	-	1,065	1,065
	182,339	57,667	240,006

14. **Insurance and reinsurance contract assets (continued)**

Development claim tables

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 total claims reported unsettled, and claims incurred but not reported 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.

Gross incurred claims

Accident year	2019 AED'000	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	Total AED'000
At the end of each reporting year	-	-	-	456,657	386,070	457,813	457,813
One year later	-	-	663,612	417,592	335,331	-	335,331
Two years later	-	377,844	628,952	402,404	-	-	402,404
Three years later	2,552,351	372,197	624,962	-	-	-	624,962
Four years later	2,512,278	369,054	-	-	-	-	369,054
Five years later	2,511,673	-	-	-	-	-	2,511,673
Estimate of gross cumulative claims	2,511,673	369,054	624,962	402,404	335,331	457,813	4,701,237
Cumulative payments to date	2,477,401	350,764	475,479	332,859	282,633	249,345	4,168,479
Total gross undiscounted liabilities for incurred claims	34,526	18,425	150,589	70,069	53,136	350,530	677,275
Effect of discounting							(16,865)
Effect of risk adjustment							23,666
Total gross discounted liabilities for incurred claims							684,076

14. **Insurance and reinsurance contract assets (continued)**

Development claim tables (continued)

Net incurred claims

Accident year	2019 AED'000	2020 AED'000	2021 AED'000	2022 AED'000	2023 AED'000	2024 AED'000	Total AED'000
At the end of each reporting year	-	-		168,128	155,190	166,851	166,851
One year later	-	-	161,502	165,995	151,105	-	151,105
Two years later	-	130,530	167,275	162,717	-	-	162,717
Three years later	1,201,594	131,030	159,882	-	-	-	159,882
Four years later	1,187,614	130,238	-	-	-	-	130,238
Five years later	1,187,823	-	-	-	-	-	1,187,823
Estimate of net cumulative claims	1,187,823	130,238	159,882	162,717	151,105	166,851	1,958,616
Cumulative payments to date	1,183,602	126,764	155,783	153,013	139,447	111,058	1,869,667
Total net undiscounted liabilities for incurred claims	4,397	3,619	4,271	10,119	12,201	143,693	178,298
Effect of discounting							(5,040)
Effect of risk adjustment							2,785
Total net discounted liabilities for incurred claims							176,043

15. Segment information

Identification of reportable segments

Primary segment information

For management purposes, the Company is organised into business units based on its products and services and has two reportable operating segments as follows:
1. The general insurance segment, comprises motor, medical, marine, fire, property, liability, engineering and general accident.
2. The life segment includes group life, credit life and individual life.

	General Insurance		*Life Insurance*		*Total*	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023	**31 December 2024**	31 December 2023
	AED'000	AED'000	**AED'000**	AED'000	**AED'000**	AED'000
Assets						
Property and equipment	**2,917**	48,146	**973**	16,049	**3,890**	64,195
Intangible assets	**1,931**	2,356	**643**	785	**2,574**	3,141
Right-of-use-assets	**684**	2,898	**228**	966	**912**	3,864
Unit linked assets	**-**	-	**359,176**	403,157	**359,176**	403,157
Investment securities	**35,499**	56,607	**11,592**	15,681	**47,091**	72,288
Statutory deposit	**6,000**	6,000	**4,000**	4,000	**10,000**	10,000
Reinsurance contract assets	**489,277**	393,414	**123,056**	131,415	**612,333**	524,829
Other receivables	**50,406**	30,491	**4,755**	12,475	**55,161**	42,966
Bank deposits with original maturities of more than three months	**306,745**	220,928	**102,248**	73,642	**408,993**	294,570
Cash and cash equivalents	**10,440**	28,714	**3,480**	9,571	**13,920**	38,285
Total assets	**903,899**	789,554	**610,151**	667,741	**1,514,050**	1,457,295
Liabilities						
Provision for employees' end of service benefit	**9,119**	10,464	**3,039**	3,490	**12,158**	13,954
Insurance contract liabilities	**626,148**	567,318	**192,658**	196,452	**818,806**	763,770
Reinsurance contract liabilities	**-**	-	**1,563**	1,065	**1,563**	1,065
Other payables	**48,846**	35,849	**64,733**	67,347	**113,579**	103,196
Unit linked liabilities	**-**	-	**324,606**	370,284	**324,606**	370,284
Total liabilities	**684,113**	613,631	**586,599**	638,638	**1,270,712**	1,252,269

15. Segment information (continued)

	General Insurance		*Life Insurance*		*Total*	
	31 December 2024 AED'000	31 December 2023 AED'000	**31 December 2024 AED'000**	31 December 2023 AED'000	**31 December 2024 AED'000**	31 December 2023 AED'000
Insurance revenue	**559,606**	560,043	**31,811**	73,494	**591,417**	633,537
Insurance service expenses	**(505,912)**	(360,235)	**(16,734)**	(68,245)	**(522,646)**	(428,480)
Insurance service result before reinsurance contracts held	**53,694**	199,808	**15,077**	5,249	**68,771**	205,057
Allocation of reinsurance premiums	**(321,379)**	(339,610)	**(17,334)**	(46,630)	**(338,713)**	(386,240)
Amounts recoverable from reinsurance for incurred claims	**290,403**	149,518	**8,160**	32,879	**298,563**	182,397
Net expenses from reinsurance contracts held	**(30,976)**	(190,092)	**(9,174)**	(13,751)	**(40,150)**	(203,843)
Insurance service result	**22,718**	9,716	**5,903**	(8,502)	**28,621**	1,214
Interest revenue calculated using the effective interest method	**12,777**	10,073	**4,259**	3,358	**17,036**	13,430
Net fair value gains on financial assets at FVTPL	**537**	941	**179**	314	**716**	1,254
Other investment income	**1,487**	1,897	**495**	632	**1,982**	2,529
Total investment income	**14,801**	12,910	**4,933**	4,303	**19,734**	17,213
Insurance finance (expense)/income from insurance contracts issued	**(13,755)**	(21,959)	**(4,854)**	1,064	**(18,609)**	(20,895)
Reinsurance finance income/(expense) from reinsurance contracts held	**9,672**	24,839	**3,763**	(1,775)	**13,435**	23,064
Net insurance financial result	**(4,083)**	2,880	**(1,091)**	(711)	**(5,174)**	2,169
Net insurance and investment results	**33,436**	12,596	**9,745**	(9,213)	**43,181**	3,383
Other operating expenses	**2,439**	(1,836)	**(3,562)**	(21,239)	**(1,123)**	(23,075)
Net profit/(loss) before tax	**35,875**	23,670	**6,183**	(26,149)	**42,058**	(2,479)
Corporate tax	**(3,212)**	-	**(539)**	-	**(3,751)**	-
Net profit/(loss) after tax	**32,663**	23,670	**5,644**	(26,149)	**38,307**	(2,479)
Basic and diluted earnings / (loss) after tax per share					**0.116**	(0.007)

16. Other receivables

	31 December 2024 AED'000	31 December 2023 AED'000
Other receivables	**50,314**	37,702
Prepaid expenses	**4,847**	5,264
	55,161	42,966

17. Intangible assets

	License know-how fee AED'000	Software AED'000	Total AED'000
Cost:			
At 1 January 2023	19,108	22,215	41,323
Additions		361	361
At 31 December 2023	19,108	22,576	41,684
Additions	-	**660**	**660**
At 31 December 2024	**19,108**	**23,236**	**42,344**
Accumulated Amortisation:			
At 1 January 2023	15,286	17,314	32,600
Charge for the year	3,822	2,121	5,943
At 31 December 2023	19,108	19,435	38,543
Charge for the year	-	**1,227**	**1,227**
At 31 December 2024	19,108	**20,662**	**39,770**
Carrying amounts:			
At 31 December 2023	-	3,141	3,141
At 31 December 2024	-	**2,574**	**2,574**

The Company had paid a non-refundable license fee in the year 2018 to utilise and access to know how of the customers of a bank.

18. Other payables

	31 December 2024 AED'000	31 December 2023 AED'000
Other payables	**93,159**	82,965
Employee accruals	**15,946**	16,414
Corporate tax payable	**3,751**	-
Lease liabilities	**723**	3,817
	113,579	103,196

19. Insurance revenue

	Life AED'000	General AED'000	Total AED'000
For the year ended 31 December 2024			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	**1,280**	**-**	**1,280**
Change in risk adjustment for non-financial risk for risk expired	**573**	**-**	**573**
Expected incurred claims and other insurance service expenses	**10,423**	**-**	**10,423**
Recovery of insurance acquisition cash flows	**392**	**-**	**392**
	12,668	**-**	**12,668**
Contracts measured under the PAA	**19,143**	**559,606**	**578,749**
	31,811	**559,606**	**591,417**
For the year ended 31 December 2023			
Contracts not measured under the PAA			
Amounts relating to changes in liabilities for remaining coverage			
CSM recognised for services provided	1,452	-	1,452
Change in risk adjustment for non-financial risk for risk expired	1,595	-	1,595
Expected incurred claims and other insurance service expenses	26,472	-	26,472
Recovery of insurance acquisition cash flows	897	-	897
	30,416	-	30,416
Contracts measured under the PAA	43,078	560,043	603,121
	73,494	560,043	633,537

The table presents the geographical distribution of insurance revenue:

	For the year ended 31 December 2024 AED'000	2023 AED'000
United Arab Emirates	**561,223**	570,862
GCC	**28,711**	60,356
Others	**1,483**	2,319
	591,417	633,537

20. Insurance service expenses

	Life AED'000	General AED'000	Total AED'000
For the year ended 31 December 2024			
Incurred claims and other expenses	**34,549**	**399,747**	**434,296**
Amortisation of insurance acquisition cash flows	**1,486**	**47,551**	**49,037**
Losses on onerous contracts and reversals of those losses	**(2,090)**	**13,378**	**11,288**
Changes to liabilities for incurred claims	**(17,211)**	**45,236**	**28,025**
	16,734	**505,912**	**522,646**
For the year ended 31 December 2023			
Incurred claims and other expenses	86,227	382,080	468,307
Amortisation of insurance acquisition cash flows	5,713	53,043	58,756
Losses on onerous contracts and reversals of those losses	4,519	(1,274)	3,245
Changes to liabilities for incurred claims	(28,215)	(73,613)	(101,828)
	68,244	360,236	428,480

21. Net insurance financial result

	Life AED'000	General AED'000	Total AED'000
For the year ended 31 December 2024			
Insurance finance expense from insurance contracts issued	**(4,854)**	**(13,755)**	**(18,609)**
Reinsurance finance income from reinsurance contracts held	**3,763**	**9,672**	**13,435**
For the year ended 31 December 2023			
Insurance finance income from insurance contracts issued	1,064	(21,959)	(20,895)
Reinsurance finance expense from reinsurance contracts held	(1,775)	24,839	23,064

22. Net investment income

	2024 AED'000	2023 AED'000
Interest income	**17,036**	13,430
Dividend income	**3,016**	3,540
Realised (loss)/gain on sale of investments at FVTPL	**(275)**	833
Unrealised gain on investments at FVTPL	**716**	421
Investment management expenses	**(724)**	(980)
Others	**(35)**	(31)
Net investment income	**19,734**	17,213

23. Other operating expenses - net

	2024 AED'000	2023 AED'000
Board remuneration	**1,650**	1,350
Consultancy fee	**-**	486
Gain from sale of land under property and equipment	**(14,215)**	-
Others	**13,688**	21,239
	1,123	23,075

23.1 The commitment of short-term leases

The commitment for short term leases amounting to AED 950 thousand for the year ended 31 December 2024 (31 December 2023: AED 1,029 thousand).

24. Leases

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

24.1 Right-of-use assets

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Balance at the beginning of the year	**3,864**	6,861
Depreciation expense for the year	**(2,952)**	(2,997)
Balance at the end of the year	**912**	3,864

24. Leases (continued)

24.2 Lease liablities

Lease liabilites are classified under other payables in note 18. Movement of lease liabilities during the year was as follows:

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
At 1 January	3,817	6,855
Accrued interest	147	356
Payments during the year	(3,241)	(3,394)
At 31 December	723	3,817

The incremental borrowing rate used for calculation of lease liabilities is 6.7% for the year ended 31 December 2024 (31 December 2023: 6.7%)

Current and non-current portion of lease liabilities are as follows:

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Non-current portion	-	728
Current portion	723	3,089
	723	3,817

25. Provision for employees' end of service benefits

	As at 31 December 2024 AED'000	As at 31 December 2023 AED'000
Balance at the beginning of the year	13,954	14,424
Charge for the year	1,762	2,031
Payments during the year	(3,558)	(2,501)
Balance at the end of the year	12,158	13,954

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

	2024	2023
Profit/(loss) for the year after tax (in 000)	**38,307**	(2,479)
Number of outstanding shares	**330,939**	330,939
Basic earnings / (loss) after tax per share (in AED)	**0.116**	(0.007)

No figures for diluted earnings per share are presented as the Company has not issued any instruments which would have an impact on earnings per share when exercised, as such diluted earnings per share is equivalent to basic earnings per share.

27. Social contributions

The Company did not make any social contributions during the year ended 31 December 2024 (2023: AED Nil).

28. Insurance risk

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 very nature of an insurance contract, this risk is random and therefore unpredictable. The Company writes general, medical and life insurance contracts. General insurance contracts of the Company include Liability, Property, Motor, Fire, Marine, General accident and Engineering insurance contracts. Medical insurance contracts include both individual and group medical insurance contracts. Life insurance contracts include group, Individual Life and credit life insurance contracts.

The principal risk the Company faces 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.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring the Company's risk management framework. The Committee reports regularly to the Board of Directors on its activities related to Risk Management framework and further developments. The primary purpose of Risk Management framework is to protect the shareholders from events that deter the sustainable achievement of the set financial/performance objective.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Risk Management principles are embedded in Company's operational and financial processes and further mitigation/controls are implemented for effective Internal Risk Management framework in the functional processes.

The Company's Audit and Risk Management Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit and Risk Management Committee is assisted in its oversight role by Internal Audit and Risk functions.

The Company does not foresee any material impact to its business and operations due to possible climate change effect in the near future. The Company will, however, be collating necessary data to monitor the possible effect on a periodic basis going forward.

Two key elements of the Company's insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed below.

28. Insurance risk (continued)

Underwriting strategy

The Company's underwriting strategy is to build balanced portfolios based on a large number of similar risks. This reduces the variability of the portfolio's outcome.

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

Business selection is part of Company's underwriting procedures/guidelines whereby premiums are charged based on the assessment and type of the risks. Other factors such as risk inspections, mortality, persistency and current market trends are also considered in the risk underwriting and premium calculation.

Reinsurance strategy

The Company's reinsurance arrangements include proportional, non-proportional, excess of loss and catastrophe coverage. 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 has a Reinsurance department that is responsible to arrange reinsurance arrangement as per the annual business plans and also for setting the minimum-security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The department monitors developments in the reinsurance programme and its ongoing adequacy. As a proactive measure and part of Risk Management framework, the reinsurers securities rating is monitored for any downgrade from credit risk perspective. The reinsurance regulations issued by the CBUAE are also incorporated in the Reinsurance strategy.

The Company enters into a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances.

28.1 Frequency and severity of claims

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.

The Company has the right not to renew individual policies, to re-price the risk, to impose deductibles and 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). Furthermore, the Company's strategy limits the total exposure to any one territory and the exposure to any one industry.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Company should not suffer net insurance losses of a set minimum limit of AED 1,000 thousand (31 December 2023: 1,000 thousand) in any one event. 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 frequently reviewed individually 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.

28. Insurance risk (continued)

28.2 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, certain 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. In estimating the liability for claims incurred but not reported, the Company involves an independent external appointed actuary.

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 possible that the final outcome will prove to be different from the original liability established. The amount of insurance claims is in certain cases sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort.

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

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

28. Insurance risk (continued)

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

The loss ratios for the current and prior year, before and after reinsurance are summarised below by type of risk:

	31 December 2024		31 December 2023	
Type of risk	**Gross loss ratio**	**Net loss ratio**	Gross loss ratio	Net loss ratio
General insurance	**67%**	**63%**	38%	63%
Life insurance	**24%**	**19%**	26%	8%

Based on the simulations performed, the impact on profit of a change of 1% in the loss ratio for both gross and net of reinsurance recoveries would be as follows:

	2024		2023	
	Gross AED'000	**Net AED'000**	Gross AED'000	Net AED'000
Impact of an increase of 1%	**2,233**	**970**	7,268	3,029
Impact of a decrease of 1%	**(2,233)**	**(970)**	(7,268)	(3,029)

28.3 Process used to determine the assumptions

The process used to determine the assumptions for calculating the outstanding claim reserve is intended to result in neutral estimates of the most likely or expected outcome. The sources of data used as inputs for the assumptions are internal, using detailed studies that are carried out quarterly. The assumptions are checked to ensure that they are consistent with observable market practices or other published information.

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular claim and the ultimate cost of notified claims. Each notified claim is assessed on a separate, case by case basis with due regard to the claim circumstances, information available from loss adjusters and historical evidence of the size of similar claims.

Case estimates are reviewed regularly and are updated as and when new information arises.

The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments or if catastrophic events occur. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate.

The provision estimation difficulties also differ by class of business due to differences in the underlying insurance contract, claim complexity, the volume of claims and the individual severity of claims, determining the occurrence date of a claim, and reporting lags.

The method used by the Company for calculating the provision of IBNR takes into account historical data, past estimates and details of the reinsurance programme, to assess the expected size of reinsurance recoveries. The methods more commonly used are the chain-ladder ("CL"), expected loss ratios ("ELR") and the Bornhuetter-Ferguson ("BF") methods.

Chain-ladder methods may be applied to premiums, paid claims or incurred claims (for example, paid claims plus case estimates). The basic technique involves the analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year.

28. Insurance risk (continued)

28.3 Process used to determine the assumptions (continued)

Chain-ladder techniques are most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. Chain-ladder techniques are less suitable in cases in which the insurer does not have a developed claims history for a particular class of business.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market- based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (recent accident years or new classes of business).

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 a weighted average of different techniques have been selected for individual accident years or groups of accident years within the same class of business. The Company has an internal actuary and independent external actuaries are also involved in the valuation of technical reserves of the Company and has used historical data for the past 9 years.

The key assumptions used for the life insurance contracts are as follows:

Mortality
An appropriate base table of standard mortality is chosen depending on the type of contract. An investigation into Company's experience over the most recent three years is performed, and statistical methods are used to adjust the rates reflected in the table to a best estimate of mortality for that year. Where data is sufficient to be statistically credible, the statistics generated by the data are used without reference to an industry table. For contracts insuring survivorship, an allowance is made for future mortality improvements based on trends identified in the data and in the continuous mortality investigations performed by independent actuarial bodies.

Morbidity
The rate of recovery from disability is derived from industry experience studies, adjusted where appropriate for the Company's own experience.

An analysis of sensitivity around various scenarios provides an indication of the adequacy of the Company's estimation process. The Company believes that the liability reported in the statement of financial position is adequate.

However, it recognises that the process of estimation is based upon certain variables and assumptions which could differ when claims are finally settled.

28. Insurance risk (continued)

Sensitivity analysis

Contracts measured under PAA

2024	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000	Impact on equity gross of reinsurance AED'000	Impact on equity net of reinsurance AED'000
Weighted average term to settlement	+10%	1,687	504	1,687	504
Expected loss	+10%	67,728	17,830	67,728	17,830
Inflation rate	+1%	169	50	169	50
Weighted average term to settlement	-10%	(1,687)	(504)	(1,687)	(504)
Expected loss	-10%	(67,728)	(17,830)	(67,728)	(17,830)
Inflation rate	-1%	(169)	(50)	(169)	(50)

2023	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000	Impact on equity gross of reinsurance AED'000	Impact on equity net of reinsurance AED'000
Weighted average term to settlement	+10%	2,130	642	2,130	642
Expected loss	+10%	64,102	17,158	64,102	17,158
Inflation rate	+1%	213	64	213	64
Weighted average term to settlement	-10%	(2,130)	(642)	(2,130)	(642)
Expected loss	-10%	(64,102)	(17,158)	(64,102)	(17,158)
Inflation rate	-1%	(213)	(64)	(213)	(64)

28. Insurance risk (continued)

Sensitivity analysis (continued)

Contracts not measured under PAA

2024	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000
Mortality	+15%	157	1,721
Lapse	+40%	10,435	(5,786)
Risk adjustment	+10%	25	270
Mortality	-15%	(157)	(1,721)
Lapse	-40%	(10,435)	5,786
Risk adjustment	-10%	(25)	(270)

2023	Change in assumptions	Impact on net profit gross of reinsurance AED'000	Impact on net profit net of reinsurance AED'000
Mortality	+15%	(7,111)	(55)
Lapse	+40%	(14,604)	(2,725)
Risk adjustment	+10%	(457)	(35)
Mortality	-15%	7,111	55
Lapse	-40%	14,604	2,725
Risk adjustment	-10%	457	35

29. Capital risk management

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements required by U.A.E. Federal Law No. 48 of 2023, on Establishment of Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") and Organization of its Operations.
- 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.

In U.A.E., Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") specifies the minimum amount and type of capital that must be held by the Company in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

The table below summarises the minimum required capital of the Company and the total capital held.

	As at 31 December 2024 AED'000 (Unaudited)	As at 31 December 2023 AED'000 (Unaudited)
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**102,312**	105,439
Minimum Guarantee Fund (MGF)	**90,721**	85,940
Basic own funds	**146,624**	152,063
MCR Solvency Margin-Surplus	**46,624**	52,063
SCR Solvency Margin-Surplus	**44,313**	46,623
MGF Solvency Margin-Surplus	**55,903**	66,123

The Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") has issued resolution No. 42 for 2009 setting the minimum subscribed or paid-up capital of AED 100 million for establishing insurance firms and AED 250 million for reinsurance firms. The resolution also stipulates that at least 75 percent of the capital of the insurance companies established in the UAE should be owned by UAE or GCC national individuals or corporate bodies. The Company is in compliance with the minimum capital requirements.

Further, as per Article (8) of section (2) of financial regulations issued for insurance companies in U.A.E., the Company shall at all times comply with the requirements of solvency margin.

30. Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

30.1 Fair value of financial instruments carried at amortized cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

30. Fair value measurements (continued)

30.2 Fair value measurements recognised in the statement of financial position

Some of the Company's financial assets are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets are determined;

	Fair value as at 31 December 2024 AED'000	31 December 2023 AED'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
FVTPL investments						
Quoted equity securities	**42,821**	64,674	Level 1	Quoted bid prices in an active market.	None	Not Applicable
Quoted bonds	**2,762**	6,106	Level 2	Quoted prices in secondary market	None	Not Applicable
Unquoted equity securities	**1,479**	1,484	Level 3	Net assets valuation method	Net asset value	Higher the net assets, value of the investees, higher the fair value.
Investment held on behalf of Policy holder of Unit linked products	**203,960**	235,692	Level 2	Quoted prices in secondary market	None	Not Applicable
Due from reinsurers towards policyholders of unit linked products	**142,896**	153,589	Level 2	Quoted prices in secondary market	None	Not Applicable
FVTOCI investments						
Quoted equity securities	**29**	24	Level 1	Quoted bid prices in an active market.	None	Not Applicable
Financial liabilities measured at FVTPL						
Unit linked liabilities (excluding cash held with the related unit linked assets)	**346,856**	389,281	Level 1	Quoted bid prices in an active market.	None	Not Applicable

30. Fair value measurements (continued)

30.2 Fair value measurements recognised in the statement of financial position (continued)

Reconciliation of Level 3 fair value measurement of financial assets measured at FVTOCI and FVTPL

	FVTPL AED'000	FVTOCI AED'000	Total AED'000
At 1 January 2023	2,364	-	2,364
Changes in fair value	(880)	-	(880)
As at 31 December 2023	1,484	-	1,484
Changes in fair value	**(5)**	-	**(5)**
As at 31 December 2024	**1,479**	-	**1,479**

There were no transfers between the levels during the year.

31. Financial Risk Management

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

31.1 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:

- insurance receivables;
- other receivables;
- investment securities - debt;
- bank deposits with original maturities of more than three months;
- statutory deposit; and
- cash and cash equivalents

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 Management annually.

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

31. Financial Risk Management (continued)

31.1 Credit risk (continued)

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 has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. 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 with high credit-ratings assigned by international credit-rating agencies.

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.

31.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, 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. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Company's insurance and financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

31. Financial Risk Management (continued)

31.2 Liquidity risk (continued)

As at 31 December 2024

	Carrying amount AED'000	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	No maturity date AED'000	Total AED'000
Assets						
Statutory deposit	10,000	-	-	-	10,000	10,000
Investment securities						
Financial assets at fair value through profit or loss	47,061	3,716	1,807	-	41,538	47,061
Financial assets at fair value through other comprehensive income	30	-	-	-	30	30
Unit linked assets	359,176		89,794	269,382	-	359,176
Reinsurance contract assets	612,333	526,682	21,413	64,239	-	612,334
Bank deposits	408,993	408,993	-	-	-	408,993
Other receivables	55,161	22,064	33,097	-	-	55,161
Cash and cash equivalents	13,920	13,920	-	-	-	13,920
Total	1,506,674	975,375	146,111	333,621	51,568	1,506,675
Liabilities						
Insurance contract liabilities	818,806	673,681	36,282	108,845	-	818,807
Reinsurance contract liabilities	1,563	1,563	-	-	-	1,563
Unit linked liabilities	324,606		81,152	243,455	-	324,606
Other payables	112,856	112,856	-	-	-	112,856
Lease liabilities	723	723	-	-	-	723
Total	1,258,554	788,823	117,433	352,299	-	1,258,555

31. Financial Risk Management (continued)

31.2 Liquidity risk (continued)

As at 31 December 2023

	Carrying amount AED'000	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	No maturity date AED'000	Total AED'000
Assets						
Statutory deposit	10,000	-	-	-	10,000	10,000
Investment securities						
Financial assets at fair value through profit or loss	72,264	2,559	2,846	-	66,859	72,264
Financial assets at fair value through other comprehensive income	24	-	-	-	24	24
Unit linked assets	403,157	-	100,789	302,368	-	403,157
Reinsurance contract assets	543,266	456,907	21,590	64,769	-	543,266
Bank deposits	294,570	294,570	-	-	-	294,570
Other receivables	42,966	17,186	25,780	-	-	42,966
Insurance contract assets	31,087	31,087	-	-	-	31,087
Cash and cash equivalents	38,285	38,285	-	-	-	38,285
Total	1,435,619	840,594	151,005	367,137	76,883	1,435,619
Liabilities						
Insurance contract liabilities	794,855	651,896	35,740	107,219	-	794,855
Reinsurance contract liabilities	19,504	18,439	266	799	-	19,504
Unit linked liabilities	370,284		92,571	277,713	-	370,284
Other payables	99,379	99,379	-	-	-	99,379
Lease liabilities	3,817	3,094	723	-	-	3,817
Total	1,287,839	772,808	129,300	385,731	-	1,287,839

31. Financial Risk Management (continued)

31.3 Market risk

Market risk is the risk that the fair value or the future cashflows 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's market risks arise from open positions in (a) foreign currencies (b) interest bearing and (c) price risk assets and liabilities, to the extent they are exposed to general and specific market movements. Management sets limits on the exposure to currency and interest rate risk that may be acceptable, which are monitored on a regular basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements. The unit linked contracts have not been considered for sensitivity of market risk and as these are merely passed through contracts.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated – for example, credit spreads, changes in interest rate and changes in foreign currency rates.

Market risk drivers include equity prices, credit spreads, foreign exchange rates and interest rates. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in local equity and bond markets. In addition, the Company actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

31.3.1 Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Company's functional currency is the UAE Dirham.

The Company has also exposures in USD, to which the AED is pegged and the Company's exposure to currency risk is limited to that extent.

31.3.2 Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk relates to its bank deposits. At 31 December 2024, bank deposits carry fixed interest rates ranging from 2% to 6% per annum (31 December 2023: 1.5% to 8% per annum) and therefore not exposed to cashflow interest rate risk.

31.3.3 Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices. The Company's equity price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, sector and market. The fair values of financial assets are not different from their carrying values.

31. Financial Risk Management (continued)

31.3 Market risk (continued)

31.3.3 Price risk (continued)

Sensitivities

The table below shows the results of sensitivity testing on the Company's profit or loss and other comprehensive income by type of business. The sensitivity analysis indicates the effect of changes in price risk factors arising from the impact of the changes in these factors on the Company's investments:

	10% increase in price		10% decrease in price	
	FVTPL AED'000	**FVTOCI AED'000**	**FVTPL AED'000**	**FVTOCI AED'000**
2024				
Quoted debt investments	**276**	**-**	**(276)**	**-**
Quoted equity investments	**4,282**	**3**	**(4,282)**	**(3)**
Unquoted equity investments	**148**	**-**	**(148)**	**-**
2023				
Quoted debt investments	611	-	(611)	-
Quoted equity investments	6,467	2	(6,467)	(2)
Unquoted equity investments	148	-	(148)	-

31.4 Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks.

The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorization and reconciliation procedures, staff training and assessment processes etc. with a focus on compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

31. Financial Risk Management (continued)

31.5 Classification of financial assets and liabilities

(a) The table below sets out the Company's classification of each class of financial asset and liability and their carrying amounts as at 31 December 2024:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Cash and cash equivalents	-	-	13,920	13,920
Bank deposits with original maturities of more than three months	-	-	408,993	408,993
Statutory deposit	-	-	10,000	10,000
Investment securities	47,061	30	-	47,091
Unit linked assets	346,856	-	12,320	359,176
Total	393,917	30	445,233	839,180
Financial liabilities:				
Other payables	-	-	113,579	113,579
Unit linked liabilities	324,606	-	-	324,606
Total	324,606	-	113,579	438,185

(b) The table below sets out the Company's classification of each class of financial asset and liability and their carrying amounts as at 31 December 2023:

	FVTPL AED'000	FVTOCI AED'000	Amortised cost AED'000	Total AED'000
Financial assets:				
Cash and cash equivalents	-	-	38,285	38,285
Bank deposits with original maturities of more than three months	-	-	294,570	294,570
Statutory deposit	-	-	10,000	10,000
Investment securities	72,264	24	-	72,288
Unit linked assets	389,281	-	13,876	403,157
Total	461,545	24	356,731	818,300
Financial liabilities:				
Other payables	-	-	103,196	103,196
Unit linked liabilities	370,284	-	-	370,284
Total	370,284	-	103,196	473,480

32. Gross written premiums

Details relating to gross written 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 Insurance AED'000	Medical Insurance AED'000	Property & Liability AED'000	All types of Business Combined AED'000
Direct written premiums	**60,883**	**234,985**	**346,431**	**642,299**
Assumed business				
Foreign	-	-	**1,172**	**1,172**
Local	-	-	**11,290**	**11,290**
Total assumed business	-	-	**12,462**	**12,462**
Gross written premiums	**60,883**	**234,985**	**358,893**	**654,761**

31 December 2023	Life Insurance AED'000	Medical Insurance AED'000	Property & Liability AED'000	All types of Business Combined AED'000
Direct written premiums	139,348	245,377	330,503	715,228
Assumed business				
Foreign	-	-	1,793	1,793
Local	-	-	9,737	9,737
Total assumed business	-	-	11,530	11,530
Gross written premiums	139,348	245,377	342,033	726,758

33. Corporate tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June, 2023. The UAE Cabinet of Ministry ("Cabinet") Decision No. 116 of 2022 specifies the threshold of the income over which the 9% tax rate applies and accordingly, the law is now considered to be substantively enacted from the perspective of IAS 12 – Income taxes.

The Company has calculated their income tax liability in accordance with Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") with effect from 1 January 2024.

33. Corporate tax (continued)

(i) The income tax expense recognised in the statement of comprehensive income comprises the following:

	2024 AED'000	2023 AED'000
Current tax (refer (ii) below)	3,751	-
	3,751	-

(ii) Reconciliation of income tax expense:

	2024 AED'000	2023 AED'000
Profit for the year before tax	42,058	-
Corporate tax @9% on profit before tax	3,785	
Effect of:		
Less:		
Exemption limit AED 375,000	(34)	-
Corporate income tax expense for the year at the rate of 9%	3,751	-

34. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 19 March 2025.

35. Comparative information

During the year, the Company has revised the classification of insurance and reinsurance contract liabilities and assets in order to align these with the principle of portfolio wise presentation as required by IFRS 17. This has resulted in a restatement in its statement of financial position as of 31 December 2023. The effects of this restatement are disclosed in the below table:

	As previously reported AED'000	Adjustments AED'000	As restated AED'000
Insurance contract assets	31,087	(31,087)	-
Reinsurance contract assets	543,266	(18,437)	524,829
Insurance contract liabilities	794,857	(31,087)	763,770
Reinsurance contract liabilities	19,502	(18,437)	1,065

36. 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.