Al-Sagr National Insurance Company (PSC)

Financial Statements

For the year ended 31 December 2023

الصقر للتأمين
AL SAGR INSURANCE

شركة مساهمة عامة خاضعة لأحكام القانون رقم (٦) لسنة ٢٠٠٧ في شأن إنشاء هيئة التأمين وتنظيم أعماله ومقيدة في سجل شركات التأمين تحت رقم (١١) وسجل الشركات التجارية تحت رقم (١٢٧٠) مركزها الرئيسي دبي رأس المال المدفوع بالكامل ٢٣٠ مليون درهم

شركة الصقر الوطنية للتأمين - المنطقة الدبلوماسية، شارع السيف، بر دبي، هاتف : ٠٤-٧٠٢٨٥٠٠، فاكس : ٠٤-٣٩٦٨٤٤٢، ص.ب: ١٤٦١٤، دبي، ا.ع.م.
Al Sagr National Insurance Company - Diplomatic Area, Al Seef Road, Bur Dubai, Tel: 04-7028500, Fax: 04-3968442, PO Box 14614, Dubai, UAE

Al-Sagr National Insurance Company (Public Shareholding Company)

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of Al-Sagr National Insurance Company (Public Shareholding Company); for the period ended 31/12/2023

Financial Highlights

The company achieved insurance revenues of AED 828 million for the year 2023, compared to insurance revenues of AED 528 million for the previous year. The net result at the end of 2023 amounted to profits of AED 6.4 million, compared to losses of AED 50.8 million for the previous year. Net equity reached AED 209.3 million at the end of 2023, compared to AED 203 million at the end of the previous year. These figures are based on the financial statements prepared according to IFRS 17.

Directors:-

Mr. Majid Abdulla Al Sari	Chairman
Mr. Khalid Abdulla Omran Tariam	Vice Chairman
Mr. Mohamed Ali Al Sari	Director
Mr. Abdel Muhsen Jaber	Director & CEO
Ms. Jawaher Salim Almheri	Director

Auditors:-

Grant Thornton were appointed as auditors of the Al Sagr National Insurance Company for the year 2023 at the Annual General Meeting held on 19/04/2023

For and on behalf of the board

Abdel Muhsen Jaber
Director & CEO

30/03/2024

AL SAGR NATIONAL INSURANCE CO.
الصقر للتأمين
AL SAGR INSURANCE
P.O. BOX 14614, DUBAI, U.A.E.

Grant Thornton

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Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Al-Sagr National Insurance Company (PSC) (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with International Ethics Standards Board for *Accountant's Code of Ethics for Professional Accountants (Including International Independence Standards)* (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements together with the other ethical requirements that are relevant to our audit of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 26 to the financial statements which states that the Company did not meet the Minimum Capital Requirements of AED 100 million, Solvency Capital Requirement of AED 211.1 million and Minimum Guarantee Fund Requirement of AED 129.5 million. The Company's ability to comply with the solvency requirements depends on preparing and implementing an effective business plan subject to the approval of regulatory authorities. Our opinion is not modified in respect of this matter.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current year. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Impairment assessment of investment in associates	
The Company holds investment in associates as at 31 December 2023, amounting to AED 110.8 million as disclosed in note 6 to these financial statements. The management assesses at least annually the existence of impairment indicators for its investment in associates. Accordingly, the processes and methodologies for assessing and determining the recoverable amount of the investment are based on complex assumptions, in particular with reference to identification of impairment indicators, forecast of future cashflows, long term growth rates and discount rates applied to such cashflows. Considering the judgement required for estimating the cashflows and the complexity of the assumptions used, this is considered as a key audit matter.	Our audit procedures, among others, include: - Understood the Company's process for assessment of impairment of investment in associates; - Assessed the methodology used by management to estimate the recoverable amount of the investment and consistency with the IFRS; - Compared the carrying values of the investment with their respective net asset values and market value available as at the reporting date; - Where any indicators of impairment were observed, obtained management valuation and evaluated the adequacy of key assumptions such as the discount rate and growth rate; and - Evaluated the adequacy of the disclosures in these financial statements.

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Independent Auditor's Report
To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract liabilities and reinsurance contract assets	
As at 31 December 2023, insurance contract liabilities, insurance contract assets, reinsurance contract liabilities and reinsurance contract assets are amounted to AED 279.4 million, AED 19.9 million, AED 70.9 million and AED 149.1 million, respectively. (refer Note 10). Valuation of insurance contract liabilities, insurance contract assets, reinsurance contract liabilities and reinsurance contract assets involves significant judgements and estimates particularly with respect to, eligibility of the premium allocation approach (PAA) and estimation of the liabilities for incurred claims. These liabilities primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries. The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of methodology, assumptions and data used to determine the estimated future cash flows and the appropriateness of the discount rates used to determine the present value of these cashflows.	We performed the following procedures in conjunction with our actuarial specialists: - Understood and evaluated the process, the design of controls in place to determine valuation of insurance contract liabilities, insurance contract assets, reinsurance contract liabilities and reinsurance contract assets; - Assessed the competence, capabilities and objectivity of the management appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; - We independently reperformed the calculation to assess the mathematical accuracy of the insurance contract liabilities, insurance contract assets, reinsurance contract liabilities and reinsurance contract assets on selected classes of business, particularly focusing on largest and most uncertain reserves; - Evaluated and tested the data used in the impairment model calculations receivables for amounts due; and - Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Disclosure of transition impact of adopting IFRS 17	
We determined the disclosure of the impact of adopting IFRS 17 to be a key audit matter due to the significant changes introduced by the standard, which includes significant estimates and judgements. These impacts will be of particular importance to the readers of these financial statements (refer Note 3). In particular, we have focused on the following key judgements that management have taken on implementing IFRS 17: - The determination of the transition approach adopted for each group of insurance contracts; - The methodology adopted and key assumptions used to determine the impact and restatement of previously reported numbers in accordance with IFRS 17; and - Disclosure of the impact of restatement, in accordance with IFRS 17.	Our audit procedures, among others, include: - Assessed whether the judgements applied by management in determining their accounting policies are in accordance with IFRS 17; - Using our actuarial specialist team members, evaluated the appropriateness of the methodology used to determine discount rates as at the transition date. - Evaluated the appropriateness of significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows; - Evaluated of the completeness, and on sample basis, the accuracy and relevance of the data used to determine the impact of IFRS 17 adoption and restatement; and - Evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS 17.
Valuation of investment property	
The Company holds investment property under the fair value model as at 31 December 2023 amounting to AED 157.9 million (2022: AED 157.9 million), as detailed in note 9 to the financial statements. The fair value estimate requires significant judgement and estimates by management and independent two external valuers. The Company has involved independent external valuers in order to value the investment properties for the purpose of determining the fair value for inclusion in the financial statements. The existence of significant estimation and judgement coupled with change in valuation assumptions used could result in material change. Therefore, the valuation of these investment properties was significant to our audit.	Our audit procedures, among others, included: - Assessed the competence, capabilities, and objectivity of external valuers; - Evaluated the accuracy and completeness of the source data used in the calculation of fair values; - Assessed the appropriateness of the key assumptions and methodologies used; and - Performed an independent calculation after carrying out enquiries with management and independent valuer, including performing reasonableness computation by using publicly available sources of information to independently corroborate the valuation performed by management experts. - Assessed the adequacy of disclosures included in the financial statements.

Grant Thornton

Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the *Board of Directors' Statement*, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that are obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and their preparation in compliance with the applicable provisions of the UAE Federal Law No. 32 of 2021 and UAE Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for The Audit of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Independent Auditor's Report

To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on the Audit of the Financial Statements (continued)

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;

iii) The Company has maintained proper books of account;

iv) The financial information included in the *Board of Directors' Statement*, in so far as it relates to these financial statements, is consistent with the books of account of the Company;

Independent Auditor's Report
To the Shareholders of Al-Sagr National Insurance Company (PSC)

Report on Other Legal and Regulatory Requirements (continued)

v) As disclosed in note 7 to these financial statements; the Company has not purchased or invested in shares during the year ended 31 December 2023;

vi) Note 22 reflect material related party transactions and the terms under which they were conducted;

vii) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2023; and

viii) The Company has not made any social contributions during the year ended 31 December 2023.

Further, as required by the UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), we report that we have obtained all the information and explanation we considered necessary for the purpose of our audit.

Grant Thornton

Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

GRANT THORNTON UAE

Dr. Osama El-Bakry
Registration No: 935

Dubai, United Arab Emirates
30 March 2024

Al-Sagr National Insurance Company (PSC)

Statement of financial position
As at 31 December 2023

	Notes	2023 AED	*Restated* 2022 AED	*Restated* 2021 AED
ASSETS				
Property and equipment	5	**87,690,885**	80,755,588	88,521,494
Investment in associates	6	**110,801,857**	99,475,388	118,340,804
Investment in financial assets at fair value through profit or loss (FVTPL)	7	**22,266,295**	19,404,579	15,587,696
Investment property	9	**157,931,895**	157,931,895	157,931,895
Insurance contract assets	10	**19,865,132**	16,362,791	-
Reinsurance contract assets	10	**149,059,062**	136,621,711	196,037,180
Due from related parties		**12,793,779**	14,629,709	15,149,988
Other receivables and prepayments	11	**22,412,249**	16,451,686	11,119,028
Cash and bank balances	12	**267,762,651**	207,941,277	192,309,830
TOTAL ASSETS		**850,583,805**	749,574,624	794,997,915
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	**230,000,000**	230,000,000	230,000,000
Statutory reserve	14	**70,848,081**	70,203,206	70,203,206
General reserve		**-**	-	20,000,000
Reinsurance reserve	15	**4,235,793**	2,751,401	1,612,577
Accumulated losses		**(95,708,302)**	(100,027,785)	(68,021,754)
TOTAL EQUITY		**209,375,572**	202,926,822	253,794,029
LIABILITIES				
Provision for employees' end of service indemnity	16	**6,844,648**	6,575,008	7,612,039
Bank borrowings	17	**218,486,962**	158,788,906	154,550,305
Other payables	18	**57,227,469**	46,231,896	31,179,151
Insurance contract liabilities	10	**279,427,369**	305,214,442	298,670,449
Reinsurance contract liabilities	10	**70,977,349**	28,364,610	40,566,769
Lease liability	19	**8,244,436**	1,472,940	8,625,173
TOTAL LIABILITIES		641,208,233	546,647,802	541,203,886
TOTAL EQUITY AND LIABILITIES		850,583,805	749,574,624	794,997,915

These financial statements were approved and authorised for issue by the Board of Directors on 30 March 2024 and signed on their behalf by:

Majid Abdulla Al Sari
Chairman

Abdel Muhsen Jaber
Director and CEO

The attached explanatory notes from 1 to 28 form an integral part of these financial statements.

Statement of comprehensive income
For the year ended 31 December 2023

	Notes	2023 AED	*Restated* 2022 AED
Insurance premium		**827,695,043**	527,972,541
Insurance service expenses	20	**(774,361,551)**	(510,720,381)
Insurance service result before reinsurance contracts held		**53,333,492**	17,252,160
Allocation of reinsurance premiums		**(240,649,298)**	(176,771,528)
Amounts recoverable from reinsurance for incurred claims		**212,296,315**	139,641,367
Net expenses from reinsurance contracts held		**(28,352,983)**	(37,130,161)
Insurance service result		**24,980,509**	(19,878,001)
Investment income/(loss)	21	**19,371,900**	(19,490,781)
Insurance finance expense for insurance contracts issued	21	**(10,563,192)**	(802,909)
Reinsurance finance income for reinsurance contracts held	21	**7,717,045**	251,780
Net insurance financial result		**41,506,262**	(39,919,911)
Other operating expenses		**(25,330,712)**	(7,107,482)
Finance costs		**(9,726,800)**	(3,839,814)
PROFIT/(LOSS) FOR THE YEAR		**6,448,750**	(50,867,207)
Other comprehensive income for the year		**-**	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**6,448,750**	(50,867,207)
Basic and diluted earnings/(loss) per share	22	**0.03**	(0.22)

The attached explanatory notes from 1 to 28 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2023

	Share capital AED	Statutory reserve AED	General reserve AED	Reinsurance reserve AED	Accumulated losses AED	Total equity AED
At 1 January 2022, as previously reported	230,000,000	70,203,206	20,000,000	1,612,577	(66,011,660)	255,804,123
Adjustment on initial application of IFRS 17	-	-	-	-	(2,010,094)	(2,010,094)
Restated balance as at 1 January 2022	230,000,000	70,203,206	20,000,000	1,612,577	(68,021,754)	253,794,029
Total comprehensive loss for the year						
Loss for the year (restated)	-	-	-	-	(50,867,207)	(50,867,207)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(50,867,207)	(50,867,207)
Transfer from general reserve to retained earnings (note 15)	-	-	(20,000,000)	-	20,000,000	-
Transfer to reinsurance reserve (note 15)	-	-	-	1,138,824	(1,138,824)	-
Balance as at 31 December 2022	230,000,000	70,203,206	-	2,751,401	(100,027,785)	202,926,822
Balance at 1 January 2023, as previously reported	**230,000,000**	**70,203,206**	-	**2,751,401**	**(96,596,057)**	**206,358,550**
Adjustment on initial application of IFRS 17	-	-	-	-	**(3,431,728)**	**(3,431,728)**
Restated balance as at 1 January 2023	**230,000,000**	**70,203,206**	-	**2,751,401**	**(100,027,785)**	**202,926,822**
Total comprehensive income for the year						
Profit for the year	-	-	-	-	**6,448,750**	**6,448,750**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	**6,448,750**	**6,448,750**
Transfer to statutory reserve (note 14)	-	**644,875**	-	-	**(644,875)**	-
Transfer to reinsurance reserve (note 15)	-	-	-	**1,484,392**	**(1,484,392)**	-
Balance as at 31 December 2023	**230,000,000**	**70,848,081**	-	**4,235,793**	**(95,708,302)**	**209,375,572**

The attached explanatory notes from 1 to 28 form an integral part of these financial statements.

Al-Sagr National Insurance Company (PSC)

Statement of cash flows
For the year ended 31 December 2023

	Notes	2023 AED	*Restated* 2022 AED
OPERATING ACTIVITIES			
Profit/(loss) for the year		**6,448,750**	(50,867,207)
Share of (profit)/losses from equity accounted investees	6	**(11,326,469)**	18,865,416
Net unrealised gain from investments in financial assets at FVTPL	7	**(2,861,716)**	(1,066,892)
Depreciation	5	**2,378,087**	3,031,450
Finance costs		**9,726,800**	3,839,817
Allowance for expected credit losses of related parties		**-**	1,462,005
Provision for employees' end of service indemnity	16	**1,478,603**	950,446
Allowance for expected credit losses in other receivables and prepayments		**-**	1,037,995
Gain on disposal of property and equipment		**(19,750)**	(18,083)
Interest on lease liability		**152,480**	110,514
Gain on termination of lease liability		**-**	(92,830)
Dividend income from investment in financial assets at FVTPL	21	**(484,769)**	(434,741)
Interest income	21	**(9,868,929)**	(3,453,241)
Operating cash flows before movements in working capital		**(4,376,913)**	(26,635,351)
Insurance contract assets and liabilities-net		**(29,289,414)**	(9,818,798)
Reinsurance contract assets and liabilities-net		**30,175,388**	47,213,310
Change in due from related parties		**1,835,930**	(941,726)
Change in other receivables and prepayments		**(5,960,563)**	(6,370,653)
Change in other payables		**10,995,573**	15,052,745
Net cash generated from operations		**3,380,001**	18,499,527
Employees' end of service benefits paid	16	**(1,208,963)**	(1,987,477)
Net cash generated from operating activities		**2,171,038**	16,512,050
INVESTING ACTIVITIES			
Purchase of property and equipment		**(262,856)**	(481,068)
Proceeds from sale of property and equipment		**94,252**	68,500
Net proceeds from sale of investment in financial assets at FVTPL		**-**	(2,749,991)
Dividends received from investment in financial assets at FVTPL	21	**484,769**	434,741
Interest received	21	**9,868,929**	3,453,241
Net cash generated from investing activities		**10,185,094**	725,423
FINANCING ACTIVITIES			
Finance costs paid		**(9,726,800)**	(3,839,817)
Payment of lease liability		**(2,506,014)**	(2,004,810)
Net cash used in financing activities		**(12,232,814)**	(5,844,627)
Net changes in cash and cash equivalents		**123,318**	11,392,846
Cash and cash equivalents at 1 January		**49,152,371**	37,759,525
Cash and cash equivalents at 31 December	12	**49,275,689**	49,152,371

The attached explanatory notes from 1 to 28 form an integral part of these financial statements.

1 LEGAL STATUS AND ACTIVITIES

Al-Sagr National Insurance Company (PSC), (the "Company") was incorporated on 25 December 1979 as a public shareholding company by an Emiri Decree from His Highness, The Ruler of Dubai, and is registered with the Ministry of Economy of the United Arab Emirates (U.A.E.) under registration No. (16). The Company's address in Dubai is P.O. Box 14614, Dubai, U.A.E. The Company is a subsidiary of Gulf General Investments Company (the "Parent Company"), a public company incorporated in U.A.E. The Company is subject to the regulations of the U.A.E. Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE and regulation of its operations and is registered in the Insurance Companies Register of the Central Bank of the UAE, under the registration number 16.

The principal activity of the Company is the writing of insurance of all types. The Company operates through its head office in Dubai and its branches in Dubai, Sharjah, Abu Dhabi, Al Ain, Ras Al Khaimah and Ajman in the U.A.E.

These financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Law No. (32) of 2021.

During the year, Federal Law No. 48 of 2023 has been issued with effective date of 30 November 2023, repealing Federal Law No. 6 of 2007. In accordance with Article 112 of the Federal Law No. 48 of 2023, the Company has 6 months from this date to apply the provisions of the new Law. The Company is in the process of reviewing the new provisions and will apply the requirements thereof in the required time.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and in compliance with the applicable requirements of U.A.E Federal Law No. (32) of 2021 relating to commercial companies, and of UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations. These financial statements are prepared in Arab Emirates Dirhams ("AED").

Going concern

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the Company did not meet the solvency requirements. The Company's ability to comply with the solvency requirements depends on preparing and implementing an effective business plan subject to the approval of regulatory authorities.

2 BASIS OF PREPARATION (continued)

2.2 BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis except for the following which are measured at fair value.

i) financial instruments at fair value through profit or loss ("FVTPL"); and
ii) investment property.

The methods used to measure fair values are discussed in note 3.6.

2.3 STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE FROM 1 JANUARY 2023

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

Standard number	Title	Effective date
IAS 1	Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
IAS 8	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments to IAS 12	1 January 2023
IFRS 17	Insurance Contracts	1 January 2023

These standards have been adopted by the Company and did not have a material impact on these financial statements except for adoption of IFRS 17- Insurance Contracts.

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The impact of the new standards, interpretations and amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024
IAS 7	Supplier Finance Arrangements	1 January 2024
IAS 21	lack of Exchangeability	1 January 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 IFRS 17 Insurance Contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

Under IFRS 17, insurance revenue in each reporting year represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

IFRS 17 replaces IFRS 4 Insurance Contracts for annual years on or after 1 January 2023. The Company has restated comparative information applying the transitional provisions to IFRS 17. The nature of the changes in accounting policies can be summarised, as on the next page:

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Changes to classification and measurement

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

The adoption of IFRS 17 did not change the classification of the Company's insurance contracts. The Company was previously permitted under IFRS 4 to continue accounting using its previous accounting policies. However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Company.

Under IFRS 17, the Company's insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the premium allocation approach (PAA). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The Company applies the PAA to simplify the measurement of all of its insurance and reinsurance contracts. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in the statement of comprehensive income. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

Income and expenses from reinsurance contracts other than insurance finance income and expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

The measurement principles of the PAA differ from the 'earned premium approach' used by the Company under IFRS 4 in the following key areas:

- The liability for remaining coverage reflects premiums received less deferred acquisition expenses less amounts recognised in revenue for insurance services provided;
- Measurement of the liability for remaining coverage includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related year of coverage are more than 12 months apart;
- Measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision); and
- Measurement of the liability for incurred claims (previously claims outstanding and incurred-but-not-reported (IBNR)) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk.

The Company capitalises its insurance acquisition cash flows. No separate asset is recognised for deferred acquisition costs. Instead, qualifying insurance acquisition cash flows are subsumed into the insurance liability for remaining coverage.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Changes to presentation and disclosure

For presentation in the statement of financial position, the Company aggregates insurance and reinsurance contracts issued and reinsurance contracts held, respectively and presents separately:

- Groups of insurance and reinsurance contracts issued that are assets;
- Groups of insurance and reinsurance contracts issued that are liabilities;
- Groups of reinsurance contracts held that are assets; and
- Groups of reinsurance contracts held that are liabilities.

The groups referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

The line-item descriptions in the statement of comprehensive income have been changed significantly compared with last year. Previously, the Company reported the following line items:

- Gross written premiums
- Net written premiums
- Changes in premium reserves
- Gross insurance claims
- Net insurance claims

Instead, IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expenses
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

The Company provides disaggregated qualitative and quantitative information about:

- Amounts recognised in its financial statements from insurance contracts
- Significant judgements, and changes in those judgements, when applying the standard

Transition

The default transition approach under IFRS 17 is the Full Retrospective Approach ("FRA") which requires that upon transition IFRS 17 should be applied from inception of the groups of contracts as if IFRS 17 has always been applicable. However, if FRA is impracticable the following methods may be adopted:

- Modified Retrospective Approach ("MRA"): Under this approach the objective is to achieve the closest possible approximation to the FRA using the modifications allowed within the standard and without undue cost and effort.
- Fair Value Approach ("FVA"): Under this approach the fair value of the groups of contracts is computed and compared with the FCF. The CSM or loss component is the difference between the fair value and the FCF. Fair values for this purpose must be computed applying IFRS 13.

The Company has applied the transition provisions in IFRS 17 and has not disclosed the impact of the adoption of IFRS 17 on each financial statement line item and EPS. The effects of adopting IFRS 17 on the financial statements at 1 January 2022 are presented in the statement of changes in equity.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Transition (continued)

The table below summarises the impact of initial application of IFRS 17 as at 1 January 2022:

	As previously reported	Effect of application of IFRS 17	Restated
	AED	AED	AED
ASSETS			
Reinsurance contract asset	282,901,673	(86,864,493)	196,037,180
Insurance and reinsurance receivables	199,194,939	(199,194,939)	-
Other receivables	11,119,028	-	11,119,028
Amounts due from related parties	15,683,726	(533,738)	15,149,988
LIABILITIES			
Insurance contract liabilities	523,656,744	(224,986,295)	298,670,449
Reinsurance contract liabilities	-	40,566,769	40,566,769
Insurance and reinsurance payables	100,088,018	(100,088,018)	-
Other payables	31,254,683	(75,532)	31,179,151
EQUITY			
Retained earnings	(66,011,660)	(2,010,094)	(68,021,754)

Insurance and reinsurance contracts classification

The Company issues insurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance products to determine whether they contain distinct components which must be accounted for under another IFRS instead of under IFRS 17. After separating any distinct components, the Company applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Company's products do not include any distinct components that require separation.

Some reinsurance contracts issued contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder will always receive – either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The minimum guaranteed amounts have been assessed to be highly interrelated with the insurance component of the reinsurance contracts and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

Level of aggregation

Level of aggregation relates to the unit of account under IFRS 17. The unit of account under IFRS 17 is referred to as a 'Group of Contracts' and requirements relating to level of aggregation define how groups of contracts have to be determined.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation (continued)

The standard has set out the following requirements to determine a group of contracts:

- Portfolio – contracts that have similar risks and that are managed together can be grouped.
- Profitability – contracts with similar expected profitability (at inception or initial recognition) can be grouped.
- Cohorts – contracts issued more than 12 months apart cannot be grouped together. However, in certain circumstances a one-time simplification upon transition for contracts as at the transition is allowed.

For this purpose, the standard has mandated at least the following three classifications however it is permitted to use more granular classifications:

- Contracts that are onerous at inception;
- Contracts that are not onerous and have no significant possibility of becoming onerous; and
- All other contracts.

Recognition

Recognition requirements are slightly different for issued contracts and held contracts. For groups of issued contracts, a group should be recognised at the earliest of the following:

- Beginning of the coverage period;
- Date when the first payment from a policyholder becomes due; and
- For a group of onerous contracts when the group becomes onerous.

Reinsurance contracts held by an entity are recognised on the earlier of:

- Beginning of the coverage period of the group of reinsurance contracts held; and
- Date the entity recognises an onerous group of underlying takaful contracts provided the reinsurance contract was in force on or before that date.

Regardless of the first point above, the recognition of proportional reinsurance contracts held shall be delayed until the recognition of the first underlying contract issued under that reinsurance contract.

Contract boundary

The Company includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with services.

A substantive obligation to provide services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

Both of the following criteria are satisfied:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
- The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract is not recognised. Such amounts relate to future insurance contracts.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as:

- The coverage period of each contract in the group is one year or less, including coverage arising from all premiums within the contract boundary.

Or

- For contracts longer than one year, the Company has modelled possible future scenarios and reasonably expects that the measurement of the liability for remaining coverage for the group containing those contracts under the PAA does not differ materially from the measurement that would be produced applying the general model. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

The Company does not apply the PAA if, at the inception of the group of contracts, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred.

Variability in the fulfilment cash flows increases with:

- The extent of future cash flows related to any derivatives embedded in the contracts.
- The length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as the premiums, if any, received at initial recognition, minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed, plus or minus any amount arising from the derecognition at that date of the asset or liability recognised for insurance acquisition cash flows that the Company pays or receives before the group of insurance contracts is recognised. There is no allowance for time value of money as the premiums are mostly received within one year of the coverage period.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues, however, adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period;
- Minus capitalised insurance acquisition cash flows;
- Plus any amounts relating to the amortisation of the acquisition cash flows recognised as an expense in the reporting period for the group;
- Plus any adjustment to the financing component, where applicable;
- Minus the amount recognised as insurance revenue for the coverage period; and
- Minus any investment component paid or transferred to the liability for incurred claims.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

Insurance contracts – subsequent measurement (continued)

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity, and include an explicit adjustment for non-financial risk (the risk adjustment). The Company does not adjust the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are expected to be paid within one year of being incurred.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to statement of comprehensive income (through insurance revenue).

Reinsurance contracts

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

Insurance contracts – modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired); Or

- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of groups of insurance contracts issued that are assets, groups of insurance contracts issued that are liabilities, reinsurance contracts held that are assets and groups of reinsurance contracts held that are liabilities.

Any assets or liabilities for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts issued.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion which will be presented in insurance finance income or expenses and in insurance service result respectively.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of coverage on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Loss components

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If at any time during the coverage period, the facts and circumstances indicate that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage period of the group of contracts the loss component will be zero.

Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company disaggregates insurance finance income or expenses between profit or loss and OCI. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI in order to minimise accounting mismatches between the accounting for financial assets and insurance assets and liabilities. The Company's financial assets are also measured at FVTOCI.

Net income or expense from reinsurance contracts held

The Company presents separately on the face of the statement of comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement comprehensive income.

Deferred TPA fees

For insurance contracts, the deferred TPA fees asset represents the portion of TPA fees which corresponds to the proportion of net premiums written that is unearned at the reporting date.

During the year, the Company has changed its accounting policy by deferring the TPA fees in line with the contract boundary of the policy. This represents more reliable and comparable information in line with the premium earning pattern of the company. The impact on prior year comparatives was not deemed material and thus a retrospective approach has not been adopted.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 IFRS 17 Insurance Contracts (continued)

Insurance receivables and payables

Amounts due from and to policyholders, agents and reinsurers are financial instruments and are included in insurance receivables and payables, and not in insurance contract provisions or reinsurance assets.

3.2 Revenue (other than insurance revenue)

Revenue (other than insurance revenue) comprises the following:

Fee and commission income

Fee and commissions received or receivable which do not require the Company to render further service are recognised as revenue by the Company on the effective commencement or renewal dates of the related policies.

Investment income

Investment income comprises income from financial assets, rental income from investment properties, realised and unrealised fair value gains or losses on investment property and financial assets at fair value through profit or loss (FVTPL).

Income from financial assets comprises interest and dividend income, net gains or losses on financial assets classified at FVTPL, and realised gains or losses on other financial assets.

Interest income is recognised on a time proportion basis using effective interest rate method. Dividend income is recognised when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities. Basis of recognition of net gains or losses on financial assets classified at FVTPL and realised gains on other financial assets is described in note 3.5.

Fair value gains or losses on investment property are included in the statement of comprehensive income in the period these gains or losses are determined.

3.3 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Where parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property and equipment, and is recognised net within other income/other expenses in statement of comprehensive income. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in statement of income as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Property and equipment (continued)

Depreciation (continued)

Depreciation is recognised in statement of comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property and equipment.

Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate. No depreciation is charged on capital-work-in-progress.

The estimated useful lives for various categories of property and equipment are as follows:

Office fixture	8 years
Furniture and equipment	8 years
Motor vehicles	8 years
Right-of-use asset	3 years

3.4 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in statement of comprehensive income.

The Company determines fair value on the basis of valuation provided by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

3.5 Financial instruments

Recognition and measurement

The Company initially recognises insurance receivables and insurance payables on the date at which they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes party to the contractual provision of the instrument.

A financial assets or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Financial assets

Classification

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32 Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Financial assets measured at amortised cost

A financial asset qualifies for amortised cost measurement only if it meets both of the following two conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principle and interest on the principle amount outstanding.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

Financial assets (continued)

Financial assets measured at amortised cost (continued)

If a financial asset does not meet both of these conditions, then it is measured at fair value. The Company makes an assessment of a business model at portfolio level as this reflect the best way the business is managed and information is provided to the management.

In making an assessment of whether an asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows, the Company considers:

- Management's stated policies and objectives for the portfolio and the operation of those policies in practice;
- How management evaluates the performance of the portfolio;
- Whether management's strategy focus on earning contractual interest revenue;
- The degree of frequency of any expected asset sales;
- The reason of any asset sales; and
- Whether assets that are sold are held for an extended period of time relative to their contractual maturity or are sold shortly after acquisition or an extended time before maturity.

Financial assets measured at FVTPL

Financial assets held for trading are not held within a business model whose objective is to hold the asset in order to collect contractual cash flows.

The Company has designated certain financial assets at fair value through profit or loss because designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Dividend in these investments in equity instruments are recognised in the statement of comprehensive income when the Company's right to receive the dividends is established, unless the dividends clearly represents a recovery of part of the cost of the investment.

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing financial assets.

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method.

Loans and receivables comprise mainly insurance receivables, due from related parties, deposits and other receivables.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with the banks and fixed deposits that are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of short-term commitments.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Equity securities

Ordinary shares of the Company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

Financial assets (continued)

Non-derivate financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

De-recognition of financial assets and financial liabilities

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risk and rewards of the ownership are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the transferred asset.

The Company derecognises a financial liability when its contractual obligation is discharged or cancelled or expire.

Impairment of financial assets

IFRS 9's impairment requirements use forward looking information under Expected credit loss (ECL) model for the financial assets measured at amortised cost which consist of insurance receivables, deposits, other receivables, due from related parties and cash and cash equivalents.

Measurement of ECLs

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. The Company considers a debt security to have low credit risk when their credit risk rating is equivalent to the globally understood definition of "investment grade".

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2). Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Impairment of non-derivative financial assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets carried at amortised cost are impaired. A financial asset or group of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows relating to the asset that can be estimated reliably. The Company considers evidence of impairment at both a specific and collective level.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Financial instruments (continued)

Financial assets (continued)

Impairment of non-derivative financial assets carried at amortised cost (continued)

Objective evidence that financial assets are impaired can include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of an amount due to the Company on terms that the Company would not otherwise consider, indication that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse change in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the Company.

Impairment of loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

At each reporting date, the Company assesses on a case-by-case basis whether there is any objective evidence that an asset is impaired. Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off and/or any event resulting in a reduction in impairment loss, decreases the amount of the provision for loan impairment in the statement of comprehensive income.

Impairment losses are recognised in the statement of comprehensive income and reflected in an allowance account against loans and advances. Interest on impaired assets continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than investment property) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 Fair value measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.7 Foreign currency transactions

These financial statements are presented in U.A.E. Dirham (AED), which is the functional currency. Except as otherwise indicated, financial statements is presented in AED. Transactions denominated in foreign currencies are translated to AED at the spot exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to AED at the spot exchange rates ruling at the date of statement of financial position. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to AED at the foreign exchange rates ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in the statement of profit or loss. The assets and liabilities of foreign subsidiary and the equity of associates are translated at the rate of exchange ruling at the reporting date. The results of associates are translated at the average exchange rates for the year. The exchange differences on the retranslation are taken directly to the other comprehensive income.

3.8 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.

Company as a lessee

A lessee is to be account for a right of use asset and initial lease liability at the inception of lease. Before the application of IFRS-16, lessee has to classify lease as an operating lease or a finance lease.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.9 Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.10 Employee terminal benefits

Defined benefit plan

The Company provides for staff terminal benefits based on an estimation of the amount of future benefits that employees have earned in return for their service until their retirement. This calculation is performed on a projected unit credit method.

The Company contributes to the pension scheme for nationals under the pension and social security law. This is a defined contribution pension plan and the Company's contribution are charged to the statement of profit or loss in the period in which they relate. In respect of this scheme, the Company has a legal and constructive obligation to pay the fund contribution as they fall due and no obligations exists to pay the future benefits.

3.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.12 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial sataments is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and value added tax assets and liabilities.

3.13 Investments in associates

Investments in associates are accounted for using the equity method. The carrying amount of the investment in associates is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Company.

3.14 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRSs, or of gains and losses arising from a group of similar transactions such as in the Company's trading activity.

4 USE OF ESTIMATES AND JUDGEMENTS

The preparation of this financial statement 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.

In preparing this financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the audited financial statements as at and for the year ended 31 December 2022. Except for the below judgements.

Insurance and reinsurance contracts

The Company applies the PAA to simplify the measurement of insurance contracts. When measuring liabilities for remaining coverage, the PAA is broadly similar to the Company's previous accounting treatment under IFRS 4. However, when measuring liabilities for incurred claims, the Company now discounts cash flows that are expected to occur more than one year after the date on which the claims are incurred and includes an explicit risk adjustment for non-financial risk.

Liability for remaining coverage

For insurance acquisition cash flows, the Company is eligible and chooses to recognise the payments as an expense immediately (coverage period of a year or less) for all acquisition cashflows except for commission expense which is capitalised.

The effect of recognising insurance acquisition cash flows as an expense on initial recognition of group of insurance contracts is to increase the liability for remaining coverage on initial recognition and reduce the likelihood of any subsequent onerous contract loss. There would be an increased charge to profit or loss on initial recognition, due to expensing acquisition cash flows, offset by an increase in profit released over the coverage period. For groups of contracts that are onerous, the liability for remaining coverage is determined by the fulfilment cash flows.

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. 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.

4 USE OF ESTIMATES AND JUDGEMENTS (continued)

Discount rates (continued)

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

	1 year		3 years		5 years		10 years	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Insurance contracts issued								
	5.95%	6.44%	**4.91%**	5.63%	**4.69%**	5.32%	**4.64%**	5.12%
Reinsurance contracts held								
	5.95%	6.44%	**4.91%**	5.63%	**4.69%**	5.32%	**4.64%**	5.12%

Risk adjustment for non-financial risk

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 75th 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 75th 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 2022. There have been no changes in any risk management policies since the year end. The material accounting policy information in respect of property and equipment, intangible assets and financial assets have been disclosed in these financial statements as required by Securities and Commodities Authority ("SCA") notification dated 12 October 2008.

Impairment losses on insurance receivables

Assessment of whether credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL. The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Impairment of investment is associates

At each reporting date, the Company reviews the carrying amounts of its investment in associates to determine whether there is any indication of impairment. If any indication exists, the management estimates recoverable amount of the investment. The recoverable amount of investment is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the investment. An impairment loss is recognised if the carrying amount of investment exceeds its recoverable amount. Impairment losses are recognised in statement of comprehensive income. They are allocated first to reduce the carrying amount of any goodwill recognised, and then to the remaining carrying amount of the investment.

4 USE OF ESTIMATES AND JUDGEMENTS (continued)

Valuation of investment property

Determining the fair value requires an estimation of future cash flows expected to arise from the investment properties, a suitable growth rate, expected occupancy and a suitable discount rate in order to calculate the present value. It is reasonably possible on the basis of the existing knowledge that outcomes within next financial year that are different from estimates made could require material adjustment to the fair value of the investment property.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used. The Company has taken the valuation for the fair value measurement of its investment property.

Valuation technique	Significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurements
1)Income capitalisation approach by comparable method	- Owner property	-The property is owned in full and free of any onerous restrictions.
	-Risk adjusted discount rates	-The risk adjusted discount rates were lower/higher.
	-Free of covenants, third party rights and obligations	-The property is subject to any covenants, rights and obligations.
	-Expected yield rate	-The expected yield rate is applied.
	-Operational expenditure of the rental value	-The property is subject to expenses in line with similar existing buildings.
	-Sales transactions of similar properties in similar location	-The property is subject to sales value fluctuations of surrounding properties in the area.

5 PROPERTY AND EQUIPMENT

	Land AED	Right-of-use asset AED	Office fixture AED	Furniture and equipment AED	Motor vehicles AED	Total AED
Cost						
At 1 January 2022	76,750,806	16,307,558	8,286,312	11,189,620	720,753	113,255,049
Additions	-	-	219,606	215,462	46,000	481,068
Disposals	-	-	-	-	(121,000)	(121,000)
Termination of lease	-	(7,747,661)	-	-	-	(7,747,661)
At 31 December 2022	76,750,806	8,559,897	8,505,918	11,405,082	645,753	105,867,456
Additions	**-**	**9,125,030**	**8,025**	**254,831**	**-**	**9,387,886**
Disposals	**-**	**(8,559,897)**	**(36,138)**	**-**	**(46,000)**	**(8,642,035)**
At 31 December 2023	**76,750,806**	**9,125,030**	**8,477,805**	**11,659,913**	**599,753**	**106,613,307**
Depreciation						
At 1 January 2022	-	7,988,805	7,159,849	9,254,603	330,298	24,733,555
Charge for the year	-	1,802,084	603,938	528,136	97,292	3,031,450
Disposals	-	-	-	-	(70,583)	(70,583)
Termination of lease	-	(2,582,554)	-	-	-	(2,582,554)
At 31 December 2022	-	7,208,335	7,763,787	9,782,739	357,007	25,111,868
Charge for the year	**-**	**1,807,814**	**124,914**	**386,072**	**59,287**	**2,378,087**
Disposals	**-**	**(8,559,897)**	**(1,886)**	**-**	**(5,750)**	**(8,567,533)**
At 31 December 2023	**-**	**456,252**	**7,886,815**	**10,168,811**	**410,544**	**18,922,422**
Carrying amounts						
At 31 December 2023	**76,750,806**	**8,668,778**	**590,990**	**1,491,102**	**189,209**	**87,690,885**
At 31 December 2022	76,750,806	1,351,562	742,131	1,622,343	288,746	80,755,588

Right of use asset

The table below describes nature of the Company's leasing activities by type of right-of-use assets recognised:

Right-of-use assets description	Number of right-of-use assets leased	Remaining term	Number of leases with extension option	Number of leases with purchase option	Number of leases with variable payments	Number of leases with termination option
Office building and premises	1	5	-	-	-	-

6 INVESTMENT IN ASSOCIATES

	2023 AED	2022 AED
Green Air Technology L.L.C., UAE (note 6.1)	**16,716**	16,716
Sogour Al Khaleej General Trading L.L.C., UAE (note 6.2)	**150,000**	150,000
Al Sagr Cooperative Insurance Company, KSA (note 6.3)	**110,635,141**	99,308,672
	110,801,857	99,475,388

6 INVESTMENT IN ASSOCIATES (continued)

6.1 The Company holds 50% and the Parent Company holds 25% ownership respectively in Green Air Technology L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates.

6.2 The Company holds 50% ownership in Sogour Al Khaleej General Trading L.L.C., a limited liability company incorporated in Dubai, United Arab Emirates. The remaining 50% ownership is owned by the Parent Company.

Although, the Company holds 50% equity and the voting rights in these two associates, these are controlled by the Parent Company. The Company's voting rights in these entities do not give it control over the management of these entities.

6.3 As at 31 December 2023, the Company hold 26% shares of Al Sagr Cooperative Insurance Company ("Al Sagr Cooperative"). Out of the 26% shares, the Company holds 6% shares for the beneficial interest of other individuals. The Company accounts for the 20% holding as an investment in associate as the Company has significant influence over Al Sagr Cooperative under the equity method as follows:

	2023 AED	2022 AED
As at 1 January	**99,308,672**	118,174,088
Share of profit/(losses) from equity accounted investees	**11,326,469**	(18,865,416)
As at 31 December	**110,635,141**	99,308,672
Percentage of interest	**20%**	20%
Assets	**566,202,875**	690,666,149
Liabilities	**(381,527,914)**	(562,623,532)
Net assets	**184,674,961**	128,042,617
Company's share in net assets at 20%	**36,934,992**	25,608,523
Goodwill and other intangibles at acquisition	**73,700,149**	73,700,149
Investment in associate	**110,635,141**	99,308,672
Revenue	**472,752,287**	471,335,642
Net profit/(loss)	**56,632,345**	(94,327,080)
Company's share of profit/(loss) at 20%	**11,326,469**	(18,865,416)

7 INVESTMENT IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	2023 AED	2022 AED
Investment in financial assets at fair value through profit or loss (FVTPL)	**22,266,295**	19,404,579

Following is the movement of investments at FVTPL during the year:

	2023 AED	2022 AED
As at 1 January	**19,404,579**	15,587,696
Additions	**-**	2,749,991
Change in fair value	**2,861,716**	1,066,892
As at 31 December	**22,266,295**	19,404,579

During the year ended 31 December 2023, the Company has purchased nil (2022: 981,240 shares) measured at fair value through profit or loss. All investments are held within U.A.E.

8 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy of assets measured at fair value

The following table analyses assets measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement, as mentioned in note 3.6, is categorised. The amounts are based on the values recognised in the statement of financial position.

31 December 2023	**Level 1 AED**	**Level 3 AED**	**Total AED**
Financial assets			
Investment in financial assets at FVTPL (note 7)	**21,463,492**	**802,803**	**22,266,295**
Non-financial assets			
Investment property (note 9)	**-**	**157,931,895**	**157,931,895**
	21,463,492	**158,734,698**	**180,198,190**
31 December 2022			
Financial assets			
Investment in financial assets at FVTPL (note 7)	18,606,532	798,047	19,404,579
Non-financial assets			
Investment property (note 9)	-	157,931,895	157,931,895
	18,606,532	158,729,942	177,336,474

9 INVESTMENT PROPERTY

	2023 AED	2022 AED
As at 31 December	**157,931,895**	157,931,895

Investment property comprises of a property in Al Barsha First, Dubai. As at 31 December 2023, the fair value of the property is based on valuation performed by accredited independent valuers who are specialists in valuing these type of investment property.

The valuation model used are in accordance with recommended industry practice. The fair value of the investment property was estimated based on fair valuation techniques and assumptions with reference to recent rental value of similar properties in an active market.

10 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:

	31 December 2023			31 December 2022 *(Restated)*		
	Assets	**Liabilities**	**Net**	Assets	Liabilities	Net
	AED	**AED**	**AED**	AED	AED	AED
Insurance contracts issued						
Life and Medical	**-**	**(130,260,450)**	**(130,260,450)**	-	(141,414,064)	(141,414,064)
General and Motor	**19,865,132**	**(149,166,919)**	**(129,301,787)**	16,362,791	(163,800,378)	(147,437,587)
Total insurance contracts issued	**19,865,132**	**(279,427,369)**	**(259,562,237)**	16,362,791	(305,214,442)	(288,851,651)
Reinsurance contracts held						
Life and Medical	**61,042,315**	**-**	**61,042,315**	19,981,087	-	19,981,087
General and Motor	**88,016,747**	**(70,977,349)**	**17,039,398**	116,640,624	(28,364,610)	88,276,014
Total reinsurance contracts held	**149,059,062**	**(70,977,349)**	**78,081,713**	136,621,711	(28,364,610)	108,257,101

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:

10 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)

	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2023	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	76,034,940	-	64,081,293	1,297,831	(10,851,752)	6,914,787	160,532,822	7,204,521	305,214,442
Insurance contract assets as at 1 January	-	-	-	-	(28,792,791)	-	11,907,137	522,863	(16,362,791)
Net contract liabilities as at 1 January	76,034,940	-	64,081,293	1,297,831	(39,644,543)	6,914,787	172,439,959	7,727,384	288,851,651
Insurance revenue	(465,691,327)	-	-	-	(362,003,716)	-	-	-	(827,695,043)
Insurance service expenses	37,074,972	-	405,091,476	1,225,935	64,787,822	(4,587,380)	270,466,513	302,213	774,361,551
Incurred claims and other expenses	-	-	303,918,292	3,335,554	-	-	264,097,332	7,064,905	578,416,083
Amortisation of insurance acquisition cash flows	37,074,972	-	-	-	64,787,822	-	-	-	101,862,794
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	(4,587,380)	-	-	(4,587,380)
Changes to liabilities for incurred claims	-	-	101,173,184	(2,109,619)	-	-	6,369,181	(6,762,692)	98,670,054
Insurance service result	(428,616,355)	-	405,091,476	1,225,935	(297,215,894)	(4,587,380)	270,466,513	302,213	(53,333,492)
Insurance finance expenses	-	-	1,485,713	34,311	-	-	8,627,406	415,762	10,563,192
Total changes in the statement of comprehensive	(428,616,355)	-	406,577,189	1,260,246	(297,215,894)	(4,587,380)	279,093,919	717,975	(42,770,300)
Cash flows									
Premiums received	379,856,716	-	-	-	317,891,012	-	-	-	697,747,728
Claims and other expenses paid	-	-	(340,605,807)	-	-	-	(242,124,789)	-	(582,730,596)
Insurance acquisition cash flows	(29,625,605)	-	-	-	(71,910,641)	-	-	-	(101,536,246)
Total cash flows	350,231,111	-	(340,605,807)	-	245,980,371	-	(242,124,789)	-	13,480,886
Net insurance contract liabilities as at 31 December	(2,350,304)	-	130,052,675	2,558,077	(90,880,066)	2,327,407	209,409,089	8,445,359	259,562,237
Insurance contract liabilities as at 31 December	(2,350,304)	-	130,052,675	2,558,077	17,420,537	2,327,407	123,744,285	5,674,692	279,427,369
Insurance contract assets as at 31 December	-	-	-	-	(108,300,603)	-	85,664,804	2,770,667	(19,865,132)
Net insurance contract liabilities as at 31 December	(2,350,304)	-	130,052,675	2,558,077	(90,880,066)	2,327,407	209,409,089	8,445,359	259,562,237

10 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)

	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2022 *(Restated)*	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	(6,948,618)	-	38,798,591	847,859	4,995,526	6,364,724	243,151,247	11,461,120	298,670,449
Insurance revenue	(300,472,459)	-	-	-	(227,500,082)	-	-	-	(527,972,541)
Insurance service expenses	24,967,448	-	278,972,606	444,037	35,061,720	550,063	174,732,288	(4,007,781)	510,720,381
Incurred claims and other expenses	-	-	175,193,342	1,058,127	-	-	97,726,515	1,708,968	275,686,952
Amortisation of insurance acquisition cash flows	24,967,448	-	-	-	35,061,720	-	-	-	60,029,168
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	550,063	-	-	550,063
Changes to liabilities for incurred claims	-	-	103,779,264	(614,090)	-	-	77,005,773	(5,716,749)	174,454,198
Insurance service result	(275,505,011)	-	278,972,606	444,037	(192,438,362)	550,063	174,732,288	(4,007,781)	(17,252,160)
Insurance finance expenses	-	-	103,444	5,935	-	-	419,484	274,046	802,909
Total changes in the statement of comprehensive income	(275,505,011)	-	279,076,050	449,972	(192,438,362)	550,063	175,151,772	(3,733,735)	(16,449,251)
Cash flows									
Premiums received	386,208,906	-	-	-	187,470,300	-	-	-	573,679,206
Claims and other expenses paid	-	-	(253,793,348)	-	-	-	(245,863,061)	-	(499,656,409)
Insurance acquisition cash flows	(27,720,337)	-	-	-	(39,672,007)	-	-	-	(67,392,344)
Total cash flows	358,488,569	-	(253,793,348)	-	147,798,293	-	(245,863,061)	-	6,630,453
Net insurance contract liabilities as at 31 December	76,034,940	-	64,081,293	1,297,831	(39,644,543)	6,914,787	172,439,958	7,727,385	288,851,651
Insurance contract liabilities as at 31 December	76,034,940	-	64,081,293	1,297,831	(10,851,752)	6,914,787	160,532,822	7,204,521	305,214,442
Insurance contract assets as at 31 December	-	-	-	-	(28,792,791)	-	11,907,136	522,864	(16,362,791)
Net insurance contract liabilities as at 31 December	76,034,940	-	64,081,293	1,297,831	(39,644,543)	6,914,787	172,439,958	7,727,385	288,851,651

10 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		
31 December 2023	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	(3,262,056)	-	22,793,471	449,672	(7,723,586)	-	118,501,421	5,862,789	136,621,711
Reinsurance contract liabilities as at 1 January	-	-	-	-	(30,916,220)	-	2,470,433	81,177	(28,364,610)
Net reinsurance contract assets as at 1 January	(3,262,056)	-	22,793,471	449,672	(38,639,806)	-	120,971,854	5,943,966	108,257,101
An allocation of reinsurance premiums	(138,211,923)	-	-	-	(102,437,375)	-	-	-	(240,649,298)
Amounts recoverable from reinsurers for incurred claims	-	-	164,745,485	636,414	-	-	47,643,569	(729,153)	212,296,315
Amounts recoverable for incurred claims and other expenses	-	-	119,952,167	1,492,468	-	-	68,853,666	3,109,227	193,407,528
Changes to amounts recoverable for incurred claims	-	-	44,793,318	(856,054)	-	-	(21,210,097)	(3,838,380)	18,888,787
Net income or expense from reinsurance contracts held	(138,211,923)	-	164,745,485	636,414	(102,437,375)	-	47,643,569	(729,153)	(28,352,983)
Reinsurance finance income	-	-	635,242	14,170	-	-	6,973,996	349,663	7,973,071
Effect of changes in non-performance risk of reinsurers	-	-	(189,870)	-	-	-	(66,156)	-	(256,026)
Total changes in the statement of comprehensive income	(138,211,923)	-	165,190,857	650,584	(102,437,375)	-	54,551,409	(379,490)	(20,635,938)
Cash flows									
Premiums paid	145,178,676	-	-	-	31,035,212	-	-	-	176,213,888
Amounts received	-	-	(131,746,966)	-	-	-	(54,006,372)	-	(185,753,338)
Total cash flows	145,178,676	-	(131,746,966)	-	31,035,212	-	(54,006,372)	-	(9,539,450)
Net reinsurance contract assets as at 31 December	3,704,697	-	56,237,362	1,100,256	(110,041,969)	-	121,516,891	5,564,476	78,081,713
Reinsurance contract assets as at 31 December	3,704,697	-	56,237,362	1,100,256	(17,518,925)	-	100,773,171	4,762,501	149,059,062
Reinsurance contract liabilities as at 31 December	-	-	-	-	(92,523,044)	-	20,743,720	801,975	(70,977,349)
Net reinsurance contract assets as at 31 December	3,704,697	-	56,237,362	1,100,256	(110,041,969)	-	121,516,891	5,564,476	78,081,713

10 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)

	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2022 *(Restated)*	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	-	-	-	-	19,921,247	1,558	167,481,043	8,633,332	196,037,180
Reinsurance contract liabilities as at 1 January	(54,203,470)	-	13,350,395	286,306	-	-	-	-	(40,566,769)
Net reinsurance contract assets as at 1 January	(54,203,470)	-	13,350,395	286,306	19,921,247	1,558	167,481,043	8,633,332	155,470,411
Allocation of reinsurance premiums	(84,717,502)	-	-	-	(92,054,026)	-	-	-	(176,771,528)
Amounts recoverable from reinsurers for incurred claims	-	-	113,760,608	161,497	-	(1,558)	28,632,441	(2,911,621)	139,641,367
Amounts recoverable for incurred claims and other expenses	-	-	63,342,731	364,974	-	-	40,196,458	822,314	104,726,477
Loss-recovery on onerous underlying contracts and adjustments	-	-	-	-	-	(1,558)	-	-	(1,558)
Changes to amounts recoverable for incurred claims	-	-	50,417,877	(203,477)	-	-	(11,564,017)	(3,733,935)	34,916,448
Net income or expense from reinsurance contracts held	(84,717,502)	-	113,760,608	161,497	(92,054,026)	(1,558)	28,632,441	(2,911,621)	(37,130,161)
Reinsurance finance income	-	-	(2,067)	1,869	-	-	515,401	222,255	737,458
Effect of changes in non-performance risk of reinsurers	-	-	(93,778)	-	-	-	(391,900)	-	(485,678)
Total changes in the statement of comprehensive income	(84,717,502)	-	113,664,763	163,366	(92,054,026)	(1,558)	28,755,942	(2,689,366)	(36,878,381)
Cash flows									
Premiums paid	135,658,916	-	-	-	33,492,973	-	-	-	169,151,889
Amounts received	-	-	(104,221,687)	-	-	-	(75,265,131)	-	(179,486,818)
Total cash flows	135,658,916	-	(104,221,687)	-	33,492,973	-	(75,265,131)	-	(10,334,929)
Net reinsurance contract assets as at 31 December	(3,262,056)	-	22,793,471	449,672	(38,639,806)	-	120,971,854	5,943,966	108,257,101
Reinsurance contract assets as at 31 December	(3,262,056)	-	22,793,471	449,672	(7,723,586)	-	118,501,421	5,862,789	136,621,711
Reinsurance contract liabilities as at 31 December	-	-	-	-	(30,916,220)	-	2,470,433	81,177	(28,364,610)
Net reinsurance contract assets as at 31 December	(3,262,056)	-	22,793,471	449,672	(38,639,806)	-	120,971,854	5,943,966	108,257,101

10 INSURANCE AND REINSURANCE CONTRACTS (continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Company's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the statement of financial position. The following tables illustrate the Company's estimate of total liability for incurred claims for the years up to 2023.

Gross Insurance contract liabilities as at 31 December 2023

	2021 and prior AED	2022 AED	**2023 AED**	**Total AED**
At the end of each reporting year	2,299,888,675	407,109,002	**650,245,857**	**3,357,243,534**
One year later	2,308,870,942	406,096,300	**-**	**2,714,967,242**
Two years later	2,298,529,436	-	**-**	**2,298,529,436**
Estimate of cumulative claims	2,298,529,436	406,096,300	**650,245,857**	**3,354,871,593**
Cumulative payments to date	(2,211,682,833)	(397,250,387)	**(403,679,897)**	**(3,012,613,117)**
Unallocated loss adjustment expense reserve	-	-	**6,274,720**	**6,274,720**
Total gross undiscounted liabilities for incurred claims	86,846,603	8,845,913	**252,840,680**	**348,533,196**
Effect of discounting	-	-	**(9,071,432)**	**(9,071,432)**
Total discounted gross reserves included in the statement of financial position	86,846,603	8,845,913	**243,769,248**	**339,461,764**
Risk Adjustments				**11,003,436**

Reinsurance contract liabilities as at 31 December 2023

	2021 and prior AED	2022 AED	**2023 AED**	**Total AED**
At the end of each reporting year	727,525,777	174,569,768	**233,571,670**	**1,135,667,215**
One year later	698,790,302	162,839,952	**-**	**861,630,254**
Two years later	697,025,505	-	**-**	**697,025,505**
Estimate of cumulative claims	697,025,505	162,839,952	**233,571,670**	**1,093,437,127**
Cumulative payments to date	(612,247,500)	(155,959,770)	**(141,128,012)**	**(909,335,282)**
Total reinsurance undiscounted liabilities for incurred claims	84,778,005	6,880,182	**92,443,658**	**184,101,845**
Effect of discounting	-	-	**(6,347,592)**	**(6,347,592)**
Total discounted reinsurance reserves included in the statement of financial position	84,778,005	6,880,182	**86,096,066**	**177,754,253**
Risk Adjustments				**6,664,732**

11 OTHER RECEIVABLES AND PREPAYMENTS

	2023 AED	2022 AED
Accrued interest income	**4,535,591**	1,254,339
Prepayments	**611,473**	525,003
Staff advances	**69,613**	137,731
Deferred TPA fees	**9,349,847**	7,617,026
Other receivables	**9,222,026**	8,293,888
Less: Expected credit losses	**(1,376,301)**	(1,376,301)
	22,412,249	16,451,686

12 CASH AND BANK BALANCES

	2023 AED	2022 AED
Cash in hand	**84,845**	77,834
Bank balances:		
Current accounts	**8,984,759**	10,491,956
Fixed deposits	**258,727,028**	197,405,468
Less: Expected credit losses	**(33,981)**	(33,981)
	267,762,651	207,941,277

Fixed deposits with banks as at 31 December 2023 include AED 10.3 million (2022: AED 10.3 million) deposited in the name of the Company to the order of the Ministry of Economy and Trade of the United Arab Emirates as required by the Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) relating to Central Bank of United Arab Emirates.

Fixed deposits amounting to AED 226 million (2022: AED 168.5 million) are under lien in respect of bank credit facilities granted to the Company. All fixed deposits with banks mature within different periods not exceeding one year from the date of deposit and carry interest rates between 2% to 5.4% (2022: 1% to 4.9%) per annum. Cash and cash equivalents for the purpose of statement of cash flows are analysed as follows:

	2023 AED	2022 AED
Cash and bank balances	**267,762,651**	207,941,277
Bank borrowings (note 17)	**(218,486,962)**	(158,788,906)
Cash and cash equivalents	**49,275,689**	49,152,371

13 SHARE CAPITAL

	2023 AED	2022 AED
Issued and fully paid 230,000,000 shares of AED 1 each	**230,000,000**	230,000,000

14 STATUTORY RESERVE

In accordance with the UAE Commercial Companies Law No. 32 of 2021 (the "Law") and the Company's Articles of Association, 10% of the profit for the year should be transferred to legal reserve. The Company may resolve to discontinue such transfers when the reserve totals 50% of the paid-up share capital. The reserve is not available for distribution except in the circumstances stipulated by the Law. During the year, an amount of AED 0.64 million was transferred to the statutory reserve (2022: Nil).

15 GENERAL AND REINSURANCE RESERVE

General reserve

The general reserve is established through transfers from profit for the year as recommended by the Board of Directors and approved by the Shareholders at the Annual General Meeting. The reserve is distributable based on a recommendation by the Board of Directors approved by a Shareholders' resolution. During the year no transfers were made to the general reserves (2022: Nil). During the year no transfers were made from general reserves to accumulated losses (2022: AED 20 million).

Reinsurance reserve

In accordance with Central Bank of United Arab Emirates' Board of Directors' Decision No. 23, Article 34, an amount of AED 1.49 million based on the reinsurance share of premium at a rate of 0.5% was transferred from accumulated losses to reinsurance reserve (2022: AED 1.14 million). The reserve is not available for distribution, and will not be disposed of without prior approval from Central Bank of United Arab Emirates.

16 PROVISION FOR EMPLOYEES' END OF SERVICE INDEMNITY

Movement in the provision is as follows:

	2023 AED	2022 AED
As at 1 January	**6,575,008**	7,612,039
Charge for the year	**1,478,603**	950,446
Paid during the year	**(1,208,963)**	(1,987,477)
As at 31 December	**6,844,648**	6,575,008

17 BANK BORROWINGS

	2023 AED	2022 AED
Bank overdrafts	**218,486,962**	158,788,906

The Company has bank facilities in the form of overdrafts payable upon demand and bearing interest ranging from 2.65% to 5.65% per annum (2022: 1.25% to 5.15%). These facilities are secured by lien on fixed deposits amounting to AED 226 million (2022: AED 168.5 million). The bank overdraft limit provided under the facilities is AED 241 million (2022: AED 166 million).

18 OTHER PAYABLES

Other payables can be analysed as follows:

	2023 AED	2022 AED
Payments withheld	**33,877,640**	28,710,469
Accrued expenses and payable to suppliers	**16,834,207**	11,369,978
VAT payable	**3,327,691**	3,973,047
Others	**3,187,931**	2,178,402
	57,227,469	46,231,896

19 LEASE LIABILITY

The Company has leases for the premises, head office building and its branch offices as at 31 December 2023. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use asset in a consistent manner to its property and equipment (see note 5). Future minimum lease payments at 31 December 2023 were as mentioned below:

	Within 1 year AED	1-2 years AED	2-3 years AED	Total AED
31 December 2023				
Lease payments	**2,004,810**	**4,109,860**	**3,307,936**	**9,422,606**
Finance charges	**(432,895)**	**(587,709)**	**(157,566)**	**(1,178,170)**
Net present values	**1,571,915**	**3,522,151**	**3,150,370**	**8,244,436**
31 December 2022				
Lease payments	1,503,608	-	-	1,503,608
Finance charges	(30,668)	-	-	(30,668)
Net present values	1,472,940	-	-	1,472,940

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset under property and equipment and lease liability, the payments in relation to these are recognised as an expense in statement of comprehensive income on a straight-line basis over the lease term. Operating lease payments represent rentals payable by the Company for its branch offices. At reporting date, the Company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2023 AED	2022 AED
Less than one year	**200,375**	188,905

20 INSURANCE SERVICE EXPENSES

2023	Life and medical AED	General and motor AED	Total AED
Incurred claims and other expenses	**307,253,846**	**271,162,237**	**578,416,083**
Amortisation of insurance acquisition cash flows	**37,074,972**	**64,787,822**	**101,862,794**
Losses on onerous contracts and reversals of those losses	**-**	**(4,587,380)**	**(4,587,380)**
Changes to liabilities for incurred claims	**99,063,565**	**(393,511)**	**98,670,054**
	443,392,383	**330,969,168**	**774,361,551**
Restated			
2022			
Incurred claims and other expenses	176,251,469	99,435,483	275,686,952
Amortisation of insurance acquisition cash flows	24,967,448	35,061,720	60,029,168
Losses on onerous contracts and reversals of those losses	-	550,063	550,063
Changes to liabilities for incurred claims	103,165,174	71,289,024	174,454,198
	304,384,091	206,336,290	510,720,381

21 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT

The table below presents an analysis of total investment income and insurance finance result recognised in profit or loss and OCI in the year:

	2023 AED	2022 AED
Investment income		
Amounts recognised in the statement of comprehensive Income		
Unallocated general and administrative expenses to investment	**(11,512,771)**	(10,786,046)
Interest income	**9,868,929**	3,453,241
Share of profit/(losses) from equity accounted investees (note 6)	**11,326,469**	(18,865,416)
Rental income from investment property	**5,919,702**	5,880,661
Dividend income from investment in financial assets at FVTPL	**484,769**	434,741
Net unrealised gain from investments in financial assets at FVTPL (note 7)	**2,861,716**	1,066,892
Other income/(expenses)	**423,086**	(674,854)
	19,371,900	(19,490,781)

2023	Life and medical AED	General and motor AED	Total AED
Insurance finance expenses from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(1,513,998)	(8,802,654)	(10,316,652)
Due to changes in interest rates and other financial assumptions	(6,025)	(240,515)	(246,540)
Total insurance finance expenses from insurance contracts issued	(1,520,023)	(9,043,169)	(10,563,192)
Represented by:			
Amounts recognised in profit or loss	(1,520,023)	(9,043,169)	(10,563,192)
Amounts recognised in other comprehensive income	-	-	-
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	645,786	7,115,788	7,761,574
Changes in non-performance risk of reinsurer	(189,885)	(66,140)	(256,025)
Due to changes in interest rates and other financial assumptions	3,626	207,870	211,496
Total reinsurance finance income from reinsurance contracts held	459,527	7,257,518	7,717,045
Represented by:			
Amounts recognised in the profit or loss	459,527	7,257,518	7,717,045
Amounts recognised in other comprehensive income	-	-	-
Total finance expenses and reinsurance finance income			
Represented by:			
Amounts recognised in the profit or loss	(1,060,496)	(1,785,651)	(2,846,147)
Amounts recognised in other comprehensive income	-	-	-

21 TOTAL INVESTMENT INCOME AND NET INSURANCE FINANCIAL RESULT (continued)

2022 *(Restated)*	Life and medical AED	General and motor AED	Total AED
Insurance finance income from insurance contracts issued			
Interest accreted to insurance contracts using current financial assumptions	(270,217)	(5,831,661)	(6,101,878)
Due to changes in interest rates and other financial assumptions	160,837	5,138,132	5,298,969
Total insurance finance (expenses)/income from insurance contracts issued	(109,380)	(693,529)	(802,909)
Represented by:			
Amounts recognised in profit or loss	(109,380)	(693,529)	(802,909)
Amounts recognised in other comprehensive income	-	-	-
Reinsurance finance expenses from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	96,226	4,473,068	4,569,294
Changes in non-performance risk of reinsurer	(93,778)	(391,900)	(485,678)
Due to changes in interest rates and other financial assumptions	(96,424)	(3,735,412)	(3,831,836)
Total reinsurance finance expenses from reinsurance contracts held	(93,976)	345,756	251,780
Represented by:			
Amounts recognised in profit or loss	(93,976)	345,756	251,780
Amounts recognised in other comprehensive income	-	-	-
Total insurance finance income and reinsurance finance expenses			
Represented by:			
Amounts recognised in profit or loss	(203,356)	(347,773)	(551,129)
Amounts recognised in other comprehensive income	-	-	-

22 BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) for the year attributable to shareholders by the weighted average number of shares outstanding at reporting date.

	2023	*(Restated)* 2022
Profit/(loss) for the year (AED)	**6,448,750**	(50,867,207)
Weighted average number of shares outstanding during the year	**230,000,000**	230,000,000
Basic and diluted earnings/(loss) per share (AED)	**0.03**	(0.22)

The Company does not have potentially diluted shares and accordingly diluted earnings per share equals basic earnings per share.

23 RELATED PARTY TRANSACTIONS

The Company, in the normal course of business, collects premiums from and settles claims of other businesses that fall within the definition of related parties as per IAS 24. These transactions are carried out at terms mutually agreed between the parties. Related parties comprise companies and entities under common ownership and/or common management and control, shareholders, directors and key management personnel of the Company, their close family members and entities controlled, jointly controlled or significantly influenced by such parties. 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.

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

	2023 AED	2022 AED
Insurance premium	**2,073,274**	2,728,141
Insurance service expenses	**(386,307)**	(393,122)
Compensation of key management personnel		
Salaries and benefits	**2,526,420**	4,063,032

24 SEGMENTAL INFORMATION

Operating segment information

For management purposes the Company is organised into three operating segments, general insurance, life assurance and investments. These segments are the basis on which the Company reports its primary segment information.

	2023			
	Life and medical AED	**General and motor AED**	**Investments AED**	**Total AED**
Insurance premium	465,691,327	362,003,716	-	827,695,043
Insurance service expenses	(443,392,383)	(330,969,168)	-	(774,361,551)
Insurance service result before reinsurance contracts held	22,298,944	31,034,548	-	53,333,492
Allocation of reinsurance premiums	(138,211,923)	(102,437,375)	-	(240,649,298)
Amounts recoverable from reinsurance	165,381,900	46,914,415	-	212,296,315
Net income/(expenses) from reinsurance contracts held	27,169,977	(55,522,960)	-	(28,352,983)
Insurance service result	49,468,921	(24,488,412)	-	24,980,509
Investment income	-	-	19,371,900	19,371,900
Insurance finance expenses for insurance contracts issued	(1,520,023)	(9,043,169)	-	(10,563,192)
Reinsurance finance income for reinsurance contracts held	459,527	7,257,518	-	7,717,045
Net insurance financial result	48,408,425	(26,274,063)	19,371,900	41,506,262
Other operating expenses				(25,330,712)
Finance costs				(9,726,800)
Profit for the year				6,448,750

24 SEGMENTAL INFORMATION (continued)

	2022 *(Restated)*			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance premium	300,472,459	227,500,082	-	527,972,541
Insurance service expenses	(304,384,092)	(206,336,289)	-	(510,720,381)
Insurance service result before reinsurance contracts held	(3,911,633)	21,163,793	-	17,252,160
Allocation of reinsurance premiums	(84,717,502)	1(92,054,026)	-	(176,771,528)
Amounts recoverable from reinsurance	113,922,106	25,719,261	-	139,641,367
Net income/(expenses) from reinsurance contracts held	29,204,604	(66,334,765)	-	(37,130,161)
Insurance service result	25,292,971	(45,170,972)	-	(19,878,001)
Investment loss	-	-	(19,490,781)	(19,490,781)
Insurance finance income for insurance contracts issued	(109,380)	(693,529)	-	(802,909)
Reinsurance finance expenses for reinsurance contracts held	(93,975)	345,755	-	251,780
Net insurance financial result	25,089,616	(45,518,746)	(19,490,781)	(39,919,911)
Other operating expenses				(7,107,482)
Finance costs				(3,839,814)
Loss for the year				(50,867,207)

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

	2023			
	Life and medical AED	**General and motor AED**	**Investments AED**	**Total AED**
Total assets	**10,163,277**	**549,420,482**	**291,000,046**	**850,583,805**
Total equity	**-**	**-**	**-**	**209,375,572**
Total liabilities	**2,670,404**	**638,537,829**	**-**	**641,208,233**

	2022 *(Restated)*			
	Life and Medical AED	General and motor AED	Investments AED	Total AED
Total assets	10,903,384	461,859,378	276,811,862	749,574,624
Total equity	-	-	-	202,926,822
Total liabilities	4,121,634	542,526,168	-	546,647,802

24 SEGMENTAL INFORMATION (continued)

Gross written premium

Details relating to gross written premium are disclosed below to comply with the requirements of CBUAE and are not calculated as per the requirements of IFRS 17.

31 December 2023	Life Insurance AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	1,805,528	503,495,564	397,748,480	903,049,572
Assumed Business				
Foreign	-	-	1,124,082	1,124,082
Local	-	-	12,872,840	12,872,840
Total Assumed Business	-	-	13,996,922	13,996,922
Gross Written Premiums	1,805,528	503,495,564	411,745,402	917,046,494

31 December 2022	Life Insurance AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct Written Premiums	1,611,534	351,501,834	260,705,455	613,818,823
Assumed Business				
Foreign	-	-	266,838	266,838
Local	62,163	-	22,513,092	22,575,255
Total Assumed Business	62,163	-	22,779,930	22,842,093
Gross Written Premiums	1,673,697	351,501,834	283,485,385	636,660,916

25 CONTINGENT LIABILITIES AND COMMITMENTS

Guarantees

	2023 AED	2022 AED
Letters of guarantee	11,934,195	12,611,698

Contingent liabilities

The Company in common with other insurance companies, is involved as defendant in a number of legal cases in respect of its underwriting activities. A provision is made in respect of each individual case where it is probable that the outcome would result in a loss to the Company in terms of an outflow of economic resources and are liable estimate of the amount of outflow can be made.

Commitments

As at 30 September 2023, Al Sagr Cooperative Insurance Company (associate) had an outstanding commitment of 11.9 million Saudi Riyals in respect of purchase of investments relating to mutual fund (31 December 2022: 9.8 million Saudi Riyals).

26 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are:

- to comply with the insurance capital requirements required by UAE Federal Law No. 48 of 2023 (previously Federal Law No. 6 of 2007, as amended) concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations.
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk.

Section 2 of the Financial Regulations for Insurance Companies (the "Regulations") issued by the Central Bank of UAE identifies the required solvency margin to be held in addition to insurance liabilities. The solvency margin must be maintained at all times throughout the year. The Company is subject to the Regulations which has been complied with during the year. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with these Regulations.

The table below summarises the Minimum Capital Requirement, Solvency Capital Requirement and Minimum Guarantee Fund of the Company and the total capital held to meet these solvency margins as defined in the Financial Regulations. In accordance with Circular No. CBUAE/BSD/N/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.

	(Unaudited) 30 September 2023 AED	**(Audited)** 31 December 2022 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**211,148,000**	135,068,000
Minimum Guarantee Fund (MGF)	**129,483,000**	86,143,000
Basic Own Funds	**60,180,000**	50,529,000
MCR Solvency Margin – Deficit	**(39,820,000)**	(49,471,000)
SCR Solvency Margin – Deficit	**(150,968,000)**	(84,539,000)
MGF Solvency Margin – Deficit	**(69,303,000)**	(35,615,000)

As per Article (8) of Section 2 of the Financial Regulations for Insurance Companies issued by the Central Bank of UAE, the Company shall at all times comply with the requirements of Solvency Margins. As at 30 September 2023, the Company had minimum capital, solvency capital and minimum guarantee fund deficits of AED 39.8 million, AED 150.9 million and AED 69.3 million as compared to requirements of AED 100 million, AED 211.1 million and AED 129.5 million respectively.

27 RISK MANAGEMENT

The Company issues contracts that transfer either insurance risk or both insurance and financial risks. The Company does not issue contracts that transfer only financial risks. This section summarises these risks and the way the Company manages them.

27.1 Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of the set financial performance objectives. Management recognises the critical importance of having efficient and effective risk management systems in place.

27.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

27 RISK MANAGEMENT (continued)

27.2 Risk management framework (continued)

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

27.3 Capital management framework

The Company has an internal risk management framework for identifying risks to which each of its business units and the Company as a whole is exposed, quantifying their impact on economic capital.

27.4 Regulatory framework

Regulators are primarily interested in protecting the rights of the policyholders and shareholders and monitor closely to ensure that the Company is satisfactorily managing affairs for their benefit. At the same time, the regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters. The operations of the Company are also subject to regulatory requirements within the U.A.E. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions to minimise the risk of default and insolvency on the part of the insurance companies to meet unforeseen liabilities as these arise.

27.5 Asset liability management (ALM)

Financial risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The main risk that the Company faces due to the nature of its investments and liabilities is interest rate risk and equity price risk. The Company manages these positions within an ALM framework that has been developed by management to achieve long-term investment returns in excess of its obligations under insurance and investment contracts. The Company's ALM is also integrated with the management of the financial risks associated with the Company's other financial assets and liabilities not directly associated with insurance and investment liabilities.

The Company's ALM (currently with the Risk committee) also forms an integral part of the insurance risk management policy, to ensure in each period sufficient cash flow is available to meet liabilities arising from insurance.

Insurance risks

The Company accepts insurance risk through its written insurance contracts. The Company is exposed to uncertainty surrounding the timing, frequency and severity of claims under these contracts. The Company writes the following types of general insurance and life insurance contracts:

General insurance contracts include Liability insurance, Property insurance, Motor insurance, Fire insurance, Medical insurance, Marine insurance and Engineering insurance contracts. Life insurance contracts include Group life and Credit life insurance contracts.The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements. The Company only issues short term insurance contracts in connection with property, motor, marine and casualty risks. Two key elements of the Company's insurance risk management framework are its underwriting strategy and reinsurance strategy, as discussed on the next page:

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Underwriting strategy

The Company's underwriting strategy is to build balanced portfolios based on a large number of similar risks. This reduces the variability of the portfolio's outcome.

The underwriting strategy is set out by the Company that establishes the classes of business to be written, the territories in which business is to be written and the industry sectors in which the Company is prepared to underwrite. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business, territory and industry in order to ensure appropriate risk selection within the portfolio.

All general insurance contracts except marine and property, are annual in nature and the underwriters have the right to refuse renewal or to change the terms and conditions of the contract at renewal.

The principal risk the Company faces under insurance contracts is that the actual claims and benefits payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guideline, as well as the use of reinsurance arrangements.

Property

Property insurance covers a diverse collection of risks and therefore property insurance contracts are subdivided into four risks groups, fire, business interruption, weather damage and theft. These contracts are underwritten by reference to the commercial replacement value of the properties and contents insured. The cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruptions are the key factors that influence the level of claims under these policies.The greatest likelihood of significant losses on these contracts arises from storm, flood damage or other weather-related incidents.

Motor

Motor insurance contracts are designed to compensate policies holders for damage suffered to vehicles, disability to third parties arising through accidents and fire or theft of their vehicles. Underwriting limits and guidelines are in place to enforce appropriate risk selection criteria.

The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims.

Marine

Marine insurance is designed to compensate contract holders for damage and liability arising through loss or damage to marine craft and accidents at sea resulting in the total or partial loss of cargoes.

For marine insurance, the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes. The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered.

Casualty

For casualty class of business, such as workmen's compensation, personal accident, general third-party liability and loss of money, the extent of loss or damage and the potential court awards are the main factors that influence the level of claims. For casualty class of business, such as workmen's compensation, personal accident, general third-party liability and loss of money, the extent of loss or damage and the potential court awards are the main factors that influence the level of claims.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Casualty (continued)

The Company manage these risks through their underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk. Underwriting limits are in place to enforce appropriate risk selections.

The Company proactively manages and pursues early settlement of claims to reduce their exposure to unpredictable developments. The Company have adequate reinsurance arrangements to protect their financial viability against such claims for all classes of business.

The Company have obtained adequate non-proportionate reinsurance cover for all classes of business to limit losses to an amount considered appropriate by the management.

Medical

Medical selection is part of the Company's underwriting procedures, whereby contributions are charged to reflect the health condition and family medical history of the applicants. Pricing is based on assumptions, such as mortality and persistency, which consider past experience and current trends.

Contracts including specific risks and guarantees are tested for profitability according to predefined procedures before approval.

Products are reviewed by the business units on an annual basis to confirm, or otherwise, that pricing assumptions remain appropriate. Analysis is performed on earnings and liability movements to understand the source of any material variation in actual result from what was expected. This confirm the appropriateness of assumption and in underwriting and pricing.

Concentration of risk

The Company's underwriting activities are carried out in the United Arab Emirates and other Middle East countries.

Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites in order to control its exposure to losses and protect capital resources. Ceded reinsurance contains credit risk, as discussed in the financial risk management note. The Company has a Reinsurance department that is responsible for setting the minimum-security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The department monitors developments in the reinsurance programme and its ongoing adequacy.The Company buys a combination of proportionate and non-proportionate reinsurance treaties to reduce the net exposure to the Company. In addition, underwriters are allowed to buy facultative reinsurance in certain specified circumstances. All purchases of facultative reinsurance are subject to business unit pre-approval and the total expenditure on facultative reinsurance is monitored regularly by reinsurance department.

Frequency and severity of claims

The Company has the right not to renew individual policies, re-price the risk, it can impose deductibles and it has the right to reject the payment of a fraudulent claim. Insurance contracts also entitle the Company to pursue third parties for payment of some or all costs (for example, subrogation). Furthermore, the Group's strategy limits the total exposure to any one territory and the exposure to any one industry.

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Frequency and severity of claims (continued)

Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Company operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

For motor contracts the main risks are claims for death and bodily injury and the replacement or repair of vehicles. The level of court awards for deaths and to injured parties and the replacement costs of motor vehicles are the key factors that influence the level of claims. For marine insurance the main risks are loss or damage to marine craft and accidents resulting in the total or partial loss of cargoes.

The underwriting strategy for the marine class of business is to ensure that policies are well diversified in terms of vessels and shipping routes covered. For medical insurance, the main risks are illness and related healthcare costs. For group life and personal accident, the main risks are claims from death and permanent or partial disability. The Company generally does not offer medical insurance to walk-in customers. Medical, group life and personal accident insurance are generally offered to corporate customers with large population to be covered under the policy.

Frequency and amounts of claims

The Company has developed its underwriting strategy to diversify the type of insurance risks accepted and within each of the categories to achieve sufficiently large populations of risk to reduce the variability of the expected outcome. The frequency and amounts of claims can be affected by several factors. Company underwrite mainly property, motor, general accident and marine risks. These are regarded as short- term insurance contracts as claims are normally advised and settled within one year of the insured event taking.

Sensitivity of underwriting profit and losses

The Company has exposures to risks in each class of business that may develop and that could have a material impact upon the Company' financial position. The geographical and insurance risk diversity within the Company' portfolio of issued insurance policies makes it impossible to predict whether material developments will occur and, if they do occur, the location and timing of such occurrences. The Company evaluate the concentration of exposures to individual and cumulative insurance risk and establishes its reinsurance policy to reduce such exposures to levels acceptable to the Company.

Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Company is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR).

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims.

For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities.

In estimating the liability for the cost of reported claims not yet paid, the Company considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Insurance risks (continued)

Sources of uncertainty in the estimation of future claim payments (continued)

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

The amount of insurance claims is particularly sensitive to the level of court awards and to the development of legal precedent on matters of contract and tort. Insurance contracts are also subject to the emergence of new types of latent claims, but no allowance is included for this at the reporting date.

Where possible, the Company adopts multiple techniques to estimate the required level of provisions. This provides a greater understanding of the trends inherent in the experience being projected. The projections given by the various methodologies also assist in estimating the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

In calculating the estimated cost of unpaid claims (both reported and not), the Company's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formula where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation.

The initial estimate of loss ratios used for the current year before and after reinsurance are analyses below by line of business where the insured operates for current and prior year premium earned.

	2023		2022	
	Gross loss ratio	**Net loss ratio**	Gross loss ratio	Net loss ratio
Life and medical	**83%**	**73%**	87%	73%
General	**25%**	**27%**	5%	-6%
Motor	**89%**	**85%**	109%	109%

The Company believes that the claims liabilities under insurance contracts outstanding at the year-end are adequate. However, these amounts are not certain and actual payments may differ from the claims liabilities provided in the financial statements. The insurance claim liabilities are sensitive to the various assumptions. It has not been possible to quantify the sensitivity of specific variable such as legislative changes or uncertainty in the estimation process.

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact net underwriting income / (loss) as follows:

	31 December	
	2023	2022
	AED	AED
Impact of change in loss ratio by +/- 1%		
Motor	1,997,074	1,225,062
General	29,705	(6,083)
Medical and Life	2,184,899	1,457,742
	4,211,678	2,676,721

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Process used to decide on assumptions

The risks associated with these insurance contracts are complex and subject to a number of variables that complicate quantitative sensitivity analysis. Internal data is derived mostly from the Company's quarterly claims reports and screening of the actual insurance contracts carried out at the reporting date to derive data for the contracts held. The Company has reviewed the individual contracts and in particular the industries in which the insured companies operate and the actual exposure years of claims. This information is used to develop scenarios related to the latency of claims that are used for the projections of the ultimate number of claims.

The choice of selected results for each accident year of each class of business depends on an assessment of the technique that has been most appropriate to observed historical developments. In certain instances, this has meant that different techniques or combinations of techniques have been selected for individual accident years or groups of accident years within the same class of business.

Reinsurance risk

In common with other insurance companies, in order to minimise financial exposure arising from large insurance claims, the Company, in the normal course of business, enters into arrangement with other parties for reinsurance purposes.

To minimise its exposure to significant losses from reinsurance insolvencies, the Company evaluates the financial condition of its reinsurance companies and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurance. Reinsurance ceded contracts do not relieve the Company from its obligations to participants. The Company remains liable to its participants for the portion reinsured to the extent that any reinsurer does not meet the obligations assumed under the reinsurance agreements.

Sensitivities

The liability for incurred claims is sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process. The following sensitivity analysis shows the impact on gross and net liabilities, net profit and equity for reasonably possible movements in key assumptions with all other assumptions held constant.

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis.

It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

2023	Change in assumptions	Impact on net profit (gross of reinsurance) AED	Impact on net profit (net of reinsurance) AED	Impact on equity (gross of reinsurance) AED	Impact on equity (net of reinsurance) AED
Risk Adjustment	+1%	3,587,760	1,800,633	3,587,760	1,800,633
Discount rate	-1%	(3,587,760)	(1,800,633)	(3,587,760)	(1,800,633)
Risk adjustment	+1%	1,841,801	909,570	1,841,801	909,570
Discount rate	-1%	(1,877,029)	(927,248)	(1,877,029)	(927,248)

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Sensitivities (continued)

2022 *(Restated)*	Change in assumptions	Impact on net profit gross of reinsurance	Impact on net profit net of reinsurance	Impact on equity gross of reinsurance	Impact on equity net of reinsurance
		AED	AED	AED	AED
Risk Adjustment	+1%	3,191,595	1,746,917	3,191,595	1,746,917
Discount rate	-1%	(3,191,595)	(1,746,917)	(3,191,595)	(1,746,917)
Risk Adjustment	+1%	1,373,879	538,556	1,373,879	538,556
Discount rate	-1%	(1,386,486)	(542,399)	(1,386,486)	(542,399)

Financial risk

The table below sets out the classification of each class of financial assets and liabilities along with their fair values. For financial assets and liabilities carried at amortised cost, management believes that the amortised cost of those instruments approximates to their fair values.

2023	**FVTPL**	**Amortised cost**	**Total**
Financial assets	**AED**	**AED**	**AED**
Investment in financial assets at FVTPL (note 7)	**22,266,295**	**-**	**22,266,295**
Due from related parties	**-**	**12,793,779**	**12,793,779**
Other receivables (excluding prepayments) (note 11)	**-**	**21,800,776**	**21,800,776**
Cash and bank balances (note 12)	**-**	**267,762,651**	**267,762,651**
	22,266,295	**302,357,206**	**324,623,501**
Financial liabilities			
Bank borrowings (note 17)	**-**	**218,486,962**	**218,486,962**
Other payables (note 18)	**-**	**57,227,469**	**57,227,469**
Lease liability (note 19)	**-**	**8,244,436**	**8,244,436**
	-	**283,958,867**	**283,958,867**
2022			
Financial assets			
Investment in financial assets at FVTPL (note 7)	19,404,579	-	19,404,579
Due from related parties	-	14,629,709	14,629,709
Other receivables (excluding prepayments) (note 11)	-	15,926,683	15,926,683
Cash and bank balances (note 12)	-	207,941,277	207,941,277
	19,404,579	238,497,669	257,902,248
Financial liabilities			
Bank borrowings (note 17)	-	158,788,906	158,788,906
Other payables (note 18)	-	46,231,896	46,231,896
Lease liability (note 19)	-	1,472,940	1,472,940
	-	206,493,742	206,493,742

The Company has exposure to the following primary risks from its use of financial instruments and operations:

(i) Credit risk;
(ii) Liquidity risk;
(iii) Market risk; and
(iv) Operational risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Compliance with the policy is monitored and exposures and breaches are regularly reviewed for pertinence and for changes in the risk environment. For all classes of financial assets held by the Company the maximum credit risk exposure to the Company is the carrying value as disclosed in the financial statements at the reporting date. Reinsurance is placed with reinsurers' approved by the management, which are generally international reputed companies.

To minimise its exposure to significant losses from reinsurer insolvencies, the Company evaluates the financial condition of its reinsurer's and monitors concentrations of credit risk arising from similar geographic regions, activities or economic characteristics of the reinsurers.

At each reporting date, management performs an assessment of creditworthiness of reinsurers' and updates the reinsurance purchase strategy, ascertaining suitable allowance for impairment if required.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	2023	2022
Financial assets	**AED**	AED
Due from related parties	**12,793,779**	14,629,709
Other receivables (excluding prepayments) (note 11)	**21,800,776**	15,926,683
Bank balances (note 12)	**267,677,806**	207,863,443
	302,272,361	238,419,835

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. Liquidity requirements are monitored on a daily basis and management ensures that sufficient funds are available to meet any commitments as they arise.

Maturity profiles

The table below summarises the maturity profile of the financial assets and financial liabilities of the Company based on remaining undiscounted contractual obligations. Repayments which are subject to notice are treated as if notice were to be given.

	Less than 1 year AED	1-5 years AED	Total AED
2023			
Financial assets			
Financial assets at FVTPL (note 7)	22,266,295	-	22,266,295
Due from related parties	-	12,793,779	12,793,779
Other receivables (excluding prepayments) (note 11)	21,800,776	-	21,800,776
Cash and bank balances (note 12)	267,762,651	-	267,762,651
	311,829,722	12,793,779	324,623,501
Financial liabilities			
Other payables (note 18)	57,227,469	-	57,227,469

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

ii) Liquidity risk (continued)

	Less than 1 year AED	1-5 years AED	Total AED
2022			
Financial assets			
Financial assets at FVTPL (note 7)	19,404,579	-	19,404,579
Due from related parties	-	14,629,709	14,629,709
Other receivables (excluding prepayments) (note 11)	15,926,683	-	15,926,683
Cash and bank balances (note 12)	207,941,277	-	207,941,277
	243,272,539	14,629,709	257,902,248
Financial liabilities			
Other payables (note 18)	46,231,953	-	46,231,953

	Less than 1 year AED	1-5 years AED	5+ years AED	Total AED
2023				
Insurance contract assets (note 10)	**29,406,946**	**(9,539,273)**	**(2,541)**	**19,865,132**
Reinsurance contract assets (note 10)	**130,551,758**	**18,499,778**	**7,526**	**149,059,062**
	159,958,704	**8,960,505**	**4,985**	**168,924,194**
Insurance contract liabilities (note 10)	**251,120,320**	**28,299,519**	**7,530**	**279,427,369**
Reinsurance contract liabilities (note 10)	**73,299,826**	**(2,321,482)**	**(995)**	**70,977,349**
	324,420,146	**25,978,037**	**6,535**	**350,404,718**
2022 *(Restated)*				
Insurance contract assets (note 10)	18,007,555	(1,644,074)	(690)	16,362,791
Reinsurance contract assets (note 10)	119,116,294	17,493,414	12,003	136,621,711
	137,123,849	15,849,340	11,313	152,984,502
Insurance contract liabilities (note 10)	279,294,336	25,906,789	13,317	305,214,442
Reinsurance contract liabilities (note 10)	28,647,210	(282,393)	(207)	28,364,610
	307,941,546	25,624,396	13,110	333,579,052

iii) Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Company limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in local equity and bond markets. In addition, the Company actively monitors the key factors that affect stock and bond market movements, including analysis of the operational and financial performance of investees.

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Company's functional currency is the U.A.E Dirham. The Company has exposures in USD, which is pegged with AED and the Company's exposure to currency risk is limited to that extent, since almost all reinsurance arrangements are denominated in USD.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

iii) Market Risk (continued)

b) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate relates to its bank deposits. As at 31 December 2023, fixed deposits carried interest rates ranging from 2% to 5.4% (2022: 1% to 4.9%) per annum.

If interest rates had been 100 basis points lower throughout the year and all other variables were held constant, the Company's net profit for the year ended 31 December 2023 would decrease by approximately AED 2.59 million (2022: net loss would increase by approximately AED 1.97 million). Similarly increase in interest by 100 basis points would result in equal and opposite effect on profit for the year.

The Company is exposed to interest rate risk on:

(i) Liability for incurred claims; and
(ii) Asset for incurred claims.

c) Equity price risk

Equity price risk is the risk that the fair value of a financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices.

The Company's equity price risk policy requires is to manage such risks by setting and monitoring objectives and constraints on investments, diversification plans, sector and market. The fair values of financial assets are not different from their carrying values.

Sensitivities

The table below shows the results of sensitivity testing on the Company's profit or loss and equity by type of business. The sensitivity analysis indicates the effect of changes in price risk factors arising from the impact of the changes in these factors on the Company's investments:

	10% increase in price		10% decrease in price	
	Profit or loss AED	Other comprehensive income AED	Profit or loss AED	Other comprehensive income AED
31 December 2023				
Fair value through profit or loss	**2,226,630**	**-**	**(2,226,630)**	**-**
31 December 2022				
Fair value through profit or loss	1,940,458	-	(1,940,458)	-

iv) Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss.

The Company cannot expect to eliminate all operational risks, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks.

27 RISK MANAGEMENT (continued)

27.5 Asset liability management (ALM) (continued)

Financial risk (continued)

iv) Operational Risk (continued)

The Company has detailed systems and procedures manuals with effective segregation of duties, access controls, authorisation and reconciliation procedures, staff training and assessment processes etc. with a compliance and internal audit framework. Business risks such as changes in environment, technology and the industry are monitored through the Company's strategic planning and budgeting process.

28 CORPORATE TAX

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

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.

For the Company, current taxes shall be accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 income Taxes, the Company has assessed the deferred tax implications for the year ended 31 December 2023 and, after considering its interpretations of applicable tax law, official pronouncements, cabinet decisions and ministerial decisions (especially with regard to transition rules), it has been concluded that it is not material.

Governance Report 2023

First - The measures that were taken to complete the corporate governance system during the year 2023:

Al Saqr National Insurance Company is subject to the governance laws issued by the Central Bank and is subject to the governance laws issued by the Securities and Commodities Authority in matters not addressed in the corporate governance system issued by the Central Bank.

Accordingly, the provisions of the following laws apply to Al-Saqr National Insurance Company:
- Corporate Governance System and Standards for Insurance Companies Circular No. 24/2022 dated 09/29/2022
-Decision of the Chairman of the Board of Directors of the Securities and Commodities Authority No. 3 of 2020 regarding the adoption of the Governance Guide for Public Joint Stock Companies
The company has taken the steps mentioned below in implementation of the provisions contained in the current and new laws to achieve the objectives of the governance system of institutional discipline:
• A comprehensive governance framework and system has been developed for the company
• Updating and developing a number of policies, including conflict of interest policies, related party dealings and insiders, remuneration policy, and reporting policies.
• Circulating the Code of Conduct to all company employees
• Amending the statute in accordance with the new requirements in order to approve it in the General Assembly scheduled to be held in April 2024.
The Board of Directors held nine meetings during the year 2023, and the company's conditions were discussed, and the minutes of the meetings were recorded and preserved in a way that is easy to access.
•The Audit Committee held its meetings 5 times during the year 2023.
• The Nominations and Remuneration Committee held one meeting during the year.
• Four meetings of the Investments Committee were held.
Internal control reports were discussed by the company's audit committee, its recommendations were considered, and its work was evaluated, which aims primarily to ensure integration and coordination between the various functions in the company with management, allowing the company to achieve its goals.
• A comprehensive governance report has been prepared that explains to shareholders the role played by the company's management in achieving institutional discipline and protecting the rights of shareholders and stakeholders.
The Board of Directors adhered to the principles of disclosure and transparency in accordance with the applicable laws.

- The General Assembly was held within the legal period, and minutes of the meeting were prepared and signed by the Chairman of the Board of Directors, the external auditor, and the meeting rapporteur.
- Data has been updated in the Investor Relations section on the company's website, which contains financial statements, minutes of Board of Directors meetings and general assemblies, in addition to governance reports and other data of interest to investors.

- Al-Saqr National Insurance Company opened nominations for membership in its Board of Directors starting from 02/06/2023, and the independence conditions issued by the Central Bank were applied.
- An experienced Emirati woman was elected to represent the female component on the Board of Directors.
- The register of insiders is updated quarterly during 2023
- Second - A statement of the ownership and transactions of the members of the Board of Directors, their spouses, and their children in the company's securities during the year 2023:
- The dealings of members of the Board of Directors in securities are governed by the decision of the Board of Directors of the Securities and Commodities Authority No. 2 of 2001 regarding trading, clearing, settlements, transfer of ownership, and safekeeping of securities. The Chairman and members of the Board of Directors of the company, its general manager, or any person are not permitted to Employees who are familiar with the basic data of the company may act, personally or through others, in dealing in the securities of the company itself or of the parent, subsidiary, allied or sister company, during the following periods:
- 1. 10 working days before announcing any material information that would affect the stock price up or down, unless the information results from unexpected and unexpected events.
- 2. 15 days before the end of the quarterly, semi-annual, or annual financial period and until the financial statements are disclosed.

- The provisions of the law shall be considered when any of the above-mentioned persons acts, personally or through others, by dealing in the securities of the company itself or of the parent, subsidiary, or allied company, and any dealing that contradicts this shall be invalid. The company shall abide by the provisions of the laws regulating the dealings of members of the boards of directors of listed companies. And other people are familiar with inside information in accordance with the provisions of Article 4-2 of the Market Law.
- All members of the Board of Directors of Al-Saqr Insurance Company, in accordance with the provisions of the law, regulations and decisions issued pursuant thereto regarding their dealings in securities, have acknowledged their commitment to the Authority's Board of Directors Resolution No. 2 of 2001 regarding the system for trading and dealing in the company's securities during the year 2020.
- Members of the Board of Directors are committed to the requirements of disclosure and transparency in accordance with what is stipulated in the laws during their dealings in securities.

- The Chairman and members of the Board of Directors, the CEO of the company, and any employee are committed not to act, personally or through others, in any dealing in the company's securities except after disclosing - through the financial market - the purchase or sale process, its quantities and prices, and obtaining approval. Market manager to deal.
- The persons referred to above are also obligated to disclose in advance to the market any dealings in the securities of the parent, subsidiary, or sister company if this company is listed on the market.

- Below is a table of ownership and transactions for members of the Board of Directors, their spouses, and their children during the year 2023:

S. No	Name	Designation	Owned Shares 12/31/2023	Total Sales	Total Purchase
1	Ayman Mohammed Al-Dweik His membership expired on 01/02/2023	Member of the Board of Directors	11,500,000	Nothing	Nothing
2	Khaled Abdullah Taryam	Deputy Chairman of the Board	11,526,986	Nothing	Nothing

Third: Formation of the Board of Directors during the year 2023:

1- Formation of the Board of Directors

Name	Class in the council	Class in the council		Experience and qualifications.	Duration of membership
Majid Abdullah Al-Sirri	Chairman of Board of Directors	Not Independent	Non-executive	university graduate who runs several commercial companies	20 years
Khaled Abdullah Omran Taryam	Deputy Chairman of the Board	Not Independent	Non-executive	Chairman of the Board of Directors, Editor-in-Chief and General Manager of Dar Al-Khaleej Press, Printing and Publishing, and owner of the International Private Group Company	29 years
Ayman Muhammad Yousry Al-Dweik His membership expired on 02/01/2023.	Member of the board of directors	Independent	Non-executive	Graduate of the University of Southern California, majoring in Marketing	03 years
Muhammad Ali Al-Sirri	Member of the board of directors	Independent	Non-executive	A university graduate who runs several commercial companies	08 years

Jawaher Salem Al Muhairi	Member of the board of directors	Independent	Non-executive	Bachelor's degree in aviation management and master's degree in Economic Policy and Environmental Management	01 years

Continued A - Statement of the membership and positions of board members in other companies and institutions.

Name	Statement
Majid Abdullah Al-Sirri	- Member of the Board of Directors of the Investment Group (Private) Limited - Vice Chairman of the Board of Directors of the Gulf Company for General Investments - Member of the Board of Directors of Al Burj Real Estate Company - Chairman of the Board of Directors of Al-Soor Investments Company - Chairman of the Board of Directors of Al-Saqr Cooperative Insurance Company - Saudi Arabia
Khaled Abdullah Omran Taryam	- Chairman of the Board of Directors, Editor-in-Chief and General Manager of Dar Al-Khaleej Press, Printing and Publishing - Chairman of the Board of Directors of the International Private Group. - General Manager of Gulf Economic Company Limited
Muhammad Ali Al-Sirri	Member of the Board of Directors of the Gulf General Investment Company
Abdul Mohsen Jaber	-
Jawaher Salem Al Muhairi	-

- The members of the Board of Directors acknowledge the accuracy of the information contained in Clause 2 and Clause 3-A
- B, C - There is a female element in the Board of Directors, as the female candidate was elected in the elections in 2023.

D - Remuneration for members of the Board of Directors:

1- Board members are granted rewards in the form of specific amounts only, which include the payment of a fixed annual amount and the repayment of costs directly related to the performance of their responsibilities and exclude any incentive payments based on the company's performance.
2– Remuneration consists of a section that pays for service to the Council and a section that pays for service on committees, with greater weight applied to members who chair committees.
3- The annual bonus does not exceed 10% of the net profit for the financial year after deducting both depreciation and reserves.
4– A member of the Board of Directors who makes special efforts or performs additional work to serve the company beyond his regular duties as a member of the Company's Board of Directors is entitled to receive a greater reward.
5– The fines that may have been imposed on the company due to the Board of Directors' violations of the law or the company's bylaws during the ending fiscal year will be deducted from the Board of Directors' remuneration. The General Assembly may not deduct these fines if it becomes clear to it that these fines are not the result of negligence or error on the part of the Board of Directors.
6– Payment may also include the value of other non-monetary benefits, e.g. Insurance and health care. The agreement with each member of the Board of Directors must specify all the details of his compensation.
7– The negative financial performance or net loss reported by the company in the fiscal year generally leads to a contraction of the total compensation of the Board of Directors, the bonuses of senior management, and the total bonuses of employees.
8– It is permissible to pay fees in the form of a lump sum of 200 thousand dirhams to each member if no profit is achieved or if the member's share is less than 200 thousand dirhams if the company achieves profits.

- Board of Directors' remuneration for the year 2022: total of 500 thousand dirhams at a rate of 100 thousand dirhams per member. The members received committee attendance allowances totaling 450 thousand dirhams, and two members received a management, restructuring, and expense control allowance of 321 thousand dirhams each.
- Board of Directors' remuneration for the year 2023: total of 500 thousand dirhams at a rate of 100 thousand dirhams per member.
- Details of the allowances for attending the sessions of the committees emanating from the Board that members of the Board of Directors received for the fiscal year 2023:

S. No	**Investment Committee**	**Allowances for attending sessions of committees emanating from the Council**			
		Investment Committee	*Exchange Value in Dirhams*	*No of Meetings*	*Total allowance in dirhams*
1	Mr. Majid Abdullah Al-Sirri	Chairman of the Committee	18750	4	75000
2	Mr. Khaled Abdullah Taryam	Member	18750	4	75000

3	Mr. Abdul Mohsen Jaber	Member	18750	4	75000

S. No	The Audit Committee	Allowances for attending sessions of committees emanating from the Council			
1	Mr. Khaled Abdullah Taryam	Chairman of the Committee	12000	5	60000
2	Mr. Muhammad Ali Al-Sari	vice president	12000	5	60000
3	Mrs. Jawaher Salem	Member	12000	2	24000

S. No	Nominations and Remuneration Committee	Allowances for attending sessions of committees emanating from the Council			
		Nominations Committee	Exchange Value in Dirhams	No of Meetings	Total allowance in dirhams
1	Mr. Muhammad Ali Al-Sari	Chairman of the Committee	15000	1	15000
2	Mrs. Jawaher Salem	vice president	15000	-	
3	Mr. Khaled Abdullah Taryam	Member	15000	1	15000

- Details of additional allowances, salaries, or fees received by a member of the Board of Directors other than committee attendance allowances and their reasons: An allowance for management, restructuring, and controlling expenses of 421 thousand dirhams for the CEO and the Chairman each.

E, F - The company’s Board of Directors held nine meetings during the year 2023, as shown below.

S. No	Date	Audience	Absences/notes
1	31/01/2023	Majed Abdullah Al-Sirri - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Ayman Muhammad Al-Dwaik	Khaled Abdullah Omran Taryam
2	13/02/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber	No one
3	01/03/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber	No one
4	06/3/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber	By passing.
5	06/4/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - - Jawaher Salem Al Muhairi	By passing
6	15/6/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	No one
7	27/9/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	No one
8	11/12/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	No one
9	28/12/2023	Majed Abdullah Al-Sirri - Khaled Abdullah Omran Taryam - Muhammad Ali Al-Sirri - Abdul Mohsen Jaber - Jawaher Salem Al-Muhairi	By passing

G - The tasks and powers delegated by the Board of Directors to the Executive Management:

The Executive Management is authorized by the Board of Directors to do the following:

Name of authorized person	Abdul Mohsen Jaber
Duration of authorization	Not specified
Authorization validity	• The company. • • Deposits and withdrawals from the company's current accounts at banks, concluding and signing contracts and agreements, and recording the relevant financial transactions. • Follow up and issue periodic financial reports to be presented to the company's board of directors. • Representing the company before the competent authorities and official departments. • Signing on behalf of the company in all its transactions, records, and documents at ministries, courts, municipalities, civil society bodies, chambers of commerce and industry, and the residence, traffic, police, labor, and immigration departments at airports. • Appointing and dismissing employees according to the policy of the Board of Directors and its committees. • Selling and marketing the company's production. • Renting branch offices and providing all supplies • Paying salaries and compensation to employees and employees of the company • Approval to pay compensation for the amounts due as a result of the investigation of insurance risks.

I - Transactions with related parties.

S. No	Related party	Nature of relationship	Dealing type	volume of dealings
-	-	-	-	-

I- The company's organizational structure for the year 2023: shown on the next page.

J - Names of senior executive employees:

S. No	Name	Designation	Date of hiring	Total salaries and allowances paid for the year 2023 (AED)	Total bonuses paid for the year 2023 (AED)	Other rewards
1	Abdul Mohsen Jaber	Member of the Board of Directors and CEO	14/05/2012	1,300,000	Nothing	Nothing
2	Summer Yard	Senior Vice President - Sales and Marketing	2020/02/23	613,000	64,680	Nothing
3	Santosh Kumar	Vice President - Life and Medical Insurance	2006/11/05	472,500	28,125	Nothing
4	Ahmed Bseiso	Senior Vice President - Reinsurance	1995/11/07	475,200	27,825	Nothing
5	Mahmoud Rahal	Vice President - Human Resources and Administrative Affairs	2020/10/20	494,000	38,000	Nothing
6	Morgesh Palani	Vice President - Finance	2019/08/21	455,600	27,225	Nothing
7	Ratheesh Kanth	Senior Vice President	2019/10/10	574,000	63,030	Nothing
8	Amer Al-Far	Senior Vice President	2019/10/10	600,000	51,000	Nothing
9	Akram Al-Khatib	Vice President - Vehicles Department	2021/06/20	420,000	35,000	Nothing

Fourth: The external auditor:

1- About Grant Thornton: It is considered one of the largest consulting, auditing and professional services companies in the world and is recognized by financial markets, regulatory bodies and international standard-setting bodies and is among the top five companies in the field of auditing.

Operations in the UAE are supported by more than 200 specialized people, and the local team is supported by the expertise of regional professionals distributed around the world.

2- An illustrative table of fees and details of working with the external auditor.

Name of the audit firm and partner auditor	**Grant Thornton - Osama Al-Bakri**
A number of years he spent as the company's external auditor.	**5 years**
The number of years the partner auditor spent auditing the company's accounts	**2 Years**
Total audit fees for the financial statements for the year 2023 (AED)	**Their fees were set at 225,000 UAE dirhams.**
Fees and costs for special services other than auditing the financial statements for the year 2023 (AED)	Nothing
Details and nature of other services provided.	**80 thousand dirhams for reviewing the financial statements according to IFRS 17** **40 thousand dirhams in exchange for agreed upon procedures to settle standards 17 and 4.**
A statement of other services that an external auditor other than the company's auditor provided during the year 2022	**Nothing**
A statement of other services that an external auditor other than the company's auditor provided during the year 2022.	**Nothing**

C- There are no reservations by the company's external auditor on the interim and annual financial statements for the year 2023 until the date of preparing this report.

Fifth - Audit Committee:

1. The Chairman of the Audit Committee, Mr. Khaled Abdullah Taryam, acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.
2. The Audit Committee consists of the following gentlemen:
- Mr. Khaled Abdullah Omran Taryam - Chairman of the Committee - expert in financial and accounting affairs.
- Mr. Muhammad Ali Al-Sari - Committee Member and Vice-Chairman.
- Mrs. Jawaher Salem Al Muhairi - Committee Member.

The committee carries out all the powers and tasks stipulated in Article 61 of the Authority's Chairman of the Board of Directors' Decision No. 3/2020 regarding governance controls, which are as follows:

1. Reviewing the company's financial and accounting policies and procedures.
2. Monitoring the integrity of the company's financial statements and reports (annual, semi-annual, and quarterly) and focusing on the following:
- Any change in accounting policies.
- Highlighting the aspects subject to the Board of Directors' discretion.
- Fundamental amendments resulting from the audit.
- Ensure that the company updates its records on an annual basis.
- Assuming the continuity of the company's business.
- Compliance with accounting standards determined by the Authority.
- Adherence to disclosure and listing rules.

3. Coordinating with the company's board of directors, executive management, and the financial director to perform tasks.
4. Consider any material and unusual items that should be included in those reports and accounts.
5. Submit a recommendation to the Board of Directors regarding the selection, resignation, or dismissal of the external auditor. In the event that the Board of Directors does not agree to the recommendations of the Audit Committee in this regard, the Board of Directors must include in the governance report a statement explaining the recommendations of the Audit Committee and the reasons that prompted the Board of Directors not to take them into account.
6. Develop a policy for contracting with the external auditor and submit a report to the Board of Directors specifying the issues on which a decision must be taken, along with appropriate recommendations.
7. Ensure that the external auditor fulfills the conditions stipulated in the applicable laws, regulations, decisions, and the company's bylaws, and follow up and monitor his independence.
8. Meeting with the company's external auditor without the presence of any person from the senior executive management or its representative at least once a year and discussing the nature and scope of the audit operations and the extent of their effectiveness in accordance with the approved auditing standards.
9. Discuss everything related to the work of the external auditor, his work plan, his correspondence with the company, his observations, proposals, reservations, and any fundamental inquiries raised by the external auditor to the senior executive management regarding accounting records, financial accounts, or control systems, and follow up on the extent of the company's management's response to them. Providing the necessary facilities to carry out his work.
10. Ensure that the Board of Directors responds in the required time to the clarifications and fundamental issues raised in the external auditor's letter.
11. Review and evaluate the company's internal control and risk management systems.
12. Discussing the internal control system with the Board of Directors and ensuring that it performs its duty in establishing an effective internal control system.

13. Considering the results of the main investigations into internal control issues.
14. Review the auditor's evaluation of internal control procedures and ensure that there is coordination between the internal and external auditors.
15. Ensure the availability of the necessary resources for internal control management and monitor the effectiveness of this management.
16. Study and evaluate internal control reports and follow up on the implementation of corrective measures for the observations contained therein.
17. Establishing controls that enable company employees to report any potential violations in financial reports, internal control, etc. confidentially, and steps to conduct independent investigations into those violations.
18. Monitoring the company's compliance with the rules of professional conduct.
19. Reviewing the transactions of related parties with the company and ensuring that there are no conflicts of interest and recommending them to the Board of Directors before concluding them.
20. Ensuring the implementation of the work rules related to its tasks and the powers assigned to it by the Board of Directors.
21. Submit a report to the Board of Directors on the issues mentioned in this clause.
22. Consider any other topics determined by the Board of Directors.
23. Approving the additional work carried out by the external auditor and their fees

3. Details of the Audit Committee meetings held during the year 2023:

S.No	The Audience	Date
1	All members except the resigned member, Mr. Ayman Al-Dweik	02/2/2023
2	All members except the resigned member, Mr. Ayman Al-Dweik	01/3/2023
3	All members except the resigned member, Mr. Ayman Al-Dweik	06/3/2023
4	All members	15/6/2023
5	All members	28/12/2023

Sixth - Nominations and Remuneration Committee:

1- The Chairman of the Nominations and Remuneration Committee, Mr. Muhammad Ali Al-Sirri, acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.
2- The Nominations and Remuneration Committee was formed from the following gentlemen:
1- Mr. Muhammad Ali Al-Sirri - Chairman of the Committee.
2-Mrs. Jawaher Salem Al Muhairi - Vice President
3- Mr. Khaled Abdullah Omran Taryam - Member.

The committee carries out the tasks stipulated in Article No. 59 of the Authority's Board of Directors Chairman's Decision No. 3/2020:
1-Develop a policy for nominations for membership in the Board of Directors and Executive Management
2- Organizing and following up on nomination procedures.
3- Ensure the independence of independent members.
4- Ensure that the membership conditions for Council members are still met
5- Presenting the case of loss of independence to the Council.
6- Preparing a policy of rewards, benefits and incentives.
7-Annual review of the required skills requirements for membership in the Board of Directors.
8- Review the structure of the Board of Directors.
9- Determine the company's needs for competencies.

10- Preparing a human resources policy.
11-Any other topics determined by the Board of Directors.

3- Details of the Nominations and Remuneration Committee meetings held during the year 2023:

S.No	The Audience	Date
1	All members except the resigned member, Mr. Ayman Al-Dweik Aldweik	02/02/2023

Seventh - A committee to follow up and supervise the dealings of insiders.
Mr. Rawad Shaker and Mr. Jomon Kuruvilla acknowledge their responsibility for the system of monitoring and supervising the dealings of insiders in the company and for their review of its work mechanism and ensuring its effectiveness.
-He follows up and supervises the dealings of insiders, Mr. Rawad Shaker and Jomon Kuruvilla. The tasks assigned to this position are summarized in preparing a special register for insiders and submitting quarterly reports to the market on the names of insiders and other reports when any transactions by insiders occur.
The committee periodically reviewed the transactions in the company's securities, and it was.

not found that any transactions in securities by insiders occurred during the year 2023.

Eighth - Investments Committee:

A- The Chairman of the Investments Committee, Mr. Majid Abdullah Al-Sirri, acknowledges his responsibility for the committee's system in the company and for reviewing its work mechanism and ensuring its effectiveness.
B- An Investments Committee was formed from the following gentlemen:
-Mr. Majid Abdullah Al-Sirri - Chairman of the Committee.
-Mr. Khaled Abdullah Taryam - Committee Member.
-Mr. Abdel Mohsen Jaber - Committee Member.

T - The committee sets investment rules and policies, monitors investments, and submits periodic reports to the Board of Directors.

D - Schedule of committee meetings during 2023:

S.No	The Audience	Date
1	All members	31/01/2023
2	All members	01/05/2023
3	All members	15/06/2023

Ninth - Internal control system:

1- The Board of Directors acknowledged its responsibility for the company's internal control system and also acknowledged its direct responsibility for its review and effectiveness.
2- Name and qualifications of the Department Director: Jomon Kuruvilla - internal auditor and holds an ICAI audit certificate from India for the year 2004 and has 22 years of experience in accounts. He was appointed on 02/01/2010.
Mr. Jomon resigned on 08/12/2023
C- The name and qualifications of the compliance officer: Rawad Shaker - a degree in economics and accounting, secretary of the board of directors accredited by the Governance Institute, and an anti-money laundering officer accredited by the International Compliance Institute. He was appointed on 01/11/2010.
D- If it is discovered that there are any major risks in the company, the Internal Control Department will conduct a research and audit process to find out the following:

- The causes of the problem and those responsible for its occurrence.
- The implications of the problem and on all administrative, financial and operational aspects.
- How to address the problem.
- Then put in place procedures to prevent or limit the possibility of this problem occurring in the future
- The company's internal control department also prepares a detailed report that includes all the points mentioned above and submits it immediately to the company's executive management and then includes it in the report submitted quarterly to the audit committee.

The company did not face any major problems in 2022
E - The Internal Control Committee issued four reports that were submitted to the Audit Committee, which in turn discussed the reports with the Board of Directors.
Tenth - No violations were committed during the year 2023.

11- The company's contribution to preserving the environment and developing society:

• Holding educational lectures for employees in the field of insurance.
• Organizing an annual ceremony to honor the company's employees and honoring the best employees on a quarterly basis.
• Organizing a blood donation campaign by company employees.
• Awareness campaigns on social media to prevent cancer and liver
• Cooperation with specialized companies to recycle papers.
•Celebrating Science Day

12- The company's share price in the market during the year 2023.

1- The highest, lowest and closing prices (Table 1)
2-Comparative performance with the market index and the sector index (Table 2).

Table 1

ASNIC Share Price (Closing-Highest-Lowest) at end of each month for 2023

MonthName	Month_High	Month_Low	Month_Close
Jan-23	No Trading	No Trading	0.729
Feb-23	No Trading	No Trading	0.729
Mar-23	No Trading	No Trading	0.729
Apr-23	No Trading	No Trading	0.729
May-23	No Trading	No Trading	0.729
Jun-23	No Trading	No Trading	0.729
Jul-23	No Trading	No Trading	0.729
Aug-23	No Trading	No Trading	0.729
Sep-23	No Trading	No Trading	0.729
Oct-23	No Trading	No Trading	0.729
Nov-23	No Trading	No Trading	0.729
Dec-23	No Trading	No Trading	0.729

Table 2 .

Monthly Performance of ASNIC Shares for Year 2023

MonthName	ASNIC	DFMGI	FINANCIALS
Jan-23	0.729	3303.27	2336.18
Feb-23	0.729	3437.76	2489.72
Mar-23	0.729	3406.72	2330.57
Apr-23	0.729	3544.79	2486.88
May-23	0.729	3576.63	2498.11
Jun-23	0.729	3791.99	2623.58
Jul-23	0.729	4059.27	2830.14
Aug-23	0.729	4082.87	2806.39
Sep-23	0.729	4163.58	2873.74
Oct-23	0.729	3877.08	2725.04
Nov-23	0.729	3992.36	2793.62
Dec-23	0.729	4059.8	2823.68

5- Statement of the distribution of shareholder ownership as of 12/31/2023 (individuals - companies - governments) classified (local - Gulf - Arab - foreign)

S. No	Contributor Rating	Percentage of Shares Owned			
		Members	Companies	Government	Total
1	local	%36	%64	%0	%100
2	From the Gulf	-	-	-	-
3	Arabic	-	-	-	-
4	foreigner	-	-	-	-
	Total	%36	%64	%0	%100

6- D- A statement of shareholders who own 5% or more of the company's capital as of 12/31/2023

S. No	Name	Number of shares	Ratio
1	Khalid Abdullah Omran Taryam	11,526,986	%5.01
2	Gulf General Investment Company	108,281,254	%47.08
3	Amjad Muhammad Yusri Mahmoud Dweik	11,500,000	%5
4	Ayman Muhammad Yusri Mahmoud Dweik	11,500,000	%5
5	شركة الشرق الادنى للاستثمار - Near East Investment Company	20,125,000	%8.75

7- E - A statement of how shareholders are distributed according to the size of ownership as of 12/31/2023 according to the following table:

S.No	Share Ownership (Shares)	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned by Capital
1	Less than 50,000	9	30,302	0.01%
2	Who is it 50,000 to less than 500,000	1	315,944	%0.14
3	Who is it 50 0 to less 000, than 5000000,	7	24,342,028	10.58%
4	More than 5,000,000	11	205,311,726	89.27%

27-Investor Relations:

- -Name of Investor Relations Officer: Rawad Shaker
- -rawad.shaker@alsagrins.ae
- -Tel: 047028500 - Fax: 043968442

-Electronic link: http://www.alsagrins.ae/?page_id=477

A special section for investor relations has been created on the company's website, which includes all data of interest to investors, such as financial statements, minutes of Board of Directors meetings, general assemblies, governance reports, and any related data.

- Data update for 2023 is being completed

-A link to the Guide to Investor Rights in Securities issued by the Securities and Commodities Authority has been added to the Investor Relations Section.

G- Special decisions that were presented at the General Assembly held in 2023.

- nothing .

6- Name of the rapporteur of the Board of Directors meetings: Rawad Shaker, who was appointed on 11/01/2010.

-Bachelor’s degree in economics and accounting - a course approved by the Hawkamah Institute

-His work tasks:

1- Supervising the preparation of work agendas and reports for the meetings of the Board of Directors and the committees emanating from them.

2- Supervising the preparation of minutes of meetings of the Board of Directors and its committees.

3- Arranging the procedures for holding the General Assembly and preparing its agenda, report, and minutes of its meetings.

4- Preparing the annual governance report and informing the Board of Directors of its contents

5-Responsible for implementing the company’s governance system.

16--Main events in 2023: None

17-- Transactions carried out by the company with related parties during the year 2023 and equal to 5% or more of the capital: none

- 28- Percentage of Emiratisation

The Emiratization rate reached 13% at the end of 2023

The Emiratization rate reached 9.78% at the end of 2022.

The Emiratization rate reached 6.36% at the end of 2021.

22-Innovative projects and initiatives during 2023.

A number of innovative projects were discussed at the beginning of 2024 and will be disclosed, once approved, in the 2024 Governance Report.

Board nomination

1- Candidates for membership in the Board of Directors are selected to ensure diversity of experience within the Board.

2- Candidates must meet the conditions contained in the governance system and standards issued by the Central Bank and the decision of the Chairman of the Board of Directors of the Securities and Commodities Authority No. 3 of 2020 regarding the adoption of the governance guide for public joint-stock companies.

3-The company maintains confirmation of receipt of nomination applications from females, equivalent to 20% of nomination applications

Nominations were opened twice in February and March in order to increase the number of members of the Board of Directors to 7 members, in compliance with the governance system issued by the Central Bank.

Board members' signature of the 2023 governance report

-Mr. Majid Abdalla Al Sari

Chairman of the Board of Directors and Chairman of the Investment Committee: --------------------

-Mr. Khaled Abdullah Omran Taryam

Deputy Chairman of the Board of Directors and Chairman of the Audit Committee: -----------------

-Mr. Muhammad Ali Alsari
Member of the Board of Directors and Chairman of the Nominations Committee: --------------------

-Ms. Jawaher Salim Al Muheri
Member of the Board of Directors and Vice Chairman of the Nominations Committee: --------------

Mr. Abdel Mohsen Jaber
Member of the Board of Directors and CEO: ------------------------------

-Mr. Rawad Shaker
Director of Compliance and Investor Relations: ------------------------------

-Internal Control Department: ------------------------------

الصقر للتأمين
AL SAGR INSURANCE

توقيع اعضاء مجلس الادارة عن تقرير الحوكمة لعام 2023

- السيد / ماجد عبد الله السري
  - رئيس مجلس الادارة و رئيس لجنة الاستثمار :----------

- السيد/ خالد عبد الله عمران تريم
  - نائب رئيس مجلس الادارة و رئيس لجنة التدقيق :----------

- السيد/ محمد علي السري
  - عضو مجلس الادارة و رئيس لجنة الترشيحات :----------

- السيدة/ جواهر سالم المهيري
  - عضو مجلس الادارة و نائب رئيس لجنة الترشيحات :----------

- السيد/ عبد المحسن جابر
  - عضو مجلس إدارة و رئيس تنفيذي :----------

- السيد/ رواد شاكر
  - مدير الامتثال و علاقات المستثمرين :----------

- ادارة الرقابة الداخلية :----------

AL SAGR NATIONAL INSURANCE CO.
P.O. BOX 14614, DUBAI, U.A.E

الصقر للتأمين
AL SAGR INSURANCE

SUSTAINABILITY REPORT 2023

CONTENTS

ABOUT THE REPORT

Al Sagr National Insurance Company's 2023 Sustainability Report encapsulates the period spanning January 1 to December 31, 2023, unless otherwise specified. Established on December 25, 1979, as a public shareholding Company by an Emiri Decree from His Highness, the Ruler of Dubai, the company is duly registered with the Ministry of Economy of the United Arab Emirates under registration No. (16).

Al Sagr National Insurance maintains a strong presence throughout the United Arab Emirates. Our headquarters located at Al Sagr National Insurance Building, Diplomatic Area, Al Seef Road, Bur Dubai, P.O. Box 14614, Dubai, UAE., with additional branches conveniently situated in Dubai, Abu Dhabi City, Abu Dhabi Musaffah, Al Ain, Ras Al Khaimah, Sharjah, and Ajman. All seven branches and headquarters are included within the scope of this report.

While the Company holds three associate companies - Green Air Technology LLC, Sogour Al Khaleej General Trading LLC, and Al Sagr Cooperative Insurance Company - operational control over these entities lies beyond our purview, thus rendering them outside the scope of this report.
We take operational control as the boundary for reporting, unless stated otherwise.

BASIS OF PREPARATION

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards and followed Dubai Financial Market's (DFM) ESG guidelines to enhance transparency and accountability. Additionally, the report refers to alignment of Al Sagr National Insurance Company's commitments with the United Nations Sustainable Development Goals (SDGs)

DATA VERIFICATION

To ensure accuracy and comprehensiveness, the content of this report has undergone rigorous review internally by respective departments

FORWARD-LOOKING STATEMENTS

It's important to know that forward-looking statements can be uncertain because they depend on many external factors that might affect how the company operates.
The Company holds no obligation to publicly update or revise its forward-looking statements throughout the coming fiscal year except as required by applicable laws and regulations. It is therefore not within the scope of our internal audit team to form an opinion on these forward-looking statements.

COMMUNICATION & FEEDBACK

Each section begins with references to the GRI Standards and DFM ESG disclosures. The GRI content index,is prepared in accordance with the GRI Standards and encompasses DFM's ESG disclosures.
We welcome feedback and suggestions related to this report. Please contact us at:

Name: Mr. Rawad Shaker
Position: Investor Relations & Compliance Manager
Email: Rawad.shaker@alsagrins.ae

ABDEL MUHSEN JABER
Director and CEO

MESSAGE FROM CEO

Reflecting on a year of steady growth (2023), I'm pleased to report Al Sagr Insurance Company's strong financial performance, fuelled by successful customer acquisition, retention, and market expansion. We navigate a rapidly evolving insurance landscape, adapting to meet the demands of a global, regional, and local market in flux. Recognizing the need for agility, we remain committed to offering innovative insurance solutions, upholding strong governance, and actively participating in industry initiatives.

ESG (Environmental, Social, and Governance) considerations are central to our strategic vision, particularly in light of COP28 and the UAE's dedication to sustainability. We strive for a responsible and sustainable future, minimizing our environmental footprint, promoting social well-being, and adhering to high governance standards. Stakeholders' increasing ESG sensitivity influences our initiatives, which encompass environmental sustainability practices, social responsibility programs, and a robust governance framework with effective oversight and risk management.

Product innovation is driven by market research, customer feedback, and technology integration, ensures we meet evolving customer needs. Additionally, our customer-centric approach, emphasizing feedback mechanisms, improved communication channels, and proactive engagement to deliver exceptional service throughout the insurance journey.

Looking ahead, Al Sagr Insurance Company creating value for all stakeholders through dedication to ESG principles, strong governance, continuous innovation, and unwavering customer-centricity. As we navigate the complexities of a changing environment, we remain focused on shaping a more sustainable future through innovation and collaboration, driving sustainable growth, fostering resilience, and creating enduring value

AL SAGR AT A GLANCE

For over four decades Al Sagr National Insurance Company (Al Sagr) has been a leading multi-line insurance provider in the UAE, distinguished by its unwavering commitment to service excellence and innovation. Headquartered in Dubai with branches strategically positioned across the emirates including Abu Dhabi, Al Ain, Sharjah, Ras Al Khaimah, and Ajman. We offer a comprehensive range of world-class insurance solutions encompassing individuals, corporations of all sizes, and government entities.

Since our founding in 1979, we have consistently adapted to meet the evolving needs of our diverse clientele. Our team of skilled professionals is dedicated to delivering exceptional customer service and innovative insurance products that cater to a wide range of requirements.

At Al Sagr, we prioritize building long-term relationships with all our stakeholders, including investors, customers, and employees. Our unwavering commitment to service excellence and innovation has positioned us as a trusted partner for multinational corporations and local residents alike.

We are committed to progress and excellence in the insurance industry. By prioritizing customer-centricity and fostering trust-based partnerships, Al Sagr has earned a reputation for delivering exceptional insurance solutions across the UAE.

OUR VISION

To become one of the top insurance providers in the region by emphasizing the highest level of customer satisfaction while focusing on innovative insurance solutions, professionalism, cutting-edge knowledge, and the use of local talent and resources for the benefit of all stakeholders.

OUR MISSION

To uphold Al Sagr's reputation by providing the best standard of customer service with enthusiasm and pride.
This philosophy aims to cultivate loyalty in the minds of customers, whose testimony of Al Sagr's customer service will come from their experiences and reports.

OUR CORE VALUES

RELIABILITY

We are responsible for always defending the interests of our stakeholders

EXCELLENCE

We labour diligently, wisely, and intelligently to reach excellence and to do our best

CUSTOMER COMMITMENT

We have a retention approach that aims to maintain customer loyalty through dependable service and the development of strong bonds

QUALITY

We work hard to give our clients top-notch services at a fair price and take systematic measures to provide products that live up to client expectations

TEAMWORK

We foster teamwork to continuously advance on strong pillars of customer service, product quality, and client loyalty

OUR PORTFOLIO

(GRI 201-1, GRI 203-2, GRI 418-1, G7)

At Al Sagr, we are committed to empowering our customers with a comprehensive suite of world-class insurance solutions. Our primary objective is to serve as their trusted partner, fostering resilience and safeguarding their well-being. We offer a diverse portfolio of products designed to meet a wide range of needs includes:

TO OUR CORPORATE CUSTOMERS

- Group Medical Insurance
- Group Life Insurance
- Motor Fleet Insurance
- Marine Cargo Insurance
- Marine Hull Insurance
- Property Insurance
- Engineering Insurance
- Liability Insurance
- Miscellaneous Insurance

TO OUR INDIVIDUAL CUSTOMERS

- Medical Insurance
- Life Insurance
- Travel Insurance
- Motor Insurance
- Yachts & Pleasure Crafts Insurance
- Home Insurance

OUR CLIENTS

Al Sagr leverages partnerships to strengthen its offerings and service delivery. Collaborations with leading companies expand our product portfolio and expertise. Notably, partnerships with A-rated reinsurers fully secure all underwritten risks, solidifying our financial backing and client protection. These include renowned global and regional reinsurers such as Hannover Re, Swiss Re, Korean Re, GIC Re, and Liberty, among others

SUSTAINABILITY AT AL SAGR

(GRI 2-29, GRI 2-30, GRI 3-1, GRI 3-2)

At Al Sagr, we recognize the interconnectedness of environmental, social, and economic well-being. We are committed to integrating sustainability practices into our core business, offering products that promote resilience, and fostering responsible investments. This report outlines our ongoing efforts to build a more sustainable future for Al Sagr and the communities we serve.

KEY HIGHLIGHTS 2023

- Energy consumption per employee declined from 42.06 GJ in 2021 to 30.84 GJ in 2021
- Female workforce increased from 36.69% to 37.51%in 2021
- Zero incident of data leakage

OUR SUSTAINABILITY STRATEGY

Al Sagr Insurance Company recognizes its responsibility to create long-term value for all stakeholders. This necessitates integrating Environmental, Social, and Governance (ESG) factors into our core operations. By focusing on three key areas, we aim to maximize our impact as a sustainable insurance company

RESPONSIBLE EMPLOYER

We foster a safe, healthy work environment with opportunities for employee growth and development. We promote sustainability awareness by reducing our environmental footprint and attracting top talent who prioritize these factors

RESPONSIBLE INSURER

In recognition of growing ESG risks, particularly climate change, we are integrating ESG factors into our risk management framework. This allows us to develop innovative underwriting solutions that support a sustainable future

RESPONSIBLE INVESTOR

While our direct environmental impact is relatively low, we leverage our investment activities to maximize impact. We utilize ESG screening to channel funds towards sustainable issuers and support the transition to sustainable finance

Al Sagr’s SDG Roadmap

The UN's 17 Sustainable Development Goals (SDGs) form a universal roadmap to end poverty, protect the planet, and ensure prosperity by 2030. These interconnected goals require a unified global response, with SDG 13 specifically addressing climate change as a critical threat to achieving all goals.

Recognizing this need for collaboration, the UAE established a National Committee on SDGs to integrate them into national and local agendas. Furthermore, special advisory councils, including the Private Sector Council, were formed to develop policies and initiatives for achieving these goals. The UAE's commitment extends globally with the creation of the Global Councils on SDGs, a network of experts dedicated to implementing the goals worldwide.

Key SDGs

Al Sagr is dedicated to supporting the UAE's national sustainability agenda. We believe aligning business activities with the UN's Sustainable Development Goals (SDGs) is key to maximizing our positive impact. Through this process, we identified five key SDGs where Al Sagr can make a significant contribution. One area where we can have a major impact is health and well-being, specifically through our core offering of health insurance.

HIGH IMPACT SDG	SDG 3
CORE SDG’s	SDG 1,5,8 and 13

Key SDGs

Al Sagr is committed to supporting a more sustainable future, and our insurance products play a vital role in achieving several key UN Sustainable Development Goals (SDGs).

SDG 1

End Poverty in All Its Forms Everywhere

Insurance acts as a safety net, protecting families from financial devastation caused by unforeseen events. This prevents them from falling into poverty and fosters economic security.

SDG 3

Ensure Healthy Lives and Promote Well-being for All

By providing health insurance, Al Sagr plays a crucial role in social protection, ensuring access to healthcare for individuals and families. This helps prevent financial hardship due to medical expenses.

SDG 5

Achieve Gender Equality and Empower All Women

Recognizing gender risk differences, Al Sagr offers insurance solutions that protect women in case of a spouse's death. This financial security allows women to maintain their homes, businesses, and children's education, promoting gender equality.

SDG 8

Promote Sustained, Inclusive, and Sustainable Economic Growth

Through asset protection, Al Sagr's insurance empowers Micro-, Small-to-Medium Enterprises (MSMEs) to access loans and investments. This unlocks financial resources for growth, job creation, and economic development.

SDG 13

Take Action to Combat Climate Change and Its Impacts

By mitigating the financial burden of extreme weather events, Al Sagr's insurance strengthens climate resilience for individuals and businesses. This complements other climate change adaptation efforts

Our Stakeholder Engagement Strategy

In today's dynamic business landscape, Al Sagr recognizes the importance of continuous engagement with stakeholders. Through open communication with stakeholders, we gain a clear understanding of their needs and concerns. This valuable perspective empowers us to make informed decisions that benefit everyone. Stakeholder engagement keeps us attuned to evolving market trends and industry challenges, allowing us to adapt, innovate, and ensure long-term success. Open communication and collaboration build trust and transparency, fostering a shared purpose and a stronger commitment to mutual success.

Internal Stakeholders

Management team, Employees, Board, and Shareholders

External Stakeholders

Customers, Local community, Business partners, (Reinsurers, TPAs/ Brokers, Major suppliers), Government and regulators, Rating agencies.

Al Sagr recognizes the importance of continuous improvement in stakeholder engagement. We are actively exploring the development of a more systematic approach and methodology for ESG-focused engagement. This could potentially involve additional surveys, workshops, and dedicated communication channels to deepen our understanding of stakeholder needs and concerns related to environmental, social, and governance (ESG) issues

The table below lists our key stakeholders, method of engagement we use to engage with them on a regular basis and focus areas:

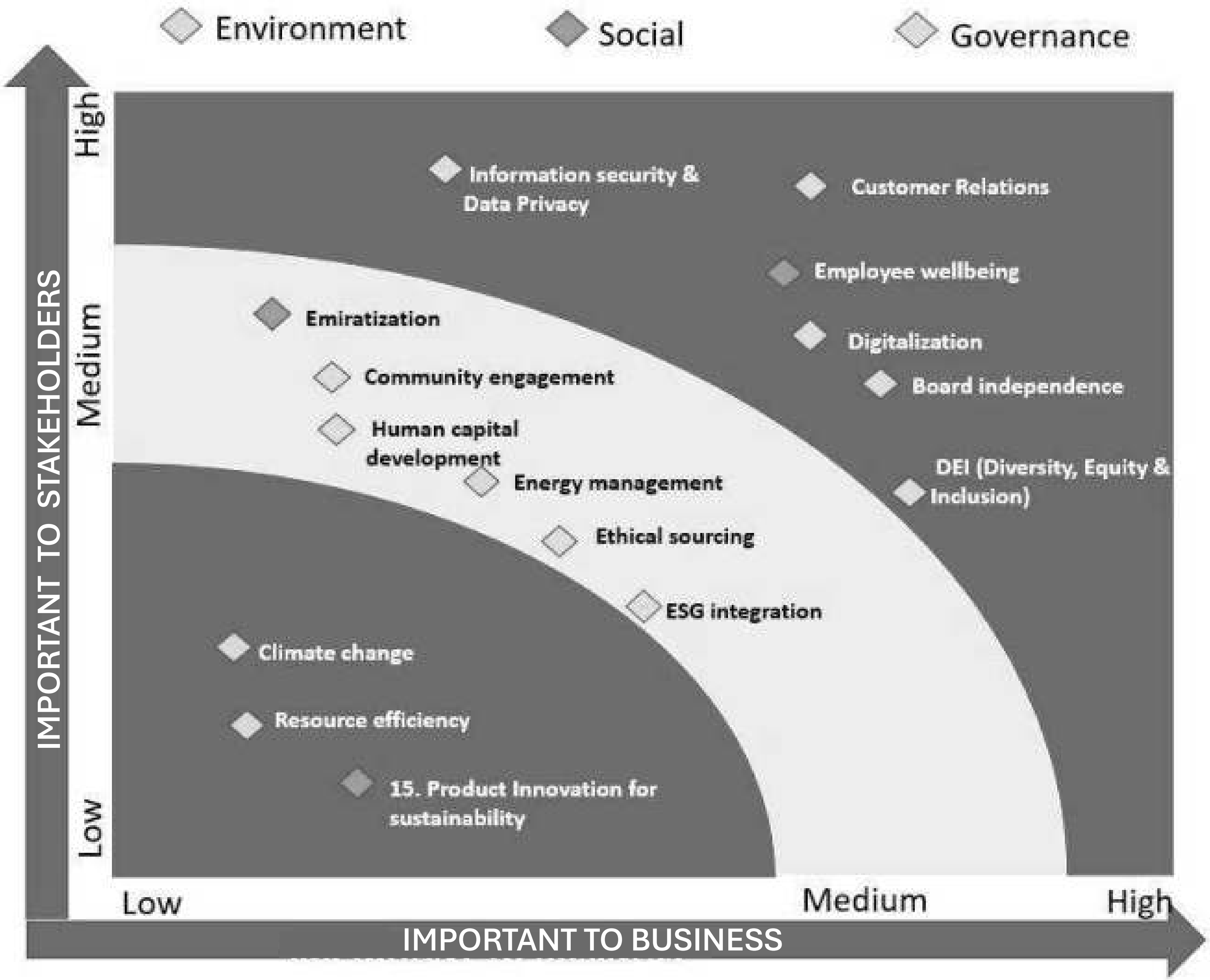
Key Stakeholders	Method of Engagement	Focus Areas
Customer	Website Marketing material Social media Online customer review Regulator compliant portal	Customer needs, product innovation, claims experience, sustainability preferences
Employees	Yearly Performance Review Company Training Internal Announcements Company Events Exit Interviews	Employee well-being, skills development, diversity & inclusion, sustainability initiatives within the company
Board of Directors and Management Team	Regular Meetings Board of Directors Meetings Committee Meetings Management Meeting Corporate Disclosure	Governance, risk management, sustainability strategy, company performance
Shareholders	Annual General Meeting Regular corporate regulatory Disclosures	Financial performance, ESG strategy, long-term value creation
Government & Regulators (CB UAE, SCA, DFM, DHA, Department of Health Authority)	Regular interaction as per regular requirements Regular exchange of emails Webinars	Regulatory compliance, industry best practices, sustainability reporting requirements
Community	Local initiatives and volunteering activities	Social responsibility, community development, environmental sustainability initiatives
Business partners (Reinsurer, TPAs, and Brokers)	Code of conduct Assessment and Audits	Risk management, product development, market trends, sustainability practices within the insurance industry
Rating Agencies	Meetings with rating agencies, public disclosures on sustainability practices	Financial strength, risk management practices, ESG integration within the company

Materiality Focus for Al Sagr

To identify the most relevant sustainability topics for Al Sagr, we conducted a comprehensive materiality assessment. This process included an internal stakeholder survey, leveraging insights from previous reports, and referencing industry best practices. Based on the valuable feedback received, and combining with additional data sources, allowed us to determine 15 key material topics.

We acknowledge the limitations of the initial survey and are committed to continuous improvement in our materiality assessment process. In future iterations, the survey will be expanded to encompass a wider range of stakeholders, both internal and external, to ensure a more comprehensive understanding of ESG priorities. This ongoing process will enable us to refine our focus and deliver even greater sustainability impact.

The following materiality matrix illustrates the relative importance of these topics. Topics positioned in the top hold the most significance, as they represent high importance to stakeholders and high impact on our business operations. These are the key topics we will focus on in our sustainability reporting efforts.



Validation of Material topics

The table provided validates our material ESG topics by linking them to corresponding GRI disclosures and DFM ESG metrics. The GRI/DFM Content Index includes a comprehensive overview of the disclosures and metrics that feature in this report, located on page 36.

S. No	Key Material Topics	Corresponding GRI Disclosure	Corresponding DFM Metrics
1	Information Security & Data Privacy	GRI 418 – Customer Privacy	G7: Data Privacy
2	Customer Relations	GRI 415 - Customer Satisfaction	N/A
3	Employee wellbeing	GRI 401 - Employment GRI 103 - Management Approach 2016 GRI 404 – Training and Education	S3: Employee Turnover S5: Temporary Worker Ratio S8. Global Health & Safety
4	Digitalisation	N/A	N/A
5	Board independence	GRI 102-18 Governance structure	G2: Board Independence
6	DEI (Diversity, Equity & Inclusion)	GRI 102 - General Disclosures 2016 GRI 405 - Diversity and Equal Opportunity 2016 GRI 103 - Management Approach 2016	S4: Gender Diversity S6: Non-Discrimination G1: Board Diversity

7	Emiratization	GRI 202 – Market Presence	S11: Nationalization
8	Community engagement	GRI 202 – Market Presence GRI 413 – Local Community	S12: Community Investment
9	Economic Performance	GRI 201 – Economic Performance GRI 203 – Indirect Economic Impact	N/A
10	Energy management	GRI 302 - Energy	E3: Energy Usage E4: Energy Intensity E5: Energy Mix E8 & E9: Environmental Oversight
11	Ethical sourcing	GRI 103 - Management Approach 2016 GRI 204 – Procurement Practices GRI 414 – Supplier social assessment	S10: Human Rights G5: Supplier Code of Conduct
12	Responsible Labelling & Marketing	GRI 102 - General Disclosures 2016 GRI 103 - Management Approach 2016* GRI 417 - Marketing and labelling	G6: Ethics & Anti-Corruption

13	Climate Change	GRI 305 – Emissions GRI 307 – Environmental Compliance	E1: GHG Emissions E2: Emissions Intensity E10: Climate Risk Mitigation
14	Resource efficiency	GRI 303 – Water and Effluents GRI 203 – Indirect Economic Impacts GRI 307 – Environmental Compliance	E6: Water Usage E7: Environmental Operations E8: Environmental Oversight E9: Environmental Oversight
15	Product Innovation for Sustainability	N/A	N/A

Key Areas of Focus

To ensure a comprehensive and impactful approach to sustainability, we have categorized our key material topics into four core pillars. By focusing on these four pillars and their associated material topics, Al Sagr aims to make a positive impact on our stakeholders, the environment, and society at large

A

Protecting Our Customers

Information Security & Data Privacy

We prioritize safeguarding customer data through robust security measures and ethical data practices, fostering trust and well-being.

Customer Relations

Building strong customer relationships is key. Al Sagr strive for transparency, clear communication, efficient claims resolution and customer satisfaction

B

Investing in Our People

Employee Wellbeing

We champion a healthy and supportive work environment, promoting employee well-being and fostering a culture of engagement.

Diversity, Equity & Inclusion (DEI)

We foster an inclusive workplace that values diversity and empowers all employees to contribute their best.

Emiratization

Supporting Emirati talent is a priority for Al Sagr as recommended in UAE Vision 2021. We actively recruit, develop, and empower Emirati professionals within Al Sagr.

C

Building a Sustainable Future

Digitalization
Al Sagr embrace digitalization to optimize processes, enhance efficiency, and reduce our environmental footprint.

Energy Management
We are committed to reducing our energy consumption and transitioning to renewable sources.

Climate Change
We recognize the urgency of climate action and integrate climate-conscious practices throughout our operations and support solutions for a sustainable future.

Resource Efficiency
Resource conservation is crucial. We strive to minimize waste and promote responsible resource management across our business.

Ethical Sourcing
We uphold ethical sourcing practices throughout our supply chain, ensuring responsible business conduct.

Responsible Labelling & Marketing:
Al Sagr prioritize transparency and clarity in our marketing practices, ensuring customers make informed decisions.

D

Strong Governance & Community Focus

Board Independence
We maintain a well-functioning board with a majority of independent directors, ensuring strong corporate governance.

Community Engagement
We actively engage with the local community, supporting initiatives that create a positive social impact.

Economic Performance
We are committed to driving sustainable financial growth while contributing to the broader economy.

Product Innovation for Sustainability
We develop innovative insurance products that address environmental and social challenges, promoting sustainability within the industry.`

Customer Centric Sustainability
(GRI 417-2, GRI 417-3, GRI 418-1, G7)

Customer well-being fuels Al Sagr’s sustainability journey. We provide risk mitigation and financial protection through insurance, fostering social stability and economic resilience. As a frontrunner in the UAE general insurance sector, we continually innovate to meet evolving needs. Leveraging digitalization, we enhance customer service efficiency and prioritize data protection. Our compliance team upholds stringent ethical standards, ensuring zero instances of non-compliance in 2023.

Our commitment translates to

1 Transparency and Guidance

Clear communication empowers customers, ensuring they understand coverage and rights. Ethical marketing and transparent labels promote informed decisions

2 Protecting Customer Data

We prioritize the highest data security and privacy standards while leveraging digitalization.

3 Building Trust

Ethical conduct and exceeding expectations build lasting customer relationships. This customer-centric approach strengthens trust and loyalty, contributing to Al Sagr’s long-term sustainability.

Transparency and Guidance

Al Sagr believe clear and transparent communication with customers is essential for building trust and ensuring customers can make informed decisions. We prioritize transparency through product information, labelling, and marketing communications by easy-to-understand information about our insurance products and services. This includes policy details, coverage options, terms, and conditions.

Adhering to ethical marketing practices ensure our insurance products are labelled transparently. This empowers customers to select the coverage that best suits their needs without any misleading information. We maintain a rigorous compliance program to ensure adherence to all relevant regulations and industry best practices. In 2023, we had zero incidents of non-compliance with either regulations or voluntary codes related to product information, labelling, or marketing communications. Our commitment to transparency goes beyond just meeting regulatory requirements. We strive to provide readily understandable information to our customers, fostering a trusting relationship and informed decision-making.

Our IT department meticulously categorizes and secures data using robust systems and solutions from industry leaders like Microsoft and Oracle. Regular data backups, high-level security protocols, and Data Leakage Protection (DLP) systems further strengthen our defences. We maintain a company-wide Data Protection & Privacy Policy that governs the collection, storage, and sharing of personal data by all employees and third parties. This policy ensures transparency and reinforces our commitment to data privacy.

Al Sagr has further strengthened its security posture by deploying a suite of advanced data protection tools, including SIEM (Security Information and Event Management) systems, firewalls, Mimcast, multi-factor authentication (MFA) and Antivirus. Data encryption and advanced security systems like Forti NAC, SOC (Security Operations Center), SIEM and MFA provide additional layers of protection. Furthermore, Al Sagr takes proactive measures to ensure compliance with GDPR regulations, demonstrating our dedication to data privacy on a global scale. Our commitment to data security has yielded positive results. We are proud to report zero instances of customer data loss or leakage throughout 2023. This success reflects our ongoing efforts to safeguard customer information and maintain the trust you have placed in Al Sagr.

	2021	2022	2023
Total number of complaints received from outside parties and substantiated by the organization	0	0	0
Total number of complaints from regulatory bodies	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0

DIGITAL SUSTAINABLE TRANSFORMATION

Al Sagr is on a transformative journey towards full digitalization, fuelled by a commitment to sustainability and enhanced customer experience. We aim for a future where all operations are 100% fully digitalized, offering unparalleled convenience and efficiency for our customers.

OPTIMIZING PROCESSES AND PARTNERSHIPS

We have revamped core insurance platforms, enhancing process efficiency and streamlining operations. This translates to faster processing times and a smoother overall experience for our customers. We continue to forge strategic partnerships with regulators and Third-Party Administrators (TPAs) to elevate key processes and services, ensuring a seamless and efficient insurance experience.

SECURITY AND SUSTAINABILITY IN FOCUS

We remain dedicated to safeguarding customer data and system stability through robust security measures. This includes utilizing advanced security protocols and maintaining a secure and controlled IT environment. Document Management Systems (DMS) and workflow automation tools are actively used to streamline processes, facilitate seamless operations, and ensure complete document archiving. This contributes to both operational efficiency and environmental sustainability by minimizing paper usage.

LOOKING AHEAD: CONTINUED TRANSFORMATION

Our commitment to digital transformation is a continuous process. Our short-term focus remains on security enhancements where we are constantly improving our security policies and procedures to stay ahead of evolving cyber threats. Our long-term vision encompasses revamping ERP. We are planning to revitalize our Enterprise Resource Planning (ERP) products to further optimize business processes and data management.Also, we focus on IT Infrastructure optimization where the network and server upgrades are on the horizon to ensure a robust and scalable IT infrastructure that supports our long-term digital goals.By prioritizing operational excellence, data security, and sustainability, Al Sagr is building a strong foundation for a thriving digital future.

SUSTAINABLE GOVERNANCE

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G1, G2, G3, G6)

Al Sagr believe robust governance is essential for long-term success and achieving our sustainability goals. By upholding the highest standards of corporate governance, compliance, and risk management, we ensures long-term value creation for all stakeholders.

EFFECTIVE BOARD STRUCTURE

Our Board of Directors plays a critical role in overseeing Al Sagr's strategic direction and ensuring responsible business practices. The Board comprises five members, with four being non-executive and two independent. This structure fosters objective decision-making and independent oversight. These independent directors bring a wealth of experience and diverse perspectives to the table, providing valuable guidance for Al Sagr's strategic direction. All Board members are well-respected figures within the UAE business community.

S. No	Name	Designation
1	Majid Abdalla Juma Majid Alsari	Chairman
2	Khalid Abdulla Omran Taryam	Vice-Chairman
3	Abdel Muhsen Jaber	Board Member
4	Mohamed Ali Abdalla Al Sari Abumuhair	Board Member
5	Jawaher Salem Bilal Mubarak Almheiri	Board Member

To ensure effective oversight, the Board has established four committees crucial for governance and decision-making:

AUDIT COMMITTEE

Provides independent oversight of the company's financial reporting and risk management practices.

NOMINATION AND REMUNERATION COMMITTEE

Recommends qualified candidates for Board membership and management roles and establishes fair compensation practices.

INVESTMENTS COMMITTEE

Oversees the implementation of the company's investment strategy, ensuring prudent decisions aligned with risk management best practices.

Furthermore, a clear separation of roles is maintained by prohibiting the CEO from serving as the Board Chair. This fosters independent decision-making within the governance structure.

SUSTAINABILITY COMMITTEE

In addition to the core Board committees, Al Sagr has established a Sustainability Committee to guide the implementation of our sustainability strategies. This dedicated committee reviews our sustainability performance and provides vital recommendations for continuous improvement

OWNERSHIP STRUCTURE:

Ownership structure comprises of institutional investors, all of which are local entities and individual investors. Notably, all the major shareholders collectively own 70.84% of Company's shares, comprising renowned UAE institutions and individuals

INDIVIDUAL INVESTORS

SHAREHOLDERS	PERCENTAGE
الشركه الخليجيه للاستثمارات العامه	47.0788 %
شركه الشرق الادنى للاستثمار	8.7500 %
KHALID ABDULLA OMRAN TARYAM	5.0117 %
AYMAN MOHAMEDYOSRI MAHMOUD ALDUWAIK	5.0000 %
AMJAD MOHAMED YUSRI MAHMOUD ALDWAIK	5.0000 %

BUILDING SUSTAINABLE CULTURE

Al Sagr believes achieving lasting sustainability requires collective action. Department heads spearhead implementation and monitoring, embedding sustainability principles into daily operations. They also play a crucial role in motivating teams to embrace sustainable practices. Employees are empowered to contribute through innovation within their roles and active participation in sustainability initiatives. To facilitate this engagement, we offer regular training programs and maintain open communication channels for sharing ideas and feedback. By fostering a culture of ownership at every level, Al Sagr is building a foundation for a sustainable future.

UPHOLDING REGULATORY COMPLIANCE

In Al Sagr, responsible governance extends beyond financial performance. We are firmly committed to upholding the highest standards of compliance across all aspects of our operations. As a financial institution, we recognize the critical role we play in combating financial crime.
Al Sagr operate with the utmost integrity, adhering to all relevant laws, regulations, and circulars issued by the Insurance Authority, Central Bank, and other regulatory bodies. A strong ethical foundation is further reinforced by our strictly enforced Code of Conduct, ensuring transparency and accountability in all interactions.

Combating financial crime is a key pillar of our responsible approach. Our comprehensive Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) program utilizes continuous monitoring, employee training, and integration with an up-to-date sanctions list database. A dedicated AML Committee oversees a risk-based approach to mitigate potential vulnerabilities, and we maintain effective internal controls with stringent procurement procedures. This unwavering commitment to compliance is reflected in our consistent record of zero non-compliance. Regular reviews and updates ensure our governance framework remains robust, fostering a sustainable and ethical business environment for all stakeholders.

PROACTIVE RISK MANAGEMENT

Our comprehensive framework and proactive approach to risk management goes beyond internal audit and compliance functions, incorporating a dedicated Risk Management Committee.

This committee plays a critical role in identifying and assigning ownership for various risks across the organization, including operations, AML/CFT, compliance, finance, and investment. Each department is accountable for analysing their specific risks, proposing mitigation strategies, and defining Key Performance Indicators (KPIs) to track risk management effectiveness.

UNDERSTANDING AND MITIGATING KEY RISKS

Al Sagr diligently manages a range of risks inherent to the insurance industry, ensuring the long-term stability and success of our company and commitment to policyholders. Here's an overview of key risks and our approach to managing them:

1

UNDERWRITING RISK

Al Sagr employs robust risk assessment tools and experienced underwriters to accurately evaluate the risk associated with each policy. This includes considering factors like claim likelihood, potential severity, and pricing model accuracy.

2

INVESTMENT RISK

Our investment portfolios are strategically diversified to mitigate market volatility and credit risk. We actively monitor and manage our investments to ensure optimal returns while protecting against potential losses.

3

OPERATIONAL RISK

Operational resilience prioritized by implementing robust technological infrastructure, stringent data security measures, and a culture of risk awareness among our employees. This proactive approach minimizes the impact of potential disruptions caused by technological failures, human error, or regulatory changes

4

MARKET RISK

We closely monitor external factors like economic trends, regulatory shifts, and competitor activity. This enables us to adapt our strategies and product offerings to remain competitive in a dynamic marketplace

5

REINSURANCE RISK

Al Sagr strategically partner with reputable reinsurers to share a portion of our risk exposure. We continuously evaluate the effectiveness of our reinsurance arrangements to ensure adequate coverage and mitigate the risk of reinsurer insolvency.

CONTINUOUS IMPROVEMENT

Our risk management framework is a dynamic process. By proactively identifying, analysing, and mitigating these and other potential risks, Al Sagr maintains a prudent balance between risk and reward. We regularly evaluate and update our risk assessments, mitigation strategies, and KPIs to reflect evolving market conditions and industry best practices. This ongoing commitment to risk management fosters a sustainable business environment and allows us to fulfil our commitments to policyholders with confidence.

BUILDING SOCIAL RESILIENCE

(GRI 202-2, GRI 401-1, GRI 401-2, GRI 403-8, GRI 403-9, GRI 404-1, GRI 404-2, GRI 404-3, GRI 405-1, GRI 405-2, GRI 406-1, GRI 413-1, S2, S3, S4, S5, S6, S7, S8, S11, G1, S12)

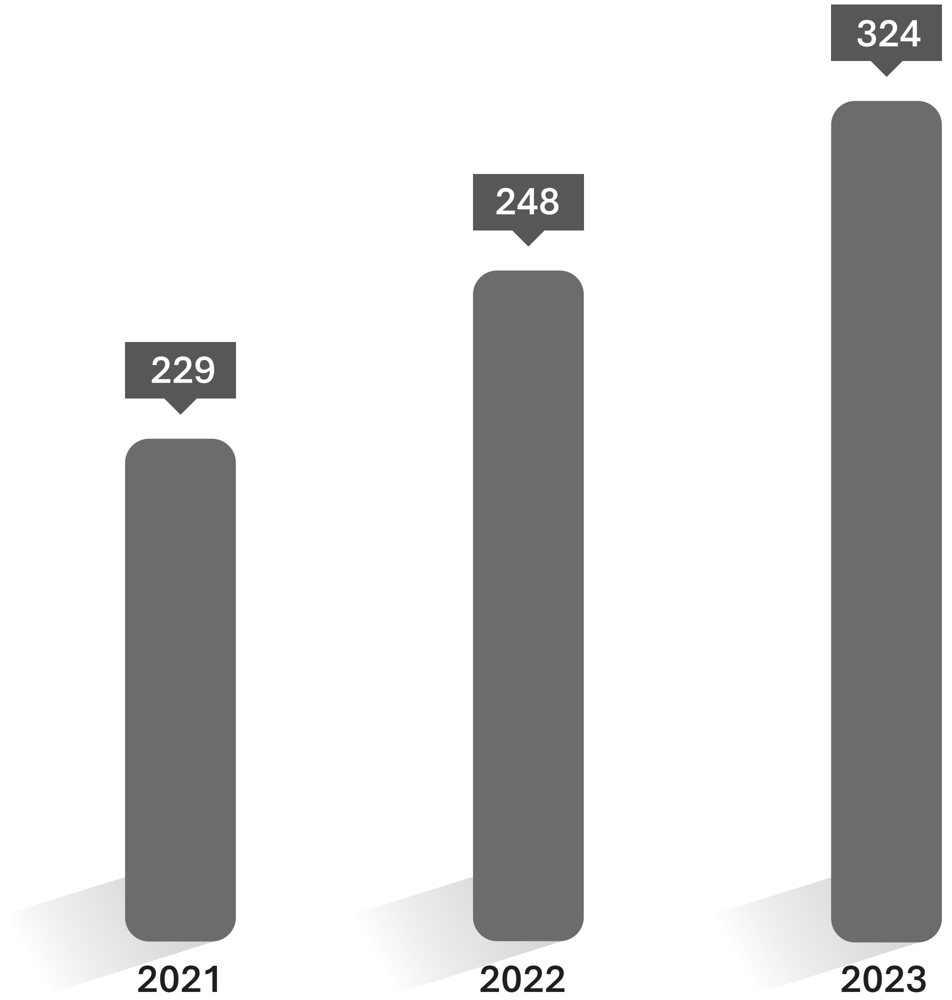
INVESTING IN OUR PEOPLE

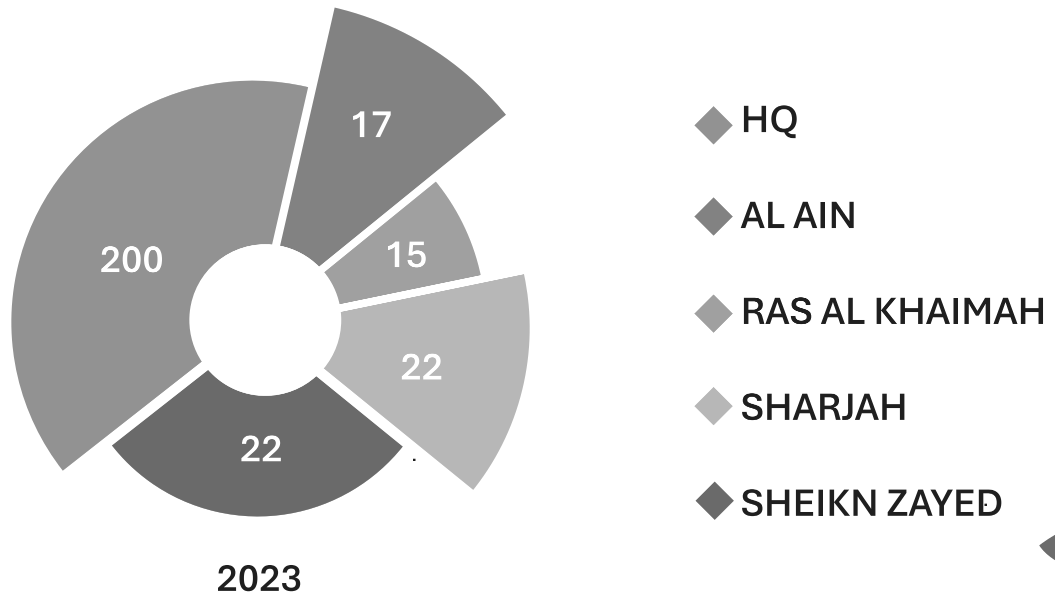
Our people are valuable assets to Al Sagr. We actively recruit the brightest minds, those who embody our unwavering commitment to customer excellence. These individuals are not only highly skilled and professional, but also demonstrate a constant drive for self-improvement. Beyond recruitment, we foster a supportive environment that prioritizes employee well-being and professional development. Through a range of programs and opportunities, we empower the team to flourish, both personally and professionally, building a foundation for long-term success within Al Sagr. This commitment to our workforce translates directly into exceptional customer service, ensuring a win-win for both our employees and our valued customers.

BUILDING A THRIVING WORKFORCE

At Al Sagr, we deeply value our employees as our most valuable asset, recognizing their dedication and expertise as essential components in delivering the exceptional customer service our clients expect. This commitment is evident in our substantial workforce growth, with 134 new employees welcomed in 2023, marking a 41.36% increase compared to the previous year. By year-end, our total employee count reached 324, reflecting a remarkable 30.65% year-over-year increase and signalling a robust resurgence in business activity. This growth underscores our unwavering focus on attracting and retaining top talent.

TOTAL NO OF EMPLOYEES





BREAK DOWN BY BRANCH

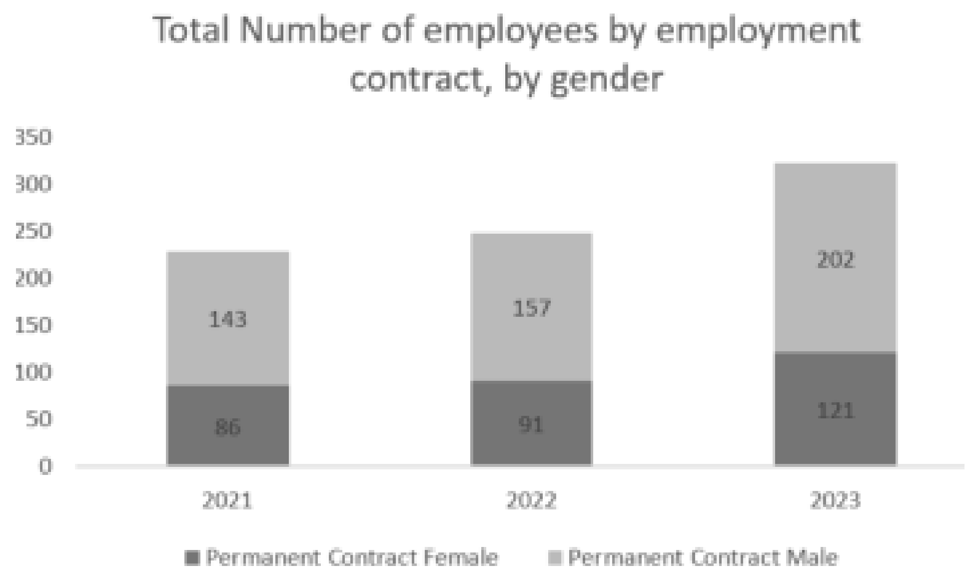
	HQ	ABU DHABI	ABU HAIL	AJMAN	AL AIN	RAS AL KHAIMAH	SHARJAH	SHEIKH ZAYED
2021	144	19	0	8	12	21	13	12
2022	166	18	0	5	12	15	14	18
2023	200	27	10	11	17	15	22	22

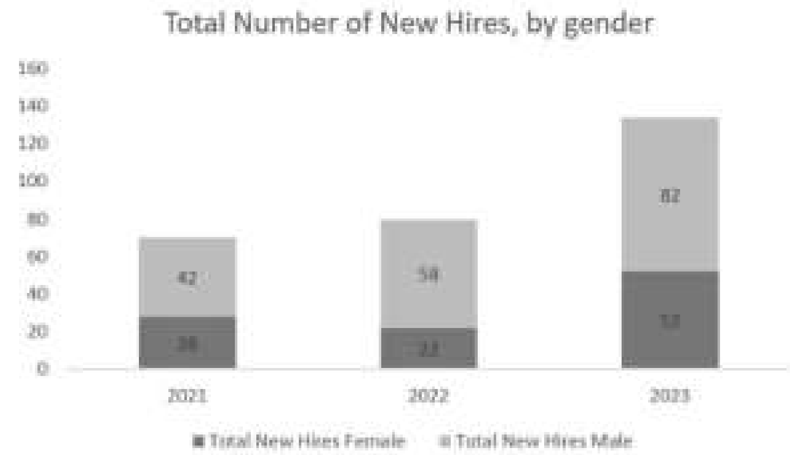
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT, BY GENDER

	Permanent Contract		Temporary Contract	
	Female	Male	Female	Male
2021	86	143		
2022	91	157		
2023	121	202	1	

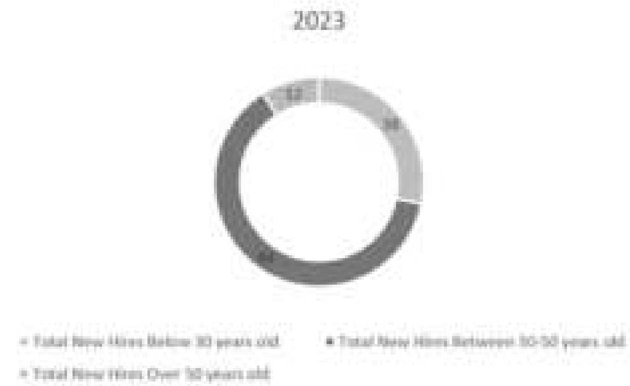
TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE, BY GENDER

	Full-time		Part-time	
	Female	Male	Female	Male
2021	86	143		
2022	91	157		
2023	122	202		

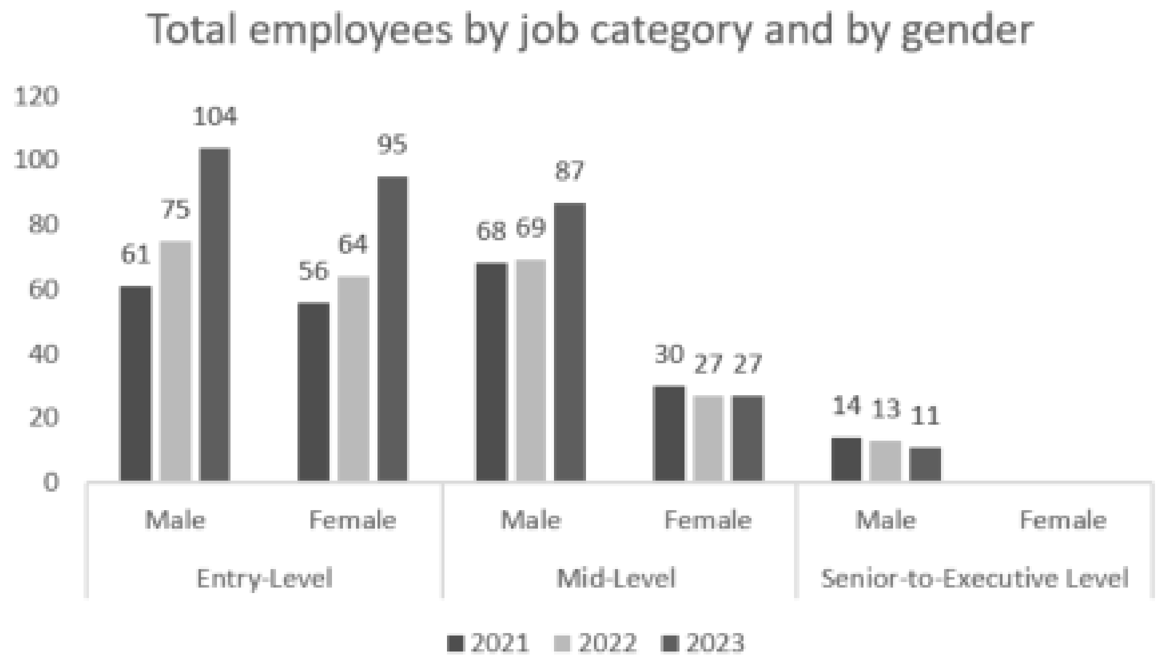


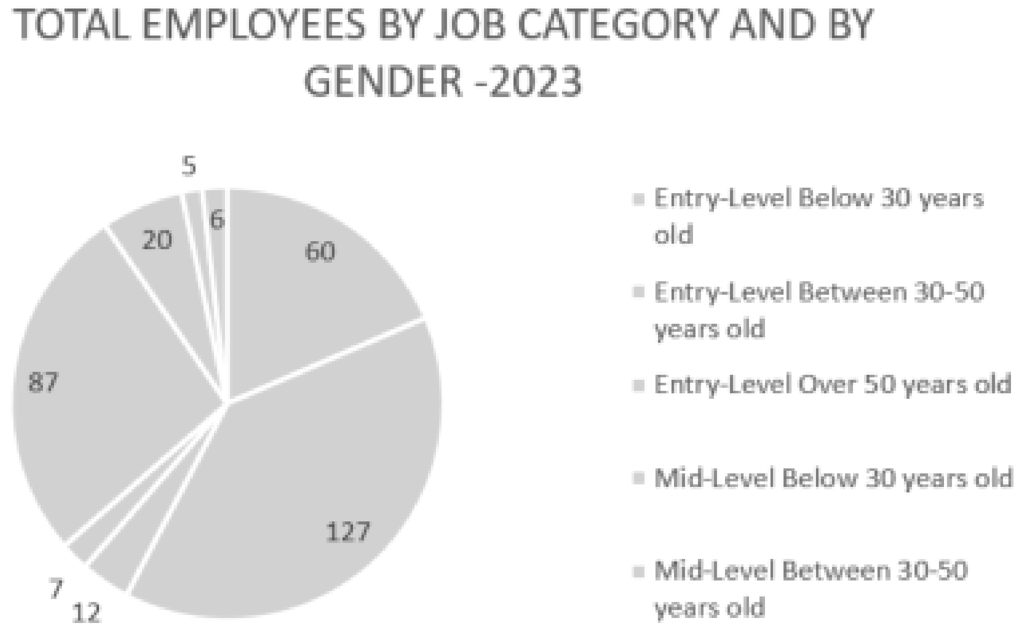


	TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER							
	Labor, if applicable		Entry-Level		Mid-Level		Senior-to-Executive Level	
	Male	Female	Male	Female	Male	Female	Male	Female
2021			61	56	68	30	14	
2022			75	64	69	27	13	
2023			104	95	87	27	11	



	TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER											
	Labor, if applicable			Entry-Level			Mid-Level			Senior-to-Executive Level		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2021												
2022												
2023				60	127	12	7	87	20		5	6





We prioritize employee well-being and professional development by fostering a supportive work environment and offering a comprehensive benefits package. This includes competitive salaries, annual flight allowances, medical and life insurance coverage, parental leave, and end-of-service benefits as mandated by UAE Labour Law. Beyond compensation, we empower our team members to thrive through various programs and opportunities that cultivate their skills and knowledge, preparing them for successful long-term careers with Al Sagr.

WORKFORCE DYNAMICS

The total number of new hires has steadily increased year-over-year, with 2023 seeing a significant jump of 134 new employees compared to 2022 (41.36% increase). This reflects a growing and thriving workforce at Al Sagr. Considering the hiring based on age group, 2023 data indicates a focus on attracting talent across all age groups, with 38% of new hires being below 30 years old, 84% between 30-50 years old, and 12% over 50 years old.

TOTAL NUMBER OF NEW HIRES, BY GENDER

	Total Employees that Left	
	Female	Male
2021	12	34
2022	18	43
2023	21	36

TOTAL NUMBER OF NEW HIRES, BY AGE GROUP

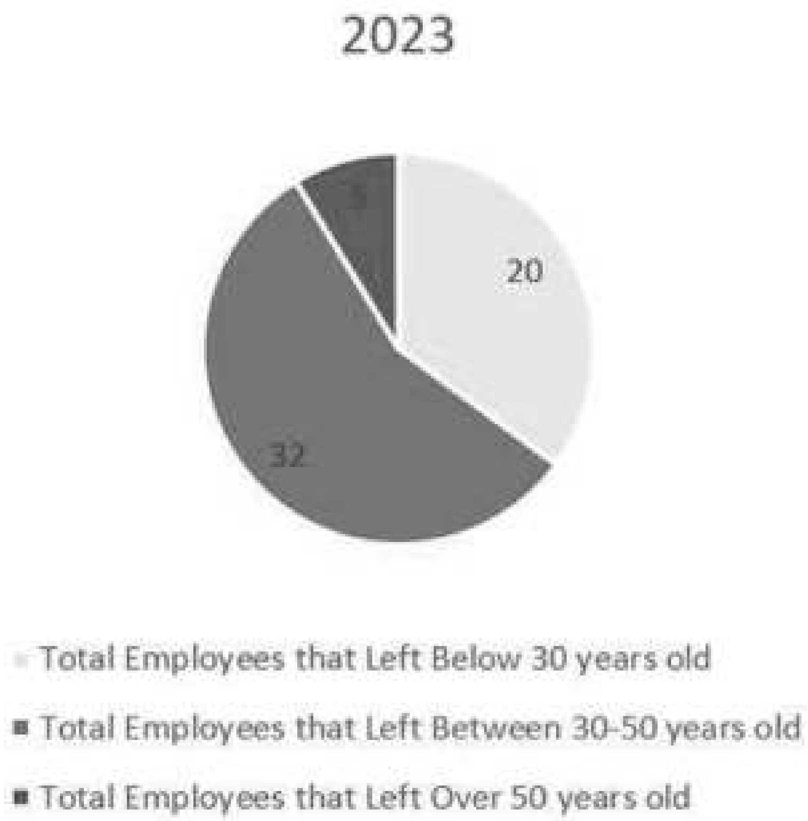
	Total Employees that Left		
	Below 30 years old	Between 30-50 years old	Over 50 years old
2021			
2022			
2023	20	32	5

EMPLOYEE TURNOVER

While Al Sagr has experienced significant workforce growth (a 42% increase in total employees from2021 to 2023), employee turnover appears to be relatively stable. Despite a substantial rise in new hires(134) in 2023, the number of employees leaving the company that year (57) remained comparable to previous years (between 46-57). This shows Al Sagr could effectively retaining its existing talent pool while successfully attracting new recruits.

TOTAL NUMBER OF EMPLOYEES THAT LEFT, BY GENDER

	Total Employees that Left	
	Female	Male
2021	12	34
2022	18	43
2023	21	36



TOTAL NUMBER OF EMPLOYEES THAT LEFT, BY AGE GROUP

	Total Employees that Left		
	Below 30 years old	Between 30-50 years old	Over 50 years old
2021			
2022			
2023	20	32	5

Our commitment to excellence is evident in our human resources practices, with our Human Resources Manual reviewed annually to ensure alignment with best practices and UAE Labour Law updates. Additionally, our Asuretek System, utilize a centralized and streamlined Employee Self-Service (ESS) system that integrates various HR processes, such as performance appraisals and leave requests.

Through these investments in our people, fostering a supportive environment, and offering competitive rewards and development opportunities, Al Sagr is building a thriving workforce capable of consistently delivering exceptional customer service.

EMPLOYEE WELL-BEING

Recognizing that a happy and healthy workforce fuels our success, Al Sagr remains dedicated to fostering a thriving work environment that prioritizes well-being and engagement. This year, we continue to offer flexible work arrangements to promote work-life balance, while investing in professional development opportunities like training programs and mentorship initiatives. We prioritize holistic well-being by providing access to exercise classes, mental health support services, and healthy food options. Engagement remains a key focus, with programs like the "Employee of the Quarter Award" acknowledging achievements and fostering appreciation. Unique initiatives like free eye testing, breast cancer awareness, free health check-up, blood donation drives, and annual employee events further solidify our commitment to employee well-being and create a strong sense of community within Al Sagr. By prioritizing these aspects, we cultivate a motivated and engaged workforce that is well-positioned to drive continued success for the company.

TRAINING AND DEVELOPMENT

At Al Sagr, we recognize that employee training and development are essential for maintaining competitive edge in a dynamic market. We continuously invest in equipping staff with the skills and knowledge they need to stay ahead of the curve and deliver exceptional service to our customers.

EQUIPPING NEW HIRES FOR SUCCESS

All new employees undergo a comprehensive onboarding program that provides an overview of the insurance sector, Al Sagr's products and services, key processes, and core values. Fresh graduates further solidify their understanding through an end-of-orientation exam.

UPSKILLING AND RESKILLING

We offer a comprehensive suite of training programs that cater to both soft and technical skills development.

This includes:

Formal Education: We partner with the Emirates Institute for Banking and Financial Studies (EIBSF) to provide access to high-quality banking and finance courses.

Industry Certifications: We facilitate the acquisition of essential insurance-related certifications, including those mandated by regulatory bodies like the Central Bank and offered through reputable organizations such as the Chartered Insurance Institute (CII).

Sales Training: Targeted programs enhance the skills and knowledge of our sales team.

Specialized Skills Training: We offer external training for specific skills like Excel and procurement certification.

Soft Skills Development: In-house training programs focus on strengthening communication and other critical soft skills.

Regulatory Compliance Training: To uphold regulatory requirements, safeguard Al Sagr's reputation, and protect employees, we provide mandatory anti-money laundering training for all staff.

Performance-Driven Approach

Annual performance reviews play a pivotal role in identifying skill gaps and tailoring training programs to address them. These reviews also help us recognize employees with high potential and provide them with opportunities for further development within the company. All employees who have completed their probation period receive a performance review, with the opportunity to provide input, ensuring a fair and balanced process. Results are then submitted to management via the HR department

Diverse and Inclusive workplace

Al Sagr fosters a diverse and inclusive work environment where everyone feels valued, respected, and empowered to contribute their unique talents. We firmly believe that a workforce that reflects the richness of our communities fosters creativity, innovation, and ultimately, stronger business performance.

Merit-Based Approach:

Our recruitment and career progression processes prioritize qualifications and experience, ensuring equal opportunities for all regardless of gender, nationality, religion, or other characteristics.

Transparent Compensation:

We maintain a transparent salary scale and reward system, with salaries directly linked to grade levels, fostering fairness and clarity.

Zero Tolerance for Discrimination:

Our commitment to fair and responsible business practices is enshrined in our Code of Conduct, which outlines our expectations for employee behaviour and our unwavering stance against harassment or discrimination of any kind.

Growing Diversity:

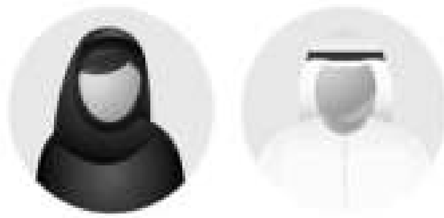
With employees from 21 different nationalities, Al Sagr promotes a vibrant and inclusive work environment that celebrates cultural diversity. Also, we are proud to see a continued increase in female representation within our workforce. In 2023, women comprised 37.65% of our employees, reflecting a significant rise from 36.69% in 2022 and 37.55% in 2021. This growth trajectory demonstrates our ongoing commitment to attracting and retaining top female talent.

TOTAL EMPLOYEES

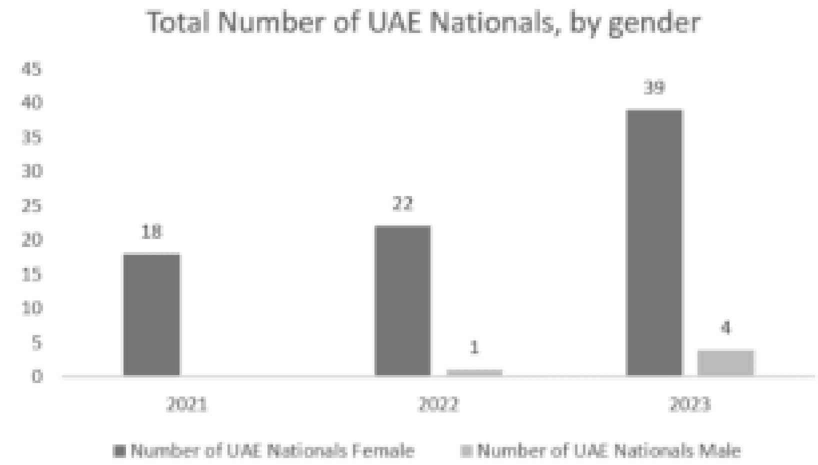
	Female	Male
2021	37.55%	62.45%
2022	36.69%	63.31%
2023	37.65%	62.34%

Emiratization

A core value at Al Sagr is supporting the Emirati community and fostering a skilled national workforce. We actively contribute to government initiatives and invest heavily in attracting and retaining top Emirati talent. Our Emiratization strategy is paying dividends, with the percentage of Emirati employees steadily rising from 5.4% in 2020 to 13% in 2023, even amidst significant overall workforce growth. While most Emirati employees are currently in entry-level positions, a promising trend sees an increase in mid-level representation (8 in 2023), demonstrating the effectiveness of our career progression programs. We further enhance the value proposition for Emirati talent by offering competitive benefits packages, including an optional pension scheme.



	Number of UAE Nationals	
	Female	Male
2021	18	
2022	22	1
2023	39	4



Emiratization

Looking ahead, we remain dedicated to refining our strategies, collaborating with the government, and further empowering Emirati talent to achieve a more diverse and qualified workforce at Al Sagr. This commitment reflects not only our social responsibility but also our belief in the immense potential of the Emirati community.

	Entry level UAE national	Mid level UAE national	Senior-to-executive level UAE national
2021	15	3	
2022	17	6	
2023	35	8	

2021		18
2022	1	22
2023	4	39

EMIRATIZATION RATE

2021	8 %
2022	9 %
2023	13 %

Empowering Communities Through Responsible Procurement

Recognizing the vital role responsible procurement plays in our success and the well-being of our communities, Al Sagr prioritizes sourcing needs from local vendors. With a remarkable achievement of 100% local sourcing across categories like computer equipment and stationery, we contribute significantly to the UAE economy. This commitment translates to supporting local businesses, fostering job creation, and stimulating economic activity within the communities we serve. Building strong, long-term partnerships with local suppliers strengthens our supply chain while promoting local business growth. We are committed to upholding this core principle and actively seek opportunities to expand our network of local vendors, further solidifying our dedication to responsible procurement practices.

	Total Number of Local Suppliers	Percentage of Local Suppliers
2021	30	100
2022	36	100
2023	42	100

ENVIRONMENTAL SUSTAINABILITY

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 307-1, E1, E2, E3, E4, E5, E6, E7, E8. E9, E10)

Environmental responsibility is a core value that shapes Al Sagr's operations and guides our commitment to a sustainable future. We are dedicated to minimizing our environmental footprint through efficient resource management and continuous improvement. Aligning our actions with the UAE government's ambitious agenda for environmental sustainability, we are supporting the nation's pledge to achieve Net Zero emissions. The global spotlight on climate action shone brightly on the UAE, with the successful hosting of COP 28 Summit in November 2023. This pivotal event underscores the UAE's leadership in convening international stakeholders to advance the critical objectives of the Paris Agreement on Climate change.

Recognizing that organizations play a vital role in achieving these ambitious climate goals, Al Sagr National Insurance actively assesses and manages its environmental footprint. We are committed to understanding and mitigating the impact of our operations on the environment, contributing meaningfully to broader sustainability efforts. Our environmental initiatives are not only discussed but also implemented at the management level, ensuring strategic alignment and effective execution.

This section delves into our comprehensive approach to environmental sustainability. We begin with a commitment to transparency and accountability, meticulously tracking our energy and water consumption, as well as our greenhouse gas emissions across various scopes. By adhering to the GHG Protocol and applying a rigorous control approach, we ensure the complete and accurate accounting of emissions from operations under our control, encompassing headquarters, branches, and common areas within Al Sagr Plaza. Through a detailed breakdown of emission sources (Scope 1, 2, and 3), we provide a clear picture of our environmental impact, paving the way for focused mitigation strategies.

ENERGY CONSUMPTION

While the total energy consumption has increased slightly year-over-year (from 9631.63 GJ in 2021 to 9991.95 GJ in 2023), it's important to note this coincides with an overall growth in our workforce. Energy intensity per employee has actually decreased by 26.6% during this period (from 42.06 GJ/employee in 2021 to 30.84 GJ/employee in 2023), demonstrating our effectiveness in improving energy efficiency. This progress reflects our commitment to optimizing operations by continuously review processes and implement energy-saving measures across all our facilities.

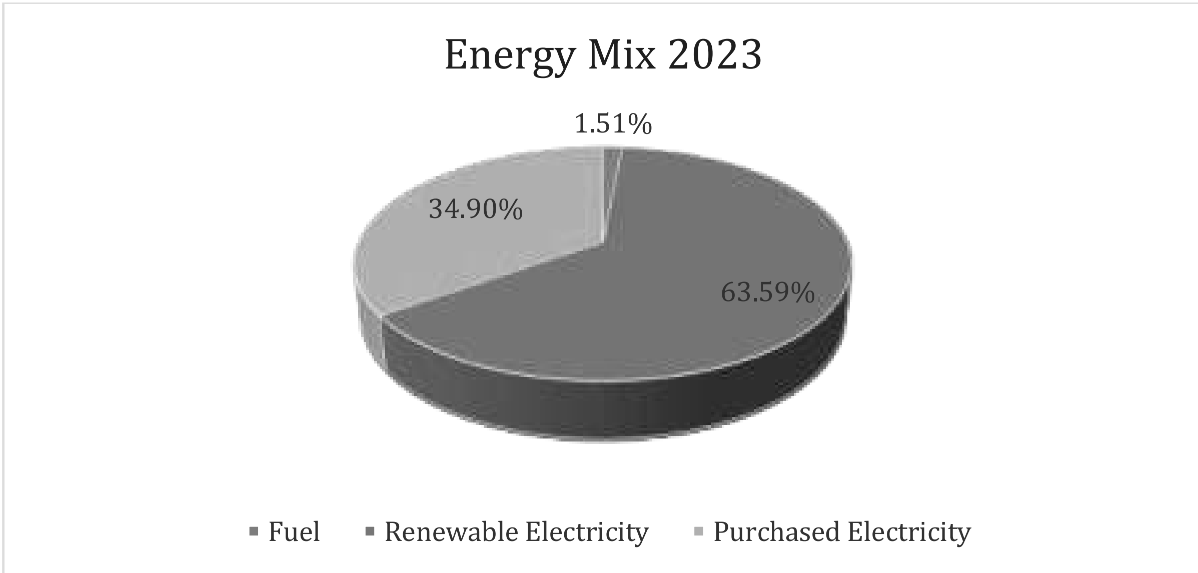
Energy Consumption in GJ	2021	2022	2023
Fuel from owned vehicles	129.8167	147.519	150.7972
Renewable Electricity	6228.90	6300.00	6354.00
Purchased Electricity for Headquarter	2222.79	2204.07	2336.20
Purchased Electricity for all branches	1050.12	1114.56	1150.95
Total Energy Consumption	9631.63	9766.15	9991.95

Energy Consumption in GJ per Employee	2021	2022	2023
Fuel from owned vehicles related consumption per employee	0.57	0.59	0.47
Renewable Electricity related consumption per employee	27.20	25.40	19.61
Purchased Electricity related consumption for Headquarter per employee	15.44	13.28	11.68
Purchased Electricity related consumption for all branches per employee	12.3544	13.592	9.2818
Total Energy Consumption per employee	42.0595	39.38	30.839

RENEWABLE ENERGY COMMITMENT

A cornerstone of our strategy is a continued focus on renewable energy. We are proud to maintain a consistent share of renewable electricity exceeding 63% in our overall energy mix. While our dependence on fuel from owned vehicles has decreased (from 0.57 GJ/employee in 2021 to 0.47 GJ/employee in 2023). We are exploring further initiatives to reduce our reliance on fossil fuels and transition to cleaner transportation options. This commitment aligns with our value of environmental stewardship and positions us as a leader in sustainable business practices within the UAE.

Energy Mix	2021	2022	2023
Fuel	1.35%	1.51%	1.51%
Renewable Electricity	64.67%	64.51%	63.59%
Purchased Electricity	33.98%	33.98%	34.90%



GREEN HOUSE GAS (GHG) EMISSIONS

Despite the increase in total energy consumption, the total GHG emissions have fluctuated slightly (from 379.83 MT CO2e in 2021 to 405.70 MT CO2e in 2023), over the past three years. This can be attributed to our focus on energy efficiency and increasing use of renewable electricity, which has a lower carbon footprint. Furthermore, our GHG emissions intensity per employee has decreased significantly (from 1.66 MT CO2e/employee in 2021 to 1.25 MT CO2e/employee in 2023). This reflects our ongoing efforts to improve energy efficiency and utilize cleaner energy sources.

GHG Emissions			
Total GHG Emissions (MT CO2e)	2021	2022	2023
Direct Energy - Scope 1 Emissions	9.00	10.22	10.45
Indirect Energy - Scope 2 Emissions (From HQ)	249.51	247.41	262.24
Indirect Energy - Scope 2 Emissions (From other branches)	117.88	125.11	129.19
Indirect Energy - Scope 3 Emissions	3.45	5.12	3.82
Total Emissions	379.83	387.86	405.70

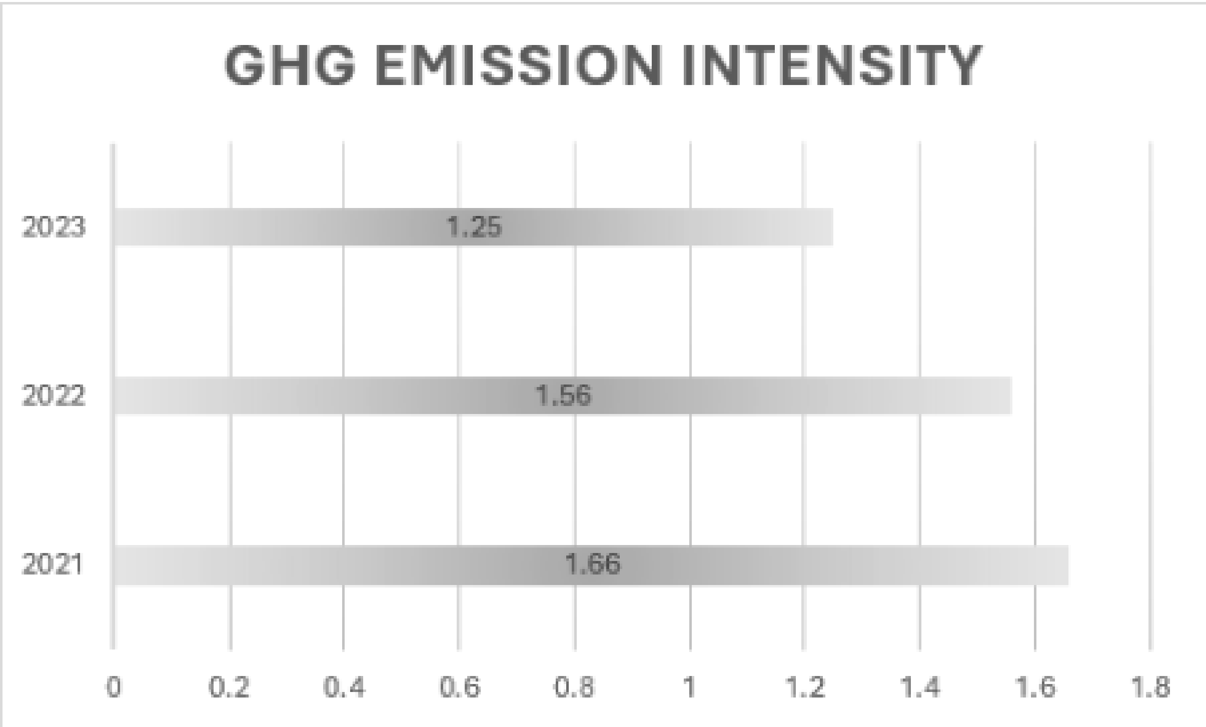
GHG Emissions Intensity MT CO2 per employee	2021	2022	2023
Direct Energy - Scope 1 Emissions	0.04	0.04	0.03
Indirect Energy - Scope 2 Emissions (From HQ)	1.73	1.49	1.31
Indirect Energy - Scope 2 Emissions (From other branches)	1.39	1.53	1.04
Indirect Energy - Scope 3 Emissions	0.02	0.02	0.01
Total Emissions	1.66	1.56	1.25

WATER CONSERVATION

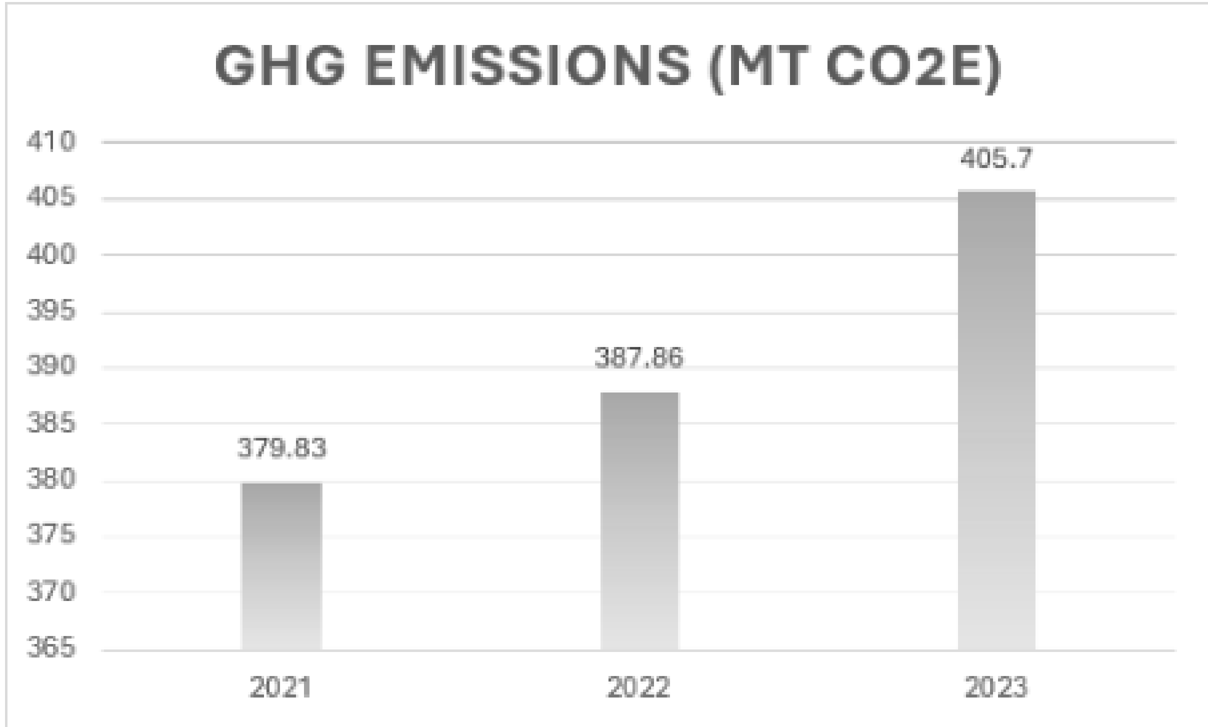
The water consumption data shows a decrease in 2023 compared to 2022 (1406.77 m3 in 2023 vs. 1885.13 m3 in 2022). We recognize the need for continued efforts in this area and exploring water conservation strategies such as installing low-flow fixtures and implementing water-saving practices in our operations.

Water Consumption (In m3)	2021	2022	2023
Water consumption	1271.52	1885.13	1406.77
Water Intensity	5.55	7.60	4.34

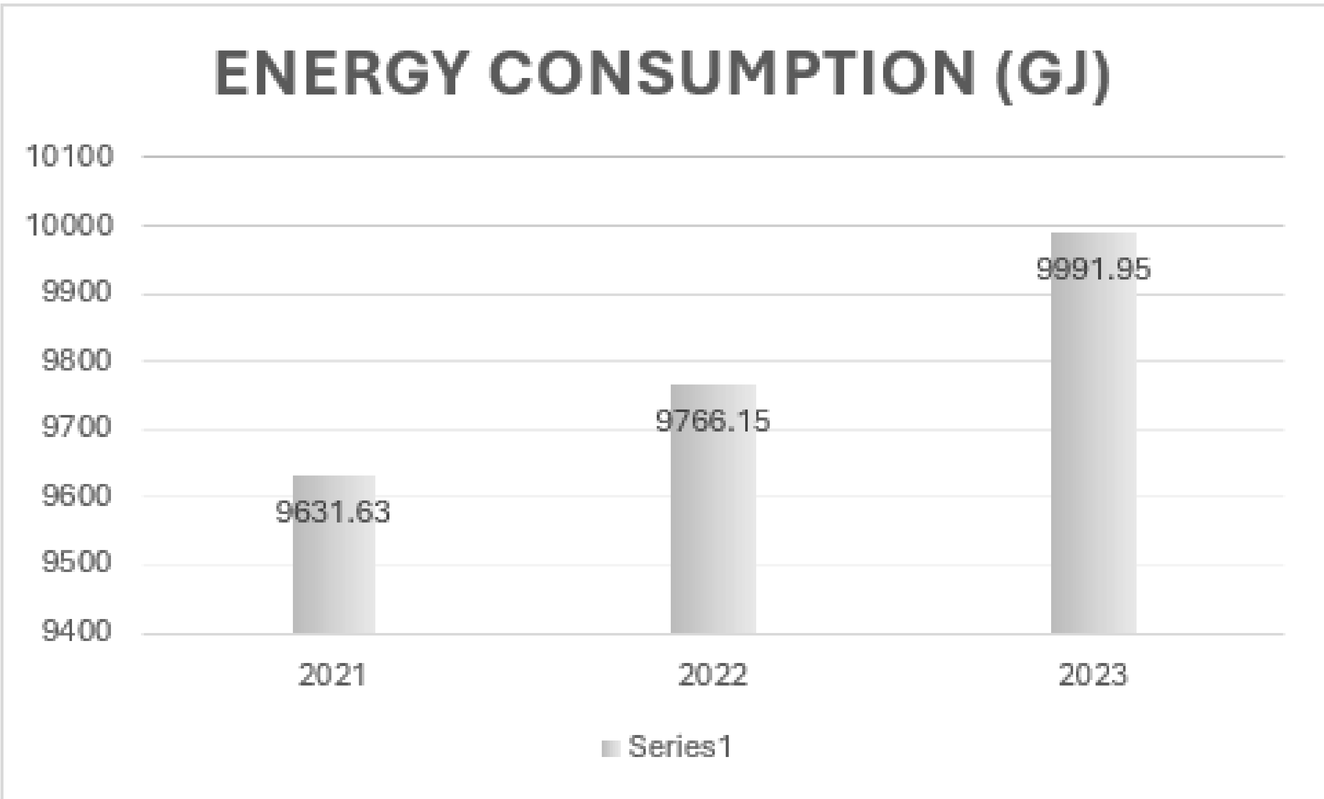
We remain dedicated to continuous improvement in environmental performance. Future initiatives will focus on further reducing energy consumption and GHG emissions, increasing our reliance on renewable energy sources, and implementing effective water conservation practices. By upholding our commitment to environmental sustainability, we contribute to a healthier planet for future generations.



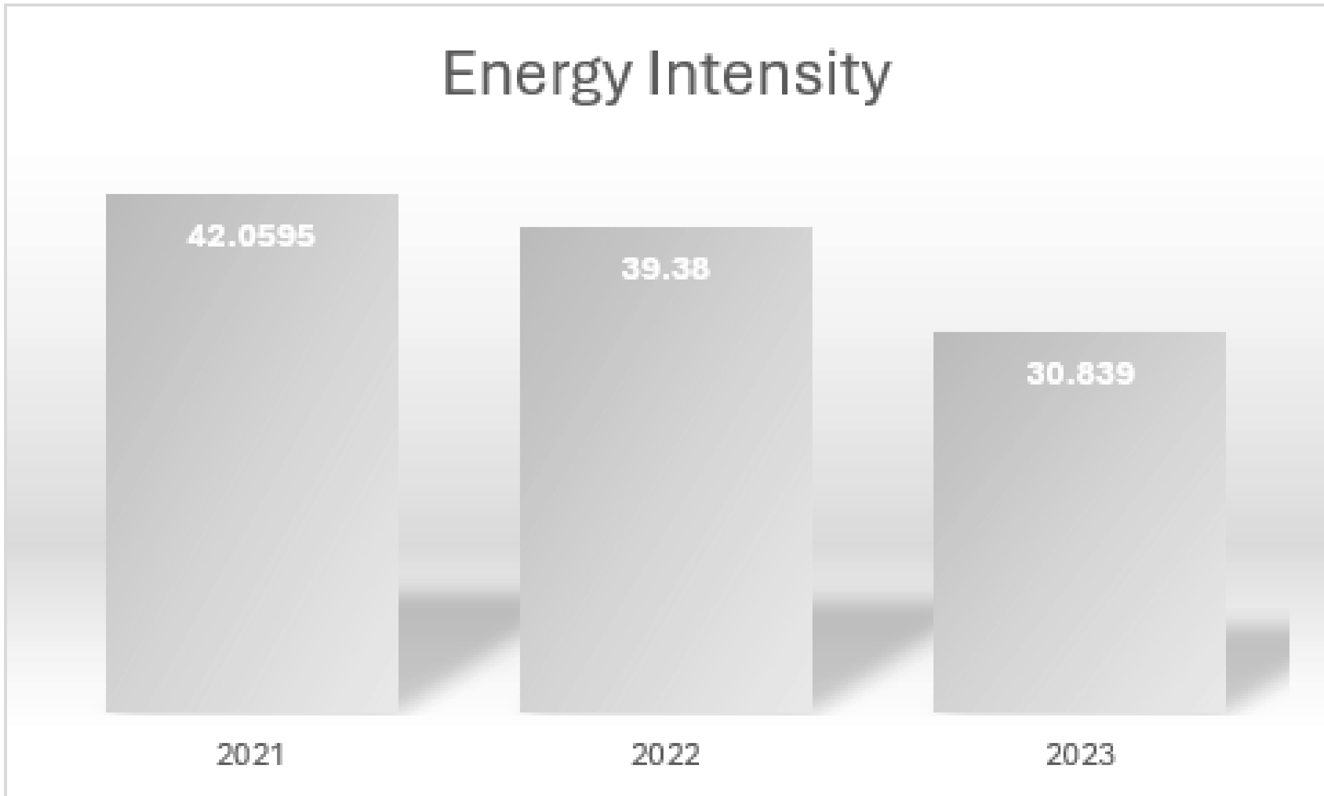
GHG EMISSION INTENSITY
2023
1.25
2022
1.56
2021
1.66
0
0.2
0.4
0.6
0.8
1
1.2
1.4
1.6
1.8



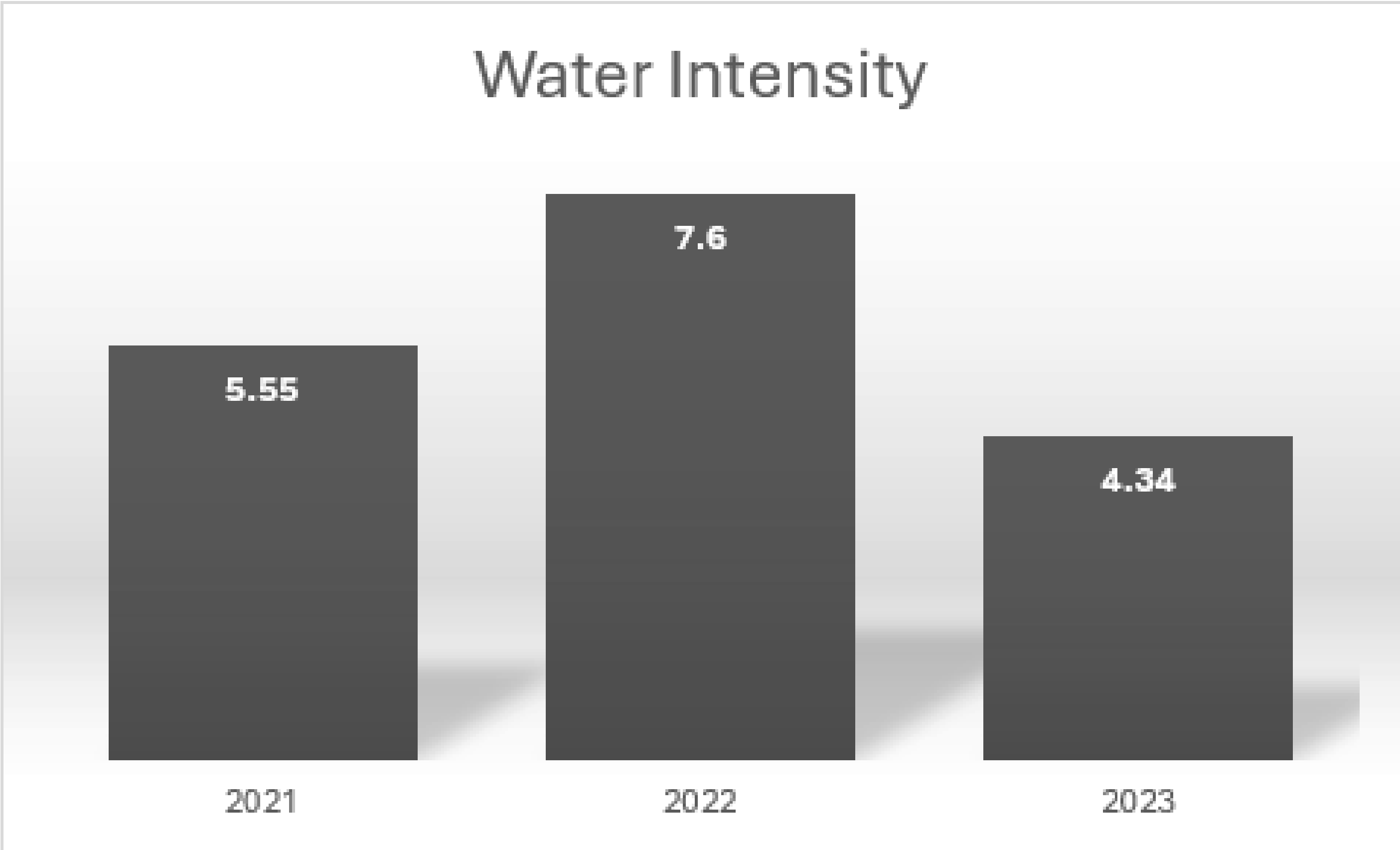
GHG EMISSIONS (MT CO2E)
410
405
400
395
390
385
380
375
370
365
405.7
387.86
379.83
2021
2022
2023



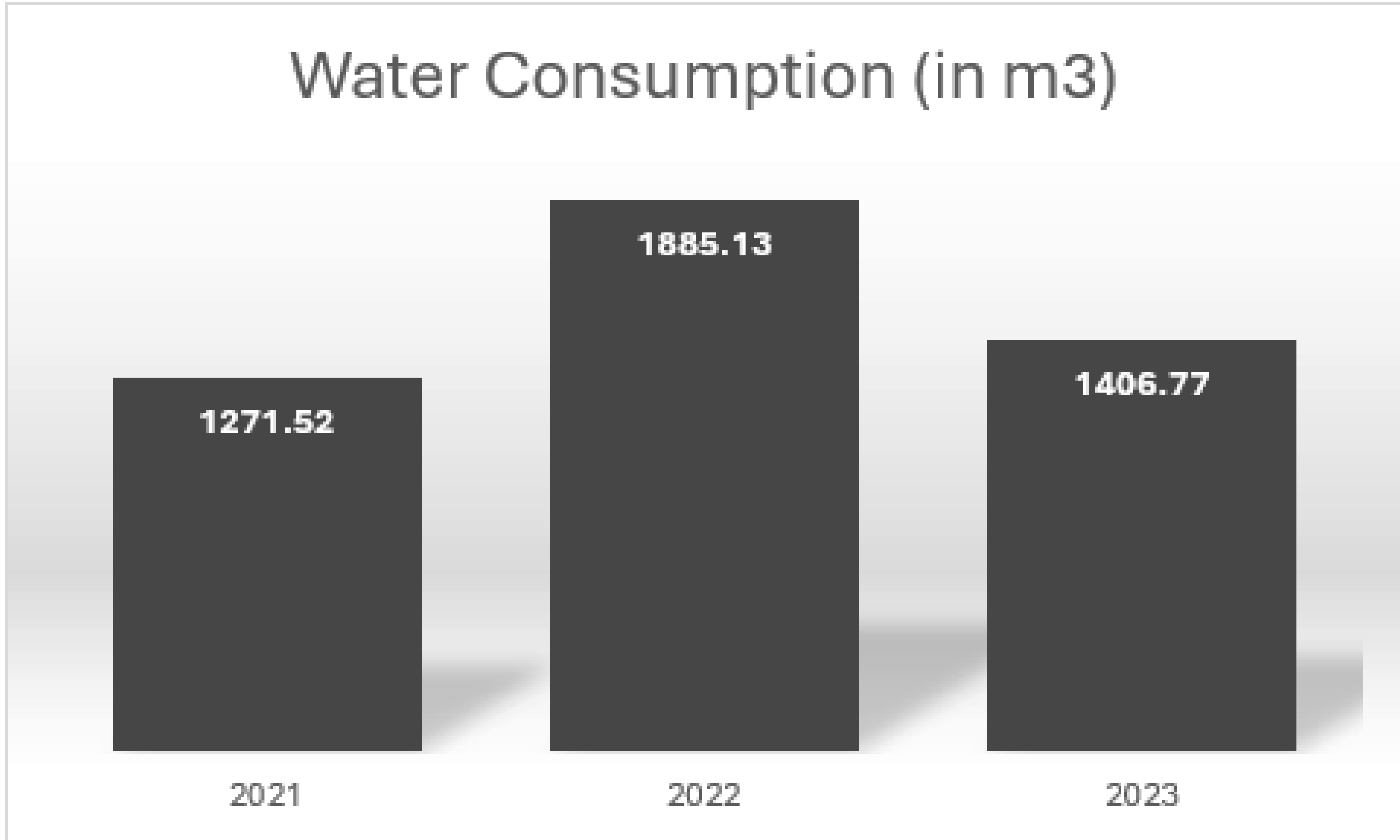
ENERGY CONSUMPTION (GJ)
10100
10000
9900
9800
9700
9600
9500
9400
9991.95
9766.15
9631.63
2021
2022
2023
Series1



Energy Intensity
42.0595
39.38
30.839
2021
2022
2023



Water Intensity
5.55
7.6
4.34
2021
2022
2023



Water Consumption (in m3)
1271.52
1885.13
1406.77
2021
2022
2023

GRI DFM INDEX

GRI 1: FOUNDATION 2021				
GRI DISCLOSURE Al Sagr National Insurance Company has reported the information cited in this GRI content index for the period 1 January – 31 December 2023 in accordance with the GRI Standards				
GRI 2: GENERAL DISCLOSURES				
GRI DISCLOSURE	CONTENT	DFM DISCLOSURE	REFERENCE SECTION	NOTES
The Organization and its Reporting Practice				
2-1	Organizational details	G8: Sustainability reporting G9: Disclosure Practices G10: External Assurance	3	
2-2	Entities included in the organisation's sustainability reporting	G8: Sustainability reporting G9: Disclosure Practices	3	
2-3	Reporting period, frequency, and contact point		3	
2-4	Restatements of information			
2-5	External assurance	G10: External Assurance		
Activities and workers				
2-6	Activities, value chain and other business relationships		5	
2-7	Employees	S3: Turnover S4: Gender Diversity	28	
2-8	Workers who are not employees			
Governance				
2-9	Governance structure and composition	G1: Board Diversity	21	
2-10	Nomination and selection of the highest governance body	G2: Board Independence	21	
2-11	Chair of the highest governance body			

GRI DFM INDEX

2-12	Role of the highest governance body in overseeing the management of impacts			
2-13	Delegation of responsibility for managing impacts			
2-14	Role of the highest governance body in sustainability reporting	G3: Incentivized Pay		
2-15	Conflicts of interest	G7: Ethics & Anti-Corruption		
2-16	Communication of critical concerns			
2-17	Collective knowledge of the highest governance body			
2-18	Evaluation of the performance of the highest governance body			
2-19	Remuneration policies	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	21	
2-20	Process to determine remuneration	S2: Gender Pay Ratio		
2-21	Annual total compensation ratio	G3: Incentivized Pay S1: CEO Pay Ratio S2: Gender Pay Ratio	21	
Strategy, Policies, and practices				
2-22	Statement on sustainable development strategy	E8, E9: Environmental Oversight	8	
2-23	Policy commitments			
2-24	Embedding policy commitments			
2-25	Processes to remediate negative impacts	G3: Incentivized Pay		
2-26	Mechanisms for seeking advice and raising concerns			
2-27	Compliance with laws and regulations			
2-28	Membership associations	S1: CEO Pay Ratio		
Stakeholder engagement				

2-29	Approach to stakeholder engagement		9	
2-30	Collective bargaining agreements			
GRI 3: MATERIAL TOPICS				
3-1	Process to determine material topics		10	
3-2	List of material topics		10	
3-3	Management of material topics		10	
GRI 200: Economic Standard Series				
GRI 201: Economic Performance 2016				
GRI 201 Topic Specific				
3-3	Management Approach			
201-1	Direct economic value generated and distributed		29	
GRI 202: Market Presence 2016				
GRI 202 Topic Specific				
3-3	Management Approach			
202-2	Proportion of senior management hired from the local community	S11: Nationalization	29	
GRI 203: Indirect Economic Impacts 2016				
GRI 203 Topic Specific				
3-3	Management Approach			
203-2	Significant indirect economic impacts		7	
GRI 205: Anti-Corruption 2016				
GRI 205 Topic Specific				
3-3	Management Approach			
203-2	Significant indirect economic impacts			
GRI 205: Anti-Corruption 2016				
GRI 205 Topic Specific				
3-3	Management Approach			

205-1	Operations assessed for risks related to corruption		22	
205-2	Communication and training about anti-corruption policies and procedures			
205-3	Confirmed incidents of corruption and actions taken	G6: Ethics & Prevention of Corruption		
GRI 300: Environmental Standard Series				
GRI 302: Energy 2016				
GRI 302 Topic Specific				
3-3	Management Approach	E10: Climate Risk Mitigation		
302-1	Energy consumption within the organization	E3: Energy Usage	32	
302-2	Energy consumption outside of the organization	E4: Energy Intensity E5: Energy Mix	31	
302-3	Energy Intensity	E4: Energy Intensity E5: Energy Mix	31	
GRI 303: Water and Effluents 2018				
GRI 303 Topic Specific				
3-3	Management Approach			
303-5	Water Consumption	E6: Water Usage	32	
GRI 305: Emissions 2016				
GRI 305 Topic Specific				
3-3	Management Approach	E8 & E9: Environmental Oversight	32	
305-1	Direct (Scope 1) GHG emissions	E1: GHG Emissions	32	
305-2	Energy indirect (Scope 2) GHG emissions	E1: GHG Emissions	32	
305-3	Other indirect (Scope 3) GHG emissions	E1: GHG Emissions	32	
305-4	GHG emissions intensity	E1: GHG Emissions E2: Emissions Intensity	32	
GRI 307: Environmental Compliance 2020				
GRI 306 Topic Specific				
3-3	Management Approach			
307-1	Non-compliance with environmental laws and regulations	E7: Environmental Operations		

GRI 400: Social Standard Series				
GRI 401: Employment 2016				
GRI 401 Topic Specific				
3-3	Management Approach			
401-1	New employee hires and employee turnover	S3: Employee Turnover	25	
401-2	Benefits provided to full-time employees that are not provided to part-time employees			
GRI 404: Training & Education 2016				
GRI 404 Topic Specific				
3-3	Management Approach			
404-1	Average hours of training per year per employee			
404-2	Programs for upgrading employee skills and transition assistance programs		27	
404-3	Percentage of employees receiving regular performance and career development reviews			
GRI 405: Diversity and Equal Opportunity 2016				
GRI 405 Topic Specific				
3-3	Management Approach			
405-1	Diversity of governance bodies and employees	S4: Gender Diversity	28	
		S6: Non-Discrimination		
		S11: Nationalization		
		G1: Board Diversity		
405-2	Median Compensation			
GRI 406: Non-Discrimination 2016				
GRI 406 Topic Specific				
3-3	Management Approach			
406-1	Incidents of discrimination and corrective actions taken	S6: Non-discrimination	28	
GRI 413: Local Community 2016				
GRI 413 Topic Specific				

3-3	Management Approach			
413-1	Operations with local community engagement, impact assessments, and development programs	S11: Nationalization S12: Community Investment	29	
GRI 417: Marketing and Labelling 2016				
GRI 418 Topic Specific				
3-3	Management Approach			
417-2	Incidents of non-compliance concerning product and service information and labelling		17	
417-3	Incidents of non-compliance concerning marketing communications		17	
GRI 418: Customer Privacy				
GRI 418 Topic Specific				
3-3	Management Approach			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	G7: Data Privacy	17	