Emirates Insurance Company P.J.S.C.

Condensed interim financial information

30 June 2024

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

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Condensed interim financial information

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Report of the Board of Directors for the six months ended 30 June 2024.

The Board of Directors takes pleasure in presenting the unaudited results for the first six months of 2024.

	AED '000	
Income Statement	**June 2024**	**June 2023**
Gross premium Written	788,026	674,537
Insurance revenue	627,068	563,600
Insurance service expenses	(907,934)	(295,268)
Insurance service result before reinsurance contracts held.	**(280,866)**	**268,332**
Allocation of reinsurance premiums	(367,679)	(338,897)
Amounts recoverable from reinsurers	670,467	97,695
Net expense from reinsurance contracts held	**302,788**	**(241,202)**
Insurance service result	**21,922**	**27,130**
Insurance finance expenses	(10,618)	(12,136)
Reinsurance finance income	9,315	9,603
Net insurance finance income/(expense)	**(1,303)**	**(2,533)**
Total Insurance Income	**20,619**	**24,597**
Net investment Income	54,963	55,138
Other Expenses - Net	(20,693)	(19,608)
Profit for the period before Tax	**54,889**	**60,127**
Income tax expense	(2,517)	-
Profit for the period after Tax	**52,372**	**60,127**
Earnings per share (Fils)	**0.35**	**0.40**
Balance Sheet	**June 2024**	**Dec 2023**
Shareholders' Equity	**1,231,236**	**1,279,019**
Total Assets	2,821,346	2,399,897
Total Liabilities	1,590,110	1,120,878

Management Commentary Q2 2024

Our insurance business:

Gross Written Premium increased by 17% and Insurance Revenue increased by 11% compared to the same period for 2023. Premium volume particularly increased in Fire and General Insurance, Engineering and International NM Property FAC reinsurance.

During H1 the UAE experienced several severe weather events with easily the worst event being the April storm – a storm that impacted the whole country, but particularly Dubai. Indeed, the April storm was the worst weather event to hit the country for 75 years with some observers predicting that the gross loss to the entire UAE insurance market will be over US$2bn.

Whilst the major share of our gross losses is recoverable from our reinsurers, EIC's retained losses after reinsurance still impact our net underwriting results by about AED21m with our motor and property classes most notably affected. The April loss continues to develop, particularly in the property segments, and its effects will undoubtedly continue to be felt in Q3 and Q4.

For H1, once the effects of our Insurance and Reinsurance finance income/expenses are considered, our total insurance income slightly declined to AED 20.6m from AED 24.6m in 2023.

Our investment business:

EIC's P&L investment performance added AED 13m during Q2'24 after a robust Q1'24; as such our YTD P&L Investment income sits at AED 55.0m translating to a YTD Holding Period Return of 3.3%.

During Q2'24, our total portfolio slightly declined by AED 10.1m or 61bps owing to weakness in the regional markets which has primarily been contributed by an underwhelming set of financial results over Q1'24, an adverse outlook on oil prices as OPEC looks to unwind its production cuts, heightened geopolitical risks and a sizable USD12.2bn Aramco IPO in June 2024 that skewed market inflows. Moreover, while inflation data has come off its highs, the widely anticipated rate cuts remain elusive in the middle of 2024 that continues to limit greater upsides, particularly across the bond portfolio.

While we took some profits in Q2'24, our investment activity continues to be geared towards optimizing portfolio exposures and in turn, target higher risk adjusted returns for our shareholders.

Other expenses

These expenses relate to operating expenses which cannot be attributed directly to the insurance business of the company. Other expenses increased by 5.5% from Q2_2023 mainly due to one off consulting expenses.

Net Profit after tax

2024 marks the introduction of corporate taxation for the UAE and hence our net profit is now reported after tax. Our Net profit decreased from AED 60.1m Q2_2023 to AED 52.4m at the end of Q2_2024 mainly due to the impact of the severe weather events and a provision for corporate tax of AED 2.5m.

Balance Sheet:

The Total Assets of the Company have increased 17.6% to AED 2.82 billion from December 2023. The increase in the assets is attributable to the top line growth in the business and an increase in recoveries from our reinsurers due to the weather events.

Shareholders Equity declined by 3.7% mainly due to the AED 82.5m dividend paid to the Shareholders in April 2024.

Our liquidity, solvency and working capital position continues to remain very strong. This was emphasized during the recent S&P Global annual review where our "A- "was reconfirmed.

A. Mazrui

ABDULLAH M. MAZRUI
CHAIRMAN
13 August 2024

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Independent Auditors' Report on Review of Condensed Interim Financial Information

To the Shareholders of Emirates Insurance Company P.J.S.C.

Introduction

We have reviewed the accompanying 30 June 2024 condensed interim financial information of Emirates Insurance Company P.J.S.C. (the "Company"), which comprises:

- the condensed interim statement of financial position as at 30 June 2024;
- the condensed interim statements of profit or loss for the three-month and six-month periods ended 30 June 2024;
- the condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed interim statement of changes in shareholders' equity for the six-month period ended 30 June 2024;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2024; and
- notes to the condensed interim financial information.

Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with 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.

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34, '*Interim Financial Reporting*'.

KPMG Lower Gulf Limited

Maher AlKatout
Registration No: 5453
Abu Dhabi, United Arab Emirates

Date: 13 AUG 2024

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Emirates Insurance Company P.J.S.C.

Condensed interim statement of financial position
as at

	Note	*(Unaudited)* 30 June 2024 AED'000	*(Audited)* 31 December 2023 AED'000
Assets			
Cash and cash equivalents	4	**157,043**	126,279
Term deposits	4(ii)	**134,473**	203,399
Financial assets at amortised cost	5	**282,666**	284,365
Financial assets at fair value through other comprehensive income ("FVTOCI")	5	**773,431**	797,208
Financial assets at fair value through profit or loss ("FVTPL")	5	**317,063**	309,523
Reinsurance contract assets	7	**1,097,381**	626,566
Other receivables and prepayments		**37,194**	29,908
Investment properties	8	**3,858**	4,034
Statutory deposit	9	**10,000**	10,000
Property and equipment		**8,237**	8,615
Total assets		**2,821,346**	2,399,897
Equity and liabilities			
Equity			
Share capital	10	**150,000**	150,000
Statutory reserve	11	**75,000**	75,000
General reserve	12	**635,000**	600,000
Reinsurance risk reserve	13	**14,449**	11,712
Fair value reserve		**231,882**	252,078
Retained earnings		**124,905**	190,229
Total equity		**1,231,236**	1,279,019
Liabilities			
Employees' end of service obligation		**20,579**	20,725
Provisions and other payables	14	**69,487**	93,337
Insurance contract liabilities	6	**1,487,423**	990,671
Reinsurance contract liabilities	7	**12,621**	16,145
Total Liabilities		**1,590,110**	1,120,878
Total Equity and Liabilities		**2,821,346**	2,399,897

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Chairman of the Board of Directors | Chief Executive Officer | Chief Financial Officer

The notes set out on pages 11 to 30 form an integral part of this condensed interim financial information.
The independent auditors' report on review of the condensed interim financial information is set out on pages 4 and 5.

Emirates Insurance Company P.J.S.C.

Condensed interim statement of profit or loss

for the period ended 30 June (Unaudited)

	Note	**Three-month period ended 2024 AED'000**	Three-month period ended 2023 AED'000	**Six-month period ended 2024 AED'000**	Six-month period ended 2023 AED'000
Insurance revenue	6	**318,283**	277,523	**627,068**	563,600
Insurance service expenses	6	**(664,534)**	(172,725)	**(907,934)**	(295,268)
Insurance service result before reinsurance contracts held	6	**(346,251)**	104,798	**(280,866)**	268,332
Allocation of reinsurance premiums	7	**(195,669)**	(167,269)	**(367,679)**	(338,897)
Amounts recoverable from reinsurers	7	**553,943**	76,258	**670,467**	97,695
Net income / (expense) from reinsurance contracts held	7	**358,274**	(91,011)	**302,788**	(241,202)
Insurance service result		**12,023**	13,787	**21,922**	27,130
Insurance finance expense for insurance contracts issued	6	**(7,416)**	(1,605)	**(10,618)**	(12,136)
Reinsurance finance income for reinsurance contracts issued	7	**4,525**	1,165	**9,315**	9,603
Net insurance finance expenses		**(2,891)**	(440)	**(1,303)**	(2,533)
Total Insurance Income		**9,132**	13,347	**20,619**	24,597
Net investment income	17	**12,714**	16,457	**54,264**	54,205
Income from investment properties		**350**	443	**699**	933
Total Investment income		**13,064**	16,900	**54,963**	55,138
Other expenses – Net		**(9,550)**	(8,674)	**(20,693)**	(19,608)
Profit for the period before tax		**12,646**	21,573	**54,889**	60,127
Income tax expense	16	(1,047)	-	(2,517)	-
Profit for the period after tax		**11,599**	21,573	**52,372**	60,127
Basic and diluted earnings per share	18	**0.08**	0.14	**0.35**	0.40

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Emirates Insurance Company P.J.S.C.

Condensed interim statement of profit or loss and other comprehensive income

for the period ended 30 June (unaudited)

	Three -month period ended 2024 AED'000	Three -month period ended 2023 AED'000	**Six -month period ended 2024 AED'000**	Six -month period ended 2023 AED'000
Profit for the period	**11,599**	21,573	**52,372**	60,127
Items that will not be reclassified subsequently to statement of profit or loss:				
Changes in fair value of equity instruments at fair value through other comprehensive income – net of tax	**(20,746)**	10,732	**(16,627)**	14,392
Items that are or may be reclassified subsequently to statement of profit or loss:				
Changes in fair value of debt instruments at fair value through other comprehensive income – net of tax	**(359)**	(677)	**(1,028)**	(460)
Reversal for impairment loss on debt instruments measured at fair value through other comprehensive income	-	-	-	(27)
Other comprehensive (loss) / income for the period	**(21,105)**	10,055	**(17,655)**	13,905
Total comprehensive (loss) / income for the period	**(9,506)**	31,628	**34,717**	74,032

The notes set out on pages 11 to 30 form an integral part of this condensed interim financial information.

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Emirates Insurance Company P.J.S.C.

Condensed interim statement of changes in shareholders' equity

for the six-month period ended 30 June (Unaudited)

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Reinsurance risk reserve AED'000	Fair value reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2023 *(Audited)*	150,000	75,000	600,000	7,630	212,795	102,117	1,147,542
Total comprehensive income:							
Profit for the period	-	-	-	-	-	60,127	60,127
Other comprehensive income for the period	-	-	-	-	13,905	-	13,905
Total comprehensive income for the period	-	-	-	-	13,905	60,127	74,032
Transactions with owners of the Company:							
Dividends *(note 10)*	-	-	-	-	-	(75,000)	(75,000)
Total transactions with owners of the Company	-	-	-	-	-	(75,000)	(75,000)
Transfer to General Reserve (Note 12)	-	-	-	-	-	-	-
Transfer to retained earnings on disposal of equity investments designated at FVOCI	-	-	-	-	(1,124)	1,124	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	2,311	-	(2,311)	-
Balance at 30 June 2023 *(Unaudited)*	150,000	75,000	600,000	9,941	225,576	86,057	1,146,574
Balance at 1 January 2024 *(Audited)*	**150,000**	**75,000**	**600,000**	**11,712**	**252,078**	**190,229**	**1,279,019**
Total comprehensive income:							
Profit for the period	-	-	-	-	-	**52,372**	**52,372**
Other comprehensive loss for the period	-	-	-	-	**(17,655)**	-	**(17,655)**
Total comprehensive income / (loss) for the period	-	-	-	-	**(17,655)**	**52,372**	**34,717**
Transactions with owners of the Company:							
Dividends *(note 10)*	-	-	-	-	-	**(82,500)**	**(82,500)**
Total transactions with owners of the Company	-	-	-	-	-	**(82,500)**	**(82,500)**
Transfer to General Reserve *(note 12)*	-	-	**35,000**	-	-	**(35,000)**	-
Transfer to retained earnings on disposal of equity investments. designated at FVTOCI	-	-	-	-	**(2,541)**	**2,541**	-
Transfer from retained earnings to reinsurance risk reserve	-	-	-	**2,737**	-	**(2,737)**	-
Balance at 31 March 2024 *(Unaudited)*	**150,000**	**75,000**	**635,000**	**14,449**	**231,882**	**124,905**	**1,231,236**

The notes set out on pages 11 to 30 form an integral part of this condensed interim financial information.

Emirates Insurance Company P.J.S.C.

Condensed interim statement of cash flows

for the six-month period ended 30 June (Unaudited)

	Note	2024 AED'000	2023 AED'000
Cash flows from operating activities			
Profit for the period before tax		**54,889**	60,127
Adjustments for:			
Depreciation of property and equipment		**1,594**	1,699
Depreciation of investment properties		**176**	126
Gain on disposal of property and equipment		**(8)**	-
Net loss on disposal of investments in securities	*17*	**905**	7,645
Unrealised gain on investments measured at FVTPL	*17*	**(5,584)**	(28,021)
Premium amortisation	*5*	**(532)**	(479)
Dividends from investments in securities	*17*	**(34,441)**	(21,802)
Charge / (Reversal) for expected credit losses on financial assets		**1,278**	(2,285)
Charge for employees' end of service benefit obligation		**1,253**	1,145
Interest income	*17*	**(16,183)**	(13,017)
Cash generated from operating activities		**3,347**	5,138
Increase in insurance contract assets		**-**	(6,780)
Increase in reinsurance contract assets		**(470,815)**	(40,208)
Increase in other receivables and prepayments		**(6,663)**	(23,751)
Increase / (decrease) in insurance contract liabilities		**495,460**	(4,667)
(Decrease) / Increase in reinsurance contract liabilities		**(3,524)**	5,803
Decrease in provisions and other payables		**(24,620)**	(6,430)
Cash used in operating activities		**(6,815)**	(70,895)
Payment for employees' end of service benefit obligation		**(1,399)**	(881)
Net cash used in operating activities		**(8,214)**	(71,776)
Cash flows from investing activities			
Payments for purchase of property and equipment		**(1,216)**	(433)
Proceeds from disposal of property and equipment		**8**	-
Payments for purchase of financial assets		**(58,052)**	(71,941)
Proceeds from disposal of financial assets		**61,793**	103,924
Placement of term deposits		**(17,000)**	(54,380)
Maturities of term deposits		**85,944**	78,604
Dividends received		**34,441**	21,802
Interest income received		**15,560**	13,276
Net cash generated from investing activities		**121,478**	90,852
Cash flows from financing activities			
Dividends paid		**(82,500)**	(75,000)
Net cash used in financing activities		**(82,500)**	(75,000)
Net increase in cash and cash equivalents		**30,764**	(55,924)
Cash and cash equivalents at the beginning of the period		**126,279**	127,748
Cash and cash equivalents at the end of the period	*4*	**157,043**	71,824

The notes set out on pages 11 to 30 form an integral part of this condensed interim financial information.

The independent auditors' report on review of the condensed interim financial information is set out on pages 4 and 5

Emirates Insurance Company P.J.S.C.

Notes to the condensed interim financial information

1 Legal status and activities

Emirates Insurance Company P.J.S.C. (the "Company") is a public joint stock company which was incorporated in Abu Dhabi, United Arab Emirates on 27 July 1982. The Company is registered in accordance with UAE Federal Law No. (48) of 2023 concerning Insurance Companies and Agents and is governed by the provisions of the Federal Law No. (32) of 2021 concerning the commercial companies, Central bank of UAE Board decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Insurance Authority's Board of Directors Decision No. (23) of 2019 concerning Instructions Organizing Reinsurance Operations, and is registered in the Insurance Companies Register of Central Bank of UAE under registration No. (2). The Company's principal activity is the writing of general insurance and reinsurance business of all classes. The Company operates through its head office in Abu Dhabi and branch offices in Dubai, Al Ain and Jebel Ali Freezone. The Company is domiciled in the United Arab Emirates and its registered office address is P.O. Box 3856, Abu Dhabi, United Arab Emirates.

2 Basis of preparation

(a) Statement of compliance

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

It does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2023, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement

The condensed interim financial information has been prepared under the historical cost convention except for the financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which are carried at fair values and insurance and reinsurance contracts which are measured at the estimated fulfilment cash flows that are expected to arise as the company fulfils its contractual obligations.

(c) Functional and reporting currency

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

(d) Use of judgments and estimates

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

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

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

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 Company, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policy to incorporate the applicable corporate tax.

Taxation

Current Taxation

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 considered to be 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. The income tax expense is recognized at an amount determined by multiplying the profit before tax for reporting period ended 30 June 2024 by management best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the period.

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 expected to apply to the profit for the period.

Deferred Taxation

Deferred tax is accounted for in respect of all temporary differences at the statement of financial position date between the tax base 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.

In accordance to the Article 127 – Unrealised gains and losses, taxable persons are required to include any realised or unrealised gains and losses reported in the financial statements in the calculation of their taxable income, if they would not subsequently be recognised in their income statement. This is unless they make the election to use the realisation basis. The Company has opted to not to elect the use of realisation basis and therefore include any realised and unrealised gains reported in the financial statement in its taxable income calculation. Hence there is no deferred no tax asset/liability is recognised in these condensed interim financial statements.

3.1 Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted. The Company has not early adopted any of the forthcoming new or amended standards in preparing this condensed interim financial information.

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

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

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

New standards or amendments	***Effective date***
• Amendments to IAS 1 – Non Current liabilities with covenants	1 January 2024
• Amendments to IAS 1 – Classification of liabilities as Current or Non-current	1 January 2024
• Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024
• Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements	1 January 2024

4 Cash and cash equivalents

	(Unaudited) **30 June 2024 AED'000**	*(Audited)* 31 December 2023 AED'000
Cash at banks inside UAE	**156,094**	125,881
Cash at banks outside UAE	**962**	400
Cash in hand	**19**	24
Cash and bank balances	**157,075**	126,305
Term deposits *(i)*	**134,473**	203,453
	291,548	329,758
Less: deposits with original maturities of three months or more (i),(ii)	**(134,473)**	(203,453)
Cash and cash equivalents	**157,075**	126,305
Less: allowance for expected credit losses	**(32)**	(26)
	157,043	126,279

4 Cash and cash equivalents (continued)

(i) Term deposits carry interest rates ranging from 4.00% to 6.05% *(31 December 2023: 2% to 6.00%)* per annum. All term deposits are placed with banks and financial institutions within UAE.

(ii) Term deposits with original maturities of three months or more, net of allowance for expected credit losses of AED 36 thousand *(31 December 2023: AED 54 thousand)*, amount to AED 134,473 thousand *(31 December 2023: AED 203,399 thousand)*.

5 Investments in securities

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

	(Unaudited) **30 June 2024 AED'000**	*(Audited)* 31 December 2023 AED'000
Financial assets at amortised cost		
Fixed income portfolio at amortised cost	**282,925**	284,620
Less: allowance for expected credit losses	**(259)**	(255)
	282,666	284,365
Financial assets at fair value through other comprehensive income		
Quoted UAE equity securities	**535,809**	560,607
Unquoted UAE equity securities	**3,092**	3,092
Investment funds	**179,228**	176,911
Unquoted overseas equity securities	**1,927**	2,093
Bond portfolio	**53,375**	54,505
	773,431	797,208
Financial assets at fair value through profit or loss		
Quoted UAE equity securities	**43,309**	42,978
Unquoted UAE equity securities	**965**	965
Investment funds	**63,844**	62,766
Unquoted overseas equity securities	**31,096**	31,136
Bond portfolio	**177,849**	171,678
	317,063	309,523

5 Investments in securities *(continued)*

The movement in investments during the period is as follows:

	(Unaudited) **30 June 2024 AED'000**	*(Unaudited)* 30 June 2023 AED'000
Financial assets at amortised cost		
Amortised cost at the beginning of the period	**284,365**	233,700
Purchases	**17,013**	57,318
Maturities	**(19,239)**	(27,828)
Premium amortisation	**532**	479
Allowance for expected credit losses	**(5)**	(13)
Amortised cost at the end of the period	**282,666**	263,656
Financial assets at fair value through other comprehensive income		
Fair value at the beginning of the period	**797,208**	763,372
Purchases	**1,735**	1,801
Disposals	**(6,111)**	(3,879)
Change in fair values taken to other comprehensive income	**(19,401)**	13,932
Fair value at the end of the period	**773,431**	775,226
Financial assets at fair value through profit or loss		
Fair value at the beginning of the period	**309,523**	335,669
Purchases	**39,304**	12,822
Disposals	**(37,348)**	(79,862)
Change in fair values taken to profit or loss	**5,584**	28,021
Fair value at the end of the period	**317,063**	296,650

6 Insurance contract assets and insurance contract liabilities

At 30 June 2024 *(Unaudited)*
AED ('000')

	Liability for remaining coverage		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract assets as at 31/12/2023	-	-	-	-	-
Insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Net insurance contract liabilities as at 31/12/2023	**178,739**	**740**	**768,204**	**42,988**	**990,671**
Insurance revenue	**(627,068)**	**-**	**-**	**-**	**(627,068)**
Insurance service expenses					
Incurred claims and other expenses	-	(602)	746,176	28,070	773,644
Amortisation of insurance acquisition cash flows	73,092	-	-	-	73,092
Losses on onerous contracts and reversals of those losses	-	142	-	-	142
Changes to liabilities for incurred claims	-	-	67,101	(6,045)	61,056
Transfer of investment components	-	-	-	-	-
Insurance service expense	**73,092**	**(460)**	**813,277**	**22,025**	**907,934**
Insurance service result before reinsurance contracts held	**(553,976)**	**(460)**	**813,277**	**22,025**	**280,866**
Interest accreted	-	-	16,931	-	16,931
Effect of changes in interest rates and other financial assumptions	-	-	(6,313)	-	(6,313)
Insurance finance expenses from insurance contracts issued	**-**	**-**	**10,618**	**-**	**10,618**
Total changes in the statement of comprehensive income	**(553,976)**	**(460)**	**823,895**	**22,025**	**291,484**
Cash flows					
Premiums received	613,523	-	-	-	613,523
Claims and other expenses paid	-	-	(339,610)	-	(339,610)
Insurance acquisition cash flows paid	(68,645)	-	-	-	(68,645)
Total cash flows	**544,878**	**-**	**(339,610)**	**-**	**205,268**
Net insurance contract liabilities as at 30/06/2024	**169,641**	**280**	**1,252,489**	**65,013**	**1,487,423**
Insurance contract assets as at 30/06/2024	-	-	-	-	-
Insurance contract liabilities as at 30/06/2024	169,641	280	1,252,489	65,013	1,487,423
Net insurance contract liabilities as at 30/06/2024	**169,641**	**280**	**1,252,489**	**65,013**	**1,487,423**

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

At 31 December 2023 *(Audited)*
AED ('000')

	Liability for remaining coverage		Liability for incurred claims		Total Liability
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	
Insurance contract assets as at 31/12/2022	(12,464)	-	9,692	396	(2,376)
Insurance contract liabilities as at 31/12/2022	158,427	4,805	708,380	38,522	910,134
Net insurance contract liabilities as at 31/12/2022	145,963	4,805	718,072	38,918	907,758
Insurance revenue	(1,133,944)	-	-	-	(1,133,944)
Insurance service expenses					
Incurred claims and other expenses	-	(4,810)	393,361	6,287	394,838
Amortisation of insurance acquisition cash flows	130,795	-	-	-	130,795
Losses on onerous contracts and reversals of those losses	-	745	-	-	745
Changes to liabilities for incurred claims	-	-	161,834	(2,217)	159,617
Transfer of investment components	-	-	-	-	-
Insurance service expenses	130,795	(4,065)	555,195	4,070	685,995
Insurance service result before reinsurance contracts held	(1,003,149)	(4,065)	555,195	4,070	(447,949)
Interest accreted	-	-	27,873	-	27,873
Effect of changes in interest rates and other financial assumptions	-	-	2,383	-	2,383
Insurance finance expenses from insurance contracts issued	-	-	30,256	-	30,256
Total changes in the statement of comprehensive income	(1,003,149)	(4,065)	585,451	4,070	(417,693)
Cash flows					
Premiums received	1,170,600	-	-	-	1,170,600
Claims and other expenses paid	-	-	(535,319)	-	(535,319)
Insurance acquisition cash flows paid	(134,675)	-	-	-	(134,675)
Total cash flows	1,035,925	-	(535,319)	-	500,606
Net insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Insurance contract assets as at 31/12/2023	-	-	-	-	-
Insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671
Net insurance contract liabilities as at 31/12/2023	178,739	740	768,204	42,988	990,671

7 Reinsurance contract assets and reinsurance contract liabilities

At 30 June 2024 *(Unaudited)*

AED ('000')	Asset for remaining coverage		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 31/12/2023	(93,346)	-	688,428	31,484	626,566
Reinsurance contract liabilities as at 31/12/2023	(49,028)	-	31,826	1,057	(16,145)
Net reinsurance contract assets as at 31/12/2023	**(142,374)**	**-**	**720,254**	**32,541**	**610,421**
Expenses from reinsurance contracts	**(367,679)**	**-**	**-**	**-**	**(367,679)**
Income from reinsurance contracts					
Amounts recoverable for claims and other expenses incurred in the period	-	-	554,208	29,757	583,965
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	88,687	(2,185)	86,502
Transfer of reinsurance investment components	(7,364)	-	7,364	-	-
Income from reinsurance contracts	**(7,364)**	**-**	**650,259**	**27,572**	**670,467**
Net (expense) / income from reinsurance contracts held	**(375,043)**	**-**	**650,259**	**27,572**	**302,788**
Interest accreted	-	-	14,752	-	14,752
Effect of changes in interest rates and other financial assumptions	-	-	(5,437)	-	(5,437)
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Reinsurance finance income from reinsurance contracts held	**-**	**-**	**9,315**	**-**	**9,315**
Total changes in the statement of comprehensive income	**(375,043)**	**-**	**659,574**	**27,572**	**312,103**
Cash flows					
Premiums paid	312,066	-	-	-	312,066
Amounts received	-	-	(149,830)	-	(149,830)
Total cash flows	**312,066**	**-**	**(149,830)**	**-**	**162,236**
Net reinsurance contract assets as at 30/06/2024	**(205,351)**	**-**	**1,229,998**	**60,113**	**1,084,760**
Reinsurance contract assets as at 30/06/2024	(182,439)	-	1,220,040	59,780	1,097,381
Reinsurance contract liabilities as at 30/06/2024	(22,912)	-	9,958	333	(12,621)
Net reinsurance contract assets as at 30/06/2024	**(205,351)**	**-**	**1,229,998**	**60,113**	**1,084,760**

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

At 31 December 2023 *(Audited)*

AED ('000')	Asset for remaining coverage		Amounts recoverable on incurred claims		Total Asset
	Non-loss-recovery component	Loss-recovery component	Estimates of the present value of future cash flows	Risk adjustment	
Reinsurance contract assets as at 31/12/2022	(128,445)	-	560,308	25,925	457,788
Reinsurance contract liabilities as at 31/12/2022	(68,415)	-	25,811	781	(41,823)
Net reinsurance contract assets as at 31/12/2022	(196,860)	-	586,119	26,706	415,965
Allocation of reinsurance premiums	(645,687)	-	-	-	(645,687)
Amounts recoverable from reinsurers					
Amounts recoverable for claims and other expenses incurred in the period	-	-	172,886	4,366	177,252
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	108,096	1,469	109,565
Transfer of reinsurance investment components	(35,691)	-	35,691	-	-
Amounts recoverable from reinsurers	(35,691)	-	316,673	5,835	286,817
Net (expense) / income from reinsurance contracts held	(681,378)	-	316,673	5,835	(358,870)
Interest accreted	-	-	19,864	-	19,864
Effect of changes in interest rates and other financial assumptions	-	-	1,279	-	1,279
Effect of changes in the risk of non-performance by reinsurers	-	-	-	-	-
Reinsurance finance income from reinsurance contracts held	-	-	21,143	-	21,143
Total changes in the statement of comprehensive income	(681,378)	-	337,816	5,835	(337,727)
Cash flows					
Premiums paid	735,864	-	-	-	735,864
Amounts received	-	-	(203,681)	-	(203,681)
Total cash flows	735,864	-	(203,681)	-	532,183
Net reinsurance contract assets as at 31/12/2023	(142,374)	-	720,254	32,541	610,421
Reinsurance contract assets as at 31/12/2023	(93,346)	-	688,428	31,484	626,566
Reinsurance contract liabilities as at 31/12/2023	(49,028)	-	31,826	1,057	(16,145)
Net reinsurance contract assets as at 31/12/2023	(142,374)	-	720,254	32,541	610,421

8 Investment properties

Investment properties represent the cost, net of accumulated depreciation and impairment, of properties owned by the Company in Abu Dhabi, Al Ain and Mussafah. Land for the construction of the Abu Dhabi and Al Ain buildings have been allotted free of cost by the Executive Council of Abu Dhabi and land for the construction of Mussafah building is on a long-term lease from the Abu Dhabi Municipality and Urban Planning Department which is classified as right-of-use asset.

9 Statutory deposit

In accordance with the requirements of UAE Federal Law No. (48) of 2023 concerning insurance companies and Agents, the Company maintains a bank deposit of AED 10,000,000 *(31 December 2023: AED 10,000,000)* which cannot be utilised without the consent of the Central Bank of UAE.

10 Issued and paid-up share capital

	(Unaudited) **30 June 2024 AED'000**	*(Audited)* 31 December 2023 AED'000
Authorised:		
150,000,000 *(2023: 150,000,000)* shares of AED 1 each	**150,000**	150,000
Allotted, issued and fully paid:		
150,000,000 *(2023: 150,000,000)* shares of AED 1 each	**150,000**	150,000

At the Annual General Meeting held on 22 April 2024, the Shareholders approved a cash dividend in respect of 2023 results amounting to AED 82.5 million *(2022: AED 75 million).*

11 Statutory reserves

In accordance with the UAE Federal Law No. (32) of 2021 concerning Commercial Companies and the Company's Articles of Association, 10% of profit is to be transferred to a non-distributable reserve until the balance of the reserve equals 50% of the Company's paid up share capital. This reserve is not available for dividend distribution.

12 General reserve

Transfers to and from the general reserve are made at the discretion of the Board of Directors. This reserve may be used for such purposes as the Directors deem fit. During the period the Company has transferred AED 35 million from retained earnings to general reserve. *(31 December 2023: AED Nil).*

13 Reinsurance risk reserve

In accordance with Article (34) of the Insurance Authority Decision No. (23) of 2019, an insurance company has to allocate an amount equal to 0.5% of the total reinsurance premiums ceded in all classes in its annual financial statements in order to create a provision for the probability of failure/default of any of the reinsurers. During the period the Company has transferred AED 2.74 million from retained earnings to reinsurance risk reserve. *(31 December 2023: AED 4.08 million)*.

14 Provisions and other payables

	(Unaudited) **30 June 2024 AED'000**	*(Audited)* 31 December 2023 AED'000
Accruals and other liabilities	**28,937**	22,576
Deferred income	**655**	801
Other payables	**39,895**	69,960
	69,487	93,337

15 Related parties

Related parties comprise the Directors of the Company and those entities in which they have the ability to control or exercise significant influence in financial and operational decisions. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company, being the Directors, Chief Executives Officer and his direct reports. The Company maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates as follows:

	(Unaudited) **30 June 2024 AED'000**	*(Audited)* 31 December 2023 AED'000
Due from policy holders (Directors' affiliates) *(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)*	**3,778**	30,375
Due to policy holders (Directors' affiliates) *(Included in insurance contract liabilities as part of presentation requirement of IFRS 17)*	**1,173**	2,228

15 Related parties (continued)

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

	(Unaudited) **Three-month period ended 30 June 2024 AED'000**	*(Unaudited)* Three-month period ended 30 June 2023 AED'000	*(Unaudited)* **Six-month period ended 30 June 2024 AED'000**	*(Unaudited)* Six-month period ended 30 June 2023 AED'000
Insurance revenue – Directors affiliates	**1,110**	426	**5,083**	10,967
Insurance service expenses – Directors affiliates	**930**	941	**1,544**	946
Board of Directors' remuneration paid	**1,441**	-	**3,991**	2,550
Remuneration of key management personnel	**4,610**	3,887	**9,430**	7,866

The remuneration of the Board of Directors is subject to approval by the shareholders and as per limits set by the UAE Federal Law No. (32) of 2021 concerning Commercial Companies. The remuneration of key management personnel is based on the remuneration agreed in their employment contract as approved by the Board of Directors.

16 Income tax expense

	(Unaudited) **Three-month period ended 30 June 2024 AED'000**	*(Unaudited)* Three-month period ended 30 June 2023 AED'000	*(Unaudited)* **Six-month period ended 30 June 2024 AED'000**	*(Unaudited)* Six-month period ended 30 June 2023 AED'000
Condensed interim statement of profit or loss:				
Current tax	**1,047**	-	**2,517**	-
Condensed interim statement of comprehensive income:				
Current tax	**(2,087)**	-	**(1,746)**	-

Relationship between tax expense and accounting profit

	(Unaudited) **30 June 2024 AED'000**	*(Unaudited)* 30 June 2023 AED'000
Profit for the period before taxation	**54,889**	-
Basic exemption limit	**(375)**	-
Tax applicable profit	**54,514**	-

16 Income tax expense (continued)

	(Unaudited) 30 June 2024 AED'000	*(Unaudited)* 30 June 2023 AED'000
Tax at the applicable rate of 9%	**4,906**	-
Effect of items that are not considered in determining taxable income - net		
Exempt income	**(2,397)**	-
Non-deductible expenses	**8**	-
Income tax expense	**2,517**	-

17 Net investment income

	(Unaudited) Three-month period ended 30 June 2024 AED'000	*(Unaudited)* Three-month period ended 30 June 2023 AED'000	*(Unaudited)* Six-month period ended 30 June 2024 AED'000	*(Unaudited)* Six-month period ended 30 June 2023 AED'000
Dividends from investments in securities	**6,135**	6,679	**34,441**	21,802
Unrealised gain / (loss) on investments measured at fair value through profit or loss	**(506)**	7,291	**5,584**	28,021
Net loss on disposal of investments	**(61)**	(3,442)	**(905)**	(7,645)
Interest on bonds	**5,553**	4,775	**11,451**	9,858
Interest on bank deposits	**2,120**	1,596	**4,732**	3,159
Investment expenses	**(527)**	(442)	**(1,039)**	(990)
	12,714	16,457	**54,264**	54,205

18 Basic and diluted earnings per share

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

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

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

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

	(Unaudited) **Three-month period ended 30 June 2024 AED'000**	*(Unaudited)* Three-month period ended 30 June 2023 AED'000	***(Unaudited)*** **Six-month period ended 30 June 2024 AED'000**	*(Unaudited)* Six-month period ended 30 June 2023 AED'000
Profit for the period after tax (AED '000)	**11,599**	21,573	**52,372**	60,127
Weighted average number of ordinary shares (shares in '000)	150,000	150,000	**150,000**	150,000
Earnings per share for the period – basic and diluted (Fils)	**0.08**	0.14	**0.35**	0.40

19 Commitments and contingent liabilities

	(Unaudited) **30 June 2024 AED'000**	*(Audited)* 31 December 2023 AED'000
Commitments in respect of investments	**7,296**	10,113
Bank guarantees	**4,883**	4,185

The above bank guarantees were issued in the normal course of business.

Legal proceedings

The Company operates in the insurance industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

20 Segment information

For operating purposes, the Company is organised into two main business segments:

- Underwriting of general insurance business – incorporating all classes of general insurance such as fire, marine, motor, general accident and miscellaneous.
- Investments – incorporating investments in marketable equity securities and investment funds, bonds, term deposits with banks and investment properties and other securities.

Primary segment information - Business segments

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

	Six-month period ended 30 June *(Unaudited) (in AED'000)*					
	Underwriting		**Investments**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
Segment revenue	**1,297,535**	661,295	**55,706**	55,697	**1,353,241**	716,992
Segment result	**20,619**	24,597	**54,963**	55,138	**75,582**	79,735
Unallocated expenses					**(20,693)**	(19,608)
Profit for the period					**54,889**	60,127

	Three-month period ended 30 June *(Unaudited) (in AED'000)*					
	Underwriting		**Investments**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
Segment revenue	**988,750**	353,781	**13,444**	17,202	**1,002,194**	370,983
Segment result	**9,132**	13,347	**13,064**	16,900	**22,196**	30,247
Unallocated expenses					**(9,550)**	(8,674)
Profit for the period before tax					**12,646**	21,573

20 Segment information *(continued)*

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

	(In AED '000)					
	Underwriting		**Investments**		**Total**	
	30 June 2024 *(Unaudited)*	31 December 2023 *(Audited)*	**30 June 2024** *(Unaudited)*	31 December 2023 *(Audited)*	**30 June 2024** *(unaudited)*	31 December 2023 *(Audited)*
Segment assets	**1,136,077**	658,977	**1,518,226**	1,604,641	**2,654,303**	2,263,618
Unallocated assets					**167,043**	136,279
Total assets					**2,821,346**	2,399,897
Segment liabilities	**1,569,235**	1,099,066	**296**	1,087	**1,569,531**	1,100,153
Unallocated liabilities					**20,579**	20,725
Total liabilities					**1,590,110**	1,120,878

21 Fair value of financial instruments

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

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

21 Fair value of financial instruments *(continued)*

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
At 30 June 2024 (Unaudited)				
Financial assets measured at fair value through other comprehensive income				
Quoted UAE equity securities	**464,717**	**71,092**	**-**	**535,809**
Unquoted UAE equity securities	**-**	**-**	**3,092**	**3,092**
Investment funds	**98,707**	**68,839**	**11,682**	**179,228**
Unquoted overseas equity securities	**-**	**-**	**1,927**	**1,927**
Investment in bond portfolio	**7,809**	**32,113**	**13,453**	**53,375**
	571,233	**172,044**	**30,154**	**773,431**
Financial assets measured at fair value through profit or loss				
Quoted UAE equity securities	**23,020**	**20,289**	**-**	**43,309**
Unquoted UAE equity securities	**-**	**-**	**965**	**965**
Investment funds	**37,119**	**23,855**	**2,870**	**63,844**
Unquoted overseas equity securities	**-**	**-**	**31,096**	**31,096**
Investment in bond portfolio	**141,709**	**11,748**	**24,392**	**177,849**
	201,848	**55,892**	**59,323**	**317,063**
Total	**773,081**	**227,936**	**89,477**	**1,090,494**
At 31 December 2023 *(Audited)*				
Financial assets measured at fair value through other comprehensive income				
Quoted UAE equity securities	496,583	64,024	-	560,607
Unquoted UAE equity securities	-	-	3,092	3,092
Investment funds	99,253	67,384	10,274	176,911
Unquoted overseas equity securities	-	-	2,093	2,093
Investment in bond portfolio	8,700	32,506	13,299	54,505
	604,536	163,914	28,758	797,208
Financial assets measured at fair value through profit or loss				
Quoted UAE equity securities	24,714	18,264	-	42,978
Unquoted UAE equity securities	-	-	965	965
Investment funds	36,596	22,895	3,275	62,766
Unquoted overseas equity securities	-	-	31,136	31,136
Investment in bond portfolio	132,996	15,691	22,991	171,678
	194,306	56,850	58,367	309,523
Total	798,842	220,764	87,125	1,106,731

21 Fair value of financial instruments *(continued)*

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. The investments in quoted equities and bond portfolio are valued based on quoted prices in an active market and thus these have been classified as Level 1. For investments under Level 3, the fair values are based on Net Asset Value (NAV).

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

Reconciliation of Level 3 fair value measurements

	Financial assets measured at fair value through profit or loss AED'000	**Financial assets measured at fair value through other comprehensive income AED'000**	**Total AED'000**
At 30 June 2024 *(Unaudited)*			
Opening balance	**58,367**	**28,758**	**87,125**
Purchases	**1,041**	**1,735**	**2,776**
Disposals	**-**	**-**	**-**
Total gains or (losses)			
- in profit or loss	**(85)**	**-**	**(85)**
- in other comprehensive income	**-**	**(339)**	**(339)**
Closing balance	**59,323**	**30,154**	**89,477**
At 30 June 2023 *(Unaudited)*			
Opening balance	53,645	27,981	81,626
Purchases	3,571	1,800	5,371
Disposals	(3,672)	(1,262)	(4,934)
Transfers from level 1 to level 3	-	-	-
Total gains or (losses):			
- in profit or loss	3,016	-	3,016
- in other comprehensive income	-	(698)	(698)
Closing balance	56,560	27,821	84,381

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

	(Unaudited) **At 30 June 2024**		*(Audited)* At 31 December 2023	
	Carrying amount AED'000	**Fair value AED'000**	Carrying amount AED'000	Fair value AED'000
Financial assets				
Investments at amortised cost	**282,666**	**273,253**	284,365	275,798

21 Fair value of financial instruments *(continued)*

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

22 Financial risk management

Company's risk management policies with regards to financial instruments are the same as those disclosed in note 29 to the annual financial statements of the Company for the year ended 31 December 2023.

23 Capital risk management

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

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

	30 June 2024 AED '000	31 December 2023 AED '000
Minimum Capital Requirement (MCR)	**100,000**	100,000
Solvency Capital Requirement (SCR)	**372,064**	323,872
Minimum Guarantee Fund (MGF)	**124,021**	109,035
Own Funds		
- Basic Own Funds	**901,801**	915,182
- Ancillary Own Funds	**-**	-
Own funds eligible to meet the MCR	**901,801**	915,182

23 Capital risk management (continued)

	30 June 2024 AED'000	31 December 2023 AED'000
MCR Solvency Margin – Surplus	**801,801**	815,182
SCR Solvency Margin - Surplus	**529,737**	591,310
MGF Solvency Margin - Surplus	**777,779**	806,148

24 General

This condensed interim financial information of the Company was approved for issuance by the Board of Directors on 13 August 2024.