Al-Sagr National Insurance Company (PSC)

Condensed interim financial information (Unaudited)

For the nine-month period ended 30 September 2024

Grant Thornton

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Report on Review of the Condensed Interim Financial Information
To the Shareholders of Al-Sagr National Insurance Company (PSC)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Al-Sagr National Insurance Company (PSC) (the "Company") as at 30 September 2024 and the related 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 presentation of these 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.

Basis for Qualified Conclusion

The Company has incurred AED 90 million total comprehensive loss for the period ended 30 September 2024 and has accumulated losses amounting to AED 114.9 million as at 30 September 2024. In addition to the losses, the Company is not in compliance with the solvency requirements of Central Bank of the UAE as disclosed in note 20 of this condensed interim financial information. We have not been provided with sufficient appropriate audit evidence to support the Company's abilities to continue as a going concern. These events and conditions indicate that a material uncertainty exists that cast significant doubt on the Company's ability to continue as a going concern.

Qualified Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, 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

14 November 2024

Al-Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

Condensed interim statement of financial position
As at 30 September 2024

	Notes	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
ASSETS			
Property and equipment	4	**9,390,514**	87,690,885
Investment in associates	5	**147,579,072**	110,801,857
Investment in financial assets at FVTPL	6	**21,527,001**	22,266,295
Investment property	7	**157,931,895**	157,931,895
Insurance contract assets	8	**11,396,425**	19,865,132
Reinsurance contract assets	8	**107,906,304**	121,009,533
Due from related parties	12	**12,793,779**	12,793,779
Other receivables and prepayments		**30,561,940**	22,412,249
Bank balances and cash	9	**264,986,620**	267,762,651
TOTAL ASSETS		**764,073,550**	822,534,276
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**230,000,000**	230,000,000
Statutory reserve	11	**-**	70,848,081
Reinsurance reserve	11	**4,235,793**	4,235,793
Accumulated losses		**(114,851,978)**	(95,708,302)
Total equity		**119,383,815**	209,375,572
Liabilities			
Employees' end of service indemnity		**6,925,154**	6,844,648
Bank borrowings	9	**228,412,443**	218,486,962
Other payables		**34,087,597**	23,349,828
Insurance contract liabilities	8	**324,616,698**	279,427,369
Reinsurance contract liabilities	8	**43,574,037**	76,805,461
Lease liability		**7,073,806**	8,244,436
Total liabilities		**644,689,735**	613,158,704
TOTAL EQUITY AND LIABILITIES		**764,073,550**	822,534,276

The condensed interim financial information were authorised for issue in accordance with a resolution of the Directors on 14 November 2024.

Majid Abdulla Al Sari
Chairman

Abdel Muhsen Jaber
CEO

The notes from 1 to 20 form an integral part of these condensed interim financial information

Al-Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

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

	Notes	Three-month period ended 30 September (Unaudited) 2024 AED	2023 AED	Nine-month period ended 30 September (Unaudited) 2024 AED	2023 AED
UNDERWRITING INCOME					
Insurance premium		**234,417,791**	222,704,975	**714,063,127**	593,035,249
Insurance service expenses	14	**(199,099,309)**	(232,611,535)	**(932,590,563)**	(591,838,444)
Insurance service result before reinsurance contracts held		**35,318,482**	(9,906,560)	**(218,527,436)**	1,196,805
Allocation of reinsurance premiums		**(66,917,430)**	(62,954,498)	**(207,864,887)**	(170,523,750)
Amounts recoverable from reinsurance for incurred claims		**33,429,104**	61,777,787	**339,983,122**	167,736,196
Net (expenses)/income from reinsurance contracts held		**(33,488,326)**	(1,176,711)	**132,118,235**	(2,787,554)
Insurance service result		**1,830,156**	(11,083,271)	**(86,409,201)**	(1,590,749)
Investment income	15	**2,174,891**	10,178,300	**9,849,593**	13,452,020
Insurance finance expense for insurance contracts issued	15	**(4,206,134)**	(2,225,635)	**(11,640,216)**	(8,187,717)
Reinsurance finance income for reinsurance contracts held	15	**2,540,510**	1,692,716	**6,450,381**	5,681,657
Net insurance financial result		**2,339,423**	(1,437,890)	**(81,749,443)**	9,355,211
Finance costs		**(2,331,109)**	(2,464,188)	**(8,242,314)**	(6,592,521)
(Loss)/profit for the period		**8,314**	(3,902,078)	**(89,991,757)**	2,762,690
Other comprehensive income		**-**	-	**-**	-
Total comprehensive (loss)/income for the period		**8,314**	(3,902,078)	**(89,991,757)**	2,762,690
Basic and diluted (loss)/earnings per share	13	**(0.00)**	(0.02)	**(0.39)**	0.01

The notes from 1 to 20 form an integral part of these condensed interim financial information.

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

	Share capital AED	Statutory reserve AED	Reinsurance reserve AED	Accumulated losses AED	Total equity AED
Balance as 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	-	-	-	(3,431,785)	(3,431,785)
Restated balance as at 1 January 2023 (Audited)	230,000,000	70,203,206	2,751,401	(100,027,842)	202,926,765
Profit for the period (restated)	-	-	-	2,762,690	2,762,690
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	2,762,690	2,762,690
Balance as at 30 September 2023 (Unaudited)	230,000,000	70,203,206	2,751,401	(97,265,152)	205,689,455
Balance as at 1 January 2024 (Audited)	**230,000,000**	**70,848,081**	**4,235,793**	**(95,708,302)**	**209,375,572**
Transfer (note 11)	-	**(70,848,081)**	-	**70,848,081**	-
Loss for the period	-	-	-	**(89,991,757)**	**(89,991,757)**
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	**(89,991,757)**	**(89,991,757)**
Balance as at 30 September 2024 (Unaudited)	**230,000,000**	-	**4,235,793**	**(114,851,978)**	**119,383,815**

The notes from 1 to 20 form an integral part of these condensed interim financial information.

Al-Sagr National Insurance Company (PSC)
Condensed interim financial information (Unaudited)

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

	Notes	**(Unaudited) Nine-month period ended 30 September 2024 AED**	(Unaudited) Nine-month period ended 30 September 2023 AED
OPERATING ACTIVITIES			
(Loss)/profit for the period		**(89,991,757)**	2,762,690
Adjustment for:			
Net unrealised gain from investments in financial assets at FVTPL	6	**(354,537)**	(2,941,100)
Share of profit from equity accounted investees	5	**(5,426,815)**	(7,799,316)
Depreciation		**1,803,224**	2,277,180
Finance costs		**8,242,314**	6,592,521
Interest income		**(9,787,017)**	(6,845,530)
Dividend income from investment in financial assets at FVTPL	6	**-**	(404,802)
Loss on sale of investment in financial assets at FVTPL		**(64,269)**	-
Loss on disposal of property and equipment		**6,750,806**	-
Provision for employees' end of service benefits		**720,000**	809,327
Interest on lease liability		**332,976**	30,669
		(87,775,075)	(5,518,361)
Changes in operating assets and liabilities:			
Insurance contract assets and liabilities-net		**53,658,036**	(22,393,490)
Reinsurance contract assets and liabilities-net		**(20,128,195)**	(11,701,472)
Due from related parties		**-**	1,835,930
Other receivables and prepayments		**(8,149,691)**	(4,155,317)
Other payables		**10,737,769**	9,608,084
		(51,657,156)	(32,324,626)
Employees' end of service benefits paid		**(639,494)**	(909,054)
Net cash used in operating activities		**(52,296,650)**	(33,233,680)
INVESTING ACTIVITIES			
Purchase of property and equipment		**(253,659)**	(126,554)
Net proceeds from sale of property and equipment		**70,000,000**	39,532
Net proceeds from sale of investment in financial assets at FVTPL		**1,158,100**	-
Dividends received from investment in financial assets at FVTPL		**-**	404,802
Purchase of shares in investment in associates		**(31,350,400)**	
Interest received		**9,787,017**	6,845,530
Net cash generated from investing activities		**49,341,058**	7,163,310
FINANCING ACTIVITIES			
Interest paid		**(8,242,314)**	(6,592,521)
Payment of lease liability		**(1,503,606)**	(1,503,609)
Net cash used in financing activities		**(9,745,920)**	(8,096,130)
Net change in cash and cash equivalents		**(12,701,512)**	(34,166,500)
Cash and cash equivalents, beginning of period		**49,275,689**	49,152,371
Cash and cash equivalents, end of period	9	**36,574,177**	14,985,871

The notes from 1 to 20 form an integral part of these condensed interim financial information.

Notes to the condensed interim financial information
For the period ended 30 September 2024

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 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 Co. PSC (the "Parent Company"), a public company incorporated in U.A.E.

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.

2 Basis of preparation

Going Concern

These financial statements have been prepared on a going concern basis, notwithstanding the fact that the Company has incurred an AED 90 million total comprehensive loss for the period ended 30 September 2024 and accumulated losses amounting to AED 114.9 million as of 30 September 2024 (31 December 2023; AED 95.7 million), primarily due to high volume of claims resulting from severe rainfall events in current period. A portion of these claim payment is expected to be recovered from reinsurers.

Due to significant accumulated losses and non-compliance with solvency requirements as disclosed in note 20, the Company's continued operations are dependent on implementing a recovery plan and generating sufficient cash flows to meet its obligations.

Statement of compliance

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 profit and loss and investment property which are carried at fair value and the provision for employees' end of service indemnity which is measured in accordance with U.A.E labour laws.

The Company's condensed interim statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: Cash and cash equivalents, other receivables and prepayments. The following balances would generally be classified as non-current: property and equipment and fixed deposit. The following balances are of mixed nature (including both current and non-current portions): Investment in financial assets at FVTPL, insurance and reinsurance contract assets, insurance and reinsurance 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 new and revised International Financial Reporting Standards ("IFRS")

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

Standard number	Title	Effective date
IAS 1	Amendment to IAS 1 – Non-current liabilities with covenants and classification of liabilities as current or non-current	1 January 2024
IAS 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.

Critical accounting estimates and judgments in applying accounting policies

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.

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 2023. There have been no changes in any risk management policies since the year end.

4 Property and equipment

All property and equipment are located in the United Arab Emirates. During the nine-month period ended September 30, 2024, the Company sold a land for AED 70 million, which had a book value of AED 76.8 million resulted in a loss of AED 6.8 million.

5 Investment in associates

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Al Sagr Cooperative Insurance Company, KSA (i)	**147,412,356**	110,635,141
Sogour Al Khaleej General Trading L.L.C., UAE	**150,000**	150,000
Green Air Technology L.L.C., UAE	**16,716**	16,716
	147,579,072	110,801,857

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.

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 these entities.

As at 30 September 2024, 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:

(i)	**(Unaudited) 30 September 2024 AED**	(Audited) 31 December 2023 AED
At the beginning of the period/year	**110,635,141**	99,308,672
Company's share of net profit for the period/year	**5,426,815**	11,326,469
Subscription of right shares*	**31,350,400**	-
At the end of the period/year	**147,412,356**	110,635,141

On 17 July 2024, the Company subscribed to a right issue of 3,200,000 shares in its associate Al-Sagr Cooperative Insurance Company, at a price of SAR 10 (AED 9.8) per share totaling to AED 31.4 million.

6 Investment in financial assets at FVTPL

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

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
At the beginning of the period/year	**22,266,295**	19,404,579
Disposal during the period	**(1,093,831)**	-
Changes in fair value during the period/year	**354,537**	2,861,716
At the end of the period/year	**21,527,001**	22,266,295

6 Investment in financial asset at FVTPL (continued)

All investments are held within U.A.E. except for investments at FVTPL amounting to AED 0.1 million (31 December 2023: AED 0.1 million). During the current period, the Company received no dividend income (nine-month period ended 30 September 2023: AED 404,802) on its investments in securities.

7 Investment property

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Investment property	**157,931,895**	157,931,895

Investment property is located in Al Barsha First, Dubai. The fair value of the property is based on valuation performed by accredited independent valuer as at 31 December 2023. Management have reviewed the fair value of investment property as at 30 September 2024 and are of the opinion that there is no significant change in the fair value compared to previous valuation carried at 31 December 2023.

8 Insurance and reinsurance contracts

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

	30 September 2024 (Unaudited)			31 December 2023 (Audited)		
	Assets AED	**Liabilities AED**	**Net AED**	Assets AED	Liabilities AED	Net AED
Insurance contracts issued						
Life and Medical	**-**	**(28,970,536)**	**(28,970,536)**	-	(130,260,450)	(130,260,450)
General and Motor	**11,396,425**	**(295,646,162)**	**(284,249,737)**	19,865,132	(149,166,919)	(129,301,787)
Total insurance contracts issued	**11,396,425**	**(324,616,698)**	**(313,220,273)**	19,865,132	(279,427,369)	(259,562,237)
Reinsurance contracts held						
Life and Medical	**17,515,129**	**-**	**17,515,129**	40,883,960	-	40,883,960
General and Motor	**90,391,175**	**(43,574,037)**	**46,817,138**	80,125,573	(76,805,461)	3,320,112
Total reinsurance contracts held	**107,906,304**	**(43,574,037)**	**64,332,267**	121,009,533	(76,805,461)	44,204,072

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:

8 Insurance and reinsurance contracts (continued)

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

	Life and Medical				General and Motor				
	Liabilities for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
30 September 2024 (Unaudited)	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	(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 1 January	-	-	-	-	(108,300,603)	-	85,664,804	2,770,667	(19,865,132)
Net contract liabilities as at 1 January	(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 revenue	(363,176,821)	-	-	-	(350,886,306)	-	-	-	(714,063,127)
Insurance service expenses	27,193,096	-	360,414,041	(1,014,827)	56,884,020	79,362	486,359,597	2,675,274	932,590,563
Incurred claims and other expenses	-	-	288,050,221	3,856,273	-	-	461,372,700	15,151,841	768,431,035
Amortisation of insurance acquisition cash flows	27,193,096	-	-	-	56,884,020	-	-	-	84,077,116
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	79,362	-	-	79,362
Changes to liabilities for incurred claims	-	-	72,363,820	(4,871,100)	-	-	24,986,897	(12,476,567)	80,003,050
Insurance service result	(335,983,725)	-	360,414,041	(1,014,827)	(294,002,286)	79,362	486,359,597	2,675,274	218,527,436
Insurance finance expenses	-	-	4,244,560	93,100	-	-	7,007,368	295,188	11,640,216
Total changes in the statement of comprehensive income	(335,983,725)	-	364,658,601	(921,727)	(294,002,286)	79,362	493,366,965	2,970,462	230,167,652
Cash flows									
Premiums received	306,336,279	-	-	-	449,617,533	-	-	-	755,953,812
Claims and other expenses paid	-	-	(413,124,025)	-	-	-	(418,328,872)	-	(831,452,897)
Insurance acquisition cash flows	(22,255,318)	-	-	-	(78,755,213)	-	-	-	(101,010,531)
Total cash flows	284,080,961	-	(413,124,025)	-	370,862,320	-	(418,328,872)	-	(176,509,616)
Net insurance contract liabilities as at 30 September	(54,253,068)	-	81,587,251	1,636,350	(14,020,032)	2,406,769	284,447,182	11,415,821	313,220,273
Insurance contract liabilities as at 30 September	(54,253,068)	-	81,587,251	1,636,350	6,916,432	2,406,769	275,305,440	11,017,524	324,616,698
Insurance contract assets as at 30 September	-	-	-	-	(20,936,464)	-	9,141,742	398,297	(11,396,425)
Net insurance contract liabilities as at 30 September	(54,253,068)	-	81,587,251	1,636,350	(14,020,032)	2,406,769	284,447,182	11,415,821	313,220,273

8 Insurance and reinsurance contracts (continued)

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

	Life and Medical				General and Motor				
	Liabilitsies for remaining coverage		Liabilities for incurred claims		Liabilities for remaining coverage		Liabilities for incurred claims		
31 December 2023 (Audited)	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 income	(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

8 Insurance and reinsurance contracts (continued)

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

	Life and Medical				General and Motor				
	Assets for remaining coverage		Amounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
30 September 2024 (Unaudited)	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	(16,453,659)	-	56,237,363	1,100,255	(25,410,098)	-	100,773,173	4,762,499	121,009,533
Reinsurance contract liabilities as at 1 January	-	-	-	-	(98,351,155)	-	20,743,733	801,961	(76,805,461)
Net reinsurance contract (liabilities)/assets as at 1 January	(16,453,659)	-	56,237,363	1,100,255	(123,761,253)	-	121,516,906	5,564,460	44,204,072
An allocation of reinsurance premiums	(134,072,208)	-	-	-	(73,792,679)	-	-	-	(207,864,887)
Amounts recoverable from reinsurers for incurred claims	-	-	154,167,941	(381,904)	-	290,728	185,586,909	319,448	339,983,122
Amounts recoverable for incurred claims and other expenses	-	-	122,385,046	1,922,913	-	-	170,784,922	7,657,907	302,750,788
Loss-recovery on onerous underlying contracts	-	-	-	-	-	290,728	-	-	290,728
Changes to amounts recoverable for incurred claims	-	-	31,782,895	(2,304,817)	-	-	14,801,987	(7,338,459)	36,941,606
Net income or expense from reinsurance contracts held	(134,072,208)	-	154,167,941	(381,904)	(73,792,679)	290,728	185,586,909	319,448	132,118,235
Reinsurance finance income	-	-	2,046,410	44,440	-	-	4,042,253	187,646	6,320,749
Effect of changes in non-performance risk of reinsurers	-	-	110,090	-	-	-	19,542	-	129,632
Total changes in the statement of comprehensive income	(134,072,208)	-	156,324,441	(337,464)	(73,792,679)	290,728	189,648,704	507,094	138,568,616
Cash flows									
Premiums paid	128,790,919	-	-	-	108,536,645	-	-	-	237,327,564
Amounts received	-	-	(174,074,519)	-	-	-	(181,693,466)	-	(355,767,985)
Total cash flows	128,790,919	-	(174,074,519)	-	108,536,645	-	(181,693,466)	-	(118,440,421)
Net reinsurance contract assets as at 30 September	(21,734,948)	-	38,487,285	762,791	(89,017,287)	290,728	129,472,144	6,071,554	64,332,267
Reinsurance contract assets as at 30 September	(21,734,948)	-	38,487,285	762,791	(11,721,233)	132,614	97,205,394	4,774,401	107,906,304
Reinsurance contract liabilities as at 30 September	-	-	-	-	(77,296,054)	158,114	32,266,750	1,297,153	(43,574,037)
Net reinsurance contract assets as at 30 September	(21,734,948)	-	38,487,285	762,791	(89,017,287)	290,728	129,472,144	6,071,554	64,332,267

8 Insurance and reinsurance contracts (continued)

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

	Life and Medical				General and Motor				
	Assets for remaining coverage		\mounts recoverable on incurred claims		Assets for remaining coverage		Amounts recoverable on incurred claims		
31 December 2023 (Audited)	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	(18,779,631)	-	22,793,472	449,671	(16,911,105)	-	118,501,421	5,862,788	111,916,616
Reinsurance contract liabilities as at 1 January	-	-	-	-	(30,916,211)	-	2,470,434	81,177	(28,364,600)
Net reinsurance contract assets as at 1 January	(18,779,631)	-	22,793,472	449,671	(47,827,316)	-	120,971,855	5,943,965	83,552,016
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	-	-	47,643,570	(729,167)	212,296,302
Amounts recoverable for incurred claims and other expenses	-	-	119,952,167	1,492,468	-	-	68,853,666	3,109,213	193,407,514
Changes to amounts recoverable for incurred claims	-	-	44,793,318	(856,054)	-	-	(21,210,096)	(3,838,380)	18,888,788
Net income or expense from reinsurance contracts held	(138,211,923)	-	164,745,485	636,414	(102,437,375)	-	47,643,570	(729,167)	(28,352,996)
Reinsurance finance income	-	-	635,242	14,170	-	-	6,973,996	349,662	7,973,070
Effect of changes in non-performance risk of reinsurers	-	-	(189,870)	-	-	-	(66,140)	-	(256,010)
Total changes in the statement of comprehensive income	(138,211,923)	-	165,190,857	650,584	(102,437,375)	-	54,551,426	(379,505)	(20,635,936)
Cash flows									
Premiums paid	140,537,895	-	-	-	26,503,438	-	-	-	167,041,333
Amounts received	-	-	(131,746,966)	-	-	-	(54,006,375)	-	(185,753,341)
Total cash flows	140,537,895	-	(131,746,966)	-	26,503,438	-	(54,006,375)	-	(18,712,008)
Net reinsurance contract assets as at 31 December	(16,453,659)	-	56,237,363	1,100,255	(123,761,253)	-	121,516,906	5,564,460	44,204,072
Reinsurance contract assets as at 31 December	(16,453,659)	-	56,237,363	1,100,255	(25,410,098)	-	100,773,173	4,762,499	121,009,533
Reinsurance contract liabilities as at 31 December	-	-	-	-	(98,351,155)	-	20,743,733	801,961	(76,805,461)
Net reinsurance contract assets as at 31 December	(16,453,659)	-	56,237,363	1,100,255	(123,761,253)	-	121,516,906	5,564,460	44,204,072

9 Bank balances and cash

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Cash in hand	**338,152**	84,845
Bank balances:		
Current accounts	**283,125**	8,984,759
Fixed deposits	**264,399,324**	258,727,028
Less: Expected credit losses	**(33,981)**	(33,981)
	264,986,620	267,762,651

Fixed deposits with banks as at 30 September 2024 include AED 10.3 million (31 December 2023: 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 UAE.

Fixed deposits with banks mature within different periods not exceeding one year from the financial date of deposit and carry interest rates between 4% to 5.5% per annum (31 December 2023: 2% to 5.4% per annum).

Cash and cash equivalents for the purpose of statement of cash flows is analysed as follows:

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED	(Unaudited) 30 September 2023 AED
Bank balances and cash	**264,986,620**	267,762,651	256,273,007
Bank borrowings	**(228,412,443)**	(218,486,962)	(241,287,136)
Cash and cash equivalents	**36,574,177**	49,275,689	14,985,871

The Company has bank facilities in the form of overdrafts repayable upon demand and bearing interest ranging from 4.5% to 5.8% per annum (31 December 2023: 2.65% to 5.65%). These facilities are secured by lien on fixed deposits amounting to AED 242 million (31 December 2023: AED 226 million).

10 Share capital

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Issued and fully paid 230,000,000 shares of AED 1 each (31 December 2023: 230,000,000 share of AED 1 each)	**230,000,000**	230,000,000

11 Reserves

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 period ended 30 September 2024, statutory reserves amounting to AED 70.8 million were transferred to accumulated losses with the approval of general assembly and regulatory authority.

Reinsurance reserve

In accordance with Insurance Authority's Board of Directors' Decision No. 23, Article 34, AED 1.49 million based on reinsurance share of premium at a rate of 0.5% was transferred from retained earnings to reinsurance reserve during the year ended 31 December 2023. The reserve is not available for distribution, and will not be disposed of without prior approval from Central Bank of UAE.

12 Related parties

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 contained as IAS 24. These transactions are carried out at terms mutually agreed between the parties on an arm's length basis. Key Management personnel comprise of Chairman and Directors.

Transactions with related parties

	(Unaudited) Nine-month period ended 30 September 2024 AED	(Unaudited) Nine-month period ended 30 September 2023 AED
Entities under common control		
Gross premiums	**1,722,134**	1,698,761
Claims paid	**(428,559)**	(251,656)
Key managerial personnel remuneration		
Salaries and benefits	**2,091,509**	1,894,815

Related parties' balances

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Due from related parties		
Entities under common control	**59,288,780**	59,288,780
Less: Expected credit losses	**(46,495,001)**	(46,495,001)
	12,793,779	12,793,779

13 Basic and diluted (loss)/earnings per share

Basic (loss)/earnings per share are calculated by dividing the (loss)/profit for the period, net of directors' fees, by the weighted average number of shares outstanding during the period as follows:

	Three-month period ended 30-September (Unaudited)		Nine-month period ended 30-September (Unaudited)	
	2024	2023	**2024**	2023
(Loss)/profit for the period (AED)	**8,314**	(3,902,078)	**(89,991,757)**	2,762,690
Weighted average number of shares outstanding during the period	**230,000,000**	230,000,000	**230,000,000**	230,000,000
Basic and diluted (loss)/earnings per share (AED)	**(0.00)**	(0.02)	**(0.39)**	0.01

The Company does not have potentially diluted shares and accordingly, diluted (loss)/earnings per share equals basic (loss)/earnings per share.

14 Insurance service expense

For the nine-month period ended 30 September 2024 (Unaudited)	**Life and medical**	**General and motor**	**Total**
	AED	**AED**	**AED**
Incurred claims and other expenses	**291,906,494**	**476,524,541**	**768,431,035**
Amortisation of insurance acquisition cash flows	**27,193,096**	**56,884,020**	**84,077,116**
Losses on onerous contracts and reversals of those losses	**-**	**79,362**	**79,362**
Changes to liabilities for incurred claims	**67,492,720**	**12,510,330**	**80,003,050**
	386,592,310	**545,998,253**	**932,590,563**

For the nine-month period ended 30 September 2023 (Unaudited)			
Incurred claims and other expenses	240,154,956	191,426,160	431,581,116
Amortisation of insurance acquisition cash flows	26,852,265	46,525,406	73,377,671
Losses on onerous contracts and reversals of those losses	-	(335,655)	(335,655)
Changes to liabilities for incurred claims	88,072,499	(857,187)	87,215,312
	355,079,720	236,758,724	591,838,444

14 Insurance service expense (continued)

For the three-month period ended 30 September 2024 (Unaudited)	Life and medical AED	General and motor AED	Total AED
Incurred claims and other expenses	**57,900,926**	**176,160,620**	**234,061,546**
Amortisation of insurance acquisition cash flows	**7,338,426**	**20,147,767**	**27,486,193**
Losses on onerous contracts and reversals of those losses	**(11,615,177)**	**2,197,628**	**(9,417,549)**
Changes to liabilities for incurred claims	**(10,215,037)**	**(42,815,844)**	**(53,030,881)**
	43,409,138	**155,690,171**	**199,099,309**

For the three-month period ended 30 September 2023 (Unaudited)			
Incurred claims and other expenses	104,244,899	65,578,911	169,823,810
Amortisation of insurance acquisition cash flows	9,525,233	17,572,926	27,098,159
Losses on onerous contracts and reversals of those losses	-	956,496	956,496
Changes to liabilities for incurred claims	19,485,263	15,247,807	34,733,070
	133,255,395	99,356,140	232,611,535

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:

For the nine-month period ended 30 September 2024 (Unaudited)	Total AED
Investment income	
Amounts recognised in the statement of comprehensive income	
Allocated general and administrative expenses to investment	(10,907,499)
Interest income	9,787,017
Share of profit from equity accounted investees	5,426,815
Rental income from investment property	5,305,448
Net unrealised gain from investments in financial assets at FVTPL	354,537
Gain on sale of investment in financial assets at FVTPL	64,269
Other expenses	(180,994)
	9,849,593

	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	(4,387,218)	(7,337,249)	(11,724,467)
Due to changes in interest rates and other financial assumptions	49,558	34,693	84,251
Total insurance finance expenses from insurance contracts issued	(4,337,660)	(7,302,556)	(11,640,216)
Represented by:			
Amounts recognised in statement of comprehensive income	(4,337,660)	(7,302,556)	(11,640,216)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	2,115,616	4,207,254	6,322,870
Changes in non-performance risk of reinsurer	110,090	19,542	129,632
Due to changes in interest rates and other financial assumptions	(24,766)	22,645	(2,121)
Total reinsurance finance income from reinsurance contracts held	2,200,940	4,249,441	6,450,381
Represented by:			
Amounts recognised in statement of comprehensive income	2,200,940	4,249,441	6,450,381
Total finance expenses and reinsurance finance income	(2,136,720)	(3,053,115)	(5,189,835)
Represented by:			
Amounts recognised in statement of comprehensive income	(2,136,720)	(3,053,115)	(5,189,835)

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

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

For the nine-month period ended 30 September 2023 (Unaudited)	Total AED
Investment income	
Amounts recognised in the statement of comprehensive income	
Allocated general and administrative expenses to investment	(8,814,216)
Interest income	6,845,530
Share of losses from equity accounted investees	7,799,316
Rental income from investment property	4,254,964
Dividend income from investment in financial assets at FVTPL	404,802
Net unrealised gain from investments in financial assets at FVTPL	2,941,155
Other income	20,469
	13,452,020

	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	(1,405,756)	(6,963,753)	(8,369,509)
Due to changes in interest rates and other financial assumptions	(3,446)	185,238	181,792
Total insurance finance expenses from insurance contracts issued	(1,409,202)	(6,778,515)	(8,187,717)
Represented by:			
Amounts recognised in statement of comprehensive income	(1,409,202)	(6,778,515)	(8,187,717)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	587,659	5,482,902	6,070,561
Changes in non-performance risk of reinsurer	(124,795)	(72,278)	(197,073)
Due to changes in interest rates and other financial assumptions	1,458	(193,289)	(191,831)
Total reinsurance finance income from reinsurance contracts held	464,322	5,217,335	5,681,657
Represented by:			
Amounts recognised in statement of comprehensive income	464,322	5,217,335	5,681,657
Total finance expenses and reinsurance finance income	(944,880)	(1,561,180)	(2,506,060)
Represented by:			
Amounts recognised in statement of comprehensive income	(944,880)	(1,561,180)	(2,506,060)

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

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

For the three-month period ended 30 September 2024 (Unaudited)	Total AED
Investment income	
Amounts recognised in the statement of comprehensive income	
Allocated general and administrative expenses to investment	(4,411,334)
Interest income	3,356,160
Share of profit from equity accounted investees	2,039,634
Rental income from investment property	1,845,901
Net unrealised gain from investments in financial assets at FVTPL	372,639
Gain on sale of investment in financial assets at FVTPL	64,269
Other expenses	(1,092,378)
	2,174,891

	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	(1,282,005)	(2,630,938)	(3,912,943)
Due to changes in interest rates and other financial assumptions	(41,535)	(251,656)	(293,191)
Total insurance finance expenses from insurance contracts issued	(1,323,540)	(2,882,594)	(4,206,134)
Represented by:			
Amounts recognised in statement of comprehensive income	(1,323,540)	(2,882,594)	(4,206,134)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	675,300	1,650,143	2,325,443
Changes in non-performance risk of reinsurer	121,322	(124,734)	(3,412)
Due to changes in interest rates and other financial assumptions	20,008	198,471	218,479
Total reinsurance finance income from reinsurance contracts held	816,630	1,723,880	2,540,510
Represented by:			
Amounts recognised in statement of comprehensive income	816,630	1,723,880	2,540,510
Total finance expenses and reinsurance finance income	(506,910)	(1,158,714)	(1,665,624)
Represented by:			
Amounts recognised in statement of comprehensive income	(506,910)	(1,158,714)	(1,665,624)

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

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

For the three-month period ended 30 September 2023 (Unaudited)	Total AED
Investment income	
Amounts recognised in the statement of comprehensive income	
Allocated general and administrative expenses to investment	(2,939,642)
Interest income	2,559,309
Share of profit from equity accounted investees	7,864,176
Rental income from investment property	1,533,932
Dividend income from investment in financial assets at FVTPL	-
Net unrealised gain from investments in financial assets at FVTPL	1,112,458
Other income	48,067
	10,178,300

	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	(216,818)	(2,115,285)	(2,332,103)
Due to changes in interest rates and other financial assumptions	937	105,531	106,468
Total insurance finance expenses from insurance contracts issued	(215,881)	(2,009,754)	(2,225,635)
Represented by:			
Amounts recognised in statement of comprehensive income	(215,881)	(2,009,754)	(2,225,635)
Reinsurance finance income from reinsurance contracts held			
Interest accreted to reinsurance contracts using current financial assumptions	117,001	1,837,645	1,954,646
Changes in non-performance risk of reinsurer	(98,181)	(67,482)	(165,663)
Due to changes in interest rates and other financial assumptions	(653)	(95,614)	(96,267)
Total reinsurance finance income from reinsurance contracts held	18,167	1,674,549	1,692,716
Represented by:			
Amounts recognised in statement of comprehensive income	18,167	1,674,549	1,692,716
Total finance expenses and reinsurance finance income	(197,714)	(335,205)	(532,919)
Represented by:			
Amounts recognised in statement of comprehensive income	(197,714)	(335,205)	(532,919)

16 Segmental information

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

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

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

	For the nine-month period ended 30 September 2024 (Unaudited)			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance premium	363,176,821	350,886,306	-	714,063,127
Insurance service expenses	(386,592,311)	(545,998,252)	-	(932,590,563)
Insurance service result before reinsurance contracts held	(23,415,490)	(195,111,946)	-	(218,527,436)
Allocation of reinsurance premiums	(134,072,208)	(73,792,679)	-	(207,864,887)
Amounts recoverable from reinsurance	153,786,037	186,197,085	-	339,983,122
Net income from reinsurance contracts held	19,713,829	112,404,406	-	132,118,235
Insurance service result	(3,701,661)	(82,707,540)	-	(86,409,201)
Investment income	-	-	9,849,593	9,849,593
Insurance finance expenses for insurance contracts issued	(4,337,660)	(7,302,556)	-	(11,640,216)
Reinsurance finance income for reinsurance contracts held	2,200,940	4,249,441	-	6,450,381
Net insurance financial result	(5,838,381)	(85,760,655)	9,849,593	(81,749,443)
Finance costs				(8,242,314)
Loss for the period				(89,991,757)

16 Segmental information (continued)

	For the nine-month period ended 30 September 2023 (Unaudited)			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance premium	334,314,811	258,720,438	-	593,035,249
Insurance service expenses	(355,079,720)	(236,758,724)	-	(591,838,444)
Insurance service result before reinsurance contracts held	(20,764,909)	21,961,714	-	1,196,805
Allocation of reinsurance premiums	(94,977,673)	(75,546,077)	-	(170,523,750)
Amounts recoverable from reinsurance	120,789,704	46,946,492	-	167,736,196
Net income/(expenses) from reinsurance contracts held	25,812,031	(28,599,585)	-	(2,787,554)
Insurance service result	5,047,122	(6,637,871)	-	(1,590,749)
Investment income	-	-	13,452,020	13,452,020
Insurance finance expenses for insurance contracts issued	(1,409,202)	(6,778,515)	-	(8,187,717)
Reinsurance finance income for reinsurance contracts held	464,336	5,217,321	-	5,681,657
Net insurance financial result	4,102,256	(8,199,065)	13,452,020	9,355,211
Finance costs	-	-		(6,592,521)
Profit for the period				2,762,690

16 Segmental information (continued)

	For the three-month period ended 30 September 2024 (Unaudited)			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance premium	106,424,584	127,993,207	-	234,417,791
Insurance service expenses	(43,409,138)	(155,690,171)	-	(199,099,309)
Insurance service result before reinsurance contracts held	63,015,446	(27,696,964)	-	35,318,482
Allocation of reinsurance premiums	(41,340,798)	(25,576,632)	-	(66,917,430)
Amounts recoverable from reinsurance	5,024,072	28,405,032	-	33,429,104
Net income from reinsurance contracts held	(36,316,726)	2,828,400	-	(33,488,326)
Insurance service result	26,698,720	(24,868,564)	-	1,830,156
Investment income	-	-	2,174,891	2,174,891
Insurance finance expenses for insurance contracts issued	(1,323,539)	(2,882,595)	-	(4,206,134)
Reinsurance finance income for reinsurance contracts held	816,630	1,723,880	-	2,540,510
Net insurance financial result	26,191,811	(26,027,279)	2,174,891	2,339,423
Finance costs				(2,331,109)
Loss for the period				8,314

16 Segmental information (continued)

	For the three-month period ended 30 September 2023 (Unaudited)			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Insurance premium	126,000,201	96,704,774	-	222,704,975
Insurance service expenses	(133,255,397)	(99,356,138)	-	(232,611,535)
Insurance service result before reinsurance contracts held	(7,255,196)	(2,651,364)	-	(9,906,560)
Allocation of reinsurance premiums	(38,313,896)	(24,640,602)	-	(62,954,498)
Amounts recoverable from reinsurance	41,896,517	19,881,270	-	61,777,787
Net income/(expenses) from reinsurance contracts held	3,582,621	(4,759,332)	-	(1,176,711)
Insurance service result	(3,672,575)	(7,410,696)	-	(11,083,271)
Investment income	-	-	10,178,300	10,178,300
Insurance finance expenses for insurance contracts issued	(215,881)	(2,009,754)	-	(2,225,635)
Reinsurance finance income for reinsurance contracts held	18,181	1,674,535	-	1,692,716
Net insurance financial result	(3,870,275)	(7,745,915)	10,178,300	(1,437,890)
Finance costs				(2,464,188)
Loss for the period				(3,902,078)

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

	As at 30 September 2024 (Unaudited)			
	Life and medical AED	**General and motor AED**	**Investments AED**	**Total AED**
Total assets	**10,875,297**	**426,160,286**	**327,037,967**	**764,073,550**
Total equity	**7,514,418**	**111,869,397**	**-**	**119,383,815**
Total liabilities	**3,360,879**	**641,328,856**	**-**	**644,689,735**

	As at 31 December 2023 (Audited)			
	Life and medical AED	General and motor AED	Investments AED	Total AED
Total assets	10,163,277	521,370,953	291,000,046	822,534,276
Total equity	7,492,873	201,882,699	-	209,375,572
Total liabilities	2,670,404	610,488,300	-	613,158,704

17 Fair value measurement

Financial assets measured at fair value in the condensed interim 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).

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 AED	Level 3 AED	Total AED
30 September 2024 (Unaudited)			
Investment property	-	**157,931,895**	**157,931,895**
Investment in financial assets at FVTPL	**20,724,198**	**802,803**	**21,527,001**
	20,724,198	**158,734,698**	**179,458,896**
31 December 2023 (Audited)			
Investment property	-	157,931,895	157,931,895
Investment in financial assets at FVTPL	21,463,492	802,803	22,266,295
	21,463,492	158,734,698	180,198,190

18 Contingent liabilities and commitments

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Letters of guarantee	**4,213,413**	11,934,195

<u>Contingent liabilities</u>

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.

19 Corporate Tax

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.

During the period ended 30 September 2024, the Company reported a loss of AED 90.4 million. This loss has created potential future taxable benefits (deferred tax assets). However, the Company has elected not to recognise a deferred tax asset due to uncertainty of generating sufficient taxable profit to realise the deferred tax assets.

20 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. During the period, the Company has not fully complied with the externally imposed capital requirements as shown in the table below (2023: the Company has not fully complied with all the capital management requirements). 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	(Audited) 31 December 2023 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**240,103,000**	227,665,000
Minimum Guarantee Fund (MGF)	**169,204,000**	146,135,000
Basic Own Funds	**(69,677,000)**	57,332,000
MCR Solvency Margin - deficit	**(169,677,000)**	(42,668,000)
SCR Solvency Margin - deficit	**(309,780,000)**	(170,333,000)
MGF Solvency Margin - deficit	**(238,881,000)**	(88,803,000)

As per Article (8) of Section 2 of the financial regulations issued for insurance companies in UAE, the Company shall at all times comply with the requirements of Solvency Margins. As of 30 September 2024, the Company had minimum capital requirement deficit, solvency capital requirement deficit, minimum guarantee fund deficit of AED 169.7 million, AED 309.8 million and AED 238.9 million as compared to requirements of AED 100 million, AED 240.1 million and AED 169.2 million respectively. The Company's ability to comply with the solvency requirements depends on the effective implementation of the business plan submitted to the Central Bank of UAE.