

HAYAH Insurance Company P.J.S.C.

Condensed interim financial information

31 March 2024

Principal business address:

HAYAH Insurance Company P.J.S.C.
P O Box: 63323
Abu Dhabi
UAE

HAYAH Insurance Company P.J.S.C.

Condensed interim financial information

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HAYAH Insurance Company P.J.S.C

Report of the Board of Directors
For the period ended 31st March 2024

The Board of Directors are pleased to submit the report of the Company's activities accompanied by the condensed interim financial information for the period ended 31st March 2024.

The Company registered a net Profit of AED 3 million for the period ended 31st March 2023, compared to a net profit of AED 0.2 million during same period last year.

Total Insurance Revenue amounted to AED 20.1 million for the period ended 31 March 2024 compared to AED 20.03 million (restated) for the corresponding period of last year, representing retention of clients and securing new business.

During the period, the Company has maintained volumes of life insurance, despite tough competition in the market. For the period ended 31 March 2024, the Company incurred net insurance results of AED 1.2 million, as compared to total net insurance results of AED 0.1 million in the corresponding period of last year.

For the period ended 31 March 2024, the Company achieved investment income of AED 2.3 million, as compared to AED 0.8 million in the corresponding period of last year representing an increase of AED 1.5 million.

2024 Outlook

The UAE's economy is projected to grow by 4.3% in 2024, with non-oil economy growth expected at 4.6% and oil GDP growth at 3.5%. This follows a significant growth of 7.6% in the previous year, driven by sectors such as property, construction, manufacturing.

The UAE and the GCC region are poised for significant growth and transformation in 2024, driven by robust economic performance, technological advancements, and strategic investments in key sectors. The region's focus on diversification, technological innovation, and sustainability is expected to further strengthen its economic resilience and global standing.

Salama Amer Omar Saleh

Member of the Board

**Grant Thornton Audit
and Accounting Limited
– Abu Dhabi**

Office 1101, 11th Floor
Al Kamala Tower
Zayed the 1st Street
Khalidiya
Abu Dhabi, UAE

T +971 2 666 9750
www.grantthornton.ae

Report on review of the condensed interim financial information To the Shareholders of Hayah Insurance Company P.J.S.C.

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Hayah Insurance Company P.J.S.C. (the “Company”) as at 31 March 2024, and the related condensed interim statements of profit or loss, other comprehensive income, changes in shareholders’ equity, and cash flows for the three-month period then ended, a summary of material accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

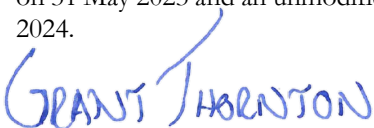
We conducted our review in accordance with the International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible 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 IAS 34 “Interim Financial Reporting”.

Other Matter

The condensed interim financial information for the three-month period ended 31 March 2023 and the financial statements for the year ended 31 December 2023 were reviewed and audited, respectively, by another auditor who expressed an unmodified conclusion on the condensed interim financial information for the three-month period ended 31 March 2023 on 31 May 2023 and an unmodified opinion on the financial statements for the year ended 31 December 2023 on 25 March 2024.



GRANT THORNTON UAE

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

Date: 15 May 2024

HAYAH Insurance Company P.J.S.C.

Condensed interim statement of financial position

As at

		(Unaudited) 31 March 2024 AED'000	(Audited) 31 December 2023 AED'000
	Note		
Assets			
Property and equipment		1,964	2,146
Intangible assets		12,193	11,650
Financial assets at fair value through other comprehensive income	4	84,613	86,386
Financial assets at fair value through profit or loss	5	16,744	16,522
Insurance contract assets	6	1,142	706
Reinsurance contract assets	6	26,052	34,833
Other receivables and prepayments		31,132	21,622
Statutory deposits	7	4,000	4,000
Time deposits	8	10,000	10,000
Cash and cash equivalents	8	15,429	6,154
Total assets		203,269	194,019
Equity and Liabilities			
Equity			
Share capital		200,000	200,000
Legal reserve		690	690
Other reserve		1,372	1,372
Reinsurance risk reserve		412	340
Accumulated losses		(79,737)	(82,740)
Fair value reserve		26	(345)
Net equity		122,763	119,317
Liabilities			
Provision for employees' end of service benefits		2,707	2,429
Insurance contract liabilities	6	56,014	45,504
Other payables and accruals	9	21,785	26,769
Total liabilities		80,506	74,702
Total equity and liabilities		203,269	194,019

To the best of our knowledge, the condensed interim financial information present fairly in all material respects the financial position, results of operation and cash flows of the Company as of, and for the three-month period ended 31 March 2024.



Member of the Board



Chief Executive Officer

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

HAYAH Insurance Company P.J.S.C.

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

		<i>(Unaudited)</i> 2024 AED'000	<i>(Unaudited)</i> 2023 AED'000
	<i>Note</i>		
Insurance revenue	6	20,993	20,033
Insurance service expenses	6	(18,917)	(22,025)
		<hr/>	<hr/>
Insurance service result before reinsurance contracts held	6	2,076	(1,992)
Net income for reinsurance contracts held		(809)	2,097
		<hr/>	<hr/>
Net insurance service result		1,267	105
		<hr/>	<hr/>
Investment and other income – net	10	2,379	899
Insurance finance income and expenses		(285)	(513)
Reinsurance finance income and expenses		377	158
		<hr/>	<hr/>
Net investment and insurance service result		2,471	544
		<hr/>	<hr/>
Total income		3,738	649
		<hr/>	<hr/>
Other operating expenses		(513)	(412)
		<hr/>	<hr/>
Profit for the period before tax		3,225	237
		<hr/>	<hr/>
Income tax expense	18	(150)	-
		<hr/>	<hr/>
Profit for the period after tax		3,075	237
		<hr/> <hr/>	<hr/> <hr/>
Earnings per share for the period - basic and diluted (AED)		0.015	0.001
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

HAYAH Insurance Company P.J.S.C.

Condensed interim statement of other comprehensive income for the three-month period ended 31 March

	<i>(Unaudited)</i> 2024 AED'000	<i>(Unaudited)</i> 2023 AED'000
Profit for the period after tax	3,075	237
Other comprehensive income		
<i>Items that will not be reclassified subsequently to statement of profit or loss:</i>		
Equity investment at FVOCI - net change in fair value	60	44
<i>Items that are or may be reclassified subsequently to statement of profit or loss:</i>		
Debt investment at FVOCI - net change in fair value	311	394
Other comprehensive income for the period	371	438
Total comprehensive income for the period	3,446	675

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

HAYAH Insurance Company P.J.S.C.

Condensed interim statement of changes in shareholders' equity for the three-month period ended 31 March

	<i>Share capital AED'000</i>	<i>Legal reserve AED'000</i>	<i>Other reserve AED'000</i>	<i>Reinsurance risk reserve AED'000</i>	<i>Accumulated losses AED'000</i>	<i>Fair value reserve AED'000</i>	<i>Total AED'000</i>
At 1 January 2023 (<i>Audited</i>)	200,000	690	1,372	238	(76,940)	(3,967)	121,393
Total comprehensive income:							
Profit for the period	-	-	-	-	237	-	237
Other comprehensive income for the period	-	-	-	-	-	438	438
Total comprehensive income for the period	-	-	-	-	237	438	675
Transfer from retained earnings to reinsurance risk reserve	-	-	-	65	(65)	-	-
At 31 March 2023 (<i>Unaudited</i>)	200,000	690	1,372	303	(76,768)	(3,529)	122,068
 At 1 January 2024 (<i>Audited</i>)	 200,000	 690	 1,372	 340	 (82,740)	 (345)	 119,317
Total comprehensive income:							
Profit for the period	-	-	-	-	3,075	-	3,075
Other comprehensive loss for the period	-	-	-	-	-	371	371
Total comprehensive income for the period	-	-	-	-	3,075	371	3,446
Transfer from retained earnings to reinsurance risk reserve	-	-	-	72	(72)	-	-
At 31 March 2024 (<i>Unaudited</i>)	200,000	690	1,372	412	(79,737)	26	122,763

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

HAYAH Insurance Company P.J.S.C.

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

		(Unaudited) 2024	(Unaudited) 2023
	Note	AED'000	AED'000
Cash flows from operating activities			
Profit for the period before tax		3,225	237
<i>Adjustments for:</i>			
Depreciation		122	353
Amortisation		81	39
Bonds premium amoritsation	10	(434)	(567)
Fair value gain on financial assets at fair value through profit or loss	10	(222)	335
Charge of allowance for impairment loss on financial assets at FVOCI	10	19	12
Loss on sale of financial assets	10	-	243
Provision for employees' end of service benefits		278	371
Finance cost on lease liability		10	10
Write-off		-	142
Interest income	10	(544)	(870)
Dividend income	10	(744)	(52)
Cash generated from operations		1,791	253
<i>Changes in:</i>			
Insurance contract assets		(436)	(4,796)
Reinsurance contract assets		8,781	(2,383)
Other receivables and prepayments		(9,861)	(3,071)
Insurance contract liabilities		10,510	13,235
Reinsurance contract liabilities		-	(2)
Other payable and accruals		(3,915)	(8,768)
Net cash flow generated from / (used in) operating activities		6,870	(5,532)

(continued)

HAYAH Insurance Company P.J.S.C.

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

		(Unaudited) 2024	(Unaudited) 2023
	Note	AED'000	AED'000
Cash flows from investing activities			
Proceeds from disposal of / (additions to) property and equipment		60	(88)
Additions to intangible assets		(624)	(897)
Withdrawal of time deposits		-	7,001
Purchase of financial assets at fair value through other comprehensive income		-	(7,596)
Proceeds from sale of financial assets at fair value through other comprehensive income		1,850	7,580
Dividends received		744	52
Interest received		895	957
Net cash generated from investing activities		2,925	7,009
Cash flows from financing activities			
Payment for lease liability		(520)	(95)
Net increase in cash and cash equivalents		9,275	1,382
Cash and cash equivalents at 1 January		6,154	11,977
Cash and cash equivalents at 31 March	8	15,429	13,359

Non-cash transactions

The principal non-cash transactions were as follows:

- (i) Fair value gain on financial assets at fair value through OCI credited to fair value reserve of AED 371 thousand (31 March 2023: AED 438 thousand).

The accompanying notes from 1 to 20 form an integral part of this condensed interim financial information.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

1 (a) Legal status and activities

HAYAH Insurance Company P.J.S.C. (the "Company") is a public joint stock company, registered and incorporated in the Emirate of Abu Dhabi, United Arab Emirates on 26 July 2008. The Company is registered in accordance with UAE Federal Law No. (48) of 2023 (previously, Federal Law No. (6) of 2007, as amended) concerning Insurance Companies and Agents and is governed by the provisions of the Federal Law No. (32) of 2021 and is registered in the Insurance Companies Register under registration No. (83). The Company's principal activity is providing health and life insurance solutions.

The registered office of the Company is located at Floor 16, Sheikh Sultan Bin Hamdan Building, Corniche Road, P.O. Box 63323, Abu Dhabi, United Arab Emirates.

1 (b) Going concern

As at 31 March 2024, the Company had accumulated losses of AED 79,737 thousand (*31 December 2023: AED 82,740 thousand*). The validity of going concern assumptions is dependent upon future operations and the ability of the Company to generate sufficient cash flows to meet its future obligations. 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, this condensed interim financial information has been prepared on a going concern basis.

1 (c) Accumulated losses

As at 31 March 2024, the Company's accumulated losses represents 39.9% of the share capital of the Company (*31 December 2023: 41.4%*). The history of these accumulated losses is analysed below:

- Carried-forward accumulated losses as at 31 December 2014 related to Green Crescent Insurance Company amounting to AED 28,438 thousand, which is prior to the formation of AXA Green Crescent Insurance Company P.J.S.C. in 2015;
- Net loss of AED 15,444 thousand incurred during the year ended 31 December 2015, was mainly attributable to a large expense base amounting to AED 20,852 thousand, offset by underwriting surplus and investments income of AED 4,632 thousand and AED 776 thousand respectively. Furthermore, accumulated losses were adjusted with an amount of AED 68 thousand as charges incurred on conversion of bonds into share capital of the Company;
- Net loss of AED 13,910 thousand incurred during the year ended 31 December 2016, was mainly attributable to the large expense base amounting to AED 21,220 thousand, offset by underwriting surplus and investment income of AED 3,613 thousand and AED 3,697 thousand respectively;
- Net loss of AED 18,904 thousand incurred during the year ended 31 December 2017, was mainly attributable to losses on termination of life and savings contract amounting to AED 15,352 thousand;
- Net loss of AED 2,205 thousand incurred during the year ended 31 December 2018, was mainly attributable to the large expense base amounting to AED 15,434 thousand, offset by underwriting surplus and investment income of AED 7,857 thousand and AED 5,372 thousand respectively.
- Furthermore, the balance of the accumulated losses for the year ended 31 December 2018 was re-stated with a downward adjustment amounting to AED 2,150 thousand related to the adoption of IFRS 9 "Financial Instruments";
- Net profit of AED 162 thousand for the year ended 31 December 2019, was mainly attributable to prudent underwriting measures taken during the year;
- Net profit of AED 2,246 thousand for the year ended 31 December 2020, predominantly attributable to favorable underwriting margin and better loss ratios for most of its business.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

1 (c) Accumulated losses (*continued*)

- Net profit of AED 3,962 thousand for the year ended 31 December 2021, was attributable to better investment returns as compared to previous year.
- Net profit of AED 7,426 thousand for the year ended 31 December 2022, was attributable to positive underwriting results arising from Group Life business.
- Net loss of AED 5,698 thousand for the year ended 31 December 2023, is mainly attributable to negative underwriting results specifically arising from Medical business.
- Net profit of AED 3,075 thousand for the period ended 31 March 2024, was attributable to positive underwriting results combined with higher investment income.

The Company has taken the following corrective actions to reduce its accumulated losses:

- The Company appointed a new Chief Executive Officer during 2018 and thereafter entirely reviewed its strategic direction;
- Various pricing and monitoring tools and checks have been deployed by the management, by virtue of which, the business is closely monitored on a monthly basis, with corrective actions taken immediately, if required;
- Change in the team structure with technical resources and creation of a strategy manager position to generate more revenues;
- New underwriting approach has been applied by management to improve the quality of underwritten business;
- Accelerated growth on group life; as it is a profitable line of business with a potential for growth;
- Recently, the Company launched individual protection product, this line of business has good potential to grow; and
- Since the life insurance market penetration is low in the country, the Company will continue exploring other lines of business to diversify sources of revenues.

2 Basis of preparation

(a) *Statement of compliance*

The condensed interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting and also complies with the applicable requirements of the laws in the UAE.

The related changes to significant accounting policies are described in Note 3. It does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (“IFRS”).

(b) *Basis of measurement*

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

(c) *Functional and reporting currency*

This condensed interim financial information is presented in United Arab Emirates Dirhams (“AED”), which is the Company’s functional currency. Except as indicated, financial information presented in AED has been rounded to the nearest thousand.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

2 Basis of preparation *(continued)*

(d) Use of estimates and judgement

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

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2023.

3 Material accounting policies

The accounting policies applied in the condensed interim financial information are the same as those applied in the Company's financial information as at and for the year ended 31 December 2023, with the exception of the below:

Taxation

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 will become effective for accounting periods beginning on or after 1 June 2023.

For the Group, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policies to incorporate the applicable Corporate Tax in accordance with IAS 12 "Income Taxes".

Current Taxation

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

Income tax 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. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year 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 statement of financial position 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 statement of financial position date. Deferred tax is charged or credited to the statement of profit or loss, except in the case of items credited or charged to statement of other comprehensive income or equity in which case it is included in statement of other comprehensive income or equity.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

3 Material accounting policies (*continued*)

3.1 New and revised standards

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

Title	Effective date
Amendment to IAS 1 Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
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 condensed interim consolidated financial information.

Standards, amendments and interpretations to existing Standards that are not yet effective

Title	Effective date
IFRS 18 'Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to the SASB standards	1 January 2025
Lack of exchangeability	1 January 2025

These standards, amendments and interpretations are not expected to have a significant impact on the interim condensed financial information in the period of initial application and therefore no disclosures have been made. The Company has not early adopted any of the above standards.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

4 Financial assets at fair value through other comprehensive income

	<i>(Unaudited)</i> 31 March 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
<i>Quoted bonds:</i>		
UAE-based corporate	29,605	31,331
UAE-based government	26,674	26,886
	<u>56,279</u>	<u>58,217</u>
<i>Quoted sukuk:</i>		
UAE-based corporate	6,740	6,664
UAE-based government	10,269	10,240
	<u>17,009</u>	<u>16,904</u>
<i>Quoted equity instruments:</i>		
UAE-based quoted equities	1,116	1,070
Non-UAE private debt fund	9,061	9,047
	<u>10,177</u>	<u>10,117</u>
<i>Non-UAE private debt fund:</i>	1,148	1,148
	<u>84,613</u>	<u>86,386</u>

5 Financial assets at fair value through profit or loss

	<i>(Unaudited)</i> 31 March 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
UAE-based quoted equities	9,225	9,087
UAE-based quoted corporate debt instruments	7,519	7,435
	<u>16,744</u>	<u>16,522</u>

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities

The following reconciliations that are required by IFRS 17 are included below, separately for consumer and commercial lines for contracts issued and reinsurance contracts held.

Reconciliation of the gross liability for remaining coverage and the liability for incurred claims – Applicable to contracts measured under the PAA and GMM as at:

31 March 2024 (Unaudited)

	<i>LRC</i>		<i>LIC</i>			
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>BBA AED'000</i>	<i>Present value of future cash flows AED'000</i>	<i>Risk adjustment for non-financial risk AED'000</i>	<i>Total AED'000</i>
Insurance contracts issued						
Opening insurance contract liabilities	19,127	6,510	2,722	15,970	1,175	45,504
Opening insurance contract assets	(1,706)	-	-	920	80	(706)
Opening balance as at 1 January	17,421	6,510	2,722	16,890	1,255	44,798
Insurance revenue	(20,993)	-	-	-	-	(20,993)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(86)	154	13,687	(313)	13,442
Insurance acquisition cash flows amortisation	1,371	-	-	-	-	1,371
Increase in existing incurred claims reserves	-	-	(1,086)	(3,538)	102	(4,522)
Claims accrual	-	-	637	-	-	637
Losses on onerous contracts and reversals of losses	-	7,989	-	-	-	7,989
Total insurance service expenses	1,371	7,903	(295)	10,149	(211)	18,917
Investment components	-	-	-	-	-	-
Insurance service result	(19,622)	7,903	(295)	10,149	(211)	(2,076)
Insurance finance (income) and expenses	2	34	10	239	-	285
Total amounts recognised in comprehensive income	(19,620)	7,937	(285)	10,388	(211)	(1,791)
Premiums received	25,477	-	-	-	-	25,477
Claims and other expenses paid	-	-	(153)	(12,426)	-	(12,579)
Acquisition cash flows paid	(568)	-	-	-	-	(568)
Total cash flows	24,909	-	(153)	(12,426)	-	12,330
Total additional items	(465)	-	-	-	-	(465)
Closing balance as at 31 March						
Closing insurance contract liabilities	24,492	14,447	2,284	13,834	957	56,014
Closing insurance contract assets	2,247	-	-	(1,018)	(87)	1,142

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured under the GMM only as at:

31 March 2024 (Unaudited)

Insurance contracts issued	Present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Opening insurance contract liabilities	6,647	2,019	13,388	22,054
Opening insurance contract assets	-	-	-	-
Net balance as at 01 January	6,647	2,019	13,388	22,054
CSM recognised in profit or loss for the services provided	-	-	(614)	(614)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(110)	-	(110)
Experience adjustments	(1,200)	-	-	(1,200)
Changes that relate to current service	(1,200)	(110)	(614)	(1,924)
Contracts initially recognised in the period	(4,186)	445	4,129	388
Experience adjustments	(467)	-	519	52
Changes in estimates that adjust the CSM	-	695	(695)	-
Changes in estimates that do not adjust the CSM	-	396	-	396
Changes that relate to future services	(4,653)	1,536	3,953	836
Adjustment to liabilities for incurred claims	-	-	-	-
Changes that relate to past service	(449)	-	-	(449)
Insurance service result	(6,302)	1,426	3,339	(1,537)
Total insurance finance expenses	(179)	37	188	46
Total amounts recognised in comprehensive income	(6,481)	1,463	3,527	(1,491)
Cash flows				
Premiums received	1,938	-	-	1,938
Claims and expenses paid	(153)	-	-	(153)
Insurance acquisition cash flows paid	(568)	-	-	(568)
Total cash flows	1,217	-	-	1,217
Net balance as at 31 March				
Closing insurance contract liabilities	1,383	3,482	16,915	21,780
Closing insurance contract assets	-	-	-	-

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the reinsurance contract liabilities and assets – Applicable to contracts measured under the PAA and GMM as at:

31 March 2024 (Unaudited)

	LRC		LIC			
	Excluding loss component AED'000	Loss recovery component AED'000	BBA AED'000	Present value of future cash flows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Reinsurance contracts held						
Opening reinsurance contract liabilities	-	-	-	-	-	-
Opening reinsurance contract assets	4,197	2,263	-	27,829	544	34,833
Opening balance as at 1 January	(4,197)	(2,263)	-	(27,829)	(544)	(34,833)
Allocation of reinsurance premiums paid	4,673	736	-	-	-	5,409
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other directly attributable expenses	-	144	-	(971)	113	(714)
Insurance acquisition cash flows amortisation	(70)	-	-	-	-	(70)
Adjustment to asset for incurred claims	-	-	-	1,949	72	2,021
Claims accrual	-	-	-	-	-	-
Recoveries and reversal of recoveries of losses on onerous underlying contracts	-	(5,838)	-	-	-	(5,838)
Total	(70)	(5,694)	-	978	185	(4,601)
Investment components	-	-	-	-	-	-
Net income from reinsurance contracts held	4,603	(4,958)	-	978	185	808
Reinsurance finance (income) and expenses	132	(108)	-	(400)	-	(376)
Total amounts recognised in comprehensive income	4,736	(5,066)	-	578	185	432
Premiums received	(14,381)	-	-	-	-	(14,381)
Amounts received	-	-	-	22,573	(1)	22,572
Acquisition cash flows paid	-	-	-	-	-	-
Total cash flows	(14,381)	-	-	22,573	(1)	8,191
Total additional items	158	-	-	-	-	158
Closing balance as at 31 March						
Closing insurance contract liabilities	-	-	-	-	-	-
Closing insurance contract assets	13,685	7,329	-	4,678	360	26,052

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts measured under the GMM only as at:

31 March 2024 (Unaudited)

Reinsurance contracts held	Present value of future cash flows AED'000	Risk adjustment for non- financial risk AED'000	CSM AED'000	Total AED'000
Opening reinsurance contract liabilities	-	-	-	-
Opening reinsurance contract assets	(399)	860	3,099	3,560
Net balance as at 1 January	399	(860)	(3,099)	(3,560)
CSM recognised in profit or loss for the services provided	-	-	81	81
Change in the risk adjustment for nonfinancial risk for the risk expired	-	31	-	31
Experience adjustments	402	-	-	402
Changes that relate to current service	402	31	81	514
Contracts initially recognised in the period	1,049	(266)	(1,103)	(320)
Experience adjustments	(194)	(7)	294	93
Changes in estimates that adjust the CSM	1	(229)	228	-
Changes in estimates that do not adjust the CSM	3	(301)	-	(298)
Changes that relate to future services	859	(803)	(581)	(525)
Adjustment to assets for incurred claims	-	-	-	-
Changes that relate to past service	-	-	-	-
Insurance service result	1,261	(772)	(500)	(11)
Total insurance finance income	95	(17)	(55)	23
Total amounts recognised in comprehensive income	1,356	(789)	(555)	12
Cash flows				
Premiums paid	(1,075)	(1)	-	(1,076)
Amounts received	-	-	-	-
Total cash flows	(1,075)	(1)	-	(1,076)
Net balance as at 31 March				
Closing reinsurance contract liabilities	-	-	-	-
Closing reinsurance contract assets	(680)	1,650	3,654	4,624

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

The following reconciliations that are required by IFRS 17 are included below, separately for consumer and commercial lines for contracts issued and reinsurance contracts held.

Reconciliation of the gross liability for remaining coverage and the liability for incurred claims – Applicable to contracts measured under the PAA and GMM as at:

31 December 2023 (Audited)

	<i>LRC</i>		<i>LIC</i>			
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>BBA AED'000</i>	<i>Present value of future cash flows AED'000</i>	<i>Risk adjustment for non-financial risk AED'000</i>	<i>Total AED'000</i>
Insurance contracts issued						
Opening insurance contract liabilities	25,172	2,209	1,953	14,091	778	44,203
Opening insurance contract assets	(460)	-	-	-	-	(460)
Opening balance as at 1 January	24,712	2,209	1,953	14,091	778	43,743
Insurance revenue	(88,944)	-	-	-	-	(88,944)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(137)	1,868	78,948	407	81,086
Insurance acquisition cash flows amortisation	6,280	-	-	-	-	6,280
Increase in existing incurred claims reserves	-	-	2,200	8,143	70	10,413
Claims accrual	-	-	931	-	-	931
Losses on onerous contracts and reversals of losses	-	4,397	-	-	-	4,397
Total insurance service expenses	6,280	4,260	4,999	87,091	477	103,107
Investment components	-	-	-	-	-	-
Insurance service result	(82,664)	4,260	4,999	87,091	477	14,163
Insurance finance (income) and expenses	508	41	(2)	84	-	631
Total amounts recognised in comprehensive income	(82,156)	4,301	4,997	87,175	477	14,794
Premiums received	80,668	-	-	-	-	80,668
Claims and other expenses paid	-	-	(4,228)	(84,377)	1	(88,604)
Acquisition cash flows paid	(219)	-	-	-	-	(219)
Total cash flows	80,449	-	(4,228)	(84,377)	1	(8,155)
Total additional items	(5,584)	-	-	-	-	(5,584)
Closing balance as at 31 March						
Closing insurance contract liabilities	19,127	6,510	2,722	15,969	1,176	45,504
Closing insurance contract assets	1,706	-	-	(920)	(80)	706

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of insurance contract balances - applicable to contracts measured under the GMM only as at:

31 December 2023 (Audited)

Insurance contracts issued	<i>Present value of future cash flows AED'000</i>	<i>Risk adjustment for non- financial risk AED'000</i>	<i>CSM AED'000</i>	<i>Total AED'000</i>
Opening insurance contract liabilities	13,094	1,620	11,970	26,684
Opening insurance contract assets	(1,806)	251	1,095	(460)
Net balance as at 1 January	11,288	1,871	13,065	26,224
CSM recognised in profit or loss for the services provided	-	-	(2,405)	(2,405)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(381)	-	(381)
Experience adjustments	(830)	-	-	(830)
Changes that relate to current service	(830)	(381)	(2,405)	(3,616)
Contracts initially recognised in the period	(3,178)	673	3,083	578
Experience adjustments	2,877	(448)	(772)	1,657
Changes in estimates that adjust the CSM	-	143	(143)	-
Changes in estimates that do not adjust the CSM	-	40	-	40
Changes that relate to future services	(301)	408	2,168	2,275
Adjustment to liabilities for incurred claims	772	-	-	772
Changes that relate to past service	772	-	-	772
Insurance service result	(359)	27	(237)	(569)
Total insurance finance expenses	(132)	120	559	547
Total amounts recognised in comprehensive income	(491)	147	322	(22)
Cash flows				
Premiums received	299	-	-	299
Claims and expenses paid	(4,228)	-	-	(4,228)
Insurance acquisition cash flows paid	(219)	-	-	(219)
Total cash flows	(4,148)	-	-	(4,148)
Net balance as at 31 December				
Closing insurance contract liabilities	6,649	2,018	13,387	22,054
Closing insurance contract assets	-	-	-	-

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the reinsurance contract liabilities and assets – Applicable to contracts measured under the PAA and GMM as at:

31 December 2023 (Audited)

	<i>LRC</i>		<i>LIC</i>			
	<i>Excluding loss component AED'000</i>	<i>Loss component AED'000</i>	<i>BBA AED'000</i>	<i>Present value of future cash flows AED'000</i>	<i>Risk adjustment for non-financial risk AED'000</i>	<i>Total AED'000</i>
Reinsurance contracts held						
Opening reinsurance contract liabilities	(39)	-	-	-	-	(39)
Opening reinsurance contract assets	3,532	423	-	12,433	368	16,756
Opening balance as at 1 January	3,493	423	-	12,433	368	16,717
Allocation of reinsurance premiums paid	(19,883)	-	-	-	-	(19,883)
Amounts recoverable from reinsurers						
Recoveries of incurred claims and other directly attributable expenses	-	(188)	-	23,254	145	23,211
Insurance acquisition cash flows amortisation	723	-	-	-	-	723
Adjustment to asset for incurred claims	-	-	-	669	30	699
Claims accrual	-	1,915	-	-	-	1,915
Recoveries and reversal of recoveries of losses on onerous underlying contracts	-	-	-	-	-	-
Total	723	1,727	-	23,923	175	26,548
Investment components	-	-	-	-	-	-
Net income from reinsurance contracts held	(19,160)	1,727	-	23,923	175	6,665
Reinsurance finance (income) and expenses	(36)	113	-	48	-	125
Total amounts recognised in comprehensive income	(19,196)	1,840	-	23,971	175	6,790
Premiums received	20,498	-	-	-	-	20,498
Amounts received	-	-	-	(8,576)	-	(8,576)
Acquisition cash flows paid	-	-	-	-	-	-
Total cash flows	20,498	-	-	(8,576)	-	11,922
Total additional items	(596)	-	-	-	-	(596)
Closing balance as at 31 March						
Closing insurance contract liabilities	-	-	-	-	-	-
Closing insurance contract assets	4,199	2,263	-	27,828	543	34,833

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Reconciliation of the measurement components of reinsurance contract balances - applicable to contracts measured under the GMM only as at:

31 December 2023 (Audited)

Reinsurance contracts held	<i>Present value of future cash flows AED'000</i>	<i>Risk adjustment for non- financial risk AED'000</i>	<i>CSM AED'000</i>	<i>Total AED'000</i>
Opening reinsurance contract liabilities	17	5	(61)	(39)
Opening reinsurance contract assets	212	351	1,526	2,089
Net balance as at 1 January	195	346	1,587	2,128
CSM recognised in profit or loss for the services provided	-	-	(203)	(203)
Change in the risk adjustment for nonfinancial risk for the risk expired	-	(68)	-	(68)
Experience adjustments	(1,133)	-	-	(1,133)
Changes that relate to current service	(1,133)	(68)	(203)	(1,404)
Contracts initially recognised in the period	(1,594)	343	1,705	454
Experience adjustments	663	(55)	(69)	539
Changes in estimates that adjust the CSM	(1)	108	(107)	-
Changes in estimates that do not adjust the CSM	(2)	151	-	149
Changes that relate to future services	(934)	547	1,529	1,142
Adjustment to assets for incurred claims	-	-	-	-
Changes that relate to past service	-	-	-	-
Insurance service result	(2,067)	479	1,326	(262)
Total insurance finance income	(145)	36	186	77
Total amounts recognised in comprehensive income	(2,212)	515	1,512	(185)
Cash flows				
Premiums paid	1,618	(1)	-	1,617
Amounts received	-	-	-	-
Total cash flows	1,618	(1)	-	1,617
Net balance as at 31 December				
Closing reinsurance contract liabilities	-	-	-	-
Closing reinsurance contract assets	(399)	860	3,099	3,560

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities *(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	2	3	4	5	>6
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
31 March 2024 (Unaudited)						
Total CSM	1,625	1,823	1,485	1,241	1,044	7,088
31 December 2023 (Audited)						
Total CSM	1,798	1,432	1,155	956	793	4,154

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

6 Insurance and reinsurance contract assets and liabilities (continued)

Breakup of insurance and reinsurance contract balances measured under both PAA and GMM as at

31 March 2024 (Unaudited)

AED'000

	<i>PAA</i>	<i>GMM</i>	<i>Total (Unaudited)</i>
Insurance contract assets	1,142	-	1,142
Insurance contract liabilities	(34,234)	(21,780)	(56,014)
Reinsurance contract assets	21,428	4,624	26,052
Reinsurance contract liabilities	-	-	-
	(11,664)	(17,156)	(28,820)

31 December 2023 (Audited)

AED'000

	<i>PAA</i>	<i>GMM</i>	<i>Total (Audited)</i>
Insurance contract assets	706	-	706
Insurance contract liabilities	(23,450)	(22,054)	(45,504)
Reinsurance contract assets	31,273	3,560	34,833
Reinsurance contract liabilities	-	-	-
	8,529	(18,494)	(9,965)

7 Statutory deposits

In accordance with the requirements of Federal Law No. (48) of 2023 (previously, Federal Law No (6) of 2007, as amended), concerning Insurance Companies and Agencies, the Company maintains bank deposits of AED 4,000 thousand (31 December 2023: AED 4,000 thousand), as a guarantee against its Insurance of Persons and Fund Accumulation Operations License (medical and life). These deposits cannot be utilised without the consent of Central Bank of UAE.

The statutory deposits are held with local commercial banks and carry interest at the rate of 4.91% to 4.98% per annum (31 December 2023: 0.25% to 4.37% per annum).

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

8 Cash and cash equivalents

For the purpose of condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	<i>(Unaudited)</i> 31 March 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
Statutory deposits (<i>Note 7</i>)	4,000	4,000
Time deposits	10,000	10,000
Demand deposits and cash	15,429	6,154
	<hr/>	<hr/>
Bank balances and cash	29,429	20,154
Less: statutory deposits	(4,000)	(4,000)
Less: deposits with original maturities of three months or more	(10,000)	(10,000)
	<hr/>	<hr/>
Cash and cash equivalents	15,429	6,154
	<hr/> <hr/>	<hr/> <hr/>

At 31 March 2024, bank deposits carry an effective interest rate of 4.91% to 4.98% per annum (*31 December 2023: 0.25% to 4.37% per annum*). All bank balances and deposits are held with local banks in the United Arab Emirates.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

9 Other payables and accruals

	<i>(Unaudited)</i> 31 March 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
VAT payable	16	22
Investment contract liability for employee saver		
Product*	18,041	18,900
Other payables	3,728	7,847
	21,785	26,769

*During 2022, the Company initiated a new savings product “Employee Secure Saver”, whereby the Company receives contributions from third party companies (“policyholders”) relating to the end of service benefits of its employees (“participants”). The product ensures a guaranteed fund to its participants and does not transfer a significant insurance risk to the Company. Therefore, this product has been classified as investment contract and accordingly, a financial liability has been created against the contributions received from its participants. This liability does not have a contractual maturity, and these funds can be withdrawn anytime upon the participant's death, retirement or resignation from the policyholder companies. Further, the Company has a contract with its reinsurer who is the ultimate guarantor of this fund and therefore all the contributions received are transferred to its reinsurer. Accordingly, an equivalent amount has been booked as a financial asset representing the funds transferred and receivable from its reinsurer with respect to this product.

10 Investment and other income

	<i>(Unaudited)</i> Three-month period ended 31 March 2024 AED'000	<i>(Unaudited)</i> Three-month period ended 31 March 2023 AED'000
<i>Financial assets carried at fair value</i>		
Dividend income	744	52
Interest income	459	530
Bonds premium amortisation	434	567
Loss on sale of financial assets	-	(243)
Fair value gain / (loss) on financial assets at fair value through profit or loss	222	(335)
Charge for impairment loss on debt instrument at fair value through other comprehensive income (FVOCI)	(19)	(12)
<i>Term deposits</i>		
Interest income	85	340
Other income	454	-
	2,379	899

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

11 Earnings per share

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

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

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

	<i>(Unaudited)</i> Three-month period ended 31 March 2024	<i>(Unaudited)</i> Three-month period ended 31 March 2023
Profit for the period after tax (AED'000)	3,075	237
Weighted average number of ordinary shares (shares in '000)	200,000	200,000
Earnings per share for the period – basic and diluted (AED)	0.015	0.001

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

12 Related party transactions and balances

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the condensed interim statement of financial position are as follows:

	<i>(Unaudited)</i> 31 March 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
Due from KANOO Group LLC <i>(major shareholder)</i>		
Medical premium	1,102	3,633
<i>(Included in insurance contract liabilities)</i>		
Total due from related parties	1,102	3,633

Transactions with related parties during the period are as follows:

	<i>(Unaudited)</i> Three-month period ended 31 March 2024 AED'000	<i>(Unaudited)</i> Three-month period ended 31 March 2023 AED'000
Medical business with KANOO Group LLC <i>(major shareholder)</i>		
- Premiums on policies issued	1,120	1,571
- Claims paid	(2,396)	(2,063)

Compensation of key management personnel:

The remuneration of key management personnel during the period is as follows:

Short term benefits	269	224
Employees' end of service benefits	34	17

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

13 Contingencies and commitments

Contingencies

As at 31 March 2024, the Company had contingent liabilities in respect of bank, other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 2,000 thousand (*31 December 2023: AED 2,000 thousand*).

Commitments

No estimated capital call commitments contracted for at the statement of financial position date (*31 December 2023: AED 105 thousand – (Audited)*).

14 Fair value of financial instruments

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

14 Fair value of financial instruments (continued)

Financial assets measured at fair value

<i>At 31 March 2024 (Unaudited)</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>At fair value through profit or loss</i>				
Quoted equities	9,225	-	-	9,225
Quoted debt instruments	3,664	3,855	-	7,519
	<u>12,889</u>	<u>3,855</u>	<u>-</u>	<u>16,744</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	1,116	-	-	1,116
Mutual funds	-	9,061	-	9,061
Quoted debt instruments	47,897	25,391	-	73,288
Private debt fund	-	-	1,148	1,148
	<u>49,013</u>	<u>34,452</u>	<u>1,148</u>	<u>84,613</u>
	<u>61,902</u>	<u>38,307</u>	<u>1,148</u>	<u>101,357</u>
<i>At 31 December 2023 (Audited)</i>				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>At fair value through profit or loss</i>				
Quoted equities	9,087	-	-	9,087
Quoted debt instruments	3,655	3,780	-	7,435
	<u>12,742</u>	<u>3,780</u>	<u>-</u>	<u>16,522</u>
<i>At fair value through other comprehensive income</i>				
Quoted equities	1,070	-	-	1,070
Mutual funds	-	9,047	-	9,047
Quoted debt instruments	50,382	24,739	-	75,121
Private debt fund	-	-	1,148	1,148
	<u>51,452</u>	<u>33,786</u>	<u>1,148</u>	<u>86,386</u>
	<u>64,194</u>	<u>37,566</u>	<u>1,148</u>	<u>102,908</u>

For investment in private fund, the fair values are based on Net Asset Values (NAV) calculated by the respective fund managers. The valuation of this debt fund qualifies as Level 3 fair value measurement. There were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements during the period. Except for the above, management considers that the carrying amounts of financial assets recognised in the financial statements approximate their fair values.

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

15 Segment information

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

- The medical insurance segment that provides medical cover to policyholders; and
- The life insurance segment offers term life assurance products.

No inter-segment transactions occurred in 2024 and 2023.

Segment condensed interim statement of profit or loss is presented below:

<i>31 March 2024 (Unaudited)</i>	<i>Medical</i>	<i>Life</i>	<i>Total</i>
<i>AED'000</i>			
Insurance revenue	4,185	16,808	20,993
Insurance service expenses	(2,847)	(16,070)	(18,917)
Insurance service result before reinsurance contracts held	1,338	738	2,076
Net expense from reinsurance contracts held	-	(809)	(809)
Total insurance service result	1,338	(71)	1,267
Insurance finance expense	(53)	(232)	(285)
Reinsurance investment result	-	377	377
Investment income			2,379
Other expenses			(513)
Total profit for the period before tax			3,225
Income tax expense			(150)
Total profit for the period after tax			3,075

<i>31 March 2023 (Unaudited)</i>	<i>Medical</i>	<i>Life</i>	<i>Total</i>
<i>AED'000</i>			
Insurance revenue	3,832	16,201	20,033
Insurance service expenses	(4,507)	(17,518)	(22,025)
Insurance service result before reinsurance contracts held	(675)	(1,317)	(1,992)
Net income from reinsurance contracts held	-	2,097	2,097
Total insurance service result	(675)	780	105
Insurance finance expense	(24)	(489)	(513)
Reinsurance investment result	-	158	158
Investment income			899
Other expenses			(412)
Total profit for the period before and after tax			237

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

15 Segment information (continued)

Below is the breakup of insurance revenue as per PAA and GMM:

<i>(Unaudited)</i>	31 March 2024	31 March 2023
	AED'000	AED'000
Expected claims and expenses excluding investment component over the period excluding loss comp	1,274	1,174
Expected release of risk adjustment over the period excluding loss comp	104	88
CSM Release	614	612
Acquisition Expenses recovered from premiums	68	40
Insurance revenue from contracts not measured under the PAA	2,060	1,914
Insurance revenue from contracts measured under the PAA	18,933	18,119
Total Insurance Revenue	20,993	20,033

Segments assets and liabilities as at

31 March 2024 (Unaudited)

<i>AED'000</i>	<i>Medical</i>	<i>Life</i>	<i>Total</i>
Total assets			
Insurance contract assets	-	1,142	1,142
Reinsurance contract assets	-	26,052	26,052
Unallocated	-	-	176,075
Total			196,557
Total liabilities			
Insurance contract liabilities	1,780	54,234	56,014
Unallocated	-	-	24,492
Total			73,794

Segments assets and liabilities as at

31 December 2023 (Audited)

<i>AED'000</i>	<i>Medical</i>	<i>Life</i>	<i>Total</i>
Total assets			
Insurance contract assets	-	706	706
Reinsurance contract assets	-	34,833	34,833
Unallocated	-	-	158,480
Total			194,019
Total liabilities			
Insurance contract liabilities	6,118	39,386	45,504
Unallocated	-	-	29,198
Total			74,702

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

16 Credit risk

The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties. The Company has robust governance in place to ensure the appropriateness of the IFRS 9 framework and resultant ECL estimates are being reviewed continuously by the Company's regional investments team.

17 Capital risk management

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

The table below summaries the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins as defined in the regulations.

	<i>(Unaudited)</i> 31 March 2024 AED'000	<i>(Unaudited)</i> 31 December 2023 AED'000
Minimum Capital Requirement (MCR)	100,000	100,000
Solvency Capital Requirement (SCR)	18,863	16,677
Minimum Guarantee Fund (MGF)	45,699	75,291
Basic Own Funds	112,073	111,939
MCR Solvency Margin – Surplus	12,073	11,939
SCR Solvency Margin – Surplus	93,210	95,262
MGF Solvency Margin – Surplus	66,374	36,648

HAYAH Insurance Company P.J.S.C.

Notes to the condensed interim financial information

18 Income 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 (“CT”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company’s accounting period ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The tables below show the details of the provision for current income tax expense:

	(Unaudited) 31 March 2024 AED’000	(Unaudited) 31 March 2023 AED’000
Condensed interim statement of comprehensive income		
Current tax	150	-
Deferred tax	-	-
	<u>150</u>	<u>-</u>

19 Subsequent Events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed interim financial information as at and for the period ended 31 March 2024.

20 General

This condensed interim financial information of the Company was approved for issuance by the Board of Directors on 14 May 2024.