SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Review report and condensed consolidated interim financial information for the three month period ended 31 March 2025

Report of the Board of Directors

Dear Shareholders,

We have the pleasure in presenting you the financial results of Sukoon Insurance PJSC ("**Group**", "**the Company**") for the quarter-ended 31 March 2025.

As we celebrate our 50th anniversary in 2025, we reflect on half a century of excellence, trust, and innovation at Sukoon Insurance. Since our inception in 1975, we have been committed to protecting our customers from life's uncertainties. Our dedication to customer satisfaction has set a high standard for excellence across the region, and our unwavering promise to be "here for you" has driven us to consistently deliver the best to our clients.

In this landmark year, we are also proud to embrace the UAE's designation of 2025 as the Year of Community. This initiative, under the theme "Hand in Hand," aims to strengthen social bonds, foster shared responsibility, and create inclusive spaces that celebrate our cultural heritage and intergenerational ties. At Sukoon Insurance, we are dedicated to contributing to this vision by encouraging community engagement and supporting initiatives that promote collaboration and unity. Additionally, we will continue to innovate our insurance products and services to better meet the evolving needs of our clients, ensuring comprehensive coverage and peace of mind for all.

We are pleased to inform you that the Group has posted a **Net Profit before tax of AED 114.8 million** in the quarter-ended 31 March 2025, a growth of 27% year-on-year. Insurance revenue has reached AED 1.49 billion, a growth of 21% year-on-year. Net investment income has reached AED 74 million, a growth of 24% year-on-year. The Company continues to maintain exceptional capital and solvency position.

Total Assets of the Group stood at AED 10.38 billion at the 31 March 2025.

Total shareholders' Equity of the Group stood at AED 3.01 billion at the end of 31 March 2025.

We would like to put on record our sincere appreciation and gratitude towards all stakeholders of Sukoon. We continue to draw inspiration and guidance from our valued customers and partners whose trust and confidence helps us to continue the journey untiringly. We would like to thank our management and staff of Sukoon for their sincere and dedicated contribution to the successful growth of the Group.

May God; the Almighty; guide our steps.

On behalf of the Board,

Badr Abdulla Ahmad Al Ghurair
Chairman
24 April 2025

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Review report and condensed consolidated interim financial information for the three month period ended 31 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

The Board of Directors
Sukoon Insurance P.J.S.C.
Dubai
United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Sukoon Insurance P.J.S.C. (the "Company") and its Subsidiaries (the "Group") as at 31 March 2025 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)

Signed by:
Nurani Subramanian Sundar
Registration No. 5540
24 April 2025
Sharjah, United Arab Emirates

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of financial position

	Notes	At 31 March 2025 (Unaudited) AED'000	At 31 December 2024 (Audited) AED'000
Assets			
Property and equipment		**117,200**	122,236
Intangible assets		**44,300**	44,300
Investment properties		**151,620**	151,620
Deferred tax assets		**4,846**	3,062
Statutory deposits		**198,057**	197,590
Financial investments at amortised cost	6	**2,681,256**	2,631,118
Financial investments at fair value through other comprehensive income (FVTOCI)	6	**1,060,002**	953,012
Financial investments at fair value through profit or loss	6	**1,103,639**	1,165,224
Insurance contract assets	7	**21,274**	4,867
Reinsurance contract assets	8	**3,399,449**	3,391,741
Prepayments and other receivables	9	**310,257**	436,417
Deposits with banks		**956,853**	992,385
Cash and cash equivalents		**334,312**	332,160
Total assets		**10,383,065**	10,425,732
Equity and liabilities			
Equity			
Share capital	10	**461,872**	461,872
Other reserves	11	**1,544,188**	1,539,239
Cumulative changes in fair value of securities		**(27,493)**	(47,462)
Finance income and expenses reserve		**9,925**	11,917
Retained earnings		**1,019,870**	1,015,414
Net equity attributable to the owners of the Company		**3,008,362**	2,980,980
Non-controlling interests		**12,959**	12,676
Total equity		**3,021,321**	2,993,656
Liabilities			
Deferred tax liabilities		**4,906**	10,015
Employees' end of service benefits		**46,776**	45,425
Insurance contract liabilities	7	**5,136,447**	5,204,710
Reinsurance contract liabilities	8	**26,306**	12,593
Investment contract liabilities		**928,978**	987,347
Other payables		**1,132,331**	1,085,986
Bank borrowings	12	**86,000**	86,000
Total liabilities		**7,361,744**	7,432,076
Total equity and liabilities		**10,383,065**	10,425,732

To the best of our knowledge, the condensed consolidated interim financial information present fairly in all material respects the financial condition, results of operation and cashflows of the Group as of, and for, the periods presented therein.

…………………….……………..
Badr Abdulla Ahmad Al Ghurair
Chairman

..……………………………
Jean-Louis Laurent-Josi
Chief Executive Officer

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of profit or loss

	Notes	For the three month period ended 31 March 2025 (Unaudited) AED'000	2024 (Unaudited) AED'000
Insurance revenue	15	**1,494,013**	1,231,835
Insurance service expenses		**(1,065,629)**	(834,840)
Insurance service result before reinsurance contracts held		**428,384**	396,995
Net expense from reinsurance contracts held		**(338,691)**	(347,620)
Insurance service result		**89,693**	49,375
Interest income from financial investments at amortised cost		**47,022**	38,158
Realised gain on sale of financial investments at amortised cost		**115**	6
Other investment income - net		**26,826**	21,246
Net investment income		**73,963**	59,410
Finance expenses from insurance contracts issued		**(54,364)**	(48,755)
Finance income from reinsurance contracts held		**41,761**	38,913
Net insurance finance expenses		**(12,603)**	(9,842)
Net insurance and investment result		**151,053**	98,943
General and administrative expenses		**(28,723)**	(26,692)
Board of directors' remuneration	16.3	**(512)**	(562)
Finance costs		**(1,075)**	(2,034)
Other (expense)/income - net		**(5,978)**	20,497
Profit before tax		**114,765**	90,152
Income tax expenses		**(13,255)**	(8,376)
Profit for the period		**101,510**	81,776
Attributable to:			
Owners of the Company		**101,199**	81,567
Non-controlling interests		**311**	209
		101,510	81,776
Earnings per share (AED)	13	**0.22**	0.18

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of comprehensive income

	For the three month period ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
	AED '000	AED '000
Profit for the period	**101,510**	81,776
Other comprehensive income / (loss):		
Items that will not be reclassified subsequently to profit or loss:		
Net fair value gain on revaluation of equity investments designated at FVTOCI – net of tax	**20,358**	21,783
Items that may be reclassified subsequently to profit or loss:		
Finance (expense)/income from insurance contracts issued	**(6,034)**	3,686
Finance income/(expense) from reinsurance contracts held	**4,042**	(2,938)
Net fair value gain/(loss) on revaluation of debt investments at FVTOCI	**163**	(19)
Total other comprehensive income for the period	**18,529**	22,512
Total comprehensive income for the period	**120,039**	104,288
Attributable to:		
Owners of the Company	**119,756**	104,109
Non-controlling interests	**283**	179
	120,039	104,288

Condensed consolidated interim statement of changes in equity

	Share capital AED'000	Other reserves AED'000	Cumulative changes in fair value of securities AED'000	Finance income and expenses reserve AED'000	Retained earnings AED'000	Net equity attributable to the owners of the Company AED'000	Non-controlling interests AED'000	Total equity AED'000
At 31 December 2023 (Audited)	461,872	1,521,673	(124,978)	13,054	882,424	2,754,045	15,006	2,769,051
Profit for the period	-	-	-	-	81,567	81,567	209	81,776
Other comprehensive income/(loss) for the period	-	-	21,794	748	-	22,542	(30)	22,512
Total comprehensive income for the period	-	-	21,794	748	81,567	104,109	179	104,288
Transfer to reinsurance regulatory reserve (note 11)	-	5,662	-	-	(5,662)	-	-	-
Transfer to retained earnings on disposal of investments at FVTOCI	-	-	(1,325)	-	1,325	-	-	-
Cash dividend (note 23)	-	-	-	-	(92,374)	(92,374)	-	(92,374)
At 31 March 2024 (Unaudited)	461,872	1,527,335	(104,509)	13,802	867,280	2,765,780	15,185	2,780,965
At 31 December 2024 (Audited)	**461,872**	**1,539,239**	**(47,462)**	**11,917**	**1,015,414**	**2,980,980**	**12,676**	**2,993,656**
Profit for the period	**-**	**-**	**-**	**-**	**101,199**	**101,199**	**311**	**101,510**
Other comprehensive income/(loss) for the period	**-**	**-**	**20,549**	**(1,992)**	**-**	**18,557**	**(28)**	**18,529**
Total comprehensive income for the period	**-**	**-**	**20,549**	**(1,992)**	**101,199**	**119,756**	**283**	**120,039**
Transfer to reinsurance regulatory reserve (note 11)	**-**	**4,949**	**-**	**-**	**(4,949)**	**-**	**-**	**-**
Transfer to retained earnings on disposal of investments at FVTOCI	**-**	**-**	**(580)**	**-**	**580**	**-**	**-**	**-**
Cash dividend (note 23)	**-**	**-**	**-**	**-**	**(92,374)**	**(92,374)**	**-**	**(92,374)**
At 31 March 2025 (Unaudited)	**461,872**	**1,544,188**	**(27,493)**	**9,925**	**1,019,870**	**3,008,362**	**12,959**	**3,021,321**

The accompanying notes form an integral part of this condensed consolidated interim financial information.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of cash flows

	For the three month period ended 31 March	
	2025 (Unaudited) AED '000	**2024 (Unaudited) AED '000**
Cash flows from operating activities		
Profit for the period before tax	**114,765**	90,152
Adjustments for:		
Depreciation	**6,038**	7,014
Gain on sale of investment properties	**-**	(69)
Provision for employees' end of service benefits	**1,467**	1,685
(Release)/allowance for impairment of financial investments at amortised cost	**(18)**	15
Allowance for impairment of bank balances and deposits	**332**	209
Dividend income from financial investments at FVTPL and FVTOCI	**(28,265)**	(22,245)
Interest income from financial assets	**(45,267)**	(38,558)
Amortisation of financial assets measured at amortised cost	**(1,881)**	153
Realised gain on sale of financial investments at amortised cost	**(115)**	(6)
Finance cost	**1,075**	2,034
Interest expense on lease liabilities	**162**	255
Other investment expenses	**4,100**	4,624
Rental income from investment properties	**(2,849)**	(3,533)
Operating cash flows before changes in working capital and payment of employees' end of service benefits and income tax	**49,544**	41,730
Changes in working capital		
Changes in insurance and reinsurance contract assets/liabilities	**(80,657)**	(32,746)
Decrease/(increase) in prepayment and other receivables	**133,902**	(28,436)
Increase in other payables	**34,123**	84,512
Decrease/(increase) in unit linked investments	**61,585**	(22,240)
(Decrease)/increase in investment contract liabilities	**(58,369)**	14,351
Net cash generated from operations	**140,128**	57,171
Employees' end of service benefits paid	**(116)**	(1,185)
Net cash generated from operating activities	**140,012**	55,986

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Condensed consolidated interim statement of cash flows (continued)

	For the three month period ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
	AED ’000	AED ’000
Cash flows from investing activities		
Purchases of financial investments at FVTOCI	**(123,527)**	(66,087)
Proceeds from sale of financial investments at FVTOCI	**30,184**	30,050
Proceeds from disposals/maturities of financial investments at amortised cost	**43,815**	43,184
Purchases of financial investments at amortised cost	**(91,435)**	(78,007)
Dividend received from financial investments at FVTPL and FVTOCI	**20,482**	16,975
Interest received from deposits and financial investments	**45,797**	32,968
Rental income received from investment properties	**2,902**	8,460
Other investment (expenses paid)/income received	**(3,859)**	336
Purchase of property and equipment	**(1,002)**	(987)
Proceeds from sale of investment properties	**-**	810
Decrease in term deposits with original maturities of more than three months	**34,486**	28,547
Increase in statutory deposits	**(467)**	(520)
Net cash (used in)/generated from investing activities	**(42,624)**	15,729
Cash flows from financing activities		
Dividend paid	**(92,374)**	(92,374)
Interest element of lease payments	**(123)**	(82)
Principal element of lease payments	**(1,350)**	(1,327)
Finance costs paid	**(1,057)**	(693)
Cash used in financing activities	**(94,904)**	(94,476)
Net increase/(decrease) in cash and cash equivalents	**2,484**	(22,761)
Cash and cash equivalents at the beginning of the period	**332,441**	161,475
Cash and cash equivalents at the end of the period (note 14)	**334,925**	138,714

For the purpose of the condensed consolidated interim statement of cash flows, cash and cash equivalents are before the allowance for impairment as disclosed in note 14.

During the three month period ended 31 March 2025, the principal non-cash transactions relate to the additions of the lease liability and right of use asset amounting to AED 661 thousand each (31 March 2024: the principal non-cash transactions relate to the additions of the lease liability and right of use asset amounting to AED 584 thousand each).

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025

1 General information

Sukoon Insurance P.J.S.C. (the "Company" or "Sukoon") is a public joint stock company, which was established by an Amiri Decree issued by His Highness, The Ruler of Dubai. The Company is registered under the UAE Federal Law No. 32 of 2021, relating to commercial companies. The Company is subject to the regulations of the U.A.E. Federal Decree-Law No. 48 of 2023 Regarding the Regulation of Insurance Activities and is registered in the Insurance Companies Register of the Central Bank of the UAE ("CBUAE") (formerly, the UAE Insurance Authority ("IA")) under registration number 9. The Company is a subsidiary of Mashreq Bank (PSC) which is incorporated in the Emirate of Dubai. The Company's registered head office is at P.O. Box 5209, Dubai, United Arab Emirates. The Group comprises Sukoon Insurance P.J.S.C. and its subsidiaries (note 3.3). The Company's ordinary shares are listed on the Dubai Financial Market ("DFM"), United Arab Emirates.

The licensed activities of the Company are issuing short term and long term insurance contracts and trading in securities. The insurance contracts are issued in connection with property, engineering, energy, motor, aviation, medical, marine risks, personal accident, individual life (participating and non-participating), group life, credit life and investment linked products.

The Company also operates in the Sultanate of Oman, State of Qatar, England and Wales., the United Kingdom.

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) ('IFRS')

2.1 New and revised IFRS adopted in the condensed consolidated interim financial information

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in this condensed consolidated interim financial information. The application of these revised IFRS, did not have any material impact on the amounts reported for the current and prior periods.

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025

2.2 New and revised IFRS in issue but not yet effective and not early adopted

New and revised IFRS	***Effective for annual periods beginning on or after***
IFRS 9 and IFRS 7— Amendment regarding the classification and measurement of financial instrument	1 January 2026, earlier application is permitted
IFRS 9 and IFRS 7— Contracts referencing nature-dependent electricity	1 January 2026, earlier application is permitted
Annual improvements to IFRS Accounting Standards	1 January 2026, earlier application is permitted
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027, earlier application is permitted

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

2 Application of new and revised International Financial Reporting Standards (IFRS Accounting Standards) ('IFRS') (continued)

2.1 New and revised IFRS adopted in the condensed consolidated interim financial information (continued)

New and revised IFRS	***Effective for annual periods beginning on or after***
IFRS 19 — Subsidiaries without Public Accountability: Disclosures	1 January 2027, earlier application is permitted
Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3 Summary of material accounting policy information

3.1 Basis of preparation

This condensed consolidated interim financial information for the three month period ended 31 March 2025 has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board ("IASB") and also complies with the applicable requirements of the laws in the U.A.E.

The condensed consolidated interim financial information is presented in Arab Emirates Dirham ("AED") and all values are rounded to nearest thousand ("AED'000") except when otherwise indicated.

This condensed consolidated interim financial information has been prepared on the historical cost basis, except for the revaluation of financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and investment properties measured at fair value.

The Group presents its condensed consolidated statement of financial position broadly in order of liquidity, with a distinction based on expectations regarding recovery or settlement within twelve months after the reporting date (current) and more than twelve months after the reporting date (non-current).

This condensed consolidated interim financial information does not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as at and for the year ended 31 December 2024. In addition, results for the three month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3 Summary of material accounting policy information (continued)

3.2 Material accounting policy information

The accounting policies, including those pertaining to financial assets, property and equipment and investment properties, applied by the Group in the preparation of the condensed consolidated interim financial information are consistent with those applied by the Group in the annual consolidated financial statements for the year ended 31 December 2024.

3.3 Basis of consolidation

The condensed consolidated interim financial information of Sukoon Insurance P.J.S.C. and its subsidiaries (the "Group") incorporate the financial information of the Company and the entities controlled by the Company (its subsidiaries).

Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:
- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the condensed consolidated interim income statement and condensed consolidated interim statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

3 Summary of material accounting policy information (continued)

3.3 Basis of consolidation (continued)

Changes in ownership interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

The table below represents the legal ownership of subsidiaries as at 31 March 2025 and 31 December 2024:

Name of subsidiary	Place of incorporation and operation	Proportion of legal ownership interest		Proportion of voting power held	Principal activity
		At 31 March 2025	At 31 December 2024		
Equator Insurance Agency L.L.C.	Dubai - UAE	99.97%	99.97%	100%	Insurance agency.
Synergize Services FZ L.L.C.	Dubai - UAE	100%	100%	100%	Management information technology and transaction processing.
OIC Corporate Member Limited	England and Wales - United Kingdom	100%	100%	100%	A limited liability underwriting member of Lloyd's
Oman Insurance Management Services Limited	Dubai - UAE	100%	100%	100%	Insurance management company
Sukoon Workplace Savings Solutions Limited	Dubai - UAE	100%	100%	100%	Acting as an administrator of an employee money purchase scheme
Sukoon Takaful P.J.S.C.*	Dubai - UAE	94.61%	94.61%	94.61%	General and life takaful insurance

*On 4 March 2024, Sukoon Takaful announced that it had received the offer document from Sukoon in regard to the purchase of the shares of the remaining shareholders of Sukoon Takaful. Pursuant to the offer on 2 April 2024, Sukoon has received acceptances for 2,411,030 shares which represent 1.5656% of the shares of Sukoon Takaful at a total purchase value of AED 3,978 thousand. Upon the purchase of additional 1.5656% of shares, Sukoon holding in Sukoon Takaful increased to 94.6089%.

4 Critical accounting judgements and key sources of estimation of uncertainty

The preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect 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 consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

5 Risk management

The Group's insurance and financial risk management objectives and policies are consistent with those disclosed in the audited annual consolidated financial statements as at and for the year ended 31 December 2024. There have been no changes in any risk management policies since the year end. The Group is in compliance with the applicable solvency and capital requirements issued by the CBUAE (formerly, the IA).

The Group's objectives when managing capital are i) to comply with the insurance capital requirements required by the regulators of the insurance industry where the entities within the Group operate, ii) to protect its policy holders' interests, iii) to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and iv) to provide an adequate return to the shareholders by pricing insurance contracts commensurately with the level of risk.

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

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

5 Risk management (continued)

The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these solvency margins as defined in the Regulations. In accordance with Circular No. CBUAE/BSD/N/2022/923 of CBUAE dated 28 February 2022, the Group has disclosed the solvency position for the immediately preceding period as the current period solvency position is not yet finalised.

	At 31 December 2024 (Audited) AED '000
Minimum Capital Requirement (MCR)	**100,000**
Solvency Capital Requirement (SCR)	**985,731**
Minimum Guarantee Fund (MGF)	**624,763**
Own Funds:	
Basic Own Funds	**2,572,657**
Minimum Capital Requirement Surplus (over MCR)	**2,472,657**
Minimum Capital Requirement Surplus (over SCR)	**1,586,926**
Minimum Capital Requirement Surplus (over MGF)	**1,947,894**

Based on the regulatory requirements, the minimum regulatory capital required is AED 100 million as at 31 March 2025 and 31 December 2024 against which the paid-up capital of the Company is AED 462 million.

6 Financial investments

The Group's financial investments at the end of the reporting period are detailed below.

	At 31 March 2025 (Unaudited) AED '000	At 31 December 2024 (Audited) AED '000
At fair value through profit or loss	**1,103,639**	1,165,224
At fair value through other comprehensive income	**1,060,002**	953,012
At amortised cost	**2,682,662**	2,632,542
Less: allowance for impairment as per IFRS 9 on investments at amortised cost	**(1,406)**	(1,424)
	4,844,897	4,749,354

The fair value of the quoted debt instruments held at amortised cost as at 31 March 2025 amounted to AED 2,575,705 thousand (31 December 2024: AED 2,495,876 thousand). These bonds carry coupon rates of 0.9% to 9.4% (31 December 2024: 0.9% to 9.4%) per annum.

As part of SIAB arrangement, Sukoon on behalf of 'OIC Corporate Member Limited' has pledged certain bonds having nominal value of USD 81,580 thousand (equivalent to AED 299,603 thousand) to be held at Lloyd's deposit with the beneficial ownership remaining with Sukoon Insurance P.J.S.C. The net book value of these bonds was AED 327,217 thousand as at 31 March 2025 (31 December 2024: AED 309,534 thousand).

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

7 Insurance contract assets and liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	LRC		LIC for	LIC for contracts under PAA		
	Excluding loss component	Loss component	contracts not under PAA	Present value of future cash flows	Risk adjustment for non-fin-risk	Total
	AED ’000	AED ’000	AED ’000	AED ’000	AED ’000	AED ’000
Opening insurance contract liabilities	1,162,685	22,700	4,782	3,753,235	261,308	**5,204,710**
Opening insurance contract assets	(40,661)	-	-	33,564	2,230	**(4,867)**
Net balance as at 1 January 2025 (Audited)	**1,122,024**	**22,700**	**4,782**	**3,786,799**	**263,538**	**5,199,843**
Insurance revenue	**(1,494,013)**	**-**	**-**	**-**	**-**	**(1,494,013)**
Insurance service expenses						
Incurred claims and other directlyattributable expenses	-	(315)	3,468	1,056,773	43,928	**1,103,854**
Changes that relate to past service -adjustments to the LIC	-	-	-	(144,469)	(56,667)	**(201,136)**
Losses on onerous contracts and reversal of those losses	-	3,284	-	-	-	**3,284**
Insurance acquisition cash flows amortisation	159,627	-	-	-	-	**159,627**
Insurance service expenses	**159,627**	**2,969**	**3,468**	**912,304**	**(12,739)**	**1,065,629**
Insurance service result	**(1,334,386)**	**2,969**	**3,468**	**912,304**	**(12,739)**	**(428,384)**
Finance expenses from insurance contracts issued	210	26	-	56,275	3,887	**60,398**
Total amounts recognised in comprehensive income	**(1,334,176)**	**2,995**	**3,468**	**968,579**	**(8,852)**	**(367,986)**
Investment components	(2,501)	-	2,501	-	-	**-**
Cash flows						
Premiums received	1,463,826	-	-	-	-	**1,463,826**
Claims and other directly attributable expenses paid	-	-	(5,443)	(993,468)	-	**(998,911)**
Insurance acquisition cash flows	(181,599)	-	-	-	-	**(181,599)**
Total cash flows	**1,282,227**	**-**	**(5,443)**	**(993,468)**	**-**	**283,316**
Net balance as at 31 March 2025 (Unaudited)	**1,067,574**	**25,695**	**5,308**	**3,761,910**	**254,686**	**5,115,173**
Closing insurance contract liabilities	1,210,876	20,380	5,308	3,653,888	245,995	**5,136,447**
Closing insurance contract assets	(143,302)	5,315	-	108,022	8,691	**(21,274)**
Net balance as at 31 March 2025 (Unaudited)	**1,067,574**	**25,695**	**5,308**	**3,761,910**	**254,686**	**5,115,173**

7 Insurance contract assets and liabilities (continued)

Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	LRC		LIC for	LIC for contracts under PAA		
	Excluding loss component	Loss component	contracts not under PAA	Present value of future cash flows	Risk adjustment for non-fin-risk	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Opening insurance contract liabilities	824,247	22,678	2,673	3,161,483	234,020	4,245,101
Opening insurance contract assets	(7,366)	-	-	5,865	567	(934)
Net balance as at 1 January 2024 (Audited)	816,881	22,678	2,673	3,167,348	234,587	4,244,167
Insurance revenue	(5,412,729)	-	-	-	-	(5,412,729)
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	(1,294)	17,489	3,885,798	106,706	4,008,699
Changes that relate to past service - adjustments to the LIC	-	-	(14)	(236,210)	(87,423)	(323,647)
Losses on onerous contracts and reversal of those losses	-	1,238	-	-	-	1,238
Insurance acquisition cash flows amortisation	606,816	-	-	-	-	606,816
Insurance service expenses	606,816	(56)	17,475	3,649,588	19,283	4,293,106
Insurance service result	(4,805,913)	(56)	17,475	3,649,588	19,283	(1,119,623)
Finance (income)/expenses from insurance contracts issued	(1,004)	78	-	129,538	9,668	138,280
Total amounts recognised in comprehensive income	(4,806,917)	22	17,475	3,779,126	28,951	(981,343)
Investment components	(14,791)	-	14,791	-	-	-
Consideration received for the acquisition of a portfolio	28,912	-	-	-	-	28,912
Cash flows						
Premiums received	5,672,743	-	-	-	-	5,672,743
Claims and other directly attributable expenses paid	-	-	(30,157)	(3,159,675)	-	(3,189,832)
Insurance acquisition cash flows	(574,804)	-	-	-	-	(574,804)
Total cash flows	5,097,939	-	(30,157)	(3,159,675)	-	1,908,107
Net balance as at 31 December 2024 (Audited)	1,122,024	22,700	4,782	3,786,799	263,538	5,199,843
Closing insurance contract liabilities	1,162,685	22,700	4,782	3,753,235	261,308	5,204,710
Closing insurance contract assets	(40,661)	-	-	33,564	2,230	(4,867)
Net balance as at 31 December 2024 (Audited)	1,122,024	22,700	4,782	3,786,799	263,538	5,199,843

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

8 Reinsurance contracts assets and liabilities

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

	Asset for remaining coverage excluding loss-recovery component	Asset for remaining coverage - loss recovery component	Asset for incurred claims for contracts not under PAA	Asset for incurred claims for contracts under PAA		Total
				Present value of future cash flows	Risk adj. for non-financial risk	
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Opening reinsurance contract liabilities	(18,549)	35	-	5,572	349	**(12,593)**
Opening reinsurance contract assets	247,577	5,330	3,673	2,926,926	208,235	**3,391,741**
Net balance as at 1 January 2025 (Audited)	**229,028**	**5,365**	**3,673**	**2,932,498**	**208,584**	**3,379,148**
Net (expense)/income from reinsurance contracts held						
Reinsurance expenses	(799,101)	(679)	-	-	-	**(799,780)**
Incurred claims recovery	-	-	355	541,451	36,183	**577,989**
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	(72,495)	(45,749)	**(118,244)**
Income on initial recognition of onerous underlying contracts	-	510	-	-	-	**510**
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	(268)	-	-	-	**(268)**
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	1,147	-	-	-	**1,147**
Effect of changes in risk of reinsurers' non-performance	-	-	-	(39)	(6)	**(45)**
Net (expense)/income from reinsurance contracts held	**(799,101)**	**710**	**355**	**468,917**	**(9,572)**	**(338,691)**
Finance income from reinsurance contracts held	222	47	-	42,529	3,005	**45,803**
Total amounts recognised in comprehensive income	**(798,879)**	**757**	**355**	**511,446**	**(6,567)**	**(292,888)**
Cash flows						
Premiums paid net of ceding commissions	839,510	-	-	-	-	**839,510**
Recoveries from reinsurance	-	-	(92)	(552,535)	-	**(552,627)**
Total cash flows	**839,510**	**-**	**(92)**	**(552,535)**	**-**	**286,883**
Net balance as at 31 March 2025 (Unaudited)	**269,659**	**6,122**	**3,936**	**2,891,409**	**202,017**	**3,373,143**
Closing reinsurance contract liabilities	(30,211)	51	-	3,611	243	**(26,306)**
Closing reinsurance contract assets	299,870	6,071	3,936	2,887,798	201,774	**3,399,449**
Net balance as at 31 March 2025 (Unaudited)	**269,659**	**6,122**	**3,936**	**2,891,409**	**202,017**	**3,373,143**

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

8 Reinsurance contracts assets and liabilities (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

	Asset for remaining coverage excluding loss-recovery component AED '000	Asset for remaining coverage - loss recovery component AED '000	Asset for incurred claims for contracts not under PAA AED '000	Asset for incurred claims for contracts under PAA: Present value of future cash flows AED '000	Asset for incurred claims for contracts under PAA: Risk adj. for non-financial risk AED '000	Total AED '000
Opening reinsurance contract liabilities	(25,235)	306	-	11,690	650	(12,589)
Opening reinsurance contract assets	127,143	1,920	1,865	2,438,829	187,106	2,756,863
Net balance as at 1 January 2024 (Audited)	101,908	2,226	1,865	2,450,519	187,756	2,744,274
Net income/(expense) from reinsurance contracts held						
Reinsurance expenses	(3,012,876)	(330)	-	-	-	(3,013,206)
Incurred claims recovery	-	-	4,404	2,309,884	83,932	2,398,220
Changes that relate to past service-changes in the FCF relating to incurred claims recovery	-	-	-	(205,584)	(71,033)	(276,617)
Income on initial recognition of onerous underlying contracts	-	1,080	-	-	-	1,080
Reversal of a loss recovery component other than changes in FCF for RI contracts held	-	(1,106)	-	-	-	(1,106)
Changes in the FCF of reinsurance contracts held from onerous underlying contracts	-	3,385	-	-	-	3,385
Effect of changes in risk of reinsurers' non-performance	-	-	(3)	371	16	384
Net (expense)/income from reinsurance contracts held	(3,012,876)	3,029	4,401	2,104,671	12,915	(887,860)
Finance (expense)/income from reinsurance contracts held	(1,046)	110	-	102,863	7,913	109,840
Total amounts recognised in comprehensive income	(3,013,922)	3,139	4,401	2,207,534	20,828	(778,020)
Consideration received for the acquisition of a portfolio	(3,111)	-	-	-	-	(3,111)
Cash flows						
Premiums paid net of ceding commissions	3,144,153	-	-	-	-	3,144,153
Recoveries from reinsurance	-	-	(2,593)	(1,725,555)	-	(1,728,148)
Total cash flows	3,144,153	-	(2,593)	(1,725,555)	-	1,416,005
Net balance as at 31 December 2024 (Audited)	229,028	5,365	3,673	2,932,498	208,584	3,379,148
Closing reinsurance contract liabilities	(18,549)	35	-	5,572	349	(12,593)
Closing reinsurance contract assets	247,577	5,330	3,673	2,926,926	208,235	3,391,741
Net balance as at 31 December 2024 (Audited)	229,028	5,365	3,673	2,932,498	208,584	3,379,148

9 Prepayments and other receivables

	At 31 March 2025 (Unaudited) AED '000	At 31 December 2024 (Audited) AED '000
Accrued income	**1,819**	4,171
Prepayments	**25,142**	25,616
Staff debtors and allowances	**4,857**	4,842
Other receivables (net of expected credit losses)	**278,439**	401,788
	310,257	436,417

10 Share capital

	At 31 March 2025 (Unaudited) AED '000	At 31 December 2024 (Audited) AED '000
Authorised, issued and fully paid 461,872,125 shares of AED 1 each (31 December 2024: 461,872,125 shares of AED 1 each)	**461,872**	461,872

11 Other reserves

	Statutory reserve AED '000	**Strategic reserve AED '000**	**General reserve AED '000**	**Contingency reserve AED '000**	**Reinsurance regulatory reserve AED '000**	**Total AED '000**
At 1 January 2024 (Audited)	230,936	303,750	933,051	19,311	34,625	1,521,673
Transfer from retained earnings*	-	-	-	-	5,662	5,662
At 31 March 2024 (Unaudited)	230,936	303,750	933,051	19,311	40,287	1,527,335
At 1 January 2025 (Audited)	**230,936**	**303,750**	**933,051**	**20,606**	**50,896**	**1,539,239**
Transfer from retained earnings*	**-**	**-**	**-**	**-**	**4,949**	**4,949**
At 31 March 2025 (Unaudited)	**230,936**	**303,750**	**933,051**	**20,606**	**55,845**	**1,544,188**

* In accordance with Article 34 of the CBUAE's Board of Directors Decision No. (23) of 2019, the Group has transferred to the reinsurance regulatory reserve AED 4,949 thousand for the three month period ended 31 March 2025 (31 March 2024: AED 5,662 thousand), being 0.5% of the total reinsurance premiums ceded by the Group in the United Arab Emirates in all classes of business. The Group shall accumulate such provision year on year and not dispose of the provision without the written approval of the Director General.

12 Bank borrowings

	At 31 March 2025 (Unaudited) AED '000	At 31 December 2024 (Audited) AED '000
Short term bank loans	**86,000**	86,000

Short term bank loans are secured by assignment of certain bonds in favor of financial institutions. These loans carry a fixed interest rate of 5% per annum. (31 December 2024: 5% per annum). Short term loans are utilised for Group's operational activities.

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

13 Earnings per share

	For the three month period ended 31 March	
	2025 **(Unaudited)**	2024 (Unaudited)
Profit for the period attributable to the owners of the Company (AED '000)	**101,199**	81,567
Weighted average number of shares	**461,872,125**	461,872,125
Basic and diluted earnings per share (AED)	**0.22**	0.18

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

14 Cash and cash equivalents

	For the three month period ended 31 March	
	2025 **(Unaudited)** **AED '000**	2024 (Unaudited) AED '000
Deposits with banks maturing within three months	**158,565**	72,835
Current accounts and cash	**176,360**	65,879
Cash and cash equivalents for the purpose of the condensed consolidated interim statement of cash flows	**334,925**	138,714
Less: allowance for impairment as per IFRS 9	**(613)**	(357)
Cash and cash equivalents	**334,312**	138,357

The interest rates on fixed deposits and call accounts with banks range from 0.1% to 6% (31 December 2024: 0.1% to 6%) per annum. Certain bank balances and deposits with carrying amount of AED 2,541 thousand at 31 March 2025 (31 December 2024: AED 9,126 thousand) are subject to lien in respect of guarantees.

15 Insurance revenue

The following table presents an analysis of insurance revenue recognised in the period.

	For the three month period ended 31 March	
	2025 **(Unaudited)** **AED '000**	2024 (Unaudited) AED '000
Amounts relating to changes in the LRC:		
- Expected incurred claims and other directly attributable expenses	**5,206**	5,145
- Change in risk adjustment for non-financial risk for the risk expired	**182**	317
- CSM recognised for the services provided	**1,433**	1,000
Insurance acquisition cash flow recovery	**3,454**	1,575
Contracts not measured under PAA	**10,275**	8,037
Contracts measured under PAA	**1,483,738**	1,223,798
Total insurance revenue	**1,494,013**	1,231,835

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

16 Related party balances and transactions

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

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

	At 31 March 2025 (Unaudited) AED'000	At 31 December 2024 (Audited) AED'000
Balances with a Major shareholder:		
Cash and cash equivalents	**42,636**	54,048
Financial investments	**166,303**	152,025
Statutory deposits	**10,000**	10,000
Bank borrowings	**86,000**	86,000
Due from/(to) a Major shareholder:		
Net insurance receivables	**4,188**	3,863
Net insurance and other payables	**(1,736)**	(2,411)
Due from/(to) Directors and businesses over which they exercise significant management influence:		
Net insurance receivables	**13,909**	12,763
Net insurance and other payables	**(6,888)**	(4,840)

16.2 Transactions with related parties:

	For the three month period ended 31 March	
	2025 (Unaudited) AED '000	2024 (Unaudited) AED '000
Transactions arising from insurance contracts with a Major shareholder:		
Insurance premiums	**22,137**	10,091
Claims settled	**(12,144)**	(21,184)
Other transactions with a Major shareholder:		
Interest income	**347**	226
Dividend income	**12,782**	11,207
Other expenses	**(1,347)**	(2,047)
Rental expense	**(1,781)**	(1,699)
Transactions arising from insurance contracts with Directors and businesses over which they exercise significant management influence:		
Insurance premiums	**10,951**	3,984
Claims settled	**(2,960)**	(20,803)
Other transactions with Directors and businesses over which they exercise significant management influence:		
Other investment expenses	**(1,649)**	(1,690)

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

16 Related party balances and transactions (continued)

The Group has entered into the above transactions with the related parties which were made on substantially the same terms as those prevailing at the same time for the comparable transactions with third parties.

16.3 Compensation of key management personnel

	For the three month period ended 31 March	
	2025 (Unaudited) AED '000	2024 (Unaudited) AED '000
Board of directors' remuneration	**(512)**	(562)
Salaries and benefits	**(1,551)**	(1,466)
End of service benefits	**(38)**	(36)
	(2,101)	(2,064)

17 Contingent liabilities

As at 31 March 2025, the Group had contingent liabilities in respect of bank guarantees and other matters arising in the ordinary course of business amounting to AED 53 million (31 December 2024: AED 54 million).

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, does not expect that the outcome of these court cases will have a material impact on the Group's condensed consolidated interim financial performance or condensed consolidated interim financial position.

18 Commitments

	At 31 March 2025 (Unaudited) AED '000	At 31 December 2024 (Audited) AED '000
Commitments in respect of uncalled subscription of financial investments	**57,858**	42,556
Capital commitments towards acquisitions of property and equipment	**21,444**	20,220

19 Location of assets

Geographical locations of assets are disclosed below:

	At 31 March 2025 (Unaudited)			At 31 December 2024 (Audited)		
	Inside UAE AED '000	**Outside UAE AED '000**	**Total AED '000**	Inside UAE AED '000	Outside UAE AED '000	Total AED '000
Property and equipment	**116,483**	**717**	**117,200**	121,194	1,042	122,236
Investment properties	**151,620**	**-**	**151,620**	151,620	-	151,620
Statutory deposits	**59,501**	**138,556**	**198,057**	59,043	138,547	197,590
Financial investments at FVTOCI	**508,371**	**551,631**	**1,060,002**	475,215	477,797	953,012
Financial investments at FVTPL	**34,004**	**1,069,635**	**1,103,639**	20,772	1,144,452	1,165,224
Financial investments at amortised cost	**1,108,926**	**1,572,330**	**2,681,256**	1,067,077	1,564,041	2,631,118
Deposits with banks and cash and cash equivalents	**1,074,117**	**217,048**	**1,291,165**	1,114,832	209,713	1,324,545
	3,053,022	**3,549,917**	**6,602,939**	3,009,753	3,535,592	6,545,345

20 Segment information

For management purposes, the Group is organised into three business segments: general insurance including medical, life insurance including and investments. The general insurance segment comprises property, engineering, energy, motor, general accident, aviation, marine and medical risks. The life insurance segment includes individual life (participating and non-participating), group life and personal accident as well as investment linked products. Investment comprises of investments (financial and non-financial) excluding unit linked investments.

These segments are the basis on which the Group reports its segment information to the Chief Operating Decision Maker.

20.1 Segment results by operating segments

	For the three month period ended 31 March (Unaudited)					
	Non-Life insurance		Life insurance		Total	
	2025 AED ’000	2024 AED ’000	**2025 AED ’000**	2024 AED ’000	**2025 AED ’000**	2024 AED ’000
Insurance service result from insurance contracts issued	**418,203**	399,116	**10,181**	(2,121)	**428,384**	396,995
Net expense from reinsurance contracts held	**(335,086)**	(352,370)	**(3,605)**	4,750	**(338,691)**	(347,620)
Insurance service result	**83,117**	46,746	**6,576**	2,629	**89,693**	49,375
Net investment income					**73,963**	59,410
Net insurance finance expenses					**(12,603)**	(9,842)
General and administrative expenses					**(28,723)**	(26,692)
Board of directors’ remuneration					**(512)**	(562)
Finance cost					**(1,075)**	(2,034)
Other (expense)/income - net					**(5,978)**	20,497
Profit before tax					**114,765**	90,152
Income tax expenses					**(13,255)**	(8,376)
Profit for the period					**101,510**	81,776
Attributable to:						
Owners of the Company					**101,199**	81,567
Non-controlling interests					**311**	209
Profit for the period					**101,510**	81,776

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

20 Segment information (continued)

20.2 Segment results by geographical distribution

	For the three month period ended 31 March (Unaudited)					
	GCC		Non GCC		Total	
	2025 AED '000	2024 AED '000	**2025 AED '000**	2024 AED '000	**2025 AED '000**	2024 AED '000
Insurance service result from insurance contracts issued	**415,218**	391,663	**13,166**	5,332	**428,384**	396,995
Net expense from reinsurance contracts held	**(328,244)**	(335,448)	**(10,447)**	(12,172)	**(338,691)**	(347,620)
Insurance service result	**86,974**	56,215	**2,719**	(6,840)	**89,693**	49,375
Net investment income	**72,560**	58,928	**1,403**	482	**73,963**	59,410
Net insurance finance expenses	**(10,207)**	(9,014)	**(2,396)**	(828)	**(12,603)**	(9,842)
General and administrative expenses	**(27,873)**	(26,692)	**(850)**	-	**(28,723)**	(26,692)
Board of directors' remuneration	**(512)**	(562)	**-**	-	**(512)**	(562)
Finance cost	**(1,075)**	(2,034)	**-**	-	**(1,075)**	(2,034)
Other (expense)/income - net	**(2,634)**	22,642	**(3,344)**	(2,145)	**(5,978)**	20,497
Profit/(loss) before tax	**117,233**	99,483	**(2,468)**	(9,331)	**114,765**	90,152
Income tax expenses	**(13,255)**	(8,376)	**-**	-	**(13,255)**	(8,376)
Profit/(loss) for the period	**103,978**	91,107	**(2,468)**	(9,331)	**101,510**	81,776
Attributable to:						
Owners of the Company	**103,667**	90,898	**(2,468)**	(9,331)	**101,199**	81,567
Non-controlling interests	**311**	209	**-**	-	**311**	209
Profit/(loss) for the period	**103,978**	91,107	**(2,468)**	(9,331)	**101,510**	81,776

SUKOON INSURANCE P.J.S.C. AND ITS SUBSIDIARIES

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2025 (continued)

20 Segment information (continued)

20.3 Segment assets and liabilities by operating segments

At 31 March 2025 (Unaudited)

	Non-Life insurance	Life insurance	Investments	Total
	AED ’000	AED ’000	AED ’000	AED ’000
Segment assets	5,067,408	1,422,233	3,893,424	10,383,065
Segment liabilities	6,019,496	1,342,248	-	7,361,744

At 31 December 2024 (Audited)

	Non-Life insurance	Life insurance	Investments	Total
	AED ’000	AED ’000	AED ’000	AED ’000
Segment assets	5,208,144	1,481,292	3,736,296	10,425,732
Segment liabilities	6,036,617	1,395,459	-	7,432,076

21 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 Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

21.1 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 consolidated interim financial information approximate their fair values except for financial investments measured at amortised cost of which fair value is determined based on the quoted market prices and disclosed in note 6 of this condensed consolidated interim financial information.

21.2 Fair value of financial items carried at fair value

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

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

21 Fair value measurements (continued)

21.2 Fair value of financial items carried at fair value (continued)

21.2.2 Fair value of the Group's financial assets and liabilities that are measured at fair value on recurring basis

Some of the Group's financial assets and liabilities 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 and liabilities are determined:

	Fair value as at					
	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Financial assets measured at FVTPL						
Unit linked investments	**1,103,093**	1,164,678	Level 2	Quoted prices in a secondary market	None	Not applicable
Unquoted equity investments	**546**	546	Level 3	Net assets as per financial statements	EV/EBITDA Multiple	EV/EBITDA multiple for similar companies will directly impact the fair value calculation
Financial assets measured at FVTOCI						
Quoted equity investments	**693,666**	661,235	Level 1	Quoted bid prices in an active market	None	Not applicable
Quoted fund	**319,161**	243,418	Level 2	Quoted prices in a secondary market	None	Not applicable
Quoted bonds	**20,186**	20,023	Level 1	Quoted bid prices in an active market	None	Not applicable
Unquoted equity and private equity fund	**26,989**	28,336	Level 3	Multiple based approach and net assets as per financial statements	Price to book value multiple	Price to book value multiple for similar companies will directly impact the fair value calculation.
Financial liabilities measured at FVTPL						
Investment contract liabilities	**928,978**	987,347	Level 2	Quoted prices in a secondary market	None	Not applicable

There were no transfers between levels during the period. There are no other financial liabilities which should be categorised under any of the levels in the above table.

21 Fair value measurements (continued)

21.2 Fair value of financial items carried at fair value (continued)

21.2.3 Reconciliation of level 3 fair value measurement of financial assets measured at FVTOCI

	At 31 March 2025 (Unaudited) AED '000	At 31 December 2024 (Audited) AED '000
Balance at the beginning of the period/year	**28,336**	30,416
Disposals during the period/year	**(78)**	(1,103)
Changes in fair value recognised in other comprehensive income	**(1,269)**	(977)
Balance at the end of the period/year	**26,989**	28,336

22 Seasonality of results

Net investment income includes dividend income of AED 28,265 thousand for the three month period ended 31 March 2025 (31 March 2024: AED 22,245 thousand), which is of a seasonal nature.

23 Dividends

At the Annual General Meeting held on 28 February 2025, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2024 (At the Annual General Meeting held on 29 February 2024, the shareholders approved a cash dividend distribution of 20% of the share capital amounting to AED 92,374 thousand (AED 20 fils per share) for the year ended 31 December 2023).

24 Other information

a) The Group established operations in Qatar on 6 January 2008 through an agency agreement entered with a local sponsor valid for an indefinite period. On 25 February 2019, the Qatar Central Bank ("QCB") did not accept the Group's application to open a foreign branch. Accordingly, the Group's management has taken the decision to no longer issue new policies in the State of Qatar. The Group will continue to service the existing policies as per the applicable conditions of the underlying contracts.

b) On 24 August 2023, Sukoon and Chubb Tempest Life Reinsurance Ltd. acting through its branch office in the UAE ("Chubb UAE") signed an agreement to transfer the life insurance portfolio of Chubb UAE to Sukoon. The migration of the portfolio was completed on 24 February 2024 (portfolio transfer date) after obtaining necessary approvals from the regulators (the CBUAE, Bermuda Monetary Authority and the Supreme Court of Bermuda).

25 Corporate income tax

The Group is in scope of Pillar Two legislation as it operates in jurisdictions that have enacted or substantively enacted Pillar Two legislation and its consolidated revenue exceeds Euro 750 million threshold.

The tax expense for the period ended 31 March 2025 is AED 13,255 thousand (31 March 2024: AED 8,376 thousand), reflecting a significant year-on-year increase which is primarily driven by the introduction and adoption of Top-up Tax on Multinational Enterprises with effect from 01 January 2025. The Effective Tax Rate ("ETR") of 11.5% (31 March 2024: 9.3%).

26 Approval of the condensed consolidated interim financial information

The condensed consolidated interim financial information was approved and authorised for issue by the Board of Directors on 24 April 2025.