Ras Al Khaimah National Insurance Company P.S.C.

Condensed interim financial information (Unaudited)
For the three-month period ended 31 March 2024

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For the three-month period ended 31 March 2024

	Pages
Directors' report	1
Review report on condensed interim financial information	2
Condensed interim statement of financial position	3
Condensed interim income statement	4
Condensed interim statement of comprehensive income	5
Condensed interim statement of changes in equity	6
Condensed interim statement of cash flows	7-8
Notes to the condensed interim financial information	9-34

RAK INSURANCE
Simply Better

Ras Al Khaimah National Insurance Company P.S.C.

Directors' report for the Three-month period ended 31 March 2024

The Board of Directors has pleasure in submitting their report and the condensed interim financial information as at 31 March 2024 and for the three-month period (the "Period") ended 31 March 2024 which have been reviewed by the external auditors.

Incorporation and registered office

Ras Al Khaimah National Insurance Company P.S.C. ("RAK Insurance" or the "Company") was incorporated under an Emiri Decree Number 20/76 issued by HH Ruler of Ras Al Khaimah. The address of the registered office is RAK Insurance Head Office, 6th Floor RAK Bank ROC Office, Al Riffa, Ras Al Khaimah, United Arab Emirates.

Financial position and results

RAK Insurance teams continuously compare their performance and level of reporting to the wider market to ensure best practices are adopted.

RAK Insurance earned a net profit after tax of AED 3.4 million for the three-month period ended 31 March 2024 as compared to a net loss of AED 4.3 million for the three-month period ended 31 March 2023 (the "Previous Period"). This net profit after tax of AED 3.4 million resulted in the Company's equity increasing from AED 160 million as at 31 December 2023 to AED 163 million as at 31 March 2024.

Basic earnings per share is AED 0.03 for the three-month period ended 31 March 2024 as compared to a loss per share of AED 0.04 in the previous period on a capital base of AED 121 million.

On behalf of the Board of Directors of RAK Insurance, I would like to thank all who are working hard in the turnaround journey of the Company. Our sincere appreciation to the executive management and staff for their dedication, commitment, and constant hard work. The Directors would also like to acknowledge our reinsurance partners, customers and all the stakeholders of the Company.

Yours faithfully,

Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman
25 April 2024

شركة رأس الخيمة الوطنية للتأمين الفرع الرئيسي هاتف 54 72 800 فاكس 00 85 228 7 971+ ص. ب: 506 رأس الخيمة، الإمارات العربية المتحدة الإلكتروني info@rakinsurance.com الموقع www.rakinsurance.com
Ras Al Khaimah National Insurance Company (P.S.C.) Tel: 800 72 54, Fax: +971 7 228 85 00, P.O. Box 506, Ras Al Khaimah, UAE., E. info@rakinsurance.com W. www.rakinsurance.com

شركة مساهمة عامة تأسست سنة 1974 برأس مال مدفوع قدره 121,275,000 درهم إماراتي مسجلة لدى هيئة التأمين تحت رقم 84/7 بموجب القانون الاتحادي رقم 2007/6
Public Shareholding Company establishment in 1974 with a paid up capital of AED 121,275,000 Registered at the insurance Authority with registration no. 7/84 in conformity with the Federal Law No.6/2007
VAT Registration No. 100021693500003

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Review Report of the Independent Auditor

To the Shareholders of Ras Al Khaimah National Insurance Company P.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Ras Al Khaimah National Insurance Company P.S.C. (the "Company") as at 31 March 2024 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows for the three-month period then ended, and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

GRANT THORNTON

GRANT THORNTON UAE

Dr. Osama El Bakry
Registration No: 935
Dubai, United Arab Emirates

25 April 2024

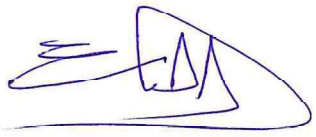
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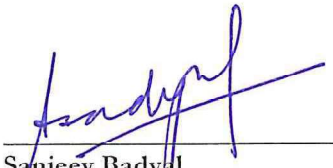
Condensed interim statement of financial position
As at 31 March 2024

	Notes	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Assets			
Property and equipment	4	**385,493**	484,750
Intangible assets	5	**4,447,989**	4,469,392
Financial assets	6	**148,597,343**	135,184,071
Statutory deposit	7	**10,000,000**	10,000,000
Deferred tax asset	17	**8,606**	-
Reinsurance contract assets	8	**147,982,675**	176,312,486
Other receivables	9	**16,288,657**	4,525,555
Cash and cash equivalents	10	**86,998,520**	28,505,390
Deposits	11	**236,256,838**	243,951,776
Total assets		**650,966,121**	603,433,420
Equity and liabilities			
Equity			
Share capital	12	**121,275,000**	121,275,000
Statutory reserve		**51,210,165**	51,210,165
Voluntary reserve		**20,000,000**	20,000,000
Reinsurance reserve		**4,619,393**	3,895,720
Cumulative changes in fair value of FVTOCI investments		**(9,579,365)**	(9,324,865)
Accumulated losses		**(24,832,403)**	(27,503,418)
Total equity		**162,692,790**	159,552,602
Liabilities			
Provision for employees' end of service indemnity		**6,378,365**	6,345,883
Insurance contract liabilities	8	**385,811,645**	364,670,292
Reinsurance contract liabilities	8	**1,409,389**	1,398,256
Bank borrowings	16	**78,381,090**	59,380,752
Other payables	14	**16,021,018**	12,085,635
Income tax payable	18	**271,824**	-
Total liabilities		**488,273,331**	443,880,818
Total equity and liabilities		**650,966,121**	603,433,420

This condensed interim financial information was authorised for issue on 25 April 2024 by the Board of Directors and signed on their behalf by:



Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman



Sanjeev Badyal
Chief Executive Officer

The notes from 1 to 27 form an integral part of this condensed interim financial information.

Condensed interim income statement
For the period ended 31 March 2024

	Notes	Three-month period ended 31 March (Unaudited) 2024 AED	2023 AED
Insurance revenue	8	**122,149,294**	107,874,274
Insurance service expenses	19	**(102,712,474)**	(109,748,281)
Insurance service result before reinsurance contracts held		**19,436,820**	(1,874,007)
Allocation of reinsurance premiums		**(55,173,449)**	(45,779,433)
Amounts recoverable from reinsurance for incurred claims		**38,695,581**	38,296,087
Net expenses from reinsurance contracts held		**(16,477,868)**	(7,483,346)
Insurance service result		**2,958,952**	(9,357,353)
Investment income	20	**3,683,767**	3,893,269
Insurance finance expense for insurance contracts issued	20	**(2,650,135)**	(2,173,471)
Reinsurance finance income for reinsurance contracts held	20	**2,406,048**	4,798,414
Net insurance finance (expense)/ income		**(244,087)**	2,624,943
Other operating expenses		**(3,417,469)**	(2,551,304)
Other underwriting income		**701,913**	1,108,446
Profit/(loss) for the period before tax		**3,683,076**	(4,281,999)
Income tax expense	18	**(288,388)**	-
Profit/(loss) for the period after tax		**3,394,688**	(4,281,999)
Basic and diluted profit / (loss) after tax per share	13	**0.03**	(0.04)

The notes from 1 to 27 form an integral part of this condensed interim financial information.

Condensed interim statement of comprehensive income
For the period ended 31 March 2024

	Three-month period ended 31 March (Unaudited)	
	2024	2023
	AED	AED
Profit/(loss) for the period after tax	**3,394,688**	(4,281,999)
Other comprehensive income:		
Items that will be reclassified subsequently to profit or loss:		
Net change in fair value of debt investments designated at FVTOCI – net of tax	**(87,016)**	555,106
Items that will not be reclassified subsequently to profit or loss:		
Net change in fair value of equity investments designated at FVTOCI – net of tax	**(167,484)**	173,511
Total other comprehensive (loss)/ income for the period	**(254,500)**	728,617
Total comprehensive income /(loss) for the period	**3,140,188**	(3,553,382)

The notes from 1 to 27 form an integral part of this condensed interim financial information.

Condensed interim statement of changes in equity
For the period ended 31 March 2024

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2023 (Audited)	121,275,000	49,756,048	20,000,000	2,802,615	(13,954,900)	(39,395,705)	140,483,058
Loss for the period	-	-	-	-	-	(4,281,999)	(4,281,999)
Other comprehensive income for the period	-	-	-	-	728,617	-	728,617
Total comprehensive income/ (loss) for the period	-	-	-	-	728,617	(4,281,999)	(3,553,382)
Transfer to reinsurance reserve	-	-	-	387,606	-	(387,606)	-
Capital reduction in equity investment	-	-	-	-	-	(32,528)	(32,528)
Balance at 31 March 2023 (Unaudited)	121,275,000	49,756,048	20,000,000	3,190,221	(13,226,283)	(44,097,838)	136,897,148
Balance at 1 January 2024 (Audited)	**121,275,000**	**51,210,165**	**20,000,000**	**3,895,720**	**(9,324,865)**	**(27,503,418)**	**159,552,602**
Profit for the period after tax	**-**	**-**	**-**	**-**	**-**	**3,394,688**	**3,394,688**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**	**(254,500)**	**-**	**(254,500)**
Total comprehensive (loss)/ income for the period	**-**	**-**	**-**	**-**	**(254,500)**	**3,394,688**	**3,140,188**
Transfer to reinsurance reserve	**-**	**-**	**-**	**723,673**	**-**	**(723,673)**	**-**
Balance at 31 March 2024 (Unaudited)	**121,275,000**	**51,210,165**	**20,000,000**	**4,619,393**	**(9,579,365)**	**(24,832,403)**	**162,692,790**

The notes from 1 to 27 form an integral part of this condensed interim financial information.

Condensed interim statement of cash flows
For the period ended 31 March 2024

	Notes	For the three-month period ended 31 March (Unaudited) 2024 AED	2023 AED
Cash flows from operating activities			
Profit / (loss) for the period before tax		**3,683,076**	(4,281,999)
Adjustments for:			
Depreciation of property and equipment		**99,252**	187,974
Amortisation of intangible assets	5	**385,478**	391,352
Provision for impairment		**579,001**	1,458,600
Provision for employees' end of service indemnity		**260,767**	523,415
Realised gain on disposal of financial asset at FVTPL equity investments	6	**-**	(375,788)
Realised gain on disposal of property and equipment		**(50)**	-
Write-off of property and equipment	4	**-**	59,714
Amortisation of premium on FVTOCI debt investments	6	**(23,435)**	17,891
Interest income		**(3,756,023)**	(3,466,743)
Dividend income	20	**(134,953)**	(48,013)
Impairment losses on financial asset at FVTOCI investments	20	**230,676**	-
Operating cash flows before changes in working capital		**1,323,789**	(5,533,597)
Changes in working capital:			
Reinsurance contract assets and liabilities – net		**28,285,342**	(2,868,899)
Insurance contract liabilities		**20,642,260**	2,226,079
Other receivables		**(10,529,215)**	(1,873,914)
Other payables		**3,968,383**	11,218,813
Net cash generated from operations		**43,690,559**	3,168,482
Directors' remuneration paid		**(33,000)**	-
Employees' end of service indemnity paid		**(228,285)**	(4,269)
Net cash generated from operating activities		**43,429,274**	3,164,213
Cash flows from investing activities			
Purchase of property and equipment	4	**-**	(66,569)
Purchase of intangible assets	5	**(364,075)**	(177,280)
Purchase of financial assets at FVTOCI	6	**(16,681,049)**	(13,739,897)
Purchase of financial assets at FVTPL	6	**-**	(1,499,999)
Proceeds from disposal of property and equipment		**50**	-
Proceeds from disposal of financial assets at FVTOCI	6	**2,754,750**	1,873,230
Proceeds from disposal of financial assets at FVTPL	6	**-**	1,875,787
Interest received		**160,342**	2,790,530
Maturities of fixed deposits with banks with original maturities greater than three months		**10,193,500**	106,267,436
Placements of fixed deposits with banks with original maturities greater than three months		**-**	(99,830,010)
Net cash used in investing activities		**(3,936,482)**	(2,506,772)

Condensed interim statement of cash flows (continued)
For the period ended 31 March 2024

	For the three-month period ended 31 March (Unaudited)	
	2024	2023
	AED	AED
Cash flows from financing activity		
Increase in borrowing	**19,000,338**	10,500,000
Net cash generated from financing activity	**19,000,338**	10,500,000
Net increase in cash and cash equivalents	**58,493,130**	11,157,441
Cash and cash equivalents at beginning of the period	**28,505,390**	9,628,747
Cash and cash equivalents at end of the period	**86,998,520**	20,786,188

The notes from 1 to 27 form an integral part of this condensed interim financial information.

1 Legal status and activities

Ras Al Khaimah National Insurance Company P.S.C. (the "Company") is a public joint-stock company, established and incorporated in the Emirate of Ras Al Khaimah by Emiri decree No. 20/76 dated 26 October 1976. The Company is subject to the regulations of the U.A.E. Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the UAE, under registration number 7.

This condensed interim financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

In 2023, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date to apply the provisions of the new Law.

The Company is a subsidiary of National Bank of Ras Al Khaimah P.S.C. (the "Parent company") which is incorporated in the Emirate of Ras Al Khaimah, United Arab Emirates. The address of the Company's registered head office is P. O. Box 506, Ras Al Khaimah, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange, United Arab Emirates. The principal activity of the Company is to undertake all classes of insurance business including life assurance, saving and accumulation of funds. The Company operates through its head office in Ras Al Khaimah and branch offices in Ras Al Khaimah, Dubai, and Abu Dhabi.

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime became effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

2 Basis of preparation

This condensed interim financial information is for the three-month period ended 31 March 2024 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E.

This condensed interim financial information has been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income and financial assets carried at fair value through profit and loss which are carried at fair value and the provision for employees' end of service indemnity which is calculated in line with UAE labour laws.

The Company's condensed interim statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, financial assets at fair value through profit and loss, other receivables and other payables. The following balances would generally be classified as non-current: property and equipment, intangible assets, statutory deposit and provision for employees' end of service indemnity. The following balances are of mixed nature (including both current and non-current portions): financial assets at fair value through other comprehensive income, reinsurance contract assets, insurance contract liabilities, reinsurance contract liabilities, bank balances, income tax payable, deferred tax asset, deposits and bank borrowings.

This condensed interim financial information does not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 Material accounting policy information

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024.

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

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 have been adopted by the Company and did not have a material impact on this financial information.

The Company has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

Property and equipment

Land and buildings are recognised at historical cost, less subsequent depreciation and impairment if any for buildings only. All other property and equipment are carried at historical cost less accumulated depreciation and any identified impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 income statement during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives as follows:

	Years
Furniture and fixtures	4
Office equipment	4
Motor vehicles	4
Computer equipment	4

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

3 Material accounting policy information (continued)

Intangible assets

Intangible assets comprise computer software and are reported at cost less accumulated amortisation and identified impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. 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 10 years.

Financial assets

Classification and measurement - Financial assets

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

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

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

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

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

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

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

Equity instruments at FVTOCI

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3 Material accounting policy information (continued)

Financial assets (continued)

Debt instruments at amortised cost or at FVTOCI

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

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

Financial assets at FVTPL

Financial assets at FVTPL are:

(i) assets with contractual cash flows that are not SPPI; or/and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Derecognition of financial assets

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

Taxation

Current

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period.

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year/period. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year/period if the estimate of the annual income tax rate changes.

Deferred taxation

Deferred tax is accounted for in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the condensed interim income statement, except in the case of items credited or charged to condensed interim other comprehensive income or equity in which case it is included in condensed interim other comprehensive income or equity.

3 Material accounting policy information (continued)

Judgements and estimates

The preparation of this condensed interim financial information requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period.

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

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

Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for incurred claims, the Company discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

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

The Company includes insurance acquisition cash flows in the measurement of a group of insurance contracts if they are directly attributable to either the individual contracts in a group, the group itself or the portfolio of insurance contracts to which the group belongs. The Company estimates, at a portfolio level, insurance acquisition cash flows not directly attributable to the group but directly attributable to the portfolio. The Company then allocates them to the group of newly written and renewed contracts on a systematic and rational basis..

Liability for incurred 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. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based. Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the

3 Material accounting policy information (continued)

Judgements and estimates (continued)

Liability for incurred claims (continued)

probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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

Discount rates

The Company use bottom-up approach to derive the discount rate. Under this approach, the discount rate is determined as the risk-free yield, adjusted for differences in liquidity characteristics between the financial assets used to derive the risk-free yield and the relevant liability cash flows (known as an 'illiquidity premium'). The risk free rates are derived from US treasury yield curve. Country risk premium and illiquidity premium is added to these rates to derive the discount rate. Management uses judgment to assess liquidity characteristics of the liability cash flows.

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

	1 year		3 years		5 years		10 years		20 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Insurance contracts issued										
AED	**5.23%**	5.17%	**4.66%**	4.42%	**4.53%**	4.26%	**4.11%**	4.33%	**2.03%**	4.35%
Reinsurance contracts held										
AED	**5.23%**	5.17%	**4.66%**	4.42%	**4.53%**	4.26%	**4.11%**	4.33%	**2.03%**	4.35%

Risk adjustment for non-financial risk

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

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80th 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 80th 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.

Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2023. There have been no changes in any risk management policies since the year end.

The accounting policies in respect of property and equipment, intangible assets and financial assets have been disclosed in this condensed interim financial information as required by Securities and Commodities Authority ("SCA") notification dated 12 October 2008.

4 Property and equipment

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

During the three-month period ended 31 March 2024, the Company has not purchased (during the year ended 31 December 2023: AED 142,475) any equipment. Net book value of disposal (during the year ended 31 December 2023: Nil) and net book value of write-offs are Nil (during the year ended 31 December 2023: AED 219,872) during the three-month period ended 31 March 2024.

5 Intangible assets

Intangible assets include computer software.

During the three-month period ended 31 March 2024, the Company recorded additions of AED 364,075 (during the year ended 31 December 2023: AED 646,355) to its computer software.

The amortisation charge for the three-month period ended 31 March 2024 amounted to AED 385,478 (for the year ended 31 December 2023: AED 1,514,318) and no write-offs during three-month period ended 31 March 2024 (during the year ended 31 December 2023 net written off: AED 304,465).

6 Financial assets

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

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Investments at FVTOCI		
Quoted debt	**145,390,460**	131,536,348
Quoted equity securities	**3,421,018**	3,835,742
Allowance for impairment	**(214,135)**	(188,019)
	148,597,343	135,184,071

FVTOCI investments comprise of quoted equity and debt instruments within the G.C.C. region except one investment valued at AED 8.8 million as at 31 March 2024 (31 December 2023: AED 8.7 million) which is an investment outside the G.C.C. region. The Company has designated all investments in equity instruments that are not held for trading as FVTOCI. Debt instruments carry an interest rate ranging from 1.75% to 7.75% per annum (31 December 2023: 1.75% to 6.75%) and they are redeemable at par from 2024 to 2035 (31 December 2023: 2024 to 2033) based on their maturity dates. There are no significant concentrations of credit risk for debt instruments and the carrying amount reflected above represents the Company's maximum exposure to credit risk for such assets.

The movement in the financial investments is as follows:

	FVTOCI debt AED	**FVTOCI equity AED**	**Total AED**
Balance at 31 December 2023 (Audited)	**131,348,329**	**3,835,742**	**135,184,071**
Additions during the period	**16,681,049**	**-**	**16,681,049**
Matured during the period	**(2,754,750)**	**-**	**(2,754,750)**
Net change in fair value	**(95,622)**	**(184,048)**	**(279,670)**
Impairment charges	**-**	**(230,676)**	**(230,676)**
Amortisation of premium on FVTOCI debt investments to profit or loss	**23,435**	**-**	**23,435**
Allowance for impairment	**(26,116)**	**-**	**(26,116)**
Balance at 31 March 2024 (Unaudited)	**145,176,325**	**3,421,018**	**148,597,343**

6 Financial assets (continued)

	FVTOCI debt AED	FVTOCI equity AED	Total AED
Balance at 31 December 2022 (Audited)	106,416,035	1,994,312	108,410,347
Additions during the year	22,679,567	1,958,380	24,637,947
Matured during the year	(1,873,230)	-	(1,873,230)
Net change in fair value	4,166,202	439,830	4,606,032
Capital reduction in equity	-	(77,662)	(77,662)
Impairment charges	-	(479,118)	(479,118)
Amortisation of premium on FVTOCI debt investments to profit or loss	4,170	-	4,170
Allowance for impairment	(44,415)	-	(44,415)
Balance at 31 December 2023 (Audited)	131,348,329	3,835,742	135,184,071

Equity investments at fair value through profit or loss	**(Unaudited) 31 March 2024 AED**	(Audited) 31 December 2023 AED
Balance at the beginning of the period / year	**-**	-
Additions during the period / year	**-**	2,518,040
Disposals during the period / year	**-**	(3,382,580)
Realised gain on disposal of FVTPL equity investments	**-**	864,540
Balance at the end of the period/year	**-**	-

Details of provision for impairment were as follows:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Balance at the beginning of the year	**188,019**	143,604
Provision for/(reversal of) impairment during the period/year	**26,116**	44,415
Balance at the end of the period/year	**214,135**	188,019

There were no reclassifications between financial investment categories during 2024 and 2023.

All the investments in scope of the impairment model are in stage 1.

7 Statutory deposit

A deposit of AED 10 million (31 December 2023: AED 10 million) has been placed with one of the banks, in accordance with Article (42) of the UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended). This deposit has been pledged to the bank as security against a guarantee issued by the Bank in favour of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the CBUAE and bears an interest rate of 5.15% per annum (31 December 2023: 5.15% per annum).

8 Insurance and reinsurance contracts

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:

	(Unaudited) 31 March 2024			(Audited) 31 December 2023		
	Assets AED	**Liabilities AED**	**Net AED**	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	**-**	**(142,872,110)**	**(142,872,110)**	-	(148,209,844)	(148,209,844)
General and Motor	**-**	**(242,939,535)**	**(242,939,535)**	-	(216,460,448)	(216,460,448)
Total insurance contracts issued	**-**	**(385,811,645)**	**(385,811,645)**	-	(364,670,292)	(364,670,292)
Reinsurance contracts held						
Life and Medical	**56,618,069**	**(1,322,826)**	**55,295,243**	75,255,080	-	75,255,080
General and Motor	**91,364,606**	**(86,563)**	**91,278,043**	101,057,406	(1,398,256)	99,659,150
Total reinsurance contracts held	**147,982,675**	**(1,409,389)**	**146,573,286**	176,312,486	(1,398,256)	174,914,230

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

The Company disaggregates information to provide disclosure in respect of major product lines separately: Life & Medical and General & Motor. This disaggregation has been determined based on how the company is managed.

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

8 Insurance and reinsurance contracts (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)

2024	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Total (Unaudited) AED
Insurance contract liabilities as at 1 January	34,353,198	6,361,717	104,322,433	3,172,496	47,557,195	-	158,387,942	10,515,311	364,670,292
Insurance revenue	(73,632,116)	-	-	-	(48,517,178)	-	-	-	(122,149,294)
Insurance service expenses	9,484,797	655,020	53,452,436	(335,871)	10,784,611	136,047	28,740,226	(204,792)	102,712,474
Incurred claims and other expenses	-	-	66,099,617	1,767,926	-	-	46,633,009	2,039,754	116,540,306
Amortisation of insurance acquisition cash flows	9,484,797	-	-	-	10,784,611	-	-	-	20,269,408
Losses on onerous contracts and reversals of those losses	-	655,020	-	-	-	136,047	-	-	791,067
Changes to liabilities for incurred claims	-	-	(12,647,181)	(2,103,797)	-	-	(17,892,783)	(2,244,546)	(34,888,307)
Insurance service result	(64,147,319)	655,020	53,452,436	(335,871)	(37,732,567)	136,047	28,740,226	(204,792)	(19,436,820)
Insurance finance expenses	-	-	872,596	45,318	-	-	1,582,015	150,206	2,650,135
Total changes in the statement of comprehensive income	(64,147,319)	655,020	54,325,032	(290,553)	(37,732,567)	136,047	30,322,241	(54,586)	(16,786,685)
Cash flows									
Premiums received	81,988,417	-	-	-	70,494,349	-	-	-	152,482,766
Claims and other expenses paid	-	-	(67,992,505)	-	-	-	(23,478,099)	-	(91,470,604)
Insurance acquisition cash flows	(9,875,826)	-	-	-	(13,208,298)	-	-	-	(23,084,124)
Total cash flows	72,112,591	-	(67,992,505)	-	57,286,051	-	(23,478,099)	-	37,928,038
Net insurance contract liabilities as at 31 March	42,318,470	7,016,737	90,654,960	2,881,943	67,110,679	136,047	165,232,084	10,460,725	385,811,645

8 Insurance and reinsurance contracts (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)

2023	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component (Audited)	Loss component (Audited)	Estimates of the present value of future cash flows (Audited)	Risk adjustment (Audited)	Excluding loss component (Audited)	Loss component (Audited)	Estimates of the present value of future cash flows (Audited)	Risk adjustment (Audited)	Total (Audited)
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Insurance contract liabilities as at 1 January	59,066,072	427,931	87,122,767	2,418,152	46,581,835	5,267,649	121,587,398	7,411,745	329,883,549
Insurance revenue	(304,305,933)	-	-	-	(160,067,246)	-	-	-	(464,373,179)
Insurance service expenses	36,078,905	5,933,786	243,888,328	591,011	38,565,009	(5,267,649)	97,005,442	2,645,866	419,440,698
Incurred claims and other expenses	-	-	284,067,660	6,877,416	-	-	136,847,753	6,157,724	433,950,553
Amortisation of insurance acquisition cash flows	36,078,905	-	-	-	38,565,009	-	-	-	74,643,914
Losses on onerous contracts and reversals of those losses	-	5,933,786	-	-	-	(5,267,649)	-	-	666,137
Changes to liabilities for incurred claims	-	-	(40,179,332)	(6,286,405)	-	-	(39,842,311)	(3,511,858)	(89,819,906)
Insurance service result	(268,227,028)	5,933,786	243,888,328	591,011	(121,502,237)	(5,267,649)	97,005,442	2,645,866	(44,932,481)
Insurance finance expenses	-	-	3,344,771	163,333	-	-	6,344,183	457,700	10,309,987
Total changes in the statement of comprehensive income	(268,227,028)	5,933,786	247,233,099	754,344	(121,502,237)	(5,267,649)	103,349,625	3,103,566	(34,622,494)
Cash flows									
Premiums received	277,097,657	-	-	-	164,078,365	-	-	-	441,176,022
Claims and other expenses paid	-	-	(230,033,433)	-	-	-	(66,549,081)	-	(296,582,514)
Insurance acquisition cash flows	(33,583,503)	-	-	-	(41,600,768)	-	-	-	(75,184,271)
Total cash flows	243,514,154	-	(230,033,433)	-	122,477,597	-	(66,549,081)	-	69,409,237
Net insurance contract liabilities as at 31 December	34,353,198	6,361,717	104,322,433	3,172,496	47,557,195	-	158,387,942	10,515,311	364,670,292

8 Insurance and reinsurance contracts (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

2024	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Total (Unaudited) AED
Reinsurance contract assets as at 1 January	(97,734,272)	3,410,024	167,495,655	2,083,673	(47,922,094)	-	140,820,820	8,158,680	176,312,486
Reinsurance contract liabilities as at 1 January	-	-	-	-	(2,841,204)	-	1,386,870	56,078	(1,398,256)
Net reinsurance contract (liabilities)/assets as at 1 January	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230
Allocation of reinsurance premiums	(29,647,082)	-	-	-	(25,526,367)	-	-	-	(55,173,449)
Amounts recoverable from reinsurers for incurred claims	-	1,828,696	24,944,214	(189,825)	-	60,122	12,270,450	(218,076)	38,695,581
Amounts recoverable for incurred claims and other expenses	-	-	28,900,307	1,175,647	-	-	21,075,676	1,218,881	52,370,511
Loss-recovery on onerous underlying contracts and adjustments	-	1,828,696	-	-	-	60,122	-	-	1,888,818
Changes to amounts recoverable for incurred claims	-	-	(3,956,093)	(1,365,472)	-	-	(8,805,226)	(1,436,957)	(15,563,748)
Net income or expense from reinsurance contracts held	(29,647,082)	1,828,696	24,944,214	(189,825)	(25,526,367)	60,122	12,270,450	(218,076)	(16,477,868)
Reinsurance finance income	-	-	1,757,016	29,765	-	-	1,581,005	115,338	3,483,124
Effect of changes in non-performance risk of reinsurers	-	-	(896,035)	-	-	-	(181,041)	-	(1,077,076)
Total changes in the statement of comprehensive income	(29,647,082)	1,828,696	25,805,195	(160,060)	(25,526,367)	60,122	13,670,414	(102,738)	(14,071,820)
Cash flows									
Premiums paid	55,665,001	-	-	-	41,573,621	-	-	-	97,238,622
Amounts received	-	-	(73,451,587)	-	-	-	(38,056,159)	-	(111,507,746)
Total cash flows	55,665,001	-	(73,451,587)	-	41,573,621	-	(38,056,159)	-	(14,269,124)
Net reinsurance contract assets/(liabilities) as at 31 March	(71,716,353)	5,238,720	119,849,263	1,923,613	(34,716,044)	60,122	117,821,945	8,112,020	146,573,286
Reinsurance contract assets as at 31 March	(47,304,668)	5,238,720	97,675,906	1,008,111	(34,475,198)	60,122	117,672,337	8,107,345	147,982,675
Reinsurance contract liabilities as at 31 March	(24,411,685)	-	22,173,357	915,502	(240,846)	-	149,608	4,675	(1,409,389)
Net reinsurance contract assets/(liabilities) as at 31 March	(71,716,353)	5,238,720	119,849,263	1,923,613	(34,716,044)	60,122	117,821,945	8,112,020	146,573,286

8 Insurance and reinsurance contracts (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)

2023	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component (Audited)	Loss component (Audited)	Estimates of the present value of future cash flows (Audited)	Risk adjustment (Audited)	Excluding loss recovery component (Audited)	Loss component (Audited)	Estimates of the present value of future cash flows (Audited)	Risk adjustment (Audited)	Total (Audited)
	AED	AED	AED	AED	AED	AED	AED	AED	AED
Reinsurance contract assets as at 1 January	(176,792,989)	346,066	223,719,817	1,316,637	(57,545,527)	1,676,865	149,459,094	4,684,407	146,864,370
Reinsurance contract liabilities as at 1 January	-	-	-	-	(127,655,881)	3,532	105,556,224	1,120,325	(20,975,800)
Net reinsurance contract assets/(liabilities) as at 1 January	(176,792,989)	346,066	223,719,817	1,316,637	(185,201,408)	1,680,397	255,015,318	5,804,732	125,888,570
Allocation of reinsurance premiums	(123,735,434)	-	-	-	(79,472,675)	-	-	-	(203,208,109)
Amounts recoverable from reinsurers for incurred claims	-	3,063,958	112,290,359	665,695	-	(1,680,397)	42,264,468	2,050,125	158,654,208
Amounts recoverable for incurred claims and other expenses	-	-	135,524,871	4,029,971	-	-	74,321,790	4,030,844	217,907,476
Loss-recovery on onerous underlying contracts and adjustments	-	3,063,958	-	-	-	(1,680,397)	-	-	1,383,561
Changes to amounts recoverable for incurred claims	-	-	(23,234,512)	(3,364,276)	-	-	(32,057,322)	(1,980,719)	(60,636,829)
Net income or expense from reinsurance contracts held	(123,735,434)	3,063,958	112,290,359	665,695	(79,472,675)	(1,680,397)	42,264,468	2,050,125	(44,553,901)
Reinsurance finance income	-	-	12,218,649	101,341	-	-	10,141,824	359,901	22,821,715
Effect of changes in non-performance risk of reinsurers	-	-	(4,504,546)	-	-	-	2,627,194	-	(1,877,352)
Total changes in the statement of comprehensive income	(123,735,434)	3,063,958	120,004,462	767,036	(79,472,675)	(1,680,397)	55,033,486	2,410,026	(23,609,538)
Cash flows									
Premiums paid	202,794,151	-	-	-	213,910,785	-	-	-	416,704,936
Amounts received	-	-	(176,228,624)	-	-	-	(167,841,114)	-	(344,069,738)
Total cash flows	202,794,151	-	(176,228,624)	-	213,910,785	-	(167,841,114)	-	72,635,198
Net reinsurance contract assets/(liabilities) as at 31 December	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230
Reinsurance contract assets as at 31 December	(97,734,272)	3,410,024	167,495,655	2,083,673	(47,922,094)	-	140,820,820	8,158,680	176,312,486
Reinsurance contract liabilities as at 31 December	-	-	-	-	(2,841,204)	-	1,386,870	56,078	(1,398,256)
Net reinsurance contract assets/(liabilities) as at 31 December	(97,734,272)	3,410,024	167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230

9 Other receivables

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Accrual of interest and other income	**2,128,604**	1,063,049
Advances and prepayments	**3,057,880**	2,765,561
Other receivables	**16,046,880**	5,641,678
	21,233,364	9,470,288
Allowance for impairment	**(4,944,707)**	(4,944,733)
	16,288,657	4,525,555

Other receivables mainly pertain to an amount of AED 3.9 million (31 December 2023: AED 3.9 million) for the exposure to a Lebanese bank that does not meet the recognition and classification requirements of bank balances and fixed deposits (Note 11).

Movement in the allowance for impairment was as follows:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Balance at the beginning of the year	**4,944,733**	2,751,057
(Reversal) / provision for impairment during the period / year	**(26)**	2,193,676
Balance at the end of the period / year	**4,944,707**	4,944,733

10 Cash and cash equivalents

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Cash in hand	**23,823**	23,186
Current accounts with banks	**86,974,697**	28,482,204
	86,998,520	28,505,390

11 Deposits

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Fixed deposits with original maturities greater than three months	**235,788,875**	243,474,313
Fixed deposits under lien	**600,000**	600,000
Allowance for impairment	**(132,037)**	(122,537)
Total fixed deposits	**236,256,838**	243,951,776

Certain fixed deposits with carrying amount of AED 600,000 as at 31 March 2024 (31 December 2023: AED 600,000) are under lien against letters of guarantee amounting to AED 550,000 (31 December 2023: AED 550,000). The interest rates on fixed deposits with banks range between 3.25% to 5.65% per annum (31 December 2023: 3.25% to 5.65% per annum). All fixed deposits are held in local banks in the United Arab Emirates.

11 Deposits (continued)

As of 31 March 2024, fixed deposits with original maturities greater than three months disclosed on the previous page include deposits amounting to AED 93,299,872 (31 December 2023: AED 61,989,754) which are pledged against bank borrowings (Note 16). Details of allowance for impairment as per IFRS 9 were as follows:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Balance at the beginning of the year	**122,537**	**138,000**
Provision /(reversal) for impairment during the period / year	**9,500**	**(15,463)**
Balance at the end of the period / year	**132,037**	**122,537**

All the bank balances and fixed deposits in the scope of the impairment model are in stage 1 and there have been no movements between the stages during the period / year.

12 Share capital

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Authorised, issued and fully paid:		
121.275 million ordinary shares of AED 1 each	**121,275,000**	121,275,000

(31 December 2023: 121.275 million ordinary shares of AED 1 each)

13 Basic and diluted profit / (loss) per share

	Three-month period ended 31 March (Unaudited) 2024	2023
Profit/(loss) after tax for the period (in AED)	**3,394,749**	(4,281,999)
Number of shares	**121,275,000**	121,275,000
Basic and diluted profit/(loss) per share (in AED)	**0.03**	(0.04)

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

14 Other payables

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Due to related parties	**7,899,686**	4,113,408
Accrued expenses	**2,848,526**	6,443,127
Other payable balances	**4,412,875**	973,161
Payables to suppliers	**859,931**	555,939
	16,021,018	12,085,635

15 Dividend and Directors' remuneration

At the Annual General Meeting held on 21 March 2024, the shareholders approved not paying a dividend and approved Board of Directors' remuneration of AED 400,000 and an amount of AED 10,000 as a sitting fee for each member for the board committees for the year ended 31 December 2023. (At the Annual General Meeting held on 12 April 2023, the shareholders approved not paying a dividend or Board of Directors' remuneration for the year ended 31 December 2022).

16 Bank borrowings

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Bank overdrafts	**78,381,090**	59,380,752

Overdraft facilities are secured against fixed deposit with carrying value of AED 93,299,872 (31 December 2023: AED 61,989,754). The overdraft carries an interest rate of 0.5% above the interest rate earned on the fixed deposits secured against the overdraft facilities and are repayable on demand.

17 Deferred taxation

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Deferred tax arising in respect of:		
Recognised in OCI:		
Net change in fair value of debt investments designated at FVTOCI	**8,606**	-

Deferred taxes arising from temporary differences and unused tax losses are summarised as follows:

	Net balance at 1 January 2024	Recognised in profit or loss	Recognised in other comprehensive income	Net balance at 31 March 2024
Financial assets	**-**	**-**	**8,606**	**8,606**

18 Income tax expense

	(Unaudited) 31 March 2024 AED	(Unaudited) 31 March 2023 AED
Condensed interim income statement:		
Current tax	**(288,388)**	-
Condensed interim statement of comprehensive income		
Current tax	**16,564**	-
Deferred tax	**8,606**	-

Relationship between tax expense and accounting profit:

	(Unaudited) 31 March 2024 AED	(Unaudited) 31 March 2023 AED
Profit for the period before taxation	**3,683,076**	-
Basic exemption limit	**(375,000)**	-
Tax applicable profit	**3,308,076**	-
Tax at the applicable rate of 9%	**(297,727)**	-
Effect of items that are not considered in determining taxable income - net		
Exempt income	**12,146**	-
Non-deductible expenses	**(2,807)**	-
Income tax expense	**(288,388)**	-
	3,394,688	-

19 Insurance service expenses

For the three-month period ended 31 March 2024	Life and medical (Unaudited) AED	General and motor (Unaudited) AED	Total (Unaudited) AED
Incurred claims and other expenses	**67,867,543**	**48,672,763**	**116,540,306**
Amortisation of insurance acquisition cash flows	**9,484,797**	**10,784,611**	**20,269,408**
Losses on onerous contracts and reversals of those losses	**655,020**	**136,047**	**791,067**
Changes to liabilities for incurred claims	**(14,750,978)**	**(20,137,329)**	**(34,888,307)**
	63,256,382	**39,456,092**	**102,712,474**
For the three-month period ended 31 March 2023			
Incurred claims and other expenses	76,364,364	30,828,421	107,192,785
Amortisation of insurance acquisition cash flows	11,183,192	8,097,484	19,280,676
Losses on onerous contracts and reversals of those losses	3,580,286	(2,938,923)	641,363
Changes to liabilities for incurred claims	(11,828,950)	(5,537,593)	(17,366,543)
	79,298,892	30,449,389	109,748,281

20 Total investment income and net insurance financial result

The table below presents an analysis of total investment income and insurance financial result recognised in condensed interim income statement for the period:

For the three-month period ended 31 March 2024	Life and Medical (Unaudited) AED	General and Motor (Unaudited) AED	Total (Unaudited) AED
Investment income			
Amounts recognised in the profit or loss			
Interest income	**1,178,671**	**2,577,352**	**3,756,023**
Dividend income from financial investments	**-**	**134,953**	**134,953**
Impairment charge on financial investments at FVTOCI	**-**	**(230,676)**	**(230,676)**
Other income	**48**	**23,419**	**23,467**
	1,178,719	**2,505,048**	**3,683,767**
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	**(950,040)**	**(1,910,686)**	**(2,860,726)**
Due to changes in interest rates and other financial assumptions	**32,126**	**178,465**	**210,591**
Total insurance finance expenses from insurance contracts issued	**(917,914)**	**(1,732,221)**	**(2,650,135)**
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	**1,829,466**	**1,754,853**	**3,584,319**
Changes in non-performance risk of reinsurer	**(896,035)**	**(181,041)**	**(1,077,076)**
Due to changes in interest rates and other financial assumptions	**(42,685)**	**(58,510)**	**(101,195)**
Reinsurance finance income from reinsurance contracts held	**890,746**	**1,515,302**	**2,406,048**
Total insurance finance expenses and reinsurance finance income	**(27,168)**	**(216,919)**	**(244,087)**

20 Total investment income and net insurance financial result (continued)

The table below presents an analysis of total investment income and insurance financial result recognised in condensed interim income statement for the period:

For the three-month period ended 31 March 2023	Life and Medical (Unaudited) AED	General and Motor (Unaudited) AED	Total (Unaudited) AED
Investment income			
Amounts recognised in the profit or loss			
Interest income	844,211	2,622,532	3,466,743
Dividend income from financial investments	-	48,013	48,013
Realised gain on disposal of financial investments at FVTPL		375,788	375,788
Other income	-	2,725	2,725
	844,211	3,049,058	3,893,269
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(647,812)	(1,314,005)	(1,961,817)
Due to changes in interest rates and other financial assumptions	2,137	(213,791)	(211,654)
Total insurance finance income from insurance contracts issued	(645,675)	(1,527,796)	(2,173,471)
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	2,454,976	2,600,684	5,055,660
Changes in non-performance risk of reinsurer	(163,676)	(74,798)	(238,474)
Due to changes in interest rates and other financial assumptions	(44,575)	25,803	(18,772)
Reinsurance finance expenses from reinsurance contracts held	2,246,725	2,551,689	4,798,414
Total insurance finance expenses and reinsurance finance income	1,601,050	1,023,893	2,624,943

21 Segment information

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

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

The following is an analysis of the Company's condensed interim income statement classified by major segments:

	For the three-month period ended 31 March 2024 (Unaudited)		
	Life and Medical AED	**Motor and General AED**	**Total AED**
Insurance revenue	**73,632,116**	**48,517,178**	**122,149,294**
Insurance service expenses	**(63,256,381)**	**(39,456,093)**	**(102,712,474)**
Insurance service result before reinsurance contracts held	**10,375,735**	**9,061,085**	**19,436,820**
Allocation of reinsurance premiums	**(29,647,082)**	**(25,526,367)**	**(55,173,449)**
Amounts recoverable from reinsurance	**26,583,088**	**12,112,493**	**38,695,581**
Net expenses from reinsurance contracts held	**(3,063,994)**	**(13,413,874)**	**(16,477,868)**
Investment income	**1,178,719**	**2,505,048**	**3,683,767**
Finance expenses from insurance contracts issued	**(917,915)**	**(1,732,220)**	**(2,650,135)**
Finance income from reinsurance contracts held	**890,745**	**1,515,303**	**2,406,048**
Net insurance finance expense	**(27,170)**	**(216,917)**	**(244,087)**
Other operating expenses	**(2,000,074)**	**(1,417,395)**	**(3,417,469)**
Other underwriting income	**701,913**	**-**	**701,913**
Profit / (loss) for the period before tax	**7,165,129**	**(3,482,053)**	**3,683,076**

21 Segment information (continued)

	For the three-month period ended 31 March 2023 (Unaudited)		
	Life and Medical AED	Motor and General AED	Total AED
Insurance revenue	73,816,430	34,057,844	107,874,274
Insurance service expenses	(79,298,828)	(30,449,453)	(109,748,281)
Insurance service result before reinsurance contracts held	(5,482,398)	3,608,391	(1,874,007)
Allocation of reinsurance premiums	(30,155,552)	(15,623,881)	(45,779,433)
Amounts recoverable from reinsurance	28,454,025	9,842,062	38,296,087
Net expenses from reinsurance contracts held	(1,701,527)	(5,781,819)	(7,483,346)
Investment income	844,211	3,049,058	3,893,269
Finance income from insurance contracts issued	(645,675)	(1,527,796)	(2,173,471)
Finance expenses from reinsurance contracts held	2,246,725	2,551,689	4,798,414
Net insurance finance income	1,601,050	1,023,893	2,624,943
Other operating expenses	(1,342,119)	(1,209,185)	(2,551,304)
Other underwriting income	1,108,446	-	1,108,446
Loss for the period	(4,972,337)	690,338	(4,281,999)

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

	As at 31 March 2024 (Unaudited)		
	Life and Medical AED	**Motor and General AED**	**Total AED**
Total assets	**209,197,982**	**441,768,139**	**650,966,121**
Total equity	**92,961**	**162,599,829**	**162,692,790**
Total liabilities	**209,105,021**	**279,168,310**	**488,273,331**

	As at 31 December 2023 (Audited)		
	Life and Medical AED	Motor and General AED	Total AED
Total assets	194,977,156	408,456,264	603,433,420
Total equity	(1,936,594)	161,489,196	159,552,602
Total liabilities	196,913,750	246,967,068	443,880,818

22 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. 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 period/year, amounts due from/to related parties were as follows:

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Due from parent company (insurance contract liabilities)	**11,471,554**	18,640,376
Due from Directors (insurance contract liabilities)	**747**	1,093
Due from other related parties under common control (insurance contract liabilities)	**20,509,534**	10,160,171
Total due from related parties	**31,981,835**	28,801,640
Due to Parent company (other payables)	**(7,899,686)**	(4,113,407)
Total due to related parties	**(7,899,686)**	(4,113,407)

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Fixed deposits placed with Parent company	**110,547,053**	119,797,824
Bank balances placed with Parent company	**46,617,267**	17,505,602
Bank borrowing from Parent company	**(30,000,000)**	-

Balances due from and due to related parties are interest free and repayable on demand.

22 Related party balances and transactions (continued)

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

	Three month period ended 31 March (Unaudited)	
	2024	2023
	AED	AED
Insurance revenue (Parent company)	**30,563,599**	23,486,257
Insurance revenue (Directors)	**33,849**	1,061
Insurance revenue (other related parties)	**16,490,245**	8,259,368
Insurance service expenses (Parent company)	**(18,738,396)**	(18,695,465)
Insurance service expenses (Directors)	**90,658**	(12,362)
Insurance service expenses (other related parties)	**(11,205,748)**	(1,058,401)
Other expenses (Parent company)	**(786,078)**	(52,250)
Interest income (Parent company)	**1,334,603**	1,202,573

During the three-month period ended 31 March 2024, the Company has purchased financial assets at AED 16.7 million (31 December 2023: AED 22.7 million) and no selling of financial assets (31 December 2023: 1.9 million) through the Parent company / from external parties.

Key management personnel compensation

	Three month period ended 31 March (Unaudited)	
	2024	2023
	AED	AED
Board of Directors' remuneration and other expenses	**678,360**	-
Short-term benefits	**1,561,833**	1,550,620
Long-term benefits	**76,678**	37,219
	2,316,871	1,587,839

23 Contingent liabilities

	(Unaudited)	(Audited)
	31 March	31 December
	2024	2023
	AED	AED
Letters of guarantee	**10,605,000**	10,567,410

Letters of guarantee includes AED 10 million (31 December 2023: AED 10 million) issued in favour of the CBUAE (formerly, the UAE Insurance Authority). The above guarantees were issued in the normal course of business. The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

24 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.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial information approximate their fair values except for financial investments measured at fair value through other comprehensive income of which fair value is determined based on the quoted market prices and disclosed in Note 6 of this condensed interim financial information.

Fair value of financial instruments carried at fair value

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2023.

Financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

- Level 1 the fair value of financial instruments traded in an active market is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price. These instruments are included in Level 1.
- Level 2 the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are unobservable, the instrument is included in Level 2.
- Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets	**31 March 2024 (Unaudited) AED**	31 December 2023 (Audited) AED				
FVTOCI:						
Debt securities	**145,176,325**	131,348,329	Level 1	Quoted bid prices in an active market	None	N/A
Quoted equity securities	**3,421,018**	3,835,742	Level 1	Quoted bid prices in an active market	None	N/A

There were no transfers between levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

25 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	(Unaudited) 31 March 2024 AED	(Audited) 31 December 2023 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**93,693,663**	68,817,200
Minimum Guarantee Fund (MGF)	**69,822,103**	69,303,442
Basic Own Funds	**140,358,587**	139,201,083
MCR Solvency Margin - Minimum Capital Requirement surplus	**40,358,587**	39,201,083
SCR Solvency Margin - Solvency Capital Requirement surplus	**46,664,923**	70,383,882
MGF Solvency Margin – Minimum Guarantee Fund surplus	**70,536,484**	69,897,640

26 Approval of the condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 25 April 2024.

27 Comparatives

Certain prior period amounts have been regrouped to conform to current period's presentation. Such regrouping did not affect previously reported profit for the period or equity.