

Al Wathba National Insurance Company PJSC

Condensed consolidated interim financial information

30 Sep 2024

Principal business address:

Al Wathba National Insurance Company PJSC

P.O. Box: 45154

Abu Dhabi

UAE

Al Wathba National Insurance Company PJSC

Condensed consolidated interim financial information

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Board of Directors Report on the Company Business For the period ended on (30/09/2024)

The Board of Directors of Al Wathba National Insurance Company is pleased to present the quarterly report for 2024, detailing the company's business activities along with the financial statements for the period ended September 30, 2024.

Despite facing various operational challenges, we were able to clock an impressive 84% growth in gross written premium over the previous year. This exceptional performance demonstrates our ability to execute our vision and adapt to market dynamics effectively. We have successfully implemented the right portfolio balance and channel mix, aligning perfectly with our 5-year strategic plan.

A significant contributor to this success has been our triumphant re-entry into the health insurance segment. This achievement underscores our ability to identify and capitalize on market opportunities.

The adverse weather events in Q1 2024 and Q2 2024 in Al Ain, Dubai and Sharjah have had a significant impact on the UAE insurance industry, challenging insurers with increased claim volumes, particularly for property, motor, and business interruption coverage. This situation also underscored the importance of effective risk management, improved risk assessment models, and sound reinsurance arrangements to mitigate the impact. As an after effect, on the positive front, we have noticed an upward correction in the premium rates for motor, property and engineering lines.

During the reporting period of 2024, Al Wathba National Insurance Company recorded an insurance revenue of AED 257 million. However, the company reported a net insurance service result of AED (7) million, indicating a loss in this segment. This performance reflects the highly competitive nature of the local insurance market and the recent impact of extreme weather events. The company reported a net loss before tax of AED (79) million for the period.

The insurance industry is ever evolving, and Al Wathba Insurance has remained agile and innovative to maintain our competitive edge. We will continue to set new benchmarks in the insurance industry while always putting our clients first and remain steadfast in our commitment to delivering long-term value to our shareholders, customers, and other stakeholders, guided by our core values of integrity, innovation, and customer centricity.

Finally, The Board of Directors also would like to extend its highest thanks and gratitude to His Highness Sheikh Mohamed bin Zayed Al Nahyan- President of the United Arab Emirates and Ruler of Abu Dhabi and His Highness Sheikh Mohammed bin Rashid Al Maktoum - Vice

رأس المال المدفوع: 207.000.000 درهم رقم القيد لدى المصرف المركزي: 10 رخصة تجارية رقم: CN-1001776 CN-1001776 Trade License No: CN-1001776 UAE Central Bank Registration No: 10 Paid-up Capital: AED 207,000,000.00

Al Wathba National Insurance Company P.J.S.C.

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President & Prime Minister of the United Arab Emirates, Ruler of Dubai and to the Crown Prince of Abu Dhabi, His Highness Sheikh Khaled bin Mohamed bin Zayed Al Nahyan, and to all the rulers of the Emirates for their patronage and support for the prosperity of this country and all its economic institutions, including the Al Wathba National Insurance Company.

The Board would also like to express its sincere appreciation and gratitude to all the company's shareholders and customers for their trust and continuous support, and to all the company's employees for their dedication and contribution to the company's performance during the last period.

Sheikh Saif bin Mohammed bin Butti Al Hamed
Chairman of Board of Directors

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Independent Auditors' Report on Review of the Condensed Consolidated Interim Financial Information

To the Shareholders of Al Wathba National Insurance Company PJSC

Introduction

We have reviewed the accompanying 30 September 2024 condensed consolidated interim financial information of Al Wathba National Insurance Company PJSC ("the Company") and its subsidiaries ("the Group"), which comprises:

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

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, '*Interim Financial Reporting*'. Our responsibility is to express a conclusion on this condensed consolidated 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 consolidated 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.



Al Wathba National Insurance Company PJSC
Independent Auditors' Report on Review of the
Condensed Consolidated Interim Financial Information
30 September 2024

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2024 condensed consolidated 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: **14 NOV 2024**

Al Wathba National Insurance Company PJSC

Condensed consolidated interim statement of financial position

as at

	Note	30 Sep 2024 (Unaudited) AED'000	31 December 2023 (Audited) AED'000
Assets			
Property and equipment		2,802	3,394
Investment in associates		113,584	145,005
Financial assets at amortised cost	5	13,484	14,098
Financial assets at fair value through other comprehensive income	6	312,652	362,182
Financial assets at fair value through profit or loss	7	497,862	548,941
Investment properties		380,911	380,911
Investment property under development		102,875	40,278
Statutory deposits	8	6,000	6,000
Reinsurance contract assets	17.2	279,733	135,885
Prepayments and other receivables	9	7,415	5,679
Deferred tax asset	16	1,444	-
Term deposits	8	36,851	33,713
Cash and cash equivalents	8	42,965	83,864
Total assets		1,798,578	1,759,950
Equity and liabilities			
Equity			
Share capital	10	207,000	207,000
Legal reserve		103,500	103,500
Statutory reserve		51,750	51,750
General reserve		88,753	88,753
Capital reserve		9,474	9,474
Reinsurance risk reserve		2,955	1,991
Fair value reserve		51,185	101,887
Retained earnings		578,683	705,962
Total equity		1,093,300	1,270,317
Liabilities			
Borrowings	11	150,598	88,541
Employees' end of service benefits		5,982	5,471
Insurance contract liabilities	17.1	495,737	320,631
Reinsurance contract liabilities	17.2	31,612	35,442
Trade and other payables		21,349	39,548
Total liabilities		705,278	489,633
Total equity and liabilities		1,798,578	1,759,950



Chairman of the Board of Directors



Chief Financial Officer

The notes set out on pages 10 to 32 form an integral part of this condensed consolidated interim financial information.

The independent auditors' report on review of the condensed consolidated interim financial information is set out on pages 3 and 4.

Al Wathba National Insurance Company PJSC

Condensed consolidated interim statement of profit or loss for the period ended 30 Sep (Unaudited)

		Three-month period ended		Nine-month period ended	
	Note	2024	2023	2024	2023
		AED'000	AED'000	AED'000	AED'000
Insurance revenue	17	98,186	71,002	256,583	221,431
Insurance service expenses	17	(105,982)	(69,808)	(377,336)	(203,287)
Amounts recoverable from reinsurers for incurred claims	17	45,360	21,610	206,330	52,284
Allocation of reinsurance premiums	17	(37,359)	(26,905)	(92,444)	(81,515)
Insurance service result		205	(4,101)	(6,867)	(11,087)
Income / (loss) from investments, <i>net</i> *	12	18,965	163,116	(25,702)	192,313
Income from investment properties (rental income), <i>net</i>		1,239	1,130	4,164	3,167
Share of profit of equity-accounted investees		405	(808)	3,468	1,470
Impairment loss of equity-accounted investees		-	-	(33,000)	-
Net investment income / (loss)		20,609	163,438	(51,070)	196,950
Finance (expenses) / income from insurance contracts issued		(3,281)	1,166	(7,842)	5,022
Finance income / (expenses) from reinsurance contracts held		2,139	774	3,840	(3,684)
Net insurance finance (expenses) / income		(1,142)	1,940	(4,002)	1,338
Net insurance and investment result		19,672	161,277	(61,939)	187,201
Other income		952	-	1,132	-
Other operating expenses		(2,808)	(13,073)	(12,117)	(14,872)
Other finance costs		(2,563)	(2,022)	(6,203)	(8,128)
Profit / (loss) for the period before tax		15,253	146,182	(79,127)	164,201
Income tax credit		487	-	1,780	-
Profit / (loss) for the period after tax		15,740	146,182	(77,347)	164,201
Earnings per share:					
Earnings per share (AED)	13	0.08	0.71	(0.37)	0.79

The notes set out on pages 10 to 32 form an integral part of this condensed consolidated interim financial information.

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* Net investment income includes interest income calculated based on effective interest rate.

Al Wathba National Insurance Company PJSC

Condensed consolidated interim statement of profit or loss and other comprehensive income

for the period ended 30 September (Unaudited)

	Three-month period ended		Nine-month period ended	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Profit / (loss) for the period after tax	15,740	146,182	(77,347)	164,201
Other comprehensive income				
<i>Items that will not be reclassified to condensed consolidated interim statement of profit or loss in subsequent periods</i>				
Share of other comprehensive (loss) / gain of associates	(509)	(1,659)	(1,658)	711
Gain on sale of financial assets at fair value through other comprehensive income, net	2,773	30,636	4,538	28,106
Change in fair value of financial assets at fair value through other comprehensive income, net	10,983	65,659	(50,464)	133,473
Related income tax	(336)	-	(336)	-
Other comprehensive income / (loss) for the period	12,911	94,636	(47,920)	162,290
Total comprehensive income / (loss) for the period	28,651	240,818	(125,267)	326,491

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Al Wathba National Insurance Company PJSC

Condensed consolidated interim statement of changes in shareholders' equity for the nine-month period ended 30 September (Unaudited)

	Share capital AED'000	Legal reserve AED'000	Statutory reserve AED'000	General reserve AED'000	Capital 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, as previously reported	207,000	103,500	51,750	88,753	9,474	1,256	(17,577)	528,880	973,036
<i>Total comprehensive income</i>									
Profit for the period	-	-	-	-	-	-	-	164,201	164,201
Other comprehensive income for the period	-	-	-	-	-	-	134,184	28,106	162,290
Total comprehensive income for the period	-	-	-	-	-	-	134,184	192,307	326,491
Transfer to retained earnings on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	(10,491)	10,491	-
Dividend paid	-	-	-	-	-	609	-	(41,400)	(41,400)
Transfer from retained earnings to reinsurance risk reserve	-	-	-	-	-	1,865	-	(609)	-
Balance at 30 September 2023	207,000	103,500	51,750	88,753	9,474	1,865	106,116	689,669	1,258,127
Balance at 1 January 2024	207,000	103,500	51,750	88,753	9,474	1,991	101,887	705,962	1,270,317
<i>Total comprehensive income</i>									
Loss for the period after tax	-	-	-	-	-	-	-	(77,347)	(77,347)
Other comprehensive loss for the period	-	-	-	-	-	-	(52,122)	4,202	(47,920)
Total comprehensive loss for the period	-	-	-	-	-	-	(52,122)	(73,145)	(125,267)
Transfer to retained earnings on disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	-	1,420	(1,420)	-
Dividend paid	-	-	-	-	-	-	-	(51,750)	(51,750)
Transfer from retained earnings to reinsurance risk reserve	-	-	-	-	-	964	-	(964)	-
Balance at 30 September 2024	207,000	103,500	51,750	88,753	9,474	2,955	51,185	578,683	1,093,300

The notes set out on pages 10 to 32 form an integral part of this condensed consolidated interim financial information.

Al Wathba National Insurance Company PJSC

Condensed consolidated interim statement of cash flows for the nine-month period ended 30 Sep (Unaudited)

	Note	2024 AED'000	2023 AED'000
Cash flow from operating activities			
(Loss) / profit for the period before tax		(79,127)	164,201
<i>Adjustments for:</i>			
Changes in fair value of financial assets at fair value through profit or loss, net	12	71,669	(135,022)
Gain on disposal of financial assets at fair value through profit or loss, net	12	(13,139)	(32,177)
Gain on disposal of property and equipment		(86)	(24)
Provision for employees' end of service benefits		596	523
Depreciation of property and equipment		1,195	1,387
Share of profit of associates		(3,468)	(1,470)
Impairment loss on investment in associates		33,000	-
Finance costs		6,203	8,128
Dividend income	12	(32,321)	(30,299)
Interest income	12	(2,232)	(641)
		(17,710)	(25,394)
<i>Changes in:</i>			
Insurance and reinsurance contract assets		(143,848)	2,262
Insurance and reinsurance contract liabilities		171,276	18,364
Prepayments and other receivables		(781)	1,431
Trade and other payables		(18,199)	(2,873)
Cash used in operations		(9,262)	(6,210)
Employees' end of service benefits paid		(85)	(750)
Net cash used in operating activities		(9,347)	(6,960)
Cash flow from investing activities			
Purchase of property and equipment		(665)	(617)
Additions to investment properties and investment properties under development		(62,597)	(40,625)
Purchase of financial assets at fair value through profit or loss	7	(114,252)	(76,637)
Purchase of financial assets at fair value through other comprehensive income	6	(1,818)	(2,653)
Proceeds from sale of property and equipment		148	25
Proceeds from disposal of financial assets at fair value through other comprehensive income		5,422	220,103
Proceeds from disposal of financial assets at fair value through profit or loss		106,801	103,991
Proceeds from disposal of asset held for sale		-	19,934
Placement of term deposits		(3,138)	(24,633)
Interest received		1,890	725
Dividends received from associates		231	503
Dividends received from other investments		32,322	30,299
Net cash (used in) / generated from investing activities		(35,656)	230,415
Cash flow from financing activities			
Finance cost paid		(6,203)	(8,128)
Repayment of borrowings		(47,943)	(115,972)
Dividend paid		(51,750)	(41,400)
Unclaimed Dividend Paid		-	(6,229)
Term loan received		110,000	-
Restricted cash movement		-	6,494
Net cash generated from / (used in) financing activities		4,104	(165,235)
Net (decrease) / increase in cash and cash equivalents		(40,899)	58,220
Cash and cash equivalents at 1 January	8	83,864	71,648
Cash and cash equivalents at 30 September		42,965	129,868

The notes set out on pages 10 to 32 form an integral part of this condensed consolidated interim financial information.

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Al Wathba National Insurance Company PJSC

Notes to the condensed consolidated interim financial information

1 Legal status and principal activities

Al Wathba National Insurance Company PJSC (the “Company”), incorporated in Abu Dhabi is registered as a public shareholding Company in accordance with the UAE Federal Law No. (8) of 1984 (as amended) and is governed by the provisions of Federal Law No. (48) of 2023 concerning the Establishment of the Central Bank of UAE and Organisation of the Insurance Operations and its amendments, Federal Decree Law No. (32) of 2021 concerning the Commercial Companies, Central Bank of UAE Board of Directors’ Decision No. (25) of 2014 pertinent to Financial Regulations for insurance companies and Central Bank of UAE Board of Directors’ Decision No. (23) of 2019 concerning Instructions Organising Reinsurance Operations.

The Company’s principal activity is the writing of general insurance business of all classes. The Company operates through its registered head office in Abu Dhabi and branch offices in Dubai, Al Ain, and Sharjah. The Company is domiciled in the United Arab Emirates, P.O. Box 45154, Abu Dhabi, United Arab Emirates. The Company’s shares are listed on Abu Dhabi Securities Exchange (ADX).

2 Basis of preparation

(a) Basis of consolidation

These condensed consolidated interim financial statements comprise the financial results of the Company and its following subsidiaries (together “the Group”):

Subsidiary	Principal activity	Country of incorporation	Ownership
AWNIC Investment Limited	Investment Management	Cayman Islands	100%
Al Wathba Real Estate Development LLC*	Real Estate	United Arab Emirates	100%

* During the year of 2022 the Group has formed a Limited Liability Company as its subsidiary named as “Al Wathba Real Estate Development L.L.C.”, registered on 28 October 2022 in accordance with the provisions of the Federal Decree Law No. 32 of 2021 concerning the Commercial Companies with its registered office established in Dubai. Al Wathba Real Estate Development L.L.C. was not operational as at and for the period ended 30 September 2024.

(b) Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. Accordingly, this condensed consolidated interim financial information does not include all of the information required for a complete set of condensed consolidated annual financial statements and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The results for the nine-month period ended 30 September 2024 are not necessarily indicative of the results for the year ending 31 December 2024.

(c) Basis of measurement

This condensed consolidated interim financial information has been prepared under the historical cost convention except for the following.

- Investment properties, 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.
- Groups of insurance and reinsurance contracts, which are measured at the estimated fulfilment cash flows that are expected to arise as the Group fulfils its contractual obligations.

Al Wathba National Insurance Company PJSC

Notes to the condensed consolidated interim financial information

2 Basis of preparation *(continued)*

(d) Functional and reporting currency

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

(e) Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the period in which the estimate is revised and in any future period affected. The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2023.

3 Material Accounting policies

The accounting policies applied in the condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2023 with the exception of below;

On 9 December 2022 UAE Federal Decree-Law no 47 of 2022 was published setting in place a general corporate income tax for the first time. The profit threshold of AED 375,000 at which the 9% tax will apply for the Company's financial year commenced on 1 January 2024. The Company is required to file its first annual tax return and pay the declared income tax, pertaining to the financial year ending 31 December 2024, before 30 September 2025.

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

Income Taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised in directly in equity or in other comprehensive income (OCI).

Current tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Al Wathba National Insurance Company PJSC

Notes to the condensed consolidated interim financial information

3 Material Accounting policies (*continued*)

Income Taxes (*continued*)

Deferred tax

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

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. 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 Group has opted to use the realisation basis and therefore include only realised gains reported in the financial statement in its taxable income calculation. Hence there is deferred tax asset/liability recognised in these condensed consolidated interim financial statements.

4 New and amended standard and interpretations

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 Group has not early adopted any of the forthcoming new or amended standards in preparing this condensed consolidated interim financial information.

<i>Forthcoming requirement</i>	<i>Effective date</i>
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	NA
N/A* Available for optional adoption/ effective date deferred indefinitely.	

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

<i>New standards or amendments</i>	<i>Effective date</i>
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

Al Wathba National Insurance Company PJSC

Notes to the condensed consolidated interim financial information

5 Financial assets at amortised cost

These represent two sukuks with a total amount of AED 9,000 thousand which carry profit of six month EIBOR+495 bps or 6.05%, whichever is higher and one bond amounting to AED 5,000 thousand which carries profit of 8.25% (31 December 2023: two sukuks with a total amount of AED 9,000 thousand which carry profit of six month EIBOR+495 bps or 6.05%, whichever is higher and one bond amounting to AED 5,000 thousand which carries profit of 8.25%) having an accrued profit of AED 184 thousand as of 30 Sep 2024 (31 December 2023: accrued profit of AED 98 thousand) and provided net of expected credit loss allowances of AED 700 thousand.

6 Financial assets at fair value through other comprehensive income

	(Unaudited) 30 Sep 2024 AED'000	(Audited) 31 December 2023 AED'000
Quoted securities	312,037	361,474
Unquoted securities	615	708
	<u>312,652</u>	<u>362,182</u>

The movement in the financial assets at fair value through other comprehensive income (FVOCI) is as follows:

	(Unaudited) 30 Sep 2024 AED'000	(Audited) 31 December 2023 AED'000
At beginning of the period / year	362,182	428,499
Additions	1,818	4,404
Disposals	(884)	(199,808)
Changes in fair value	(50,464)	129,087
Balance at end of the period / year	<u>312,652</u>	<u>362,182</u>

The geographical distribution of financial assets at FVOCI is as follows:

Within UAE	312,455	361,971
Outside UAE	197	211
	<u>312,652</u>	<u>362,182</u>

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7 Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist of quoted investments in local securities. The movement in financial assets at fair value through profit or loss is as follows:

	<i>(Unaudited)</i> 30 Sep 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
At beginning of the period / year	548,941	389,584
Additions	114,252	84,623
Disposals	(93,662)	(71,814)
Changes in fair value (note 12)	(71,669)	146,548
Balance at end of the period / year	497,862	548,941

8 Cash and cash equivalents

	<i>(Unaudited)</i> 30 Sep 2024 AED'000	<i>(Audited)</i> 31 December 2023 AED'000
Bank balances and cash	39,193	58,234
Less: Allowance for expected credit losses	(61)	-
	39,132	58,234
Statutory deposit	6,000	6,000
Term deposits	40,684	59,343
Total bank balances, deposits and cash	85,816	123,577
Less: deposits with original maturity of three months or more	(36,851)	(33,713)
Less: statutory deposits	(6,000)	(6,000)
Cash and cash equivalents for the purpose of the statement of cash flows	42,965	83,864

Geographical concentration of cash and cash equivalents, statutory deposits and deposits with original maturities of three months or more is as follows:

Within UAE	85,816	123,577
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Deposits are held with financial institutions in UAE, with an original maturity period of one to twelve months from the date of placement. Interest is receivable at annual rates ranging from 4.3% to 6% per annum (31 December 2023: 3.25% to 6.10% per annum).

In accordance with the requirements of UAE Federal Law No. (48) of 2023, the Group maintains a bank deposit of AED 6,000 thousand (31 December 2023: AED 6,000 thousand) which cannot be utilised without the consent of the Assistant Governor of the Banking and Insurance Supervision Department of Central Bank of UAE.

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9 Prepayments and other receivables

	(Unaudited) 30 Sep 2024 AED'000	(Audited) 31 December 2023 AED'000
Prepayments	2,979	2,443
Accrued income	349	875
Other receivables	4,087	2,361
	<u>7,415</u>	<u>5,679</u>

10 Share capital

	(Unaudited) 30 Sep 2024 AED'000	(Audited) 31 December 2023 AED'000
<i>Authorised, issued and fully paid</i>		
207,000,000 (31 December 2023: 207,000,000) ordinary shares of AED 1 each	<u>207,000</u>	<u>207,000</u>

11 Borrowings

	(Unaudited) 30 Sep 2024 AED'000	(Audited) 31 December 2023 AED'000
Term loan 1	75,236	88,541
Term loan 2	75,362	-
	<u>150,598</u>	<u>88,541</u>

The movement in the borrowing facilities of the Group is as follows:

	30 Sep 2024 AED'000	31 December 2023 AED'000
<i>Term loan facilities</i>		
Opening balance	88,541	208,943
Add: drawdown during the year	110,000	12,386
Add: finance cost incurred during the year	6,203	9,679
Repayments made during the year	(54,146)	(142,467)
Balance as at	<u>150,598</u>	<u>88,541</u>

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11 Borrowings (continued)

Term loan 1

During 2022, the Company obtained a bank facility amounting to AED 100,000 thousand from an international commercial bank. The loan carries fixed interest rate of 3-month EIBOR plus margin and charged quarterly. The amount of the loan is repayable in twenty-two quarterly principal instalments commencing from 12 April 2023 till 12 October 2028. The loan is secured against investment properties comprising head office building and five villas. As at reporting date, the outstanding loan balance was AED 75,236 thousand (31 December 2023: AED 88,541 thousand).

Term loan 2

During 2024, the Company utilised a revolving bank facility amounting to AED 110,000 thousand from an international commercial bank to finance its operations and short-term liabilities. The loan carries fixed interest rate of 3-month EIBOR plus margin and charged quarterly. The loan amount is repayable in one bullet payment at the end of the one-year term. During the period, the Company pre-settled AED 35,000 thousand of the revolving loan facility. As at reporting date, the outstanding loan balance including finance cost was AED 75,362 thousand (31 December 2023: AED Nil).

12 Investment (loss) / income, net (Unaudited)

	Three-month period ended		Nine-month period ended	
	30 Sep		30 Sep	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Gain on disposal of financial assets at fair value through profit or loss, <i>net</i>	3,606	20,562	13,139	32,177
Changes in fair value of financial assets carried at fair value through profit or loss (<i>note 7</i>)	14,983	134,202	(71,669)	135,022
Interest Income	719	529	2,232	641
Dividend income	10	1,450	32,321	30,299
Other investment expenses	(353)	6,373	(1,725)	(5,826)
	<u>18,965</u>	<u>163,116</u>	<u>(25,702)</u>	<u>192,313</u>

13 Earnings per share (Unaudited)

Earnings per share are calculated by dividing profit for the year by the weighted average number of ordinary shares outstanding during the year.

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

	Three-month period ended		Nine-month period ended	
	30 September		30 September	
	2024	2023	2024	2023
	AED'000	AED'000	AED'000	AED'000
Profit / (loss) for the period	<u>15,740</u>	<u>146,182</u>	<u>(77,347)</u>	<u>164,201</u>
Ordinary shares outstanding during the period (shares in 000)	<u>207,000</u>	<u>207,000</u>	<u>207,000</u>	<u>207,000</u>
Earnings per share (AED)	<u>0.08</u>	<u>0.71</u>	<u>(0.37)</u>	<u>0.79</u>

There is no dilution effect to the basic earnings per share.

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Notes to the condensed consolidated interim financial information

14 Related parties

Identity of related parties

Related parties comprise major shareholders, associated companies, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The Group maintains significant balances with these related parties which arise from commercial transactions in the ordinary course of business at commercial rates.

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

As at 30 September 2024 (Unaudited)			
	Directors and Key management	Others	Total
	AED'000	AED'000	AED'000
Net insurance contract asset	15,028	249	15,277
Prepaid Expenses	40	-	40
As at 31 December 2023 (Audited)			
	Directors and Key management	Others	Total
	AED'000	AED'000	AED'000
Net insurance contract asset	13,437	60	13,497
Prepaid Expenses	402	-	402

Others related parties balance are receivables from associates of the Group of AED 249 thousand as at the period ended 30 September 2024 (31 December 2023: 60 thousand).

Transactions with related parties included in the condensed consolidated interim statement of profit or loss and other comprehensive income are as follows (Unaudited):

Nine-month period ended 30 Sep 2024 (AED'000)			
	Directors and Key management	Others	Total
Insurance revenue	64,730	437	65,167
Insurance service expense	33,919	-	33,919
Rental expenses	362	-	362
Other Expenses	2,363	-	2,363
Short term employee benefits	2,476	-	2,476
End of service benefits	41	-	41

The remuneration of key management personnel is based on the remuneration agreed in their employment contract as approved by the Board of Directors.

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Notes to the condensed consolidated interim financial information

14 Related parties (continued)

Nine-month period ended 30 September 2023 (AED'000)			
	Directors & Key management	Others	Total
Insurance revenue	33,770	196	33,966
Insurance service expense	18,422	-	18,422
Rental expenses	344	-	344
Other expenses	13,708	-	13,708
Short term employee benefits	2,374	-	2,374
End of service benefits	114	-	114

Three-month period ended 30 September 2024 (AED'000)			
	Directors & Key management	Others	Total
Insurance revenue	18,627	26	18,653
Insurance service expense	16,980	-	16,980
Rental expenses	121	-	121
Other Expenses	873	-	873
Short term employee benefits	819	-	819
End of service benefits	14	-	14

Three-month period ended 30 September 2023 (AED'000)			
	Directors & Key management	Others	Total
Insurance revenue	7,434	54	7,488
Insurance service expense	6,446	-	6,446
Rental expenses	114	-	114
Other expenses	13,708	-	13,708
Short term employee benefits	690	-	690
End of service benefits	31	-	31

15 Fair value of financial instruments and non-financial assets

Financial instruments comprise of financial assets and financial liabilities.

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 Group 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.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

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15 Fair value of financial instruments and non-financial assets *(continued)*

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 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
As at 30 September 2024 <i>(Unaudited)</i>				
Financial assets at fair value through profit or loss	494,310	3,552	-	497,862
Financial assets at fair value through other comprehensive income	236,863	75,174	615	312,652
Investment properties	-	-	380,911	380,911
	<u>731,173</u>	<u>78,726</u>	<u>381,526</u>	<u>1,191,425</u>
As at 31 December 2023 <i>(Audited)</i>	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Financial assets at fair value through profit or loss	546,141	2,800	-	548,941
Financial assets at fair value through other comprehensive income	295,443	66,031	708	362,182
Investment properties	-	-	380,911	380,911
	<u>841,584</u>	<u>68,831</u>	<u>381,619</u>	<u>1,292,034</u>

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 ended 30 September 2024 (31 December 2023: AED 61,127 thousand were transferred from level 1 to level 2). The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Reconciliation of level 3 fair value measurement

Movement in level 3 for financial assets at fair value through other comprehensive income is as follows:

	30 Sep 2024 AED'000	31 December 2023 AED'000
Balance as at 1 January	708	725
Disposal	-	(17)
Change in fair value	(93)	-
Balance as at	<u>615</u>	<u>708</u>

The fair value of the financial assets is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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16 Income tax expense

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law) to enact a Federal corporate tax regime in the UAE. The Corporate Tax regime is effective for the accounting periods beginning on or after 1 June 2023. For the Group, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. The UAE CT Law applies to the standalone results of the Group's entities.

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 the reporting period ended 30 September 2024 by management's 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.

	Three-month period ended		Nine-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
A. Amount recognised in profit or loss				
<i>Current income tax expense:</i>				
Corporate income tax	-	-	-	-
<i>Deferred tax expense:</i>				
Deferred income tax expense relating to origination and reversal of temporary differences	23	-	(109)	-
Tax loss carry forward	464	-	1,889	-
Total income tax credit	487	-	1,780	-
B. Amount recognised in OCI				
Gain/ (loss) on sale of financial assets at fair value through other comprehensive income, net	(294)	-	(294)	-
Deferred income tax expense relating to origination and reversal of temporary differences	(42)	-	(42)	-
Total income tax expenses	(336)	-	(336)	-

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Notes to the condensed consolidated interim financial information

16 Income tax expense (continued)

C. Reconciliation of effective tax rate

	<i>(Unaudited)</i> 30 September 2024	<i>(Unaudited)</i> 30 September 2023
Loss before tax	(79,127)	-
Basic exemption limit	375	-
Tax applicable loss	(79,127)	-
Tax at the applicable rate of 9%	7,121	-
<i>Tax effect of item that are not considered in determining taxable income-net</i>		
Tax-exempt income	4,046	-
Share of profit of equity accounted investees reported net of tax	312	-
Non-deductible expenses	(9,590)	-
Deferred income tax expense relating to origination and reversal of temporary differences	(109)	-
Total Income tax credit	1,780	-

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17 Insurance and reinsurance contract assets and liabilities

17.1 Insurance contracts issued

	As at 30 September 2024 (Unaudited)				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		Total
	Excluding loss component AED'000	Loss component - onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	
Insurance contract liabilities - opening	81,826	12,553	215,893	10,359	320,631
Insurance contract assets - opening	-	-	-	-	-
Net opening balance	81,826	12,553	215,893	10,359	320,631
Insurance revenue	(256,583)	-	-	-	(256,583)
Insurance service expense	-	(24,441)	264,025	10,775	250,359
Incurred claims and other directly attributable expenses	31,004	-	-	-	31,004
Insurance acquisition cashflow amortisation	-	36,025	-	-	36,025
Losses on onerous contracts	-	(17,603)	-	-	(17,603)
Reversal of losses on onerous contracts	-	-	81,366	(3,815)	77,551
Changes that relate to past service - adjustment to the LIC	-	-	-	-	-
Total insurance service expenses	31,004	(6,019)	345,391	6,960	377,336
Finance expenses from insurance contracts issued	-	-	7,842	-	7,842
Total changes in the statement of comprehensive income	(225,579)	(6,019)	353,233	6,960	128,595
Cash flows	301,244	-	-	-	301,244
Premiums received	-	-	(220,994)	-	(220,994)
Claims and other directly attributable expenses paid	(33,739)	-	-	-	(33,739)
Insurance acquisition cashflows paid	267,505	-	(220,994)	-	46,511
Total cash inflows / (outflows)	123,752	6,534	348,132	17,319	495,737
Insurance contract liabilities - closing	123,752	-	-	-	-
Insurance contract assets - closing	123,752	6,534	348,132	17,319	495,737
Closing balance - net	-	-	-	-	-

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17 Insurance and reinsurance contract assets and liabilities (continued)

17.1 Insurance contracts issued (continued)

	<i>As at 31 December 2023 (Audited)</i>				
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)		
	Excluding loss component AED'000	Loss component - onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Insurance contract liabilities - opening	61,886	15,931	221,461	10,773	310,051
Insurance contract assets - opening	-	-	-	-	-
<i>Net opening balance</i>	61,886	15,931	221,461	10,773	310,051
<i>Insurance revenue</i>	(284,649)	-	-	-	(284,649)
<i>Insurance service expenses</i>	-	-	-	-	-
Incurred claims and other directly attributable expenses	-	(27,508)	152,587	4,623	129,702
Insurance acquisition cashflow amortisation	38,716	-	-	-	38,716
Losses on onerous contracts	-	26,741	-	-	26,741
Reversal of losses on onerous contracts	-	(2,611)	-	-	(2,611)
Changes that relate to past service - adjustment to the LIC	-	-	70,957	(5,037)	(65,920)
<i>Total insurance service expenses</i>	38,716	(3,378)	223,544	(414)	258,468
Finance expenses from insurance contracts issued	-	-	1,627	-	1,627
<i>Total changes in the statement of comprehensive income</i>	(245,933)	(3,378)	225,171	(414)	(24,554)
<i>Cash flows</i>					
Premiums received	303,204	-	-	-	303,204
Claims and other directly attributable expenses paid	-	-	(230,739)	-	(230,739)
Insurance acquisition cashflows paid	(37,331)	-	-	-	(37,331)
<i>Total cash inflows / (outflows)</i>	265,873	-	(230,739)	-	35,134
Insurance contract liabilities - closing	81,826	12,553	215,893	10,359	320,631
Insurance contract assets - closing	-	-	-	-	-
<i>Closing balance - net</i>	81,826	12,553	215,893	10,359	320,631

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17 Insurance and reinsurance contract assets and liabilities (continued) **17.2 Reinsurance contracts held**

	As at 30 September 2024 (Unaudited)				
	Asset for remaining coverage (ARC)	Asset for incurred claims (AIC)			
	Excluding loss component AED'000	Loss component - onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Reinsurance contract liabilities - opening	(35,442)	-	-	-	(35,442)
Reinsurance contract assets - opening	-	-	128,710	7,175	135,885
Net opening balance	(35,442)	-	128,710	7,175	100,443
Allocation of reinsurance premiums	(92,444)	-	-	-	(92,444)
Amount recoverable from reinsurers					
Incurred claims and other directly attributable expenses	-	-	190,987	9,878	200,865
Changes that relate to past service - adjustment to the AIC	-	-	7,798	(1,919)	5,879
Effect of changes in the risk of reinsurers non-performance	-	-	(414)	-	(414)
Total amount recoverable from reinsurers - net	-	-	198,371	7,959	206,330
Finance income from reinsurance contracts held	-	-	3,840	-	3,840
Total changes in the statement of comprehensive income	(92,444)	-	202,211	7,959	117,726
Cash flows					
Premiums ceded	96,274	-	-	-	96,274
Recoveries from reinsurers	-	-	(66,322)	-	(66,322)
Total cash inflows / (outflows)	96,274	-	(66,322)	-	29,952
Reinsurance contract liabilities - closing	(31,612)	-	-	-	(31,612)
Reinsurance contract assets - closing	-	-	264,599	15,134	279,733
Closing balance - net	(31,612)	-	264,599	15,134	248,121

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17 Insurance and reinsurance contract assets and liabilities (continued)

17.2 Reinsurance contracts held (continued)

	As at 31 December 2023 (Audited)				
	Asset for remaining coverage (ARC)		Asset for incurred claims (AIC)		
	Excluding loss component AED'000	Loss component – onerous contracts AED'000	Estimates of present value of future cashflows AED'000	Risk adjustment for non-financial risk AED'000	Total AED'000
Reinsurance contract liabilities – opening	(41,593)	-	-	-	(41,593)
Reinsurance contract assets – opening	-	-	151,147	8,472	159,619
Net opening balance	(41,593)	-	151,147	8,472	118,026
Allocation of reinsurance premiums paid	(108,907)	-	-	-	(108,907)
Amount recoverable from reinsurers	-	-	64,994	3,277	68,271
Incurred claims and other directly attributable expenses	-	-	-	-	-
Changes that relate to past service – adjustment to the AIC	-	-	(13,384)	(4,574)	(17,958)
Effect of changes in the risk of reinsurers non-performance	-	-	(731)	-	(731)
Total amount recoverable from reinsurers – net	-	-	50,879	(1,297)	49,582
Finance income from reinsurance contracts held	-	-	2,475	-	2,475
Total changes in the statement of comprehensive income	(108,907)	-	53,354	(1,297)	(56,850)
Cash flows					
Premiums ceded	115,058	-	-	-	115,058
Recoveries from reinsurers	-	-	(75,791)	-	(75,791)
Total cash inflows / (outflows)	115,058	-	(75,791)	-	39,267
Reinsurance contract liabilities – closing	(35,442)	-	-	-	(35,442)
Reinsurance contract assets – closing	-	-	128,710	7,175	135,885
Closing balance – net	(35,442)	-	128,710	7,175	100,443

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18 Segment information (Unaudited)

Balances for insurance and reinsurance revenue and insurance service result - applicable to all measurement models are as follows:

	Nine-month period ended 30 September 2024				
	Motor AED'000	Fire and General accident AED'000	Marine AED'000	Investments AED'000	Total AED'000
Insurance revenue					
Insurance revenue from contracts measured under PAA	151,174	91,349	14,060	-	256,583
Total insurance revenue	151,174	91,349	14,060	-	256,583
Insurance service expenses					
Incurred claim and other directly attributable expenses	(89,477)	(149,885)	(10,997)	-	(250,359)
Changes that relate to past service - adjustments to the LIC	(83,282)	5,631	100	-	(77,551)
Losses and reversal on onerous contracts	(18,422)	-	-	-	(18,422)
Insurance acquisition cash flows' amortisation	(16,663)	(11,859)	(2,482)	-	(31,004)
Total insurance service expenses	(207,844)	(156,113)	(13,379)	-	(377,336)
Income from reinsurance contracts held					
Incurred claims and other directly attributable expenses	54,655	139,629	6,581	-	200,865
Changes that relate to past service - adjustments to LIC	15,565	(9,316)	(370)	-	5,879
Effect of changes in the risk of reinsurers non-performance	(21)	(382)	(11)	-	(414)
Amount recoverable from reinsurers for incurred claims	70,199	129,931	6,200	-	206,330
Allocation of reinsurance premiums	(30,068)	(55,325)	(7,051)	-	(92,444)
Total net income from reinsurance contracts	40,131	74,606	(851)	-	113,886
Total insurance service result	(16,539)	9,842	(170)	-	(6,867)
Net insurance and reinsurance finance expenses	-	-	-	(4,002)	(4,002)
Share of profit of equity-accounted investees	-	-	-	3,468	3,468
Impairment loss on investment in associates	-	-	-	(33,000)	(33,000)
Net investment loss	-	-	-	(21,538)	(21,538)
Other income	-	-	-	1,132	1,132
Other operating expenses	-	-	-	(12,117)	(12,117)
Other finance costs	-	-	-	(6,203)	(6,203)
Loss for the period	(16,539)	9,842	(170)	(72,260)	(79,127)

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18 Segment information (Unaudited) (continued)

Balances for insurance and reinsurance revenue and insurance service result - applicable to all measurement models are as follows:

Three-month period ended
30 September 2024

	Motor AED'000	Fire & General accident AED'000	Marine AED'000	Investment AED'000	Total AED'000
Insurance revenue					
Insurance revenue from contracts measured under PAA	60,591	32,431	5,164	-	98,186
	60,591	32,431	5,164	-	98,186
Insurance service expenses					
Incurred claim and other directly attributable expenses	(25,306)	(28,708)	(2,489)	-	(56,503)
Changes that relate to past service - adjustments to the LIC	(23,101)	(9,324)	(166)	-	(32,591)
Losses and reversal of losses on onerous contracts	(5,510)	-	-	-	(5,510)
Insurance acquisition cash flows amortisation	(6,423)	(3,976)	(979)	-	(11,378)
<i>Total Insurance service expenses</i>	<i>(60,340)</i>	<i>(42,008)</i>	<i>(3,634)</i>	<i>-</i>	<i>(105,982)</i>
Income from reinsurance contracts held					
Incurred claim and other directly attributable expenses	24,295	25,963	1,367	-	51,625
Changes that relate to past service - adjustments to LIC	(10,108)	3,874	(45)	-	(6,279)
Effect of changes in the risk of reinsurers non-performance	(2)	18	(2)	-	14
Amount recoverable from reinsurers for incurred claims	14,185	29,855	1,320	-	45,360
Allocation of reinsurance premiums	(11,487)	(22,990)	(2,882)	-	(37,359)
Total net income / (expenses) from reinsurance contracts	2,698	6,865	(1,562)	-	8,001
Total insurance service result	2,949	(2,712)	(32)	-	205
Net insurance and reinsurance finance expenses	-	-	-	(1,142)	(1,142)
Share of profit-equity accounted investees	-	-	-	405	405
Impairment loss on investment in associates	-	-	-	-	-
Net investment income	-	-	-	20,204	20,204
Other income	-	-	-	952	952
Other operating expenses	-	-	-	(2,808)	(2,808)
Other finance costs	-	-	-	(2,563)	(2,563)
Profit / (loss) for the period	2,949	(2,712)	(32)	15,048	15,253

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Notes to the condensed consolidated interim financial information

18 Segment information (Unaudited) (continued)

Balances for insurance and reinsurance revenue and insurance service result - applicable to all measurement models are as follows:

Nine-month period ended
30 September 2023

	Motor AED'000	Fire and General accident AED'000	Marine AED'000	Investments AED'000	Total AED'000
<i>Insurance revenue</i>					
Insurance revenue from contracts measured under PAA	118,948	92,044	10,439	-	221,431
<i>Insurance service expenses</i>					
Incurred claim and other directly attributable expenses	(58,357)	(55,118)	(5,278)	-	(118,753)
Changes that relate to past service - adjustments to the LIC	(62,010)	24,276	1,154	-	(36,580)
Losses and reversal of losses on onerous contracts	(17,582)	-	-	-	(17,582)
Insurance acquisition cash flows' amortisation	(17,618)	(11,432)	(1,322)	-	(30,372)
Total insurance service expenses	(155,567)	(42,274)	(5,446)	-	(203,287)
<i>Income from reinsurance contracts held</i>					
Incurred Claims and other directly attributable expenses	13,570	40,810	2,711	-	57,091
Changes that relate to past service - adjustments to LIC	18,234	(21,580)	(691)	-	(4,037)
Effect of changes in the risk of reinsurers non-performance	(24)	(720)	(26)	-	(770)
Amount recoverable from reinsurers for incurred claims	31,780	18,510	1,994	-	52,284
<i>Allocation of reinsurance premiums</i>					
	(20,875)	(56,678)	(3,962)	-	(81,515)
Total net income/(expenses) from reinsurance contracts	10,905	(38,168)	(1,968)	-	(29,231)
<i>Total insurance service results</i>					
Net insurance and reinsurance finance income	(25,714)	11,602	3,025	-	(11,087)
Net investment income	-	-	-	1,338	1,338
Other operating expenses	-	-	-	196,950	196,950
Other finance costs	-	-	-	(14,872)	(14,872)
(Loss) / profit for the period	(25,714)	11,602	3,025	175,288	164,201

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Notes to the condensed consolidated interim financial information

18 Segment information (Unaudited) (continued)

Balances for insurance and reinsurance revenue and insurance service result - applicable to all measurement models are as follows:

Three-month period ended
30 September 2023

	Motor AED'000	Fire & General accident AED'000	Marine AED'000	Investment AED'000	Total AED'000
<i>Insurance revenue</i>					
Insurance revenue from contracts measured under PAA	38,361	27,606	5,035	-	71,002
	38,361	27,606	5,035	-	71,002
<i>Insurance service expenses</i>					
Incurred claim and other directly attributable expenses	(16,923)	(22,284)	(1,843)	-	(41,050)
Changes that relate to past service - adjustments to the LIC	(21,935)	9,883	(401)	-	(12,453)
Losses and reversal of losses on onerous contracts	(5,812)	-	-	-	(5,812)
Insurance acquisition cash flows amortisation	(5,175)	(4,489)	(829)	-	(10,493)
<i>Total Insurance service expenses</i>	(49,845)	(16,890)	(3,073)	-	(69,808)
<i>Income from reinsurance contracts held</i>					
Incurred Claims and other directly attributable expenses	3,711	18,097	1,123	-	22,931
Changes that relate to past service - adjustments to LIC	8,118	(9,636)	236	-	(1,282)
Effect of changes in the risk of reinsurers non-performance	(4)	(33)	(2)	-	(39)
Amount recoverable from reinsurers for incurred claims	11,825	8,428	1,357	-	21,610
<i>Allocation of reinsurance premiums</i>					
Total net income / (expenses) from reinsurance contracts	(6,874)	(18,942)	(1,089)	-	(26,905)
	4,951	(10,514)	268	-	(5,295)
<i>Total insurance service result</i>	(6,533)	202	2,230		(4,101)
Net insurance and reinsurance finance income	-	-	-	1,940	1,940
Net investment income	-	-	-	163,438	163,438
Other income	-	-	-	-	-
Other operating expenses	-	-	-	(13,073)	(13,073)
Other finance costs	-	-	-	(2,022)	(2,022)
Loss / profit for the period	(6,533)	202	2,230	150,283	146,182

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18 Segment information (Unaudited) (continued)

Balances for segment assets and liabilities are as follows

As at 30 September 2024					
	Motor	Fire and General accident	Marine	Investments	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Reinsurance contract asset	59,019	210,289	10,425	-	279,733
Segment assets	-	-	-	1,421,368	1,421,368
Unallocated assets	-	-	-	-	97,477
Total assets	59,019	210,289	10,425	1,421,368	1,798,578
Insurance contract liabilities	235,828	242,192	17,717	-	495,737
Reinsurance contract liabilities	(13,822)	38,738	6,696	-	31,612
Segment liabilities	-	-	-	150,598	150,598
Unallocated liabilities	-	-	-	-	27,331
Total liabilities	222,006	280,930	24,413	150,598	705,278
As at 31 December 2023					
	Motor	Fire and General accident	Marine	Investments	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Insurance contract assets	-	-	-	-	-
Reinsurance contract asset	24,327	105,863	5,695	-	135,885
Segment assets	-	-	-	1,491,415	1,491,415
Unallocated assets	-	-	-	-	132,650
Total assets	24,327	105,863	5,695	1,491,415	1,759,950
Insurance contract liabilities	171,920	136,467	12,244	-	320,631
Reinsurance contract liabilities	809	31,287	3,346	-	35,442
Segment liabilities	-	-	-	88,541	88,541
Unallocated liabilities	-	-	-	-	45,019
Total liabilities	172,729	167,754	15,590	88,541	489,633

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19 Financial risk management

The Group's risk management policies with regards to financial instruments are the same as those disclosed in *note 25* to the annual consolidated financial statements for the year ended 31 December 2023.

20 Risk management

The Group's risk management policies with regards to insurance risk are the same as those disclosed in *note 26* to the annual consolidated financial statements for the year ended 31 December 2023.

Capital risk management (Unaudited)

The Group's objectives when managing capital is to ensure ongoing and future compliance with the insurance capital requirements set by the Federal Law No. (48) of 2023 concerning the Organisation of Insurance Operations.

In UAE, the local insurance regulator specifies the minimum amount and type of capital that must be held by the Group in addition to its ties. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

As per the Federal Law No. (48) of 2023 concerning the Organisation of Insurance Operations, the minimum capital requirement remains at AED 100 million for insurance companies. The table below summarises the Minimum Capital Requirement of the Group and the total capital held by the Group. In accordance with Circular No. CBUAE/BSN/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current nine-month period ended 30 September 2024 solvency position is not finalised.

	<i>(Unaudited)</i>	<i>(Audited)</i>
	30 June 2024	31 December 2023
	AED'000	AED'000
Total capital held by the Group	<u>207,000</u>	<u>207,000</u>
Minimum capital requirement (MCR)	<u>100,000</u>	<u>100,000</u>
Solvency capital requirement (SCR)	<u>301,935</u>	<u>315,384</u>
Minimum guarantee fund (MGF)	<u>100,645</u>	<u>105,128</u>
<i>Own funds</i>		
Basic own funds	<u>657,749</u>	<u>750,638</u>
MCR solvency margin - (surplus)	557,749	650,638
SCR solvency margin - (surplus)	355,814	435,254
MGF solvency margin - (surplus)	557,104	645,510

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Notes to the condensed consolidated interim financial information

21 Commitments and contingencies

Contingent liabilities

At 30 September 2024, the Group had contingent liabilities in respect of outstanding letters of guarantee issued in the normal course of business, amounting to AED 505 thousand (*31 December 2023: AED 543 thousand*).

Legal claims

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of the business. Management, based on advice from independent loss adjusters and internal legal counsel, has made a provision of AED 4,200 thousand (*31 December 2023: AED 7,261 thousand*) representing amounts expected to result in a probable outflow of economic resources.

22 General

The condensed consolidated interim financial information of the Group was approved for issuance by the Board of Directors on 13 November 2024.