Dubai National Insurance & Reinsurance Co. (P.S.C.)

Condensed interim financial information (Unaudited)
For the Nine-month period ended 30 September 2024

Dubai National Insurance & Reinsurance Co. (P.S.C.)

Table of contents

Grant Thornton

Grant Thornton Audit and Accounting Limited (Dubai Branch)

The Offices 5
Level 3
Office 302, 303, 308
One Central, DWTC
Dubai, UAE

P.O. Box 1620
T +971 4 388 9925
F +971 4 388 9915
www.grantthornton.ae

Report on Review of the Condensed Interim Financial Information

To the Shareholders of Dubai National Insurance & Reinsurance Co. (P.S.C.)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Dubai National Insurance & Reinsurance Co. (P.S.C.) (the "Company") as at 30 September 2024 and the related condensed interim income statement, and condensed interim statement of comprehensive income for the three-month and nine-month periods then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine-month period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Grant Thornton

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

GRANT THORNTON UAE

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

13 November 2024

Condensed interim statement of financial position
As at 30 September 2024

	Notes	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Assets			
Property and equipment		**5,119**	4,739
Investment properties	4	**158,480**	158,480
Financial assets	5	**510,438**	479,366
Statutory deposit	6	**10,000**	10,000
Reinsurance contract assets	7	**854,695**	91,306
Other receivables		**55,189**	33,300
Cash and bank balances	9	**209,781**	200,614
Total assets		**1,803,702**	977,805
Equity and liabilities			
Equity			
Share capital		**115,500**	115,500
Legal reserve	10	**57,750**	57,750
General reserve	10	**180,000**	180,000
Reinsurance reserve	10	**4,413**	4,413
Fair value reserve on financial assets at fair value through other comprehensive income (FVTOCI)		**196,472**	168,145
Retained earnings		**216,177**	196,847
Total equity		**770,312**	722,655
Liabilities			
Employees' end-of-service benefits		**4,642**	4,726
Insurance contract liabilities	7	**992,680**	222,243
Other payables		**33,487**	28,181
Deferred tax liability		**2,581**	-
Total liabilities		**1,033,390**	255,150
Total equity and liabilities		**1,803,702**	977,805

This condensed interim financial information was authorised for issue on 13 November 2024 by the Board of Directors and signed on its behalf by:

A R Srinivasan
Chief Executive Officer

Mohammed Khalaf Al Habtoor
Board Member

The notes from 1 to 18 form an integral part of this condensed interim financial information.

Dubai National Insurance & Reinsurance Co. (P.S.C.)
Condensed interim financial information (Unaudited)

Condensed interim income statement
For the period ended 30 September 2024

	Notes	**(Unaudited) Nine-month period ended 30 September 2024 AED'000**	(Unaudited) Nine-month period ended 30 September 2023 AED'000	**(Unaudited) Three-month period ended 30 September 2024 AED'000**	(Unaudited) Three-month period ended 30 September 2023 AED'000
Insurance revenue		**341,447**	342,638	**120,613**	112,656
Insurance service expenses	13	**(1,194,008)**	(289,081)	**(110,010)**	(91,334)
Insurance service result before reinsurance contracts held		**(852,561)**	53,557	**10,603**	21,322
Allocation of reinsurance premiums		**(149,020)**	(175,531)	**(51,252)**	(45,048)
Amounts recoverable from reinsurance		**989,007**	130,586	**41,793**	28,221
Net recovery/(expenses) from reinsurance contracts held		**839,987**	(44,945)	**(9,459)**	(16,827)
Insurance service result		**(12,574)**	8,612	**1,144**	4,495
Investment income	15	**40,853**	27,697	**6,203**	4,715
Insurance finance (expense)/income for insurance contracts issued	15	**(2,874)**	(666)	**(1,366)**	3,333
Reinsurance finance income/(expense) for reinsurance contracts held	15	**8,217**	600	**2,031**	(5,626)
Net insurance financial result		**5,343**	(66)	**665**	(2,293)
Other income		**-**	61	**-**	61
Other operating expenses		**(2,111)**	(1,849)	**(715)**	(600)
Profit for the period before tax		**31,511**	34,455	**7,297**	6,378
Income tax expense		**(631)**	-	**(631)**	-
Profit for the period after tax		**30,880**	34,455	**6,666**	6,378
Basic and diluted earnings per share	11	**0.27**	0.30	**0.06**	0.06

The notes from 1 to 18 form an integral part of this condensed interim financial information.

Dubai National Insurance & Reinsurance Co. (P.S.C.)
Condensed interim financial information (Unaudited)

Condensed interim statement of comprehensive income
For the period ended 30 September 2024

	(Unaudited) Nine-month period ended 30 September 2024	(Unaudited) Nine-month period ended 30 September 2023	**(Unaudited) Three-month period ended 30 September 2024**	(Unaudited) Three-month period ended 30 September 2023
	AED'000	AED'000	**AED'000**	AED'000
Profit for the period after tax	**30,880**	34,455	**6,666**	6,378
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss:				
Net unrealised gain on debt investments carried at FVTOCI	**2,199**	467	**1,044**	622
Items that will not be reclassified subsequently to profit or loss				
Net unrealized gain on equity investments carried at FVTOCI – net of tax	**26,128**	8,253	**58,303**	26,198
Total other comprehensive income for the period	**28,327**	8,720	**59,347**	26,820
Total comprehensive income for the period	**59,207**	43,175	**66,013**	33,198

The notes from 1 to 18 form an integral part of this condensed interim financial information.

Condensed interim statement of changes in equity
For the period ended 30 September 2024

	Share capital AED'000	Legal reserve AED'000	General reserve AED'000	Reinsurance reserve AED'000	Fair value reserve on financial assets at FVTOCI AED'000	Retained earnings AED'000	Total equity AED'000
Balance at 1 January 2023, as previously reported	115,500	57,750	180,000	3,241	161,038	160,215	677,744
Impact of initial application of IFRS 17	-	-	-	-	-	8,076	8,076
Balance at 1 January 2023	115,500	57,750	180,000	3,241	161,038	168,291	685,820
Profit for the period	-	-	-	-	-	34,455	34,455
Other comprehensive income for the period	-	-	-	-	8,720	-	8,720
Total comprehensive income for the period	-	-	-	-	8,720	34,455	43,175
Dividend paid (note 12)	-	-	-	-	-	(11,550)	(11,550)
Transfer to retained earnings on disposal of investments	-	-	-	-	1,249	(1,249)	-
Balance at 30 September 2023 (Unaudited)	115,500	57,750	180,000	3,241	171,007	189,947	717,445
Balance at 1 January 2024 (Audited)	**115,500**	**57,750**	**180,000**	**4,413**	**168,145**	**196,847**	**722,655**
Profit for the period after tax	-	-	-	-	-	30,880	30,880
Other comprehensive income for the period	-	-	-	-	28,327	-	28,327
Total comprehensive income for the period	-	-	-	-	28,327	30,880	59,207
Dividend paid (note 12)	-	-	-	-	-	(11,550)	(11,550)
Balance at 30 September 2024 (Unaudited)	**115,500**	**57,750**	**180,000**	**4,413**	**196,472**	**216,177**	**770,312**

The notes from 1 to 18 form an integral part of this condensed interim financial information.

Condensed interim statement of cash flows
For the period ended 30 September 2024

	Notes	(Unaudited) Nine-month period ended 30 September 2024 AED'000	(Unaudited) Nine-month period ended 30 September 2023 AED'000
Cash flows from operating activities			
Profit for the period before tax		**31,511**	34,455
Adjustments for:			
Depreciation on property and equipment		**871**	262
Provision for employees' end-of-service benefits		**592**	558
Gain on disposal of property and equipment		**-**	(42)
Investment income		**(40,853)**	(27,697)
Operating cash flows before changes in working capital		**(7,879)**	7,536
Changes in working capital			
Other receivables		**(21,889)**	(30,979)
Reinsurance contract assets		**(763,389)**	19,890
Insurance contract liabilities		**770,437**	(38,896)
Other payables		**4,675**	(3,497)
Net cash used in operations		**(18,045)**	(45,946)
Employees' end-of-services benefits paid		**(676)**	(387)
Net cash used in operating activities		**(18,721)**	(46,333)
Cash flows from investing activities			
Purchase of property and equipment		**(1,251)**	(3,334)
Purchase of financial assets at FVTOCI		**(191)**	-
Proceeds from sale of property and equipment		**-**	59
Proceeds from sale of financial assets at FVTOCI		**-**	13,402
Net movement in fixed deposits		**16,012**	5,000
Dividend and interest income received		**40,744**	28,142
Net cash generated from investing activities		**55,314**	43,269
Cash flows from financing activity			
Dividend paid	12	**(11,550)**	(11,550)
Net cash used in financing activity		**(11,550)**	(11,550)
Net change in cash and cash equivalents		**25,043**	(14,614)
Cash and cash equivalents, beginning of period		**61,037**	67,259
Cash and cash equivalents, end of period	9	**86,080**	52,645

1 Legal status and activities

Dubai National Insurance & Reinsurance Co. (P.S.C.) (the "Company") is a public shareholding Company incorporated in Dubai on 6 January 1992.

The Company is engaged in insurance and reinsurance of all classes of business in accordance with the provisions of the United Arab Emirates ("UAE") 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.

The registered address of the Company is Dubai National Insurance Building, 3rd Floor, Sheikh Zayed Road, P.O. Box 1806, Dubai, UAE.

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Company's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

On 16 April 2024, the United Arab Emirates experienced an extraordinary bout of heavy rainfall, leading to significant disruptions throughout the country. As a result of this event, the Company faced a surge in claims and the estimated value of incurred claims as at 30 September 2024 is AED 851 million of which AED 842 million is expected to be recoverable through reinsurance.

2 Basis of preparation

This condensed interim financial information is for the nine-month period ended 30 September 2024 and is presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Company. This condensed interim financial information has been prepared in accordance with IAS 34 'Interim Financial Reporting' and complies with the applicable requirements of the laws in the U.A.E.

This condensed interim financial information has been prepared on the historical cost basis, except for financial assets carried at fair value through other comprehensive income, financial assets carried at fair value through profit and loss and investment property carried at fair value which are carried at fair value.

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

The condensed interim financial information does not include all of the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2023. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

3 Material accounting policy information

The accounting policies, critical accounting judgments and key source of estimation used in the preparation of this condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2023, except for application of new standards effective as of 1 January 2024 and several amendments and interpretations apply for the first time in 2024.

3 Material accounting policy information (continued)

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

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

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 7 and IFRS 7	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

These standards have been adopted by the Company and did not have a material impact on this financial information.

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

Taxation

Current

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

Income tax expense is recognised in interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Deferred taxation

Deferred tax is accounted for in respect of all temporary differences at the balance sheet date between the tax bases and carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences unused tax losses and tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited to the condensed interim income statement, except in the case of items credited or charged to condensed interim other comprehensive income or equity in which case it is included in condensed interim other comprehensive income or equity.

Judgements and estimates

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

In preparing this condensed interim financial information, 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 2023. Except for the judgements on the next page.

3 Material accounting policy information (continued)

Judgements and estimates (continued)

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 EIOPA rates with volatility adjustment along with the country risk premium (inclusive of the liquidity premium).

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

	1 year		3 years		5 years		10 years	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023
Insurance issued								
AED	**4.90%**	5.44%	**4.30%**	4.65%	**4.20%**	4.39%	**4.30%**	4.28%
Reinsurance contracts held								
AED	**4.90%**	5.44%	**4.30%**	4.65%	**4.20%**	4.39%	**4.30%**	4.28%

Risk adjustment for non-financial risk

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

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

The Company has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 70th 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 70th 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.

Valuation of investment properties

Fair value of investment properties is estimated by two independent professional valuers accredited with the Royal Institution of Chartered Surveyors. The fair value is in accordance with relevant appraisal and standards issued by the Royal Institute of Chartered Surveyors (RICS) and Emirates Book Valuation standards (EBVS).

Rights and obligations of the investments

Quoted equity investment is on the name of the Chairman, however, is controlled by the Company. This investment is held for the beneficial interest of the Company. Management addresses the significant judgement over the rights and obligations by obtaining direct annual re-confirmation from the Chairman that the assets held in Chairman's name are for the Company's beneficial interest and receiving all risk and economic rewards associated with these investments.

4 Investment properties

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Opening net book value	**158,480**	152,125
Additions during the period/year	**-**	914
Increase in fair value during the period/year	**-**	5,441
Closing net book value	**158,480**	158,480

On 31 December 2023, two independent and experienced professional valuers estimated the fair value of the investment properties at AED 160.5 million and AED 156.5 million. The Company has opted the average of the two investment properties valuations. The valuers hold relevant professional qualifications and experience. Investment properties are carried at level-3 Fair value and management estimates that there has been no change in the fair value of investment properties during the nine-month period ended 30 September 2024.

5 Financial assets

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

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

	Note	Level 1	Level 2	Level 3	Total
30 September 2024 (Unaudited)		**AED'000**	**AED'000**	**AED'000**	**AED'000**
Financial assets at FVTPL					
Investment in quoted equity securities	(a)	**1,754**	**-**	**-**	**1,754**
Financial assets at FVTOCI					
Investment in quoted equity securities*	(a)	**431,457**	**-**	**-**	**431,457**
Investment in debt securities	(a)	**77,227**	**-**	**-**	**77,227**
		510,438	**-**	**-**	**510,438**
31 December 2023 (Audited)					
Financial assets at FVTPL					
Investment in quoted equity securities	(a)	1,773	-	-	1,773
Financial assets at FVTOCI					
Investment in quoted equity securities*	(a)	402,556	-	-	402,556
Investment in debt securities	(a)	75,037	-	-	75,037
		479,366	-	-	479,366

* This comprises of quoted investment amounting to AED 12.9 million as at 30 September 2024 (31 December 2023: quoted investment amounting to AED 13.9 million) which are in the name of the Chairman held for the beneficial interest of the Company.

(a) Fair values have been determined by reference to their quoted prices at the reporting date.

6 Statutory deposit

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Held with a local bank in Dubai, UAE	**10,000**	10,000

Statutory deposit held with a local bank in Dubai, UAE represents deposits held under a lien in favour of the Ministry of Economy and Planning in accordance with Article 42 of 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. The deposit cannot be withdrawn without prior approval from the Ministry of Economy and Planning.

7 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:

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Assets AED'000	**Liabilities AED'000**	**Net AED'000**	Assets AED'000	Liabilities AED'000	Net AED'000
Insurance contracts issued	**-**	**(992,680)**	**(992,680)**	-	(222,243)	(222,243)
Reinsurance contracts held	**854,695**	**-**	**854,695**	91,306	-	91,306

7 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

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component (Unaudited) AED'000	Loss component (Unaudited) AED'000	Estimates of the present value of future cash flows (Unaudited) AED'000	Risk adjustment (Unaudited) AED'000	Total (Unaudited) AED'000
30 September 2024 (Unaudited)					
Insurance contract liabilities as at 1 January	(14,281)	(4,542)	(185,774)	(17,646)	(222,243)
Insurance revenue	341,447	-	-	-	341,447
Insurance service expenses	(56,203)	(3,855)	(1,047,094)	(86,856)	(1,194,008)
Incurred claims and other expenses	-	-	(808,148)	(61,600)	(869,748)
Amortisation of insurance acquisition cash flows	(56,203)	-	-	-	(56,203)
Losses on onerous contracts	-	(3,855)	-	-	(3,855)
Changes to liabilities for incurred claims	-	-	(238,946)	(25,256)	(264,202)
Insurance service result	285,244	(3,855)	(1,047,094)	(86,856)	(852,561)
Insurance finance expense	-	-	(2,874)	-	(2,874)
Total changes in the statement of comprehensive income/(loss)	285,244	(3,855)	(1,049,968)	(86,856)	(855,435)
Cash flows					
Premiums received	(295,703)	-	-	-	(295,703)
Claims and other expenses paid	-	-	327,247	-	327,247
Insurance acquisition cash flows	53,454	-	-	-	53,454
Total cash flows	(242,249)	-	327,247	-	84,998
Net insurance contract liabilities as at 30 September	28,714	(8,397)	(908,495)	(104,502)	(992,680)
31 December 2023 (Audited)					
Insurance contract liabilities as at 1 January	(6,473)	(5,644)	(205,570)	(27,754)	(245,441)
Insurance revenue	448,353	-	-	-	448,353
Insurance service expenses	(69,098)	2,027	(306,884)	10,108	(363,847)
Incurred claims and other expenses	-	-	(208,099)	17,054	(191,045)
Amortisation of insurance acquisition cash flows	(69,098)	-	-	-	(69,098)
Losses on onerous contracts	-	2,027	-	-	2,027
Changes to liabilities for incurred claims	-	-	(98,785)	(6,946)	(105,731)
Insurance service result	379,255	2,027	(306,884)	10,108	84,506
Insurance finance expense	-	(925)	441	-	(484)
Total changes in the statement of comprehensive income/(loss)	379,255	1,102	(306,443)	10,108	84,022
Cash flows					
Premiums received	(453,419)	-	-	-	(453,419)
Claims and other expenses paid	-	-	326,239	-	326,239
Insurance acquisition cash flows	66,356	-	-	-	66,356
Total cash flows	(387,063)	-	326,239	-	(60,824)
Net insurance contract liabilities as at 31 December	(14,281)	(4,542)	(185,774)	(17,646)	(222,243)

7 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

30 September 2024 (Unaudited)	Assets for remaining coverage: Excluding loss recovery component (Unaudited) AED'000	Assets for remaining coverage: Loss component (Unaudited) AED'000	Amounts recoverable on incurred claims: Estimates of the present value of future cash flows (Unaudited) AED'000	Amounts recoverable on incurred claims: Risk adjustment (Unaudited) AED'000	Total (Unaudited) AED'000
Reinsurance contract assets as at 1 January	(388,645)	917	463,216	15,818	91,306
An allocation of reinsurance premiums	(149,020)	-	-	-	(149,020)
Amounts recoverable from reinsurers	-	908	902,050	86,049	989,007
Amounts recoverable for incurred claims and other expenses	-	-	902,050	86,049	988,099
Loss-recovery on onerous underlying contracts and adjustments	-	908	-	-	908
Net income or expense from reinsurance contracts held	(149,020)	908	902,050	86,049	839,987
Reinsurance finance income	-	-	8,217	-	8,217
Total changes in the statement of comprehensive (loss)/income	(149,020)	908	910,267	86,049	848,204
Cash flows					
Premiums paid	110,324	-	-	-	110,324
Amounts received	-	-	(195,139)	-	(195,139)
Total cash flows	110,324	-	(195,139)	-	(84,815)
Net reinsurance contract assets as at 30 September	(427,341)	1,825	1,178,344	101,867	854,695

7 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)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2023 (Audited)	Excluding loss recovery component AED'000	Loss component AED'000	Estimates of the present value of future cash flows AED'000	Risk adjustment AED'000	Total AED'000
Reinsurance contract assets as at 1 January	(229,167)	1,382	312,130	20,020	104,365
An allocation of reinsurance premiums	(226,310)	-	-	-	(226,310)
Amounts recoverable from reinsurers	-	(693)	162,467	(4,202)	157,572
Amounts recoverable for incurred claims and other expenses	-	(533)	101,162	(5,138)	95,491
Loss-recovery on onerous underlying contracts and adjustments	-	(160)	61,305	936	62,081
Net income or expense from reinsurance contracts held	(226,310)	(693)	162,467	(4,202)	(68,738)
Reinsurance finance income	-	228	(3,405)	-	(3,177)
Total changes in the statement of comprehensive (loss)/income	(226,310)	(465)	159,062	(4,202)	(71,915)
Cash flows					
Premiums paid	66,832	-	-	-	66,832
Amounts received	-	-	(7,976)	-	(7,976)
Total cash flows	66,832	-	(7,976)	-	58,856
Net reinsurance contract assets as at 31 December	(388,645)	917	463,216	15,818	91,306

8 Related party transactions

The nature of significant related party transactions and amounts involved were as follows:

	(Unaudited) Nine-month period ended 30 September 2024 AED'000	(Unaudited) Nine -month period ended 30 September 2023 AED'000	**(Unaudited) Three-month period ended 30 September 2024 AED'000**	(Unaudited) Three-month period ended 30 September 2023 AED'000
Premiums written	**102,206**	24,871	**52,038**	(5,760)
Claims paid	**163,340**	2,505	**7,177**	(1,610)
Agency / non-agency repairs	**17,881**	3,278	**7,201**	(2,209)
Commission paid	**3,080**	879	**888**	44
Key management personnel compensation				
Short term benefits	**1,932**	153	**668**	(151)
Post-employment benefits	**65**	6	**23**	(4)
	1,997	159	**691**	(155)

Quoted investment at FVTOCI amounting to AED 12.9 million as at 30 September 2024 (31 December 2023: quoted investment amounting to AED 13.9 million) is registered in the name of the Chairman in the beneficial interest of the Company (refer to note 5).

9 Cash and bank balances

Cash and bank balances comprise the following statement of financial position amounts:

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Cash in hand and at banks	**209,781**	200,614

Cash at banks includes deposits with local banks carrying interest ranging from 5.15% - 5.70% (31 December 2023: 3.10% - 5.25%) per annum.

As per management's assessment, expected credit loss on cash and cash equivalents is immaterial.

Cash and cash equivalents at the end of the period as shown in the condensed interim statement of cash flows can be reconciled to the related items in the financial items in the condensed interim statement of financial position as follows:

	(Unaudited) 30 September 2024 AED'000	(Unaudited) 30 September 2023 AED'000
Cash and bank balances	**209,781**	183,065
Bank deposits with maturity over 3 months	**(123,701)**	(130,420)
Cash and cash equivalents	**86,080**	52,645

10 Reserves

Legal reserve

In accordance with the Company's Articles of Association and Article 241 of the Federal Law No. (32) of 2021, a minimum of 10% of the Company's annual net profits must be transferred to a non-distributable legal reserve. As per the Company's Articles of Association, such transfers are required until the balance in the legal reserve equals 50% of the Company's paid-up share capital. No transfer to legal reserve has been made during the period as it has already reached 50% of the paid-up share capital (31 December 2023: Nil).

General reserve

Transfers to the general reserve are made on the recommendation of the Board of Directors. This reserve may be used for such purposes as deemed appropriate by the Board of Directors. During the period, there were no transfers from or to the general reserve (31 December 2023: no transfers)

Reinsurance reserve

In accordance with Article 34 of Insurance Authority's Board of Directors Decision No. 23 of 2019, concerning instructions organising reinsurance operations, the reserve is not available for distribution and will not be disposed of without prior approval from the Central Bank of United Arab Emirates.

11 Earnings per share

	(Unaudited) Nine-month period ended 30 September 2024	(Unaudited) Nine-month period ended 30 September 2023	**(Unaudited) Three-month period ended 30 September 2024**	(Unaudited) Three-month period ended 30 September 2023
Earnings (AED'000):				
Profit for the period after tax	**30,880**	34,455	**6,666**	6,378
Number of shares ('000):				
Weighted average number of ordinary shares for the purpose of basic earnings per share	**115,500**	115,500	**115,500**	115,500
Earnings per share (AED):				
Basic and diluted	**0.27**	0.30	**0.06**	0.06

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

12 Dividends

The Board proposed cash dividend of 10% of paid up share capital, amounting to AED 11.55 million (AED 0.10 per share) for the year ended 31 December 2023. This was approved at the Annual General Meeting held on 25 April 2024 and distributed on 15 May 2024.

During the comparative year, the Board proposed cash dividend of 10% of paid up share capital, amounting to AED 11.55 million (AED 0.10 per share) for the year ended 31 December 2022. This was approved at the Annual General Meeting held on 18 April 2023 and distributed on 9 May 2023.

13 Insurance service expenses

	(Unaudited) Nine-month period ended 30 September 2024	(Unaudited) Nine-month period ended 30 September 2023	**(Unaudited) Three-month period ended 30 September 2024**	(Unaudited) Three-month period ended 30 September 2023
	AED'000	AED'000	**AED'000**	AED'000
Incurred claims and other expenses	**869,748**	131,254	**31,408**	17,884
Amortisation of insurance acquisition cash flows	**56,203**	51,408	**19,969**	17,643
Losses/(reversals) on onerous contracts	**3,855**	3,624	**(267)**	4,010
Changes to liabilities for incurred claims	**264,202**	102,795	**58,900**	51,797
	1,194,008	289,081	**110,010**	91,334

14 Segment information

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

	Underwriting AED'000	**Investments AED'000**	**Total AED'000**
As at 30 September 2024 (Unaudited)			
Total assets	**871,275**	**932,427**	**1,803,702**
Total equity	**573,840**	**196,472**	**770,312**
Total liabilities	**1,024,021**	**9,369**	**1,033,390**
As at 31 December 2023 (Audited)			
Total assets	113,718	864,087	977,805
Total equity	554,510	168,145	722,655
Total liabilities	246,982	8,168	255,150

14 Segment information (continued)

The Company operates two main business segments: Underwriting and Investments.

Underwriting segment is further classified into General Insurance, Group life and Health Insurance. Investments segment comprises Investment Property and Financial Assets. The Group life Insurance provided by the Company is for a period of 12 months and does not include any investment portion.

	For the Nine-month period ended 30 September 2024 (Unaudited)			For the Nine-month period ended 30 September 2023 (Unaudited)		
	Underwriting AED'000	**Investments AED'000**	**Total AED'000**	Underwriting AED'000	Investments AED'000	Total AED'000
Insurance revenue	**341,447**	**-**	**341,447**	342,638	-	342,638
Insurance service expenses	**(1,194,008)**	**-**	**(1,194,008)**	(289,081)	-	(289,081)
Insurance service result before reinsurance contracts held	**(852,561)**	**-**	**(852,561)**	53,557	-	53,557
Allocation of reinsurance premiums	**(149,020)**	**-**	**(149,020)**	(175,531)	-	(175,531)
Amounts recoverable from reinsurance for incurred claims	**989,007**	**-**	**989,007**	130,586	-	130,586
Net recovery/(expenses) from reinsurance contracts held	**839,987**	**-**	**839,987**	(44,945)	-	(44,945)
Insurance service result	**(12,574)**	**-**	**(12,574)**	8,612	-	8,612
Investment income	**-**	**40,853**	**40,853**	-	27,697	27,697
Insurance finance expense for insurance contracts issued	**(2,874)**	**-**	**(2,874)**	(666)	-	(666)
Reinsurance finance income for reinsurance contracts held	**8,217**	**-**	**8,217**	600	-	600
Net insurance financial result	**5,343**	**-**	**5,343**	(66)	-	(66)
Other income	**-**	**-**	**-**	-	61	61
Other operating expenses	**(2,111)**	**-**	**(2,111)**	(1,849)	-	(1,849)
(Loss)/profit for the period before tax	**(9,342)**	**40,853**	**31,511**	6,697	27,758	34,455

14 Segment information (continued)

	For the Three-month period ended 30 September 2024 (Unaudited)			For the Three-month period ended 30 September 2023 (Unaudited)		
	Underwriting AED'000	Investments AED'000	Total AED'000	Underwriting AED'000	Investments AED'000	Total AED'000
Insurance revenue	120,613	-	120,613	112,656	-	112,656
Insurance service expenses	(110,010)	-	(110,010)	(91,334)	-	(91,334)
Insurance service result before reinsurance contracts held	10,603	-	10,603	21,322	-	21,322
Allocation of reinsurance premiums	(51,252)	-	(51,252)	(45,048)	-	(45,048)
Amounts recoverable from reinsurance for incurred claims	41,793	-	41,793	28,221	-	28,221
Net expenses from reinsurance contracts held	(9,459)	-	(9,459)	(16,827)	-	(16,827)
Insurance service result	1,144	-	1,144	4,495	-	4,495
Investment income	-	6,203	6,203	-	4,715	4,715
Insurance finance (expense)/ income for insurance contracts issued	(1,366)	-	(1,366)	3,333	-	3,333
Reinsurance finance income/(expense) for reinsurance contracts held	2,031	-	2,031	(5,626)	-	(5,626)
Net insurance financial result	665	-	665	(2,293)	-	(2,293)
Other income	-	-	-	-	61	61
Other operating expenses	(715)	-	(715)	(600)	-	(600)
Profit for the period before tax	1,094	6,203	7,297	1,602	4,776	6,378

15 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 period:

	(Unaudited) Nine-month period ended 30 September 2024	(Unaudited) Nine-month period ended 30 September 2023
	AED'000	AED'000
Investment income		
Net interest income	10,084	7,826
Dividend income from financial investments	24,338	15,669
Net income from investment properties	6,431	4,202
Total investment income	40,853	27,697
Insurance finance expense from insurance contracts issued		
Interest accreted to insurance contracts using locked-in rate	(14)	(159)
Due to changes in interest rates and other financial assumptions	(2,860)	(507)
Total insurance finance expense from insurance contracts issued	(2,874)	(666)
Represented by:		
Amounts recognised in income statement	(2,874)	(666)
Amounts recognised in OCI	-	-
Reinsurance finance income from reinsurance contracts held		
Interest accreted to reinsurance contracts using current financial assumptions	3,420	2,863
Due to changes in interest rates and other financial assumptions	4,797	(2,263)
Reinsurance finance income from reinsurance contracts held	8,217	600
Represented by:		
Amounts recognised in income statement	8,217	600
Amounts recognised in OCI	-	-
Total net investment income, insurance finance expense and reinsurance finance income	46,196	27,631
Represented by:		
Amounts recognised in income statement	46,196	27,631
Amounts recognised in OCI	-	-

15 Total investment income and net insurance financial result (continued)

	(Unaudited) Three-month period ended 30 September 2024 AED'000	(Unaudited) Three-month period ended 30 September 2023 AED'000
Investment income		
Net interest income	**3,602**	2,687
Dividend income from financial investments	**656**	632
Net income from investment properties	**1,945**	1,396
Total investment income	**6,203**	4,715
Insurance finance (expense)/income from insurance contracts issued		
Interest accreted to insurance contracts using locked-in rate	**207**	3,908
Due to changes in interest rates and other financial assumptions	**(1,573)**	(575)
Total insurance finance (expense)/income from insurance contracts issued	**(1,366)**	3,333
Represented by:		
Amounts recognised in income statement	**(1,366)**	3,333
Amounts recognised in OCI	**-**	-
Reinsurance finance income/(expense) from reinsurance contracts held		
Interest accreted to reinsurance contracts using current financial assumptions	**536**	(4,019)
Due to changes in interest rates and other financial assumptions	**1,495**	(1,607)
Reinsurance finance income from reinsurance contracts held	**2,031**	(5,626)
Represented by:		
Amounts recognised in income statement	**2,031**	(5,626)
Amounts recognised in OCI	**-**	-
Total net investment income, insurance finance expense and reinsurance finance income	**6,868**	2,422
Represented by:		
Amounts recognised in income statement	**6,868**	2,422
Amounts recognised in OCI	**-**	-

16 Commitments and contingencies

At the statement of financial position date, the Company has commitments towards the capital work in progress of AED 48.23 million (31 December 2023: AED 57.8 million).

The Company is subject to litigation in the normal course of its business. Although the ultimate outcome of these claims cannot presently be determined, adequate provisions have been made for any liability that may result, based on management's best estimates.

17 Fair value measurements

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

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial information approximate their fair values except for financial investments measured at fair value through other comprehensive income of which fair value is determined based on the quoted market prices and disclosed in Note 5 of this condensed interim financial information.

Fair value of financial instruments carried at fair value

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

The fair values of assets are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2023.

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

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

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

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

	Fair value as at					
Financial assets	**30 September 2024 (Unaudited) AED'000**	31 December 2023 (Audited) AED'000	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Debt securities	**77,227**	75,037	Level 1	Quoted bid prices in an active market	None	N/A
Quoted Equity securities	**433,211**	404,329	Level 1	Quoted bid prices in an active market	None	N/A

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

18 Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Company is subject to solvency regulations which it has complied with during the period. The Company has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Company and the total capital held to meet these required Solvency Margins.

	(Unaudited) 30 September 2024 AED'000	(Audited) 31 December 2023 AED'000
Minimum capital requirement (MCR)	**100,000**	100,000
Solvency capital requirement (SCR)	**202,982**	163,935
Minimum guarantee fund (MGF)	**67,661**	56,230
Basic own funds	**358,442**	356,678
MCR solvency margin – surplus	**258,442**	256,678
SCR solvency margin – surplus	**155,460**	192,743
MGF solvency margin – surplus	**290,781**	300,448

Based on the Central Bank of UAE regulatory requirements, the minimum regulatory capital required is AED 100 million (30 September 2023: AED 100 million) against which the paid up capital of the Company is AED 115.5 million (30 September 2023: AED 115.5 million).

The Company and its individually regulated operations have complied with all externally imposed capital requirements throughout the period. There have been no changes in the Company's management of capital during the period.