

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

Condensed interim financial information (Unaudited)

For the three-month period ended 31 March 2025

Condensed interim financial information (Unaudited)
For the three-month period ended 31 March 2025

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

Directors' report for the Three-month period ended 31 March 2025

The Board of Directors has pleasure in submitting their report and the condensed interim financial information as at 31 March 2025 and for the three-month period (the "Period") ended 31 March 2025 which have been reviewed by the external auditors.

Incorporation and registered office

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

Financial position and results

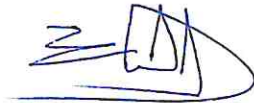
RAK Insurance teams continuously compare their performance and level of reporting to the wider market to ensure best practices are adopted.

RAK Insurance earned a net profit after tax of AED 11 million for the three-month period ended 31 March 2025 as compared to AED 3.4 million for the three-month period ended 31 March 2024 (the "Previous Period"). This net profit after tax of AED 11 million resulted in the Company's equity increasing from AED 177 million as at 31 December 2024 to AED 190 million as at 31 March 2025.

Basic earnings after tax per share is AED 0.09 for the three-month period ended 31 March 2025 as compared to basic earnings after tax per share of AED 0.03 in the previous period on a capital base of AED 121 million.

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

Yours faithfully,



Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman
17 April 2025

Review Report of the Independent Auditor

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Ras Al Khaimah National Insurance Company P.S.C. (the "Company") as at 31 March 2025 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows for the three-month period then ended, and other related explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

GRANT THORNTON UAE



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



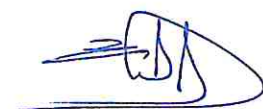
17 April 2025

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

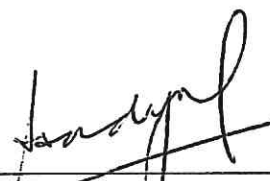
Condensed interim statement of financial position
As at 31 March 2025

	Notes	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Assets			
Property and equipment	4	723,177	755,530
Intangible assets	5	3,327,838	3,736,938
Financial assets	6	234,205,342	222,517,680
Statutory deposit	7	10,000,000	10,000,000
Reinsurance contract assets	8	219,317,618	231,578,253
Other receivables	9	15,001,435	9,608,666
Cash and cash equivalents	10	51,136,789	117,508,265
Deposits	11	195,545,120	178,377,888
Total assets		729,257,319	774,083,220
Equity and liabilities			
Equity			
Share capital	12	121,275,000	121,275,000
Statutory reserve		52,754,029	52,754,029
Voluntary reserve		-	20,000,000
Reinsurance reserve		5,712,964	5,286,768
Cumulative changes in fair value of FVTOCI investments		(4,986,389)	(7,434,423)
Retained earnings / (accumulated losses)		15,551,098	(14,999,691)
Total equity		190,306,702	176,881,683
Liabilities			
Provision for employees' end of service indemnity		6,963,842	6,760,628
Insurance contract liabilities	8	440,003,146	479,593,598
Reinsurance contract liabilities	8	32,677,553	27,920,098
Bank borrowings	16	44,989,560	74,911,911
Other payables	14	11,352,834	6,340,729
Deferred tax liability	17	397,312	148,405
Income tax payable		2,566,370	1,526,168
Total liabilities		538,950,617	597,201,537
Total equity and liabilities		729,257,319	774,083,220

This condensed interim financial information was authorised for issue on 17 April 2025 by the Board of Directors and signed on their behalf by:



Sheikh Omar Bin Saqr Bin Khalid Al Qasimi
Chairman



Sanjeev Badyal
Chief Executive Officer

The notes from 1 to 26 form an integral part of this condensed interim financial information.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim income statement
For the period ended 31 March 2025

		Three-month period ended	
		31 March (Unaudited)	
	Notes	2025	2024
		AED	AED
Insurance revenue	8	127,909,289	122,149,294
Insurance service expenses	19	(78,722,229)	(102,712,474)
Insurance service result before reinsurance contracts held		49,187,060	19,436,820
Allocation of reinsurance premiums		(51,487,423)	(55,173,449)
Amounts recoverable from reinsurance for incurred claims		13,354,975	38,695,581
Net expenses from reinsurance contracts held		(38,132,448)	(16,477,868)
Insurance service result		11,054,612	2,958,952
Investment income	20	4,621,351	3,683,767
Insurance finance expense for insurance contracts issued	20	(3,731,098)	(2,650,135)
Reinsurance finance income for reinsurance contracts held	20	3,015,537	2,406,048
Net insurance finance expense		(715,561)	(244,087)
Other operating expenses		(3,939,011)	(3,417,469)
Other underwriting income		1,002,591	701,913
Profit for the period before tax		12,023,982	3,683,076
Income tax expense	18	(1,046,997)	(288,388)
Profit for the period after tax		10,976,985	3,394,688
Basic and diluted earnings after tax per share	13	0.09	0.03

The notes from 1 to 26 form an integral part of this condensed interim financial information.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of comprehensive income
For the period ended 31 March 2025

	Three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Profit for the period after tax	10,976,985	3,394,688
Other comprehensive income:		
<i>Items that will be reclassified subsequently to profit or loss:</i>		
Net change in fair value of debt investments designated at FVTOCI – net of tax	2,516,733	(87,016)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net change in fair value of equity investments designated at FVTOCI – net of tax	(68,699)	(167,484)
Total other comprehensive income / (loss) for the period	2,448,034	(254,500)
Total Comprehensive Income for the Period	13,425,019	3,140,188

The notes from 1 to 26 form an integral part of this condensed interim financial information.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of changes in equity
For the period ended 31 March 2025

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value of FVTOCI investments AED	(Accumulated losses) / retained earnings AED	Total equity AED
Balance at 1 January 2024 (Audited)	121,275,000	51,210,165	20,000,000	3,895,720	(9,324,865)	(27,503,418)	159,552,602
Profit for the period after tax	-	-	-	-	-	3,394,688	3,394,688
Other comprehensive income for the period	-	-	-	-	(254,500)	-	(254,500)
Total comprehensive (loss)/ income for the period	-	-	-	-	(254,500)	3,394,688	3,140,188
Transfer to reinsurance reserve	-	-	-	723,673	-	(723,673)	-
Balance at 31 March 2024 (Unaudited)	121,275,000	51,210,165	20,000,000	4,619,393	(9,579,365)	(24,832,403)	162,692,790
Balance at 1 January 2025 (Audited)	121,275,000	52,754,029	20,000,000	5,286,768	(7,434,423)	(14,999,691)	176,881,683
Profit for the period after tax	-	-	-	-	-	10,976,985	10,976,985
Other comprehensive income for the period	-	-	-	-	2,448,034	-	2,448,034
Total comprehensive income for the period	-	-	-	-	2,448,034	10,976,985	13,425,019
Transfer to reinsurance reserve	-	-	-	426,196	-	(426,196)	-
Transfer of voluntary reserve*	-	-	(20,000,000)	-	-	20,000,000	-
Balance at 31 March 2025 (Unaudited)	121,275,000	52,754,029	-	5,712,964	(4,986,389)	15,551,098	190,306,702

*As per the Company's Articles of Association, the Company maintained the voluntary reserve upon the recommendation of the Board of Directors. This reserve cannot be utilised for any other purpose unless approved by the Shareholders' General Assembly. During the period, following the approval of the Shareholders at the Annual General Meeting held on 20 March 2025, the Company transferred the voluntary reserve to extinguish all accumulated losses.

The notes from 1 to 26 form an integral part of this condensed interim financial information.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of cash flows
For the period ended 31 March 2025

		For the three-month period ended 31 March (Unaudited)	
	Notes	2025 AED	2024 AED
Cash flows from operating activities			
Profit for the period before tax		12,023,982	3,683,076
Adjustments for:			
Depreciation of property and equipment	4	82,405	99,252
Amortisation of intangible assets	5	428,931	385,478
Provision for impairment		605,907	579,001
Provision for employees' end of service indemnity		203,215	260,767
Realised gain on disposal of property and equipment		-	(50)
Realised losses on disposal of FVTOCI Investments	20	245,440	-
Amortisation of premium on FVTOCI debt investments	6	(154,742)	(23,435)
Interest income		(4,730,744)	(3,756,023)
Dividend income	20	(135,700)	(134,953)
Impairment losses on financial asset at FVTOCI investments	20	-	230,676
Interest expenses		259,193	592,494
Operating cash flows before changes in working capital		8,827,887	1,916,283
Changes in working capital:			
Reinsurance contract assets and liabilities – net		17,010,507	28,285,342
Insurance contract liabilities		(40,134,110)	20,454,529
Other receivables		(5,283,602)	(10,529,215)
Other payables		5,012,832	3,968,383
Net cash (used in) /generated from operations		(14,566,486)	44,095,529
Directors' remuneration paid		(135,000)	(33,000)
Employees' end of service indemnity paid		-	(228,285)
Interest paid on bank borrowing		(124,920)	(404,763)
Net cash (used in) /generated from operating activities		(14,826,406)	43,429,274
Cash flows from investing activities			
Purchase of property and equipment	4	(50,052)	-
Purchase of intangible assets	5	(19,831)	(364,075)
Purchase of financial assets at FVTOCI	6	(60,348,822)	(16,681,049)
Proceeds from disposal of property and equipment		-	50
Proceeds from disposal of financial assets at FVTOCI	6	44,397,272	2,754,750
Proceeds from maturity of financial assets at FVTOCI	6	6,795,050	-
Interest received		8,867,555	160,342
Maturities of fixed deposits with banks with original maturities greater than three months		65,736,360	10,193,500
Placements of fixed deposits with banks with original maturities greater than three months		(87,000,251)	-
Net cash used in investing activities		(21,622,719)	(3,936,482)

The notes from 1 to 26 form an integral part of this condensed interim financial information.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Condensed interim statement of cash flows (continued)
For the period ended 31 March 2025

	For the three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Cash flows from financing activity		
(Settlement of) / increase in borrowing	(29,922,351)	19,000,338
Net cash (used in) / generated from financing activity	(29,922,351)	19,000,338
Net (decrease) / increase in cash and cash equivalents	(66,371,476)	58,493,130
Cash and cash equivalents at beginning of the period	117,508,265	28,505,390
Cash and cash equivalents at end of the period	51,136,789	86,998,520

The notes from 1 to 26 form an integral part of this condensed interim financial information.

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

Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information

For the period ended 31 March 2025

1 Legal status and activities

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

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

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

2 Basis of preparation

This condensed interim financial information is for the three-month period ended 31 March 2025 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and complies with the applicable requirements of the laws in the U.A.E.

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

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

This condensed interim financial information does not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2024. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

3 Material accounting policy information

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2024, except for application of new standards effective as of 1 January 2025 and several amendments and interpretations apply for the first time in 2025.

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

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

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

This standard did not have any impact on this financial information.

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

Standard number	Title	Effective date
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 2027

Property and equipment

Property and equipment are carried at historical cost less accumulated depreciation and any identified impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

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

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

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

3 Material accounting policy information (continued)

Intangible assets

Intangible assets comprise computer software and are reported at cost less accumulated amortisation and identified impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful lives considered in the calculation of amortisation is 5- 10 years.

Financial assets

Classification and measurement - Financial assets

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

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

- (i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- (ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- (iii) all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL. However, the Company may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:
 - a. the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and
 - b. the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Equity instruments at FVTOCI

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

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

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

3 Material accounting policy information (continued)

Financial assets (continued)

Debt instruments at amortised cost or at FVTOCI

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

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

Derecognition of financial assets

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

Taxation

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

Current

Provision of current tax is based on the taxable income for the period determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the period. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets 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 is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

3 Material accounting policy information (continued)

Judgements and estimates

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

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

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

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

Insurance and reinsurance contracts

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

Liability for remaining coverage

For insurance acquisition cashflows, the company is eligible and choose to recognise the payment as an expense immediately (coverage period of a year or less) for all acquisition cashflows except for commission expense which is capitalised.

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

Liability for incurred claims

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

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

3 Material accounting policy information (continued)

Judgements and estimates (continued)

Liability for incurred claims (continued)

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

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

Discount rates

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

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

	1 year		3 years		5 years		10 years	
	2025	2024	2025	2024	2025	2024	2025	2024
Insurance contracts issued	5.07%	4.72%	4.78%	4.80%	4.76%	4.86%	4.83%	4.54%
Reinsurance contracts held	5.07%	4.72%	4.78%	4.80%	4.76%	4.86%	4.83%	4.54%

Risk adjustment for non-financial risk

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

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80th percentile. That is, the Company has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 80th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Company has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Insurance and financial risk management

The Company's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended 31 December 2024. There have been no changes in any risk management policies since the year end.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

4 Property and equipment

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

During the three-month period ended 31 March 2025, the Company has purchased AED 50,052 (during the year ended 31 December 2024: AED 636,370) of equipment.

The depreciation charge for the three-month period ended 31 March 2025 amounted to AED 82,405 (for the year ended 31 December 2024: AED 365,564). No disposals were made during the three-month period ended 31 March 2025 (during the year ended 31 December 2024: AED 6) and net book value of write-offs are nil (during the year ended 31 December 2024: AED 20) during the three-month period ended 31 March 2025.

5 Intangible assets

Intangible assets include computer software.

During the three-month period ended 31 March 2025, the Company recorded additions of AED 19,831 (during the year ended 31 December 2024: AED 876,089) to its computer software.

The amortisation charge for the three-month period ended 31 March 2025 amounted to AED 428,931 (for the year ended 31 December 2024: AED 1,608,543). Further no disposal and write-offs during three-month period ended 31 March 2025 (during the year ended 31 December 2024: Nil).

6 Financial assets

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

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Investments at FVTOCI		
Quoted debt	229,612,416	218,769,807
Quoted equity securities	4,946,874	4,033,534
Allowance for expected credit loss	(353,948)	(285,661)
	<u>234,205,342</u>	<u>222,517,680</u>

FVTOCI investments comprise of quoted equity and debt instruments within the G.C.C. region except one investment valued at AED 9.3 million as at 31 March 2025 (31 December 2024: AED 9.1 million) which is an investment outside the G.C.C. region. The Company has designated all investments in equity instruments that are not held for trading as FVTOCI. Debt instruments carry an interest rate ranging from 1.75% to 6.71% per annum (31 December 2024: 1.75% to 7.75%) and they are redeemable at par from 2025 to 2035 (31 December 2024: 2025 to 2035) based on their maturity dates. There are no significant concentrations of credit risk for debt instruments and the carrying amount reflected above represents the Company's maximum exposure to credit risk for such assets.

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

6 Financial assets (continued)

The movement in the financial investments is as follows:

	FVTOCI debt AED	FVTOCI equity AED	Total AED
Balance at 31 December 2024 (Audited)	218,484,146	4,033,534	222,517,680
Additions during the period	59,359,989	988,833	60,348,822
Matured during the period	(6,795,050)	-	(6,795,050)
Disposals during the period	(44,397,272)	-	(44,397,272)
Realised loss on disposal of FVTOCI investments	(245,440)	-	(245,440)
Net change in fair value	2,765,640	(75,493)	2,690,147
Amortisation of premium on FVTOCI debt investments to profit or loss	154,742	-	154,742
Allowance for expected credit loss	(68,287)	-	(68,287)
Balance at 31 March 2025 (Unaudited)	229,258,468	4,946,874	234,205,342

	FVTOCI debt AED	FVTOCI equity AED	Total AED
Balance at 31 December 2023 (Audited)	131,348,329	3,835,742	135,184,071
Additions during the year	96,544,785	-	96,544,785
Matured during the year	(11,282,338)	-	(11,282,338)
Net change in fair value	1,648,938	428,470	2,077,408
Impairment charges	-	(230,678)	(230,678)
Amortisation of premium on FVTOCI debt investments to profit or loss	322,074	-	322,074
Allowance for expected credit loss	(97,642)	-	(97,642)
Balance at 31 December 2024 (Audited)	218,484,146	4,033,534	222,517,680

Details of provision for expected credit loss were as follows:

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Balance at the beginning of the year	285,661	188,019
Provision for expected credit loss during the period/year	68,287	97,642
Balance at the end of the period/year	353,948	285,661

There were no reclassifications between financial investment categories during 2025 and 2024.

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

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

7 Statutory deposit

A deposit of AED 10 million (31 December 2024: AED 10 million) has been placed with one of the banks, in accordance with Article (42) of the UAE Federal Decree Law No. (48) of 2023. This deposit has been pledged to the bank as security against a guarantee issued by the Bank in favour of the Central Bank of the United Arab Emirates ("CBUAE") for the same amount. This deposit cannot be withdrawn without prior approval of the CBUAE and bears an interest rate of 4.6% per annum (31 December 2024: 5.15% per annum).

8 Insurance and reinsurance contracts

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

	(Unaudited) 31 March 2025			(Audited) 31 December 2024		
	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	-	(90,523,175)	(90,523,175)	-	(108,675,562)	(108,675,562)
General and Motor	-	(349,479,971)	(349,479,971)	-	(370,918,036)	(370,918,036)
Total insurance contracts issued	-	(440,003,146)	(440,003,146)	-	(479,593,598)	(479,593,598)
Reinsurance contracts held						
Life and Medical	40,228,440	(23,644,855)	16,583,585	51,708,098	(26,787,062)	24,921,036
General and Motor	179,089,178	(9,032,698)	170,056,480	179,870,155	(1,133,036)	178,737,119
Total reinsurance contracts held	219,317,618	(32,677,553)	186,640,065	231,578,253	(27,920,098)	203,658,155

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

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

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

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

8 Insurance and reinsurance contracts (continued)

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

2025	Life and Medical										General and Motor									
	Liabilities for remaining coverage					Liabilities for incurred claims					Liabilities for remaining coverage					Liabilities for incurred claims				
	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss component (Unaudited) AED	Loss component (Unaudited) AED	Estimates of the present value of future cash flows (Unaudited) AED	Risk adjustment (Unaudited) AED	Total (Unaudited) AED
Insurance contract liabilities as at 1 January	31,980,781	1,267,568	73,187,607	2,239,606	2,239,606	110,402,718	4,226,867	246,579,254	9,709,197	479,593,598										
Insurance revenue	(66,934,482)	-	-	-	-	(60,974,807)	-	-	-	(127,909,289)										
Insurance service expenses	6,884,447	(1,267,568)	36,838,541	11,688	11,688	13,848,533	1,131,778	21,643,761	(368,951)	78,722,229										
Incurred claims and other expenses	-	-	42,687,059	1,060,691	1,060,691	-	-	60,158,073	1,905,717	105,811,540										
Amortisation of insurance acquisition cash flows	6,884,447	-	-	-	-	13,848,533	-	-	-	20,732,980										
Losses on onerous contracts and reversals of those losses	-	(1,267,568)	-	-	-	-	1,131,778	-	-	(135,790)										
Changes to liabilities for incurred claims	-	-	(5,848,518)	(1,049,003)	(1,049,003)	-	-	(38,514,312)	(2,274,668)	(47,686,501)										
Insurance service result	(60,050,035)	(1,267,568)	36,838,541	11,688	11,688	(47,126,274)	1,131,778	21,643,761	(368,951)	(49,187,060)										
Insurance finance expenses	-	-	750,250	-	-	-	-	2,980,848	-	3,731,098										
Total changes in the statement of comprehensive income	(60,050,035)	(1,267,568)	37,588,791	11,688	11,688	(47,126,274)	1,131,778	24,624,609	(368,951)	(45,455,962)										
Cash flows																				
Premiums received	46,057,835	-	-	-	-	39,997,681	-	-	-	86,055,516										
Claims and other expenses paid	-	-	(34,728,023)	-	-	-	-	(27,393,723)	-	(62,121,746)										
Insurance acquisition cash flows paid	(5,765,075)	-	-	-	-	(12,303,185)	-	-	-	(18,068,260)										
Total cash flows	40,292,760	-	(34,728,023)	-	-	27,694,496	-	(27,393,723)	-	5,865,510										
Net insurance contract liabilities as at 31 March	12,223,506	-	76,048,375	2,251,294	2,251,294	90,970,940	5,358,645	243,810,140	9,340,246	440,003,146										

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

8 Insurance and reinsurance contracts (continued)

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

2024

	Life and Medical				General and Motor			
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims	
	Excluding loss component (Audited)	Loss component (Audited)	Estimates of the present value of future cash flows (Audited)		Excluding loss component (Audited)	Loss component (Audited)	Estimates of the present value of future cash flows (Audited)	
			AED	AED			AED	AED
Insurance contract liabilities as at 1 January	34,353,198	6,361,717	104,322,433	3,172,496	47,557,195	-	158,387,942	10,515,311
Insurance revenue	(289,534,391)	-	-	-	(214,530,209)	-	-	-
Insurance service expenses	31,040,203	(5,094,149)	183,845,659	(1,079,798)	52,622,454	4,226,867	215,124,620	(1,470,836)
Incurred claims and other expenses	-	-	240,766,075	6,553,592	-	-	303,505,279	13,447,539
Amortisation of insurance acquisition cash flows	31,040,203	-	-	-	52,622,454	-	-	-
Losses on onerous contracts and reversals of those losses	-	(5,094,149)	-	-	-	4,226,867	-	-
Changes to liabilities for incurred claims	-	-	(56,920,416)	(7,633,390)	-	-	(88,380,659)	(14,918,375)
Insurance service result	(258,494,188)	(5,094,149)	183,845,659	(1,079,798)	(161,907,755)	4,226,867	215,124,620	(1,470,836)
Insurance finance expenses	-	-	3,117,215	146,908	-	-	9,719,102	664,722
Total changes in the statement of comprehensive income	(258,494,188)	(5,094,149)	186,962,874	(932,890)	(161,907,755)	4,226,867	224,843,722	(806,114)
<i>Cash flows</i>								
Premiums received	297,860,716	-	-	-	276,320,761	-	-	-
Claims and other expenses paid	-	-	(218,097,700)	-	-	-	(136,652,410)	-
Insurance acquisition cash flows paid	(41,738,945)	-	-	-	(51,567,483)	-	-	-
Total cash flows	256,121,771	-	(218,097,700)	-	224,753,278	-	(136,652,410)	-
Net insurance contract liabilities as at 31 December	31,980,781	1,267,568	73,187,607	2,239,606	110,402,718	4,226,867	246,579,254	9,709,197
								479,593,598

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
For the period ended 31 March 2025

8 Insurance and reinsurance contracts (continued)

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

	Life and Medical				General and Motor			
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims	
			Estimates of the present value of future cash flows				Estimates of the present value of future cash flows	
	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Risk adjustment (Unaudited) AED	Risk adjustment (Unaudited) AED	Excluding loss recovery component (Unaudited) AED	Loss component (Unaudited) AED	Risk adjustment (Unaudited) AED	Risk adjustment (Unaudited) AED
Reinsurance contract assets as at 1 January	(43,993,342)	833,320	94,147,491	720,629	(29,648,118)	797,122	201,654,131	7,067,020
Reinsurance contract liabilities as at 1 January	(49,883,700)	-	22,362,677	733,961	(3,248,911)	1,138	2,015,246	99,491
Net reinsurance contract (liabilities)/assets as at 1 January	(93,877,042)	833,320	116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511
Allocation of reinsurance premiums	(29,341,399)	-	-	-	(22,146,024)	-	-	-
Amounts recoverable from reinsurers for incurred claims	-	(833,320)	20,354,816	(224,593)	-	(97,450)	(5,710,448)	(134,030)
Amounts recoverable for incurred claims and other expenses	-	-	21,627,485	302,188	-	-	12,868,602	534,848
Losses on onerous underlying contracts and adjustments	-	(833,320)	-	-	-	(97,450)	-	-
Changes to amounts recoverable for incurred claims	-	-	(1,272,669)	(526,781)	-	-	(18,579,050)	(668,878)
Net income or expense from reinsurance contracts held	(29,341,399)	(833,320)	20,354,816	(224,593)	(22,146,024)	(97,450)	(5,710,448)	(134,030)
Reinsurance finance income	-	-	1,145,701	-	-	-	2,074,156	-
Effect of changes in non-performance risk of reinsurers	-	-	(73,526)	-	-	-	(130,794)	-
Total changes in the statement of comprehensive income	(29,341,399)	(833,320)	21,426,991	(224,593)	(22,146,024)	(97,450)	(3,767,086)	(134,030)
Cash flows								
Premiums paid	51,294,113	-	-	-	31,738,274	-	-	-
Amounts received	-	-	(50,659,243)	-	-	-	(14,274,323)	-
Total cash flows	51,294,113	-	(50,659,243)	-	31,738,274	-	(14,274,323)	-
Net reinsurance contract assets/(liabilities) as at 31 March	(71,924,328)	-	87,277,916	1,229,997	(23,304,779)	700,810	185,627,968	7,032,481
Reinsurance contract assets as at 31 March	(24,962,682)	-	64,621,748	569,374	(13,546,392)	672,804	185,045,704	6,917,062
Reinsurance contract liabilities as at 31 March	(46,961,646)	-	22,656,168	660,623	(9,758,387)	28,006	582,264	115,419
Net reinsurance contract assets/(liabilities) as at 31 March	(71,924,328)	-	87,277,916	1,229,997	(23,304,779)	700,810	185,627,968	7,032,481
								186,640,06

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

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For the period ended 31 March 2025

8 Insurance and reinsurance contracts (continued)

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

2024	General and Motor									
	Life and Medical									
	Assets for remaining coverage	Loss component (Audited) AED	Excluding loss recovery component (Audited) AED	Amounts recoverable on incurred claims Estimates of the present value of future cash flows (Audited) AED	Risk adjustment (Audited) AED	Assets for remaining coverage Excluding loss recovery component (Audited) AED	Loss component (Audited) AED	Amounts recoverable on incurred claims Estimates of the present value of future cash flows (Audited) AED	Risk adjustment (Audited) AED	Total (Audited) AED
Reinsurance contract assets as at 1 January	(97,734,272)	3,410,024		167,495,655	2,083,673	(47,922,094)	-	140,820,820	8,158,680	176,312,486
Reinsurance contract liabilities as at 1 January	-	-	-	-	-	(2,841,204)	-	1,386,870	56,078	(1,398,256)
Net reinsurance contract assets/(liabilities) as at 1 January	(97,734,272)	3,410,024		167,495,655	2,083,673	(50,763,298)	-	142,207,690	8,214,758	174,914,230
Allocation of reinsurance premiums	(115,741,938)	-	-	-	-	(98,942,242)	-	-	-	(214,684,180)
Amounts recoverable from reinsurers for incurred claims	-	(2,576,704)		87,675,279	(720,406)	-	798,260	117,524,500	(1,576,023)	201,124,906
Amounts recoverable for incurred claims and other expenses	-	-	-	109,889,759	3,915,404	-	-	179,307,296	9,330,445	302,442,904
Losses/(recovery) on onerous underlying contracts and adjustments	-	(2,576,704)		-	-	-	798,260	-	-	(1,778,444)
Changes to amounts recoverable for incurred claims	-	-	-	(22,214,480)	(4,635,810)	-	-	(61,782,796)	(10,906,468)	(99,539,554)
Net income or expense from reinsurance contracts held	(115,741,938)	(2,576,704)		87,675,279	(720,406)	(98,942,242)	798,260	117,524,500	(1,576,023)	(13,559,274)
Reinsurance finance income	-	-	-	5,386,133	91,323	-	-	8,248,630	527,776	14,253,862
Effect of changes in non-performance risk of reinsurers	-	-	-	(3,294,350)	-	-	-	2,333,391	-	(960,959)
Total changes in the statement of comprehensive income	(115,741,938)	(2,576,704)		89,767,062	(629,083)	(98,942,242)	798,260	128,106,521	(1,048,247)	(266,371)
<i>Cash flows</i>										
Premiums paid	119,599,168	-	-	-	-	116,808,511	-	-	-	236,407,679
Amounts received	-	-	-	(140,752,549)	-	-	-	(66,644,834)	-	(207,397,383)
Total cash flows	119,599,168	-	-	(140,752,549)	-	116,808,511	-	(66,644,834)	-	29,010,296
Net reinsurance contract assets/(liabilities) as at 31 December	(93,877,042)	833,320		116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155
Reinsurance contract assets as at 31 December	(43,993,342)	833,320		94,147,491	720,629	(29,648,118)	797,122	201,654,131	7,067,020	231,578,253
Reinsurance contract liabilities as at 31 December	(49,883,700)	-	-	22,362,677	733,961	(3,248,911)	1,138	2,015,246	99,491	(27,920,098)
Net reinsurance contract assets/(liabilities) as at 31 December	(93,877,042)	833,320		116,510,168	1,454,590	(32,897,029)	798,260	203,669,377	7,166,511	203,658,155

Ras Al Khaimah National Insurance Company P.S.C.
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Notes to the condensed interim financial information
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9 Other receivables

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Accrual of interest and other income	2,836,077	2,726,910
Advances and prepayments	9,230,696	3,603,433
Other receivables	7,879,414	8,223,079
	<u>19,946,187</u>	<u>14,553,422</u>
Allowance for expected credit loss	(4,944,752)	(4,944,756)
	<u>15,001,435</u>	<u>9,608,666</u>

Other receivables mainly pertain to an amount of AED 3.9 million (31 December 2024: AED 3.9 million) for the exposure to a foreign bank that does not meet the recognition and classification requirements of bank balances and fixed deposits.

Movement in the allowance for expected credit loss was as follows:

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Balance at the beginning of the year	4,944,756	4,944,733
(Reversal)/charge during the period / year	(4)	23
Balance at the end of the period / year	<u>4,944,752</u>	<u>4,944,756</u>

10 Cash and cash equivalents

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Cash in hand	21,769	18,298
Current accounts with banks	41,115,020	97,489,967
Fixed deposits with original maturities of three months or less	10,000,000	20,000,000
	<u>51,136,789</u>	<u>117,508,265</u>

11 Deposits

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Fixed deposits with original maturities greater than three months	194,738,570	177,584,958
Fixed deposits under lien	864,147	864,147
Allowance for impairment	(57,597)	(71,217)
Total deposits	<u>195,545,120</u>	<u>178,377,888</u>

Certain fixed deposits with carrying amount of AED 864,147 as at 31 March 2025 (31 December 2024: AED 864,147) are under lien against letters of guarantee amounting to AED 590,000 (31 December 2024: AED 590,000). The interest rates on fixed deposits with banks range between 4% to 5.6% per annum (31 December 2024: 4% to 5.6% per annum). All fixed deposits are held in local banks in the United Arab Emirates.

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Notes to the condensed interim financial information
For the period ended 31 March 2025

11 Deposits (continued)

As of 31 March 2025, fixed deposits with original maturities greater than three months disclosed on the previous page include deposits amounting to AED 51,954,670 (31 December 2024: AED 82,855,670) which are pledged against bank borrowings (Note 16).

Details of allowance for expected credit loss as per IFRS 9 were as follows:

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Balance at the beginning of the year	71,217	122,537
Reversal during the period / year	(13,620)	(51,320)
Balance at the end of the period / year	<u>57,597</u>	<u>71,217</u>

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

12 Share capital

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Authorised, issued and fully paid: 121.275 million ordinary shares of AED 1 each	<u>121,275,000</u>	<u>121,275,000</u>

(31 December 2024: 121.275 million ordinary shares of AED 1 each)

13 Basic and diluted earnings per share

	Three-month period ended 31 March (Unaudited) 2025	2024
Profit for the period after tax (in AED)	10,976,985	3,394,688
Number of shares	121,275,000	121,275,000
Basic and diluted earnings per share (in AED)	<u>0.09</u>	<u>0.03</u>

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

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14 Other payables

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Accrued expenses	3,227,012	2,001,972
Due to related parties	2,057,141	1,342,035
Other payable balances	5,306,393	2,333,622
Payable to suppliers	762,288	663,100
	<u>11,352,834</u>	<u>6,340,729</u>

15 Dividend and Directors' remuneration

At the Annual General Meeting held on 20 March 2025, the shareholders approved not paying a dividend and approved Board of Directors' remuneration of AED 400,000 and an amount of AED 10,000 as a sitting fee for each member for the board committees for the year ended 31 December 2024. (At the Annual General Meeting held on 21 March 2024, the shareholders approved not paying a dividend and approved Board of Directors' remuneration of AED 400,000 and an amount of AED 10,000 as a sitting fee for each member for the board committees for the year ended 31 December 2023).

16 Bank borrowings

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Bank overdrafts	<u>44,989,560</u>	<u>74,911,911</u>

Overdraft facilities are secured against fixed deposit with carrying value of AED 51,954,670 (31 December 2024: AED 82,855,670). The overdraft carries an interest rate of 0.5% above the interest rate earned on the fixed deposits secured against the overdraft facilities and are repayable on demand.

17 Deferred taxation

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Deferred tax arising in respect of:		
Recognised in OCI:		
Net change in fair value of debt investments designated at FVTOCI	<u>(397,312)</u>	<u>(148,405)</u>

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

	Net balance at 1 January 2025	Recognised in profit or loss	Recognised in other comprehensive income	Net balance at 31 March 2025
Financial assets	<u>(148,405)</u>	-	<u>(248,907)</u>	<u>(397,312)</u>

Ras Al Khaimah National Insurance Company P.S.C.
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Notes to the condensed interim financial information
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18 Income tax expense

	(Unaudited) 31 March 2025 AED	(Unaudited) 31 March 2024 AED
Condensed interim income statement:		
Current tax	<u>(1,046,997)</u>	<u>(288,388)</u>
Condensed interim statement of comprehensive income		
Current tax	6,794	16,564
Deferred tax	<u>(248,907)</u>	<u>8,606</u>
Relationship between tax expense and accounting profit:		
	(Unaudited) 31 March 2025 AED	(Unaudited) 31 March 2024 AED
Profit for the period before taxation	12,023,982	3,683,076
Basic exemption limit	<u>(375,000)</u>	<u>(375,000)</u>
Tax applicable profit	11,648,982	3,308,076
Tax at the applicable rate of 9%	(1,048,408)	(297,727)
Effect of items that are not considered in determining taxable income - net		
-Exempt income	12,213	12,146
-Non-deductible expenses	<u>(10,802)</u>	<u>(2,807)</u>
Income tax expense	<u>(1,046,997)</u>	<u>(288,388)</u>
	<u>10,976,985</u>	<u>3,394,688</u>

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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19 Insurance service expenses

For the three-month period ended 31 March 2025	Life and medical (Unaudited) AED	General and motor (Unaudited) AED	Total (Unaudited) AED
Incurring claims and other expenses	43,747,750	62,063,790	105,811,540
Amortisation of insurance acquisition cash flows	6,884,447	13,848,533	20,732,980
Losses on onerous contracts and reversals of those losses	(1,267,568)	1,131,778	(135,790)
Changes to liabilities for incurred claims	(6,897,521)	(40,788,980)	(47,686,501)
	<u>42,467,108</u>	<u>36,255,121</u>	<u>78,722,229</u>
For the three-month period ended 31 March 2024			
Incurring claims and other expenses	67,867,543	48,672,763	116,540,306
Amortisation of insurance acquisition cash flows	9,484,797	10,784,611	20,269,408
Losses on onerous contracts and reversals of those losses	655,020	136,047	791,067
Changes to liabilities for incurred claims	(14,750,978)	(20,137,329)	(34,888,307)
	<u>63,256,382</u>	<u>39,456,092</u>	<u>102,712,474</u>

Ras Al Khaimah National Insurance Company P.S.C.
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20 Total investment income and net insurance financial result

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

For the three-month period ended 31 March 2025	Life and Medical (Unaudited) AED	General and Motor (Unaudited) AED	Total (Unaudited) AED
Investment income			
Amounts recognised in the profit or loss			
Interest income	1,769,683	2,961,061	4,730,744
Dividend income from financial investments	-	135,700	135,700
Realised loss on disposal of financial investments at FVTOCI	-	(245,440)	(245,440)
Other income	347	-	347
	<u>1,770,030</u>	<u>2,851,321</u>	<u>4,621,351</u>
Insurance finance income/(expenses) from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(752,172)	(2,985,960)	(3,738,132)
Due to changes in interest rates and other financial assumptions	1,922	5,112	7,034
Total insurance finance expenses from insurance contracts issued	<u>(750,250)</u>	<u>(2,980,848)</u>	<u>(3,731,098)</u>
Reinsurance finance income/(expenses) from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	1,147,214	2,076,489	3,223,703
Changes in non-performance risk of reinsurer	(73,526)	(130,794)	(204,320)
Due to changes in interest rates and other financial assumptions	(1,513)	(2,333)	(3,846)
Reinsurance finance income from reinsurance contracts held	<u>1,072,175</u>	<u>1,943,362</u>	<u>3,015,537</u>
Net insurance finance income /(expense)	<u>321,925</u>	<u>(1,037,486)</u>	<u>(715,561)</u>

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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20 Total investment income and net insurance financial result (continued)

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

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

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

Notes to the condensed interim financial information
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21 Segment information

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

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

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

	For the three-month period ended 31 March 2025 (Unaudited)		
	Life and Medical AED	Motor and General AED	Total AED
Insurance revenue	66,934,482	60,974,807	127,909,289
Insurance service expenses	(42,467,108)	(36,255,121)	(78,722,229)
Insurance service result before reinsurance contracts held	24,467,374	24,719,686	49,187,060
Allocation of reinsurance premiums	(29,341,399)	(22,146,024)	(51,487,423)
Amounts recoverable from reinsurance	19,296,903	(5,941,928)	13,354,975
Net expenses from reinsurance contracts held	(10,044,496)	(28,087,952)	(38,132,448)
Investment income	1,770,030	2,851,321	4,621,351
Finance expenses from insurance contracts issued	(750,250)	(2,980,848)	(3,731,098)
Finance income from reinsurance contracts held	1,072,175	1,943,362	3,015,537
Net insurance finance expense	321,925	(1,037,486)	(715,561)
Other operating expenses	(2,057,154)	(1,881,857)	(3,939,011)
Other underwriting income	1,002,591	-	1,002,591
Profit / (loss) for the period before tax	15,460,270	(3,436,288)	12,023,982

Ras Al Khaimah National Insurance Company P.S.C.
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21 Segment information (continued)

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

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

	As at 31 March 2025 (Unaudited)		
	Life and Medical AED	Motor and General AED	Total AED
Total assets	178,837,311	550,420,008	729,257,319
Total equity	53,626,766	136,679,936	190,306,702
Total liabilities	125,210,545	413,740,072	538,950,617

	As at 31 December 2024 (Audited)		
	Life and Medical AED	Motor and General AED	Total AED
Total assets	236,897,908	537,185,312	774,083,220
Total equity	42,615,705	134,265,978	176,881,683
Total liabilities	194,282,203	402,919,334	597,201,537

Ras Al Khaimah National Insurance Company P.S.C.
Condensed interim financial information (Unaudited)

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22 Related party balances and transactions

The Company, in the normal course of business, collects premiums, settles claims and enters into transactions with other business enterprises that fall within the definition of a related party. Related parties include the Company's major shareholders, directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel. The Company's management believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

At the end of the reporting period/year, amounts due from/to related parties were as follows:

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Due from parent company (insurance contract liabilities)	11,147,823	1,726,948
Due from Directors (insurance contract liabilities)	84,424	200,602
Due from other related parties under common control (insurance contract liabilities)	88,995,464	28,638,058
Total due from related parties	<u>100,227,711</u>	<u>30,565,608</u>
Due to Parent company (other payables)	<u>(2,057,141)</u>	<u>(1,342,035)</u>
Total due to related parties	<u>(2,057,141)</u>	<u>(1,342,035)</u>

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

	(Unaudited) 31 March 2025 AED	(Audited) 31 December 2024 AED
Fixed deposits placed with Parent company	120,288,833	109,484,594
Bank balances placed with Parent company	5,248,178	21,577,467
Bank borrowing from Parent company	<u>(29,998,399)</u>	<u>(49,999,009)</u>

Ras Al Khaimah National Insurance Company P.S.C.
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Notes to the condensed interim financial information
For the period ended 31 March 2025

22 Related party balances and transactions (continued)

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

	Three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Insurance revenue (Parent company)	31,217,434	30,563,599
Insurance revenue (Directors)	32,894	33,849
Insurance revenue (other related parties)	24,316,940	16,490,245
Insurance service expenses (Parent company)	(14,870,552)	(18,738,396)
Insurance service expenses (Directors)	(19,860)	90,658
Insurance service expenses (other related parties)	(18,209,410)	(11,205,748)
Other expenses (Parent company)	(879,836)	(786,078)
Interest income (Parent company)	1,178,820	1,334,603

During the three-month period ended 31 March 2025, the Company has purchased financial assets of AED 59 million (31 December 2024: AED 96.5 million) and AED 44 million of financial assets were sold (31 December 2024: Nil) through the Parent company / from external parties.

Key management personnel compensation

	Three-month period ended 31 March (Unaudited)	
	2025	2024
	AED	AED
Board of Directors' remuneration and other expenses	209,436	678,360
Short-term benefits	2,458,756	2,175,841
Long-term benefits	62,500	76,678
	2,730,692	2,930,879

23 Contingent liabilities

	(Unaudited)	(Audited)
	31 March	31 December
	2025	2024
	AED	AED
Letters of guarantee	10,590,000	10,605,000

Letters of guarantee includes AED 10 million (31 December 2024: AED 10 million) issued in favour of the CBUE (formerly, the UAE Insurance Authority). The above guarantees were issued in the normal course of business. The Company, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Company, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Company's financial performance or financial position.

Ras Al Khaimah National Insurance Company P.S.C.
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24 Fair value measurements

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

Fair value of financial instruments carried at amortised cost

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

Fair value of financial instruments carried at fair value

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

The fair values of assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2024.

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

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

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

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

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Financial assets	31 March 2025 (Unaudited) AED	31 December 2024 (Audited) AED				
FVTOCI:						
Debt securities	229,258,468	218,484,146	Level 1	Quoted bid prices in an active market	None	N/A
Quoted equity securities	4,946,874	4,033,534	Level 1	Quoted bid prices in an active market	None	N/A

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

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25 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins. In accordance with Circular No. CBUAE/BSN/2022/923 of CBUAE dated 28 February 2022, the Company has disclosed the solvency position for the immediately preceding period as the current year solvency position is not yet finalised.

	(Audited) 31 December 2024 AED
Minimum Capital Requirement (MCR)	100,000,000
Solvency Capital Requirement (SCR)	88,794,091
Minimum Guarantee Fund (MGF)	68,521,539
Basic Own Funds	142,975,622
MCR Solvency Margin - Minimum Capital Requirement surplus	42,975,622
SCR Solvency Margin - Solvency Capital Requirement surplus	54,181,531
MGF Solvency Margin – Minimum Guarantee Fund surplus	<u>74,454,083</u>

26 Approval of the condensed interim financial information

The condensed interim financial information was approved by the Board of Directors and authorised for issue on 17 April 2025.