



Integrated report

For the financial year ended 31st December 2024



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**The Disclosures & Compliance Section
Market Operations Surveillance Department
Abu Dhabi Securities Exchange
Abu Dhabi – UAE**

**Board of Directors' Report For
The Year Ended 31/12/2024**

Al-Buhaira National Insurance Co. (ABNIC) has relatively improved its technical results in spite of recurrent natural mis happenings. It is rewarding to note that the Company's management has decided to increase the outstanding motor claims reserve (OSLR) as well as IBNR which reflect a conservative attitude in view of the increase of the average cost of claims.

The Company reported insurance losses of AED 51.8 million for the year ended 31 December 2024 compared to AED 149.5 million losses for the year ended 31 December 2023. The Company's net losses amounted to AED 37 million in 2024 compared to AED 132.8 million net loss in 2023. The Company's Shareholders equity stood at AED 456 million as on 31/12/2024 compared to AED 497 million on 31/12/2023. The total assets stood at AED 1,916 million compared to AED 1,719 million as at 31/12/2023.

ABNIC is continuously improving its core competencies and enhancing its risk management controls in line with the principles and practices of corporate governance in order to protect the rights of its shareholders and policyholders. The Company is implementing a selective and conservative policy in procuring insurance business and investment products. ABNIC is keen to introduce new insurance products that satisfy the increasing needs of its clients.



Faisal Bin Khaled Sultan Al Qasimi
Chairman of the Board



**Al Buhaira National Insurance Company P.S.C.
and its Subsidiary**

**Consolidated financial statements
For the year ended 31 December 2024**

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Consolidated financial statements

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Directors' report

The Board of Directors has pleasure in submitting their report and the audited consolidated financial statements for the year ended 31 December 2024.

Incorporation and registered offices

Al Buhaira National Insurance Company P.S.C. (the "Parent Company"), is incorporated as a public shareholding Company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16 May 1978. The Parent Company is subject to the regulations of UAE Federal Law No. (48) of 2023 (previously UAE Federal Law No. 6 of 2007, as amended), concerning the formation of Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE"). The Parent Company is registered in the Insurance Companies register of the Central Bank of the U.A.E. under registration number 15. The address of the Parent Company's registered corporate office is P.O. Box 6000, Sharjah, United Arab Emirates.

The Group consists of Al Buhaira National Company P.S.C. and its subsidiary (the "Group") as disclosed in Note 3.3 to the consolidated financial statements.

Principal activities

The principal activity of the Group is the writing of insurance of health, accidents and civil responsibility, saving and money formation, life, fire, land, marine, air transportation, danger, insurance against accidents at work, motor, aviation, other insurance, management of health insurance claims, accidents causalities support services, insurance against theft and reinsurance. The Group operates through its Head Office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah and Ajman.

Financial position and results

The consolidated financial position and results of the Group for the year ended 31 December 2024 are set out in the accompanying consolidated financial statements.


Directors

The following were the Directors of the Group for the year ended 31 December 2024:

Sheikh Faisal Bin Khalid Sultan Al Qasimi (Chairman)
Sheikh Abdulla Mohd Ali Al Thani (Vice Chairman)
Sheikh Khaled Abdulla Sultan Al Qasimi (Managing Director)
Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani (Director)
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla (Director)
Mr. Rashid Ali Rashid Dimas Al Suwaidi (Director)
Mr. Salem Abdulla Salem Al Hosani (Director)
Mr. Abdulla Mohamed Salih Abdul Rahim Al Zarooni (Director)
Ms. Noura Mahmoud Mohamed Al Mahmoud Al-Ali (Director)
Mr. Nader Tawfiq Qaddumi (General Manager)

Auditors

Grant Thornton UAE has been appointed as the auditor for the Group for the year ending December 31, 2024. This marks their sixth consecutive year in this role. However, in compliance with the Financial Reporting and External Audit Regulation for Insurance Companies issued by the Central Bank of the UAE, a mandatory rotation is required after six years. As a result, Grant Thornton has not offered themselves for reappointment.


Sheikh Faisal Bin Khaled Bin Sultan Al Qasimi
Chairman of the Board of Directors



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Buhaira National Insurance Company P.S.C. and its subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al Buhaira National Insurance Company P.S.C. (the "Parent Company") and its subsidiary (together the "Group") which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including summary of material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Group as at 31 December 2024 and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 28 to the consolidated financial statements, the Group has a deficit in the Solvency Margin Requirements and Minimum Guarantee Fund Requirements as stipulated by the Central Bank of the U.A.E. by the amounts of AED 186 million and AED 30 million respectively. Our opinion is not modified in respect of this matter.

Key Audit Matters

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



INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Buhaira National Insurance Company P.S.C and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our audit addressed the key audit matter
Valuation of (Re)Insurance Contract Assets and Liabilities	
<p>As at 31 December 2024, the Group's Reinsurance Contract Assets, Insurance Contract Liabilities and Reinsurance contract liabilities are valued at AED 522.2 million, AED 730.9 million and AED 322.9 million respectively. (Refer Note 9).</p> <p>Valuation of (Re)Insurance contract assets and liabilities involve significant judgements and estimates particularly with respect to the eligibility of measurement models and estimation of the present value of future cash flows.</p> <p>These cash flows primarily include determination of expected premium receipts, expected ultimate cost of claims and allocation of insurance acquisition cash flows which are within the contract boundaries.</p> <p>The calculation for these liabilities includes significant estimation and involvement of actuarial experts in order to ensure appropriateness of discount rates, methodology, assumptions and data used to determine the estimated present value of future cash flows.</p> <p>As a result of the above factors, we consider valuation of (re)insurance contract assets and liabilities as a key audit matter.</p>	<p>We performed the following procedures in conjunction with our actuarial specialists:</p> <ul style="list-style-type: none"> - Understood and evaluated the process, the design and implementation of controls in place to determine valuation of (Re)Insurance contract assets and liabilities; - Assessed the competence, capabilities and objectivity of the management's appointed actuary; - Tested the completeness, and on sample basis, the accuracy and relevance of data used to determine future cashflows; - Evaluated the appropriateness of the methodology, significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows. This included consideration of the reasonableness of assumptions against actual historical experience and the appropriateness of any judgments applied; - Independently reperformed the calculation to assess the mathematical accuracy of the Insurance contract liabilities and Reinsurance Contract Assets on selected classes of business, particularly focusing on largest and most uncertain reserves; and - Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Buhaira National Insurance Company P.S.C and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)
Key Audit Matters (continued)

Valuation of investment properties	
<p>As at 31 December 2024, the Group owns a portfolio of investment properties amounting to AED 849 million, comprising commercial properties, residential properties and land. The Group has recorded a net fair value loss of AED 3 million during the year ended 31 December 2024 (Notes 6).</p> <p>These investment properties are stated at their fair values as determined by independent real estate valuers engaged by the Group ("the valuers"). The valuation process involves significant judgements in determining and estimating the underlying assumptions to be applied.</p> <p>The valuations are highly sensitive to key assumptions applied in deriving at the significant unobservable inputs and a small change in the assumptions can have a significant impact to the valuation.</p>	<p>Our audit procedures, among others, included:</p> <ul style="list-style-type: none"> - We obtained the valuation assessment reports prepared by the external valuers; - We evaluated the external valuers qualifications, experience and expertise in the investment; properties being valued and considered their objectivity, independence and scope of work; - We assessed whether the valuation methods used are in accordance with the established standards for valuation of the properties and determining the fair value; - We involved our independent valuation specialists to review the valuation methodologies, key assumptions and critical judgements used by comparing these with market data, or other publicly available information, on selected properties; and - On sample basis, we tested, whether property specific data provided to the external valuers by management reflected the underlying property records.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Buhaira National Insurance Company P.S.C and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)**Other Information**

Management is responsible for the other information. The other information comprises the information included in the *Directors' Report* but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Buhaira National Insurance Company P.S.C and its subsidiary (continued)

Report on the Audit of the Consolidated Financial Statements (continued)**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Buhaira National Insurance Company P.S.C and its subsidiary (continued)

Report on other Legal and Regulatory Requirements

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

- i) We have obtained all the information we considered necessary for the purposes of our audit;
- ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- iii) The Group has maintained proper books of account in accordance with established accounting principles;
- iv) The financial information included in the Directors' report is consistent with the books of account of the Group;
- v) Note 7 to the consolidated financial statements discloses investment in securities by the Group during the year ended 31 December 2024;
- vi) Note 25 to the consolidated financial statements discloses material related party transactions and balances, and the terms under which they were conducted;
- vii) The Group has not made any social contributions during the financial year ended 31 December 2024; and
- viii) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has, during the financial year ended 31 December 2024, contravened any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, or in respect to the Company, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2024.

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

GRANT THORNTON UAE


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



25 March 2025

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of financial position As at 31 December 2024

	Notes	2024 AED	2023 AED
ASSETS			
Property and equipment	5	11,181,248	13,872,192
Investment properties	6	849,055,989	847,850,000
Investments in securities at FVTOCI	7	56,414,041	59,567,189
Statutory deposit	8	10,000,000	10,000,000
Reinsurance contract assets	9	522,194,793	422,203,950
Insurance contract assets	9	-	12,462,413
Other receivables	10	42,632,402	38,208,725
Bank balances and cash	11	424,285,139	315,730,998
TOTAL ASSETS		1,915,763,612	1,719,895,467
EQUITY AND LIABILITIES			
Equity			
Share capital	12	250,000,000	250,000,000
Statutory reserve	13.1	122,126,377	122,126,377
Voluntary reserve	13.2	100,000,000	200,000,000
Reinsurance reserve	13.3	18,901,014	14,293,181
Cumulative changes in fair value		(18,842,169)	(15,689,021)
Accumulated losses		(15,713,982)	(74,178,917)
Total equity		456,471,240	496,551,620
Liabilities			
Provision for employees' end of service indemnity	14	46,784,750	43,118,479
Bank borrowings	15	300,075,193	278,982,938
Lease liabilities	16	3,231,693	6,880,398
Insurance contract liabilities	9	730,991,127	537,684,319
Reinsurance contract liabilities	9	322,921,593	308,782,606
Other payables	17	55,288,016	47,895,107
Total liabilities		1,459,292,372	1,223,343,847
TOTAL EQUITY AND LIABILITIES		1,915,763,612	1,719,895,467

Sheikh Faisal Bin Khaled Bin Sultan Al Qasimi
Chairman

Nader Tawfiq Qaddumi
Chief Executive Officer



The accompanying notes from 1 to 35 form an integral part of these consolidated financial statements.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of profit or loss For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Insurance revenue	19	1,448,902,391	1,190,641,861
Insurance service expenses	20	(1,469,728,830)	(1,196,342,629)
Insurance service result before reinsurance contracts held		(20,826,439)	(5,700,768)
Allocation of reinsurance premiums	21	(920,601,503)	(841,062,128)
Amounts recoverable from reinsurance for incurred claims	21	899,203,030	707,183,751
Net (expense) from reinsurance contracts held		(21,398,473)	(133,878,377)
Insurance service result		(42,224,912)	(139,579,145)
Investment and other income	18	45,912,891	42,760,945
Insurance finance expense for insurance contracts issued	22	(20,136,315)	(22,743,465)
Reinsurance finance income for reinsurance contracts held	22	10,532,939	12,845,665
Net insurance financial result		(9,603,376)	(9,897,800)
Net insurance and investment results		(5,915,397)	(106,716,000)
General and administrative expenses	23	(5,870,346)	(6,792,322)
Finance costs		(24,935,077)	(18,881,763)
Finance costs – lease	16	(206,412)	(372,384)
Loss for the year before tax		(36,927,232)	(132,762,469)
Income tax		-	-
Loss for the year after tax		(36,927,232)	(132,762,469)
Basic and diluted loss after tax per share	24	(0.15)	(0.53)

The accompanying notes from 1 to 35 form an integral part of these consolidated financial statements.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of other comprehensive income For the year ended 31 December 2024

	2024 AED	2023 AED
Loss for the year after tax	<u>(36,927,232)</u>	<u>(132,762,469)</u>
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Change in fair value of investments carried at FVTOCI	(3,153,148)	974,432
Gain on sale of investments carried at FVTOCI	-	276,398
Other comprehensive (loss) / income for the year	<u>(3,153,148)</u>	<u>1,250,830</u>
Total Comprehensive Loss for the Year	<u>(40,080,380)</u>	<u>(131,511,639)</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of changes in equity For the year ended 31 December 2024

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value AED	(Accumulated losses)/ retained earnings AED	Total AED
Balance at 31 December 2022	250,000,000	122,126,377	200,000,000	10,216,524	(16,663,453)	62,383,811	628,063,259
Loss for the year	-	-	-	-	-	(132,762,469)	(132,762,469)
Other comprehensive income for the year	-	-	-	-	1,250,830	-	1,250,830
Total comprehensive loss for the year	-	-	-	-	1,250,830	(132,762,469)	(131,511,639)
Transfer to reinsurance reserve	-	-	-	4,076,657	-	(4,076,657)	-
Transfer to retained earnings on sale of investments at FVTOCI	-	-	-	-	(276,398)	276,398	-
Balance at 31 December 2023	250,000,000	122,126,377	200,000,000	14,293,181	(15,689,021)	(74,178,917)	496,551,620
Loss for the year after tax	-	-	-	-	-	(36,927,232)	(36,927,232)
Other comprehensive loss for the year	-	-	-	-	(3,153,148)	-	(3,153,148)
Total comprehensive loss for the year	-	-	-	-	(3,153,148)	(36,927,232)	(40,080,380)
Transfer to accumulated losses (Note 13.2)	-	-	(100,000,000)	-	-	100,000,000	-
Transfer to reinsurance reserve	-	-	-	4,607,833	-	(4,607,833)	-
Balance at 31 December 2024	250,000,000	122,126,377	100,000,000	18,901,014	(18,842,169)	(15,713,982)	456,471,240

The accompanying notes from 1 to 35 form an integral part of these consolidated financial statements.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Consolidated statement of cash flows For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Cash flows from operating activities			
Loss for the year before tax		(36,927,232)	(132,762,469)
Adjustments for:			
Depreciation of property and equipment	5	4,663,722	4,990,052
Interest income on deposits	18	(15,786,662)	(12,308,056)
Dividend income	18	(2,989,308)	(3,324,127)
Net income from investment properties	6	(30,064,522)	(24,192,089)
Change in fair value of investment properties	6	3,000,000	(2,741,344)
Provision for employees' end of service indemnity	14	5,142,269	2,439,778
Finance costs		25,141,489	19,254,147
Other income	18	(72,399)	(195,329)
Board of Directors' remuneration	32	3,600,000	1,800,000
Operating cash flows before changes in working capital		(44,292,643)	(147,039,437)
Change in working capital			
Net reinsurance contract assets		(85,851,856)	79,480,019
Other receivables		(836,364)	(2,147,956)
Net insurance contract liabilities		205,769,221	(3,075,475)
Other payables		6,642,909	7,315,020
Cash generated from / (used in) operating activities		81,431,267	(65,467,829)
Employees' end of service benefits paid	14	(1,475,998)	(1,143,983)
Board of Directors' remuneration paid		(2,850,000)	-
Net cash generated from / (used in) operating activities		77,105,269	(66,611,812)
Cash flows from investing activities			
Movement in fixed deposits		(74,757,952)	26,836,428
Movement in margin deposits		2,000	(124,390)
Additions on investment properties	6	(4,205,989)	(2,546,156)
Purchase of investments at FVTOCI	7	-	(3,089,749)
Proceeds from sale of investments at FVTOCI	7	-	3,032,570
Purchase of property and equipment	5	(1,369,879)	(1,004,885)
Interest income on deposits		14,009,283	12,308,056
Dividend from investments	18	2,989,308	3,324,127
Income from investment properties		28,254,588	24,192,089
Other income		36,276	139,308
Net cash (used in) / generated from investing activities		(35,042,365)	63,067,398
Cash flows from financing activities			
Obtained/repayment of bank borrowings – net	15	21,092,255	57,851,231
Finance costs paid		(24,935,077)	(18,881,763)
Lease payments	16	(4,421,893)	(4,811,793)
Net cash (used in) / generated from financing activities		(8,264,715)	34,157,675
Net change in cash and cash equivalents during the year		33,798,189	30,613,261
Cash and cash equivalents at the beginning of the year		72,952,230	42,338,969
Cash and cash equivalents at the end of the year	11	106,750,419	72,952,230
Non-cash transactions:			
Rights of use assets		602,899	2,094,031
Lease liability		(566,776)	(2,038,010)
Reinsurance reserve		4,607,833	4,076,657
Voluntary reserve		(100,000,000)	-
Accumulated losses		100,000,000	-

The accompanying notes from 1 to 35 form an integral part of these consolidated financial statements.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements For the year ended 31 December 2024

1. General information

Al Buhaira National Insurance Company P.S.C. (the "Parent Company") is incorporated as a public shareholding company by an Emiri Decree issued by His Highness, The Ruler of Sharjah on 16 May 1978. The Parent Company is subject to the regulations of UAE Federal Law No. (48) of 2023, concerning Financial Regulations of Insurance Companies issued by the Central Bank of UAE ("CBUAE") and regulation of its operations and is registered in the Insurance Companies Register of the CBUAE, under registration No.12. The address of the Parent Company's registered corporate office is P.O. Box 6000, Sharjah, United Arab Emirates.

The principal activity of the Parent Company is the writing of insurance of all types - other than savings and accumulation of funds. The Group operates through its Head Office in Sharjah and has branches in Dubai, Abu Dhabi, Al Ain, Khorfakkan, Fujairah and Ajman.

The consolidated financial statements have been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. (32) of 2021. The Parent Company's ordinary shares are listed on Abu Dhabi Securities Exchange, United Arab Emirates.

The Group consists of Al Buhaira National Company P.S.C. and its subsidiary (the "Group") as disclosed in Note 3.3 to the consolidated financial statements.

On April 16, 2024, the United Arab Emirates experienced an extraordinary bout of heavy rainfall, leading to significant disruptions throughout the country. As a consequence, the Company faced a surge in claims, totaling 4,104 cases and amounting to AED 139.1 million. Of this total, AED 125.3 million is expected to be recoverable through reinsurance.

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

2.1 New and revised IFRSs and interpretations applied on the consolidated financial statements

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

Standard number	Title	Effective date
IAS 1	Amendments 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: Disclosure - Supplier Finance Arrangements	1 January 2024
IFRS 16	Amendments to IFRS 16 - Leases on sale and leaseback	1 January 2024

These standards have been adopted by the Group and did not have a material impact on these consolidated financial statements.

2.2 Standards issued but not yet effective

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

Standard number	Title	Effective date
IAS 21	Amendments to IAS 21 Lack of exchangeability Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2025
IFRS 9 & IFRS 7	Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosure regarding the classification and measurement of financial instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to each of the years presented.

3.1 Statement of compliance

These consolidated financial statements are for the year ended 31 December 2024 and are presented in Arab Emirate Dirham (AED), which is also the functional currency of the Group. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standard Board (IASB) and interpretations thereof issued by the IFRS Interpretations Committee ("IFRS IC") and in compliance with the applicable requirements of the UAE Federal Decree Law No. (32) of 2021 ("Companies Law"), relating to commercial companies and UAE Federal Law No. (48) of 2023 concerning Financial Regulations for Insurance Companies issued by the CBUAE and regulation of its operations.

3.2 Basis of preparation

These consolidated financial statements have been prepared on the historical cost basis, except for investment properties and financial assets carried at fair value through other comprehensive income which are carried at fair value and the provision for employees' end of service benefit which is calculated in line with UAE labour laws.

The Group's consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: bank balances and cash, other receivables and other payables. The following balances would generally be classified as non-current: property and equipment, investment properties, statutory deposit and provision for employees' end of service benefit. The following balances are of mixed nature (including both current and non-current portions): investments in securities at fair value through other comprehensive income, reinsurance contract assets, insurance contract liabilities, bank borrowings and lease liabilities.

3.3 Basis of consolidation

The consolidated financial statements of Al Buhaira National Insurance Company P.S.C. and its subsidiary (the "Group") incorporate the consolidated financial statements of the Parent Company and the entity controlled by the Parent Company (its subsidiary).

Control is achieved when the Group:

- 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 Group 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 Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group 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.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.3 Basis of consolidation (continued)

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

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.

Details of the Group's subsidiary at 31 December 2024 and 2023 is as below:

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held	Principal activity
Al Buhaira Economic Investments Establishment	Sharjah, U.A.E.	100%	Investing in economic projects.

3.4 IFRS 17 Insurance Contracts

Insurance and reinsurance contracts classification

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

Insurance and reinsurance contracts accounting treatment

Separating components from insurance and reinsurance contracts

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Level of aggregation

IFRS 17 requires a company to determine the level of aggregation for applying its requirements. The Group previously applied aggregation levels under IFRS 4, which were significantly higher than the level of aggregation required by IFRS 17. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts need to be treated together as one unit based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). IFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

The Group has elected to group together those contracts that would fall into different groups only because law, regulation or internal policies specifically constrains its practical ability to set a different price or level of benefits for policyholders with different characteristics. The Group applied a full retrospective approach for transition to IFRS 17. The portfolios are further divided into groups of contracts by quarter of issue and profitability for recognition and measurement purposes.

Hence, within each quarter of issue, portfolios of contracts are divided into three groups, as follows:

- A group of contracts that are onerous at initial recognition (if any)
- A group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently (if any)
- A group of the remaining contracts in the portfolio (if any)

The profitability of groups of contracts is assessed by profitability committee that take into consideration existing and new business. The Group assumes that no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Group assesses, at initial recognition, that there is no significant possibility of becoming onerous subsequently by assessing the likelihood of changes in applicable facts and circumstances.

The Group has a Profitability Assessment Committee that meets at regular intervals to determine the profitability groupings of each portfolio of contracts. The committee acts as a forum to collect input from the pricing and underwriting functions and assess the relevant facts and circumstances which indicate that groups of contracts are onerous at initial recognition.

Below are some of the relevant facts and circumstances that the Group considers:

- Evaluation of expected combined ratios;
- Pricing information;
- Results of similar contracts it has recognised; and
- Environment factors, e.g., a change in market experience or regulations.

The Group divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Recognition

The Group recognises groups of insurance contracts it issues from the earliest of the following:

- The beginning of the coverage year of the group of contracts;
- The date when the first payment from a policyholder in the group is due or when the first payment is received if there is no due date;
- For a group of onerous contracts, if facts and circumstances indicate that the group is onerous the Group recognises a group of reinsurance contracts held;
- If the reinsurance contracts provide proportionate coverage at the later of the beginning of the coverage year of the group, or the initial recognition of any underlying contract; and

In all other cases, from the beginning of the coverage year of the group the Group adds new contracts to the group when they are issued or initiated.

Contract boundary

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

A substantive obligation to provide services ends when:

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

Both of the following criteria are satisfied:

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

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

Measurement - Premium Allocation Approach

Insurance contracts – initial measurement

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

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

Or

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Measurement - Premium Allocation Approach (continued)

Insurance contracts – initial measurement (continued)

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

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

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

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

Insurance contracts – subsequent measurement

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

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

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

Insurance acquisition cash flows are allocated on a straight-line basis to profit or loss.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Reinsurance contracts

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

Insurance contracts – modification and derecognition

The Group derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired);
Or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Group derecognises the initial contract and recognises the modified contract as a new contract.

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

Presentation

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

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

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

The Group disaggregates the change in risk adjustment for non-financial risk between a financial and non-financial portion which will be presented in insurance finance income or expenses and in insurance service result respectively. The Group separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

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

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate. For the years presented, all revenue has been recognised on the basis of the passage of time.

Loss components

The Group assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. The Group reassess this on quarterly basis and if at quarter end, the facts and circumstances indicate that a group of insurance contracts is onerous, the Group establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. Accordingly, by the end of the coverage year of the group of contracts the loss component will be zero.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance finance income and expense

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

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

The Group do not disaggregate insurance finance income or expenses between profit or loss and OCI.

Net income or expense from reinsurance contracts held

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

Classification of insurance contracts

Insurance contracts issued by the Group are classified into two main categories, depending on the duration of risk being: short-term insurance contracts and long-term insurance contracts.

Short-term insurance contracts

These contracts are medical, motor, property, casualty, marine, engineering and short-duration life insurance contracts.

Medical insurance contracts protect the Group's customers against the risk of incurring medical expenses. Medical selection is part of the Group's underwriting procedures, whereby contributions are charged to reflect the health condition and family medical history of the applicants. Pricing is based on assumptions, such as persistency, which consider past experience and current trends. Contracts including specific risks and guarantees are tested for profitability according to predefined procedures before approval.

Marine insurance covers the loss or damage of ships, cargo, terminals, and any transport by which the property is transferred, acquired, or held between the points of origin and the final destination.

Engineering Insurance is an insurance policy that covers a wide range of engineering related risks. It is a comprehensive insurance that provides complete protection against risks associated with erection, resting, and working of any machinery, plant or equipment.

Motor insurance comprises Comprehensive Insurance and Third-Party Insurance. Comprehensive Insurance covers the policy holder for any loss or damage to the policy holder's vehicle caused either by themselves or a third party. It also covers any third party for loss or damage caused by the policy holder. Third Party Insurance, on the other hand only covers the third party for any loss or damage caused by the policy holder.

Property insurance contracts mainly compensate the Group's customers for damage suffered to their properties or for the value of property lost. Customers who undertake commercial activities on their premises could also receive compensation for the loss of earnings caused by the inability to use the insured properties in their business activities (business interruption cover).

Casualty insurance contracts protect the Group's customers against the risk of causing harm to third parties as a result of their legitimate activities. Damages covered include both contractual and non-contractual events.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Short-term insurance contracts (continued)

Short-duration life insurance contracts (credit life) protect the Group's customers from the consequences of events that would affect the ability of the customer or customer's dependents to maintain their current level of income. Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the extent of the economic loss suffered by the policyholder. There is no maturity or surrender benefits.

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

Long-term insurance contracts

The Group has not written any long-term products during the year ended 31 December 2024 (31 December 2023: nil). Currently, the Group has no intention to grow this line. The existing portfolio will expire with the passage of time. This portfolio include writes single premium savings plan (Everest Product) which is a hybrid between Universal Life and traditional Endowment plans for periods of 3, 5 or 7 years. The plan offers guaranteed maturity benefit and death benefit as higher of policy value or single premium paid. Policy value is calculated as the sum of general and separate account values as at the date of valuation.

The general account value is invested in fixed deposits. The value of deposit as at the valuation date is taken to be general account value.

Separate account is invested in international equities by the reinsurer who carries the investment risk.

3.5 Investment and other income

3.5.1 Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

3.5.2 Dividend income

Dividend income from investments is recognised when the Group's rights to receive payment have been established.

3.5.3 Rental income

Rental income from investment properties which are leased under operating leases are recognised on a straight-line basis over the term of the relevant lease.

3.6 General and administrative expenses

Direct expenses are charged to the respective departmental revenue accounts. Indirect expenses are allocated to departmental revenue accounts on the basis of gross written premiums of each department. Other administration expenses are charged to consolidated statement of profit or loss as unallocated general and administrative expenses.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.7 Foreign currencies

The consolidated financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of a group entity are expressed in Arab Emirates Dirhams ("AED"), which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss in the year in which they arise.

3.8 Employee benefits

3.8.1 *Defined contribution plan*

U.A.E. national employees of the Group are members of the Government-managed retirement pension and social security benefit scheme pursuant to U.A.E. labour law no. 7 of 1999. The Group is required to contribute 12.5% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the "contribution calculation salary" respectively, to the scheme. The only obligation of the Group with respect to the retirement pension and social security scheme is to make the specified contributions. The contributions are charged to consolidated statement of profit or loss.

3.8.2 *Annual leave and leave passage*

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

3.8.3 *Provision for employees' end of service indemnity*

Provision is also made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the U.A.E. Labour Law and is based on current remuneration and their period of service at the end of the reporting period.

The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service indemnity is disclosed as a non-current liability.

3.9 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method proportionately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Land is stated at cost less impairment if any.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.9 Property and equipment (continued)

The useful lives considered in the calculation of depreciation for the assets are as follows:

	Years
Furniture and equipment	5
Computer equipment	5
Office fixture and fittings	10
Residential villa	15

3.10 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs.

Cost includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss in the period in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss in the period of retirement or disposal.

Fair value is determined by open market values based on valuations performed by independent surveyors and consultants.

3.11 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in consolidated statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.12 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

3.14 Financial instruments

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Specifically:

- (i) debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- (ii) debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- (iii) all other debt instruments (e.g. debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL. However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:
 - a. the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in other comprehensive income (OCI); and
 - b. the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Cash and bank and other receivables

Cash and bank and other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

Equity instruments at FVTOCI

Investments in equity instruments/funds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the cumulative changes in fair value reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments in equity instruments/funds, but reclassified to retained earnings. The Group has designated all investments in equity instruments that are not held for trading as FVTOCI.

Dividends on these investments in equity instruments are recognised in consolidated statement of profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

Financial assets at FVTPL are:

- (i) assets with contractual cash flows that are not SPPI; or/and
- (ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in profit or loss.

Fair value option: A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing. The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognising related gains and losses on a different basis (an "accounting mismatch").

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Reclassifications

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made.

Measurement of ECL

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

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

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

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

The Group makes use of a simplified approach in accounting for insurance receivables and for other receivables records life time expected credit loss. These are expected shortfalls in the contractual cashflows, considering the potential for default at any point during the life of a financial instrument. In calculating, the Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of insurance receivables on a collective basis as they possess shared credit risks characteristics, they have been grouped based on the days past due.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.14 Financial instruments (continued)

Measurement of ECL (continued)

The Group employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward-looking information.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. At each reporting date, the Group assesses whether financial assets carried at amortised costs are credit-impaired.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Presentation of allowance for ECL in the consolidated financial statements

Loss allowances for ECL are presented in the consolidated financial statements as follows:

- for financial assets measured at amortised cost (insurance and other receivables and cash and bank): as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in revaluation reserve and recognised in other comprehensive income;

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.15 Leases

The Group has applied IFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under IAS 17 and IFRIC 4.

3.15.1 Lessee

For any new contracts entered into on or after January 1, 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract or part of a contract, that conveys the right-to-use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right of use asset and a lease liability on the consolidated statement of financial position. The right of use asset is measured at cost, which is made up of the initial measurement of the lease liability, any direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group also assesses the right of use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of the fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in consolidated statement of profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets have been included in property and equipment and lease liabilities have been included in as a separate line item as lease liabilities

3.15.2 Lessor

The Group's accounting policy under IFRS 16 has not changed from the comparative period. As a lessor the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

3. Material accounting policies (continued)

3.16 Fair value measurement

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. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized with in fair value hierarchy, based on the lowest level of input that is significant to the fair value measurement as a whole.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

3.17 Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income for the year 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 year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments finalised during the current year for such years.

Deferred taxation

Deferred taxation is accounted for using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets 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 is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to statement of comprehensive income in which case it is included in statement of comprehensive income.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 3 to these consolidated financial statements, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (see 4.2 below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4.1.1 Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

4.1.2 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

4.1.3 Significant increase in credit risk

The measurement of ECL is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on the credit loss allowance for debt instruments carried at amortised cost, FVTOCI investments, bank balances and fixed deposits: definition of default, significant increase in credit risk, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD") and the historical loss experience per ageing bucket has the major impact on the credit loss allowance for Insurance and other receivables. The Group regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

4.1.4 Classification of properties

In the process of classifying properties, management has made various judgments. Judgments are needed to determine whether a property qualifies as an investment property, property and equipment, property under development and/or property held for sale. Management develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property and equipment, property under development and property held for sale. In making its judgment, management has considered the detailed criteria and related guidance set out in IAS 2 – Inventories, IAS 16 – Property, Plant and Equipment, and IAS 40 – Investment Property, with regards to the intended use of the property.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2.1 Insurance and reinsurance contracts

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

Liability for remaining coverage

For insurance acquisition cash flows, the Group is eligible and chooses to capitalise all insurance acquisition cashflows upon payments.

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

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Group's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

4.2.2 Discount rates

Insurance contract liabilities are calculated by discounting expected future cash flows at a risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the yields of highly liquid AAA-rated sovereign securities in the currency of the insurance contract liabilities. The illiquidity premium is determined by reference to observable market rates.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.2 Discount rates (continued)

EIOPA USD risk free Volatility Adjusted (Spot) rates were used with country risk premium/ illiquidity premium of 0.72% is applied for discounting of future cash flows for 2024 and 0.72% for 2023 are listed below:

	1 year		3 years		5 years		10 years	
	2024	2023	2024	2023	2024	2023	2024	2023
Liability for Incurred Claims								
AED	5.27%	5.95%	5.15%	4.92%	5.11%	4.69%	5.16%	4.64%
USD	4.55%	5.23%	4.43%	4.19%	4.39%	3.97%	4.44%	3.92%
Liability for reinsurance contracts issued								
AED	5.27%	5.95%	5.15%	4.92%	5.11%	4.69%	5.16%	4.64%
USD	4.55%	5.23%	4.43%	4.19%	4.39%	3.97%	4.44%	3.92%

4.2.3 Impairment of financial assets

When measuring ECL and IFRS 9, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The determination of whether the insurance receivables are impaired, entails the Group evaluating, the credit and liquidity position of the insurance companies, historical recovery rates including detailed investigations carried out and feedback received from the legal department. The difference between the estimated collectible amount and the carrying value is recognised as an expense in the consolidated statement of profit or loss. Any difference between the amounts actually collected in the future periods and the amounts expected will be recognised in the consolidated statement of profit or loss at the time of collection.

4.2.4 Valuation of unquoted equity instruments

Valuation of unquoted equity investments is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models. In the absence of an active market for these investments or any recent transactions that could provide evidence of the current fair value, management estimates the fair value of these instruments using expected cash flows discounted at current rates for similar instruments or other valuation models.

4.2.5 Revaluation of investment properties

The investment properties are carried at fair value, with changes in the fair value being recognised in the consolidated statement of profit or loss. The management engaged independent valuation specialists to assess fair value during the year. The fair value of plots of land was determined based on the acceptable approach that reflects recent transactions prices for similar properties. The fair value of buildings was determined using income approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

4.2 Key sources of estimation uncertainty (continued)

4.2.6 Risk adjustment for non-financial risk

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

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

The Group has estimated the risk adjustment using a confidence level (probability of sufficiency) approach at the 80th percentile. That is, the Group has assessed its indifference to uncertainty for all product lines (as an indication of the compensation that it requires for bearing non-financial risk) as being equivalent to the 80th percentile confidence level less the mean of an estimated probability distribution of the future cash flows. The Group has estimated the probability distribution of the future cash flows, and the additional amount above the expected present value of future cash flows required to meet the target percentiles.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2024

5. Property and equipment									
	Land AED	Furniture and equipment AED	Computer equipment AED	Office fixture and fittings AED	Residential villa AED	Right of use assets AED	Total AED		
<i>Cost</i>									
As at 1 January 2024	649,000	7,041,605	13,125,755	7,154,404	1,057,827	22,912,514	51,941,105		
Additions	-	106,529	784,250	479,100	-	1,489,801	2,859,680		
Disposal	-	-	-	-	-	(2,356,866)	(2,356,866)		
As at 31 December 2024	649,000	7,148,134	13,910,005	7,633,504	1,057,827	22,045,449	52,443,919		
<i>Accumulated depreciation</i>									
As at 1 January 2024	-	6,389,375	8,352,531	5,876,794	1,057,827	16,392,386	38,068,913		
Charge for the year	-	219,646	190,788	187,975	-	4,065,313	4,663,722		
Relating to disposals	-	-	-	-	-	(1,469,964)	(1,469,964)		
As at 31 December 2024	-	6,609,021	8,543,319	6,064,769	1,057,827	18,987,735	41,262,671		
<i>Carrying amount</i>									
As at 31 December 2024	649,000	539,113	5,366,686	1,568,735	-	3,057,714	11,181,248		

At 31 December 2024, the cost of fully depreciated property and equipment that was still in use amounted to AED 24.57 million (2023: AED 23.90 million).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2024

5. Property and equipment (continued)

	Land AED	Furniture and equipment AED	Computer equipment AED	Office fixture and fittings AED	Residential Villa AED	Right of use AED	Total AED
<i>Cost</i>							
As at 1 January 2023	649,000	6,818,313	12,734,610	6,763,956	1,057,827	21,403,223	49,426,929
Additions	-	223,292	391,145	390,448	-	2,841,817	3,846,702
Disposal	-	-	-	-	-	(1,332,526)	(1,332,526)
As at 31 December 2023	649,000	7,041,605	13,125,755	7,154,404	1,057,827	22,912,514	51,941,105
<i>Accumulated depreciation</i>							
As at 1 January 2023	-	6,179,059	8,153,660	5,702,933	1,057,827	12,570,122	33,663,601
Charge for the year	-	210,316	198,871	173,861	-	4,407,004	4,990,052
Relating to disposals	-	-	-	-	-	(584,740)	(584,740)
As at 31 December 2023	-	6,389,375	8,352,531	5,876,794	1,057,827	16,392,386	38,068,913
<i>Carrying amount</i>							
As at 31 December 2023	649,000	652,230	4,773,224	1,277,610	-	6,520,128	13,872,192

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

6. Investment properties

Investment properties comprise the following at fair value:

	2024 AED	2023 AED
Plots of land	60,000,000	71,250,000
Buildings	789,055,989	776,600,000
	<u>849,055,989</u>	<u>847,850,000</u>

Movement during the year was as follows:

	2024 AED	2023 AED
Fair value at the beginning of the year	847,850,000	842,562,500
Additions	4,205,989	2,546,156
Change in fair value during the year (Note 18)	(3,000,000)	2,741,344
Fair value at the end of the year	<u>849,055,989</u>	<u>847,850,000</u>

The fair value of the Group's investments properties as at 31 December 2024 has been arrived at on the basis of valuations carried on the respective dates by independent competent valuers who have recent market experience in the valuation of properties in the United Arab Emirates.

The fair value of plots of land and buildings was determined using market approach. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The Group's investment properties are classified as Level 3 in the fair value hierarchy as at 31 December 2024 (2023: Level 3).

Investment property amounting to AED 849 million (2023: AED 847.8 million) is mortgaged to a bank towards credit facilities granted to the Group (Note 15).

The rental proceeds from Al Khan, Al Nahda and Al Buhairah Corniche Towers are assigned to a bank against credit facilities granted to the Group (Note 15).

The property rental income earned by the Group from its investment properties, which are leased out under operating leases, and direct operating expenses arising on the investment property are as follows:

	2024 AED	2023 AED
Rental income	48,155,728	43,668,609
Direct operating expenses	(18,091,206)	(19,476,520)
Income from investment properties (Note 18)	<u>30,064,522</u>	<u>24,192,089</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

7. Investments in securities at fair value through Other Comprehensive Income (FVTOCI)

	2024 AED	2023 AED
Equity investments at FVTOCI		
Quoted – at fair value	52,935,943	56,089,091
Unquoted – at fair value	3,478,098	3,478,098
	<u>56,414,041</u>	<u>59,567,189</u>

Movement during the year was as follows:

	2024 AED	2023 AED
Fair value at the beginning of the year	59,567,189	58,259,180
Purchases during the year	-	3,089,749
Disposals during the year	-	(3,032,570)
Change in fair value	(3,153,148)	1,250,830
Fair value at the end of the year	<u>56,414,041</u>	<u>59,567,189</u>

	Within U.A.E.		Outside U.A.E.		Total	
	2024 AED	2023 AED	2024 AED	2023 AED	2024 AED	2023 AED
Quoted	52,935,943	56,089,091	-	-	52,935,943	56,089,091
Unquoted	3,478,098	3,478,098	-	-	3,478,098	3,478,098
	<u>56,414,041</u>	<u>59,567,189</u>	<u>-</u>	<u>-</u>	<u>56,414,041</u>	<u>59,567,189</u>

8. Statutory deposit

In accordance with the requirements of Article (38) of the UAE Federal Law No. (48) of 2023, the Group maintains a bank deposit of AED 10 million (2023: AED 10 million) as a statutory deposit. This deposit cannot be withdrawn without prior approval of the CBUAE and yields interest rate per annum of 5.40% (2023: 5.25%).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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:

		2024			2023		
	Notes	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued							
Motor	9.1	-	19,423,629	(19,423,629)	-	279,544	(279,544)
Marine	9.2	-	82,355,884	(82,355,884)	-	62,792,702	(62,792,702)
FGA	9.3	-	36,305,345	(36,305,345)	12,462,413	-	12,462,413
Medical	9.4	-	582,245,224	(582,245,224)	-	466,560,195	(466,560,195)
Life	9.5	-	10,661,045	(10,661,045)	-	8,051,878	(8,051,878)
Total insurance contracts issued		-	730,991,127	(730,991,127)	12,462,413	537,684,319	(525,221,906)
Reinsurance contracts held							
Motor	9.6	57,075,325	-	57,075,325	32,739,185	59,068,777	(26,329,592)
Marine	9.7	48,810,684	-	48,810,684	30,943,273	-	30,943,273
FGA	9.8	74,980,724	26,032,768	48,947,956	38,671,744	-	38,671,744
Medical	9.9	329,926,364	293,820,843	36,105,521	310,636,944	246,352,553	64,284,391
Life	9.10	11,401,696	3,067,982	8,333,714	9,212,804	3,361,276	5,851,528
Total reinsurance contracts held		522,194,793	322,921,593	199,273,200	422,203,950	308,782,606	113,421,344

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

The Group disaggregates information to provide disclosures in respect of major product lines separately for Motor, Marine, FGA, Medical and Life. This disaggregation has been determined based on how the Group 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 following page:

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA

9.1 Motor

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024					
Insurance contract liabilities as at 1 January	(165,152,113)	(2)	159,221,140	6,210,519	279,544
Insurance revenue	(240,057,394)	-	-	-	(240,057,394)
Insurance service expenses					
Incurred claims and other expenses	-	-	390,141,393	5,447,886	395,589,279
Amortisation of insurance acquisition cash flows	21,975,129	-	-	-	21,975,129
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(41,500,247)	(5,466,119)	(46,966,366)
Insurance service result	(218,082,265)	-	348,641,146	(18,233)	130,540,648
Insurance finance expenses	-	-	5,982,963	233,369	6,216,332
Total changes in the statement of profit or loss	(218,082,265)	-	354,624,109	215,136	136,756,980
Cash flows					
Premiums received	237,687,572	-	-	-	237,687,572
Claims and other expenses	-	-	(333,325,338)	-	(333,325,338)
Insurance acquisition cash flows	(21,975,129)	-	-	-	(21,975,129)
Total cash flows	215,712,443	-	(333,325,338)	-	(117,612,895)
Net insurance contract liabilities as at 31 December	(167,521,935)	(2)	180,519,911	6,425,655	19,423,629
2023					
Insurance contract liabilities as at 1 January	(155,567,782)	11,986,139	191,257,483	6,679,033	54,354,873
Insurance revenue	(197,355,225)	-	-	-	(197,355,225)
Insurance service expenses					
Incurred claims and other expenses	-	-	298,534,664	4,824,402	303,359,066
Amortisation of insurance acquisition cash flows	22,599,622	-	-	-	22,599,622
Losses on onerous contracts and reversals	-	(11,986,141)	-	-	(11,986,141)
Changes to liabilities for incurred claims	-	-	(8,991,847)	(5,567,956)	(14,559,803)
Insurance service result	(174,755,603)	(11,986,141)	289,542,817	(743,554)	102,057,519
Insurance finance expenses	-	-	7,875,870	275,040	8,150,910
Total changes in the statement of profit or loss	(174,755,603)	(11,986,141)	297,418,687	(468,514)	110,208,429
Cash flows					
Premiums received	187,770,894	-	-	-	187,770,894
Claims and other expenses	-	-	(329,455,030)	-	(329,455,030)
Insurance acquisition cash flows	(22,599,622)	-	-	-	(22,599,622)
Total cash flows	165,171,272	-	(329,455,030)	-	(164,283,758)
Net insurance contract liabilities as at 31 December	(165,152,113)	(2)	159,221,140	6,210,519	279,544

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.2 Marine

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024					
Insurance contract liabilities as at 1 January	36,008,909	-	25,577,887	1,205,906	62,792,702
Insurance revenue	(31,567,709)	-	-	-	(31,567,709)
Insurance service expenses					
Incurred claims and other expenses	-	-	37,436,408	1,262,121	38,698,529
Amortisation of insurance acquisition cash flows	2,285,739	-	-	-	2,285,739
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	6,308,847	(637,901)	5,670,946
Insurance service result	(29,281,970)	-	43,745,255	624,220	15,087,505
Insurance finance expenses	-	-	1,114,709	52,554	1,167,263
Total changes in the statement of profit or loss	(29,281,970)	-	44,859,964	676,774	16,254,768
Cash flows					
Premiums received	32,273,555	-	-	-	32,273,555
Claims and other expenses	-	-	(26,679,402)	-	(26,679,402)
Insurance acquisition cash flows	(2,285,739)	-	-	-	(2,285,739)
Total cash flows	29,987,816	-	(26,679,402)	-	3,308,414
Net insurance contract liabilities as at 31 December	36,714,755	-	43,758,449	1,882,680	82,355,884
2023					
Insurance contract liabilities as at 1 January	40,560,005	32,102	32,734,329	1,381,720	74,708,156
Insurance revenue	(32,431,377)	-	-	-	(32,431,377)
Insurance service expenses					
Incurred claims and other expenses	-	-	31,989,810	1,063,004	33,052,814
Amortisation of insurance acquisition cash flows	3,035,146	-	-	-	3,035,146
Losses on onerous contracts and reversals	-	(32,102)	-	-	(32,102)
Changes to liabilities for incurred claims	-	-	(23,261,433)	(1,293,510)	(24,554,943)
Insurance service result	(29,396,231)	(32,102)	8,728,377	(230,506)	(20,930,462)
Insurance finance expenses	-	-	1,295,677	54,692	1,350,369
Total changes in the statement of profit or loss	(29,396,231)	(32,102)	10,024,054	(175,814)	(19,580,093)
Cash flows					
Premiums received	27,880,281	-	-	-	27,880,281
Claims and other expenses	-	-	(17,180,496)	-	(17,180,496)
Insurance acquisition cash flows	(3,035,146)	-	-	-	(3,035,146)
Total cash flows	24,845,135	-	(17,180,496)	-	7,664,639
Net insurance contract liabilities as at 31 December	36,008,909	-	25,577,887	1,205,906	62,792,702

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.3 FGA

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024					
Insurance contract liabilities as at 1 January	(59,114,394)	(4)	44,106,839	2,545,146	(12,462,413)
Insurance revenue	(142,835,988)	-	-	-	
Insurance service expenses					
Incurred claims and other expenses	-	-	105,224,312	3,781,996	109,006,308
Amortisation of insurance acquisition cash flows	3,600,869	-	-	-	3,600,869
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(11,694,871)	(1,632,389)	(13,327,260)
Insurance service result	(139,235,119)	-	93,529,441	2,149,607	(43,556,071)
Insurance finance expenses	-	-	1,665,117	95,384	1,760,501
Total changes in the statement of profit or loss	(139,235,119)	-	95,194,558	2,244,991	(41,795,570)
Cash flows					
Premiums received	138,307,791	-	-	-	138,307,791
Claims and other expenses	-	-	(44,143,594)	-	(44,143,594)
Insurance acquisition cash flows	(3,600,869)	-	-	-	(3,600,869)
Total cash flows	134,706,922	-	(44,143,594)	-	90,563,328
Net insurance contract liabilities as at 31 December	(63,642,591)	(4)	95,157,803	4,790,137	36,305,345
2023					
Insurance contract liabilities as at 1 January	(47,350,689)	315,284	61,651,982	3,191,012	17,807,589
Insurance revenue	(109,684,765)	-	-	-	(109,684,765)
Insurance service expenses					
Incurred claims and other expenses	-	-	46,628,793	1,867,490	48,496,283
Amortisation of insurance acquisition cash flows	3,393,341	-	-	-	3,393,341
Losses on onerous contracts and reversals	-	(315,288)	-	-	(315,288)
Changes to liabilities for incurred claims	-	-	(33,432,346)	(2,646,396)	(36,078,742)
Insurance service result	(106,291,424)	(315,288)	13,196,447	(778,906)	(94,189,171)
Insurance finance expenses	-	-	2,584,708	133,040	2,717,748
Total changes in the statement of profit or loss	(106,291,424)	(315,288)	15,781,155	(645,866)	(91,471,423)
Cash flows					
Premiums received	97,921,060	-	-	-	97,921,060
Claims and other expenses	-	-	(33,326,298)	-	(33,326,298)
Insurance acquisition cash flows	(3,393,341)	-	-	-	(3,393,341)
Total cash flows	94,527,719	-	(33,326,298)	-	61,201,421
Net insurance contract assets as at 31 December	(59,114,394)	(4)	44,106,839	2,545,146	(12,462,413)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.4 Medical

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024					
Insurance contract liabilities as at 1 January	39,161,664	-	418,150,419	9,248,112	466,560,195
Insurance revenue	(1,019,550,375)	-	-	-	(1,019,550,375)
Insurance service expenses					
Incurred claims and other expenses	-	-	909,088,586	8,017,975	917,106,561
Amortisation of insurance acquisition cash flows	30,932,501	-	-	-	30,932,501
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(662,153)	(7,390,399)	(8,052,552)
Insurance service result	(988,617,874)	-	908,426,433	627,576	(79,563,865)
Insurance finance expenses	-	-	10,330,809	228,478	10,559,287
Total changes in the statement of profit or loss	(988,617,874)	-	918,757,242	856,054	(69,004,578)
Cash flows					
Premiums received	1,051,906,693	-	-	-	1,051,906,693
Claims and other expenses	-	-	(836,284,585)	-	(836,284,585)
Insurance acquisition cash flows	(30,932,501)	-	-	-	(30,932,501)
Total cash flows	1,020,974,192	-	(836,284,585)	-	184,689,607
Net insurance contract liabilities as at 31 December	71,517,982	-	500,623,076	10,104,166	582,245,224
2023					
Insurance contract liabilities as at 1 January	23,177,062	18,567	338,289,485	6,698,495	368,183,609
Insurance revenue	(838,441,302)	-	-	-	(838,441,302)
Insurance service expenses					
Incurred claims and other expenses	-	-	858,641,874	8,007,432	866,649,306
Amortisation of insurance acquisition cash flows	19,827,734	-	-	-	19,827,734
Losses on onerous contracts and reversals	-	(18,567)	-	-	(18,567)
Changes to liabilities for incurred claims	-	-	(15,539,957)	(5,652,882)	(21,192,839)
Insurance service result	(818,613,568)	(18,567)	843,101,917	2,354,550	26,824,332
Insurance finance expenses	-	-	9,851,378	195,067	10,046,445
Total changes in the statement of profit or loss	(818,613,568)	(18,567)	852,953,295	2,549,617	36,870,777
Cash flows					
Premiums received	854,425,904	-	-	-	854,425,904
Claims and other expenses	-	-	(773,092,361)	-	(773,092,361)
Insurance acquisition cash flows	(19,827,734)	-	-	-	(19,827,734)
Total cash flows	834,598,170	-	(773,092,361)	-	61,505,809
Net insurance contract liabilities as at 31 December	39,161,664	-	418,150,419	9,248,112	466,560,195

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.5 Life

	Liabilities for remaining coverage		Liabilities for incurred claims		Total AED
	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2024					
Insurance contract liabilities as at 1 January	(5,715,407)	1	13,706,896	60,388	8,051,878
Insurance revenue	(14,890,925)	-	-	-	(14,890,925)
Insurance service expenses					
Incurred claims and other expenses	-	-	13,510,118	26,703	13,536,821
Amortisation of insurance acquisition cash flows	709,489	-	-	-	709,489
Losses on onerous contracts and reversals	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	(1,013,799)	(23,364)	(1,037,163)
Insurance service result	(14,181,436)	-	12,496,319	3,339	(1,681,778)
Insurance finance expenses	-	-	431,032	1,900	432,932
Total changes in the statement of profit or loss	(14,181,436)	-	12,927,351	5,239	(1,248,846)
Cash flows					
Premiums received	15,233,090	-	-	-	15,233,090
Claims and other expenses	-	-	(10,665,588)	-	(10,665,588)
Insurance acquisition cash flows	(709,489)	-	-	-	(709,489)
Total cash flows	14,523,601	-	(10,665,588)	-	3,858,013
Net insurance contract liabilities as at 31 December	(5,373,242)	1	15,968,659	65,627	10,661,045
2023					
Insurance contract liabilities as at 1 January	(2,949,384)	22,193	16,105,407	64,938	13,243,154
Insurance revenue	(12,729,192)	-	-	-	(12,729,192)
Insurance service expenses					
Incurred claims and other expenses	-	-	10,797,633	24,645	10,822,278
Amortisation of insurance acquisition cash flows	444,461	-	-	-	444,461
Losses on onerous contracts and reversals	-	(22,192)	-	-	(22,192)
Changes to liabilities for incurred claims	-	-	(6,545,690)	(31,115)	(6,576,805)
Insurance service result	(12,284,731)	(22,192)	4,251,943	(6,470)	(8,061,450)
Insurance finance expenses	-	-	476,073	1,920	477,993
Total changes in the statement of profit or loss	(12,284,731)	(22,192)	4,728,016	(4,550)	(7,583,457)
Cash flows					
Premiums received	9,963,169	-	-	-	9,963,169
Claims and other expenses	-	-	(7,126,527)	-	(7,126,527)
Insurance acquisition cash flows	(444,461)	-	-	-	(444,461)
Total cash flows	9,518,708	-	(7,126,527)	-	2,392,181
Net insurance contract liabilities as at 31 December	(5,715,407)	1	13,706,896	60,388	8,051,878

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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

Contracts measured under the PAA

9.6 Motor

2024	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	-	-	31,146,463	1,592,722	32,739,185
Reinsurance contract liabilities as at 1 January	(59,068,777)	-	-	-	(59,068,777)
Net reinsurance contract assets	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)
An allocation of reinsurance premiums	(43,641,078)	-	-	-	(43,641,078)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	91,493,508	952,961	92,446,469
Changes to amounts recoverable for incurred claims	-	-	7,764,050	(557,156)	7,206,894
Amortisation of insurance acquisition cash flows	16,502,041	-	-	-	16,502,041
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(27,139,037)	-	99,257,558	395,805	72,514,326
Reinsurance finance income	-	-	1,089,195	55,697	1,144,892
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(27,139,037)	-	100,346,753	451,502	73,659,218
Cash flows					
Premiums paid	112,821,025	-	-	-	112,821,025
Reinsurance acquisition cash flows	(16,502,041)	-	-	-	(16,502,041)
Amounts received	-	-	(86,573,285)	-	(86,573,285)
Total cash flows	96,318,984	-	(86,573,285)	-	9,745,699
Net reinsurance contract liabilities as at 31 December	10,111,170	-	44,919,931	2,044,224	57,075,325
Reinsurance contract assets as at 31 December	10,111,170	-	44,919,931	2,044,224	57,075,325
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	10,111,170	-	44,919,931	2,044,224	57,075,325

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.6 Motor (continued)

2023	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	42,673,315	6,745,506	75,723,810	2,644,400	127,787,031
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	42,673,315	6,745,506	75,723,810	2,644,400	127,787,031
An allocation of reinsurance premiums	(81,892,267)	-	-	-	(81,892,267)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	63,201,987	912,376	64,114,363
Changes to amounts recoverable for incurred claims	-	-	9,894,246	(2,057,506)	7,836,740
Amortisation of insurance acquisition cash flows	(38,580,444)	-	-	-	(38,580,444)
Losses on onerous contracts and reversals of those losses - net	-	(6,745,506)	-	-	(6,745,506)
Net income or expense from reinsurance contracts held	(120,472,711)	(6,745,506)	73,096,233	(1,145,130)	(55,267,114)
Reinsurance finance income	-	-	2,676,007	93,452	2,769,459
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(120,472,711)	(6,745,506)	75,772,240	(1,051,678)	(52,497,655)
<i>Cash flows</i>					
Premiums paid	(19,849,825)	-	-	-	(19,849,825)
Reinsurance acquisition cash flows	38,580,444	-	-	-	38,580,444
Amounts received	-	-	(120,349,587)	-	(120,349,587)
Total cash flows	18,730,619	-	(120,349,587)	-	(101,618,968)
Net reinsurance contract assets as at 31 December	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)
Reinsurance contract assets as at 31 December	-	-	31,146,463	1,592,722	32,739,185
Reinsurance contract liabilities as at 31 December	(59,068,777)	-	-	-	(59,068,777)
Net reinsurance contract liabilities as at 31 December	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.7 Marine

2024	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	3,200,829	-	26,115,527	1,626,917	30,943,273
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	3,200,829	-	26,115,527	1,626,917	30,943,273
An allocation of reinsurance premiums	(17,159,030)	-	-	-	(17,159,030)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	15,025,575	1,084,255	16,109,830
Changes to amounts recoverable for incurred claims	-	-	5,057,859	(756,652)	4,301,207
Amortisation of insurance acquisition cash flows	4,121,099	-	-	-	4,121,099
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(13,037,931)	-	20,083,434	327,603	7,373,106
Reinsurance finance income	-	-	632,472	39,290	671,762
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(13,037,931)	-	20,715,906	366,893	8,044,868
Cash flows					
Premiums paid	17,741,481	-	-	-	17,741,481
Reinsurance acquisition cash flows	(4,121,099)	-	-	-	(4,121,099)
Amounts received	-	-	(3,797,839)	-	(3,797,839)
Total cash flows	13,620,382	-	(3,797,839)	-	9,822,543
Net reinsurance contract assets as at 31 December	3,783,280	-	43,033,594	1,993,810	48,810,684
Reinsurance contract assets as at 31 December	3,783,280	-	43,033,594	1,993,810	48,810,684
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	3,783,280	-	43,033,594	1,993,810	48,810,684

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.7 Marine (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2023					
Reinsurance contract assets as at 1 January	3,408,674	4,738	37,062,892	1,564,429	42,040,733
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	3,408,674	4,738	37,062,892	1,564,429	42,040,733
An allocation of reinsurance premiums	(18,924,063)	-	-	-	(18,924,063)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	5,168,097	810,923	5,979,020
Changes to amounts recoverable for incurred claims	-	-	(6,689,659)	(800,223)	(7,489,882)
Amortisation of insurance acquisition cash flows	2,815,477	-	-	-	2,815,477
Losses on onerous contracts and reversals of those losses - net	-	(4,738)	-	-	(4,738)
Net income or expense from reinsurance contracts held	(16,108,586)	(4,738)	(1,521,562)	10,700	(17,624,186)
Reinsurance finance income	-	-	1,226,923	51,788	1,278,711
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(16,108,586)	(4,738)	(294,639)	62,488	(16,345,475)
<i>Cash flows</i>					
Premiums paid	18,716,218	-	-	-	18,716,218
Reinsurance acquisition cash flows	(2,815,477)	-	-	-	(2,815,477)
Amounts received	-	-	(10,652,726)	-	(10,652,726)
Total cash flows	15,900,741	-	(10,652,726)	-	5,248,015
Net reinsurance contract assets as at 31 December	3,200,829	-	26,115,527	1,626,917	30,943,273
Reinsurance contract assets as at 31 December	3,200,829	-	26,115,527	1,626,917	30,943,273
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	3,200,829	-	26,115,527	1,626,917	30,943,273

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.8 FGA

2024	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	8,981,908	-	27,962,850	1,726,986	38,671,744
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	8,981,908	-	27,962,850	1,726,986	38,671,744
An allocation of reinsurance premiums	(137,213,053)	-	-	-	(137,213,053)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	73,815,658	2,768,509	76,584,167
Changes to amounts recoverable for incurred claims	-	-	(4,551,017)	(896,488)	(5,447,505)
Amortisation of insurance acquisition cash flows	16,974,695	-	-	-	16,974,695
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(120,238,358)	-	69,264,641	1,872,021	(49,101,696)
Reinsurance finance income	-	-	909,665	55,932	965,597
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(120,238,358)	-	70,174,306	1,927,953	(48,136,099)
Cash flows					
Premiums paid	102,198,377	-	-	-	102,198,377
Reinsurance acquisition cash flows	(16,974,695)	-	-	-	(16,974,695)
Amounts received	-	-	(26,811,371)	-	(26,811,371)
Total cash flows	85,223,682	-	(26,811,371)	-	58,412,311
Net reinsurance contract assets as at 31 December	(26,032,768)	-	71,325,785	3,654,939	48,947,956
Reinsurance contract assets as at 31 December	-	-	71,325,785	3,654,939	74,980,724
Reinsurance contract liabilities as at 31 December	(26,032,768)	-	-	-	(26,032,768)
Net reinsurance contract assets as at 31 December	(26,032,768)	-	71,325,785	3,654,939	48,947,956

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.8 FGA (continued)

2023	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	-	61,223	44,067,214	2,255,144	46,383,581
Reinsurance contract liabilities as at 1 January	(27,939,508)	-	-	-	(27,939,508)
Net reinsurance contract assets	(27,939,508)	61,223	44,067,214	2,255,144	18,444,073
An allocation of reinsurance premiums	(100,267,325)	-	-	-	(100,267,325)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	18,409,088	1,018,432	19,427,520
Changes to amounts recoverable for incurred claims	-	-	(17,199,718)	(1,633,149)	(18,832,867)
Amortisation of insurance acquisition cash flows	12,508,899	-	-	-	12,508,899
Losses on onerous contracts and reversals of those losses - net	-	(61,223)	-	-	(61,223)
Net income or expense from reinsurance contracts held	(87,758,426)	(61,223)	1,209,370	(614,717)	(87,224,996)
Reinsurance finance income	-	-	1,694,000	86,559	1,780,559
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(87,758,426)	(61,223)	2,903,370	(528,158)	(85,444,437)
<i>Cash flows</i>					
Premiums paid	137,188,741	-	-	-	137,188,741
Reinsurance acquisition cash flows	(12,508,899)	-	-	-	(12,508,899)
Amounts received	-	-	(19,007,734)	-	(19,007,734)
Total cash flows	124,679,842	-	(19,007,734)	-	105,672,108
Net reinsurance contract assets as at 31 December	8,981,908	-	27,962,850	1,726,986	38,671,744
Reinsurance contract assets as at 31 December	8,981,908	-	27,962,850	1,726,986	38,671,744
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	8,981,908	-	27,962,850	1,726,986	38,671,744

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.9 Medical

2024	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	-	-	303,544,682	7,092,262	310,636,944
Reinsurance contract liabilities as at 1 January	(246,352,553)	-	-	-	(246,352,553)
Net reinsurance contract liabilities	(246,352,553)	-	303,544,682	7,092,262	64,284,391
An allocation of reinsurance premiums	(707,887,293)	-	-	-	(707,887,293)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	601,731,622	5,239,094	606,970,716
Changes to amounts recoverable for incurred claims	-	-	(23,521,412)	(5,736,440)	(29,257,852)
Amortisation of insurance acquisition cash flows	79,498,808	-	-	-	79,498,808
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(628,388,485)	-	578,210,210	(497,346)	(50,675,621)
Reinsurance finance income	-	-	7,299,518	170,551	7,470,069
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(628,388,485)	-	585,509,728	(326,795)	(43,205,552)
Cash flows					
Premiums paid	660,419,003	-	-	-	660,419,003
Reinsurance acquisition cash flows	(79,498,808)	-	-	-	(79,498,808)
Amounts received	-	-	(565,893,513)	-	(565,893,513)
Total cash flows	580,920,195	-	(565,893,513)	-	15,026,682
Net reinsurance contract assets as at 31 December	(293,820,843)	-	323,160,897	6,765,467	36,105,521
Reinsurance contract assets as at 31 December	-	-	323,160,897	6,765,467	329,926,364
Reinsurance contract liabilities as at 31 December	(293,820,843)	-	-	-	(293,820,843)
Net reinsurance contract assets as at 31 December	(293,820,843)	-	323,160,897	6,765,467	36,105,521

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.9 Medical (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2023					
Reinsurance contract assets as at 1 January	-	16,181	232,199,174	4,597,792	236,813,147
Reinsurance contract liabilities as at 1 January	(244,371,670)	-	-	-	(244,371,670)
Net reinsurance contract liabilities	(244,371,670)	16,181	232,199,174	4,597,792	(7,558,523)
An allocation of reinsurance premiums	(629,193,954)	-	-	-	(629,193,954)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	609,543,138	6,086,096	615,629,234
Changes to amounts recoverable for incurred claims	-	-	(3,202,280)	(3,720,569)	(6,922,849)
Amortisation of insurance acquisition cash flows	52,814,117	-	-	-	52,814,117
Losses on onerous contracts and reversals of those losses - net	-	(16,181)	-	-	(16,181)
Net income or expense from reinsurance contracts held	(576,379,837)	(16,181)	606,340,858	2,365,527	32,310,367
Reinsurance finance income	-	-	6,511,912	128,943	6,640,855
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(576,379,837)	(16,181)	612,852,770	2,494,470	38,951,222
<i>Cash flows</i>					
Premiums paid	627,213,071	-	-	-	627,213,071
Reinsurance acquisition cash flows	(52,814,117)	-	-	-	(52,814,117)
Amounts received	-	-	(541,507,262)	-	(541,507,262)
Total cash flows	574,398,954	-	(541,507,262)	-	32,891,692
Net reinsurance contract liabilities as at 31 December	(246,352,553)	-	303,544,682	7,092,262	64,284,391
Reinsurance contract assets as at 31 December	-	-	303,544,682	7,092,262	310,636,944
Reinsurance contract liabilities as at 31 December	(246,352,553)	-	-	-	(246,352,553)
Net reinsurance contract assets as at 31 December	(246,352,553)	-	303,544,682	7,092,262	64,284,391

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.10 Life

2024	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
Reinsurance contract assets as at 1 January	-	-	9,169,541	43,263	9,212,804
Reinsurance contract liabilities as at 1 January	(3,361,276)	-	-	-	(3,361,276)
Net reinsurance contract assets	(3,361,276)	-	9,169,541	43,263	5,851,528
An allocation of reinsurance premiums	(14,701,049)	-	-	-	(14,701,049)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	10,623,917	17,569	10,641,486
Changes to amounts recoverable for incurred claims	-	-	(225,641)	(14,490)	(240,131)
Amortisation of insurance acquisition cash flows	2,791,106	-	-	-	2,791,106
Losses on onerous contracts and reversals of those losses – net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(11,909,943)	-	10,398,276	3,079	(1,508,588)
Reinsurance finance income	-	-	279,302	1,317	280,619
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(11,909,943)	-	10,677,578	4,396	(1,227,969)
Cash flows					
Premiums paid	14,994,343	-	-	-	14,994,343
Reinsurance acquisition cash flows	(2,791,106)	-	-	-	(2,791,106)
Amounts received	-	-	(8,493,082)	-	(8,493,082)
Total cash flows	12,203,237	-	(8,493,082)	-	3,710,155
Net reinsurance contract assets as at 31 December	(3,067,982)	-	11,354,037	47,659	8,333,714
Reinsurance contract assets as at 31 December	-	-	11,354,037	47,659	11,401,696
Reinsurance contract liabilities as at 31 December	(3,067,982)	-	-	-	(3,067,982)
Net reinsurance contract assets as at 31 December	(3,067,982)	-	11,354,037	47,659	8,333,714

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

9. 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)

Contracts measured under the PAA (continued)

9.10 Life (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total AED
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	
2023					
Reinsurance contract assets as at 1 January	-	991,806	12,841,676	51,883	13,885,365
Reinsurance contract liabilities as at 1 January	(1,697,316)	-	-	-	(1,697,316)
Net reinsurance contract assets	(1,697,316)	991,806	12,841,676	51,883	12,188,049
An allocation of reinsurance premiums	(10,784,519)	-	-	-	(10,784,519)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	7,690,774	14,984	7,705,758
Changes to amounts recoverable for incurred claims	-	-	(4,322,711)	(25,116)	(4,347,827)
Amortisation of insurance acquisition cash flows	2,345,946	-	-	-	2,345,946
Losses on onerous contracts and reversals of those losses - net	-	(991,806)	-	-	(991,806)
Net income or expense from reinsurance contracts held	(8,438,573)	(991,806)	3,368,063	(10,132)	(6,072,448)
Reinsurance finance income	-	-	374,569	1,512	376,081
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(8,438,573)	(991,806)	3,742,632	(8,620)	(5,696,367)
Cash flows					
Premiums paid	9,120,559	-	-	-	9,120,559
Reinsurance acquisition cash flows	(2,345,946)	-	-	-	(2,345,946)
Amounts received	-	-	(7,414,767)	-	(7,414,767)
Total cash flows	6,774,613	-	(7,414,767)	-	(640,154)
Net reinsurance contract assets as at 31 December	(3,361,276)	-	9,169,541	43,263	5,851,528
Reinsurance contract assets as at 31 December	-	-	9,169,541	43,263	9,212,804
Reinsurance contract liabilities as at 31 December	(3,361,276)	-	-	-	(3,361,276)
Net reinsurance contract assets as at 31 December	(3,361,276)	-	9,169,541	43,263	5,851,528

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

9. Insurance and reinsurance contracts (continued)

In addition to scenario testing, the development of insurance liabilities provides a measure of the Group's ability to estimate the ultimate value of claims. The top half of each table illustrates how the Group's estimate of liability for incurred claims for each accident year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount appearing in the consolidated statement of financial position. The following tables illustrate the Group's estimate of total liability for incurred claims for the years up to 2024.

Gross Insurance contract liabilities at 31 December 2024

	2018 and prior AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	2024 AED	Total AED
At the end of each reporting year								
One year later	-	739,736,964	666,481,817	750,668,028	903,177,754	1,106,504,049	1,289,679,861	5,456,248,473
Two years later	-	712,914,545	636,827,477	777,802,856	901,152,952	1,100,283,911	-	4,128,981,741
Three years later	-	711,631,865	679,508,367	769,465,014	909,596,162	-	-	3,070,201,408
Four years later	-	721,116,688	647,798,338	767,543,972	-	-	-	2,136,458,998
Five years later	-	718,080,039	649,578,115	-	-	-	-	1,367,658,154
Estimate of cumulative claims	942,328,569	724,435,239	649,578,115	767,543,972	909,596,162	1,100,283,911	1,289,679,861	6,383,445,829
Cumulative payments to date	(897,387,281)	(721,600,320)	(646,671,660)	(758,252,447)	(870,374,816)	(1,009,801,088)	(769,138,068)	(5,673,225,680)
	44,941,288	2,834,919	2,906,455	9,291,525	39,221,346	90,482,823	520,541,793	710,220,149
Unallocated loss adjustment expense reserve								8,067,782
Claims payable								143,955,254
Total gross undiscounted liabilities for incurred claims								862,243,185
Attributable expenses								85,895,661
Effect of discounting								(26,215,303)
Total discounted gross reserves included in the consolidated statement of financial position								921,923,543
Risk adjustments								23,268,256
Total gross liabilities for incurred claims								945,191,799

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

10. Other receivables

	2024 AED	2023 AED
Staff receivables	3,393,984	3,421,499
Rent receivables	23,697,192	21,887,258
Prepayments and others	15,541,226	12,899,968
	<u>42,632,402</u>	<u>38,208,725</u>

11. Bank balances and cash

	2024 AED	2023 AED
Cash on hand	221,284	106,100
Bank balances:		
Current accounts	105,497,314	56,218,276
Call accounts	1,031,821	1,627,854
Margin deposits	1,087,390	1,089,390
Fixed deposits	316,447,330	256,689,378
Bank balances and cash	<u>424,285,139</u>	<u>315,730,998</u>
Less: Deposits under lien (Note 15)	(276,447,330)	(198,882,934)
Less: Deposits with original maturity of more than three months	(40,000,000)	(42,806,444)
Less: Margin deposits	(1,087,390)	(1,089,390)
Cash and cash equivalents	<u>106,750,419</u>	<u>72,952,230</u>

The interest rate on fixed deposits with banks ranges from 3.89% to 5.75% (2023: 3% to 5.80%) per annum. All fixed deposits are held in local banks in the United Arab Emirates.

12. Share capital

	2024 AED	2023 AED
Authorised, issued and fully paid:		
250 million ordinary shares of AED 1 each		
(2023: 250 million ordinary shares of AED 1 each)	<u>250,000,000</u>	<u>250,000,000</u>

13. Reserves

13.1 Statutory reserve

In accordance with UAE Federal Decree Law No. (32) of 2021, the Parent Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the paid-up share capital. This reserve is not available for distribution except as stipulated by the Law. No transfer was made during the year (2023: AED nil).

13.2 Voluntary reserve

The voluntary reserve is established through transfers from profit for the year as recommended by the Board of Directors in accordance with Articles of Association. During the year, the Board of Directors approved the transfer of AED 100,000,000 from the voluntary reserve to the accumulated losses. This decision was aimed at decreasing the ratio of accumulated losses to the Company's share capital. The reallocation from the voluntary reserve was executed with the Group's best interests in mind.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

13. Reserves (continued)

13.3 Reinsurance reserve

In accordance with Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") Board of Directors' Decision No. 23 Article 34, an amount of AED 4,607,833 (2023: AED 4,076,657) was transferred from accumulated losses to reinsurance reserve. The reserve is not available for distribution and will not be disposed of without prior approval from Central Bank of the U.A.E. ("CBUAE").

14. Provision for employees' end of service indemnity

Movements in the net liability were as follows:

	2024 AED	2023 AED
Balance at the beginning of the year	43,118,479	41,822,684
Amounts charged during the year	5,142,269	2,439,778
Amounts paid during the year	(1,475,998)	(1,143,983)
	<u>46,784,750</u>	<u>43,118,479</u>

15. Bank borrowings

	2024 AED	2023 AED
Bank overdrafts	125,475,926	120,232,272
Term loans	174,599,267	158,750,666
	<u>300,075,193</u>	<u>278,982,938</u>

The bank borrowings are repayable as follows:

On demand or within one year	213,409,193	181,103,738
In the second year	61,718,000	11,214,000
In the third and subsequent years	24,948,000	86,665,200
	<u>300,075,193</u>	<u>278,982,938</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(213,409,193)</u>	<u>(181,103,738)</u>
Amount due for settlement after 12 months (shown under non-current liabilities)	<u>86,666,000</u>	<u>97,879,200</u>

Bank overdrafts are repayable on demand and carry out interest rates ranging from CSAF plus 0.5% to 2.5% plus 3 months EIBOR (2023: 0.5% to 2.5% plus 3 months EIBOR) per annum.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

15. Bank borrowings (continued)

The term loans description, maturity dates, and classification are set in the table below:

	Notes	Maturity	2024 AED	2023 AED
Loan 1	(i)	31 October 2025	8,333,333	18,333,333
Loan 2	(ii)	2 February 2028	15,832,600	20,833,000
Loan 3	(iii)	30 June 2028	47,880,000	57,960,000
Loan 4	(vi)	31 December 2026	50,000,000	50,000,000
Loan 5	(v)	28 February 2025	1,333,333	9,333,333
Loan 6	(vi)	2 February 2024	-	416,000
Loan 7	(vii)	8 March 2024	-	1,875,000
Loan 8	(viii)	31 May 2025	7,766,667	-
Loan 9	(ix)	31 July 2025	29,353,334	-
Loan 10	(x)	30 September 2025	5,100,000	-
Loan 11	(xi)	31 October 2025	9,000,000	-
			<u>174,599,267</u>	<u>158,750,666</u>

Main features of bank borrowings:

- Bank loans are obtained to finance the construction of investment properties and to meet its operating capital requirements.
 - Bank overdraft is payable on demand.
- (i) Bank loan for the amount of AED 75,000,000 was obtained in November 2017 to be repaid on monthly instalments of AED 833,333 commencing from May 2018 till October 2025 with interest rate 2.75% plus 1-month EIBOR.
- (ii) Bank loan for the amount of AED 50,000,000 was obtained in May 2017, AED 25,000,000 is to be repaid on monthly instalments of AED 694,444 commencing from January 2020 till December 2021, whereas remaining balance is to be repaid in two installment of AED 12,500,000 each on May 2023 & May 2024. On February 2023 the loan was restructured amounting to AED 25,000,000 and is to be repaid in 59 monthly installments of AED 416,700 and the remaining balance of AED 414,700 is to be repaid on February 2028 which bears interest rate of 2.5% plus 3-month EIBOR.
- (iii) Bank loan for the amount of AED 63,000,000 was obtained in July 2023. An amount of AED 15,120,000 is to be repaid on eighteen monthly instalments of AED 840,000 commencing from July 2023, AED 11,214,000 is to be repaid on twelve monthly instalments of AED 934,500 commencing from January 2025, AED 11,718,000 is to be repaid on twelve monthly instalments of AED 976,500 commencing from January 2026, AED 12,726,000 is to be repaid on twelve monthly instalments of AED 1,060,500 commencing from January 2027, AED 6,300,000 is to be repaid on three monthly instalments of AED 2,100,000 commencing from January 2028, whereas the remaining balance of AED 5,922,000 is to be repaid on three monthly instalments of AED 1,974,000 commencing from April 2028 and bears interest rate of 2.35% plus 3 month EIBOR.
- (iv) Bank loan for the amount of AED 50,000,000 was obtained in December 2023 to be repaid in one bullet payment in December 2026 and bears interest rate of 0.65% plus fixed deposit rate (5.80%).
- (v) Bank loan for the amount of AED 10,000,000 was obtained in November 2023 to be repaid on monthly instalments of AED 666,667 commencing from December 2023 till February 2025 with interest rate 2.75% plus 1-month EIBOR.
- (vi) Bank loan for the amount of AED 2,500,000 was obtained in February 2023. AED 2,292,400 is to be repaid on monthly instalments of AED 208,400 commencing from March 2023 till January 2024 and the remaining balance of AED 207,600 is to be repaid on February 2024 which bears interest rate of 2.5% plus 3-month EIBOR.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

15. Bank borrowings (continued)

- (vii) Bank loan for the amount of AED 7,500,000 was obtained in March 2023 to be repaid on monthly instalments of AED 625,000 commencing from April 2023 till March 2024 with interest rate 2.5% plus 3-month EIBOR.
- (viii) Bank loan for the amount of AED 23,300,000 was obtained in February 2024 to be repaid on monthly instalments of AED 1,553,333 commencing from March 2024 till May 2025 with interest rate 2.75% plus 1-month EIBOR.
- (ix) Bank loan for the amount of AED 62,900,000 was obtained in April 2024 to be repaid on monthly instalments of AED 4,193,333 commencing from May 2024 till July 2025 with interest rate 2.75% plus 1-month EIBOR.
- (x) Bank loan for the amount of AED 8,500,000 was obtained in June 2024 to be repaid on monthly instalments of AED 566,667 commencing from July 2024 till September 2025 with interest rate 2.75% plus 1-month EIBOR.
- (xi) Bank loan for the amount of AED 13,500,000 was obtained in July 2024 to be repaid on monthly instalments of AED 900,000 commencing from August 2024 till October 2025 with interest rate 2.75% plus 1-month EIBOR.

At 31 December 2024, bank borrowings were secured by lien on fixed deposits amounting to AED 276.4 million (2023: AED 198.8 million) (Note 11), mortgage of investment properties with fair value of AED 849 million (2023: AED 847.8 million) and assignment of rental proceeds from certain investment properties (Note 6).

Borrowing agreements included financial covenants, of which some of them were breached during the year. Hence, the loan has been reclassified from non-current to current portion accordingly.

Classification of bank borrowings between current and non current is as follows:

	2024 AED	2023 AED
Current portion	213,409,193	181,103,738
Non-current portion	86,666,000	97,879,200
	<u>300,075,193</u>	<u>278,982,938</u>

16. Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2024 AED	2023 AED
Current	2,072,832	4,435,857
Non-current	1,158,861	2,444,541
	<u>3,231,693</u>	<u>6,880,398</u>

The Group has leases for the offices all in UAE. Each lease is reflected on the consolidated statement of balance position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property and equipment (Note 5).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

16. Lease Liabilities (continued)

Right-of-use assets	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
Offices	19	2 to 3 years	2 years	19	19

The movement in lease liabilities during the year was as follows:

	2024 AED	2023 AED
Balance at January 1,	6,880,398	9,281,797
Additions / remeasurement	1,489,801	2,841,817
Termination	(923,025)	(803,807)
Interest charge during the year	206,412	372,384
Payment of lease liabilities during the year	(4,421,893)	(4,811,793)
Balance at December 31,	3,231,693	6,880,398

The incremental borrowing rate used for lease liabilities is 4% (2023: 4%). Future minimum lease payments at December 31, 2024 were as follows:

	Minimum lease payments due		Total
	Within 1 year AED	1-3 year AED	AED
December 31, 2024			
Lease payments	2,163,498	1,197,020	3,360,518
Finance charges	(90,666)	(38,159)	(128,825)
Net present value	2,072,832	1,158,861	3,231,693
December 31, 2023			
Lease payments	4,630,335	2,498,117	7,128,452
Finance charges	(194,478)	(53,576)	(248,054)
Net present value	4,435,857	2,444,541	6,880,398

17. Other payables

	2024 AED	2023 AED
Rent received in advance	19,295,394	13,728,274
Accrued expenses and other payables	17,735,196	18,498,245
Due to employees	18,257,426	15,668,588
	55,288,016	47,895,107

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

18. Investment and other income

	2024 AED	2023 AED
Interest income on deposits	15,786,662	12,308,056
Dividend from investments	2,989,308	3,324,127
Change in fair value of investment properties (Note 6)	(3,000,000)	2,741,344
Income from investment properties (Note 6)	30,064,522	24,192,089
Gain on cancellation of lease	36,123	56,021
Other income	36,276	139,308
	<u>45,912,891</u>	<u>42,760,945</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

19.	Insurance revenue								
2024	Contract measured under PAA	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED		
	Insurance contract issued	240,057,394	31,567,709	142,835,988	1,019,550,375	14,890,925	1,448,902,391		
2023	Contract measured under PAA								
	Insurance contract issued	197,355,225	32,431,377	109,684,765	838,441,302	12,729,192	1,190,641,861		
20.	Insurance service expense								
2024	Contract measured under PAA	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED		
	Incurred claims and other expenses	395,589,279	38,698,529	109,006,308	917,106,561	13,536,821	1,473,937,498		
	Changes to liabilities for incurred claims	(46,966,366)	5,670,946	(13,327,260)	(8,052,552)	(1,037,163)	(63,712,395)		
	Amortization of insurance acquisition cash flows	21,975,129	2,285,739	3,600,869	30,932,501	709,489	59,503,727		
		370,598,042	46,655,214	99,279,917	939,986,510	13,209,147	1,469,728,830		
2023	Contract measured under PAA								
	Incurred claims and other expenses	303,359,066	33,052,814	48,496,283	866,649,306	10,822,278	1,262,379,747		
	Changes to liabilities for incurred claims	(14,559,803)	(24,554,943)	(36,078,742)	(21,192,839)	(6,576,805)	(102,963,132)		
	Amortization of insurance acquisition cash flows	22,599,622	3,035,146	3,393,341	19,827,734	444,461	49,300,304		
	Losses on onerous contracts and reversals of those losses - net	(11,986,141)	(32,102)	(315,288)	(18,567)	(22,192)	(12,374,290)		
		299,412,744	11,500,915	15,495,594	865,265,634	4,667,742	1,196,342,629		

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)
For the year ended 31 December 2024

21. Net (expense)/ income from reinsurance contracts held	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2024						
Allocation of reinsurance premiums	(43,641,078)	(17,159,030)	(137,213,053)	(707,887,293)	(14,701,049)	(920,601,503)
Amounts recoverable from reinsurance for incurred claims						
Amounts recoverable for incurred claims	92,446,469	16,109,830	76,584,167	606,970,716	10,641,486	802,752,668
Changes to amounts recoverable for incurred claims	7,206,894	4,301,207	(5,447,505)	(29,257,852)	(240,131)	(23,437,387)
Amortization of insurance acquisition cash flows	16,502,041	4,121,099	16,974,695	79,498,808	2,791,106	119,887,749
	116,155,404	24,532,136	88,111,357	657,211,672	13,192,461	899,203,030
Net (expense)/ income from reinsurance contracts held	72,514,326	7,373,106	(49,101,696)	(50,675,621)	(1,508,588)	(21,398,473)
2023						
Allocation of reinsurance premiums	(81,892,267)	(18,924,063)	(100,267,325)	(629,193,954)	(10,784,519)	(841,062,128)
Amounts recoverable from reinsurance for incurred claims						
Amounts recoverable for incurred claims	64,114,363	5,979,020	19,427,520	615,629,234	7,705,758	712,855,895
Changes to amounts recoverable for incurred claims	7,836,740	(7,489,882)	(18,832,867)	(6,922,849)	(4,347,827)	(29,756,685)
Amortization of insurance acquisition cash flows	(38,580,444)	2,815,477	12,508,899	52,814,117	2,345,946	31,903,995
Losses on onerous contracts and reversals of those losses - net	(6,745,506)	(4,738)	(61,223)	(16,181)	(991,806)	(7,819,454)
	26,625,153	1,299,877	13,042,329	661,504,321	4,712,071	707,183,751
Net (expense)/income from reinsurance contracts held	(55,267,114)	(17,624,186)	(87,224,996)	32,310,367	(6,072,448)	(133,878,377)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

**Notes to the consolidated financial statements (continued)
For the year ended 31 December 2024**

22. Net insurance financial result		Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2024							
Insurance finance expenses from insurance contracts issued		(6,216,332)	(1,167,263)	(1,760,501)	(10,559,287)	(432,932)	(20,136,315)
Reinsurance finance income from reinsurance contracts held		1,144,892	671,762	965,597	7,470,069	280,619	10,532,939
2023							
Insurance finance expense from insurance contracts issued		(8,150,910)	(1,350,369)	(2,717,748)	(10,046,445)	(477,993)	(22,743,465)
Reinsurance finance income from reinsurance contracts held		2,769,459	1,278,711	1,780,559	6,640,855	376,081	12,845,665

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

23. General and administrative expenses

Loss for the year has been arrived at after charging the following expenses:

	2024 AED	2023 AED
Staff costs	44,589,074	37,599,792
Government and regulatory fees	8,958,377	7,120,829
Professional fees	9,266,005	7,890,782
Depreciation of property and equipment (note 5)	4,663,722	4,990,052
Insurance	5,931,030	4,226,644
Communication, transportation and utilities	2,523,512	2,690,870
Bank charges	3,920,781	1,759,274
Director's Remuneration* (note 32)	3,600,000	1,800,000
Repairs and maintenance	363,228	147,373
Other expenses	7,950,275	6,798,864
	<u>91,766,004</u>	<u>75,024,480</u>

General and administrative expenses amounting to AED 85,895,658 (2023: AED 68,232,158) is allocated to the underwriting activities, excluding the director's remuneration and management expenses, which is fully unallocated. Unallocated portion is amounting to AED 5,870,346 (2023: AED 6,792,322).

*Throughout the year, Board of Directors' remuneration amounting to AED 1.8 million for the year ending 31 December 2024 has been proposed for approval at the Annual General Assembly. In doing so, management has considered the stipulations of the Federal Law No. (32) of 2021 regarding remuneration limits in case of losses. However, as the Group used to record the annual BOD's remuneration subsequent to the year-end, once it has been approved by the shareholders, the remuneration related to the year ended 31 December 2023 of AED 1.8 million has also been recorded within the current fiscal year resulting in a duplication of the expenses. Management believes that the impact of 2023 remuneration is not significant to the consolidated financial statements of the Group.

24. Basic and diluted loss per share

	2024	2023
Loss for the year after tax (in AED)	<u>(36,927,232)</u>	<u>(132,762,469)</u>
Number of outstanding shares	<u>250,000,000</u>	<u>250,000,000</u>
Basic and diluted loss per share after tax (in AED)	<u>(0.15)</u>	<u>(0.53)</u>

Basic loss per share after tax has been calculated by dividing the loss for the year after tax by the number of shares outstanding at the end of the reporting period. Diluted loss per share after tax as of 31 December 2024 and 31 December 2023 are equivalent to basic loss per share after tax as the Group did not issue any new instrument that would impact earnings per share after tax when executed.

25. Related party 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.

At the end of the reporting period, amounts due from/to related parties included under due from policyholders and gross outstanding claims were as follows:

	2024 AED	2023 AED
Board members and entities under common control		
Due from policyholders	5,892,532	6,551,395
Gross outstanding claims	<u>764,949</u>	<u>418,763</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received, and no expense has been recognised in the year for bad or doubtful debts in respect of the amounts owed by related parties.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

25. Related party transactions (continued)

Transactions:

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

	2024 AED	2023 AED
Board members and entities under common control		
Gross premiums (part of insurance revenue)	5,913,032	5,195,331
Claims paid (part of insurance service expenses)	<u>7,861,488</u>	<u>4,511,245</u>

Compensation of board of directors/key management personnel

	2024 AED	2023 AED
Short-term benefits	5,169,984	4,547,784
Long-term benefits	360,330	305,950
Board of directors' remuneration	<u>1,800,000</u>	<u>1,800,000</u>

* In addition, the General Manager is also provided with accommodation.

26. Contingencies and commitments

Contingencies

Legal proceedings

The Group is involved in various legal proceedings and claims arising in the ordinary course of business. While the outcome of these matters cannot be predicted with certainty, management does not believe that these matters will have a material adverse effect on the Group's consolidated financial statements if settled unfavorably.

	2024 AED	2023 AED
Commitments		
Letters of guarantee	<u>111,663,190</u>	<u>118,963,721</u>

27. Insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The Group manages risks through its underwriting strategy, adequate reinsurance arrangements and proactive claims handling. The underwriting strategy attempts to ensure that the underwritten risks are well diversified in terms of type and amount of risk, industry and geography. Underwriting limits are in place to enforce appropriate risk selection criteria.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

27. Insurance risk (continued)

27.1 Frequency and severity of claims

The Group has the right not to renew individual policies, re-price the risk, impose deductibles and reject the payment of a fraudulent claim. Insurance contracts also entitle the Group to pursue third parties for payment of some or all costs (for example, subrogation).

Property insurance contracts are underwritten by reference to the commercial replacement value of the properties and contents insured, and claim payment limits are always included to cap the amount payable on occurrence of the insured event. Cost of rebuilding properties, of replacement or indemnity for contents and time taken to restart operations for business interruption are the key factors that influence the level of claims under these policies. Property insurance contracts are subdivided into four risk categories: fire, business interruption, weather damage and theft. The insurance risk arising from these contracts is not concentrated in any of the territories in which the Group operates, and there is a balance between commercial and personal properties in the overall portfolio of insured buildings.

The reinsurance arrangements include excess and catastrophe coverage. The effect of such reinsurance arrangements is that the Group should not suffer net insurance losses of a set limit defined in each arrangement for each policy. The Group has survey units dealing with the mitigation of risks surrounding claims. This unit investigates and recommends ways to improve risk claims. The risks are reviewed individually at least once in 3 years and adjusted to reflect the latest information on the underlying facts, current law, jurisdiction, contractual terms and conditions, and other factors. The Group actively manages and pursues early settlements of claims to reduce its exposure to unpredictable developments.

The following tables disclose the concentration of insurance liabilities by line of business. The amounts are the carrying amount of the insurance liabilities (gross and net of reinsurance) arising from the insurance contracts:

	2024		
	Gross AED	Reinsurance AED	Net AED
Motor	19,423,629	(57,075,325)	(37,651,696)
Marine	82,355,884	(48,810,684)	33,545,200
FGA	36,305,345	(48,947,956)	(12,642,611)
Medical	582,245,224	(36,105,521)	546,139,703
Life	10,661,045	(8,333,714)	2,327,331
	<u>730,991,127</u>	<u>(199,273,200)</u>	<u>531,717,927</u>
	2023		
	Gross AED	Reinsurance AED	Net AED
Motor	279,544	26,329,592	26,609,136
Marine	62,792,702	(30,943,273)	31,849,429
FGA	(12,462,413)	(38,671,744)	(51,134,157)
Medical	466,560,195	(64,284,391)	402,275,804
Life	8,051,878	(5,851,528)	2,200,350
	<u>525,221,906</u>	<u>(113,421,344)</u>	<u>411,800,562</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

27. Insurance risk (continued)

27.2 Sources of uncertainty in the estimation of future claim payments

Claims on insurance contracts are payable on a claims-occurrence basis. The Group is liable for all insured events that occurred during the term of the contract, even if the loss is discovered after the end of the contract term. As a result, liability claims are settled over a long period of time and element of the claims provision includes incurred but not reported claims (IBNR). The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where information about the claim event is available. IBNR claims may not be apparent to the insured until many years after the event that gave rise to the claims. For some insurance contracts, the IBNR proportion of the total liability is high and will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these liabilities. In estimating the liability for the cost of reported claims not yet paid, the Group considers information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Group has involved external actuarial values as well. Large claims are assessed on a case-by-case basis or projected separately in order to allow for the possible distortive effect of their development and incidence on the rest of the portfolio.

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

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

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

In calculating the estimated cost of unpaid claims (both reported and not), the Group's estimation techniques are a combination of loss-ratio-based estimates and an estimate based upon actual claims experience using predetermined formulae where greater weight is given to actual claims experience as time passes. The initial loss-ratio estimate is an important assumption in the estimation technique and is based on previous years' experience, adjusted for factors such as premium rate changes, anticipated market experience and historical claims inflation. The initial estimate of the loss ratios used for the current year (before reinsurance) are analyzed below by type of risk where the insured operates for current and prior year premiums earned.

Type of risk	2024		2023	
	Gross loss ratio	Net loss ratio	Gross loss ratio	Net loss ratio
Motor	136%	116%	125%	149%
Marine	67%	132%	11%	51%
FGA	79%	313%	8%	59%
Medical	86%	94%	98%	101%
Life	80%	644%	32%	22%

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

27. Insurance risk (continued)

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

A hypothetical 1% change in the loss ratio, net of reinsurance, would impact insurance service result as follows:

	2024 AED	2023 AED
Impact of change in loss ratio by +/- 1%		
Motor	2,260,112	1,847,765
Marine	189,820	64,296
FGA	168,225	51,192
Medical	2,924,376	2,106,871
Life	12,186	2,926

27.3 Process used to decide on assumptions

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

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

27.4 Concentration of insurance risk

Substantially all of the Group's underwriting activities are carried out in the United Arab Emirates.

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

However, the Group decided to waive the reinsurance quota share treaty in motor among others for the current year because of very less margin remains after actual loss ratio evident in last couple of years.

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

27.5 Sensitivity of underwriting profit and losses

The contribution by the insurance operations is a loss of AED 42.2 million for the year ended 31 December 2024 (2023: loss of AED 139.5 million). The Group expects to increase the contribution by insurance operations to the profitability due to the reasons mentioned below.

The Group has an overall retention level of 40% (2023: 33%) and the same is mainly contributed by motor and medical class of business. The Group tries to arrange appropriate excess of loss reinsurance cover to guard against major financial impact.

The Group earns a gross commission income of AED 119.9 million (2023: AED 31.9 million). These commissions arise primarily from the reinsurance placements and are a recurring source of income.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

27. Insurance risk (continued)

Sensitivity

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

The correlation of assumptions will have a significant effect in determining the ultimate impacts, but to demonstrate the impact due to changes in each assumption, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. The method used for deriving sensitivity information and significant assumptions did not change from the previous year.

	Change in assumptions	Impact on net profit gross of reinsurance AED	Impact on net profit net of reinsurance AED	Impact on equity gross of reinsurance AED	Impact on equity net of reinsurance AED
2024					
Liability for Incurred claims	+10%	(83,616,940)	(34,153,257)	(83,616,940)	(34,153,257)
Risk adjustment	+10%	(2,326,857)	(831,661)	(2,326,857)	(831,661)
Discount rate	+1%	4,679,482	2,280,079	4,679,482	2,280,079
Liability for Incurred claims	-10%	83,591,209	34,280,726	83,591,209	34,280,726
Risk adjustment	-10%	2,326,857	831,661	2,326,857	831,661
Discount rate	-1%	(4,796,456)	(2,329,973)	(4,796,456)	(2,329,973)
2023					
Liability for Incurred claims	+10%	(66,085,330)	(26,291,424)	(66,085,330)	(26,291,424)
Risk adjustment	+10%	1,927,118	682,157	1,927,118	682,157
Discount rate	+1%	3,450,699	1,535,645	3,450,699	1,535,645
Liability for Incurred claims	-10%	66,068,943	26,275,037	66,068,943	26,275,037
Risk adjustment	-10%	(1,927,118)	(682,157)	(1,927,118)	(682,157)
Discount rate	-1%	(3,530,120)	(1,783,465)	(3,530,120)	(1,783,465)

28. Capital risk management

The Group's objectives when managing capital, which the Group considers to be the equity as shown in the consolidated statement of financial position, are:

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

In U.A.E., Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") specifies the minimum amount and type of capital that must be held by the Group in addition to its insurance liabilities. The minimum required capital (presented in the table below) must be maintained at all times throughout the year.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

28. Capital risk management (continued)

The table below summarises the minimum required capital of the Group and the total capital held.

	2024 AED	2023 AED
Total capital held	250,000,000	250,000,000
Minimum regulatory capital	100,000,000	100,000,000

The Insurance Companies register of the Central Bank of the U.A.E. ("CBUAE") has issued resolution No. 42 for 2009 setting the minimum subscribed or paid up capital of AED 100 million for establishing insurance firms and AED 250 million for reinsurance firms. The resolution also stipulates that at least 75 percent of the capital of the insurance companies established in the UAE should be owned by UAE or GCC national individuals or corporate bodies.

The table below summarises the minimum required capital of the Group and the total capital held:

	2024 AED	2023 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	306,677,859	296,743,776
Minimum Guarantee Fund (MGF)	151,345,709	101,603,494
Basic Own Funds	100,000,000	100,000,000
Ancillary Own Funds	40,937,121	63,769,523
MCR Solvency Margin – Surplus	-	-
SCR Solvency Margin – (Deficit)	(186,209,299)	(164,859,015)
MGF Solvency Margin - (Deficit)/ surplus	(30,877,149)	30,281,268

As of 31 December 2024, the Group has a deficit in the Solvency Margin Requirements and Minimum Guarantee Fund Requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 186,209,299 and AED 30,877,149 respectively. The Group's ability to comply with the solvency requirements depends on implementing an effective business plan.

28.1 Gearing ratio

The Group reviews the capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital, and the risks associated with capital.

The gearing ratio at the year-end was as follows:

	2024 AED	2023 AED
Debt (i)	300,075,193	278,982,938
Bank balances and cash (ii)	(434,285,139)	(325,730,998)
	(134,209,946)	(46,748,060)
Equity (iii)	456,471,240	496,551,620
Net debt to equity ratio	(0.29)	(0.09)
Gross debt to equity ratio	0.66	0.56

(i) Debt is defined as bank borrowings (note 15).

(ii) Bank balances and cash includes statutory deposit (note 8 & 11).

(iii) Equity comprises of capital, reserves, cumulative changes in fair value and (accumulated losses)/ retained earnings.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

29. Financial instruments

The Group is exposed to a range of financial risks through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that in the long-term its investment proceeds are not sufficient to fund the obligations arising from its insurance and investment contracts. The most important components of this financial risk are interest rate risk, equity price risk, foreign currency risk and credit risk.

29.1 Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

29.2 Categories of financial instruments

31 December 2024

	Amortised cost AED	FVTOCI AED	Total AED
Financial assets			
Financial assets carried at FVTOCI	-	56,414,041	56,414,041
Statutory deposits	10,000,000	-	10,000,000
Other receivables (excluding prepayments)	23,697,192	-	23,697,192
Cash at banks	424,063,855	-	424,063,855
Total financial assets	457,761,047	56,414,041	514,175,088

	At amortised cost AED
Financial liabilities	
Bank borrowings	300,075,193
Other payables	35,992,622
Total financial liabilities	336,067,815

31 December 2023

	Amortised cost AED	FVTOCI AED	Total AED
Financial assets			
Financial assets carried at FVTOCI	-	59,567,189	59,567,189
Statutory deposits	10,000,000	-	10,000,000
Other receivables	21,887,258	-	21,887,258
Cash at banks	315,624,898	-	315,624,898
Total financial assets	347,512,156	59,567,189	407,079,345

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

29. Financial instruments (continued)

29.2 Categories of financial instruments (continued)

	At amortised cost AED
Financial liabilities	
Bank borrowings	278,982,938
Other payables	34,166,833
Total financial liabilities	<u>313,149,771</u>

29.3 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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

29.3.1 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 consolidated financial statements approximate their fair values.

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

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

29.3.3 Fair value measurements recognised in the consolidated statement of financial position

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

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2024 AED	31 December 2023 AED				
Quoted equity securities	52,935,943	56,089,091	Level 1	Quoted bid prices in an active market.	None	N/A
Unquoted equity securities	3,478,098	3,478,098	Level 3	Net assets valuation method	Net assets value	Higher the net assets, value of the investees, higher the fair value.
	<u>56,414,041</u>	<u>59,567,189</u>				

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

29. Financial instruments (continued)

29.3 Fair value measurements (continued)

29.3.3 Fair value measurements recognised in the consolidated statement of financial position (continued)

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2024

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTOCI				
Quoted equities	52,935,943	-	-	52,935,943
Unquoted equities	-	-	3,478,098	3,478,098
Investment properties	-	-	849,055,989	849,055,989
	<u>52,935,943</u>	<u>-</u>	<u>852,534,087</u>	<u>905,470,030</u>

31 December 2023

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTOCI				
Quoted equities	56,089,091	-	-	56,089,091
Unquoted equities	-	-	3,478,098	3,478,098
Investment properties	-	-	847,850,000	847,850,000
	<u>56,089,091</u>	<u>-</u>	<u>851,328,098</u>	<u>907,417,189</u>

Reconciliation of FVTOCI investments, movements in level 3 for assets measured at fair value:

	Opening balance AED	Additions/ Disposal AED	Change in fair value AED	Closing balance AED
31 December 2024				
Investment properties	847,850,000	4,205,989	(3,000,000)	849,055,989
<i>Financial assets at FVTOCI</i>				
Unquoted equities	<u>3,478,098</u>	<u>-</u>	<u>-</u>	<u>3,478,098</u>
31 December 2023				
Investment properties	842,562,500	2,546,156	2,741,344	847,850,000
<i>Financial assets at FVTOCI</i>				
Unquoted equities	<u>3,478,098</u>	<u>-</u>	<u>-</u>	<u>3,478,098</u>

There were no transfers between the levels during the year.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

29. Financial instruments (continued)

29.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

29.5 Foreign currency risk

There are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in Arab Emirates Dirhams, other G.C.C. currencies or US Dollars to which the Dirham is pegged.

29.6 Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group.

The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by Management annually.

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalisation of any contract.

The Group maintains records of the payment history for significant contract holders with whom it conducts regular business. The exposure to individual counterparties is also managed by other mechanisms, such as the right of offset where counterparties are both debtors and creditors of the Group. Management information reported to the Group includes details of provisions for impairment on insurance receivables and subsequent write-offs. Exposures to individual policyholders and groups of policyholders are collected within the ongoing monitoring of the controls. Where there exists significant exposure to individual policyholders, or homogenous groups of policyholders, a financial analysis equivalent to that conducted for reinsurers is carried out by the Group.

Insurance receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of insurance receivable.

For insurance receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. Notes 3.14 include further details on the expected credit loss for these assets respectively.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

29. Financial instruments (continued)

29.6 Credit risk (continued)

The table below shows the maximum exposure to credit risk for the components of the consolidated statement of financial position:

	2024 AED	2023 AED
Financial assets carried at FVTOCI	56,414,041	59,567,189
Statutory deposits	10,000,000	10,000,000
Reinsurance contract assets	522,194,793	422,203,950
Insurance contract assets	-	12,462,413
Other receivables	23,697,192	21,887,258
Cash at banks	424,063,855	315,624,898
Total credit risk exposure	1,036,369,881	841,745,708

At the end of the reporting year, the Group's maximum exposure to credit risk, from insurance receivables situated outside the U.A.E. were as follows:

	2024 AED	2023 AED
Inside UAE	440,904,438	379,616,818
Outside UAE	45,589,623	16,482,577

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The table below presents an analysis of bank balances and fixed deposits by rating agency designation at the end of the reporting year based on Moody's rating or its equivalent for the main banking relationship:

	2024 AED	2023 AED
A	99,398,452	64,521,941
BBB	324,643,972	251,081,526
Unrated	21,431	21,431
	424,063,855	315,624,898

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

29. Financial instruments (continued)

29.7 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarizes the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

	Within 1 year AED	1 year to 5 years AED	More than 5 years AED	Total AED
31 December 2024				
Financial assets				
Financial assets carried at FVTOCI	-	56,414,041	-	56,414,041
Statutory deposits	-	-	10,000,000	10,000,000
Cash at banks	424,063,855	-	-	424,063,855
Other receivables	23,697,192	-	-	23,697,192
	447,761,047	56,414,041	10,000,000	514,175,088
Financial liabilities				
Bank borrowings	213,409,193	86,666,000	-	300,075,193
Other payables	35,992,622	-	-	35,992,622
	249,401,815	86,666,000	-	336,067,815
31 December 2023				
Financial assets				
Financial assets carried at FVTOCI	-	59,567,189	-	59,567,189
Statutory deposits	-	-	10,000,000	10,000,000
Cash at banks	315,624,898	-	-	315,624,898
Other receivables	21,887,258	-	-	21,887,258
	337,512,156	59,567,189	10,000,000	407,079,345
Financial liabilities				
Bank borrowings	181,103,738	97,879,200	-	278,982,938
Other payables	34,166,833	-	-	34,166,833
	215,270,571	97,879,200	-	313,149,771

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

29. Financial instruments (continued)

29.8 Interest risk

The Group's exposure to interest rate risk relates to its bank deposits and bank borrowings. During the year, bank deposits carried interest at the range of 3.89% to 5.75% per annum (2023: 3% to 5.80% per annum). Bank loans carried an interest rate in the range from CSAF plus 0.5% to 2.5% plus 3 months EIBOR per annum (2023: 0.5% to 2.5% to plus three months EIBOR per annum).

If interest rates had been 50 basis points lower throughout the year and all other variables were held constant, the Group's loss for the year ended 31 December 2024 and equity as at 31 December 2024 would increase by AED 1,489,780 (2023: increase by AED 1,381,329).

The Group generally tries to minimise the interest rate risk by closely monitoring the market interest rates and investing in those financial assets in which such risk is expected to be minimal.

The Group is exposed to interest rate risk on:

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

29.9 Equity price risk

29.9.1 Sensitivity analysis

At the end of the reporting period, if the equity prices are 10% higher/lower as per the assumptions mentioned below and all the other variables were held constant, the Group's other comprehensive income and equity would have increased/decreased by AED 5.6 million (2023: AED 5.9 million).

29.9.2 Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk at the reporting date.
- At the end of the reporting period, if equity prices are 10% higher/lower on the market value uniformly for all equities while all other variables are held constant, the impact on consolidated statement of profit or loss and equity has been shown above.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

30. Segment information

The Group is organized into three business segments: general insurance, life assurance and investments. The general insurance segment incorporates all classes of general insurance including fire, marine, medical, motor, general accident and other classes of insurance. The life assurance segment includes group life insurance.

Investments segment includes investments in equity securities, investment properties and statutory deposit.

These segments are the basis on which the Group reports its primary segment information to the Chief Operating decision maker. Insurance premium represents the total income arising from insurance contracts. There are no transactions between the business segments.

a) Segment consolidated statement of financial position is as follows:

	2024			2023		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets						
Unallocated assets	522,194,793	1,245,614,552	1,767,809,345	434,666,363	1,185,993,825	1,620,660,188
Total	522,194,793	1,245,614,552	1,767,809,345	434,666,363	1,185,993,825	1,620,660,188
Segment liabilities						
Unallocated liabilities	1,053,912,720	193,894,661	1,247,807,381	846,466,925	172,478,941	1,018,945,866
Total	1,053,912,720	193,894,661	1,247,807,381	846,466,925	172,478,941	1,018,945,866

Al Buhaire National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued) For the year ended 31 December 2024

30. Segment information (continued)

b) Segment consolidated statement of profit or loss is as follows:

	Underwriting					Investments		Total
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED	AED	AED
Insurance revenue	240,057,394	31,567,709	142,835,988	1,019,550,375	14,890,925	1,448,902,391		1,448,902,391
Insurance service expenses	(370,598,042)	(46,655,214)	(99,279,917)	(939,986,510)	(13,209,147)	(1,469,728,830)		(1,469,728,830)
Net income from reinsurance contracts held	72,514,326	7,373,106	(49,101,696)	(50,675,621)	(1,508,588)	(21,398,473)		(21,398,473)
Net insurance financial result	(5,071,440)	(495,501)	(794,904)	(3,089,218)	(152,313)	(9,603,376)		(9,603,376)
Segment result	(63,097,762)	(8,209,900)	(6,340,529)	25,799,026	20,877	(51,828,288)	45,912,891	(5,915,397)
Unallocated costs								(31,011,835)
Loss for the year before tax								(36,927,232)

	Underwriting					Investments		Total
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED	AED	AED
Insurance revenue	197,355,225	32,431,377	109,684,765	838,441,302	12,729,192	1,190,641,861		1,190,641,861
Insurance service expenses	(299,412,744)	(11,500,915)	(15,495,594)	(865,265,634)	(4,667,742)	(1,196,342,629)		(1,196,342,629)
Net income from reinsurance contracts held	(55,267,114)	(17,624,186)	(87,224,996)	32,310,367	(6,072,448)	(133,878,377)		(133,878,377)
Net insurance financial result	(5,381,451)	(71,658)	(937,189)	(3,405,590)	(101,912)	(9,897,800)		(9,897,800)
Segment result	(162,706,084)	3,234,618	6,026,986	2,080,445	1,887,090	(149,476,945)	42,760,945	(106,716,000)
Unallocated costs								(26,046,469)
Loss for the year								(132,762,469)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

31. Gross written premiums

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

31 December 2024	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct written premiums	17,564,861	-	1,097,667,835	417,120,374	1,532,353,070
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	7,909,552	7,909,552
Total assumed business	-	-	-	7,909,552	7,909,552
Gross written premiums	17,564,861	-	1,097,667,835	425,029,926	1,540,262,622

31 December 2023	Life Insurance AED	Fund Accumulation AED	Medical Insurance AED	Property & Liability AED	All types of Business Combined AED
Direct written premiums	12,174,789	-	844,837,388	358,743,607	1,215,755,784
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	8,000,110	8,000,110
Total assumed business	-	-	-	8,000,110	8,000,110
Gross written premiums	12,174,789	-	844,837,388	366,743,717	1,223,755,894

32. Dividend and Director's remuneration

The Board of Directors in its meeting held on 26 February 2025 has not proposed any dividend in respect of the year ended December 31, 2024 (2023: AED nil) for approval of the members at the Annual General Meeting. Further, Shareholders already approved the Board of Directors remuneration of AED 1,800,000 for 2023 during the year (2022: AED 1,050,000).

33. Corporate tax

	2024 AED	2023 AED
Consolidated statement of profit or loss		
Current tax	-	-
Consolidated statement of other comprehensive income		
Current tax	-	-
Deferred tax	-	-

During the year, no current tax expense is recognised due to taxable losses in the current period.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Notes to the consolidated financial statements (continued)

For the year ended 31 December 2024

33. Corporate tax (continued)

Relationship between tax expense and accounting profit:

	2024 AED	2023 AED
Loss before taxation	(36,927,232)	-
Tax @ 9%	-	-

The Group have taxable losses and accordingly is eligible for deferred tax credit. However, management of the Group has decided not to record the same on a prudent basis.

34. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 25 March 2025.

35. Subsequent events

There have been no events subsequent to the consolidated statement of financial position date that would significantly affect the amounts reported in the consolidated financial statements for the year ended 31 December 2024.



Corporate Governance Report for 2024

1. Statement on the Procedures Taken to Complete the Corporate Governance System During 2024, and Its Implementation

Based on the applicable legal and regulatory references, Al Buhaira National Insurance Company has implemented several measures aimed at improving its corporate governance system and enhancing compliance with best practices. These measures include:

(A) Enhancing Corporate Governance

- **Board Commitment to Corporate Governance:** The Board of Directors held seven meetings during the year, where strategic and operational issues were discussed, and new policies were adopted to ensure compliance with regulatory systems.
- **Strengthening the Role of Committees Emanating from the Board of Directors:** The Audit Committee held nine meetings, while the Risk Committee held four meetings to monitor the company's performance and ensure effective control over operational and financial activities.
- **Restructuring Committees and Enhancing Independence:** Adjustments were made to the committee structures to ensure complete separation between the tasks of the Audit Committee and the Risk Committee, thereby enhancing decision-making governance within the company.

(B) Compliance and Transparency

- **Enhancing Disclosure and Transparency:** The company is committed to the regular disclosure of financial and operational data in accordance with regulatory standards, with the publication of financial reports to ensure that shareholders and stakeholders have access to important information.
- **Appointing a Company-wide Compliance Manager:** To ensure full compliance with regulatory requirements, a compliance manager was appointed to oversee the implementation of regulatory policies and submit periodic reports to the Board of Directors.
- **Improving Communication Channels with Shareholders:** By regularly publishing financial reports and providing opportunities for active participation in general assemblies, the company aims to enhance confidence in corporate governance.

(C) Internal Control and Risk Management

- **Enhancing Risk Management Systems:** The internal control system has been updated, and a Risk Management manager has been appointed to establish mechanisms for identifying, assessing, and mitigating risks effectively.
- **Adopting an Updated Governance Framework:** This framework includes clear policies and procedures governing the Board of Directors, committees, and executive management, ensuring the effectiveness of oversight and supervision.

- Developing Internal Audit Mechanisms: To ensure adherence to operational procedures, evaluate the effectiveness of internal controls, and submit periodic reports to executive management and the Board of Directors.

(D) Legal References for Governance Compliance

Al Buhaira National Insurance Co. relied on the following legal references in preparing this report and developing its governance system:

1. Decision No. (3/R.M) of 2020 by the Chairman of the Securities and Commodities Authority.
2. Decision No. (02/R.M) of 2024 by the Chairman of the Securities and Commodities Authority regarding the Corporate Governance Guide for Public Shareholding Companies.
3. Federal Decree-Law No. (48) of 2023 on the Regulation of Insurance Business.
4. Federal Decree-Law No. (32) of 2021 concerning commercial companies.
5. Circular No. (24/2022) from the Central Bank of the United Arab Emirates regarding the governance of insurance companies.

(E) Approved Manuals and Policies

As part of its commitment to best governance practices, the company has adopted several regulatory policies and procedures, including:

- Corporate Governance Framework.
- Charters of Board Committees (including Audit, Risk, Nomination and Remuneration, and Investment Committees).
- Conflict of Interest Policy.
- Code of Professional and Ethical Conduct
- Fair Treatment of Policyholders Policy
- Insurance Fraud Prevention Policy
- Complaints and Suggestions Handling Guide
- Additional regulatory frameworks supporting compliance and corporate governance

(F) Results and Future Outlook

These measures and procedures reflect Al Buhaira National Insurance Company's commitment to applying the highest standards of corporate governance, enhancing transparency and internal control, and ensuring compliance with all regulatory requirements. The company also reaffirms its ongoing commitment to protecting the rights of shareholders and stakeholders and to bolstering market confidence in its operations and activities.

2. Transactions of the Board Members in Securities During 2024

The company adheres to Article (14) of the Board of Directors of the Securities and Commodities Authority's Decision No. (2) of 2001 regarding the trading, settlement, transfer of ownership, and custody of securities. The transactions of the Board of Directors and their first-degree relatives are as follows:

Name	Position	Owned Shares As Of 31.12.2024	Total Sale Transactions	Total Purchase Transactions
Sheikh Faisal bin Khalid bin Sultan Al-Qasimi	Chairman	31,354,236	NA	NA
Sheikh Abdullah bin Mohamed Ali Al Thani	Vice Chairman	33,671,426	NA	NA
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	Member	446,429	NA	NA
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Member	NA	NA	NA
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Member	NA	NA	NA
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	Member	8,758,150	NA	NA
Mr. Salem Abdulla Salem Al Hosani	Member	47,262,150	NA	NA
Mr. Abdullah Salem Abdullah Al Hosani	Son	4,000,000	NA	NA
Mr. Abdulla Mohamed Salih Al Zarooni	Member	NA	NA	NA
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Member	NA	NA	NA

3. Board Composition:

- The current Board of Directors consists of nine members, and the Board appoints from among its members a Chairman and a Vice-Chairman. The term of membership on the Board is three years from the date of commencement of the Board's powers, and a member may be re-elected. The Vice-Chairman acts as Chairman in his absence.
- All members of the Board are non-executive.

(A) Chairman and members of the board of directors:

Name	Position	Category	Category
Sheikh Faisal bin Khalid bin Sultan Al-Qasimi	Chairman	Non-independent	Non-executive
Sheikh Abdullah bin Mohamed Ali Al Thani	Vice Chairman,	Non-independent	Non-executive
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	Board Member	Non-independent	Non-executive
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Board Member	Independent	Non-executive
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Board Member	Independent	Non-executive
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	Board Member	Non independent	Non-executive
Mr. Salem Abdulla Salem Al Hosani	Board Member	Non independent	Non-executive
Mr. Abdulla Mohamed Salih Al Zarooni	Board Member	Independent	Non-executive
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Board Member	Independent	Non-executive

(B) Experience and qualifications of the members of the Board of Directors

Name	Experiences	Qualifications	Term of being as a Board member from the date of his first election
Sheikh Faisal bin Khalid bin Sultan Al-Qasimi	<ul style="list-style-type: none"> - Chairman of Al-Qassimi Group in Sharjah - Chairman of Travel Agents Society. - (Former) Board Member of Invest Bank. - Chairman of Al-Buhairah National Insurance Co. - (Former) President of Amiri Court in Sharjah. - (Former) Chief Commander of Amiri Guard in Sharjah - (Former) President of Sharjah Ruler's Office. - (Former) Chairman of Emirates Insurance Society. - (Former) Executive Council Board Member of Insurance and Reinsurance Coordinating Body. - (Former) Member of the Board of Directors of the Insurance Authority. 	BA Degree in Business Administration from California State University	Since the year 1986.
Sheikh Abdullah bin Mohamed Ali Al Thani	<ul style="list-style-type: none"> - Chairman of Air Arabia in Sharjah - Chairman of Sharjah Golf & Shooting Club - (Former) Head of Civil Aviation in Sharjah - Vice Chairman of Al-Buhaira National Insurance Company. 	MA Degree in Business Administration from USA	Since the year 1995
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	<ul style="list-style-type: none"> - Member of the executive council – Sharjah - Chairman of the Department of Ports, Customs and Free Zones - Board Member of Al-Buhaira National Insurance Company. 	B.Sc. in Industrial Engineering Environment from Arizona University	Since the year 2004
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	<ul style="list-style-type: none"> - Member of the board of directors of Sharjah Air Navigation Services Co. LTD (SASCO). - (Former) Chairman of the board of directors of Sharjah club. - Board member of Al Buhaira National Insurance Co. 	Bachelor of International Business	2022
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	<ul style="list-style-type: none"> - General Manager of Umm Al Quwain General Investment Company. - Board Member of Al Buhaira National Insurance Company. 	Bachelor of Business	2022

	<ul style="list-style-type: none"> - Board Member of the Kuwaiti Emirati Holding Co. - (Former) Board Member of Sharjah Insurance Company 	Administration – UK MSc Human Resources – UK	
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	<ul style="list-style-type: none"> - Owner & Chairman of The Board of Directors of Deemas Contracting, Trading, Ready Mix Concrete and Brick Company. - General Manager & Commissioner of The Friends of Patients Committee - Sharjah - Former Member of The Board of Arbitrators of Sharjah Courts. - (Former) Member of The Board of Contractors Association - Board Member of Al-Buhaira National Insurance Company - Former Member of The Federal National Council - Former Board Member of The Emirates Insurance Association - Founder And Former Board Member of Federal Commercial Bank (Currently ADCB) - Former Member of The Municipal Council of Sharjah Municipality - Former Board Member of Sharjah Chamber of Commerce & Industry. - Former Chairman of the parents & teachers council – Sharjah - Vice president of the Zakat Fund – Abu Dhabi. 	GSCE	Since the year 1978
Mr. Salem Abdulla Salem Al Hosani	<ul style="list-style-type: none"> - Vice Chairman Medical Projects Co. - Chairman Umm Al Quwain General Investment co. - Former Shuaa Capital Co. - Former Al Ittehad Insurance co. - Former Union Arab Bank. - Former National Bank of Umm Al Quwain. - Former Gulf Cement Co. - Former Sharjah Insurance co. - Former Ras Al Khaimah co. for manufacturing of white cement and construction materials. - Chairman of the board of directors of Al Salem Co. LTD. 	Bachelor of Business Administration Beirut Arab University	2022

	<ul style="list-style-type: none"> - Chairman of the board of directors of the Coast Centre for shares. - Owner of the Coast Real Estate Centre. - Former Vice Chairman of the board of directors of Khatif Holding Co. (Kuwait). - Board Member of Al Buhaira National Insurance Co. 		
Mr. Abdulla Mohamed Salih Al Zarooni	<ul style="list-style-type: none"> - Board of directors' member of National Bank of Umm Al Quwain. - Board member of Marsa Um Al Quwain Co. - Former Deputy Chief Executive Officer of Abu Dhabi National Bank. - Board of directors' member of Al Buhaira National Insurance Co. 	Bachelor of Accounting – UAE CPA Washington USA	2022
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	<ul style="list-style-type: none"> - (Former) Project Manager – Sharjah Electricity & Water Authority (Government Projects) - Board Member of Al-Buhairah National Insurance Co. 	Bachelor's degree in management information systems	2022

(C) Positions of Members of the Board of Directors in Other Public Joint-Stock Companies

Name	Position & Company Name
Sheikh Faisal bin Khalid bin Sultan Al-Qasimi	None
Sheikh Abdullah bin Mohamed Ali Al Thani	Chairman of Air Arabia in Sharjah
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	None
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	None
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Member of the Board of Directors of the Kuwaiti Emirati Holding Company (listed in Kuwait)
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	None
Mr. Salem Abdulla Salem Al Hosani	Vice Chairman of the Board – Medical Projects Company Chairman of the Board - Umm Al Quwain General Investment co.

Mr. Abdulla Mohamed Salih Al Zarooni	Board member of National Bank of Umm Al Quwain.
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	None

(D) Positions Held in Other Important Regulatory, Governmental, or Commercial Positions

Name	Position & Company Name
Sheikh Faisal bin Khalid Sultan Al-Qasimi	None
Sheikh Abdullah bin Mohamed Ali Al Thani	Chairman of Air Arabia in Sharjah
Sheikh Khalid bin Abdullah Sultan Al-Qasimi	Member of the executive council – Sharjah Chairman of the Department of Ports, Customs and Free Zones
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	None
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	None
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	None
Mr. Salem Abdulla Salem Al Hosani	None
Mr. Abdulla Mohamed Salih Al Zarooni	Board member of National Bank of Umm Al Quwain.
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	None

(E) Statement of the percentage of female representation on the Board of Directors for 2024:

Ms. Noura Mahmoud Mohammed Al Mahmoud Al Ali was elected as an Independent Non-Executive Member of the Board of Directors of Al Buhaira National Insurance Co. during the General Assembly held on April 21, 2022. She holds a bachelor's degree in management information systems.

(F) Statement of the reasons for not nominating any female candidate for membership on the Board of Directors:

Not applicable.

(G) Statement on Remuneration, Allowances, and Fees Received by the Board of Directors:

The General Assembly of Al Buhaira National Insurance Company approved a remuneration of 200,000 AED per board member for the year 2023, in accordance with Article (38) of the Company's Articles of Association.

(H) Process for Determining and Approving the Board Members' Remuneration:

1. **Proposal of Remuneration:** The Nomination and Remuneration Committee proposes the amount of remuneration due to the board members.
2. **Approval by the Board of Directors:** The proposal is presented to the Board for review and recommendation.
3. **Final Approval:** After the Board's approval, the proposed remuneration is submitted to the General Assembly for final approval.

(I) Details of the Board Members' Remuneration:

- **For 2023:** The total remuneration paid to the board members amounted to AED 1,800,000.
- **Proposed for 2024:** A total amount of AED 1,800,000 has been proposed as remuneration for the board members, and this proposal will be presented to the General Assembly at its next meeting for final approval.

Important Notes:

- Board members do not receive any additional allowances for attending meetings, salaries, or other fees.

(J) Allowances for Attendance at Committee Meetings:

- **Committee Chairman:** Receives AED 10,000 per meeting attended.
- **Committee Member:** Receives AED 7,000 per meeting attended.
- **Total Allowances for Committee Meetings:** AED 202,000 for 2023 and AED 242,000 for 2024.

(K) Statement detailing the allowances for attending the sessions of board-affiliated committees held by Board members in 2024

Item No.	Member Name	Committee Name	Allowance Value (AED)	Number of Sessions
1	Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Audit Committee	7,000	1
2	Mr. Abdulla Mohamed Salih Al Zarooni	Audit Committee	80,000	8
3	Mr. Abdulla Mohamed Salih Al Zarooni	Nomination and Remuneration Committee	7,000	1
4	Mr. Abdulla Mohamed Salih Al Zarooni	Risk Committee	7,000	1
5	Mr. Ghassan Al Saheb	Audit Committee	56,000	8
6	Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Risk Committee	40,000	4
7	Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Audit Committee	14,000	2
8	Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Nomination and Remuneration Committee	10,000	1
9	Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Risk Committee	21,000	3

(L) Board Meetings Held During the Fiscal Year 2024

The number of board meetings held during the fiscal year 2024, including the dates on which they were convened and the number of times all members attended in person, along with the names of members who attended by proxy:

The Board of Directors of Al-Buhaira National Insurance Company held seven (7) meetings during the fiscal year 2024.

Item No.	Number of Attendees by Proxy	Number of Attendees	Meeting Date	Absent Members
1	0	5	12/02/2024	<ul style="list-style-type: none"> • Sheikh Abdullah bin Mohamed Ali Al Thani • Sheikh Ahmad Abdulla Mohammed Ali Al Thani • Mr. Rashid Ali Rashid Dimas Al-Suwaidi • Mr. Salem Abdullah Salem Al Hosani
2	0	7	28/03/2024	<ul style="list-style-type: none"> • Sheikh Abdullah bin Mohamed Ali Al Thani • Mr. Rashid Ali Rashid Dimas Al-Suwaidi
3	1	5	15/05/2024	<ul style="list-style-type: none"> • Sheikh Khalid bin Abdullah Sultan Al-Qasimi • Sheikh Ahmad Abdulla Mohammed Ali Al Thani • Mr. Rashid Ali Rashid Dimas Al-Suwaidi • Mr. Salem Abdullah Salem Al Hosani
4	1	5	12/08/2024	<ul style="list-style-type: none"> • Sheikh Faisal bin Khalid Sultan Al-Qasimi • Sheikh Abdullah bin Mohamed Ali Al Thani • Sheikh Ahmad Abdulla Mohammed Ali Al Thani • Mr. Salem Abdullah Salem Al Hosani
5	0	8	30/10/2024	<ul style="list-style-type: none"> • Sheikh Ahmad Abdulla Mohammed Ali Al Thani
6	0	5	13/11/2024	<ul style="list-style-type: none"> • Sheikh Abdullah bin Mohamed Ali Al Thani • Sheikh Ahmad Abdulla Mohammed Ali Al Thani • Mr. Rashid Ali Rashid Dimas Al-Suwaidi • Mr. Abdullah Mohammed Salih Al Zarooni
7	0	6	25/12/2024	<ul style="list-style-type: none"> • Sheikh Abdullah bin Mohamed Ali Al Thani • Sheikh Ahmad Abdulla Mohammed Ali Al Thani • Mr. Rashid Ali Rashid Dimas Al-Suwaidi

(M) Board Resolutions Passed in 2024

Number of Board Decisions Passed by Circulation during the Fiscal Year 2024, along with their Dates of Issuance:

Item No.	Board Resolution Passed	Resolution Date
1	Passed Resolution No. (1) for the year 2024	15 May 2024
2	Passed Resolution No. (2) for the year 2024	4 December 2024

4. Board Committees

(A) Audit Committee

Declaration:

The Audit Committee Chairman, Mr. Abdullah Mohammed Salih Al Zarooni, confirms his responsibility for the committee's system within the company, his review of its working mechanism, and his assurance of its effectiveness.

Members:

- Mr. Abdullah Mohammed Salih Al Zarooni – Chairman (Independent)
- Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali – Committee Member (Independent)
- Mr. Ghassan Al Saheb – Committee Member (From outside the company)

Note: In the last quarter of 2024, the committee was restructured with Sheikh Ahmad Abdulla Mohammed Ali Al Thani being replaced by Miss Noura Mahmoud Al Ali.

Tasks of the Audit Committee:

- Financial Audit and Governance: Monitor the integrity of financial data and ensure compliance with accounting standards, including disclosure and periodic reports.
- Supervision of the External Auditor: Follow up on the independence of the external auditor and discuss the scope and effectiveness of the audit, in addition to reviewing the auditor's work plan and inquiries.
- Internal Control and Risk Management: Review financial control and risk systems, ensure the effectiveness of internal control, and coordinate between internal and external auditors.
- Cooperation with Management and the Board of Directors: Coordinate with executive management and the Board of Directors on accounting and financial matters, ensuring that inquiries are answered.
- Recommendations and Reports: Provide recommendations to the Board of Directors on corrective actions when needed, ensuring compliance with applicable rules and law

• Audit Committee Meetings

The Audit Committee held nine meetings during the year 2024 on the following dates:

Audit Committee Meeting Attendance Record

		Date	Date	Date	Date	Date	Date	Date	Date
Name	Title	01/02/2024	08/02/2024	20/03/2024	15/05/2024	29/05/2024	25/07/2024	12/08/2024	26/09/2024
Mr. Abdulla Mohamed Salih Al Zarooni	Chairman	1	1	1	1	1	1	1	1
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Member	-	-	-		1	-	-	1
Mr. Ghassan Al Saheb	Member	1	1	1	1	1	1	1	1

Audit Committee Attendance Record (New Committee)

		Date
Name	Title	07/11/2024
Mr. Abdulla Mohamed Salih Al Zarooni	Chairman	1
Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali	Member	1
Mr. Ghassan Al Saheb	Member	1

Annual Audit Committee report:

The audit committee has performed the tasks below:

- Reviewed all significant matters in the quarterly and year-end financial statements with senior management and the auditors and recommend to the Board of Directors for their approval. Oversaw the compliance with the regulatory requirements and the financial reporting standards. Conducted periodic review of the Company's financial and accounting policies & procedures.
- Reviewed significant accounting and reporting issues, including:

- Changes in accounting policies (if any).

2. Ongoing financial and other concerns.
 3. Significant audit adjustments.
 4. Compliance with accounting criteria set by SCA.
 5. Adherence to listing and disclosure rules and other financial reporting legal requirements.
 6. Complex or unusual transactions or highly judgmental areas.
 7. Making sure that the company's policies, procedures, and control systems are reviewed and updated annually.
- Reviewed and approved the mission and action plan of the external auditor and any material inquiries raised by the auditor in respect of accounting records, financial accounts or controls, and their response.
 - Discussed with the external auditor any audit issues or difficulties encountered during the audit and assess management's response relating to:
 1. Restrictions on the scope of the external auditor activities.
 2. Restrictions on the external auditor's access to requested materials.
 3. Significant disagreements with the Management.
 4. Any unadjusted material audit differences for financial statements that the external auditor noted or proposed.
 5. Coordinated with the Board of Directors, Executive Management and the AGM-Finance to meet with the External Auditors at each reporting period.
 6. Reviewed and approved plans, budget, staffing and organizational structure of the Internal Audit function and related Internal Audit activities.
 - Reviewed and made recommendations for the appointment of external auditors to the Board of Directors, their remuneration and any questions relating to their resignation or removal.
 - Reviewed the effectiveness of Company's risk management framework, assessment and responses to vital risk faced by the Company.
 - Reviewed all High-risk observations included in the reports submitted to the Committee by the Internal Audit Department and the responses of Senior Managements to such reports.
 - Evaluated the performance of the Internal Audit Department for the year.
 - We had meetings separately with the Head of Internal Audit on a periodic basis to discuss any matters that the Committee or Internal Audit believed should be discussed privately.
 - Reviewed the effectiveness of Internal Audit activities and compliance with the Resolution of the Chairman of Securities and Commodities Authority's Board of Directors' Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide.
 - Provided the Head of the Internal Audit the right of direct access to the Chairman of the Committee and the Committee.
 - Reviewed the effectiveness of Company's Internal Control systems, including Information Systems, and Technology Security and Control.

- Discussed the Company's Policies and Procedures with Senior Management to ensure their performance of duties towards the development of Policies and Procedures.
- Reviewed with senior management and the Head of the Internal Audit Charter, plans, activities, staffing, and organizational structure and related topics of the internal audit process.
- Review the management letter from the external auditors, if any, and ensure the Senior Management takes corrective actions.
- Ensured that each Related Party Transaction is reported properly in the Company's financial statements in accordance with the applicable international accounting standards.

(B) Nomination and Remuneration Committee

Declaration:

The Chairman of the Nomination and Remuneration Committee, Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla, confirms his responsibility for the committee's system within the company, his review of its working mechanism, and his assurance of its effectiveness.

Key Objectives and Responsibilities:

- The committee plays an active role in reviewing the policies for recruitment, employee retention, training, and termination, including determining the roles and required skills for appointments at the senior management level.
- Furthermore, the committee works to develop and implement plans and initiatives aimed at recruiting UAE nationals and at delivering the best possible services to the company's clients through strategic planning.

Members of the Nomination and Remuneration Committee:

Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Committee Chairman	Independent
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	Committee Member	Non-Independent
Mr. Abdulla Mohamed Salih Al Zarooni	Committee Member	Independent

Responsibilities of the Nomination and Remuneration Committee:

- Ensure the continuous independence of its independent members.

- Develop and annually review the policy for granting bonuses, benefits, incentives, and salaries to Board members and employees; the committee also verifies that the remuneration provided to the company's senior executive management is reasonable and commensurate with performance.
- Identify the company's competency needs at the senior management and employee levels and establish the corresponding selection criteria.
- Develop, monitor, and annually review the company's human resources and training policy.
- Organize and follow up on the nomination procedures for Board membership in accordance with applicable laws and regulations, pursuant to Decision No. (7/R.M) of 2016 issued by the Chairman of the Securities and Commodities Authority's Board regarding institutional discipline and corporate governance for public joint-stock companies
- Review the Board's structure and submit recommendations regarding any changes that could be implemented for the next Board cycle.

Nomination and Remuneration Committee Meeting (2024):

		Date
Name	Title	08/02/2024
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Chairman	1
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	Member	-
Mr. Abdulla Mohamed Salih Al Zarooni	Member	1

(C) Executive Committee

Declaration:

The Executive Committee Chairman, Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi, confirms his responsibility for the committee's system within the company, his review of its working mechanism, and his assurance of its effectiveness.

Main Responsibilities:

Develop and implement effective strategies that align with the objectives approved by the Board of Directors, identify opportunities and challenges, and formulate action plans to ensure sustainable growth. Additionally, the Executive Committee is committed to applying best governance practices and complying with the regulatory standards in the United Arab Emirates.

Members:

- Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi Chairman Non-Independent
- Sheikh Ahmad Abdulla Mohammed Ali Al Thani Member Independent
- Miss. Noura Mahmoud Mohamed Al Mahmoud Al Ali Member Independent

Note: As the Executive Committee was formed in late 2024, no meetings were held in 2024; meetings are scheduled to commence in 2025.

(D) Investment Committee

Declaration:

The Investment Committee Chairman, Sheikh Khalid bin Abdullah Sultan Al-Qasimi, confirms his responsibility for the committee's system within the company, his review of its working mechanism, and his assurance of its effectiveness.

Main Responsibilities:

Develop an investment strategy and policy to be presented to the Board of Directors for approval, and establish the investment guidelines—including asset allocation, review and monitoring of investments, and oversight of strategic investment activities.

Members:

- Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi Chairman Non-Independent
- Mr. Salem Abdulla Salem Al Hosani Member Non-Independent

Meeting Attendance:

The Investment Committee held one meeting during 2024:

		Date
Name	Title	23/12/2024
Sheikh Khalid bin Abdullah bin Sultan Al-Qasimi	Chairman	1
Mr. Salem Abdulla Salem Al Hosani	Member	1

(E) Risk Committee

Declaration:

The Risk Committee Chairman, Sheikh Ahmad Abdulla Mohammed Ali Al Thani, confirms his responsibility for the committee's system within the company, his review of its working mechanism, and his assurance of its effectiveness.

Main Responsibilities:

The company operates a diversified portfolio across various sectors, adopting a strategy to limit risks within its capacity while maintaining the benefits of diversification. The risk strategy protects policyholders, enhances capital adequacy, and supports the company's objectives by setting appropriate risk limits and selecting risks based on precise criteria.

Members:

- Sheikh Ahmad Abdulla Mohammed Ali Al Thani Chairman Independent
- Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla Member Independent
- Mr. Amjad Naseif Member From outside the company

Note: The committee was restructured, and Mr. Abdulla Mohamed Salih Al Zarooni was replaced by Mr. Amjad Naseif.

Risk Committee Meeting Attendance Record:

The Risk Committee held four meetings during 2024:

Name	Title	27/05/2024	26/09/2024
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Chairman	1	1
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Member	1	—
Mr. Abdulla Mohamed Salih Al Zarooni	Member	—	1

Risk Committee Meeting Attendance Record (New Committee)

Name	Title	19/12/2024	26/12/2024
Sheikh Ahmad Abdulla Mohammed Ali Al Thani	Chairman	1	1
Sheikh Saoud Nasser Rashid Abdulaziz Al Moalla	Member	1	1
Mr. Amjad Naseif	Member	–	–

(F) Insider Trading Oversight Committee

Declaration:

The Chairman of the Insider Trading Oversight Committee, Mr. Khaled Attia, confirms his responsibility for the committee's framework within the company, and that he has reviewed its operating mechanism to ensure its effectiveness.

Committee Formation:

The Insider Trading Oversight Committee was formed in accordance with the Securities and Commodities Authority (SCA) Board of Directors' Decision No. (7/R.M) of 2016. It comprises two employees with expertise in stock trading, tasked with monitoring and overseeing insider transactions. The committee gained knowledge of its mandates and responsibilities during the Governance Forum held on January 30, 2018. Its oversight is periodic, particularly during periods when insiders are prohibited from trading the company's shares.

Committee Members:

- Mr. Khalid Attieh – Investment Officer
- Mr. Bilal Nafee – Chief Accountant

Terms of Reference and Responsibilities of the Insider Trading Oversight Committee:

- Review and monitor insider trading policies.
- Review reports on trading transactions carried out by insiders.
- Study and provide prior approval for requests to trade in shares and securities.

Responsibilities of the Insider Trading Oversight Committee

- Draft declarations for insiders and supervise their contracts.
- Inform the Abu Dhabi Securities Market and the Securities and Commodities Authority of any breaches of the requirements of the insider trading policy.
- Review insider trading reports at the end of each quarter of the fiscal year.
- Monitor the insider trading policy annually to ensure compliance with disclosure and transparency rules and governance requirements.

Summary of the Committee's Work Report for 2024:

- There were no insider purchase or sale transactions during 2024.
- The insider trading policy is monitored annually to ensure compliance with disclosure and transparency rules and governance requirements.

(G) Statement of the Tasks and Responsibilities Executed by a Board Member or the Executive Management During 2024, Based on a Delegation from the Board, with Specification of the Duration and Validity of the Delegation Tasks Delegated:

First: Tasks Delegated by the Board of Directors to Executive Management:

Pursuant to the resolution of the Company's Board of Directors, the Executive Management was delegated to carry out the following tasks:

1-Management of the Company's Core Operational Activities

- Execute all business activities related to the company's primary operations, as stipulated in the Articles of Association, including:
 - Insurance and reinsurance operations.
 - Payment of accident compensation.
 - Making decisions that benefit the company.

2-Making Strategic Decisions

- The Executive Management is required to consult with the Board of Directors when making decisions related to the company's strategic policies.

3-Human Resources Management

- Appoint employees and determine their salaries.
- Evaluate employee performance according to approved standards.
- Terminate employees in accordance with company regulations.

4-Follow-up and Issuance of Financial Reports

- Prepare periodic financial reports and submit them to the Board of Directors for review and for taking appropriate decisions.
-

- **Second: Delegated Banking and Signing Authorities:**

Name of Delegated Person	Delegation Authority	Delegation Duration
Sheikh Faisal bin Khalid bin Sultan Al Qasimi	Management of all banking relationships and transactions in accordance with the principle of dual signature.	3 years
Sheikh Abdullah bin Mohamed Ali Al Thani	Management of all banking relationships and transactions in accordance with the principle of dual signature.	3 years
Sheikh Khalid bin Abdullah bin Sultan Al Qasimi	Management of all banking relationships and transactions in accordance with the principle of dual signature.	3 years
Mr. Rashid Ali Rashid Dimas Al-Suwaidi	Management of all banking relationships and transactions in accordance with the principle of dual signature.	3 years
Mr. Nader Tawfiq Qaddumi (CEO)	Management of all banking relationships and transactions in accordance with the principle of dual signature.	3 years
Sheikh Khalid bin Abdullah bin Sultan Al Qasimi (Member of the Board of Directors and Chairman of the Executive Committee)	Signing on behalf of the company for all official transactions and for all kinds of contracts	3 years
Mr. Nader Tawfiq Qaddumi (CEO)	Signing on behalf of the company for all official transactions and for all kinds of contracts	3 years

(H). Statement of details of transactions with related parties (stakeholders) during 2024, including the following:

SR.	Statement of the Related Party	Explanation of the Nature of the Relationship	Transaction Type	Transaction Volume Amount
1	Al Qasimi Group	Shareholders &/or Board Members	Providing Insurance Services	63,019.80
2	Sheikh Abdulla Bin Mohammad Al Thani	Shareholders &/or Board Members	Providing Insurance Services	60,991.18
3	Sheikh Khalid Bin Abdulla Al Qasimi	Shareholders &/or Board Members	Providing Insurance Services	95,281.38
4	Orient Group	Shareholders &/or Board Members	Providing Insurance Services	1,319,331.50
5	Deemas Group	Shareholders &/or Board Members	Providing Insurance Services	872,679.13
6	Mahmoud Al Farhan Group	Shareholders &/or Board Members	Providing Insurance Services	9,503.73
7	Shattaf Group	Shareholders &/or Board Members	Providing Insurance Services	56,060.74
8	Bin Kamel Group	Shareholders &/or Board Members	Providing Insurance Services	1,878.48
9	Al Kayed General Trading	Shareholders &/or Board Members	Providing Insurance Services	4,709.25
	Total			2,483,455.19

5. Assessment of the Board of Directors:

In line with our commitment to best governance practices and compliance with regulatory requirements, an annual assessment of the performance of the Board of Directors, its members, and its committees was conducted by Talal Abu-Ghazaleh Co. International, acting as an independent evaluation entity. This assessment is in accordance with the company's policy, which mandates an independent evaluation of the Board and its committees every three years to ensure objectivity and enhance governance effectiveness. The assessment also aims to identify areas that require additional resources or expertise, thereby contributing to improved institutional performance and the more efficient achievement of strategic objectives. The evaluation report was received without any concerning observations, and in collaboration with the Nomination and Remuneration Committee, any opportunities for improvement will be addressed to further enhance institutional performance and achieve the highest levels of efficiency and transparency.

Comprehensive Summary of the Report:

(A) Evaluation Methodology:

The evaluation was carried out in two main phases:

- **One-to-One Evaluation:**
Each Board member was assessed based on a set of defined criteria, with individual results ranging from 86% to 98% and an average score of approximately 92%.
- **Comprehensive Board Evaluation:**
The overall performance of the Board, its committees, and the executive management was evaluated across five

key dimensions: the Board of Directors, the General Assembly, the rights of shareholders and stakeholders, the Board's committees, and governance disclosures. The detailed evaluation of the Board yielded a score of 98.8%, resulting in an overall average performance of 95%.

(B) Results and Assessment:

- The evaluation demonstrated that the performance of the Board was positive and collaborative, significantly contributing to the achievement of the company's objectives.
- Regarding the implementation of governance standards, the General Assembly, shareholder rights, and governance disclosures achieved a score of 100%, while the Board and its committees scored 96 % and 97%, respectively.

(C) Recommendations and Opportunities for Improvement:

Although the results are satisfactory, it is recommended that the Board implement specific improvements to achieve an ideal performance score of 100%. Key areas for enhancement include:

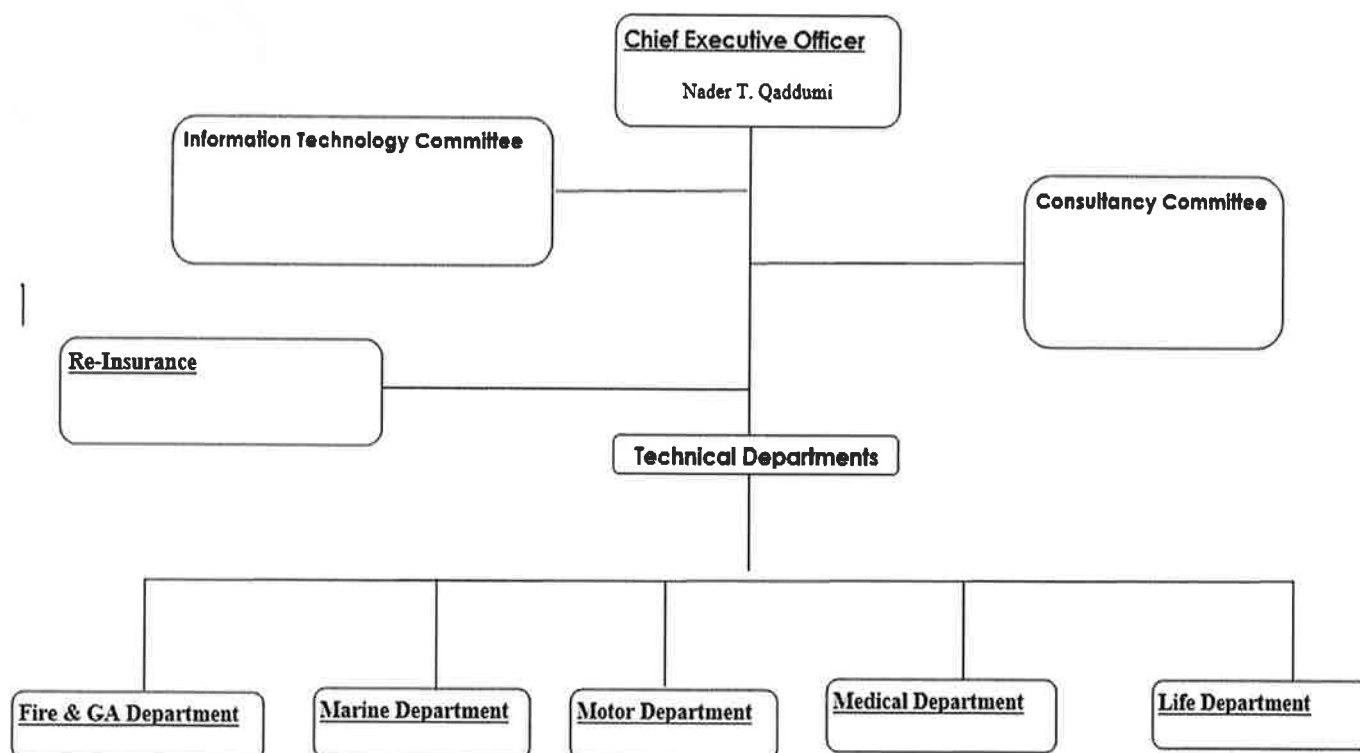
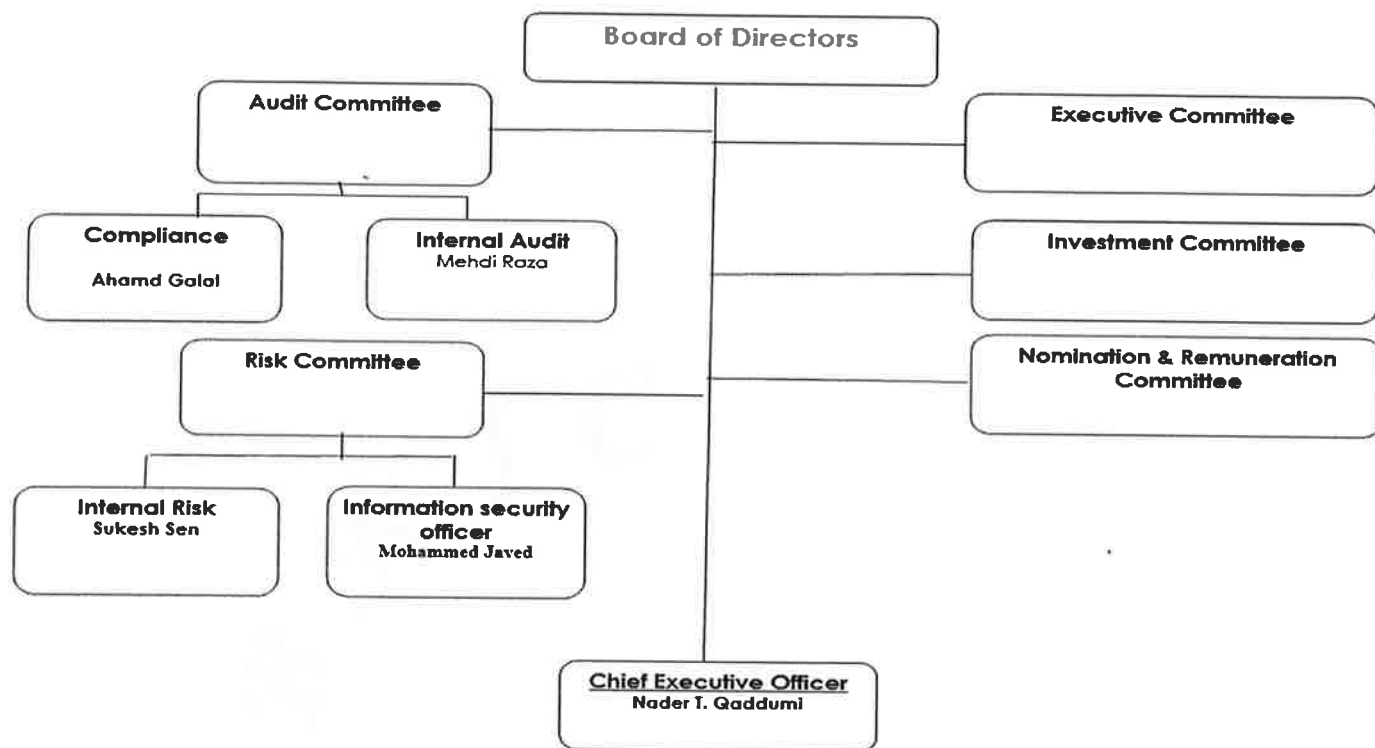
- Strengthening the strategy for financial and operational planning and establishing more precisely measurable performance indicators.
- Improving meeting attendance mechanisms and enhancing training and development programs for Board members.
- Enhancing internal coordination between Board members and its committees to ensure effective and prompt decision-making.

(D) Conclusion:

The report shows that the performance of the Board of Directors of Al-Buhaira National Insurance Company in 2024 was satisfactory and effective, with an overall rating of 95%. This reflects a strong commitment to governance standards and regulatory procedures. The results also highlight the Board's dedication to continuous improvement, along with specific recommendations to enhance performance and achieve an ideal level of efficiency and transparency.

6. The Complete Organizational Structure of the Company

The Executive Management Team is responsible for managing all the company's core business operations. The Chief Executive Officer is supported by the executive team, who are responsible for managing the daily operations of Al Buhaira National Insurance Company in accordance with the annual business plan approved by the Board of Directors. The CEO's duties and responsibilities encompass all aspects of the company's daily operations, including, but not limited to, representing the company before governmental and non-governmental agencies, interacting with other entities, executing contracts on behalf of the company, and overseeing the monitoring and management of the annual budget.



(A) Detailed Statement of the Names of the Company's Senior Executives, Their Appointment Dates, and Their Total Salaries:

No.	Position	Appointment Date	Total Salaries and Allowances for 2024 (AED)	Total Bonuses Paid in 2024 (AED)	Any Other Cash/In-kind Bonuses for 2024 or Future Entitlements
1	Chief Executive Officer	19/08/1986	904,800	142,800	None
2	Assistant General Manager – Fire and General Insurance Department	01/10/1995	489,756	None	None
3	Assistant General Manager – Finance Department	11/06/1988	420,000	None	None
4	Assistant General Manager – Reinsurance	12/09/1998	359,424	None	None
5	Marine Department Manager	12/02/2012	434,676	None	None

7. External Auditor**(A) Providing an overview of the company's auditor to shareholders:**

Grant Thornton has a long legacy in the region which spans over 55 years. The UAE practice is supported by over 700 locally based professionals who are represented by over 50 nationalities, given diversity is a core fundamental to providing a holistic yet varied perspective to the client's challenges.

(B) External Auditor's Fees:

Name of the audit firm	Grant Thornton Audit and Accounting Limited
Name of the partner auditor	Dr. Osama El-Bakry
Number of years spent as the company's external auditor	6
Number of years the partner auditor spent auditing the company's accounts	3
Total value of audit fees for 2024 (in AED)	AED 420,000 including quarterly reviews.
Details and the nature of other services provided by the company's auditor (if any). If there are no other services, this shall be stated explicitly.	The non audit service includes the regulatory Agreed Upon procedures performed in accordance with the CBUAE Regulations. No other non-audit services are being provided to the insurance company.

The value of fees and costs incurred for other special services other than auditing the financial statements for 2024 (in AED), if any. If there are no other fees, this shall be stated explicitly.	AED 150,000.
Statement of other services that an external auditor other than the company auditor provided during 2024 (if any). If there are no services provided by another external auditor, this shall be stated explicitly.	Ernst & Young provided services for reviewing the effectiveness of internal controls over financial reporting (ICFR).

(C) Reservations:

No reservations were noted by the external auditor in the interim or annual financial statements for the fiscal year ended 31 December 2024.

8. Internal Control System**(A) Board Acknowledgement of Responsibility for the Company's Internal Control System and its Review of its Operational Mechanism and Ensuring its Effectiveness.**

The Board of Directors acknowledges and affirms its responsibility for the company's internal control system and regularly reviews its functioning to ensure it works effectively.

The Board confirms that this system is designed to protect the company's assets, ensure compliance with applicable laws and regulations, and enhance integrity and transparency in both financial and operational reporting.

Additionally, the Board sets the goals, tasks, and responsibilities of the Internal Control Department, ensuring that it has sufficient independence to perform its duties effectively. This department reports directly to the Board.

Ultimately, the Board remains responsible for the internal control system and for ensuring its effectiveness, in line with the guidelines issued by the Securities and Commodities Authority for public joint stock companies, as well as the regulations of the Central Bank of the United Arab Emirates.

(B) Operating Mechanism of the Company's Internal Control Department:

- Consistency and accuracy of financial and accounting information and data.
- The degree of protection provided to the company's assets.
- The extent to which the internal control mechanism aligns with the policies and plans set by the company's management.
- The development of preventive controls to avert undesirable events and the establishment of policies to address any deficiencies.
- Supervision and inspection.

(C) Functions of the Internal Control Manager:

- Prepare the annual internal control plans in coordination with senior executive management.
- Submit detailed reports to senior executive management regarding the internal control system and propose periodic performance improvements.
- Implement the approved control plans in line with the company's strategy.
- Communicate with employees via email and memos to raise awareness about internal controls.

(D) Experience and Qualifications of the Internal Control Manager (Mr. Javid Saleh Khateeb – Appointed 01/03/1993):

- Bachelor's degree in business sciences from Bombay University (1984).
- Participated in numerous training courses and conferences related to financial internal control.
- Diverse experience in commercial companies in Bombay.
- Over 25 years of specialized experience in financial control and management within the insurance sector.

(E) Compliance Officer

The Compliance Officer, upon commission from the Board of Directors, is responsible for verifying the extent of the company's and its employees' compliance with the applicable laws, regulations, and rules.

Compliance Officer Experience and Qualifications: (Mr. Ahmed Galal Mohamed Eissa – Appointment Date 01/03/2024):

Mr. Ahmed possesses extensive experience in compliance, corporate governance, and operational policies and procedures. He has a proven track record of improving operational efficiency and productivity, with distinguished expertise in the banking and insurance sectors. He has held positions in compliance and financial crime combating in leading financial institutions such as:

- First Gulf Bank (currently First Abu Dhabi Bank)
- RAK Bank (National Bank of Ras Al-Khaimah)
- Salama Insurance Company

Education & Certifications:

- Bachelor of Commerce, Accounting Department, Tanta University, Egypt.
- Certified Anti-Money Laundering Specialist (CAMS) certification.
- Certified Financial Crime Specialist (CFCS) certification.

(F) Internal Audit Department

Mr. Mehdi Raza Mamdani was appointed to the Internal Audit Department in May 2024. The Internal Audit Charter for the company has been prepared and approved by the Board of Directors.

Experience and Qualifications of the Internal Audit Manager (Mr. Mehdi Raza Mamdani)

- Diverse experience encompassing auditing, risk management, and accounting activities.
- Holds a Bachelor of Commerce from Karachi University, Pakistan.
- Holds a master's degree in economics from Karachi University, Pakistan.
- Is a Chartered Management Accountant (CIMA) certified by the Institute of Management Accountants, United Kingdom.
- Is also a member of the Institute of Chartered Accountants in Pakistan (Part-qualified).

(G) How the Internal Control Department deals with any major company issues or those disclosed in the annual reports and accounts. (If no major problems have occurred, this should also be stated)

The company adopts a proactive strategy to ensure effective compliance and governance, with the internal control department conducting regular reviews. In the event of any major issue arising, it is addressed according to approved procedures, which include escalating the matter to the Audit Committee (which held nine meetings during the year for this purpose), conducting an internal investigation, and developing an appropriate corrective action plan.

(H) Number of reports issued by the Internal Control Department to the Board of Directors.

Reports from the internal audit department are submitted to the audit committee under the Board of Directors, where the committee presents its report to the Board for review, discussion, and taking necessary actions to address pending matters. As for the internal control department, there are no reports issued for this year.

9. Financial Violations

No financial violations were recorded for Al Buhaira National Insurance Company during the fiscal year ended 31 December 2024. Nonetheless, the company maintains a stringent control system to ensure full compliance with all regulatory requirements imposed by the UAE Central Bank and the Securities and Commodities Authority.

10. Corporate Social Responsibility and Environmental Contributions

For 2024, the company contributed to local community development and environmental preservation as follows:

- **Ramadan Campaign for the Zakat Fund:**
In collaboration with the Zakat Fund and Abu Dhabi University, the company supported the Ramadan campaign by assisting in the education of 1,000 eligible students through an annual provision of AED 60,000.
- **Basmat Program:**
In partnership with Dubai Health Insurance (affiliated with the Dubai Health Authority), the company supported the Basmat program, which focuses on prevention, early detection, and treatment of cancers (breast, cervical, colorectal).

11. General Information**(A) Share Price Information for 2024**

(Closing price, highest price, and lowest price at the end of each month)

Year	Month	OPEN (AED)	CLOSE (AED)	HIGH (AED)	LOW (AED)
2024	1	2.8	2.8	2.8	2.8
2024	2	2.8	2.8	2.8	2.8
2024	3	2.8	2.8	2.8	2.8
2024	4	3	3	3	3
2024	5	3	3	3	3
2024	6	3	3	3	3
2024	7	2.8	2.8	2.8	2.8
2024	8	2.8	2.8	2.8	2.8
2024	9	2.52	2.52	2.52	2.52
2024	10	2.52	2.52	2.52	2.52
2024	11	2.7	2.7	2.7	2.7
2024	12	2.96	2.9	2.96	2.9

(B) Historical Trading Data

Date	Price	Change	Change (%)	Volume	Value (AED)	OPEN (AED)	HIGH (AED)	LOW (AED)
09/01/2024	2.8	0	0.00%	2,500	7,000	2.8	2.8	2.8
29/01/2024	2.8	0	0.00%	30	84	2.8	2.8	2.8
16/04/2024	3	0.2	7.14%	1	3	3	3	3
06/05/2024	3	0	0.00%	173	519	3	3	3
04/07/2024	2.8	-0.2	-6.67%	5	14	2.8	2.8	2.8
09/09/2024	2.52	-0.28	-10.00%	8	20	2.52	2.52	2.52
05/11/2024	2.7	0.18	7.14%	16	43	2.7	2.7	2.7
20/11/2024	2.7	0	0.00%	1	3	2.7	2.7	2.7
04/12/2024	2.7	0	0.00%	2	5	2.7	2.7	2.7
09/12/2024	2.97	0.27	10.00%	96	273	2.7	2.97	2.7
10/12/2024	2.9	-0.07	-2.36%	342	998	2.96	2.96	2.9

(C) Distribution of Shareholders by Ownership Volume as of 31/12/2024

Classification	Individuals (%)	Companies (%)	Government (%)	Total (%)
Local	57.92%	21.98%	0	79.90%
Arab	10.10%	0.00%	0	10.10%
Foreign	0.01%	10.00%	0	10.01%
Total	68.02%	31.98%	0.00%	100.00%

(D) Shareholder Ownership Distribution as of 31/12/2024

Share Ownership (per Share Bracket)	Number of Shareholders	Number of Shares Owned	Percentage of Company Capital Represented by Owned Shares
Less than 50,000	46	624,201	0.25%
From 50,000 to 500,000	35	5,863,173	2.35%
From 500,000 to 5,000,000	16	28,837,608	11.54%
More than 5,000,000	10	214,675,018	85.87%

(E) Shareholders Owning 5% or More of the Company Capital as of 31/12/2024

Shareholder Name	Number of Shares	Ownership Percentage
Salem Abdullah Salem Al Hosani	47,262,150	18.9%
Sheikh Abdullah bin Mohamed Ali Al Thani	33,671,426	13.47%
Sheikh Faisal bin Khalid Sultan Al-Qasimi	31,354,236	12.54%
FAB Private Bank (Suisse) SA	25,000,000	10.00%
Umm Al Qawain General Investments	24,500,000	9.80%
Suha Elmi F Nabulsi	23,229,905	9.29%

(F) Statement on the Procedures Taken Regarding Investor Relations Controls, Including the Following:

In line with the company's decisions in this regard, the task of managing investor relations has been assigned to Mr. Salah Daou as Investor Relations Officer. Mr. Salah Daou was chosen due to his fulfilling the required conditions, including familiarity with regulations and laws, and the ability to communicate effectively with investors, which enhances the level of transparency and professionalism in dealing with all relevant parties.

Investor Relations Officer: Mr. Salah Daou

Contact: Tel. 065174472, Email: Salah@albuhaire.com

The web link to the Investor Relations page on the company's website: <https://www.albuhaire.com/investor-relations>

(G) Special Resolutions at the General Assembly in 2024

No special resolutions were presented at the General Assembly in 2024.

(H) Board Meeting Rapporteur

The Board Meeting Rapporteur is Mr. Mohamed Amin Al-Jazzar, who was appointed on 03/03/2021. He holds a law degree from the Lebanese University and has over nineteen years of experience in the legal departments of insurance companies.

(I) Substantial Events in 2024

- During 2024, as part of the company's commitment to enhancing efficiency and governance, the Board of Directors decided to restructure its committees to improve decision-making processes and overall performance.

(J) Related Party Transactions (5% or More of Capital)

No transactions with related parties amounting to 5% or more of the company's capital were executed during 2024.

(K) Localization Ratio

- In 2022, the localization ratio was 10%.
- In 2023, it increased to 16%.
- For 2024, the ratio is 19%, and the company is working to further increase this percentage.

(L) Innovative Projects and Initiatives in 2024

- Digital Transformation: Launch of the electronic insurance portal and development of a smart application for managing policies and services.
- Digital Marketing: Enhancing digital presence through Google, Facebook, Instagram, and LinkedIn to increase awareness and attract customers.
- Artificial Intelligence: Integration of chatbots for customer service and development of RPA systems to automate processes.
- Cybersecurity: Upgrading security firewalls and implementing MOM systems to protect data and assets.
- Digital Operations and Sustainability: Reducing paper usage by transitioning fully to digital operations and implementing environmental and cybersecurity awareness programs.

Conclusion

Al Buhaira National Insurance Company reaffirms its commitment to the highest standards of corporate governance and transparency, thereby enhancing the confidence of shareholders, customers, and the community. The company will continue to develop its governance policies to promote sustainability and ensure compliance with international standards. This report has been prepared in accordance with the requirements of the Securities and Commodities Authority and the Central Bank of the UAE.

Signatures:

التوقيعات:

رئيس لجنة التدقيق

رئيس اللجنة التنفيذية

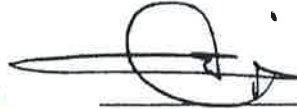
رئيس مجلس الإدارة

Chairman of the Audit Committee

Chairman of the Executive Committee

Chairman of the Board







Date: 2024/3/20 التاريخ

Date: التاريخ

Date: التاريخ

رئيس لجنة المكافآت والترشيحات

رئيس لجنة الاستثمار

رئيس لجنة المخاطر

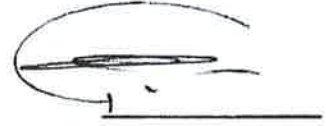
Chairman of the Nomination and
Remuneration Committee

Chairman of the Investment
Committee

Chairman of the Risk Committee







Date: التاريخ

Date: التاريخ

Date: التاريخ



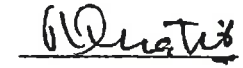
ختم الشركة الرسمي

رئيس لجنة متابعة والإشراف
على تعاملات الأشخاص
المتطعين

مدير إدارة الرقابة الداخلية

Internal Control Manager

Chairman of the
Insider Trading
Oversight Committee





Date: التاريخ



SUSTAINABILITY REPORT

2024

Beyond Insurance: Our ESG Journey

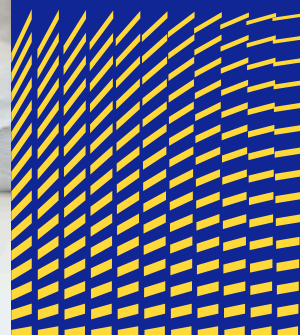


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SUMMARIZING OUR SUSTAINABILITY JOURNEY



01 EXECUTIVE SUMMARY

1.1 Overview of Sustainability Achievements in 2024

05

1.2 Key Highlights and Milestones

05

1.1 Overview of Sustainability Achievements in 2024

Welcome to **Al Buhaira National Insurance Company's (ABNIC) Sustainability Report for 2024**. At ABNIC, sustainability is not just a commitment—it is an integral part of our values and operational philosophy. We recognize the profound impact our activities have on the environment, our communities, and our long-term business growth. With this awareness, we strive to make responsible choices at every level, ensuring that each decision we make contributes positively to the world around us.

This report highlights the meaningful steps we are taking to reduce our environmental footprint and create lasting value for our stakeholders. We firmly believe that even the smallest actions can lead to significant change, and through this report, we aim to share our initiatives, their impact, and why they matter—to us and our stakeholders.

To reinforce our commitment, we established a Sustainability Committee in 2023, dedicated to embedding sustainability across all aspects of our operations. The committee is driving strategic changes, integrating sustainable practices for building an equitable workplace, and reducing our environmental impact. Initiatives such as SHRED IT, along with measures to optimize electricity and water consumption, reflect our proactive approach to environmental responsibility and operational efficiency.

Our dedication extends beyond compliance; we are committed to playing a meaningful role in the UAE's vision of achieving net-zero emissions by 2050. Through targeted sustainability initiatives, we are working to minimize our carbon footprint, invest in renewable energy, & promote a culture of environmental responsibility. By aligning our efforts with the UAE's Energy Strategy 2050, we are actively contributing to the nation's ambitious environmental goals, ensuring a greener, more resilient future for all.

1.2 Key Highlights and Milestones



Our Insurance Revenue increased by **17%** from **2023 to 2024**



Through **SHREDIT**, eliminating data securely and contributing to the conservation of approximately **2.24 trees**



Sustainability Committee functioning since calendar year **2023**



AED 4.8M invested in digitalization - **18.69 %** rise in 2024 over 2023



An Insurer You Can Trust

Providing reliable and comprehensive health coverage for you and your family.



02

ABOUT ABNIC

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2.1 Company Overview

ABNIC: Insurer you can trust

Al Buhaira National Insurance Company (ABNIC) is a well-established and trusted name in the UAE's insurance market, distinguished for its reliability, high standards, and excellent customer service. Since our listing in 2005 on ADX, with an initial capital of AED 250 million, we have grown stronger and have established a strong reputation as a trusted name in the insurance industry. Our operations are built on ethical governance, sustainable growth, commitment to Corporate Social Responsibility, and contributing to societal development. Supported by advanced technologies, we have streamlined our processes to deliver efficient and accessible services tailored to our customers' needs. Additionally, our strong partnership with the Emirates Insurance Association further strengthens our reputation in the industry of being a responsible organisation.



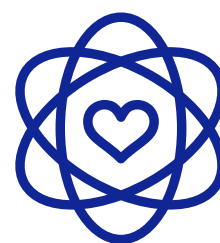
Vision

To provide the right insurance services coupled with integrated solutions that meet customer needs.



Mission

To be the preferred insurance provider in the region.



Values

Security, Honesty, Integrity, Excellence, Leadership and Dependability are the core values that drive our business strategies and key decisions.



Our Portfolio

ABNIC provides underwriting for a wide range of insurance types, including Property, Engineering, Energy, Liability, Aviation, Marine Hull & Cargo, Group Life, Motor, Travel, Medical, Home, among others. Our core values and commitment to exceptional customer service, supported by the dedication of our team, enable us to confidently provide a comprehensive range of personal and commercial insurance solutions. This includes six personal product lines and over 30 commercial product lines, all delivered with efficiency and synergy.

Personal Insurance



Motor insurance



Yacht insurance



Jet ski insurance



Medical insurance



Travel insurance



Home insurance

Commercial Insurance



Group medical insurance



Group life insurance



Motor fleet insurance

Marine and Aviation Insurance



Aviation insurance



Marine open cover



Marine hull insurance



Marine cargo insurance



Hauliers liability



Ship repair legal liability



Goods in transit



Protection & Indemnity (P&I)



Builder risks

Property Insurance



Property all risks insurance



Fire and allied perils



Burglary



Hotel comprehensive insurance



Strata insurance

Liability Insurance



Product liability



Employees liability



Professional indemnity
for Architects, Lawyers,
Accountant, etc.



Directors' and
Officers' liability



Workmen's
compensation



Public liability



Medical Malpractice

Engineering Insurance



Contractor's All risks



Boiler & pressure plant



Contractor's plant &
machinery



Erection all risks



Machinery breakdown



Electronic
equipment

Miscellaneous



Deterioration of stock



Fidelity guarantee



Personal accident



Banker's blanket



Money insurance

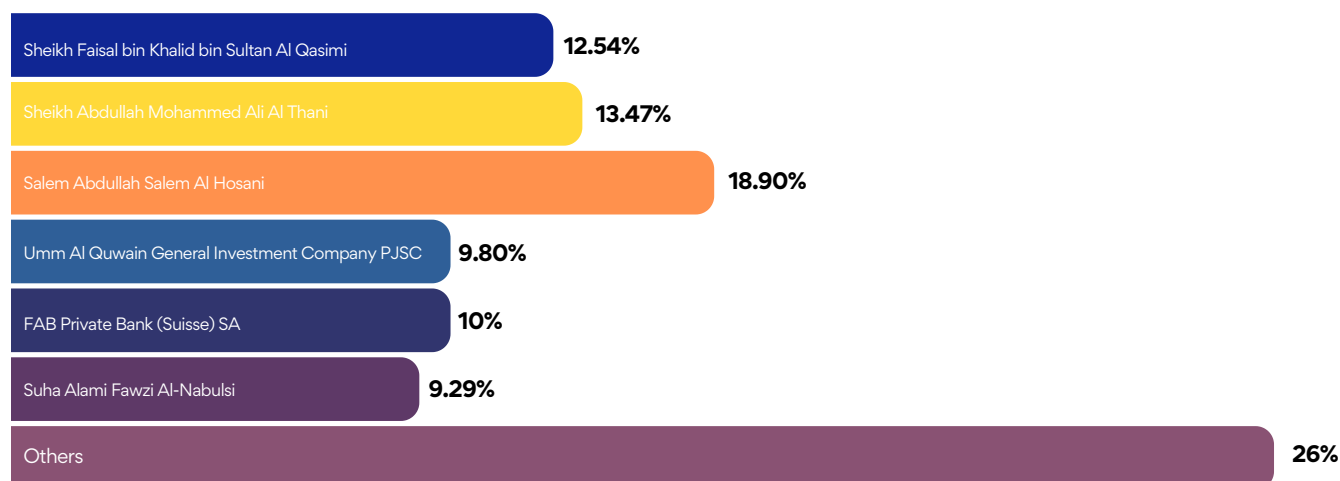


Jeweler's block

Our presence and shareholding overview

- Operations across **ELEVEN** branches
- Services across **Sharjah, Dubai, Abu Dhabi, Al Ain, Ajman, Fujairah, Khor Fakkan, Umm Al-Quwain, and Ras Al Khaimah**

Shareholding Overview



ABNIC operates as a public company, with foreign ownership at 10.01% (from 49%), UAE nationals holding 79.90% (from 100%) and Arab Countries at 10.10% (from 49%).

The ABNIC Advantage

- Hassle-Free Claims
- Proven Excellence since 1978.
- Strong financial stability, liquidity, and ample capital
- Recognized and awarded by the insurance Authority
- Forward-thinking and innovative insurance options
- Comprehensive coverage to meet diverse needs
- Round - the - clock support medical claims assistance
- Digital services for a seamless experience

Financial Overview

Parameter	2022	2023	2024
Insurance revenue	879,881,171	1,190,641,861	1,448,902,391
Insurance service expenses	(1,022,783,579)	(1,196,342,629)	(1,469,728,830)
Insurance service result before reinsurance contracts held	(142,902,408)	(5,700,768)	(20,826,439)
Allocation of reinsurance premiums	(682,584,155)	(841,062,128)	(920,601,503)
Amounts recoverable from reinsurance for incurred claims	778,255,012	707,183,749	899,203,030
Net expenses from reinsurance contracts held	95,670,857	(133,878,379)	(21,398,474)
Insurance service result	(47,231,551)	(139,579,147)	(42,224,913)
Investment and other income	33,429,894	42,760,945	48,912,891
Total investment income	33,429,894	42,760,945	48,912,891
Insurance finance income for insurance contracts issued	(1,477,369)	(22,743,465)	(20,136,315)
Reinsurance finance expense for reinsurance contracts held	662,481	12,845,665	10,532,939
Net insurance financial result	(814,888)	(9,897,800)	(9,603,376)
General and administrative expenses	(7,418,897)	(6,792,319)	(5,870,342)
Finance costs	(11,186,227)	(18,881,763)	(24,935,077)
Finance costs - lease	(650,822)	(372,384)	(206,412)
Total	(19,255,946)	(26,046,466)	(31,011,832)
Loss for the year	(33,872,491)	(132,762,468)	(33,927,231)
Tax payments	37,550,000	49,517,041	62,542,734
Community investments	942,812	1,223,755	1,540,263
Total Salaries & Benefits	36,670,335	37,599,792	39,371,232

*In this year's report, we have considered only our Insurance sector entity for reporting

Awards, Accolades and major Conferences

In this calendar year, we were honored to receive the “Growth Mindset Award 2024” from Canon. This prestigious recognition marks a significant milestone in the early stages of our digital transformation journey and highlights our dedication to adopting innovative practices. The award not only celebrates our current achievements but also serves as a catalyst, motivating us toward the realization of our future goals and furthering our commitment to continuous growth and development.



A governance discussion titled 'Revolutionizing- Emerging Trends and Innovations in the Middle East' was also held, where the Head of IT, ABNIC shared valuable insights on the impact of emerging technologies within the insurance industry. This session was a key part of Avasant Empowering Beyond Middle East 2024, bringing together a diverse group of experts from various fields. Their collective perspectives provided a comprehensive view of the ongoing innovations and trends shaping the future of the Middle East, offering attendees a deeper understanding of the region's evolving technological landscape.



ABNIC was proudly represented at GAIF34 in Muscat, Oman, by our Reinsurance Senior Management team. Over the course of four days, our team engaged in insightful meetings and discussions with insurance and reinsurance experts from around the world, building valuable connections and gaining industry knowledge.



2.2 Sustainability Strategy

Sustainability is deeply intertwined with our growth story and we recognize its importance in driving long-term success and creating value for our stakeholders. Our sustainability strategy, supported by a strong governance framework, guides our operations and reflects our commitment to ethical and responsible practices.

Sustainability Strategy

At ABNIC, our aim is to grow sustainably and to weave sustainable practices into every aspect of our operations by regularly assessing, identifying, and reducing the impact of our activities. As stated, sustainability is a cornerstone of our growth strategy, driven by our focus on three core pillars:



Environmental Stewardship:

- Adopting energy-efficient practices to minimize our carbon footprint.
- Encouraging waste reduction and responsible use of resources.
- Supporting initiatives that promote environmental conservation.

Social Responsibility:

- Creating a diverse and inclusive workplace that also emphasizes employee health and well-being.
- Participating in community development projects and charitable activities.



Responsible Governance:

- Upholding fair and ethical business practices throughout the value chain.
- Investing in innovation and technology to enhance operational efficiency.
- Collaborating with suppliers and partners who share our dedication to sustainability.
- Offering financial education and insurance solutions that support economic stability.

2.3 Stakeholder Engagement

At ABNIC, we value meaningful and transparent dialogue with our stakeholders, conducting thorough materiality assessments to ensure our initiatives align with global sustainability objectives. We prioritize the input of all stakeholders, recognizing that their feedback is vital for informed decision-making and the development of an effective sustainability strategy. By actively collaborating with our stakeholders and addressing key issues, we aim to foster transparency, accountability, and a lasting positive impact that contributes to a sustainable future. A critical part of this process involves identifying areas of impact and collectively designing strategies and solutions.

We maintain open communication with a diverse range of stakeholders, including customers, employees, shareholders, government entities, business partners, rating agencies, and the broader community. Through various engagement channels, we identify the impact areas most relevant to both our business and our stakeholders. Below is a summary of our key stakeholder groups and the strategies we use to engage with them actively.

Stakeholder Group	Who they are	Why do we engage	Method of Engagement
Customers	All individuals and businesses who seek reliable insurance solutions	Ensure customer satisfaction	Website, marketing material, social media, online reviews, complaints and suggestions platform (direct or via the Central Bank's website).
Management & Employees	All individuals employed across various management levels in our organisation	Motivate them, ensure their alignment with company goals, and aid their personal growth	Training programs, events, internal announcements, performance appraisals, and exit interviews.
Shareholders	All investors who hold ownership stakes in the company	To provide information on financial performance, strategies and receive feedback	Regular communication, Annual General Meetings, and corporate regulatory disclosures.
Government	Government and regulatory bodies	To ensure our compliance with laws and regulations	1.a) Regular Communication through Reporting requirements and meetings 1.b) Regular Announcements 2.a) Financial results submission with quarterly communication 2.b) New Regulatory Requirements through email 3.a) Regular Interaction through reporting requirements 3.b) Interactions through webinars 3.c) Frequent Announcements
Business Partners	All Strategic Partners, Reinsurers, TPAs, Brokers	To promote long-term relationships and align business goals	Regular communication related to business coordination, development, and agreement renewal

Stakeholder Group	Who they are	Why do we engage	Method of Engagement
Community	Local people around our operations	To support economic development, engage in CSR activities	Regular local community-related initiatives, donations, and volunteering activities
Rating Agencies	Any organisation which provides crucial information or ratings for the company	To disclose relevant information and build brand reputation	Annual interaction during the process of the rating review

Through these ongoing and constructive discussions, we continuously enhance our sustainability approach, ensuring our actions are aligned with the concerns and priorities of our stakeholders. This strengthens our relationships with them and supports the resilience of our business in an evolving market landscape.

2.4 Materiality Assessment

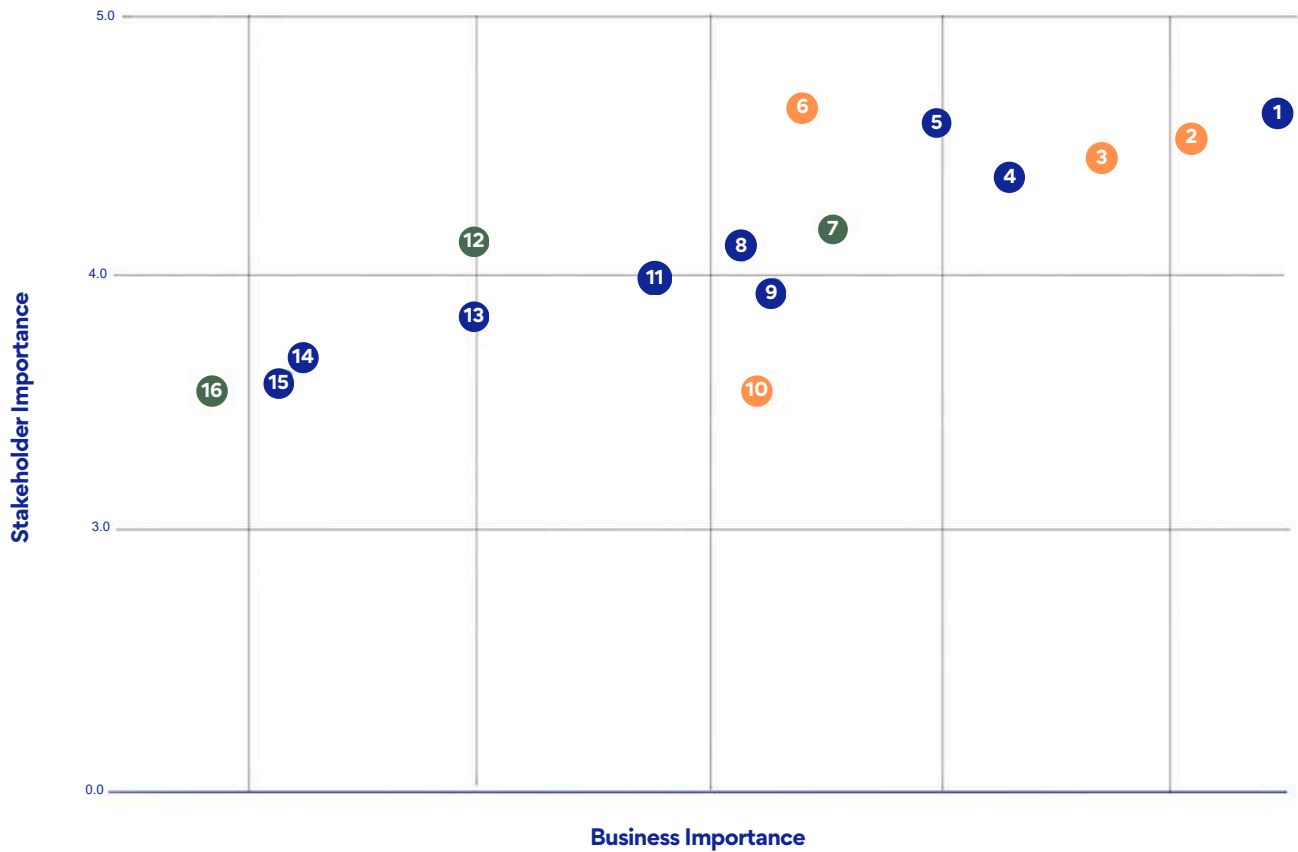
The Materiality Assessment is a crucial tool that helps us identify the key Environmental, Social, and Governance (ESG) areas most relevant to our business and stakeholders.

In 2023, we conducted a comprehensive stakeholder engagement process, gathering valuable insights through surveys to better understand the ESG topics that matter most to our business. We ensured that stakeholder perspectives remain integral in our assessment process, allowing us to identify impacts from two key viewpoints:



We developed a well-rounded prioritization framework, incorporating both stakeholder input and peer reviews to refine our focus. This enabled us to identify the ESG topics most aligned with our strategic direction. This assessment serves as the foundation for our 2024 Sustainability Report.

Materiality Matrix



Environmental

- 7. Sustainable Product & Services
- 12. Physical risks & impacts of Climate change
- 16. Environmental Footprints

Social

- 1. Data Privacy & Security
- 4. Customer Engagement & Satisfaction
- 5. Emiratization
- 8. Employment
- 9. Employee health and wellbeing
- 11. Training Development
- 13. Equal Opportunity, Diversity & Inclusion
- 14. Local Communities

Governance

- 2. Financial Performance
- 3. Business Ethics
- 6. Digitalization & Innovation
- 10. Tax Governance
- 15. ESG Integration



ABNIC Sustainability

03 SUSTAINABILITY FRAMEWORK & STRATEGY

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3.1 Overview of Sustainability Frameworks Adopted

The Sustainability Report for CY 2024 provides a detailed overview of ABNIC's progress, operations, and purpose-driven growth. It highlights both financial and non-financial performance, strategic priorities, risks and opportunities, and the integration of sustainability initiatives. The report also offers valuable insights into the governance framework that supports the company's overall performance. At ABNIC, we are committed to reducing our carbon footprint and actively contributing to the UAE's national clean energy objectives. In line with GRI standards, we diligently measure and manage our electricity consumption, emissions, water usage, and waste generation, continuously striving to minimize our environmental impact. Beyond sustainability, we prioritize creating a safe and secure workplace while ensuring the highest standards of data protection as a responsible insurance provider. Additionally, we are dedicated to uplifting communities, working towards greater transparency, quality, and coverage in our disclosures to drive meaningful and positive change in line with the GRI standards.

The report has been developed in alignment with the globally recognised frameworks and standards, including the Global Reporting Initiative, Abu Dhabi Securities Exchange and the UN SDGs. We are committed to continuously improving our data disclosures and quality, while also learning from the best industry practices.



Global Reporting Initiative (GRI)



United Nations Sustainable Development Goals (UN SDGs)



Abu Dhabi Securities Exchange (ADX)

Reporting Boundary:

The information in this report encompasses the details about the company's operation within the UAE, headquartered in Sharjah and other branches across the Country including Dubai, Abu Dhabi, Ajman, Al Ain, Ras Al Khaimah, Fujairah, Khorfakkan. The data compilation includes our insurance entity only.

Reporting Period:

The report covers information pertaining to the period from 1st January 2024 till 31st December 2024

Comparable Data:

To enable data comparability, the report includes information for the calendar years 2021, 2022, 2023 and 2024

Assurance:

We opted for internal assurance this year. The information contained in this report has been confirmed through internal review process involving stakeholder feedback and departmental sign-off on their respective sections.















Forward Looking Statements:

The report provides a comprehensive overview of various data sets, reflecting both historical trends and future projections. Our actual results may differ significantly from the projections, analysis, or targets outlined in the report, due to industry patterns or unforeseen events. We are under no obligation to publicly update or revise our forward-looking statements during the upcoming fiscal year, unless required by law. Additionally, our internal audit team is not responsible for forming an opinion on these forward-looking statements.

Alignment with UN SDGs

In line with the United Nations Sustainable Development Goals (SDGs), we are committed to fostering a more sustainable, secure, and resilient future. Our initiatives focus on environmental stewardship, resource efficiency, data security, and employee well-being, directly contributing to key SDGs such as Affordable and Clean Energy (SDG 7), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13), and Good Health and Well-being (SDG 3).

To drive meaningful impact, we propose the following initiatives:

Initiatives	Relevant SDG
ESG Feasibility study: Conducting a study to assess the integration of ESG principle into our products and services, with the goal of establishing measurable sustainable targets.	
Indoor Planting & Green Decor Workshop: Encouraging Environmental Responsibility through workshops that promote sustainable living and green workspaces	   
Electricity Conservation Initiative: Implementing a lunch time power off program to cultivate energy-conscious behaviours and reduce overall electricity use.	 
Secure Data shredding & Paper Reduction campaign: Raising Awareness on responsible paper consumption while ensuring secure disposal of sensitive data.	  
Information Security Awareness Session: Strengthening vigilance in data protection and customer privacy through training sessions	 
Yoga and Exercise Workshop: Promoting employee well being, stress management, and a balanced work-life environment	
Sustainability Committee Formation: Establishing a dedicated team to drive and oversee sustainability initiatives within the organization	

3.2 Long-term Sustainability Objectives



Electricity Consumption

Target: To reduce electricity usage by **15%**

Through the adoption of renewable energy sources, implementation of energy-efficient infrastructure, and integration of smart office technologies.



Water Consumption

Target: Reduce water consumption by **10%**

Achieved by installing water-saving fixtures, promoting water recycling where possible, and increasing employee awareness about the importance of water conservation.



Paper Consumption

Target: To reduce paper usage by **30%**

Moving towards a paperless environment by optimizing digital workflows, utilizing online document management, and fostering digital communication both internally and externally.



EMBRACING SUSTAINABILITY: IMPACT OF OUR RECENT ECO-FRIENDLY INITIATIVES

Co2 Equivalents - 15 kg

Landfill Equivalents - 0.40 M3



Energy Equivalents - 528 kW

Water Equivalents - 4,201 L





**PROUDLY RAISING
THE UAE FLAG
HIGH!**



04 RESPONSIBLE GOVERNANCE

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4.1 Board of Directors & Committees

At ABNIC, the governance practices are based upon transparency, accountability, and integrity in all aspects of our business with the motive of serving in the best interest of the organization and the stakeholders associated. The section delves into the governance framework, highlighting the principles and initiatives that define our commitment to ethical corporate conduct. By embedding responsible governance into our culture, we strive to earn trust, achieve sustainable growth, and deliver value to our stakeholders.

Central to our governance framework is the dedication of our Board of Directors and Board Committees, who are committed to driving sustainable and responsible growth. They play a key role in shaping the company's strategic vision, protecting stakeholder interests, and promoting ethical and transparent practices. Our leaders ensure regulatory compliance and fulfill their responsibilities to shareholders and the wider community.

As the ultimate governing body, the Board of Directors directs the company's strategic path, ensuring it operates with strong principles and prioritizes stakeholder interests. Responsible for making key decisions, overseeing leadership, and setting the organizational culture, the Board upholds responsible governance, guiding the company toward a future built on integrity and ethical conduct.

Role of Executive Management

- Oversee the company's essential operations, as outlined in the Articles of Association, including insurance and reinsurance activities, and accident compensation disbursements.
- Ensure decisions are executed effectively and align with the company's best interests.
- Keep the Board informed of decisions related to strategic policies. The Board may grant the Managing Director specific authority to manage these matters.

Board of Directors

A diverse board with balanced gender representation, a wide range of skill sets, and independent directors, dedicated to maintaining the highest standards of ethical practices and corporate governance.

Board Committees

Clearly defined roles and accountabilities of the committees to ensure ethical and sustainable business practices across various operational areas.

- | | | |
|----------------------------|-------------------|---|
| • Sustainability Committee | • Risk Committee | • Nomination and Remuneration Committee |
| • Executive Committee | • Audit Committee | • Investment Committee |

4.2 Governance framework

To steer our sustainability journey effectively and provide strong oversight, transparency, and accountability in decision making, we have a robust governance framework . The framework is organized around these key elements:



Board Oversight

The Board of Directors oversees and guides sustainability initiatives, ensuring they align with the company's long-term goals.



Executive Leadership

Our executive team leads the integration of sustainable practices into our core operations, promoting long-term growth and progress.



Stakeholder Collaboration

We value open communication and collaboration with customers, employees, regulators, and investors. Their perspectives are integrated into our sustainability planning and decision-making to ensure diverse viewpoints and alignment with stakeholder needs.



Transparent Reporting

Al Buhaira Insurance is committed to delivering clear and detailed reports on our sustainability performance. By adhering to the international reporting standards, we provide stakeholders with a comprehensive view of our progress and areas for improvement with respect to sustainability.

4.3 Enterprise Risk Management

ABNIC places significant emphasis on maintaining a comprehensive Enterprise Risk Management (ERM) framework to anticipate and address the entire spectrum of risks effectively. The Board of Directors are responsible for guiding the development and cascading the strict application of this system to grassroots levels to safeguard the company's operations.

By consistently enhancing its Enterprise Risk Management (ERM) processes and aligning with industry standards, ABNIC remains agile in navigating evolving market conditions while capitalizing on opportunities for sustainable growth. Clear oversight of risk exposure, coupled with the integration of risk management principles into strategic decision-making, fosters a culture of accountability and prudent risk-taking across all levels of the organization. Through these proactive measures, ABNIC upholds its reputation as a trusted leader in the insurance industry, delivering value to its clients and investors.



4.4 Compliance and Ethical Business Conduct

Regulatory compliance is essential for the ethical and efficient operation of any organization, ensuring trust and stability. At ABNIC, we have established a strong Internal Control and Compliance System that upholds integrity, mitigates risks, and protects the interests of our stakeholders while adapting to evolving regulatory requirements. This section details the processes and policies that strengthen ABNIC's commitment to compliance, ensuring we operate at the highest standards while adhering to both local regulations and relevant global laws.

ABNIC is also proud to support and actively participate in the UAE government's visionary Zero Government Bureaucracy Program. This initiative is designed to streamline government processes, enhance efficiency, and simplify interactions for both businesses and individuals. Through our involvement, we aim to contribute to the realization of a more agile and responsive government framework, creating a seamless experience for all stakeholders.

Internal control and compliance system:

To ensure organizational integrity and promote effective operations, ABNIC relies on a well-established internal control system that aligns with both internal policies and external regulations. This system is managed by a dedicated team, comprising the Financial Control Manager, the Compliance Manager, and the Internal Audit Manager. Together, they develop and help in the implementation of a framework that ensures adherence to corporate policies and regulatory guidelines across the organisation while effectively managing operational risks across the organization.

We are cognisant of the need for effective and robust corporate policies in maintaining operational integrity and mitigating potential risks. These policies apply to all business functions and operations, ensuring consistency and accountability. The Compliance Function ensures that all the policies are being implemented effectively, also ensuring adherence to regulatory requirements and internal standards. Our Compliance Policy provides a clear framework for meeting the regulatory requirements set by governing bodies such as ADX, SCA, CBUAE, UAE Labor Laws, UAE Federal Tax Authority, DHA, HAAD, and UAE AML regulations. In addition, ABNIC's Anti-Money Laundering and Combating Financing of Terrorism (AML/CFT) Policy safeguards against financial crimes. Through stringent controls and training programs, we ensure that our services are not misused for money laundering or terrorist financing. Employees are equipped with the necessary knowledge and tools to identify and report suspicious activities, which thereby strengthens the company's defenses against financial crime. Supported by our strong values, ABNIC believes in promoting a culture of transparency and accountability through its Whistleblowing Policy. It empowers employees to report any instances of misconduct or breaches of internal processes. By providing a safe avenue for voicing concerns, ABNIC demonstrates its strong commitment to upholding responsible and ethical business processes.



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.





إطلاق برنامج
"تصفير البيروقراطية الحكومية"
في المصرف المركزي

Introducing the
"Zero Government Bureaucracy Programme"
at the Central Bank of the UAE

ندعوكم للمشاركة في برنامج تصفير البيروقراطية الحكومية لتحديث تغيير إيجابي يسهم في تعزيز الكفاءة وتبسيط الإجراءات.

We invite you to join the Zero Government Bureaucracy Programme, where we can make a positive change, enhancing efficiency and streamlining procedures.

يمكنكم مشاركة آرائكم ومقترحاتكم حول تحسين خدماتنا وتقليص إجراءاتنا من خلال استبيان تصفير البيروقراطية.

Share your opinions and suggestions on improving our services and streamlining our procedures through the Zero Bureaucracy survey.

للمشاركة، امسح رمز الاستجابة السريعة

To participate, kindly scan the QR code





**Did You Know?
Mangroves
Sequester
Carbon Faster
Than Forests!**



05 ENVIRONMENTAL STEWARDSHIP

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5.1 GHG Analysis and Reduction Strategies

The significant rise in Greenhouse Gas (GHG) emissions since the pre-industrial times has been a key driver of global warming and climate change, posing substantial risks to ecosystems, economies, and communities worldwide. As a responsible player in the insurance sector, ABNIC recognizes the importance of understanding and mitigating these climate-related risks. With a diversified investment portfolio, mapping and analyzing GHG emissions enables us to make informed decisions and help us direct our investments towards sustainable assets. By quantifying the carbon footprint of our operations, we proactively seek to reduce our environmental impact while strengthening our resilience against climate-related risks. ABNIC's commitment to GHG analysis highlights our standpoint in addressing environmental challenges and aligning our business practices with the evolving landscape of climate-conscious insurance solutions.

On 27th September 2024, we hosted an inspiring indoor plantation event at ABNIC's Sharjah office, in collaboration with our sustainability partner, The One Percent. This initiative was designed to promote environmental stewardship by incorporating greenery into our workspaces. The event featured hands-on demonstrations, where participants were introduced to office-friendly plants and sustainable care practices. To further reinforce our commitment to sustainability, each attendee received a plant as a symbol of our collective responsibility towards fostering a greener future.



These initiatives are a testament to our broader strategy of embedding sustainability across all facets of our business. By minimizing our environmental impact, we are actively contributing to the global movement towards a more sustainable future.

5.2 Water Management and Conservation Efforts

ABNIC is committed to implementing best practices for water conservation across its operations. We actively seek out innovative technologies and strategies to reduce our water consumption and secure the resource for consumption by the future generations. By building strategic partnerships and continuously refining our methods, we strengthen our water management initiatives. Through collaboration with stakeholders, we ensure that our water conservation efforts align with our broader sustainability objectives. Our goal is to help shape a future that is both water-secure and resilient.



5.3 Energy Management and Efficiency Improvements

At ABNIC, we are dedicated to promoting efficient resource utilization and energy conservation as a fundamental part of our sustainability efforts. We prioritize the adoption of eco-friendly practices within our offices and actively encourage our employees to incorporate energy-efficient measures into their daily routines. Through the implementation of initiatives aimed at reducing energy consumption and exploring innovative solutions, we are committed to making energy efficiency a core element of our organizational culture. Our goal is to contribute to a cleaner, more sustainable future by ensuring that we play an active role in promoting environmental stewardship for all.



5.4 Waste Management and Recycling Programs

At ABNIC, we are committed to adopting sustainable waste management practices that align with our dedication to environmental responsibility. Our initiatives encompass both internal operations and collaborative partnerships with suppliers, focusing on optimizing resource use throughout our value chain. By prioritizing waste reduction and responsible disposal, we aim to conserve natural resources, minimize pollution, and support the development of a circular economy. Through ongoing evaluation and enhancement of our waste management strategies, we remain focused on achieving our sustainability goals and contributing to a cleaner, healthier future for all.



As a leading insurance provider, we understand the direct connection between our operations and the well-being of all the individuals and stakeholders associated with us. Our continuous efforts focus on minimizing our ecological footprint through innovative initiatives, responsible policies, and strategic partnerships. In line with our sustainability objectives, we took a significant step in November 2024 by participating in a circular economy initiative focused on the reuse, repurpose, and recycling of electronic waste (E-waste). As part of this effort, we successfully recycled 121 desktops (CPUs only, without the disposal of the hard drives), ensuring that no waste is directed towards landfills. This initiative aligns with our commitment to reducing e-waste, encouraging responsible consumption, and contributing to a circular economy that values the reuse and recycling of electronic products rather than their disposal. Additionally, from September to December 2024, we participated in the SHRED IT ME secure eco-friendly shredding and recycling initiative. Through this program, we helped reduce 15kg of CO₂e emissions, prevented 0.4m³ of landfill waste, saved 528 kW of energy, and preserved 4,201 litres of water. Our involvement in this initiative also led to the conservation of 2.24 trees. These actions further demonstrate our commitment to reducing paper waste and promoting secure, eco-friendly recycling practices. By prioritizing such initiatives, we continue to make a positive environmental impact and foster a culture of sustainability within our organization.



شركة البحيرة الوطنية للتأمين
Al-Buhaira National Insurance Co.

**STAY FIT, STAY
PROTECTED**

**YOUR HEALTH,
YOUR WEALTH.**

06 SOCIAL RESPONSIBILITY

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6.1 Human Assets and Workforce Analytics

At ABNIC, our employees are the driving force behind our growth and successful establishment. We have cultivated a team that brings diverse skills and backgrounds, united by our shared mission of fostering equality and building a more diverse workforce. As a responsible employer, we prioritize the health, well-being, and professional development of our team members. We offer comprehensive training, health programs, and have equitable labor practices, creating an inclusive environment where every voice is valued and heard. By championing diversity and equal opportunities, we not only enrich our workforce but also contribute to meaningful change within the communities we serve. Our commitment to employee growth and development is demonstrated through our ongoing support for our people, driving us towards a future that is both sustainable and inclusive.

In recognition of their valuable contributions, we offer competitive remuneration packages and a variety of additional benefits, including:



Life insurance for Employees



Staff welfare funds



Coverage for disability



Comprehensive medical insurance



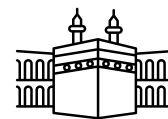
Employee provident fund



Bonus (subject to board approval)



Annual airfare allowance



Leave for Hajj and Umrah pilgrimages



Driven by our commitment to excellence and growth, we are proud to highlight a key achievement this year: the successful sale of a significant number of medical insurance policies in the Northern Emirates. This accomplishment reflects the collective efforts, dedication, and hard work of our team, further solidifying our reputation as a trusted insurance provider in the region. To acknowledge the exceptional contributions of those involved in this project, we recognized and awarded the employees who played a vital role in the success of the Northern Emirates Medical Insurance Project.



To celebrate this milestone, Al Buhaira Insurance (ABNIC) and Aafiya hosted a success event, recognizing the collaborative efforts that led to this achievement.



6.2 Equal Opportunity, Diversity, and Inclusion (DEI)

We as a company are deeply committed to create an inclusive environment that celebrates diversity and ensures equal opportunities for all. We aim to transcend societal boundaries and build a bridge towards a workplace culture where everyone is respected, heard and valued, regardless of their socio-economic status. Our recruitment processes are unbiased, and we actively engage with the community to promote and integrate these values into our business practices. We recognize that embracing diversity not only strengthens our organization but also fuels innovation and resilience, bringing a wide range of ideas that benefit the growth and success of our company. By championing diversity in all its forms, we strive to create a positive impact that extends beyond ABNIC, reaching the broader communities we serve.

We recognize the pivotal role that local talent plays in driving economic growth and promoting social prosperity within the UAE. By prioritizing the recruitment, development, and advancement of Emirati professionals, we not only contribute to the empowerment of individuals from the local community but also align with the UAE's national policy initiative. We have in place, targeted recruitment campaigns and offer specialized training opportunities to provide Emirati talent with the resources and support necessary to thrive in the professional setup. By investing in the development of local professionals, we strengthen our company and help ensure the long-term sustainability and prosperity of the communities we serve. We are dedicated to upholding established employment standards, including meeting Emiratisation targets set by the UAE government and the Central Bank of the UAE. In line with national labor regulations, we aim for a 2% annual growth rate in Emirati employment. This initiative is not only focused on compliance but also on creating a diverse and inclusive workplace that reflects the UAE's rich cultural heritage, while encouraging innovation and excellence across all levels of our organization.



At our organization, we take great pride in celebrating the cultural diversity that enriches our team. We are committed to promote an inclusive and united workplace, where every individual feels valued and respected. Through various cultural celebrations, we strengthen this commitment and contribute to a more sustainable and harmonious future. This year, we joyfully celebrated Hag Al Laila 2024 with gratitude and togetherness. At ABNIC, we cherish these traditions, embracing the spirit of generosity and community by sharing sweetness and well-being with those around us. This year, we also had the honor of celebrating the UAE's 53rd National Day, a significant occasion to recognize and honor the nation's rich heritage and progress. These celebrations not only allow us to reflect on the country's achievements but also bring our team closer together, reinforcing our shared values.



As part of our commitment to promote education and cultural enrichment, our team visited the Sharjah International Book Fair, one of the prominent literary events. The fair provided an opportunity to explore diverse literary works, engage in thought-provoking discussions, and celebrate the power of knowledge and storytelling.

At ABNIC, we take pride in honoring and celebrating the remarkable women who form the foundation of our community. On Emirati Women's Day, we come together to recognize and celebrate the strength, dedication, and invaluable contributions of women in shaping both our company's growth and the development of the nation. Their enduring impact continues to inspire and drive progress across all levels of our organization. We also observed Onam within our organization to respect the values, traditions and customs of all our employees, contributing to a rich and vibrant workplace environment.



As we continue to move forward, we remain driven by a collective vision, working together toward a better future for all.

6.3 Health, Safety, and wellbeing

Our core values are deeply rooted in a commitment to enhancing the health and well-being of everyone connected to our organization—whether it's our employees, clients, or the wider communities we serve. We take a holistic approach to promoting health and wellness, ensuring our services align with both our principles and strategic goals. Through a combination of comprehensive programs, forward-thinking policies, and strategic partnerships, ABNIC is dedicated to creating environments that nurture physical, mental, and social well-being. Our commitment extends beyond traditional risk management; we are focused on empowering individuals to lead healthier lives. By prioritizing preventive care and proactive wellness strategies, we aim to reduce healthcare costs, enhance productivity, and contribute to a healthier, more sustainable future for all. At ABNIC, we also post regular information and safety guidelines for our employees to keep reminding them of different ways they can safeguard themselves against road accidents.

In addition to our broader health initiatives, ABNIC actively supports employee well-being through participation in sports events, such as the **GLAWA football tournament**. These activities not only promote teamwork and sportsmanship but also play a vital role in promoting physical fitness and a positive workplace culture. We are especially proud to have secured first place in this year's tournament—an achievement that highlights the dedication, collaboration, and team spirit demonstrated by our players. This success reflects the collective effort and determination of our team, and we look forward to continuing our support for such initiatives that contribute to both individual well-being and a thriving workplace environment.



ABNIC, in collaboration with Aster Hospital Sharjah, organized a comprehensive medical check-up event exclusively for our employees. The health check-up included a range of essential screenings and services, such as blood sugar and cholesterol tests, blood pressure monitoring, HbA1c testing, a consultation with an internal medicine doctor, and a triglycerides test. This initiative focuses our commitment to employee well-being by promoting proactive health management and providing access to vital medical assessments.



Health is wealth! We are organizing a comprehensive medical check-up event in collaboration with Aster Hospital Sharjah, exclusively for our employees on the 20th and 21st of February.

The check-up will include the following services:

- Random Blood Sugar
- Cholesterol
- Blood Pressure Check-up
- HbA1c Test
- Consultation with an Internal Medicine Doctor
- Triglycerides Test (Requires 8-10 hours of fasting)

JOIN US FOR THIS MEDICAL CHECK-UP!



6.4 Training and Development

We recognize that investing in the growth and skill-building of our employees is crucial for achieving sustainable, long-term success. Our focus on training and development empowers our employees to adapt to the challenges of an ever-evolving market while making positive changes both within the organization and in the broader community. In 2024, we organized a series of 12 monthly training sessions, each lasting four hours. These sessions were specifically designed to equip our employees with the knowledge and skills necessary to navigate the complex landscape of sustainability and corporate responsibility. A total of 30 employees participated in the program, with a strong representation of female participants, making up 60-70% of the group, and the remaining 30-40% being male attendees. Throughout the year, our team dedicated a total of 1,440 hours to these training sessions, highlighting our commitment to continuous professional development and the ongoing enhancement of skills amongst our workforce.



These initiatives extend beyond merely meeting compliance requirements; they are thoughtfully aligned with ABNIC's core values and business objectives. By integrating sustainability principles into our learning programs, we promote a culture of awareness, innovation, and continuous improvement throughout the organization. New employees are provided with a comprehensive induction training program to ensure a smooth transition into their roles and to equip them with the necessary tools to succeed within the company. In addition, we actively invest in local talent development by offering training programs that support the Emiratisation initiative. In CY2024, we allocated AED 1.5M towards training programs for Emiratis, reinforcing our commitment to nurturing local expertise and empowering the national workforce.



To ensure the ongoing effectiveness of our training programs, we actively seek feedback from both employees and their managers. This allows us to make refinements that address evolving needs and enhance the overall learning experience. Our goal is to offer continuous learning opportunities that support the growth and skill development of every employee. Through these efforts, we are building a skilled, capable workforce that plays a vital role in advancing ABNIC's mission to drive sustainability and create positive change.

In alignment with this focus, we conducted a variety of training sessions, awareness programs, and workshops throughout the year, as detailed below:

Marine Insurance Training: We hosted a session led by our Senior Underwriter and Head of the Marine Department, covering a wide range of topics including hull insurance, as well as yacht and pleasure craft insurance. The session provided valuable insights into the marine insurance sector.



Introduction to Reinsurance: This training, led by the AGM of Reinsurance at ABNIC, offered detailed insights into the reinsurance process, enhancing the team's collective understanding and expertise in this crucial area of the insurance industry.



Information Technology Training: Several sessions were held this year focusing on IT-related topics, such as Information Technology Department Services and Information Security Awareness. Led by our Head of IT and the IT team, these sessions provided participants with critical knowledge in areas like information security, IT security awareness, innovation, and service portals, along with the latest IT initiatives.



Anti-Money Laundering (AML) Training: A dedicated session on AML practices was conducted by a professional trainer, covering essential topics like identifying suspicious activities, understanding compliance requirements, and implementing effective strategies. This training is integral in ensuring the financial integrity and security of our organization.



Motor Insurance Training: Led by our Head of Motor Underwriting, this session covered key aspects of motor insurance, including identifying various types of coverage, understanding policy terms and conditions, assessing risks, and processing claims efficiently.



Financial Planning and Health Management Workshop: A dynamic workshop led by our AGM-Finance and Finance Controller, this session provided real-life scenarios and practical insights into financial planning and health management within the insurance industry.



Real Estate Management Workshop: We also conducted an engaging session led by our Real Estate Manager, covering a wide range of topics including investment strategies, legal considerations, property management, and market analysis, all aimed at enhancing expertise in the real estate sector.



Engineering and Property Insurance Training: We conducted an employee training session on 'Engineering and Property Insurance.' Led by our senior underwriters, the session provided in-depth insights and technical expertise, equipping our team with the knowledge essential for risk assessment, underwriting, and sustainable insurance solutions.



HR and Career Path workshop: Led by the Head of HR, we conducted the workshop aimed at providing UAE nationals with the skills and knowledge necessary for career advancement and exceptional customer service. Participants were guided on the importance of pursuing certifications, such as CII and Actuary, for professional development and how these qualifications can benefit their professional career growth. Comprehensive training was also provided on efficiently using the HRMS platform to manage HR-related tasks.



As a token of appreciation for their active participation, all attendees were awarded certificates, recognizing their commitment to professional development. These sessions not only enhanced knowledge and skills but also contributed to the overall growth and success of our organization



6.5 Giving Back to the Community

ABNIC CSR Initiative: Empowering Future Generations

At ABNIC, we are committed to driving sustainable development through meaningful Corporate Social Responsibility (CSR) initiatives. Our efforts are centered on creating lasting positive change, particularly by empowering the youth. As part of our CSR vision, we proudly support the **Ramadan Campaign for Zakat Fund**, in collaboration with **Zakat Fund** and **Abu Dhabi University**.

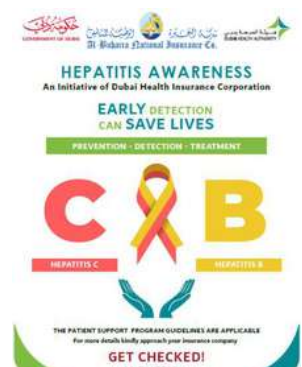
This campaign aims to assist **1,000 deserving students** by providing **AED 60,000** annually to support their higher education. By contributing to this cause, ABNIC is helping students overcome financial barriers, ensuring they receive the education needed to build a more sustainable and prosperous future.



ABNIC CSR Initiative: Supporting Health and Wellbeing Through BASMAH

At ABNIC, we believe in promoting the health and wellbeing of our community as part of our Corporate Social Responsibility (CSR) efforts. In partnership with the **Dubai Health Insurance Corporation** under the **Dubai Health Authority (DHA)**, we are proud to support the **BASMAH Patient Support Program**, which focuses on the prevention, early detection, and treatment of key health conditions such as **Breast, Cervical, and Colorectal cancers**, as well as **Hepatitis B and C**.

This program reflects ABNIC's ongoing commitment to improving the health of the community.





07 CUSTOMER RELATIONS

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7.1 Customer Satisfaction and Feedback Mechanisms

At ABNIC, prioritizing our customers and consistently acting in their best interests have been fundamental to our success as one of the UAE's leading insurers. For over four decades, our unwavering commitment to high-quality products and outstanding services has earned the trust and loyalty of our customers.

To ensure seamless access to our services and information, we have enhanced our digital presence through multiple platforms. Our website serves as a comprehensive hub for customers, providing updates on new offerings, claim submissions, medical network details, investor relations, and direct contact options. Customers can reach us via phone, email, or WhatsApp chat, while our active social media presence on Instagram, Facebook, Twitter, and LinkedIn keeps them informed about important topics in motor and health insurance.

Recognizing the importance of continuous feedback, we have deployed customer happiness meters across our branches. Negative feedback is promptly addressed through direct engagement, ensuring customer concerns are resolved efficiently. Our approach is built on two key pillars:



Developing innovative, customer-focused solutions.



Responding swiftly to customer needs through enhanced digital touchpoints.

Key Customer Experience Enhancements

To enrich our customer interactions and streamline services, ABNIC has launched several initiatives:

- A user friendly Online B2C portal for easy purchase of motor, health, home, travel, jet ski, and yacht insurance.
- A dedicated 24/7 medical insurance call center for round the clock support.
- Proactive customer service, including policy renewal reminders and claim follow-ups.
- Tools and resources to help customers better understand their insurance coverage.
- Loyalty incentives and rewards to enhance customer retention.

Leveraging Technology for a better customer experience

ABNIC had made substantial investments in digital transformation to improve customer service, enhance security, and optimize operations. Recent initiatives include:

- **Digital Channels & Paperless Initiatives:** Developing user friendly digital platforms and eliminating paper based workflows for faster service delivery.
- **WhatsApp business:** Providing enhanced customer engagement and instant support.
- **Contact center modernization:** upgrading IP telephony to enable seamless customer interactions.
- **Email Security & Endpoint Upgrades:** strengthening information security to ensure data protection.
- **Medical Individual Portal:** Empowering sales teams to issue policies instantly, improving customer convenience.

Through these strategic enhancements, ABNIC continues to redefine customer experience by leveraging digital innovations while maintaining a strong personal connection with our customers.

7.2 Data Privacy and Information security

Digital transformation offers significant benefits by streamlining operations and improving customer interactions. However, it also introduces challenges, particularly in the area of information security. At ABNIC, safeguarding our systems against external threats and ensuring the protection of customer data are top priorities. To address these challenges, we have implemented robust internal governance measures and made advancements in our IT infrastructure, strengthening our commitment to Information security and data protection.

As our reliance on digital systems continues to grow, so do the associated risks and our responsibility to protect the privacy of the data we manage. To address these challenges, ABNIC has established two dedicated committees: the IT Governance Committee and the Information Security Management Committee (ISMC), both of which are tasked with overseeing and managing potential risks. The IT Governance Committee, led by senior management and the head of IT, is responsible for overseeing data privacy policies, operational security, and Information security strategies. This committee ensures that critical IT security decisions are carefully reviewed and approved, thus promoting a proactive and structured approach to information security. The Information Security Management Committee (ISMC) plays a pivotal role in protecting ABNIC's digital infrastructure. Through regular risk assessments and security audits, the ISMC identifies and mitigates potential vulnerabilities before they can pose significant threats. Comprising IT and security experts, along with senior management, the ISMC collaborates closely with various departments to integrate security measures into broader business operations while ensuring compliance with industry standards and regulations.

ABNIC employs advanced Information security measures to protect against evolving threats and ensure the security of our systems and customer data. Our Advanced Email Security Gateway defends effectively against phishing and ransomware attacks, while centralized patch management ensures regular system updates, reducing potential vulnerabilities. Additionally, we have implemented an online security awareness program that equips employees with best practices to strengthen internal defenses. Information security remains a key focus, particularly in relation to compliance with UAE regulations. This includes oversight from the Signals Intelligence Agency (SIA) and adherence to the Abu Dhabi Healthcare Information and Information Security (ADHICS) standards, which play a critical role in enhancing Information security within the healthcare sector.

Beyond Information security, ABNIC leverages a variety of digital tools to improve operations and enhance customer engagement. Targeted digital marketing campaigns across platforms such as Google Ads, Facebook, Instagram, and LinkedIn help boost brand visibility, while our Customer Relationship Management (CRM) system streamlines customer interactions, providing a more personalized experience. The ABNIC Smart App facilitates seamless digital signatures and payment approvals, fully integrated with banking systems. Additionally, our asset management protocols enhance resource tracking and operational efficiency.

To ensure secure connectivity, ABNIC utilizes a centrally managed Cisco wireless network, offering robust security oversight. Website, domain, and Wi-Fi monitoring across all branches are controlled from the head office, with a secure portal for guest access.



No reported breaches or losses of customer information.

7.3 Ethical Procurement and Supply Chain Responsibilities

At ABNIC, we recognize the significant impact that procurement decisions have on the environment, society, and the long-term resilience of our business. With a strong commitment to sustainability, we prioritize responsible, transparent, and ethical practices throughout every stage of our procurement process. From sourcing materials to selecting suppliers and managing contracts, our approach is rooted in principles of transparency, accountability, and ethical conduct. By integrating sustainability into our procurement practices, we strive to minimize our environmental footprint, promote social responsibility, and drive positive changes throughout our supply chain.

At ABNIC, we focus on three key areas to build a robust procurement strategy:

Ethical Procurement:
We prioritize working with suppliers who uphold ethical practices, respect human rights, and adhere to fair labor standards. This ensures responsible sourcing and promotes ethical behavior throughout our entire supply chain.


Environmental Consciousness:
Our rigorous evaluation process ensures that our suppliers meet high environmental standards and demonstrate a commitment to sustainability. We actively work to minimize environmental risks and align with global best practices to reduce our ecological footprint.

Community Partnership:
We engage with local communities through our procurement practices, favoring suppliers that promote diversity, inclusion, and community development. This approach helps create mutual benefits, stimulate economic growth, and empower local communities.

By focusing on these areas, we are committed to developing a sustainable and responsible procurement framework and a resilient supply chain.



Total amount spent on suppliers (%)



2021	99.90%
2022	99.90%
2023	100%
2024	100%


Total number of suppliers

	Local	International	Total
2021	333	7	340
2022	226	7	343
2023	346	7	353
2024	359	7	366

7.4 Customer Support


At ABNIC, we understand that exceptional customer support is vital to the success of our business. Our dedicated team is focused on ensuring that every customer receives timely assistance and a smooth, positive experience. We are committed to resolving issues promptly and delivering top-tier customer service.

To make it easier for our customers to reach us with their concerns, we offer a multiple communication channels:




Online Complaint Forms:

Available on our website, these forms provide a simple, secure, and user-friendly way for customers to submit complaints, ensuring a smooth process from start to finish.




Regulatory Escalation:

We have streamlined the process for submitting formal complaints by providing clear guidelines and direct links to the appropriate authorities, ensuring that issues are escalated to the correct channels when needed.



Google Business Page:

Our Google Business page offers an additional platform for customers to share feedback. Our team regularly monitors this page to address concerns promptly and in real time.



Email Communication:

For those who prefer direct contact, customers can email our customer support team. We prioritize these inquiries to ensure quick and efficient resolutions.

Each of these communication channels is designed to ensure that customer feedback is easily accessible and promptly addressed, demonstrating our commitment to providing exceptional customer support.



EMBRACE SUSTAINABILITY

Join us in our journey towards
reducing our carbon footprint !



08 INNOVATION FOR SUSTAINABILITY

8.1 Digital Transformation

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8.2 Future Sustainability Initiatives

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8.1 Digital Transformation and its impact on sustainability

ABNIC has been committed to digital transformation to enhance customer experience through seamless, user-friendly services. Our goal is to simplify product selection and purchasing while ensuring fast, efficient online claims processing. We have adopted a two-pronged approach and made significant strides in our digital journey. Through a streamlined focus on enhancing customer service with innovative digital solutions and optimizing internal operations to improve efficiency, we are continuously refining our processes to better serve our clients and strengthen our operations. At ABNIC, we have been prioritizing digitization which has helped us to enhance service standards and operational efficiency. We have launched several customer-centric digital initiatives, including:



These initiatives are designed to make our services more accessible and convenient for our customers.

We remain committed to enhancing our internal operations by adopting an intranet as a centralized hub for employees, implementing managed print services, transitioning selected branches to IP telephony, and launching the ABNIC Smart App for seamless issuance and approval of cheques. These initiatives are focused on improving efficiency, communication, and overall operational effectiveness within the organization.

While ABNIC has made significant progress in our digital transformation, we continue to accelerate our efforts to further streamline internal operations and elevate the customer experience. Our commitment to advancing digital transformation is guided by a structured roadmap that aims to enhance internal operations, improve security, and provide seamless customer experience. To achieve this, we have categorized our initiatives into short, medium, and long-term objectives (as listed below), ensuring a strategic and phased approach to our transformation journey.

Current Initiatives

Digital Transition

- **Track IT:** Enhanced IT task management and turnaround tracking for improved operational efficiency.
- **VMware Upgrade:** Upgraded for improved performance, stability, and secure virtualization solutions.
- **Intra Portal:** Developed a centralized hub for company and regulatory compliance, including employee consent management.
- **Core Firewall Upgrade:** Strengthened network security against information threats with advanced firewall solutions.
- **Pricing Tool Procurement:** Procured a robust pricing tool for better control and efficiency in pricing workflows.
- **Security Upgrades:** Enhanced network protection through upgraded firewalls.
- **Device Management (MOM):** Implemented a solution to safeguard ABNIC assets from vulnerabilities and ensure secure device management.
- **Endpoint Upgrades:** Upgraded endpoints to ensure compliance with Microsoft standards (Windows 10 EOL).
- **Business Continuity:** Optimized and secured cloud services to ensure high availability and minimal downtime.
- **Medical Individual Portal:** Launched a portal enabling instant policy issuance by sales staff, streamlining operations and enhancing customer service.

Future Initiatives

Digital Transformation

- **Digital Readiness:** Initiated digital transformation by selecting and implementing core platforms
- **Digital Channels:** Developed user-friendly, robust digital channels for partners and customers.
- **Paperless Initiative:** Introduced processes and tools to eliminate paper-based workflows.
- **WhatsApp Business:** Integrated WhatsApp Business for enhanced customer engagement and support.
- **Email Security Upgrades:** Replaced existing systems with an advanced email security gateway.
- **EDR Upgrade:** Implemented a next-generation Endpoint Detection and Response (EDR) solution for improved threat protection.
- **Data Center Upgrades:** Replaced legacy infrastructure with scalable, next-generation data center solutions.
- **Data Analytics:** Adopted a business intelligence tool to enable advanced data analytics and decision-making.
- **Contact Center Modernization:** Upgraded IP telephony and revamped the contact center for seamless communication and customer support.

Artificial Intelligence & Automation:

- **Robotic Process Automation (RPA):** Introducing automation to streamline operations and reduce manual workload.
- **Chatbots & AI-powered customer support:** Enhancing customer service through AI driven engagement.

Innovation & Embedded Solutions:

- **API Integrations:** Developing embedded insurance solutions for seamless digital connectivity.
- **Procurement System:** Implementing a comprehensive system for optimized operations.
- **Salvage Auction Platform:** Establishing an auction system for efficient asset management.

By executing these initiatives, ABNIC aims to drive innovation, strengthen information security, and enhance both employee productivity and customer satisfaction through cutting-edge technology.

Our innovation strategy is built on several key pillars:



Amount invested in Digitalization (in AED)

Year	Amount Invested	Invested Areas
2021	1,935,993	Software Update, Various Amcs & Uat Implementation Live
2022	1,713,923	Oracle Support, Security Fee & Computer Upgradation
2023	4,081,886.67	Computer Upgradation, Oracle Support, Security Fee & Various Amcs
2024	4,844,618.94	Digital & IT medical expenses, Etisalat- icloud, IT expenses, Canon Emirates LLC, Computer upgradation, and others.

Our investment in digitalization increased by 18.68% from 2023 to 2024, demonstrating our dedication to leveraging digital technologies for enhanced efficiency and innovation

8.2 Future Sustainability Initiatives

As we move forward, our dedication to sustainability remains firm. In 2024, we successfully implemented various ESG initiatives that emphasized environmental responsibility, resource conservation, and employee well-being. These included the integration of ESG principles into our operations, energy-saving initiatives, secure data management, and awareness sessions on sustainability and information security. We also fostered a culture of well-being through yoga, meditation, and exercise workshops.

Building on this momentum, our 2025 sustainability initiatives will focus on further embedding ESG practices into our services, expanding energy conservation efforts, and strengthening our commitment to responsible consumption. We plan to enhance our workplace greenery, introduce new waste reduction strategies, and conduct specialized sustainability training. These initiatives reaffirm our commitment to a sustainable future and align with the ESG framework, ensuring long-term positive environmental and social impact.





**ENSURING
SUSTAINABILITY,
MEASURING
IMPACT**

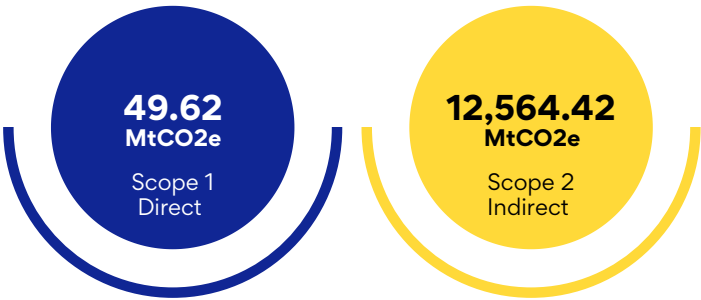


09 PERFORMANCE AND IMPACT REPORTING

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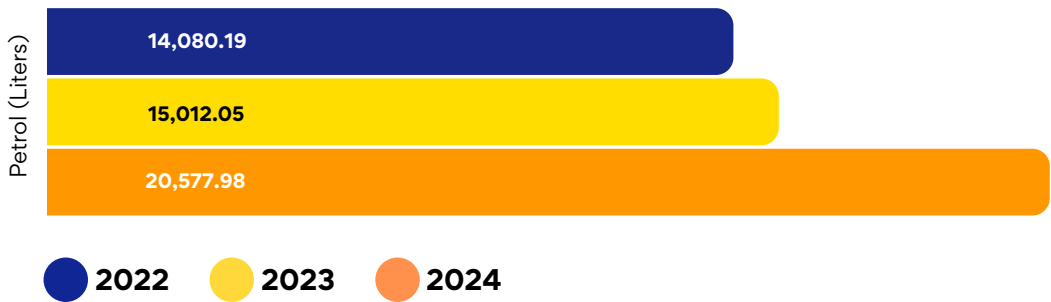
9.1 Environmental Performance Metrics

GHG Emissions in MtCO2e - 2024

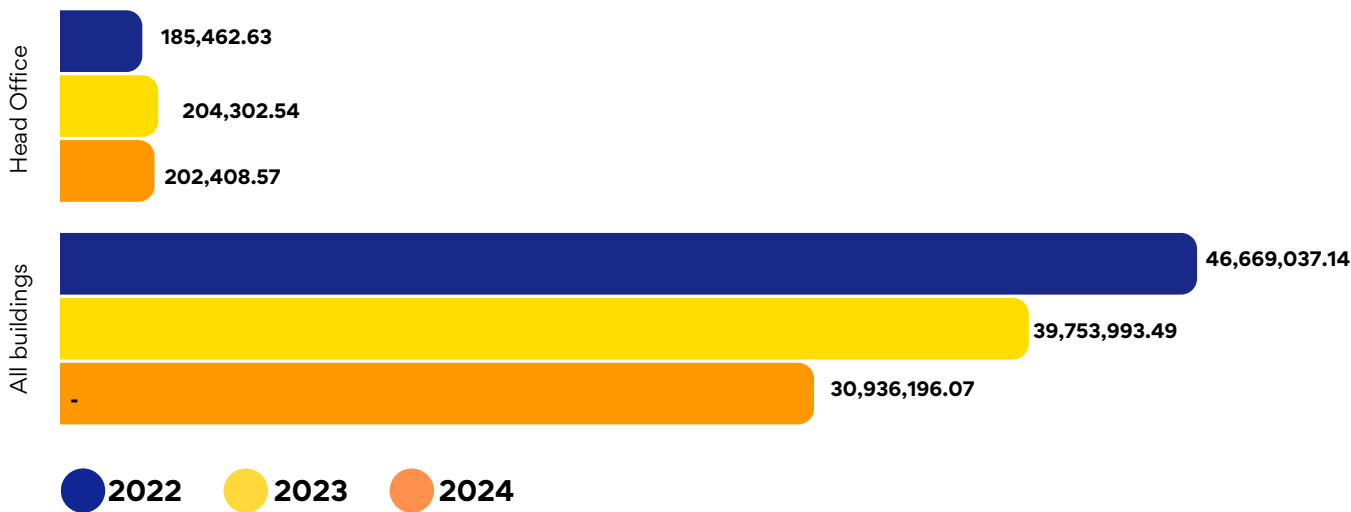


Energy Consumption:

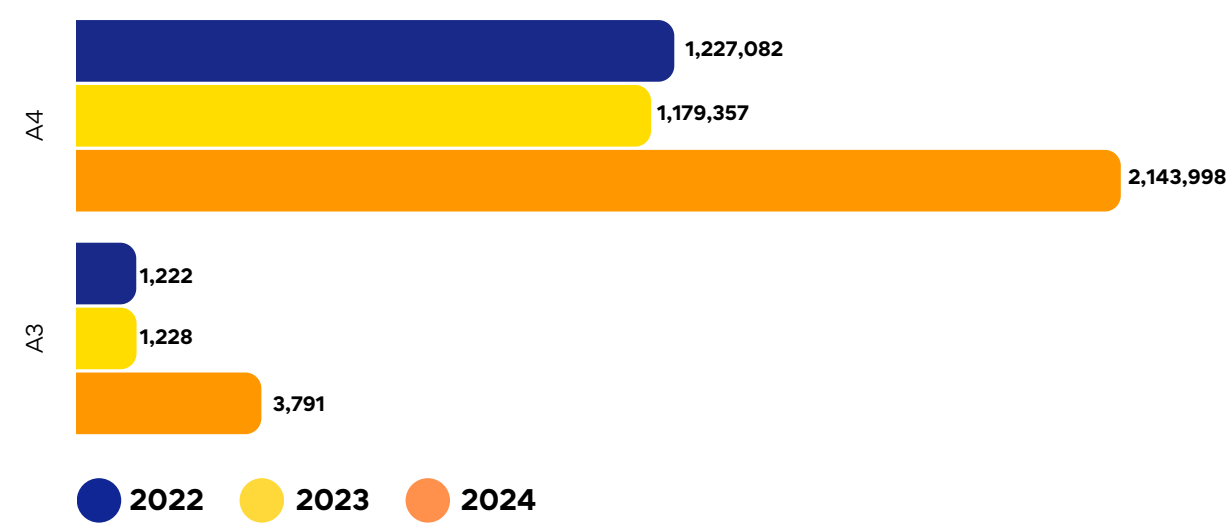
- Fuel Consumption



- Electricity Consumption (KWh)



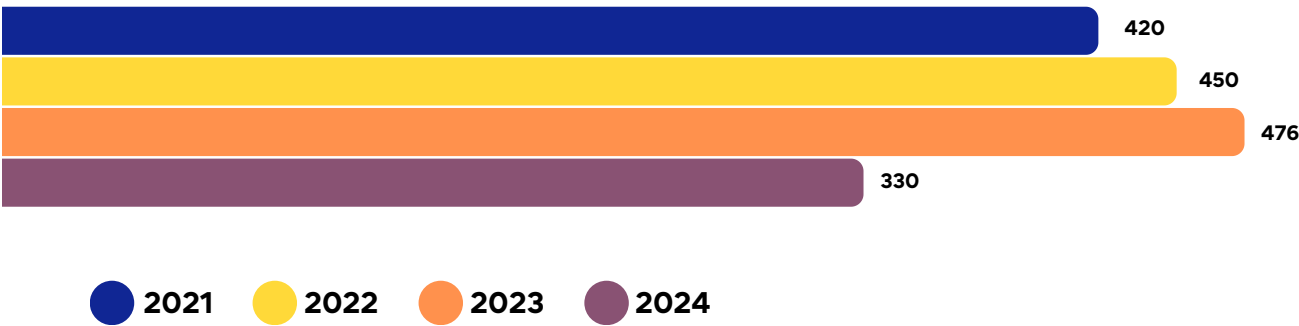
• Total Number of Paper Sheets Consumed



9.2 Social Impact Metrics



For this year’s report, only our insurance entity has been included in all the Social Impact Metrics. Hence, we can observe decline in numbers.

Total number of employees

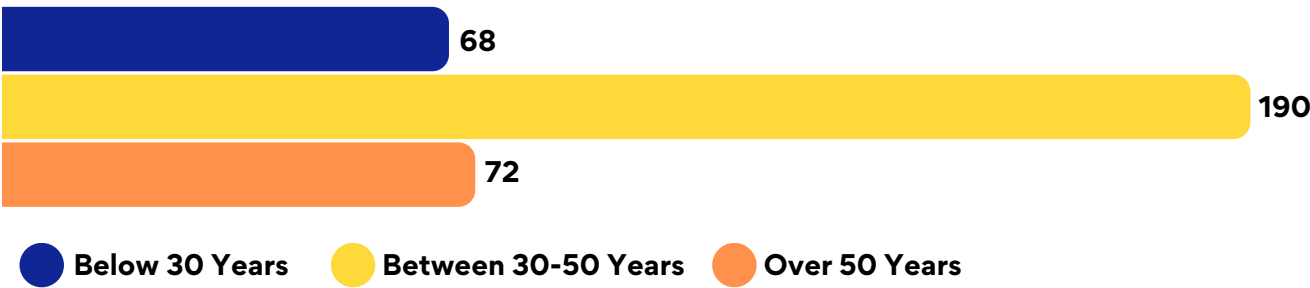


Total number of employees by employment contract, by gender

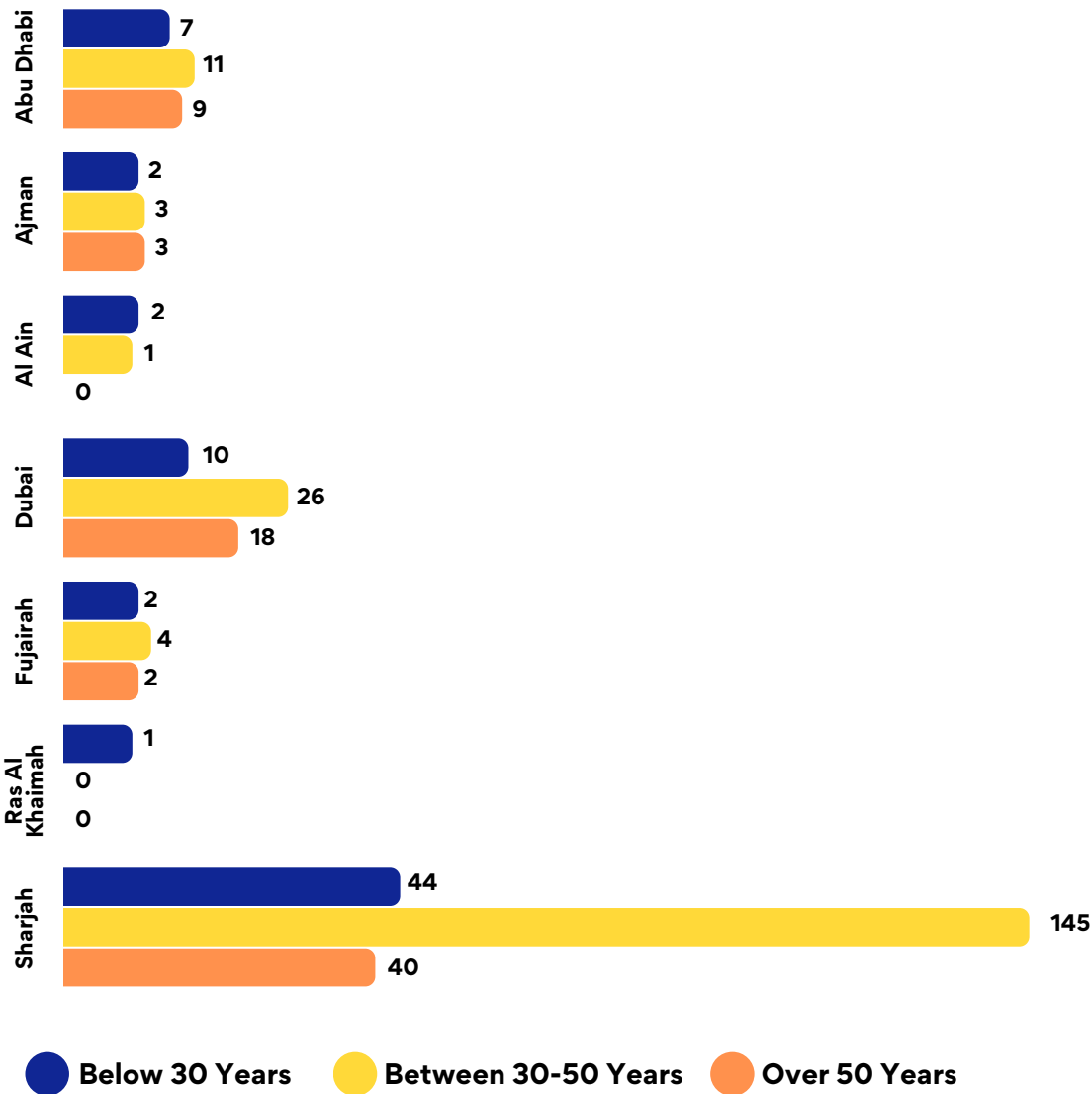
• Permanent contract

	2021	113		2021	307
	2022	130		2022	320
	2023	149		2023	327
	2024	117		2024	213

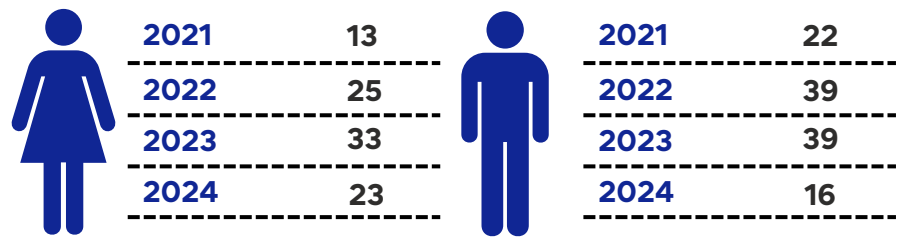
Total number of employees, by age group (2024)



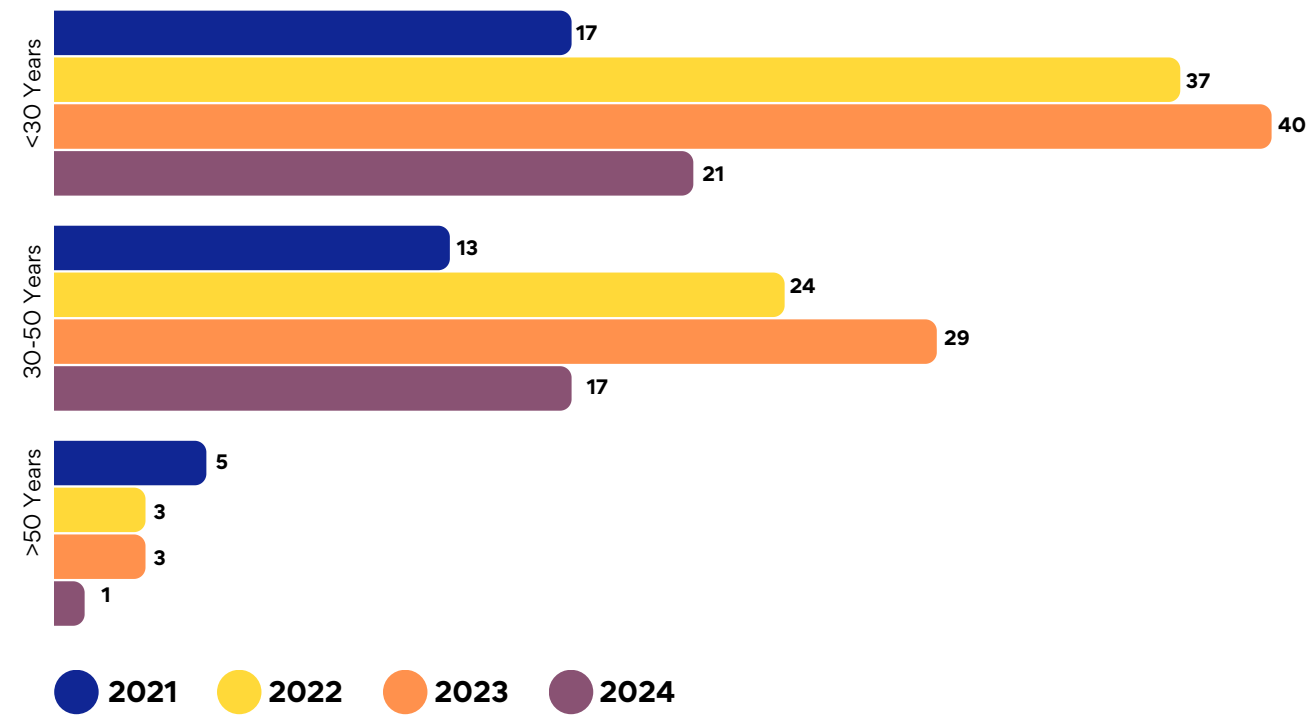
Total number of employees, by office locations and age group (2024)



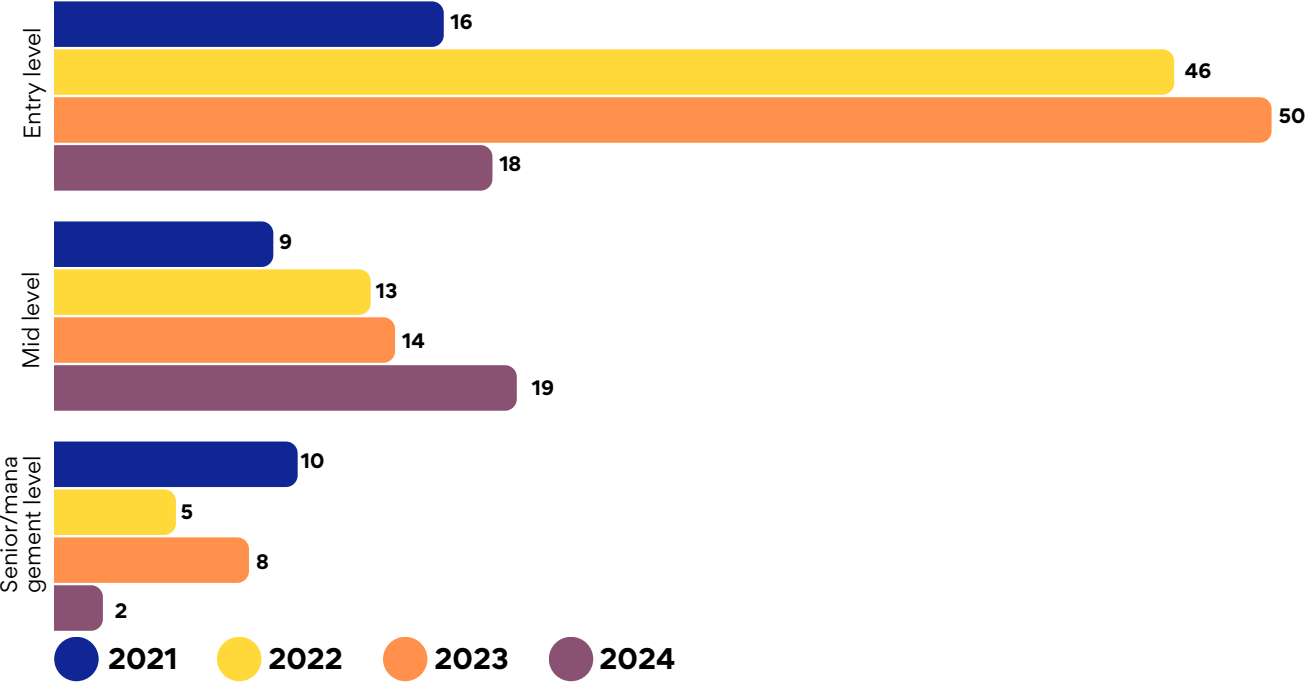
Total number of new hires, by gender



Total number of new hires, by age group





Total number of new hires, by job level





All employees per employee category, by gender



• Entry Level

	2021	63		2021	182
	2022	73		2022	200
	2023	87		2023	210
	2024	63		2024	131

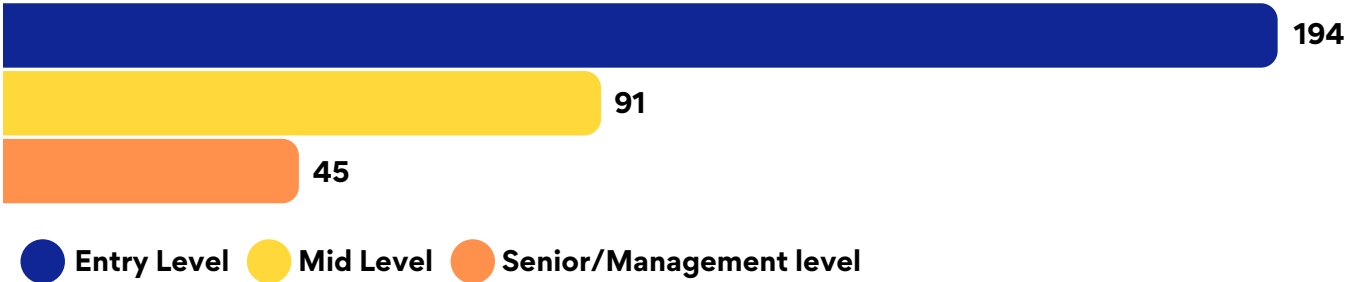
• Mid Level

	2021	45		2021	53
	2022	51		2022	53
	2023	56		2023	51
	2024	50		2024	41

• Senior/Management level

	2021	5		2021	72
	2022	6		2022	67
	2023	6		2023	66
	2024	4		2024	41

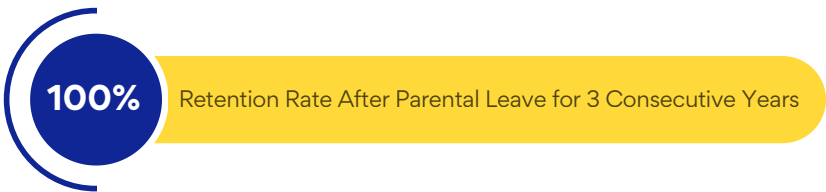
All employees per employee category (2024),



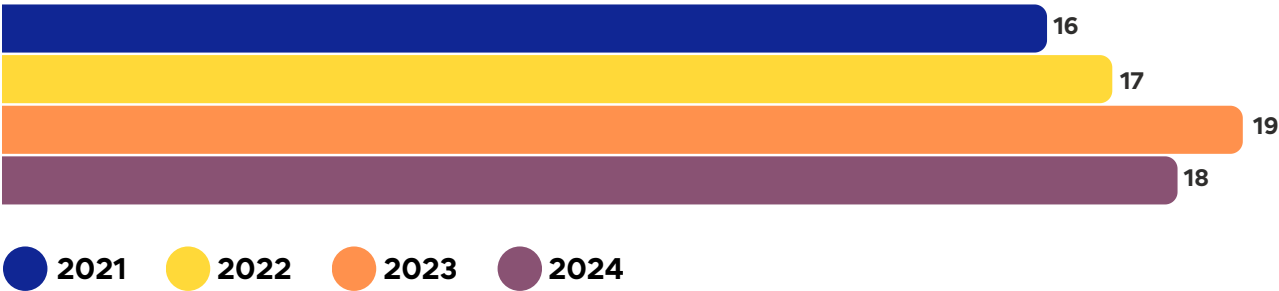
All employees per employee category, by age

	2021	2022	2023	2024
Entry Level (Below 30 Years Old)	51	72	82	30
Entry Level (Between 30-50 Years Old)	153	150	161	125
Entry Level (Over 50 years Old)	41	51	54	39
Mid Level (Below 30 Years Old)	11	10	13	37
Mid Level (Between 30-50 Years Old)	71	75	74	38
Mid Level (Over 50 Years Old)	16	19	20	16
Senior/Management Level (Below 30 Years Old)	5	2	1	1
Senior/Management Level (Between 30-50 Years Old)	41	38	39	27
Senior/Management Level (Over 50 Years Old)	31	33	32	17













Parental Leave:

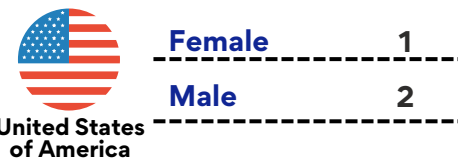
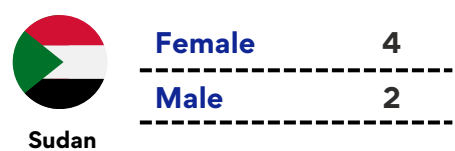
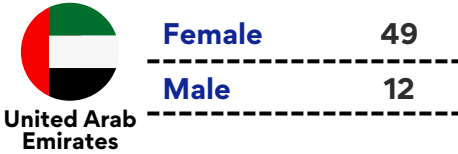
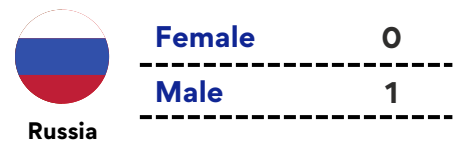
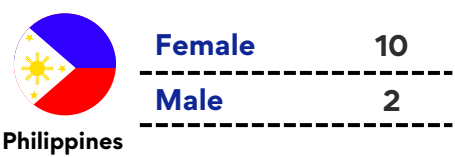


Total number of nationalities

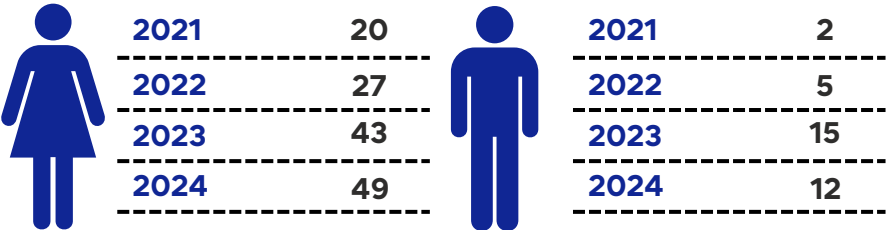


Total number of employees, by nationalities and gender (2024)

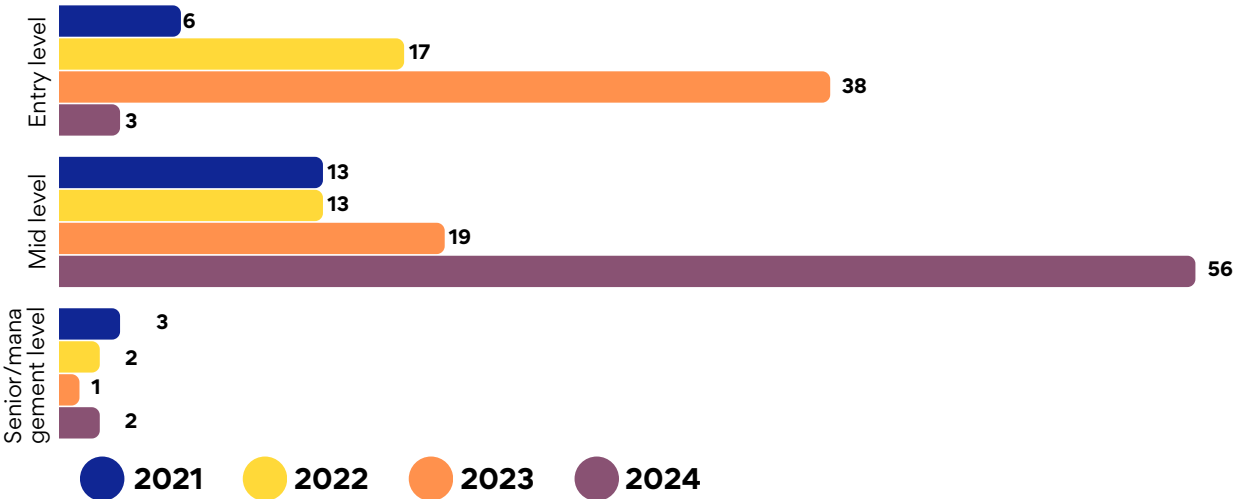
 Algeria	<div><div>Female</div><div>Male</div></div> <div><div>1</div><div>0</div></div>	 Iraq	<div><div>Female</div><div>Male</div></div> <div><div>0</div><div>1</div></div>
 Australia	<div><div>Female</div><div>Male</div></div> <div><div>0</div><div>1</div></div>	 Jordan	<div><div>Female</div><div>Male</div></div> <div><div>13</div><div>61</div></div>
 Bangladesh	<div><div>Female</div><div>Male</div></div> <div><div>2</div><div>0</div></div>	 Lebanon	<div><div>Female</div><div>Male</div></div> <div><div>0</div><div>1</div></div>
 Dominican Republic	<div><div>Female</div><div>Male</div></div> <div><div>0</div><div>1</div></div>	 Morocco	<div><div>Female</div><div>Male</div></div> <div><div>1</div><div>0</div></div>
 Egypt	<div><div>Female</div><div>Male</div></div> <div><div>4</div><div>11</div></div>	 Pakistan	<div><div>Female</div><div>Male</div></div> <div><div>6</div><div>26</div></div>
 India	<div><div>Female</div><div>Male</div></div> <div><div>13</div><div>58</div></div>	 Palestine	<div><div>Female</div><div>Male</div></div> <div><div>8</div><div>33</div></div>



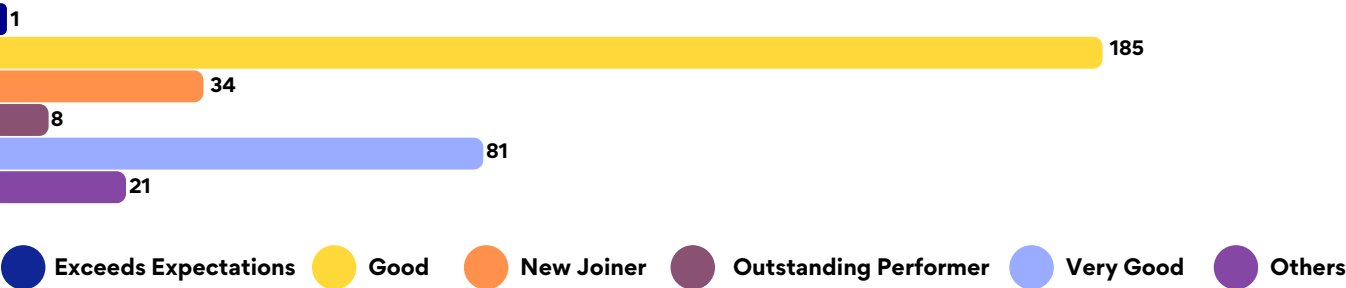
Number of UAE Nationals by Gender



Number of UAE Nationals by Job Level



Number of employees, by performance level (2024)

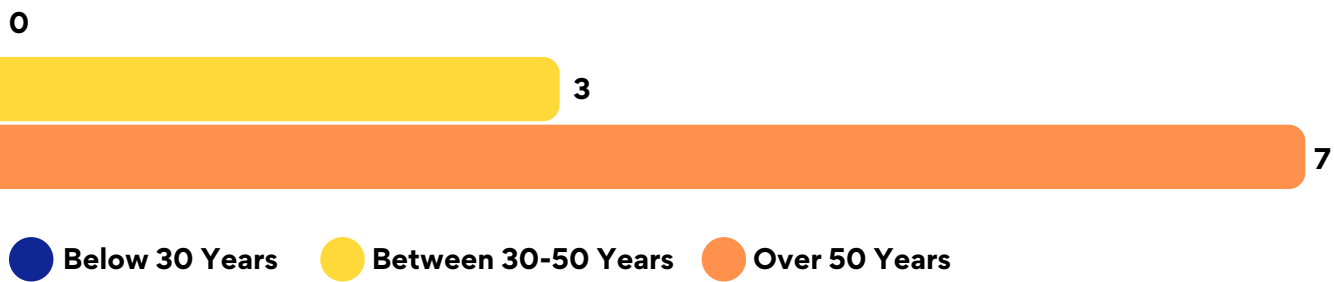


9.3 Governance and Compliance Achievements

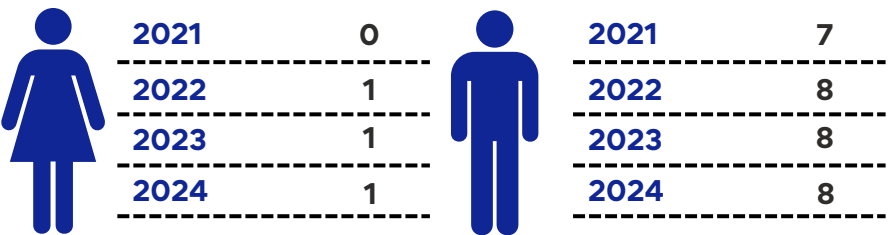
Board of Directors

Name	Position	Category
Sheikh Faisal Bin Khalid Sultan Al Qasmi	Chairman	Non-independent, Non-executive
Sheikh Abdulla Bin Mohammed Ali Al Thani	Vice Chairman	Non-independent, Non-executive
Sheikh Khaled Bin Abdulla Sultan Al Qasmi	Board Member	Non-independent, Non-executive
Sheikh Ahmed Abdulla Bin Mohammed Ali Al Thani	Board Member	Independent, Non-executive
Sheikh Saoud Nasser Rashid Abdulaziz Almoalla	Board Member	Independent, Non-executive
Mr.Rashid Ali Rashid Dimas Al Suwaidi	Board Member	Non-independent, Non-executive
Mr. Salem Abdulla Salem Al Hosani	Board Member	Non-independent, Non-executive
Mr. Abdulla Mohamed Salih AL Zarounie	Board Member	Independent, Non-executive
Ms. Noura Mahmoud Mohamed Al-Ali	Board Member	Independent, Non-executive

Board of Directors composition by Age



Board of Directors composition by Gender





**SECURING
TOMORROW,
SUSTAINING
GROWTH**



10 FUTURE OUTLOOK AND COMMITMENTS

- | | | |
|-------------|--|-----------|
| 10.1 | Sustainability goals for the upcoming year | 65 |
| 10.2 | Commitment to ongoing sustainability leadership and innovation | 65 |

10.1 Sustainability goals for the calendar year 2025

- 
Develop and draft ESG policies and procedures in line with the industry standards and implement them for better integration of ESG in business.
- 
Decrease paper Consumption in operations and transition towards adoption of digital initiatives and innovations.
- 
ESG Strategy Enhancement: Development and launch of new insurance products with incorporation of ESG factors, with an emphasis on sustainability and ethical investments.
- 
Community Engagement and CSR: Increase participation in community engagement and Corporate Social Responsibility (CSR) initiatives by 15% among employees, focusing on environmental conservation and social welfare projects.
- 
Sustainability Reporting: Enhance the quality and transparency of disclosures in sustainability reports, and closer alignment with international standards such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

10.2 Commitment to ongoing sustainability leadership & innovation

Sustainability at ABNIC is driven from the top, with our leadership team actively shaping and embedding sustainable practices across the organization. More than just overseeing initiatives, they take a hands-on approach - guiding strategies, making informed decisions, and championing a culture of environmental and social responsibility. Their commitment ensures that sustainability is not just a corporate goal but a fundamental part of how we operate, inspiring employees and stakeholders alike to prioritize long-term impact.



**LEADERSHIP
COMMITMENT TO
SUSTAINABILITY**



11

CEO'S STATEMENT

A forward-looking statement from the CEO regarding the company's commitment to sustainability and future directions.

67

Dear Stakeholders,

I am honored to present to you our Sustainability Report for the year 2024. This report outlines our vision, objectives, strategies, and the progress we have made in advancing our business while addressing risks and identifying new opportunities. Our commitment to sustainability aligns with the UAE's Net Zero by 2050 Strategy, ensuring that our operations contribute to the nation's broader sustainability goals. For us, supporting the environment, promoting strong communities, and maintaining responsible and ethical governance are essential pillars for sustainable growth. Achieving these goals have been possible only through the dedication and efforts of our team, who continue to work diligently towards making our business both sustainable and profitable.

As highlighted in my previous letter, global efforts to mitigate the adverse impacts of climate change have led to significant shifts in economies and societies. The UAE's leadership in sustainability through initiatives such as the Energy Strategy 2050 and the Sustainable Finance Framework, reinforces the importance of businesses aligning with national sustainability priorities. Given that our value proposition is centered around the issuance of insurance across a wide range of products, it is increasingly important for us to adopt responsible and sustainable practices in providing these services. We believe that by integrating sustainability into our business model, we can attract more customers and elevate our operations to new heights.

For us, sustainability goes beyond compliance. At ABNIC, we are committed to helping individuals and businesses navigate this evolving landscape through dynamic insurance solutions.

We view sustainability as an integral part of our long-term growth and operational resilience. We remain committed to enhancing governance, strengthening responsible business practices, and supporting national sustainability efforts. Our continued investment in digital transformation allows us to optimize operations, enhance customer experience, and ensure data security and privacy.

Our employees are our key assets. Their values resonate with our commitment to sustainability, which in turn encourages them to be part of our mission. This alignment not only strengthens our efforts but also plays a vital role in attracting and retaining top talent. We are proud of the various engagement activities and continuous initiatives aimed at promoting a diverse and inclusive work environment for all those associated with us.

I extend my sincere gratitude to our staff, clients, investors, and all stakeholders for their continued trust and support. As we move forward, we will remain committed to responsible business practices and aligning with the UAE's national sustainability vision, ensuring that we contribute meaningfully to the country's long-term economic and social progress.

Nader T. Qaddumi

CEO, Al Buhaira National Insurance Company



INSIGHTS & REFERENCES



12 APPENDICES & SUPPLEMENTARY INFORMATION

12.1	GRI (Global Reporting Initiative) Content Index	69
12.2	Glossary of terms and acronyms	78
12.3	Contact information for further inquiries	81

12.1 GRI (Global Reporting Initiative) content index

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
GRI 2: General Disclosures 2021	2-1 Organizational details		07
	2-2 Entities included in the organization's sustainability reporting		19
	2-3 Reporting period, frequency and contact point	G7: Sustainability Reporting G8: Disclosure Practices	19, 81
	2-4 Restatements of information		
	2-5 External assurance	G9: External Assurance	Internal Assurance Conducted; 19
	2-6 Activities, value chain and other business relationships		08, 09, 10, 47
	2-7 Employees		32, 56
	2-8 Workers who are not employees		
	2-9 Governance structure and composition		22, 23, 24
	2-10 Nomination and selection of the highest governance body		23

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy		67
	2-23 Policy commitments		25
	2-24 Embedding policy commitments		25
	2-25 Processes to remediate negative impacts		25
	2-26 Mechanisms for seeking advice and raising concerns		45,48
	2-27 Compliance with laws and regulations		25
	2-28 Membership associations		No memberships
	2-29 Approach to stakeholder engagement		15
	2-30 Collective bargaining agreements		NA
GRI 3: Material Topics 2021	3-1 Process to determine material topics		16
	3-2 List of material topics		17

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
FINANCIAL PERFORMANCE			
GRI 3: Material Topics 2021	3- 3 Management of material topics		11
GRI 201:Economic Performance 2016	201-1 Direct economic value generated and distributed		11
	201-2 Financial implications and other risks and opportunities due to climate change	E10 : Climate Risk Mitigation	-
	201-4 Financial assistance received from government		11
BUSINESS ETHICS AND COMPLIANCE			
GRI 3: Material Topics 2021	3- 3 Management of material topics		25
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		25
	205-2 Communication and training about anti-corruption policies and procedures	G5: Ethics & Prevention of Corruption	25
	205-3 Confirmed incidents of corruption and actions taken		25

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
DATA PRIVACY AND SECURITY			
GRI 3: Material Topics 2021	3- 3 Management of material topics	G6: Data Privacy	46
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		
EMPLOYEE HEALTH AND WELLBEING			
GRI 3: Material Topics 2021	3- 3 Management of material topics		30
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		-
	403-2 Hazard identification, risk assessment, and incident investigation		-
	403-3 Occupational health services		-
	403-4 Worker participation, consultation, and communication on occupational health and safety		36
	403-5 Worker training on occupational health and safety		36

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
GRI 403: Occupational Health and Safety 2018	403-6 Promotion of worker health		36
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		-
	403-8 Workers covered by an occupational health and safety management system		-
	403-9 Work-related injuries	S7: Injury Rate	-
	403-10 Work-related ill health		-
CUSTOMER ENGAGEMENT AND SATISFACTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	G6: Data Privacy	45,46
PROCUREMENT PRACTICES			
GRI 3: Material Topics 2021	3-3 Management of material topics	G4: Supplier Code of Conduct	47
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
ENVIRONMENTAL FOOTPRINT			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 302: Principle 9 Energy 2016	302-1 Energy Consumption within the organization 302-4 Reduction of energy Consumption	E3: Energy usage E4: Energy Intensity E5: Energy Mix	29, 55
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 303: Water and Effluents 2018	303-5 Water Consumption	E6:Water Usage	29
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 3: Material Topics 2021	305-1 Direct (Scope 1) GHG emissions		
GRI 3: Material Topics 2021	305-2 Energy indirect (Scope 2) GHG emissions	1: GHG Emissions E2: GHG Intensity	28, 55
GRI 3: Material Topics 2021	305-3 Other indirect (Scope 3) GHG emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics		30,56

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
GRI 306: Waste 2020	306-3 Waste generated		30,56
	306-4 Waste diverted from disposal		-
EMPLOYMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	S5: Temporary Worker Ratio	32,58,60
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	S3: Employee Turnover	32,58
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		32,60
	401-3 Parental leave		60
LABOR/MANAGEMENT RELATIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics		-
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes		

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
TRAINING AND EDUCATION			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		38
	404-2 Programs for upgrading employee skills and transition assistance programs		
	404-3 Percentage of employees receiving regular performance and career development reviews		62
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 3: Material Topics 2021	3-3 Management of material topics		63
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	S4: Gender Diversity S11: Nationalisation G1: Board Diversity	63
	405-2 Ratio of basic salary and remuneration of women to men	S2: Gender Pay Ratio	-

GRI STANDARD	DISCLOSURE	ADX DISCLOSURES	PAGE
NON-DISCRIMINATION			
GRI 3: Material Topics 2021	3-3 Management of material topics		-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	S6: Non Discrimination	-
CHILD LABOR			
GRI 3: Material Topics 2021	3-3 Management of material topics		Child Labor prohibited under the UAE Law
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	S9: Child & Forced Labor	-
LOCAL COMMUNITIES			
GRI 3: Material Topics 2021	3-3 Management of material topics		
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	S12: Community Investment	43
	413-2 Operations with significant actual and potential negative impacts on local communities		

12.2 Glossary of terms and acronyms

	Term	Description
1	Benefit	Direct benefit provided in the form of financial contributions, care paid for by the organization, or the reimbursement of expenses borne by the employee
2	Breach of customer privacy	Non-compliance with existing legal regulations and (voluntary) standards regarding the protection of customer privacy
3	Business partner	Entity with which the organization has some form of direct and formal engagement for the purpose of meeting its business objectives
4	Carbon dioxide (CO ₂) equivalent	Measure used to compare the emissions from various types of greenhouse gas (GHG) based on their global warming potential (GWP)
5	Community development program	Plan that details actions to minimize, mitigate, or compensate for adverse social and/or economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community
6	Customer privacy	Right of the customer to privacy and personal refuge
7	Direct (Scope 1) GHG emissions	Greenhouse gas (GHG) emissions from sources that are owned or controlled by the organization
8	Employee	Individual who is in an employment relationship with the organization according to national law or practice
9	Employee category	Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production)
10	Energy indirect (Scope 2) GHG emissions	Greenhouse gas (GHG) emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by the organization
11	Governance body	Formalized group of individuals responsible for the strategic guidance of the organization, the effective monitoring of management, and the accountability of management to the broader organization and its stakeholders

	Term	Description
12	Greenhouse gas (GHG)	Gas that contributes to the greenhouse effect by absorbing infrared radiation
13	Human rights	Rights inherent to all human beings, which include, at a minimum, the rights set out in the United Nations (UN) International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
14	Impact	Effect the organization has or could have on the economy, environment, and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development
15	Infrastructure	Facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organization does not seek to gain direct economic benefit
16	Local community	Individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities
17	Local supplier	Organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no transnational payments are made to a local supplier)
18	Mitigation	Action(s) taken to reduce the extent of a negative impact
19	Other indirect (Scope 3) GHG emissions	Indirect greenhouse gas (GHG) emissions not included in energy indirect (Scope 2) GHG emissions that occur outside of the organization, including both upstream and downstream emissions
20	Parental leave	Leave granted to men and women employees on the grounds of the birth of a child
21	Permanent employee	Employee with a contract for an indeterminate period (i.e., indefinite contract) for full-time or parttime work
22	Recycling	Reprocessing of products or components of products that have become waste, to make new materials
23	Remuneration	Basic salary plus additional amounts paid to a worker

	Term	Description
24	Renewable energy source	Energy source that is capable of being replenished in a short time through ecological cycles or agricultural processes
25	Senior executive	High-ranking member of the management of the organization, such as the Chief Executive Officer (CEO) or an individual reporting directly to the CEO or the highest governance body
26	Stakeholder	Individual or group that has an interest that is affected or could be affected by the organization's activities
27	Supplier	Entity upstream from the organization (i.e., in the organization's supply chain), which provides a product or service that is used in the development of the organization's own products or services
28	Supply chain	Range of activities carried out by entities upstream from the organization, which provide products or services that are used in the development of the organization's own products or services
29	Sustainable development/ sustainability	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs
30	Value chain	Range of activities carried out by the organization, and by entities upstream and downstream from the organization, to bring the organization's products or services from their conception to their end use
31	Waste	Anything that the holder discards, intends to discard, or is required to discard
32	Water consumption	Sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period

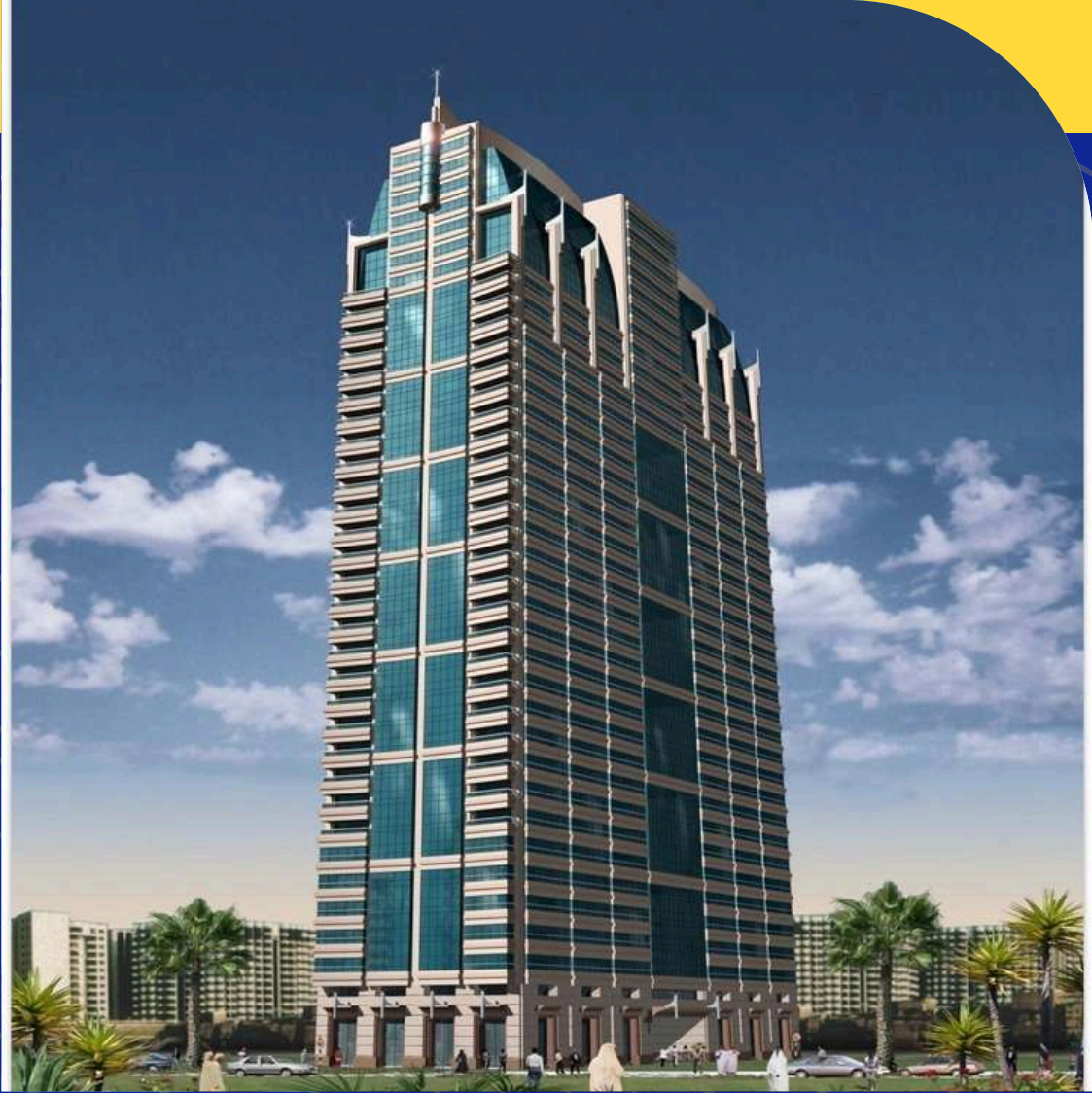
12.3 Contact information for further inquiries

For further inquiries or to provide feedback on the Sustainability Report 2024 of Al Buhaira National Insurance Company, please do not hesitate to reach out to us via email at care@albhaira.com.

Your insights and questions are invaluable as they help us enhance our sustainability practices and ensure our report accurately reflects our commitments and progress in environmental, social, and governance aspects. We are dedicated to transparent communication and look forward to hearing from you.



Developed with the support of our Sustainability Partner
The One Percent
(Supervised by a GRI Certified Sustainability Professional)




 شركة البحيرة الوطنية للتأمين
 Al-Buhaira National Insurance Co.

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