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

Consolidated financial statements
For the year ended 31 December 2023

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 2023.

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.

Principal activities

The principal activity of the Group 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.

Financial position and results

The consolidated financial position and results of the Group for the year ended 31 December 2023 are set out in the accompanying consolidated financial statements.

Directors

The following were the Directors of the Group for the year ended 31 December 2023:

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 were appointed as auditors of the Group for the year ended 31 December 2023 and being eligible, have offered themselves for re-appointment.

الشارقة
SHARJAH

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

29 March 2024

Grant Thornton

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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 2023, 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 give a true and fair view of the consolidated financial position of Group as at 31 December 2023 and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with *International Ethics Standards Board for Accountant's 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 Capital Requirement as stipulated by the Central Bank of U.A.E. by an amount of AED 164 million. 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.

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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	
As at 31 December 2023, the Group's Reinsurance Contract Assets, Insurance Contract Assets, Insurance Contract Liabilities and Reinsurance contract liabilities are valued at AED 422.2 million, AED 12.5 million, AED 537.7 million and AED 308.8 million respectively. (Refer note 9). 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. 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. 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. As a result of the above factors, we consider valuation of (re)insurance contract assets and liabilities as a key audit matter.	We performed the following procedures in conjunction with our actuarial specialists: - Assessed the competence, capabilities and objectivity of the management's appointed actuary; - Understood and evaluated the process, the design and implementation of controls in place to determine valuation of (Re)Insurance contract assets and liabilities; - 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; - Evaluated and tested the data used in the impairment model calculations receivables for amounts due; and - Evaluated and tested the calculation of the allowance for expected credit loss allowance and the key assumptions and judgments used.

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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
Disclosure of transition impact of adopting IFRS 17	
The Group adopted IFRS 17 Insurance Contracts with effect from 1 of January 2023, which resulted in changes to the measurement of insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. We determined the disclosure for impact of adopting IFRS 17 to be a key audit matter due to the significant changes introduced by the standard, which includes significant estimates and judgements. These impacts will be of particular importance to the readers of these financial statements. (Refer to Notes 3 and 4). In particular, we have focused on the following key judgements that management have taken on implementing IFRS 17 Insurance Contracts: The determination of the transition approach adopted for each group of insurance contracts. The methodology adopted, and key assumptions used to determine the impact and restatement of previously reported numbers in accordance with IFRS 17. Disclosure of the impact of restatement, in accordance with IFRS 17.	Our audit procedures, among others, include: - Assessed whether the judgements applied by management in determining their accounting policies are in accordance with IFRS 17; - Used our actuarial specialist team members, evaluated the appropriateness of the methodology used to determine discount rates as at the transition date; - Evaluated the appropriateness of significant assumptions including risk adjustment, PAA eligibility assessment, discount rates and expenses included within the fulfilment cashflows; - Evaluated the completeness, and on sample basis, the accuracy and relevance of the data used to determine the impact of IFRS 17 adoption and restatement; and - Evaluated the reasonableness of the quantitative and qualitative disclosures included in the financial statements in accordance with IFRS 17.

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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 Valuation of investment properties	How our audit addressed the key audit matter
As at 31 December 2023, the Group owns a portfolio of investment properties amounting to AED 847.8 million (2022: AED 842.5 million) which comprising commercial properties, residential properties and land. The Group recorded a net fair value gain in the consolidated statement of profit or loss amounting to AED 2.7 million during the year ended 31 December 2023 (2022: AED 1 million) (Notes 6). 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. 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.	Our audit procedures, among others, included: - We obtained the valuation assessment report 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 internal 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; - On sample basis, we tested, whether property specific data provided to the external valuers by management reflected the underlying property records; and - We assessed the disclosures made in the consolidated financial statements is in accordance with the requirements of IFRSs.

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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 IFRSs and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021 and UAE Federal Law No. (48) of 2023 (previously UAE Federal Law No. 6 of 2007, as amended), 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.

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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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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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 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 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 2023;

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 2023; 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 2023, contravened any of the applicable provisions of the UAE Federal Law No. (32) of 2021, or, in respect to the Parent Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2023.

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

Grant Thornton

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Grant Thornton Audit and Accounting Limited (Sharjah Branch)

GRANT THORNTON UAE

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

29 March 2024

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

Consolidated statement of financial position
As at 31 December 2023

	Notes	2023 AED	Restated 2022 AED	Restated 2021 AED
ASSETS				
Property and equipment	5	**13,872,192**	15,763,328	10,781,690
Investment properties	6	**847,850,000**	842,562,500	836,553,000
Investments in securities at FVTOCI	7	**59,567,189**	58,259,180	26,852,264
Statutory deposit	8	**10,000,000**	10,000,000	10,000,000
Reinsurance contract assets	9	**422,203,950**	466,909,857	354,760,428
Insurance contract assets	9	**12,462,413**	-	-
Other receivables	10	**38,208,725**	36,060,769	27,985,701
Bank balances and cash	11	**315,730,998**	311,829,775	337,895,458
TOTAL ASSETS		**1,719,895,467**	1,741,385,409	1,604,828,541
EQUITY AND LIABILITIES				
Equity				
Share capital	12	**250,000,000**	250,000,000	250,000,000
Statutory reserve	13.1	**122,126,377**	122,126,377	122,126,377
Voluntary reserve	13.2	**200,000,000**	200,000,000	200,000,000
Reinsurance reserve	13.3	**14,293,181**	10,216,524	6,816,786
Cumulative changes in fair value		**(15,689,021)**	(16,663,453)	(15,352,299)
(Accumulated losses)/ retained earnings		**(74,178,917)**	62,383,811	123,006,493
Total equity		**496,551,620**	628,063,259	686,597,357
Liabilities				
Provision for employees' end of service indemnity	14	**43,118,479**	41,822,684	39,787,312
Bank borrowings	15	**278,982,938**	221,131,707	256,657,986
Lease liabilities	16	**6,880,398**	9,281,797	5,237,612
Insurance contract liabilities	9	**537,684,319**	528,297,381	370,923,961
Reinsurance contract liabilities	9	**308,782,606**	274,008,494	206,739,719
Other payables	17	**47,895,107**	38,780,087	38,884,594
Total liabilities		**1,223,343,847**	1,113,322,150	918,231,184
TOTAL EQUITY AND LIABILITIES		**1,719,895,467**	1,741,385,409	1,604,828,541

الشارقة SHARJAH

Sheikh Faisal Bin Khaled Bin Sultan Al Qasimi
Chairman

Nader Tawfiq Qaddumi
General Manager

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 2023

	Notes	2023 AED	Restated 2022 AED
Insurance revenue	19	**1,190,641,861**	879,881,171
Insurance service expenses	20	**(1,196,342,629)**	(1,022,783,579)
Insurance service result before reinsurance contracts held		**(5,700,768)**	(142,902,408)
Allocation of reinsurance premiums	21	**(841,062,128)**	(682,584,155)
Amounts recoverable from reinsurance for incurred claims	21	**707,183,751**	778,255,013
Net (expense)/ income from reinsurance contracts held		**(133,878,377)**	95,670,858
Insurance service result		**(139,579,145)**	(47,231,550)
Investment and other income	18	**42,760,945**	33,429,894
Insurance finance expense for insurance contracts issued	22	**(22,743,465)**	(1,477,369)
Reinsurance finance income for reinsurance contracts held	22	**12,845,665**	662,481
Net insurance financial result		**(9,897,800)**	(814,888)
Net insurance and investment results		**(106,716,000)**	(14,616,544)
General and administrative expenses	23	**(6,792,322)**	(7,418,897)
Finance costs		**(18,881,763)**	(11,186,227)
Finance costs – lease	16	**(372,384)**	(650,822)
Loss for the year		**(132,762,469)**	(33,872,490)
Basic and diluted loss per share	24	**(0.53)**	(0.14)

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

Consolidated statement of other comprehensive income
For the year ended 31 December 2023

	2023 AED	Restated 2022 AED
Loss for the year	**(132,762,469)**	(33,872,490)
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Change in fair value of investments carried at FVTOCI	**974,432**	(1,311,154)
Gain on sale of investments carried at FVTOCI	**276,398**	1,649,546
Other comprehensive income for the year	**1,250,830**	338,392
Total comprehensive loss for the year	**(131,511,639)**	(33,534,098)

Consolidated statement of changes in equity
For the year ended 31 December 2023

	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 2021, as previously reported	250,000,000	122,126,377	200,000,000	6,816,786	(15,352,299)	117,316,644	680,907,508
Adjustment on initial application of IFRS 17	-	-	-	-	-	5,689,849	5,689,849
Restated balance at 31 December 2021	250,000,000	122,126,377	200,000,000	6,816,786	(15,352,299)	123,006,493	686,597,357
Loss for the year (Restated)	-	-	-	-	-	(33,872,490)	(33,872,490)
Other comprehensive income for the year	-	-	-	-	338,392	-	338,392
Total comprehensive loss for the year	-	-	-	-	338,392	(33,872,490)	(33,534,098)
Transfer to reinsurance reserve	-	-	-	3,399,738	-	(3,399,738)	-
Transfer to retained earnings on sale of investments at FVTOCI	-	-	-	-	(1,649,546)	1,649,546	-
Dividends (note 32)	-	-	-	-	-	(25,000,000)	(25,000,000)
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	-	-	-	-	**1,250,830**	-	**1,250,830**
Total comprehensive income / (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**

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 2023

	Notes	2023 AED	Restated 2022 AED
Cash flows from operating activities			
Loss for the year		**(132,762,469)**	(33,872,490)
Adjustments for:			
Depreciation of property and equipment	5	**4,990,052**	4,367,972
Interest income on deposits	18	**(12,308,056)**	(6,692,200)
Dividend income	18	**(3,324,127)**	(2,764,085)
Net income from investment properties	6	**(24,192,089)**	(22,740,623)
Change in fair value of investment properties	6	**(2,741,344)**	(1,041,518)
Provision for employees' end of service indemnity	14	**2,439,778**	3,283,757
Finance costs		**19,254,147**	11,837,049
Gain on disposal of property and equipment		**-**	(105,000)
Other income	18	**(195,329)**	(86,468)
Board of Directors' remuneration	32	**1,800,000**	1,050,000
Operating cash flows before changes in working capital		**(147,039,437)**	(46,763,606)
Change in working capital			
Net reinsurance contract assets		**79,480,019**	(44,880,652)
Other receivables		**(2,147,956)**	(8,075,068)
Net insurance contract liabilities		**(3,075,475)**	157,373,419
Other payables		**7,315,020**	(104,508)
Cash (used in)/ generated from operating activities		**(65,467,829)**	57,549,585
Employees' end of service benefits paid	14	**(1,143,983)**	(1,248,385)
Board of Directors' remuneration		**-**	(1,050,000)
Net cash (used in)/ generated from operating activities		**(66,611,812)**	55,251,200
Cash flows from investing activities			
Movement in fixed deposits		**26,836,428**	29,135,920
Movement in margin deposits		**(124,390)**	216,000
Additions on investment properties	6	**(2,546,156)**	(4,967,982)
Purchase of investments at FVTOCI	7	**(3,089,749)**	(52,017,713)
Proceeds from sale of investments at FVTOCI	7	**3,032,570**	20,949,189
Purchase of property and equipment	5	**(1,004,885)**	(1,476,205)
Proceeds from sale of property and equipment		**-**	105,000
Interest income on deposits	18	**12,308,056**	6,692,200
Dividend from investments	18	**3,324,127**	2,764,085
Income from investment properties	6	**24,192,089**	22,740,623
Other income		**139,308**	86,468
Net cash generated from investing activities		**63,067,398**	24,227,585
Cash flows from financing activities			
Dividend paid	32	**-**	(25,000,000)
Increase/ (decrease) in bank borrowings – net	15	**57,851,231**	(35,526,279)
Finance costs paid		**(18,881,763)**	(11,186,227)
Lease payments	16	**(4,811,793)**	(4,480,042)
Net cash generated from/ (used in) financing activities		**34,157,675**	(76,192,548)
Net change in cash and cash equivalents		**30,613,261**	3,286,237
Cash and cash equivalents at the beginning of the year		**42,338,969**	39,052,732
Cash and cash equivalents at the end of the year	11	**72,952,230**	42,338,969
Non cash transactions			
Rights of use assets		**2,094,031**	7,873,405
Lease liability		**(2,038,010)**	(7,873,405)
Gain on cancellation of lease		**56,021**	-

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

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 (previously UAE Federal Law No. 6 of 2007, as amended), 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.

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

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 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.

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

These standards have been adopted by the Group and did not have a material impact on these consolidated financial statements, except for the adoption of "IFRS 17 Insurance contracts".

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 1	Amendment to IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 16	Amendment to IFRS 16 – Leases on sale and leaseback	1 January 2024

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 2023 and are presented in United Arab Emirate Dirham (AED), which is also the functional currency of the Group. The consolidated financial statements have been prepared in accordance with IFRS 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 Law No. (32) of 2021 ("Companies Law"), relating to commercial companies and UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended) 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.

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 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.

Standards, interpretations and amendments to existing standards – Impact of new IFRS

3.4 IFRS 17 Insurance Contracts

The Group has initially applied IFRS 17 Insurance Contracts (IFRS 17), which replaces IFRS 4 Insurance Contracts (IFRS 4) including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance and reinsurance contracts and financial instruments. As a result, the Group has restated certain comparative amounts for the prior year.

For the Group, IFRS 17 has not resulted in a material change in the classification of insurance contracts relative to IFRS 4. Previously under IFRS 4, the Group measured contracts at the line of business level. IFRS 17 has introduced a new unit of account at which insurance and reinsurance contracts are measured. Contracts are grouped into a unit of account based on the portfolio, cohort and profitability group to which the contract belongs.

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

Under IFRS 17, insurance revenue in each reporting year represents the changes in the liabilities for remaining coverage that relate to services for which the Group expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses. The nature of the changes in accounting policies can be summarised, as follows:

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

3.4.1 Changes to classification and measurement

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

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

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

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

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

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

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

The Group expenses all of its insurance acquisition cash flows upon payment. No separate asset is recognised for deferred acquisition costs.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

3.4.2 Changes to presentation and disclosure

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

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

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

The line item descriptions in the consolidated statement of profit or loss and other comprehensive income have been changed significantly compared with last year. Previously, the Group reported the following line items:

- Insurance premium revenue;
- Insurance premium ceded to reinsurers;
- Net insurance premium revenue;
- Gross claims incurred;
- Insurance claims recovered from insurers
- Gross commissions earned;
- Commissions incurred;
- General and administrative expenses relating to underwriting activities
- Provision for expected credit losses of insurance balances receivable.

Instead, IFRS 17 requires separate presentation of:

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

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

3.4.3 Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach to the extent practicable. Under the full retrospective approach, at 1 January 2022 the Group:

- Identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
- Identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied;
- Derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts, intangible assets related to insurance contracts (previously referred to as 'value of business acquired'), insurance receivables and payables, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, they are included in the measurement of the insurance contracts; and
- Recognised any resulting net difference in equity..

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

The Group has applied IFRS 17 from financial reporting periods commencing on 1 January 2023 with the date of transition from IFRS 4 being 1 January 2022.

The following table summaries the impact of initial application of IFRS 17 as at 1 January 2022:

	As previously reported AED	Effect of application of IFRS 17 AED	Restated AED
ASSETS			
Insurance and reinsurance receivables	358,143,480	(358,143,480)	-
Reinsurance contract assets	356,440,652	(1,680,224)	354,760,428
Other receivables	27,985,701	-	27,985,701
LIABILITIES			
Insurance contract liabilities	544,707,772	(173,783,811)	370,923,961
Reinsurance contract liabilities	-	206,739,719	206,739,719
Insurance and reinsurance payables	402,188,272	(402,188,272)	-
Other payables	35,165,783	3,718,811	38,884,594
EQUITY			
Retained earnings and reserve	117,316,644	5,689,849	123,006,493

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

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.

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.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Level of aggregation (continued)

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.

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.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Contract boundary (continued)

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.

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.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

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.

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.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

Presentation (continued)

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.

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.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

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 of 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.

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.

3. Material accounting policies (continued)

Standards, interpretations and amendments to existing standards – Impact of new IFRS (continued)

3.4 IFRS 17 Insurance Contracts (continued)

Insurance and reinsurance contracts accounting treatment (continued)

Measurement - Premium Allocation Approach (continued)

Long-term insurance contracts

The Group has not written any long-term products during the year ended 31 December 2023 (31 December 2022: 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.

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.

3. Material accounting policies (continued)

3.7 Foreign currencies (continued)

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. 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.

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. Material accounting policies (continued)

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.

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.

3. Material accounting policies (continued)

3.12 Provisions (continued)

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).

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").

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.

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 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;

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.

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 se 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.

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

4.1 Critical accounting judgements (continued)

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.

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.

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

4.2 Key sources of estimation uncertainty (continued)

4.2.1 Insurance and reinsurance contracts (continued)

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.

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 2023 and 0.85% for 2022 are listed below:

	1 year		3 years		5 years		10 years	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
Liability for Incurred Claims								
AED	**5.95%**	6.44%	**4.92%**	5.63%	**4.69%**	5.32%	**4.64%**	5.12%
USD	**5.23%**	5.59%	**4.19%**	4.78%	**3.97%**	4.47%	**3.92%**	4.27%
Liability for reinsurance contracts issued								
AED	**5.95%**	6.44%	**4.92%**	5.63%	**4.69%**	5.32%	**4.64%**	5.12%
USD	**5.23%**	5.59%	**4.19%**	4.78%	**3.97%**	4.47%	**3.92%**	4.27%

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 Depreciation of property and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value. Management has not considered any residual value as it is deemed immaterial.

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

4.2 Key sources of estimation uncertainty (continued)

4.2.6 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.

4.2.7 Risk adjustment for non-financial risk

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.

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
Cost							
31 December 2022	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)
31 December 2023	**649,000**	**7,041,605**	**13,125,755**	**7,154,404**	**1,057,827**	**22,912,514**	**51,941,105**
Accumulated depreciation							
31 December 2022	-	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)
31 December 2023	**-**	**6,389,375**	**8,352,531**	**5,876,794**	**1,057,827**	**16,392,386**	**38,068,913**
Carrying amount							
31 December 2023	**649,000**	**652,230**	**4,773,224**	**1,277,610**	**-**	**6,520,128**	**13,872,192**

At 31 December 2023, the cost of fully depreciated property and equipment that was still in use amounted to AED 23.90 million (2022: AED 23.21 million).

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
Cost							
31 December 2021	649,000	6,667,317	12,591,246	6,027,111	1,057,827	13,529,818	40,522,319
Additions	-	595,996	143,364	736,845	-	7,873,405	9,349,610
Disposal	-	(445,000)	-	-	-	-	(445,000)
31 December 2022	649,000	6,818,313	12,734,610	6,763,956	1,057,827	21,403,223	49,426,929
Accumulated depreciation							
31 December 2021	-	6,438,321	7,895,384	5,607,757	1,057,827	8,741,340	29,740,629
Charge for the year	-	185,738	258,276	95,176	-	3,828,782	4,367,972
Relating to disposals	-	(445,000)	-	-	-	-	(445,000)
31 December 2022	-	6,179,059	8,153,660	5,702,933	1,057,827	12,570,122	33,663,601
Carrying amount							
31 December 2022	649,000	639,254	4,580,950	1,061,023	-	8,833,101	15,763,328

6. Investment properties

Investment properties comprises the following at fair value:

	2023 AED	2022 AED
Plots of land	**71,250,000**	73,084,018
Buildings	**776,600,000**	769,478,482
	847,850,000	842,562,500

Movement during the year was as follows:

	2023 AED	2022 AED
Fair value at the beginning of the year	**842,562,500**	836,553,000
Additions	**2,546,156**	4,967,982
Change in fair value during the year (Note 18)	**2,741,344**	1,041,518
Fair value at the end of the year	**847,850,000**	842,562,500

The fair value of the Group's investments properties as at 31 December 2023 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 2023 (2022: Level 3).

Investment property amounting to AED 847.8 million (2022: AED 842.5 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:

	2023 AED	2022 AED
Rental income	**43,668,609**	41,784,520
Direct operating expenses	**(19,476,520)**	(19,043,897)
Income from investment properties (Note 18)	**24,192,089**	22,740,623

7. Investments in securities at FVTOCI

	2023 AED	2022 AED
Equity investments at FVTOCI		
Quoted – at fair value	**56,089,091**	54,781,082
Unquoted – at fair value	**3,478,098**	3,478,098
	59,567,189	58,259,180

Movement during the year was as follows:

	2023 AED	2022 AED
Fair value at the beginning of the year	**58,259,180**	26,852,264
Purchases during the year	**3,089,749**	52,017,713
Disposals during the year	**(3,032,570)**	(20,949,189)
Change in fair value	**1,250,830**	338,392
Fair value at the end of the year	**59,567,189**	58,259,180

	Within U.A.E.		Outside U.A.E.		Total	
	2023 AED	2022 AED	2023 AED	2022 AED	2023 AED	2022 AED
Quoted	**56,089,091**	54,781,082	**-**	-	**56,089,091**	54,781,082
Unquoted	**3,478,098**	3,478,098	**-**	-	**3,478,098**	3,478,098
	59,567,189	58,259,180	**-**	-	**59,567,189**	58,259,180

8. Statutory deposit

In accordance with the requirements of Article (38) of the UAE Federal Law No. (48) of 2023 (previously UAE Federal Law No. 6 of 2007, as amended), the Group maintains a bank deposit of AED 10 million (2022: 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 5.25% (2022: 2.80%).

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:

		2023			2022 (Restated)		
	Notes	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued							
Motor	9.1	-	279,544	(279,544)	-	54,354,873	(54,354,873)
Marine	9.2	-	62,792,702	(62,792,702)	-	74,708,156	(74,708,156)
FGA	9.3	12,462,413	-	12,462,413	-	17,807,589	(17,807,589)
Medical	9.4	-	466,560,195	(466,560,195)	-	368,183,609	(368,183,609)
Life	9.5	-	8,051,878	(8,051,878)	-	13,243,154	(13,243,154)
Total insurance contracts issued		12,462,413	537,684,319	(525,221,906)	-	528,297,381	(528,297,381)
Reinsurance contracts held							
Motor	9.6	32,739,185	59,068,777	(26,329,592)	127,787,031	-	127,787,031
Marine	9.7	30,943,273	-	30,943,273	42,040,733	-	42,040,733
FGA	9.8	38,671,744	-	38,671,744	46,383,581	27,939,508	18,444,073
Medical	9.9	310,636,944	246,352,553	64,284,391	236,813,147	244,371,670	(7,558,523)
Life	9.10	9,212,804	3,361,276	5,851,528	13,885,365	1,697,316	12,188,049
Total reinsurance contracts held		422,203,950	308,782,606	113,421,344	466,909,857	274,008,494	192,901,363

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:

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		
2023	**Excluding loss component AED**	**Loss component AED**	**Estimates of the present value of future cash flows AED**	**Risk adjustment AED**	**Total AED**
Insurance contract liabilities as at 1 January	**(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**
2022 *(restated)*					
Insurance contract liabilities as at 1 January	(104,701,480)	6,964,783	153,394,085	5,356,557	61,013,945
Insurance revenue	(201,907,000)	-	-	-	(201,907,000)
Insurance service expenses					
Incurred claims and other expenses	-	-	300,326,610	5,239,388	305,565,998
Amortisation of insurance acquisition cash flows	24,220,529	-	-	-	24,220,529
Losses on onerous contracts and reversals	-	5,021,356	-	-	5,021,356
Changes to liabilities for incurred claims	-	-	(17,019,824)	(3,925,138)	(20,944,962)
Insurance service result	(177,686,471)	5,021,356	283,306,786	1,314,250	111,955,921
Insurance finance expenses	-	-	235,527	8,226	243,753
Total changes in the statement of profit or loss	(177,686,471)	5,021,356	283,542,313	1,322,476	112,199,674
Cash flows					
Premiums received	151,040,698	-	-	-	151,040,698
Claims and other expenses	-	-	(245,678,915)	-	(245,678,915)
Insurance acquisition cash flows	(24,220,529)	-	-	-	(24,220,529)
Total cash flows	126,820,169	-	(245,678,915)	-	(118,858,746)
Net insurance contract liabilities as at 31 December	(155,567,782)	11,986,139	191,257,483	6,679,033	54,354,873

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		
2023	Excluding loss component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Insurance contract liabilities as at 1 January	**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**
2022 *(restated)*					
Insurance contract liabilities as at 1 January	(4,951,317)	6,260	17,820,298	752,165	13,627,406
Insurance revenue	20,392,802	-	-	-	20,392,802
Insurance service expenses					
Incurred claims and other expenses	-	-	38,491,504	1,254,779	39,746,283
Amortisation of insurance acquisition cash flows	3,057,988	-	-	-	3,057,988
Losses on onerous contracts and reversals	-	25,842	-	-	25,842
Changes to liabilities for incurred claims	-	-	(7,160,105)	(626,014)	(7,786,119)
Insurance service result	23,450,790	25,842	31,331,399	628,765	55,436,796
Insurance finance expenses	-	-	18,720	790	19,510
Total changes in the statement of profit or loss	23,450,790	25,842	31,350,119	629,555	55,456,306
Cash flows					
Premiums received	25,118,520	-	-	-	25,118,520
Claims and other expenses	-	-	(16,436,088)	-	(16,436,088)
Insurance acquisition cash flows	(3,057,988)	-	-	-	(3,057,988)
Total cash flows	22,060,532	-	(16,436,088)	-	5,624,444
Net insurance contract liabilities as at 31 December	40,560,005	32,102	32,734,329	1,381,720	74,708,156

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		
2023	**Excluding loss component AED**	**Loss component AED**	**Estimates of the present value of future cash flows AED**	**Risk adjustment AED**	**Total AED**
Insurance contract liabilities as at 1 January	**(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)**
2022 *(restated)*					
Insurance contract liabilities as at 1 January	(31,146,158)	157,774	52,196,684	2,592,878	23,801,178
Insurance revenue	(101,153,894)	-	-	-	(101,153,894)
Insurance service expenses					
Incurred claims and other expenses	-	-	59,725,529	2,087,781	61,813,310
Amortisation of insurance acquisition cash flows	3,250,557	-	-	-	3,250,557
Losses on onerous contracts and reversals	-	157,510	-	-	157,510
Changes to liabilities for incurred claims	-	-	(10,686,029)	(1,485,663)	(12,171,692)
Insurance service result	(97,903,337)	157,510	49,039,500	602,118	(48,104,209)
Insurance finance expenses	-	-	(113,329)	(3,984)	(117,313)
Total changes in the statement of profit or loss	(97,903,337)	157,510	48,926,171	598,134	(48,221,522)
Cash flows					
Premiums received	84,949,363	-	-	-	84,949,363
Claims and other expenses	-	-	(39,470,873)	-	(39,470,873)
Insurance acquisition cash flows	(3,250,557)	-	-	-	(3,250,557)
Total cash flows	81,698,806	-	(39,470,873)	-	42,227,933
Net insurance contract liabilities as at 31 December	(47,350,689)	315,284	61,651,982	3,191,012	17,807,589

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		
2023	**Excluding loss component AED**	**Loss component AED**	**Estimates of the present value of future cash flows AED**	**Risk adjustment AED**	**Total AED**
Insurance contract liabilities as at 1 January	**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**
2022 *(restated)*					
Insurance contract liabilities as at 1 January	10,360,162	2,187	242,552,594	4,802,605	257,717,548
Insurance revenue	(587,126,874)	-	-	-	(587,126,874)
Insurance service expenses					
Incurred claims and other expenses	-	-	677,877,894	6,483,219	684,361,113
Amortisation of insurance acquisition cash flows	11,602,317	-	-	-	11,602,317
Losses on onerous contracts and reversals	-	16,380	-	-	16,380
Changes to liabilities for incurred claims	-	-	(74,294,851)	(4,611,678)	(78,906,529)
Insurance service result	(575,524,557)	16,380	603,583,043	1,871,541	29,946,407
Insurance finance expenses	-	-	1,229,728	24,349	1,254,077
Total changes in the statement of profit or loss	(575,524,557)	16,380	604,812,771	1,895,890	31,200,484
Cash flows					
Premiums received	599,943,774	-	-	-	599,943,774
Claims and other expenses	-	-	(509,075,880)	-	(509,075,880)
Insurance acquisition cash flows	(11,602,317)	-	-	-	(11,602,317)
Total cash flows	588,341,457	-	(509,075,880)	-	79,265,577
Net insurance contract liabilities as at 31 December	23,177,062	18,567	338,289,485	6,698,495	368,183,609

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		
2023	**Excluding loss component AED**	**Loss component AED**	**Estimates of the present value of future cash flows AED**	**Risk adjustment AED**	**Total AED**
Insurance contract liabilities as at 1 January	**(2,949,384)**	**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**
2022 *(restated)*					
Insurance contract liabilities as at 1 January	(1,645,345)	1,119,970	15,227,862	61,398	14,763,885
Insurance revenue	(10,086,205)	-	-	-	(10,086,205)
Insurance service expenses					
Incurred claims and other expenses	-	-	6,720,906	19,965	6,740,871
Amortisation of insurance acquisition cash flows	490,744	-	-	-	490,744
Losses on onerous contracts and reversals	-	(1,097,777)	-	-	(1,097,777)
Changes to liabilities for incurred claims	-	-	(2,363,405)	(16,735)	(2,380,140)
Insurance service result	(9,595,461)	(1,097,777)	4,357,501	3,230	(6,332,507)
Insurance finance expenses	-	-	77,032	310	77,342
Total changes in the statement of profit or loss	(9,595,461)	(1,097,777)	4,434,533	3,540	(6,255,165)
Cash flows					
Premiums received	8,782,166	-	-	-	8,782,166
Claims and other expenses	-	-	(3,556,988)	-	(3,556,988)
Insurance acquisition cash flows	(490,744)	-	-	-	(490,744)
Total cash flows	8,291,422	-	(3,556,988)	-	4,734,434
Net insurance contract liabilities as at 31 December	(2,949,384)	22,193	16,105,407	64,938	13,243,154

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

	Assets for remaining coverage		Amounts recoverable on incurred claims		
2023	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	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)
Cash flows					
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 liabilities 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)

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)

2022 *(restated)*	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	58,113,217	4,068,090	59,706,451	2,121,989	124,009,747
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	58,113,217	4,068,090	59,706,451	2,121,989	124,009,747
An allocation of reinsurance premiums	(124,709,408)	-	-	-	(124,709,408)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	147,515,912	1,830,344	149,346,256
Changes to amounts recoverable for incurred claims	-	-	10,872,794	(1,304,327)	9,568,467
Amortisation of insurance acquisition cash flows	56,558,538	-	-	-	56,558,538
Losses on onerous contracts and reversals of those losses - net	-	2,677,416	-	-	2,677,416
Net income or expense from reinsurance contracts held	(68,150,870)	2,677,416	158,388,706	526,017	93,441,269
Reinsurance finance income	-	-	(101,437)	(3,606)	(105,043)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(68,150,870)	2,677,416	158,287,269	522,411	93,336,226
Cash flows					
Premiums paid	109,269,506	-	-	-	109,269,506
Reinsurance acquisition cash flows	(56,558,538)	-	-	-	(56,558,538)
Amounts received	-	-	(142,269,910)	-	(142,269,910)
Total cash flows	52,710,968	-	(142,269,910)	-	(89,558,942)
Net reinsurance contract assets as at 31 December	42,673,315	6,745,506	75,723,810	2,644,400	127,787,031
Reinsurance contract assets as at 31 December	42,673,315	6,745,506	75,723,810	2,644,400	127,787,031
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	42,673,315	6,745,506	75,723,810	2,644,400	127,787,031

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

2023	Assets for remaining coverage: Excluding loss recovery component AED	Assets for remaining coverage: Loss component AED	Amounts recoverable on incurred claims: Estimates of the present value of future cash flows AED	Amounts recoverable on incurred claims: Risk adjustment AED	Total AED
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)
Cash flows					
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

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)

2022 *(restated)*	Assets for remaining coverage: Excluding loss recovery component AED	Assets for remaining coverage: Loss component AED	Amounts recoverable on incurred claims: Estimates of the present value of future cash flows AED	Amounts recoverable on incurred claims: Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	972,723	4,738	23,457,722	1,020,569	25,455,752
Reinsurance contract liabilities as at 1 January	-	-	-	-	-
Net reinsurance contract assets	972,723	4,738	23,457,722	1,020,569	25,455,752
An allocation of reinsurance premiums	(15,127,563)	-	-	-	(15,127,563)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	21,383,323	1,124,302	22,507,625
Changes to amounts recoverable for incurred claims	-	-	(2,437,956)	(584,978)	(3,022,934)
Amortisation of insurance acquisition cash flows	4,214,641	-	-	-	4,214,641
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(10,912,922)	-	18,945,367	539,324	8,571,769
Reinsurance finance income	-	-	104,208	4,536	108,744
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(10,912,922)	-	19,049,575	543,860	8,680,513
Cash flows					
Premiums paid	17,563,514	-	-	-	17,563,514
Reinsurance acquisition cash flows	(4,214,641)	-	-	-	(4,214,641)
Amounts received	-	-	(5,444,405)	-	(5,444,405)
Total cash flows	13,348,873	-	(5,444,405)	-	7,904,468
Net reinsurance contract assets as at 31 December	3,408,674	4,738	37,062,892	1,564,429	42,040,733
Reinsurance contract assets as at 31 December	3,408,674	4,738	37,062,892	1,564,429	42,040,733
Reinsurance contract liabilities as at 31 December	-	-	-	-	-
Net reinsurance contract assets as at 31 December	3,408,674	4,738	37,062,892	1,564,429	42,040,733

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

2023	Assets for remaining coverage: Excluding loss recovery component AED	Assets for remaining coverage: Loss component AED	Amounts recoverable on incurred claims: Estimates of the present value of future cash flows AED	Amounts recoverable on incurred claims: Risk adjustment AED	Total 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)
Cash flows					
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

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)

2022 *(restated)*	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	-	152,949	37,620,498	1,936,589	39,710,036
Reinsurance contract liabilities as at 1 January	(29,592,314)	-	-	-	(29,592,314)
Net reinsurance contract assets	(29,592,314)	152,949	37,620,498	1,936,589	10,117,722
An allocation of reinsurance premiums	(92,092,590)	-	-	-	(92,092,590)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	36,359,268	1,418,350	37,777,618
Changes to amounts recoverable for incurred claims	-	-	(3,236,117)	(1,097,252)	(4,333,369)
Amortisation of insurance acquisition cash flows	19,430,347	-	-	-	19,430,347
Losses on onerous contracts and reversals of those losses - net	-	(91,726)	-	-	(91,726)
Net income or expense from reinsurance contracts held	(72,662,243)	(91,726)	33,123,151	321,098	(39,309,720)
Reinsurance finance income	-	-	(67,721)	(2,543)	(70,264)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(72,662,243)	(91,726)	33,055,430	318,555	(39,379,984)
Cash flows					
Premiums paid	93,745,396	-	-	-	93,745,396
Reinsurance acquisition cash flows	(19,430,347)	-	-	-	(19,430,347)
Amounts received	-	-	(26,608,714)	-	(26,608,714)
Total cash flows	74,315,049	-	(26,608,714)	-	47,706,335
Net reinsurance contract assets as at 31 December	(27,939,508)	61,223	44,067,214	2,255,144	18,444,073
Reinsurance contract assets as at 31 December	-	61,223	44,067,214	2,255,144	46,383,581
Reinsurance contract liabilities as at 31 December	(27,939,508)	-	-	-	(27,939,508)
Net reinsurance contract assets as at 31 December	(27,939,508)	61,223	44,067,214	2,255,144	18,444,073

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

2023	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	-	16,181	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**
Cash flows					
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 assets 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**

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)

2022 *(restated)*	Assets for remaining coverage: Excluding loss recovery component AED	Assets for remaining coverage: Loss component AED	Amounts recoverable on incurred claims: Estimates of the present value of future cash flows AED	Amounts recoverable on incurred claims: Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	-	1,754	150,828,374	3,006,159	153,836,287
Reinsurance contract liabilities as at 1 January	(176,542,832)	-	-	-	(176,542,832)
Net reinsurance contract liabilities	(176,542,832)	1,754	150,828,374	3,006,159	(22,706,545)
An allocation of reinsurance premiums	(441,578,100)	-	-	-	(441,578,100)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	456,966,642	4,574,311	461,540,953
Changes to amounts recoverable for incurred claims	-	-	(23,481,945)	(2,996,032)	(26,477,977)
Amortisation of insurance acquisition cash flows	43,522,824	-	-	-	43,522,824
Losses on onerous contracts and reversals of those losses - net	-	14,427	-	-	14,427
Net income or expense from reinsurance contracts held	(398,055,276)	14,427	433,484,697	1,578,279	37,022,127
Reinsurance finance income	-	-	669,979	13,354	683,333
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(398,055,276)	14,427	434,154,676	1,591,633	37,705,460
Cash flows					
Premiums paid	373,749,262	-	-	-	373,749,262
Reinsurance acquisition cash flows	(43,522,824)	-	-	-	(43,522,824)
Amounts received	-	-	(352,783,876)	-	(352,783,876)
Total cash flows	330,226,438	-	(352,783,876)	-	(22,557,438)
Net reinsurance contract liabilities as at 31 December	(244,371,670)	16,181	232,199,174	4,597,792	(7,558,523)
Reinsurance contract assets as at 31 December 2022	-	16,181	232,199,174	4,597,792	236,813,147
Reinsurance contract liabilities as at 31 December 2022	(244,371,670)	-	-	-	(244,371,670)
Net reinsurance contract liabilities as at 31 December	(244,371,670)	16,181	232,199,174	4,597,792	(7,558,523)

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

	Assets for remaining coverage		Amounts recoverable on incurred claims		
2023	**Excluding loss recovery component AED**	**Loss component AED**	**Estimates of the present value of future cash flows AED**	**Risk adjustment AED**	**Total AED**
Reinsurance contract assets as at 1 January	-	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

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)

2022 *(restated)*	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component AED	Loss component AED	Estimates of the present value of future cash flows AED	Risk adjustment AED	Total AED
Reinsurance contract assets as at 1 January	-	991,806	10,713,285	43,515	11,748,606
Reinsurance contract liabilities as at 1 January	(604,574)	-	-	-	(604,574)
Net reinsurance contract assets	(604,574)	991,806	10,713,285	43,515	11,144,032
An allocation of reinsurance premiums	(9,076,494)	-	-	-	(9,076,494)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	4,803,934	15,544	4,819,478
Changes to amounts recoverable for incurred claims	-	-	(1,406,862)	(7,361)	(1,414,223)
Amortisation of insurance acquisition cash flows	1,616,652	-	-	-	1,616,652
Losses on onerous contracts and reversals of those losses - net	-	-	-	-	-
Net income or expense from reinsurance contracts held	(7,459,842)	-	3,397,072	8,183	(4,054,587)
Reinsurance finance income	-	-	45,526	185	45,711
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of profit or loss	(7,459,842)	-	3,442,598	8,368	(4,008,876)
Cash flows					
Premiums paid	7,983,752	-	-	-	7,983,752
Reinsurance acquisition cash flows	(1,616,652)	-	-	-	(1,616,652)
Amounts received	-	-	(1,314,207)	-	(1,314,207)
Total cash flows	6,367,100	-	(1,314,207)	-	5,052,893
Net reinsurance contract assets as at 31 December	(1,697,316)	991,806	12,841,676	51,883	12,188,049
Reinsurance contract assets as at 31 December	-	991,806	12,841,676	51,883	13,885,365
Reinsurance contract liabilities as at 31 December	(1,697,316)	-	-	-	(1,697,316)
Net reinsurance contract assets as at 31 December	(1,697,316)	991,806	12,841,676	51,883	12,188,049

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 2023.

Gross Insurance contract liabilities at 31 December 2023

Restated	2017 and prior AED	2018 AED	2019 AED	2020 AED	2021 AED	2022 AED	2023 AED	Total AED
At the end of each reporting year	-	331,369,154	739,736,964	666,481,817	750,668,028	903,177,754	1,105,364,807	4,496,798,524
One year later	-	306,213,542	712,914,545	636,827,477	777,802,856	900,711,657	-	3,334,470,077
Two years later	-	303,865,934	711,631,865	679,508,367	769,360,376	-	-	2,464,366,542
Three years later	-	294,784,581	721,116,688	647,798,338	-	-	-	1,663,699,607
Four years later	-	299,812,278	718,080,039	-	-	-	-	1,017,892,317
Five years later	-	183,793,338	-	-	-	-	-	183,793,338
Estimate of cumulative claims	610,700,517	183,793,338	718,080,039	647,798,338	769,360,376	900,711,657	1,105,364,807	4,935,809,072
Cumulative payments to date	(603,991,170)	(183,104,095)	(716,885,832)	(640,267,056)	(741,603,333)	(841,250,360)	(648,478,375)	(4,375,580,221)
	6,709,347	689,243	1,194,207	7,531,282	27,757,043	59,461,297	456,886,432	560,228,851
Unallocated loss adjustment expense reserve								8,040,204
Claims payable								113,939,838
Total gross undiscounted liabilities for incurred claims								682,208,893
Attributable expenses								68,232,066
Effect of discounting								(21,445,631)
Total discounted gross reserves included in the consolidated statement of financial position								728,995,328
Risk Adjustments								19,270,062
Total gross liabilities for incurred claims								748,265,390

10. Other receivables

	2023 AED	2022 AED
Staff receivables	**3,421,499**	4,563,957
Rent receivable	**21,887,258**	21,357,866
Prepayments and others	**12,899,968**	10,138,946
	38,208,725	36,060,769

11. Bank balances and cash

	2023 AED	2022 AED
Cash on hand	**106,100**	117,540
Bank balances:		
Current accounts	**56,218,276**	40,436,240
Call accounts	**1,627,854**	1,785,189
Margin deposits	**1,089,390**	965,000
Fixed deposits	**256,689,378**	268,525,806
Bank balances and cash	**315,730,998**	311,829,775
Less: Deposits under lien (Note 15)	**(198,882,934)**	(140,050,833)
Less: Deposits with original maturity of more than three months	**(42,806,444)**	(128,474,973)
Less: Margin deposits	**(1,089,390)**	(965,000)
Cash and cash equivalents	72,952,230	42,338,969

The interest rate on fixed deposits with banks ranges from 3% to 5.80% (2022: 1.90% to 5.55%) per annum. All fixed deposits are held in local banks in the United Arab Emirates.

12. Share capital

	2023 AED	2022 AED
Authorised, issued and fully paid:		
250 million ordinary shares of AED 1 each (2022: 250 million ordinary shares of AED 1 each)	**250,000,000**	250,000,000

13. Reserves

13.1 Statutory reserve

In accordance with UAE Federal 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 (2022: 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 and approved by the Shareholders at the Annual General Meeting. The reserve is distributable based on a recommendation by the Board of Directors, approved by a Shareholders' resolution. No transfers were approved by the Board of Directors for the years ended 31 December 2023 and 31 December 2022.

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 4,076,657 (2022: 3,399,738) 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:

	2023 AED	2022 AED
Balance at the beginning of the year	**41,822,684**	39,787,312
Amounts charged during the year	**2,439,778**	3,283,757
Amounts paid during the year	**(1,143,983)**	(1,248,385)
	43,118,479	41,822,684

15. Bank borrowings

	2023 AED	2022 AED
Bank overdrafts	**120,232,272**	96,927,784
Term loans	**158,750,666**	124,203,923
	278,982,938	221,131,707

The bank borrowings are repayable as follows:

	2023	2022
On demand or within one year	**181,103,738**	202,798,374
In the second year	**11,214,000**	10,000,000
In the third and subsequent years	**86,665,200**	8,333,333
	278,982,938	221,131,707
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(181,103,738)**	(202,798,374)
Amount due for settlement after 12 months (shown under non-current liabilities)	**97,879,200**	18,333,333

Bank overdrafts are repayable on demand and carry out interest rates ranging from CSAF plus 0.5% to 2.5% plus 3 months EIBOR (2022: 2.35% to 3.25% plus 3 months EIBOR) per annum.

15. Bank borrowings (continued)

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

	Note	Maturity	**2023 AED**	2022 AED
Loan 1	(i)	31 October 2025	**18,333,333**	28,333,333
Loan 2	(ii) & (v)	-	-	32,470,590
Loan 3	(iii)	2 February 2028	**20,833,000**	12,500,000
Loan 4	(iv) & (v)	-	-	50,900,000
Loan 5	(v)	30 June 2028	**57,960,000**	-
Loan 6	(vi)	31 December 2026	**50,000,000**	-
Loan 7	(vii)	28 February 2025	**9,333,333**	-
Loan 8	(viii)	2 February 2024	**416,000**	-
Loan 9	(ix)	8 March 2024	**1,875,000**	-
			158,750,666	124,203,923

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 276,000,000 was obtained in November 2014 to refinance original facility and expend additional borrowing to be repaid on quarterly instalment of AED 8,117,647 till June 2023 with interest rate of 2.35% plus EIBOR rate paid every 3 months. In July 2023, the outstanding loan was restructured to Loan 5 amounting to AED 63,000,000.

(iii) 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.

(iv) Bank loan for the amount of AED 75,000,000 was obtained in August 2019. AED 2,600,000 is to be repaid on four quarterly instalments of AED 650,000 commencing from November 2019, AED 5,500,000 is to be repaid on five quarterly instalments of AED 1,100,000 commencing from November 2020, AED 7,200,000 is to be repaid on four quarterly instalments of AED 1,800,000 commencing from February 2021, AED 8,800,000 is to be repaid on four quarterly instalments of AED 2,200,000 commencing from February 2022, AED 28,400,000 is to be repaid on two quarterly instalments of AED 14,200,000 commencing from February 2023, whereas the remaining amount of AED 22,500,000 is to be repaid in one installment on August 2023 and bears interest rate of 2.35% plus 3 month EIBOR. In July 2023 the loan was restructured to Loan 5 amounting to AED 63,000,000.

(v) 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.

15. Bank borrowings (continued)

(vi) 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%).

(vii) 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.

(viii) 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.

(ix) 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.

At 31 December 2023, bank borrowings were secured by lien on fixed deposits amounting to AED 198.8 million (2022: AED 140.1 million) (Note 11), mortgage of investment properties with fair value of AED 847.8 million (2022: AED 842.5 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 the has been reclassified from non-current to current potion accordingly.

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

	2023 AED	2022 AED
Current portion	**181,103,738**	202,798,374
Non-current portion	**97,879,200**	18,333,333
	278,982,938	221,131,707

16. Lease Liabilities

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

	2023 AED	2022 AED
Current	**4,435,857**	4,304,714
Non-current	**2,444,541**	4,977,083
	6,880,398	9,281,797

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).

Right of use asset	**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	24	2 to 3 years	2 years	24	24

16. Lease Liabilities (continued)

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

	2023 AED	2022 AED
Balance at January 1,	**9,281,797**	5,237,612
Additions/ remeasurement	**2,841,817**	7,873,405
Termination	**(803,807)**	-
Interest charge during the year	**372,384**	650,822
Payment of lease liabilities during the year	**(4,811,793)**	(4,480,042)
Balance at December 31,	**6,880,398**	9,281,797

The incremental borrowing rate used for lease liabilities is 4% (2022: 4%). Future minimum lease payments at December 31, 2023 were as follows:

	Minimum lease payments due		
	Within 1 year AED	1-3 year AED	Total AED
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**
December 31, 2022			
Lease payments	4,597,623	5,113,878	9,711,501
Finance charges	(292,909)	(136,795)	(429,704)
Net present value	4,304,714	4,977,083	9,281,797

17. Other payables

	2023 AED	2022 AED
Rent received in advance	**13,728,274**	7,880,980
Accrued expenses and other payables	**18,498,245**	16,413,758
Due to employees	**15,668,588**	14,485,349
	47,895,107	38,780,087

18. Investment and other income

	2023 AED	2022 AED
Interest income on deposits	**12,308,056**	6,692,200
Dividend from investments	**3,324,127**	2,764,085
Change in fair value of investment properties (Note 6)	**2,741,344**	1,041,518
Income from investment properties (Note 6)	**24,192,089**	22,740,623
Gain on cancellation of lease	**56,021**	-
Other income	**139,308**	191,468
	42,760,945	33,429,894

19. Insurance revenue

2023	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
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
2022 (Restated)						
Contract measured under PAA						
Insurance contract issued	201,907,000	(20,392,802)	101,153,894	587,126,874	10,086,205	879,881,171

20. Insurance service expense

2023	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
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
2022 (Restated)						
Contract measured under PAA						
Incurred claims and other expenses	305,565,998	39,746,283	61,813,310	684,361,113	6,740,871	1,098,227,575
Changes to liabilities for incurred claims	(20,944,962)	(7,786,119)	(12,171,692)	(78,906,529)	(2,380,140)	(122,189,442)
Amortization of insurance acquisition cash flows	24,220,529	3,057,988	3,250,557	11,602,317	490,744	42,622,135
Losses on onerous contracts and reversals of those losses - net	5,021,356	25,842	157,510	16,380	(1,097,777)	4,123,311
	313,862,921	35,043,994	53,049,685	617,073,281	3,753,698	1,022,783,579

21. Net (expense)/ income from reinsurance contracts held

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
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)
2022 (Restated)						
Allocation of reinsurance premiums	(124,709,408)	(15,127,563)	(92,092,590)	(441,578,100)	(9,076,494)	(682,584,155)
Amounts recoverable from reinsurance for incurred claims						
Amounts recoverable for incurred claims	149,346,256	22,507,625	37,777,618	461,540,953	4,819,478	675,991,930
Changes to amounts recoverable for incurred claims	9,568,467	(3,022,934)	(4,333,369)	(26,477,977)	(1,414,223)	(25,680,036)
Amortization of insurance acquisition cash flows	56,558,538	4,214,641	19,430,347	43,522,824	1,616,652	125,343,002
Losses on onerous contracts and reversals of those losses - net	2,677,416	-	(91,726)	14,427	-	2,600,117
	218,150,677	23,699,332	52,782,870	478,600,227	5,021,907	778,255,013
Net income/ (expense) from reinsurance contracts held	93,441,269	8,571,769	(39,309,720)	37,022,127	(4,054,587)	95,670,858

22. Net insurance financial result

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
2023						
Insurance finance expenses 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**
2022 (Restated)						
Insurance finance expense from insurance contracts issued	(243,753)	(19,510)	117,313	(1,254,077)	(77,342)	(1,477,369)
Reinsurance finance income from reinsurance contracts held	(105,043)	108,744	(70,264)	683,333	45,711	662,481

23. General and administrative expenses

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

	2023 AED	2022 AED
Staff costs	**37,599,792**	36,670,335
Government and regulatory fees	**7,120,829**	9,688,351
Professional fees	**7,890,782**	4,478,048
Depreciation of property and equipment (note 5)	**4,990,052**	4,367,972
Insurance	**4,226,644**	3,229,006
Communication, transportation and utilities	**2,690,870**	2,124,391
Bank charges	**1,759,274**	1,138,829
Director's Remuneration (note 32)	**1,800,000**	1,050,000
Repairs and maintenance	**147,373**	759,669
Other expenses	**6,798,864**	6,457,298
	75,024,480	69,963,899

General and administrative expenses amounting to AED 68,232,158 (2022: AED 62,545,002) is allocated to the underwriting activities, excluding the director's remuneration and management expenses, which is fully unallocated. Unallocated portion is amounting to AED 6,792,322 (2022: AED 7,418,897).

24. Basic and diluted loss per share

	2023	2022
Loss for the year (in AED)	**(132,762,469)**	(33,872,490)
Number of outstanding shares	**250,000,000**	250,000,000
Basic and diluted loss per share (in AED)	**(0.53)**	(0.14)

Basic loss per share has been calculated by dividing the loss for the year by the number of shares outstanding at the end of the reporting period. Diluted loss per share as of 31 December 2023 and 31 December 2022 are equivalent to basic loss per share as the Group did not issue any new instrument that would impact earnings per share 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:

	2023 AED	2022 AED
Due from policyholders	**6,551,395**	5,458,181
Gross outstanding claims	**418,763**	997,311

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.

25. Related party transactions (continued)

Transactions:

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

	2023 AED	2022 AED
Gross premium	**5,195,331**	1,802,088
Claims paid	**4,511,245**	272,241

Compensation of board of directors/key management personnel

	2023 AED	2022 AED
Short-term benefits	**4,547,784**	4,612,784
Long-term benefits	**305,950**	310,750
Board of directors' remuneration	**1,800,000**	1,050,000

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.

	2023 AED	2022 AED
Commitments		
Letters of guarantee	**118,963,721**	118,382,968

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.

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:

		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**
	525,221,906	**(113,421,344)**	**411,800,562**

		2022 (Restated)	
	Gross AED	Reinsurance AED	Net AED
Motor	54,354,873	(127,787,031)	(73,432,158)
Marine	74,708,156	(42,040,733)	32,667,423
FGA	17,807,589	(18,444,073)	(636,484)
Medical	368,183,609	7,558,523	375,742,132
Life	13,243,154	(12,188,049)	1,055,105
	528,297,381	(192,901,363)	335,396,018

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.

	2023		2022 (Restated)	
	Gross loss ratio	**Net loss ratio**	Gross loss ratio	Net loss ratio
Type of risk				
Motor	**125%**	**149%**	128%	125%
Marine	**11%**	**51%**	58%	36%
FGA	**8%**	**59%**	49%	84%
Medical	**98%**	**101%**	100%	101%
Life	**32%**	**22%**	39%	21%

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:

	2023	2022
	AED	AED
Impact of change in loss ratio by +/- 1%		
Motor	**1,847,765**	1,066,640
Marine	**64,296**	60,641
FGA	**51,192**	85,477
Medical	**2,106,871**	1,475,486
Life	**2,926**	3,390

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. [Yesterday 03:47 pm] Adil Ansari - Grant Thornton
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 139.5 million for the year ended 31 December 2023 (2022: loss of AED 47.2 million). The Group does not foresee any major impact from insurance operations to the Group's results and 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 33% (2022: 28%) 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 31.9 million (2022: AED 125.3 million). These commissions arise primarily from the reinsurance placements and are a recurring source of income.

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.

2023	**Change in assumptions**	**Impact on net profit gross of reinsurance AED**	**Impact on net profit net of reinsurance AED**	**Impact on equity gross of reinsurance AED**	**Impact on equity net of reinsurance AED**
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)**
2022					
Liability for Incurred claims	+10%	(64,003,868)	(23,815,287)	(64,003,868)	(23,815,287)
Risk adjustment	+10%	1,877,354	717,665	1,877,354	717,665
Discount rate	+1%	4,261,097	2,017,369	4,261,097	2,017,369
Liability for Incurred claims	-10%	64,003,868	23,813,659	64,003,868	23,813,659
Risk adjustment	-10%	(1,877,354)	(717,665)	(1,877,354)	(717,665)
Discount rate	-1%	(3,137,215)	(1,127,478)	(3,137,215)	(1,127,478)

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 (previously UAE Federal Law No. 6 of 2007, as amended), concerning Financial Regulations of Insurance Companies issued by the Central Bank of United Arab Emirates and regulation of its operations;
- 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.

28. Capital risk management (continued)

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

	2023 AED	2022 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:

	2023 AED	2022 AED
Minimum Capital Requirement (MCR)	**100,000,000**	100,000,000
Solvency Capital Requirement (SCR)	**296,743,776**	253,690,972
Minimum Guarantee Fund (MGF)	**101,603,494**	84,563,657
Basic Own Funds	**100,000,000**	208,030,093
Ancillary Own Funds	**63,769,523**	103,200,000
MCR Solvency Margin – Surplus	**-**	108,030,093
SCR Solvency Margin – (Deficit)/ surplus	**(164,859,015)**	5,939,121
MGF Solvency Margin - Surplus	**30,281,268**	175,066,436

As of 31 December 2023, the Group has a deficit in the Solvency Margin Requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 164,859,015. 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:

	2023 AED	2022 AED
Debt (i)	**278,982,938**	221,131,707
Bank balances and cash (ii)	**(325,730,998)**	(321,829,775)
	(46,748,060)	(100,698,068)
Equity (iii)	**496,551,620**	628,063,259
Net debt to equity ratio	**(0.09)**	(0.16)

(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.

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 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
Reinsurance contract assets	422,203,950	-	422,203,950
Insurance contract assets	12,462,413	-	12,462,413
Other receivables	38,208,726	-	38,208,726
Cash at banks	315,624,898	-	315,624,898
Total financial assets	798,499,987	59,567,189	858,067,176

	At amortised cost AED
Financial liabilities	
Provision for employees' end of service indemnity	43,118,479
Bank borrowings	278,982,938
Lease liabilities	6,880,398
Insurance contract liabilities	525,221,906
Reinsurance contract liabilities	308,782,606
Other payables	47,895,107
Total financial liabilities	1,210,881,434

31 December 2022

	Amortised cost AED	FVTOCI AED	Total AED
Financial assets			
Financial assets carried at FVTOCI	-	58,259,180	58,259,180
Statutory deposits	10,000,000	-	10,000,000
Reinsurance contract assets	466,909,857	-	466,909,857
Other receivables	36,060,769	-	36,060,769
Cash at banks	311,712,235	-	311,712,235
Total financial assets	824,682,861	58,259,180	882,942,041

29. Financial instruments (continued)

29.2 Categories of financial instruments (continued)

	At amortised cost AED
Financial liabilities	
Provision for employees' end of service indemnity	41,822,684
Bank borrowings	221,131,707
Lease liabilities	9,281,797
Insurance contract liabilities	528,297,381
Reinsurance contract liabilities	274,008,494
Other payables	38,780,087
Total financial liabilities	1,113,322,150

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 2022.

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 31 December 2023 AED**	31 December 2022 AED	**Fair value hierarchy**	**Valuation techniques and key inputs**	**Significant unobservable input**	**Relationship of unobservable inputs to fair value**
Quoted equity securities	**56,089,091**	54,781,082	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.
	59,567,189	58,259,180				

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 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**
	56,089,091	**-**	**851,328,098**	**907,417,189**

31 December 2022

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTOCI				
Quoted equities	54,781,082	-	-	54,781,082
Unquoted equities	-	-	3,478,098	3,478,098
Investment properties	-	-	842,562,500	842,562,500
	54,781,082	-	846,040,598	900,821,680

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

31 December 2023	**Opening balance AED**	**Additions/ Disposal AED**	**Change in fair value AED**	**Closing balance AED**
Investment properties	**842,562,500**	**2,546,156**	**2,741,344**	**847,850,000**
Financial assets at FVTOCI				
Unquoted equities	**3,478,098**	**-**	**-**	**3,478,098**
31 December 2022				
Investment properties	836,553,000	4,967,982	1,041,518	842,562,500
Financial assets at FVTOCI				
Unquoted equities	3,478,098	-	-	3,478,098

There were no transfers between the levels during the year.

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.

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:

	Notes	2023 AED	*Restated* 2022 AED
Financial assets carried at FVTOCI	7	**59,567,189**	58,259,180
Statutory deposits	8	**10,000,000**	10,000,000
Reinsurance contract assets	9	**422,203,950**	466,909,857
Insurance contract assets	9	**12,462,413**	-
Other receivables	10	**38,208,726**	36,060,769
Cash at banks	11	**315,624,898**	311,712,235
Total credit risk exposure		858,067,176	882,942,041

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:

	2023 AED	2022 AED
Inside UAE	**379,616,818**	344,231,104
Outside UAE	**16,482,577**	26,879,872

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 relatedentities. 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:

	2023 AED	2022 AED
AAA	-	-
AA	-	-
A	**64,521,941**	54,498,405
BBB	**251,081,526**	257,192,401
BB	-	-
B	-	-
Unrated	**21,431**	21,429
	315,624,898	311,712,235

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 2023				
Financial assets				
Financial assets carried at FVTOCI	-	59,567,189	-	59,567,189
Statutory deposits	-	-	10,000,000	10,000,000
Reinsurance contract assets	422,203,950	-	-	422,203,950
Insurance contract assets	12,462,413	-	-	12,462,413
Cash at banks	315,624,898	-	-	315,624,898
Other receivables	38,208,726	-	-	38,208,726
	788,499,987	59,567,189	10,000,000	858,067,176
Financial liabilities				
Provision for employees' end of service indemnity	-	43,118,479	-	43,118,479
Bank borrowings	181,103,738	97,879,200	-	278,982,938
Lease liabilities	4,435,857	2,444,541	-	6,880,398
Insurance contract liabilities	525,221,906	-	-	525,221,906
Reinsurance contract liabilities	308,782,606	-	-	308,782,606
Other payables	47,895,107	-	-	47,895,107
	1,067,439,214	143,442,220	-	1,210,881,434

29. Financial instruments (continued)

29.7 Liquidity risk (continued)

	Within 1 year AED	1 year to 5 years AED	More than 5 years AED	Total AED
31 December 2022				
Financial assets				
Financial assets carried at FVTOCI	-	58,259,180	-	58,259,180
Statutory deposits	-	-	10,000,000	10,000,000
Reinsurance contract assets	466,909,857	-	-	466,909,857
Cash at banks	311,712,235	-	-	311,712,235
Other receivables	36,060,769	-	-	36,060,769
	814,682,861	58,259,180	10,000,000	882,942,041
Financial liabilities				
Provision for employees' end of service indemnity	-	41,822,684	-	41,822,684
Bank borrowings	202,798,374	18,333,333	-	221,131,707
Lease liabilities	4,304,714	4,977,083	-	9,281,797
Insurance contract liabilities	528,297,381	-	-	528,297,381
Reinsurance contract liabilities	274,008,494	-	-	274,008,494
Other payables	38,780,087	-	-	38,780,087
	1,048,189,050	65,133,100	-	1,113,322,150

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% to 5.80% per annum (2022: 1.90% to 5.55% 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 (2022: 2.35% to 3.25% 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 2023 and equity as at 31 December 2023 would increase by AED 1,381,329 (2022: increase by AED 1,091,908).

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 5.9 million (2022: AED 5.8 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.

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:*

	2023			2022 (Restated)		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets	434,666,363	1,185,993,825	1,620,660,188	466,909,857	1,190,705,352	1,657,615,209
Unallocated assets	-	-	99,235,279	-	-	83,770,200
Total	434,666,363	1,185,993,825	1,719,895,467	466,909,857	1,190,705,352	1,741,385,409
Segment liabilities	846,466,925	172,478,941	1,018,945,866	802,305,875	132,084,903	934,390,778
Unallocated liabilities	-	-	204,397,981	-	-	178,931,372
Total	846,466,925	172,478,941	1,223,343,847	802,305,875	132,084,903	1,113,322,150

30. Segment information (continued)

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

2023

	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)

2022 (Restated)

	Underwriting						Investments	Total
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED	AED	AED
Insurance revenue	201,907,000	(20,392,802)	101,153,894	587,126,874	10,086,205	879,881,171		879,881,171
Insurance service expenses	(313,862,921)	(35,043,994)	(53,049,685)	(617,073,281)	(3,753,698)	(1,022,783,579)		(1,022,783,579)
Net income from reinsurance contracts held	93,441,269	8,571,769	(39,309,720)	37,022,127	(4,054,587)	95,670,858		95,670,858
Net insurance financial result	(348,796)	89,234	47,049	(570,744)	(31,631)	(814,888)		(814,888)
Segment result	(18,863,448)	(46,775,793)	8,841,538	6,504,976	2,246,289	(48,046,438)	33,429,894	(14,616,544)
Unallocated costs								(19,255,946)
Loss for the year								(33,872,490)

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 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**

31 December 2022	**Life Insurance AED**	**Fund Accumulation AED**	**Medical Insurance AED**	**Property & Liability AED**	**All types of Business Combined AED**
Direct written premiums	10,483,837	-	606,422,288	318,326,394	935,232,519
Assumed business					
Foreign	-	-	-	-	-
Local	-	-	-	7,579,642	7,579,642
Total assumed business	-	-	-	7,579,642	7,579,642
Gross written premiums	10,483,837	-	606,422,288	325,906,036	942,812,161

32. Dividend and Director's remuneration

The board of directors in its meeting held on 29 March 2024 has not proposed dividend in respect of the year ended December 31, 2023 (2022: AED nil) for approval of the members at the Annual General Meeting. Further, Shareholders also approved Board of Directors remuneration of AED 1,800,000 for 2023 (2022: AED 1,050,000).

33. Corporate tax

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

The Cabinet of Ministers Decision No. 116/2022 effective from 2023, specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000.

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

34. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and authorized for issue on 29 March 2024.

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 2023.