

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Table of contents

	Page
Report on review of the condensed interim consolidated financial information	1
Condensed interim consolidated statement of financial position	2
Condensed interim consolidated statement of profit or loss	3
Condensed interim consolidated statement of other comprehensive income	4
Condensed interim consolidated statement of changes in shareholders' equity	5
Condensed interim consolidated statement of cash flows	6
Notes to the condensed interim consolidated financial information	7

Report on review of the condensed interim consolidated financial information To the Board of Directors of Al Buhaira National Insurance Company P.S.C. and its Subsidiary

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Al Buhaira National Insurance Company P.S.C. (the "Company") and its subsidiary (collectively referred to as "the Group") as at 30 September 2024, and the related condensed interim consolidated statements of profit or loss, other comprehensive income for the three-month and nine-month periods then ended, and condensed interim consolidated statement of changes in shareholder's equity and condensed interim consolidated statement of cash flows for the nine-month period then ended and material accounting policy information and other related explanatory notes.

Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 ("IAS 34") *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

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

Emphasis of Matter

We draw attention to note 25 to the condensed interim consolidated financial information, the Group has a deficit in the Solvency Margin Requirements and Minimum Guarantee Fund Requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 264,954,459 and AED 12,301,808 respectively. Our conclusion is not modified in respect of this matter.

Conclusion

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

GRANT THORNTON UAE

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




13 November 2024

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of financial position
As at 30 September 2024

		(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
	Notes		
ASSETS			
Property and equipment	4	10,866,114	13,872,192
Investment properties	5	847,850,000	847,850,000
Investments in securities at FVTOCI	6	53,697,536	59,567,189
Statutory deposit	7	10,000,000	10,000,000
Insurance contract assets	8	40,084,673	12,462,413
Reinsurance contract assets	8	586,844,933	422,203,950
Other receivables	9	49,218,970	38,208,725
Bank balances and cash	10	428,951,869	315,730,998
TOTAL ASSETS		2,027,514,095	1,719,895,467
EQUITY AND LIABILITIES			
Equity			
Share capital	11	250,000,000	250,000,000
Statutory reserve		122,126,377	122,126,377
Voluntary reserve		200,000,000	200,000,000
Reinsurance reserve		18,563,863	14,293,181
Cumulative changes in fair value		(21,558,674)	(15,689,021)
Accumulated losses		(112,978,831)	(74,178,917)
Total Equity		456,152,735	496,551,620
Liabilities			
Provision for employees' end of service indemnity		45,340,295	43,118,479
Bank borrowings	12	362,902,310	278,982,938
Lease liabilities	13	3,570,167	6,880,398
Insurance contract liabilities	8	759,403,096	537,684,319
Reinsurance contract liabilities	8	337,201,499	308,782,606
Other payables		62,943,993	47,895,107
Total liabilities		1,571,361,360	1,223,343,847
TOTAL EQUITY AND LIABILITIES		2,027,514,095	1,719,895,467


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



The accompanying notes from 1 to 27 form an integral part of this condensed interim consolidated financial information.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of profit or loss
For the nine-month period ended 30 September 2024

	Notes	(Unaudited) Three-month period ended 30 September 2024 AED	(Unaudited) Three-month period ended 30 September 2023 AED	(Unaudited) Nine-month period ended 30 September 2024 AED	(Unaudited) Nine-month period ended 30 September 2023 AED
Insurance revenue	14	381,525,847	316,615,983	1,065,712,667	883,284,965
Insurance service expenses	15	(307,168,608)	(319,388,865)	(1,125,757,352)	(900,841,760)
Insurance service result before reinsurance contracts held		74,357,239	(2,772,882)	(60,044,685)	(17,556,795)
Allocation of reinsurance premiums	16	(252,544,117)	(217,417,251)	(677,776,157)	(621,474,048)
Amounts recoverable from reinsurance for incurred claims	16	157,421,311	170,393,035	699,426,048	551,437,793
Net income / (loss) from reinsurance contracts held		(95,122,806)	(47,024,216)	21,649,891	(70,036,255)
Insurance service result		(20,765,567)	(49,797,098)	(38,394,794)	(87,593,050)
Investment and other income		8,677,736	9,227,715	33,669,936	28,871,841
Insurance finance expense for insurance contracts issued	17	(3,850,963)	(3,564,693)	(18,896,728)	(20,307,843)
Reinsurance finance income for reinsurance contracts held	17	1,486,715	1,526,077	10,111,754	11,644,911
Net insurance financial result		(2,364,248)	(2,038,616)	(8,784,974)	(8,662,932)
Net insurance and investment results		(14,452,079)	(42,607,999)	(13,509,832)	(67,384,141)
General and administrative expenses		(1,718,651)	(2,023,348)	(4,018,040)	(5,228,618)
Finance costs		(7,001,475)	(4,605,492)	(16,838,839)	(12,324,016)
Finance costs – lease		(43,140)	(67,912)	(162,521)	(235,859)
Loss before tax		(23,215,345)	(49,304,751)	(34,529,232)	(85,172,634)
Income tax expense	18	-	-	-	-
Loss after tax		(23,215,345)	(49,304,751)	(34,529,232)	(85,172,634)
Basic and diluted loss per share	19	(0.09)	(0.20)	(0.14)	(0.34)

The accompanying notes from 1 to 27 form an integral part of this condensed interim consolidated financial information.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of other comprehensive income
For the nine-month period ended 30 September 2024

	(Unaudited) Three-month period ended 30 September 2024 AED	(Unaudited) Three-month period ended 30 September 2023 AED	(Unaudited) Nine-month period ended 30 September 2024 AED	(Unaudited) Nine-month period ended 30 September 2023 AED
Loss for the period	<u>(23,215,345)</u>	<u>(49,304,751)</u>	<u>(34,529,232)</u>	<u>(85,172,634)</u>
Other comprehensive income / (loss)				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Change in fair value of investments carried at FVTOCI	2,761,677	2,488,670	(5,869,653)	4,096,491
Gain on sale of investments carried at FVTOCI	-	-	-	276,398
Other comprehensive income / (loss) for the period	<u>2,761,677</u>	<u>2,488,670</u>	<u>(5,869,653)</u>	<u>4,372,889</u>
Total comprehensive loss for the period	<u>(20,453,668)</u>	<u>(46,816,081)</u>	<u>(40,398,885)</u>	<u>(80,799,745)</u>

The accompanying notes from 1 to 27 form an integral part of this condensed interim consolidated financial information.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of changes in equity
For the nine-month period ended 30 September 2024

	Share capital AED	Statutory reserve AED	Voluntary reserve AED	Reinsurance reserve AED	Cumulative changes in fair value AED	(Accumulated losses)/ retained earnings AED	Total AED
Balance as at 1 January 2023 (Audited)	250,000,000	122,126,377	200,000,000	10,216,524	(16,663,453)	62,383,811	628,063,259
Loss for the period	-	-	-	-	-	(85,172,634)	(85,172,634)
Other comprehensive income for the period	-	-	-	-	4,372,889	-	4,372,889
Total comprehensive loss for the period	-	-	-	-	4,372,889	(85,172,634)	(80,799,745)
Transfer to reinsurance reserve	-	-	-	3,833,118	-	(3,833,118)	-
Transfer to retained earnings on sale of investments at FVTOCI	-	-	-	-	(276,398)	276,398	-
Balance as at 30 September 2023 (Unaudited)	250,000,000	122,126,377	200,000,000	14,049,642	(12,566,962)	(26,345,543)	547,263,514
Balance as at 1 January 2024 (Audited)	250,000,000	122,126,377	200,000,000	14,293,181	(15,689,021)	(74,178,917)	496,551,620
Loss for the period after tax	-	-	-	-	-	(34,529,232)	(34,529,232)
Other comprehensive loss for the period	-	-	-	-	(5,869,653)	-	(5,869,653)
Total comprehensive loss for the period	-	-	-	-	(5,869,653)	(34,529,232)	(40,398,885)
Transfer to reinsurance reserve	-	-	-	4,270,682	-	(4,270,682)	-
Balance as at 30 September 2024 (Unaudited)	250,000,000	122,126,377	200,000,000	18,563,863	(21,558,674)	(112,978,831)	456,152,735

The accompanying notes from 1 to 27 form an integral part of this condensed interim consolidated financial information.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Condensed interim consolidated statement of cash flows
For the nine-month period ended 30 September 2024

	Notes	(Unaudited) Nine-month period ended 30 September 2024 AED	(Unaudited) Nine-month period ended 30 September 2023 AED
OPERATING ACTIVITIES			
Loss for the period before tax		(34,529,232)	(85,172,634)
Adjustments for:			
Depreciation of property and equipment	4	3,623,330	3,566,158
Interest income on deposits		(11,526,486)	(9,065,360)
Dividend income		(2,679,360)	(2,925,785)
Net rental income from investment properties		(19,445,690)	(16,752,680)
Provision for employees' end of service indemnity		3,118,058	5,945,507
Finance costs		17,001,360	12,559,875
Other income		(18,401)	(128,016)
Operating cash flows before changes in working capital		(44,456,421)	(91,972,935)
Change in working capital			
Net reinsurance contract assets		(136,222,090)	44,025,313
Other receivables		(4,740,400)	(10,457,556)
Net insurance contract liabilities		194,096,517	(33,701,135)
Other payables		15,048,886	766,969
Cash generated from / (used in) operating activities		23,726,492	(91,339,344)
Employees' end of service indemnity paid		(896,242)	(813,119)
Net cash generated from / (used in) operating activities		22,830,250	(92,152,463)
INVESTING ACTIVITIES			
Movement in fixed deposits		(61,831,508)	29,604,723
Movement in margin deposits		2,000	-
Purchase of investments in securities at FVTOCI	6	-	(3,089,749)
Proceeds from sale of investments at FVTOCI	6	-	3,032,570
Purchase of property and equipment		(617,252)	(829,497)
Interest received		7,018,849	9,065,360
Dividends received		2,679,360	2,925,785
Net rental income received from investment properties		17,683,482	16,752,680
Other income		18,401	128,016
Net cash (used in) / generated from investing activities		(35,046,668)	57,589,888
FINANCING ACTIVITIES			
Bank borrowings – net		83,919,372	32,493,513
Finance costs paid		(16,838,839)	(12,324,016)
Lease payments		(3,472,752)	(3,448,216)
Net cash generated from financing activities		63,607,781	16,721,281
Net change in cash and cash equivalents		51,391,363	(17,841,294)
Cash and cash equivalents at the beginning of the period		72,952,230	42,338,969
Cash and cash equivalents at the end of the period	20	124,343,593	24,497,675

The accompanying notes from 1 to 27 form an integral part of this condensed interim consolidated financial information.

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

Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information

For the nine-month period ended 30 September 2024

1. General information

Al Buhaira National Insurance Company P.S.C. (the “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 Company is subject to the regulations of UAE Federal Law No. (48) of 2023 (previously Federal Law No. 6 of 2007, as amended), issued by the Central Bank of UAE and is registered in the Insurance Companies Register of the Central Bank of the UAE under registration Number 15.

This condensed interim consolidated financial information has been prepared in accordance with the requirements of the applicable laws and regulations, including UAE Federal Decree Law No. (32) of 2021.

The Company is domiciled and operates in the UAE and its registered address is P.O. Box 6000, Sharjah, United Arab Emirates. The Company’s ordinary shares are listed on the Abu Dhabi Securities Exchange.

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

This condensed interim consolidated financial information comprises the Company and its subsidiary, Al Buhaira Economic Investments Establishment 100% owned by the Company, (together referred to as “the Group”).

On April 16, 2024, the United Arab Emirates experienced an extraordinary bout of heavy rainfall, leading to significant disruptions throughout the country. As a consequence, the Group faced a surge in claims, totalling 2,420 cases and amounting to AED 144 million. Of this total, AED 122.3 million is expected to be recoverable through reinsurance.

2. Basis of preparation

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

This condensed interim consolidated financial information has been prepared on the historical cost basis, except for investment properties, financial assets that have been carried at fair value and the provision for employees’ end of service indemnity which is calculated in line with UAE labour laws.

The Group’s condensed interim consolidated statement of financial position is not presented using a current / non-current classification. However, the following balances would generally be classified as current: cash and cash equivalents, prepayments and other receivables, bank overdrafts, and other payables. The following balances would generally be classified as non-current: property and equipment, investment properties, financial assets at FVTOCI, and statutory deposit. The following balances are of mixed nature (including both current and non-current portions): reinsurance contract assets, insurance contract assets, insurance contract liabilities, reinsurance contract liabilities, leases, fixed deposits and provision for employees’ end of service indemnity.

The accounting policies, presentation and methods in this condensed interim consolidated financial information are consistent with those used in the audited consolidated financial statements for the year ended 31 December 2023.

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary **Condensed interim consolidated financial information (Unaudited)**

Notes to the condensed interim consolidated financial information (continued) **For the nine-month period ended 30 September 2024**

2. Basis of preparation (continued)

2.1 Basis of consolidation

This condensed interim consolidated financial information incorporate the financial information of the Group and 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 consolidated financial information includes:

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.

Al Buhaira National Insurance Company P.S.C. has control over the above entity and derives economic benefits from equity holdings. The Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity via management agreements and accordingly, the entity is consolidated as wholly owned subsidiary in this condensed interim consolidated financial information. Accordingly, the consolidated financial information incorporates 100% of the assets, liabilities, income, and expenses of the above company.

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.

3. Material accounting policy information

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

3.1 Application of new and revised International Financial Reporting Standards (“IFRS”)

Title	Effective date
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024

These standards have been adopted by the Group and did not have a material impact on this condensed interim consolidated financial information.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

3. Material accounting policy information (continued)

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

Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Group.

Title	Effective date
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
IFRS 18 'Presentation and Disclosures in Financial Statements	1 January 2027
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)	1 January 2025
Lack of exchangeability (Amendments to IAS 21)	1 January 2025

These standards, amendments and interpretations are not expected to have a significant impact on the condensed interim consolidated financial information in the period of initial application and therefore no disclosures have been made.

3.2 UAE corporate taxation

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.

For the Group, accounting for current and deferred taxes have become applicable from the period beginning 1 January 2024. Accordingly, management has applied following accounting policies to incorporate the applicable Corporate Tax in accordance with IAS 12 "Income Taxes".

Current

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

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

Deferred taxation

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

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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

3. Material accounting policy information (continued)

3.3 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2023.

3.4 Use of estimates and judgements

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

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2023.

4. Property and equipment

Property and equipment additions during the current period amounted to AED 617,252 (for the year ended 31 December 2023 - audited: AED 3,846,702).

Depreciation charges for the current period amounted to AED 3,623,330 (nine-month period ended 30 September 2023 (unaudited): AED 3,566,158).

There is no disposal for the current period (nine-month period ended 30 September 2023 (audited): AED Nil).

All the property and equipment are located in U.A.E.

5. Investment properties

The fair value of the Group's investment 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. Management estimates that there has been no change in the fair value of the investment properties during the nine-month period ended 30 September 2024.

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 fair value hierarchy as at 30 September 2024 (31 December 2023 (audited): Level 3).

Investment property amounting to AED 847.8 million (31 December 2023 (audited): AED 847.8 million) is mortgaged to a bank (note 12) towards credit facilities granted to the Group.

The rental proceeds from Al Khan, Al Nahda Tower, and Al Buhairah Corniche Tower are assigned to a bank against credit facilities granted to the Group.

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

6. Investment in securities at fair value through other comprehensive income (FVTOCI)

Financial assets carried at fair value through other comprehensive income

The Group's financial investments at the end of reporting period are as follows:

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Quoted – at fair value	50,219,438	56,089,091
Unquoted – at fair value	3,478,098	3,478,098
	<u>53,697,536</u>	<u>59,567,189</u>
In U.A.E	53,697,536	59,567,189
	<u>53,697,536</u>	<u>59,567,189</u>

Movement during the period / year was as follows:

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Fair value at the beginning of the period / year	59,567,189	58,259,180
Purchases during the period / year	-	3,089,749
Disposals during the period / year	-	(3,032,570)
Change in fair value during the period / year	(5,869,653)	1,250,830
Fair value at the end of the period / year	<u>53,697,536</u>	<u>59,567,189</u>

7. 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 (31 December 2023: AED 10 million) as a statutory deposit. This deposit cannot be withdrawn without prior approval of the CBUAE and yields interest rate per annum of 5.40% (31 December 2023: 5.25%).

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts

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

		(Unaudited)			(Audited)		
		30 September 2024			31 December 2023		
	Notes	Assets AED	Liabilities AED	Net AED	Assets AED	Liabilities AED	Net AED
Insurance contracts issued							
Motor	8.1	40,084,673	-	40,084,673	-	279,544	(279,544)
Marine	8.2	-	74,595,192	(74,595,192)	-	62,792,702	(62,792,702)
FGA	8.3	-	23,772,958	(23,772,958)	12,462,413	-	12,462,413
Medical	8.4	-	656,231,535	(656,231,535)	-	466,560,195	(466,560,195)
Life	8.5	-	4,803,411	(4,803,411)	-	8,051,878	(8,051,878)
Total insurance contracts issued		40,084,673	759,403,096	(719,318,423)	12,462,413	537,684,319	(525,221,906)
Reinsurance contracts held							
Motor	8.6	69,253,597	-	69,253,597	32,739,185	59,068,777	(26,329,592)
Marine	8.7	48,525,984	-	48,525,984	30,943,273	-	30,943,273
FGA	8.8	108,890,185	5,067,978	103,822,207	38,671,744	-	38,671,744
Medical	8.9	350,618,861	330,155,182	20,463,679	310,636,944	246,352,553	64,284,391
Life	8.10	9,556,306	1,978,339	7,577,967	9,212,804	3,361,276	5,851,528
Total reinsurance contracts held		586,844,933	337,201,499	249,643,434	422,203,950	308,782,606	113,421,344

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

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

The roll-forward of the net asset or liability for insurance contracts issued, showing the liability for remaining coverage and the liability for incurred claims, is disclosed in the table on the following page.

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.

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 are listed below:

	1 year		3 years		5 years		10 years	
	2024	2023	2024	2023	2024	2023	2024	2023
Liability for Incurred Claims								
AED	4.97%	5.95%	4.42%	4.92%	4.36%	4.69%	4.44%	4.64%
USD	4.25%	5.23%	3.70%	4.19%	3.64%	3.97%	3.72%	3.92%
Liability for reinsurance contracts issued								
AED	4.97%	5.95%	4.42%	4.92%	4.36%	4.69%	4.44%	4.64%
USD	4.25%	5.23%	3.70%	4.19%	3.64%	3.97%	3.72%	3.92%

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA

8.1 Motor

30 September 2024 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
Insurance contract liabilities as at 1 January 2024	(165,152,113)	(2)	159,221,140	6,210,519	279,544
Insurance revenue	(176,217,888)	-	-	-	(176,217,888)
Insurance service expenses					
Incurred claims and other expenses	-	-	303,389,139	4,065,092	307,454,231
Amortisation of insurance acquisition cash flows	14,697,014	-	-	-	14,697,014
Losses on onerous contracts	-	2,420,448	-	-	2,420,448
Changes to liabilities for incurred claims	-	-	(32,704,896)	(4,862,190)	(37,567,086)
Insurance service result	(161,520,874)	2,420,448	270,684,243	(797,098)	110,786,719
Insurance finance expenses	-	-	5,409,296	210,993	5,620,289
Total changes in the statement of comprehensive income	(161,520,874)	2,420,448	276,093,539	(586,105)	116,407,008
Cash flows					
Premiums received	133,029,498	-	-	-	133,029,498
Claims and other expenses	-	-	(275,103,709)	-	(275,103,709)
Insurance acquisition cash flows	(14,697,014)	-	-	-	(14,697,014)
Total cash flows	118,332,484	-	(275,103,709)	-	(156,771,225)
Net insurance contract assets as at 30 September 2024	(208,340,503)	2,420,446	160,210,970	5,624,414	(40,084,673)
31 December 2023 (Audited)	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
Insurance contract liabilities as at 1 January 2023	(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
Reversals of losses on onerous contracts	-	(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 comprehensive income	(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 2023	(165,152,113)	(2)	159,221,140	6,210,519	279,544

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.2 Marine

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
30 September 2024 (Unaudited)	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Insurance contract liabilities as at 1 January 2024	36,008,909	-	25,577,887	1,205,906	62,792,702
Insurance revenue	(23,720,326)	-	-	-	(23,720,326)
Insurance service expenses					
Incurred claims and other expenses	-	-	35,883,256	1,192,889	37,076,145
Amortisation of insurance acquisition cash flows	1,462,439	-	-	-	1,462,439
Losses on onerous contracts	-	28,325	-	-	28,325
Changes to liabilities for incurred claims	-	-	7,729,365	(506,514)	7,222,851
Insurance service result	(22,257,887)	28,325	43,612,621	686,375	22,069,434
Insurance finance expenses	-	-	989,815	46,667	1,036,482
Total changes in the statement of comprehensive income	(22,257,887)	28,325	44,602,436	733,042	23,105,916
Cash flows					
Premiums received	14,645,259	-	-	-	14,645,259
Claims and other expenses	-	-	(24,486,246)	-	(24,486,246)
Insurance acquisition cash flows	(1,462,439)	-	-	-	(1,462,439)
Total cash flows	13,182,820	-	(24,486,246)	-	(11,303,426)
Net insurance contract liabilities as at 30 September 2024	26,933,842	28,325	45,694,077	1,938,948	74,595,192
31 December 2023 (Audited)	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
Insurance contract liabilities as at 1 January 2023	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
Reversals of losses on onerous contracts	-	(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 comprehensive income	(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 2023	36,008,909	-	25,577,887	1,205,906	62,792,702

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.3 FGA

	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
30 September 2024 (Unaudited)	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Insurance contract assets as at 1 January 2024	(59,114,394)	(4)	44,106,839	2,545,146	(12,462,413)
Insurance revenue	(109,768,219)	-	-	-	(109,768,219)
Insurance service expenses					
Incurred claims and other expenses	-	-	102,942,160	4,220,095	107,162,255
Amortisation of insurance acquisition cash flows	2,284,914	-	-	-	2,284,914
Losses on onerous contracts	-	522,432	-	-	522,432
Changes to liabilities for incurred claims	-	-	(7,249,284)	(1,463,915)	(8,713,199)
Insurance service result	(107,483,305)	522,432	95,692,876	2,756,180	(8,511,817)
Insurance finance expenses	-	-	1,544,733	88,456	1,633,189
Total changes in the statement of comprehensive income	(107,483,305)	522,432	97,237,609	2,844,636	(6,878,628)
Cash flows					
Premiums received	77,609,178	-	-	-	77,609,178
Claims and other expenses	-	-	(32,210,265)	-	(32,210,265)
Insurance acquisition cash flows	(2,284,914)	-	-	-	(2,284,914)
Total cash flows	75,324,264	-	(32,210,265)	-	43,113,999
Net insurance contract liabilities as at 30 September 2024	(91,273,435)	522,428	109,134,183	5,389,782	23,772,958
31 December 2023 (Audited)	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
Insurance contract liabilities as at 1 January 2023	(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
Reversals of losses on onerous contracts	-	(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 comprehensive income	(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 2023	(59,114,394)	(4)	44,106,839	2,545,146	(12,462,413)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)

For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.4 Medical

30 September 2024 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
Insurance contract liabilities as at 1 January 2024	39,161,664	-	418,150,419	9,248,112	466,560,195
Insurance revenue	(746,018,687)	-	-	-	(746,018,687)
Insurance service expenses					
Incurred claims and other expenses	-	-	659,178,160	7,296,692	666,474,852
Amortisation of insurance acquisition cash flows	20,389,054	-	-	-	20,389,054
Changes to liabilities for incurred claims	-	-	2,152,767	(6,432,640)	(4,279,873)
Insurance service result	(725,629,633)	-	661,330,927	864,052	(63,434,654)
Insurance finance expenses	-	-	9,984,748	220,830	10,205,578
Total changes in the statement of comprehensive income	(725,629,633)	-	671,315,675	1,084,882	(53,229,076)
Cash flows					
Premiums received	833,659,369	-	-	-	833,659,369
Claims and other expenses	-	-	(570,369,899)	-	(570,369,899)
Insurance acquisition cash flows	(20,389,054)	-	-	-	(20,389,054)
Total cash flows	813,270,315	-	(570,369,899)	-	242,900,416
Net insurance contract liabilities as at 30 September 2024	126,802,346	-	519,096,195	10,332,994	656,231,535
31 December 2023 (Audited)	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
Insurance contract liabilities as at 1 January 2023	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
Reversals of losses on onerous contracts	-	(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 comprehensive income	(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 2023	39,161,664	-	418,150,419	9,248,112	466,560,195

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.5 Life

30 September 2024 (Unaudited)	Liabilities for remaining coverage		Liabilities for incurred claims		Total Unaudited AED
	Excluding loss component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
Insurance contract liabilities as at 1 January 2024	(5,715,407)	1	13,706,896	60,388	8,051,878
Insurance revenue	(9,987,547)	-	-	-	(9,987,547)
Insurance service expenses					
Incurred claims and other expenses	-	-	10,413,086	15,759	10,428,845
Amortisation of insurance acquisition cash flows	368,190	-	-	-	368,190
Changes to liabilities for incurred claims	-	-	(1,650,975)	(23,510)	(1,674,485)
Insurance service result	(9,619,357)	-	8,762,111	(7,751)	(864,997)
Insurance finance expenses	-	-	399,430	1,760	401,190
Total changes in the statement of comprehensive income	(9,619,357)	-	9,161,541	(5,991)	(463,807)
Cash flows					
Premiums received	7,031,651	-	-	-	7,031,651
Claims and other expenses	-	-	(9,448,121)	-	(9,448,121)
Insurance acquisition cash flows	(368,190)	-	-	-	(368,190)
Total cash flows	6,663,461	-	(9,448,121)	-	(2,784,660)
Net insurance contract liabilities as at 30 September 2024	(8,671,303)	1	13,420,316	54,397	4,803,411
31 December 2023 (Audited)	Audited AED	Audited AED	Audited AED	Audited AED	Audited AED
Insurance contract liabilities as at 1 January 2023	(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
Reversals of losses on onerous contracts	-	(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 comprehensive income	(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 2023	(5,715,407)	1	13,706,896	60,388	8,051,878

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA

8.6 Motor

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
30 September 2024 (Unaudited)	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Reinsurance contract assets as at 1 January 2024	-	-	31,146,463	1,592,722	32,739,185
Reinsurance contract liabilities as at 1 January 2024	(59,068,777)	-	-	-	(59,068,777)
Net reinsurance contract liabilities as at 1 January 2024	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)
An allocation of reinsurance premiums	(30,597,452)	-	-	-	(30,597,452)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	78,618,615	1,287,724	79,906,339
Changes to amounts recoverable for incurred claims	-	-	3,740,761	(595,341)	3,145,420
Amortization of insurance acquisition cash flows	8,941,299	-	-	-	8,941,299
Losses on onerous contracts	-	90,370	-	-	90,370
Net income or expense from reinsurance contracts held	(21,656,153)	90,370	82,359,376	692,383	61,485,976
Reinsurance finance income	-	-	982,410	50,236	1,032,646
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of comprehensive income	(21,656,153)	90,370	83,341,786	742,619	62,518,622
Cash flows					
Premiums paid	99,741,931	-	-	-	99,741,931
Reinsurance acquisition cash flows	(8,941,299)	-	-	-	(8,941,299)
Amounts received	-	-	(57,736,065)	-	(57,736,065)
Total cash flows	90,800,632	-	(57,736,065)	-	33,064,567
Net reinsurance contract assets as at 30 September 2024	10,075,702	90,370	56,752,184	2,335,341	69,253,597
Reinsurance contract assets as at 30 September 2024	10,075,702	90,370	56,752,184	2,335,341	69,253,597
Reinsurance contract liabilities as at 30 September 2024	-	-	-	-	-
Net reinsurance contract assets as at 30 September 2024	10,075,702	90,370	56,752,184	2,335,341	69,253,597

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.6 Motor (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total Audited AED
	Excluding loss recovery component Audited AED	Loss component Audited AED	Estimates of the present value of future cash flows Audited AED	Risk adjustment Audited AED	
31 December 2023 (Audited)					
Reinsurance contract assets as at 1 January 2023	42,673,315	6,745,506	75,723,810	2,644,400	127,787,031
Reinsurance contract liabilities as at 1 January 2023	-	-	-	-	-
Net reinsurance contract assets as at 1 January 2023	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
Amortization of insurance acquisition cash flows	(38,580,444)	-	-	-	(38,580,444)
Reversals of losses on onerous contracts	-	(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 comprehensive income	(120,472,711)	(6,745,506)	75,772,240	(1,051,678)	(52,497,655)
<i>Cash flows</i>					
Premiums paid	(19,849,825)	-	-	-	(19,849,825)
Reinsurance acquisition cash flows	38,580,444	-	-	-	38,580,444
Amounts received	-	-	(120,349,587)	-	(120,349,587)
Total cash flows	18,730,619	-	(120,349,587)	-	(101,618,968)
Net reinsurance contract liabilities as at 31 December 2023	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)
Reinsurance contract assets as at 31 December 2023	-	-	31,146,463	1,592,722	32,739,185
Reinsurance contract liabilities as at 31 December 2023	(59,068,777)	-	-	-	(59,068,777)
Net reinsurance contract liabilities as at 31 December 2023	(59,068,777)	-	31,146,463	1,592,722	(26,329,592)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (Continued)

8.7 Marine

30 September 2024 (Unaudited)	Assets for remaining coverage		Amounts recoverable on incurred claims		Total Unaudited AED
	Excluding loss recovery component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
Reinsurance contract assets as at 1 January 2024	3,200,829	-	26,115,527	1,626,917	30,943,273
Reinsurance contract liabilities as at 1 January 2024	-	-	-	-	-
Net reinsurance contract assets as at 1 January 2024	3,200,829	-	26,115,527	1,626,917	30,943,273
An allocation of reinsurance premiums	(13,319,730)	-	-	-	(13,319,730)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	15,305,224	1,086,041	16,391,265
Changes to amounts recoverable for incurred claims	-	-	4,705,389	(776,655)	3,928,734
Amortization of insurance acquisition cash flows	3,306,483	-	-	-	3,306,483
Losses on onerous contracts	-	14,163	-	-	14,163
Net income or expense from reinsurance contracts held	(10,013,247)	14,163	20,010,613	309,386	10,320,915
Reinsurance finance income	-	-	613,896	38,152	652,048
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of comprehensive income	(10,013,247)	14,163	20,624,509	347,538	10,972,963
Cash flows					
Premiums paid	13,038,502	-	-	-	13,038,502
Reinsurance acquisition cash flows	(3,306,483)	-	-	-	(3,306,483)
Amounts received	-	-	(3,122,271)	-	(3,122,271)
Total cash flows	9,732,019	-	(3,122,271)	-	6,609,748
Net reinsurance contract assets as at 30 September 2024	2,919,601	14,163	43,617,765	1,974,455	48,525,984
Reinsurance contract assets as at 30 September 2024	2,919,601	14,163	43,617,765	1,974,455	48,525,984
Reinsurance contract liabilities as at 30 September 2024	-	-	-	-	-
Net reinsurance contract assets as at 30 September 2024	2,919,601	14,163	43,617,765	1,974,455	48,525,984

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.7 Marine (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component Audited AED	Loss component Audited AED	Estimates of the present value of future cash flows Audited AED	Risk adjustment Audited AED	Total Audited AED
31 December 2023 (Audited)					
Reinsurance contract assets as at 1 January 2023	3,408,674	4,738	37,062,892	1,564,429	42,040,733
Reinsurance contract liabilities as at 1 January 2023	-	-	-	-	-
Net reinsurance contract assets as at 1 January 2023	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)
Amortization of insurance acquisition cash flows	2,815,477	-	-	-	2,815,477
Reversals of losses on onerous contracts	-	(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 comprehensive income	(16,108,586)	(4,738)	(294,639)	62,488	(16,345,475)
<i>Cash flows</i>					
Premiums paid	18,716,218	-	-	-	18,716,218
Reinsurance acquisition cash flows	(2,815,477)	-	-	-	(2,815,477)
Amounts received	-	-	(10,652,726)	-	(10,652,726)
Total cash flows	15,900,741	-	(10,652,726)	-	5,248,015
Net reinsurance contract assets as at 31 December 2023	3,200,829	-	26,115,527	1,626,917	30,943,273
Reinsurance contract assets as at 31 December 2023	3,200,829	-	26,115,527	1,626,917	30,943,273
Reinsurance contract liabilities as at 31 December 2023	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2023	3,200,829	-	26,115,527	1,626,917	30,943,273

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (Continued)

8.8 FGA

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
30 September 2024 (Unaudited)	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Reinsurance contract assets as at 1 January 2024	8,981,908	-	27,962,850	1,726,986	38,671,744
Reinsurance contract liabilities as at 1 January 2024	-	-	-	-	-
Net reinsurance contract assets as at 1 January 2024	8,981,908	-	27,962,850	1,726,986	38,671,744
An allocation of reinsurance premiums	(101,621,819)	-	-	-	(101,621,819)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	74,212,299	3,790,454	78,002,753
Changes to amounts recoverable for incurred claims	-	-	(3,415,516)	(451,265)	(3,866,781)
Amortization of insurance acquisition cash flows	15,107,629	-	-	-	15,107,629
Losses on onerous contracts	-	414,456	-	-	414,456
Net income or expense from reinsurance contracts held	(86,514,190)	414,456	70,796,783	3,339,189	(11,963,762)
Reinsurance finance income	-	-	856,238	52,566	908,804
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of comprehensive income	(86,514,190)	414,456	71,653,021	3,391,755	(11,054,958)
Cash flows					
Premiums paid	87,571,933	-	-	-	87,571,933
Reinsurance acquisition cash flows	(15,107,629)	-	-	-	(15,107,629)
Amounts received	-	-	3,741,117	-	3,741,117
Total cash flows	72,464,304	-	3,741,117	-	76,205,421
Net reinsurance contract assets as at 30 September 2024	(5,067,978)	414,456	103,356,988	5,118,741	103,822,207
Reinsurance contract assets as at 30 September 2024	-	414,456	103,356,988	5,118,741	108,890,185
Reinsurance contract liabilities as at 30 September 2024	(5,067,978)	-	-	-	(5,067,978)
Net reinsurance contract assets as at 30 September 2024	(5,067,978)	414,456	103,356,988	5,118,741	103,822,207

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.8 FGA (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total Audited AED
	Excluding loss recovery component Audited AED	Loss component Audited AED	Estimates of the present value of future cash flows Audited AED	Risk adjustment Audited AED	
31 December 2023 (Audited)					
Reinsurance contract assets as at 1 January 2023	-	61,223	44,067,214	2,255,144	46,383,581
Reinsurance contract liabilities as at 1 January 2023	(27,939,508)	-	-	-	(27,939,508)
Net reinsurance contract assets as at 1 January 2023	(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)
Amortization of insurance acquisition cash flows	12,508,899	-	-	-	12,508,899
Reversals of losses on onerous contracts	-	(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 comprehensive income	(87,758,426)	(61,223)	2,903,370	(528,158)	(85,444,437)
<i>Cash flows</i>					
Premiums paid	137,188,741	-	-	-	137,188,741
Reinsurance acquisition cash flows	(12,508,899)	-	-	-	(12,508,899)
Amounts received	-	-	(19,007,734)	-	(19,007,734)
Total cash flows	124,679,842	-	(19,007,734)	-	105,672,108
Net reinsurance contract assets as at 31 December 2023	8,981,908	-	27,962,850	1,726,986	38,671,744
Reinsurance contract assets as at 31 December 2023	8,981,908	-	27,962,850	1,726,986	38,671,744
Reinsurance contract liabilities as at 31 December 2023	-	-	-	-	-
Net reinsurance contract assets as at 31 December 2023	8,981,908	-	27,962,850	1,726,986	38,671,744

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (Continued)

8.9 Medical

	Assets for remaining coverage		Amounts recoverable on incurred claims		
	Excluding loss recovery component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
30 September 2024 (Unaudited)	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED	Unaudited AED
Reinsurance contract assets as at 1 January 2024	-	-	303,544,682	7,092,262	310,636,944
Reinsurance contract liabilities as at 1 January 2024	(246,352,553)	-	-	-	(246,352,553)
Net reinsurance contract assets as at 1 January 2024	(246,352,553)	-	303,544,682	7,092,262	64,284,391
An allocation of reinsurance premiums	(523,188,404)	-	-	-	(523,188,404)
Amounts recoverable from reinsurers for incurred claims					
Amounts recoverable for incurred claims and other expenses	-	-	435,839,662	4,958,524	440,798,186
Changes to amounts recoverable for incurred claims	-	-	(16,508,539)	(5,167,287)	(21,675,826)
Amortization of insurance acquisition cash flows	65,337,338	-	-	-	65,337,338
Net income or expense from reinsurance contracts held	(457,851,066)	-	419,331,123	(208,763)	(38,728,706)
Reinsurance finance income	-	-	7,091,190	165,685	7,256,875
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of comprehensive income	(457,851,066)	-	426,422,313	(43,078)	(31,471,831)
Cash flows					
Premiums paid	439,385,775	-	-	-	439,385,775
Reinsurance acquisition cash flows	(65,337,338)	-	-	-	(65,337,338)
Amounts received	-	-	(386,397,318)	-	(386,397,318)
Total cash flows	374,048,437	-	(386,397,318)	-	(12,348,881)
Net reinsurance contract assets as at 30 September 2024	(330,155,182)	-	343,569,677	7,049,184	20,463,679
Reinsurance contract assets as at 30 September 2024	-	-	343,569,677	7,049,184	350,618,861
Reinsurance contract liabilities as at 30 September 2024	(330,155,182)	-	-	-	(330,155,182)
Net reinsurance contract assets as at 30 September 2024	(330,155,182)	-	343,569,677	7,049,184	20,463,679

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.9 Medical (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total Audited AED
	Excluding loss recovery component Audited AED	Loss component Audited AED	Estimates of the present value of future cash flows Audited AED	Risk adjustment Audited AED	
31 December 2023 (Audited)					
Reinsurance contract assets as at 1 January 2023	-	16,181	232,199,174	4,597,792	236,813,147
Reinsurance contract liabilities as at 1 January 2023	(244,371,670)	-	-	-	(244,371,670)
Net reinsurance contract liabilities as at 1 January 2023	(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)
Amortization of insurance acquisition cash flows	52,814,117	-	-	-	52,814,117
Reversals of losses on onerous contracts	-	(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 comprehensive income	(576,379,837)	(16,181)	612,852,770	2,494,470	38,951,222
<i>Cash flows</i>					
Premiums paid	627,213,071	-	-	-	627,213,071
Reinsurance acquisition cash flows	(52,814,117)	-	-	-	(52,814,117)
Amounts received	-	-	(541,507,262)	-	(541,507,262)
Total cash flows	574,398,954	-	(541,507,262)	-	32,891,692
Net reinsurance contract assets as at 31 December 2023	(246,352,553)	-	303,544,682	7,092,262	64,284,391
Reinsurance contract assets as at 31 December 2023	-	-	303,544,682	7,092,262	310,636,944
Reinsurance contract liabilities as at 31 December 2023	(246,352,553)	-	-	-	(246,352,553)
Net reinsurance contract assets as at 31 December 2023	(246,352,553)	-	303,544,682	7,092,262	64,284,391

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (Continued)

8.10 Life

30 September 2024 (Unaudited)	Assets for remaining coverage		Amounts recoverable on incurred claims		Total Unaudited AED
	Excluding loss recovery component Unaudited AED	Loss component Unaudited AED	Estimates of the present value of future cash flows Unaudited AED	Risk adjustment Unaudited AED	
Reinsurance contract assets as at 1 January 2024	-	-	9,169,541	43,263	9,212,804
Reinsurance contract liabilities as at 1 January 2024	(3,361,276)	-	-	-	(3,361,276)
Net reinsurance contract assets as at 1 January 2024	(3,361,276)	-	9,169,541	43,263	5,851,528
An allocation of reinsurance premiums	(9,048,752)	-	-	-	(9,048,752)
Amounts recoverable from reinsurers for incurred claims	-	-	-	-	-
Amounts recoverable for incurred claims and other expenses	-	-	7,610,362	9,148	7,619,510
Changes to amounts recoverable for incurred claims	-	-	(198,489)	(14,322)	(212,811)
Amortization of insurance acquisition cash flows	2,177,521	-	-	-	2,177,521
Net income or expense from reinsurance contracts held	(6,871,231)	-	7,411,873	(5,174)	535,468
Reinsurance finance income	-	-	260,152	1,229	261,381
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Total changes in the statement of comprehensive income	(6,871,231)	-	7,672,025	(3,945)	796,849
Cash flows					
Premiums paid	10,431,689	-	-	-	10,431,689
Reinsurance acquisition cash flows	(2,177,521)	-	-	-	(2,177,521)
Amounts received	-	-	(7,324,578)	-	(7,324,578)
Total cash flows	8,254,168	-	(7,324,578)	-	929,590
Net reinsurance contract assets as at 30 September 2024	(1,978,339)	-	9,516,988	39,318	7,577,967
Reinsurance contract assets as at 30 September 2024	-	-	9,516,988	39,318	9,556,306
Reinsurance contract liabilities as at 30 September 2024	(1,978,339)	-	-	-	(1,978,339)
Net reinsurance contract assets as at 30 September 2024	(1,978,339)	-	9,516,988	39,318	7,577,967

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

8. Insurance and reinsurance contracts (continued)

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

Contracts measured under the PAA (continued)

8.10 Life (continued)

	Assets for remaining coverage		Amounts recoverable on incurred claims		Total Audited AED
	Excluding loss recovery component Audited AED	Loss component Audited AED	Estimates of the present value of future cash flows Audited AED	Risk adjustment Audited AED	
31 December 2023 (Audited)					
Reinsurance contract assets as at 1 January 2023	-	991,806	12,841,676	51,883	13,885,365
Reinsurance contract liabilities as at 1 January 2023	(1,697,316)	-	-	-	(1,697,316)
Net reinsurance contract assets as at 1 January 2023	(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)
Amortization of insurance acquisition cash flows	2,345,946	-	-	-	2,345,946
Reversals of losses on onerous contracts	-	(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 comprehensive income	(8,438,573)	(991,806)	3,742,632	(8,620)	(5,696,367)
<i>Cash flows</i>					
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 2023	(3,361,276)	-	9,169,541	43,263	5,851,528
Reinsurance contract assets as at 31 December 2023	-	-	9,169,541	43,263	9,212,804
Reinsurance contract liabilities as at 31 December 2023	(3,361,276)	-	-	-	(3,361,276)
Net reinsurance contract assets as at 31 December 2023	(3,361,276)	-	9,169,541	43,263	5,851,528

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

9. Other receivables

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Staff receivables	3,333,070	3,421,499
Rent receivables	23,649,466	21,887,258
Prepayments and others	22,236,434	12,899,968
	<u>49,218,970</u>	<u>38,208,725</u>

10. Bank balances and cash

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Cash on hand	163,050	106,100
Bank balances:		
Call accounts	252,840	1,627,854
Margin deposits	1,087,390	1,089,390
Current accounts	123,927,702	56,218,276
Fixed deposits	303,520,887	256,689,378
	<u>428,951,869</u>	<u>315,730,998</u>

Fixed deposits amounting to AED 260.5 million (31 December 2023: AED 198.8 million) (note 12) are under lien in respect of bank credit facilities granted to the Group. All fixed deposits are held in local banks in the United Arab Emirates. The interest rate on fixed deposits with banks ranges from 5% to 5.80% (31 December 2023: 3% to 5.80%) per annum.

11. Share capital

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Authorized, issued and fully paid:		
250 million ordinary shares of AED 1 each		
(31 December 2023: 250 million ordinary shares of AED 1 each)	<u>250,000,000</u>	<u>250,000,000</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

12. Bank borrowings

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Bank overdrafts	158,392,943	120,232,272
Term loans	204,509,367	158,750,666
	<u>362,902,310</u>	<u>278,982,938</u>
Bank borrowings are payable as follows:		
On demand or within one year	273,432,810	181,103,738
In the second year	11,592,000	11,214,000
In the third and subsequent years	77,877,500	86,665,200
	<u>362,902,310</u>	<u>278,982,938</u>
Less: Amount due for settlement within 12 months	<u>(273,432,810)</u>	<u>(181,103,738)</u>
Amount due for settlement after 12 months	<u>89,469,500</u>	<u>97,879,200</u>

Main features of bank borrowings:

- Bank overdrafts are repayable on demand and carry out interest rates ranging from CSAF plus 0.5% to 2.5% plus 3 months EIBOR (31 December 2023: CSAF plus 0.5% to 2.5% plus 3 months EIBOR) per annum.
- Bank loans are obtained to finance the construction of investment properties. The interest rate on term loans with banks ranges from 0.65% plus fixed deposit rate to 2.75% plus 1-month EIBOR (31 December 2023: 0.65% plus fixed deposit rate to 2.75% plus 1-month EIBOR) per annum.

At 30 September 2024, bank borrowings were secured by lien on fixed deposits amounting to AED 260.5 million (31 December 2023: AED 198.8 million) (note 10), and mortgage of investment properties with fair value of AED 847.8 million (31 December 2023: AED 847.8 million) (note 5), and assignment of rental proceeds from certain investments properties against bank credit facilities granted to the Group.

13. Lease liabilities

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

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Current	2,970,211	4,435,857
Non-current	599,956	2,444,541
	<u>3,570,167</u>	<u>6,880,398</u>

The Group has leases for all offices in UAE. Each lease is reflected on the condensed interim consolidated statement of financial position as a right-of-use assets and lease liabilities. The Group classifies its right-of-use assets in a consistent manner to its property and equipment.

Right-of-use assets	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
Offices	24	2 to 3 years	2 years	24	24

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

13. Lease liabilities (continued)

Future minimum lease payments at 30 September 2024 and 31 December 2023 are as follows:

	Minimum lease payments due		
	Within 1 year	1-2 year	Total
	AED	AED	AED
30 September 2024 (Unaudited)			
Lease payments	3,049,772	605,930	3,655,702
Finance charges	(79,561)	(5,974)	(85,535)
Net present value	2,970,211	599,956	3,570,167
31 December 2023 (Audited)			
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

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

14. Insurance revenue								
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED		
For the three-month period ended 30 September 2024 (Unaudited)								
Contract measured under PAA								
Insurance contract issued	61,850,461	7,969,220	46,029,898	261,844,363	3,831,905	381,525,847		
For the three-month period ended 30 September 2023 (Unaudited)								
Contract measured under PAA								
Insurance contract issued	53,547,198	8,850,202	29,707,524	221,814,321	2,696,738	316,615,983		
For the nine-month period ended 30 September 2024 (Unaudited)								
Contract measured under PAA								
Insurance contract issued	176,217,888	23,720,326	109,768,219	746,018,687	9,987,547	1,065,712,667		
For the nine-month period ended 30 September 2023 (Unaudited)								
Contract measured under PAA								
Insurance contract issued	152,215,805	24,476,989	82,654,490	613,959,677	9,978,004	883,284,965		

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

15. Insurance service expenses

For the three-month period ended 30 September 2024 (Unaudited)

Contract measured under PAA

	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
Incurred claims and other expenses	39,480,219	14,459,147	1,203,154	212,217,885	1,770,037	269,130,442
Changes to liabilities for incurred claims	14,377,601	11,861,606	(324,898)	1,461,553	(763,024)	26,612,838
Amortization of insurance acquisition cash flows	4,632,967	326,186	511,552	5,706,871	260,226	11,437,802
(Reversals) / losses on onerous contracts - net	(563,231)	28,325	522,432	-	-	(12,474)
	57,927,556	26,675,264	1,912,240	219,386,309	1,267,239	307,168,608

For the three-month period ended 30 September 2023 (Unaudited)

Contract measured under PAA

Incurred claims and other expenses	77,931,095	12,345,477	11,004,389	220,782,608	2,260,814	324,324,383
Changes to liabilities for incurred claims	(9,546,143)	(290,471)	(7,253,078)	2,634,264	(139,550)	(14,594,978)
Amortization of insurance acquisition cash flows	4,244,994	481,043	558,198	2,003,745	72,822	7,360,802
(Reversals) / losses on onerous contracts - net	4,430,133	(282,767)	29,502	(1,876,562)	(1,648)	2,298,658
	77,060,079	12,253,282	4,339,011	223,544,055	2,192,438	319,388,865

For the nine-month period ended 30 September 2024 (Unaudited)

Contract measured under PAA

Incurred claims and other expenses	307,454,231	37,076,145	107,162,255	666,474,852	10,428,845	1,128,596,328
Changes to liabilities for incurred claims	(37,567,086)	7,222,851	(8,713,199)	(4,279,873)	(1,674,485)	(45,011,792)
Amortization of insurance acquisition cash flows	14,697,014	1,462,439	2,284,914	20,389,054	368,190	39,201,611
Losses on onerous contracts	2,420,448	28,325	522,432	-	-	2,971,205
	287,004,607	45,789,760	101,256,402	682,584,033	9,122,550	1,125,757,352

For the nine-month period ended 30 September 2023 (Unaudited)

Contract measured under PAA

Incurred claims and other expenses	235,869,373	21,826,496	31,493,308	639,061,201	7,109,540	935,359,918
Changes to liabilities for incurred claims	(21,085,238)	(826,525)	(23,058,489)	(19,154,308)	(5,107,398)	(69,231,958)
Amortization of insurance acquisition cash flows	13,706,704	1,898,626	2,058,764	15,065,787	280,397	33,010,278
(Reversals) / losses on onerous contracts	(4,023,806)	43,096	19,246	5,632,973	32,013	1,703,522
	224,467,033	22,941,693	10,512,829	640,605,653	2,314,552	900,841,760

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

16. Net income from reinsurance contracts held						
	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
For the three-month period ended 30 September 2024 (Unaudited)						
Allocation of reinsurance premiums	(15,021,080)	(4,270,249)	(46,509,429)	(183,264,161)	(3,479,198)	(252,544,117)
Amount recoverable from claims and other expenses						
Amounts recoverable for incurred claims	(2,713,287)	8,515,000	(6,500,582)	136,429,026	332,486	136,062,643
Changes to amounts recoverable for incurred claims	(4,236,694)	4,870,686	(658,651)	(2,474,822)	566,702	(1,932,779)
Amortization of insurance acquisition cash flows	(345,483)	1,053,165	4,441,661	16,614,549	1,008,566	22,772,458
Losses on onerous contracts	90,370	14,163	414,456	-	-	518,989
	(7,205,094)	14,453,014	(2,303,116)	150,568,753	1,907,754	157,421,311
Net expense from reinsurance contracts held	(22,226,174)	10,182,765	(48,812,545)	(32,695,408)	(1,571,444)	(95,122,806)
For the three-month period ended 30 September 2023 (Unaudited)						
Allocation of reinsurance premiums	(18,246,872)	(4,286,599)	(27,675,888)	(164,655,286)	(2,552,606)	(217,417,251)
Amount recoverable from claims and other expenses						
Amounts recoverable for incurred claims	3,107,341	2,735,525	7,099,164	152,018,774	1,723,726	166,684,530
Changes to amounts recoverable for incurred claims	(10,532,901)	3,631,167	(6,109,381)	2,592,560	(345,839)	(10,764,394)
Amortization of insurance acquisition cash flows	(1,981,618)	622,867	3,160,812	12,411,375	913,205	15,126,641
Reversals of losses on onerous contracts – net	1,076,302	(72,786)	13,268	(1,498,123)	(172,403)	(653,742)
	(8,330,876)	6,916,773	4,163,863	165,524,586	2,118,689	170,393,035
Net expense from reinsurance contracts held	(26,577,748)	2,630,174	(23,512,025)	869,300	(433,917)	(47,024,216)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

16. Net income from reinsurance contracts held (continued)						
For the nine-month period ended 30 September 2024 (Unaudited)						
Allocation of reinsurance premiums	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
	(30,597,452)	(13,319,730)	(101,621,819)	(523,188,404)	(9,048,752)	(677,776,157)
Amount recoverable from claims and other expenses						
Amounts recoverable for incurred claims	79,906,339	16,391,265	78,002,753	440,798,186	7,619,510	622,718,053
Changes to amounts recoverable for incurred claims	3,145,420	3,928,734	(3,866,781)	(21,675,826)	(212,811)	(18,681,264)
Amortization of insurance acquisition cash flows	8,941,299	3,306,483	15,107,629	65,337,338	2,177,521	94,870,270
Losses on onerous contracts	90,370	14,163	414,456	-	-	518,989
	92,083,428	23,640,645	89,658,057	484,459,698	9,584,220	699,426,048
Net income from reinsurance contracts held	61,485,976	10,320,915	(11,963,762)	(38,728,706)	535,468	21,649,891
For the nine-month period ended 30 September 2023 (Unaudited)						
Allocation of reinsurance premiums	(64,000,023)	(10,807,637)	(73,849,890)	(464,566,548)	(8,249,950)	(621,474,048)
Amount recoverable from claims and other expenses						
Amounts recoverable for incurred claims	43,620,946	4,935,316	14,481,680	444,451,415	5,359,140	512,848,497
Changes to amounts recoverable for incurred claims	(2,242,444)	2,768,055	(16,119,440)	(5,239,090)	(3,780,939)	(24,613,858)
Amortization of insurance acquisition cash flows	4,829,603	2,258,853	11,529,721	43,595,344	2,196,968	64,410,489
Losses on onerous contracts and reversals of those losses - net	(4,762,116)	14,751	4,741	4,497,330	(962,041)	(1,207,335)
	41,445,989	9,976,975	9,896,702	487,304,999	2,813,128	551,437,793
Net expense from reinsurance contracts held	(22,554,034)	(830,662)	(63,953,188)	22,738,451	(5,436,822)	(70,036,255)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

17. Net insurance financial result	Motor AED	Marine AED	FGA AED	Medical AED	Life AED	Total AED
For the three-month period ended 30 September 2024 (Unaudited)						
Insurance finance expense for insurance contracts issued	(1,715,813)	(363,690)	(524,197)	(1,158,563)	(88,700)	(3,850,963)
Reinsurance finance income for reinsurance contracts held	322,395	109,355	261,872	740,208	52,885	1,486,715
For the three-month period ended 30 September 2023 (Unaudited)						
Insurance finance expense for insurance contracts issued	(1,719,583)	(247,918)	(536,307)	(988,028)	(72,857)	(3,564,693)
Reinsurance finance income for reinsurance contracts held	444,251	201,643	306,808	518,571	54,804	1,526,077
For the nine-month period ended 30 September 2024 (Unaudited)						
Insurance finance expense for insurance contracts issued	(5,620,289)	(1,036,482)	(1,633,189)	(10,205,578)	(401,190)	(18,896,728)
Reinsurance finance income for reinsurance contracts held	1,032,646	652,048	908,804	7,256,875	261,381	10,111,754
For the nine-month period ended 30 September 2023 (Unaudited)						
Insurance finance expense for insurance contracts issued	(6,890,089)	(1,115,784)	(2,238,558)	(9,624,695)	(438,717)	(20,307,843)
Reinsurance finance income for reinsurance contracts held	2,305,511	1,097,376	1,470,708	6,426,309	345,007	11,644,911

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

18. Taxation

	(Unaudited) 30 September 2024 AED	(Unaudited) 30 September 2023 AED
Condensed interim consolidated statement of profit or loss		
Current tax	-	-
Condensed interim consolidated statement of other comprehensive income		
Current tax	-	-
Deferred tax	-	-

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

Relationship between tax expense and accounting profit:

	(Unaudited) 30 September 2024 AED	(Unaudited) 30 September 2023 AED
Loss before taxation	(34,529,232)	-
Tax @ 9%	-	-

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

19. Basic and diluted loss per share

	(Unaudited) Three-month period ended 30 September 2024	(Unaudited) Three-month period ended 30 September 2023	(Unaudited) Nine-month period ended 30 September 2024	(Unaudited) Nine-month period ended 30 September 2023
Loss for the period (in AED)	(23,215,345)	(49,304,751)	(34,529,232)	(85,172,634)
Weighted average number of shares	250,000,000	250,000,000	250,000,000	250,000,000
Basic and diluted loss per share (in AED)	(0.09)	(0.20)	(0.14)	(0.34)

20. Cash and cash equivalents for statements of cash flows

	(Unaudited) 30 September 2024 AED	(Unaudited) 30 September 2023 AED
Bank balances and cash	428,951,869	264,383,758
Less: Deposits under lien	(260,579,859)	(145,443,730)
Fixed deposits on maturity of more than three months	(42,941,027)	(93,477,353)
Margin deposits	(1,087,390)	(965,000)
	124,343,593	24,497,675

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

21. Segment information

The Group is organized into two business segments: underwriting and investments. The underwriting segment incorporates motor insurance, marine insurance, FGA insurance, medical insurance, and life insurance.

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

These segments are the basis on which the Group reports its primary segment information to the Chief Operating decision maker. There are no transactions between the business segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 to the annual audited consolidated financial statements for the year ended 31 December 2023 of the Group.

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

	(Unaudited)			(Audited)		
	30 September 2024			31 December 2023		
	Underwriting AED	Investments AED	Total AED	Underwriting AED	Investments AED	Total AED
Segment assets						
Unallocated assets	626,929,606	1,228,717,889	1,855,647,495	434,666,363	1,185,993,825	1,620,660,188
Total	626,929,606	-	171,866,600	-	-	99,235,279
	626,929,606	1,228,717,889	2,027,514,095	434,666,363	1,185,993,825	1,719,895,467
Segment liabilities						
Unallocated liabilities	1,096,604,595	223,346,808	1,319,951,403	846,466,925	172,478,940	1,018,945,865
Total	-	-	251,409,957	-	-	204,397,982
	1,096,604,595	223,346,808	1,571,361,360	846,466,925	172,478,940	1,223,343,847

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)

For the nine-month period ended 30 September 2024

21. Segment information (continued)

b) *Segment consolidated statement of income is as follows:*

For the nine-month period ended 30 September 2024 (Unaudited)

	Motor AED	Marine AED	Underwriting			Life AED	Total AED	Investments AED	Total AED
			FGA AED	Medical AED					
Insurance revenue	176,217,888	23,720,326	109,768,219	746,018,687		9,987,547	1,065,712,667		1,065,712,667
Insurance service expenses	(287,004,607)	(45,789,760)	(101,256,402)	(682,584,033)		(9,122,550)	(1,125,757,352)		(1,125,757,352)
Net income from reinsurance contracts held	61,485,976	10,320,915	(11,963,762)	(38,728,706)		535,468	21,649,891		21,649,891
Net insurance financial result	(4,587,643)	(384,434)	(724,385)	(2,948,703)		(139,809)	(8,784,974)		(8,784,974)
Segment result	(53,888,386)	(12,132,953)	(4,176,330)	21,757,245		1,260,656	(47,179,768)	33,669,936	(13,509,832)
Unallocated costs									(21,019,400)
Loss for the period before tax									(34,529,232)

For the nine-month period ended 30 September 2023 (Unaudited)

	Motor AED	Marine AED	Underwriting			Life AED	Total AED	Investments AED	Total AED
			FGA AED	Medical AED					
Insurance revenue	152,215,805	24,476,989	82,654,490	613,959,677		9,978,004	883,284,965		883,284,965
Insurance service expenses	(224,467,033)	(22,941,693)	(10,512,829)	(640,605,653)		(2,314,552)	(900,841,760)		(900,841,760)
Net income from reinsurance contracts held	(22,554,034)	(830,662)	(63,953,188)	22,738,451		(5,436,822)	(70,036,255)		(70,036,255)
Net insurance financial result	(4,584,578)	(18,408)	(767,850)	(3,198,386)		(93,710)	(8,662,932)		(8,662,932)
Segment result	(99,389,840)	686,226	7,420,623	(7,105,911)		2,132,920	(96,255,982)	28,871,841	(67,384,141)
Unallocated costs									(17,788,493)
Loss for the period									(85,172,634)

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

22. Related party balances and transactions

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

22.1 Due from/to related parties

At the end of reporting period, amounts due from/to related parties included under due from policy holders and gross outstanding claims from Board of Directors, affiliated companies and key management staff were as follows:

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Board members and entities under common control		
Due from policy holders	6,408,247	6,551,395
Gross outstanding claims	<u>1,143,377</u>	<u>418,763</u>

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

22.2 Transactions with related parties

During the period, the Group entered into the following transactions with Board of Directors, affiliated companies and key management staff:

	(Unaudited) Three-month period ended 30 September 2024 AED	(Unaudited) Three-month period ended 30 September 2023 AED	(Unaudited) Nine-month period ended 30 September 2024 AED	(Unaudited) Nine-month period ended 30 September 2023 AED
Board members and entities under common control				
Insurance revenue	786,201	814,005	3,429,577	3,716,147
Claims paid	<u>2,185,318</u>	<u>1,447,113</u>	<u>6,125,525</u>	<u>2,595,845</u>
Compensations of key management staff and Board of Directors				
	(Unaudited) Three-month period ended 30 September 2024 AED	(Unaudited) Three-month period ended 30 September 2023 AED	(Unaudited) Nine-month period ended 30 September 2024 AED	(Unaudited) Nine-month period ended 30 September 2023 AED
Key management staff:	1,114,696	1,114,696	3,344,088	3,344,088
Short term benefits	124,522	116,272	229,715	229,715
Long term benefits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

23. Commitments and contingent liabilities

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Commitments		
Letters of guarantee	<u>111,819,275</u>	<u>118,963,721</u>

Legal claims

The Group, in common with the significant majority of insurers, is subject to litigation in the normal course of its business. The Group, based on independent legal advice, doesn't believe that the outcome of these court cases will have a material impact on the Group's income or financial condition.

24. 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. 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.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim consolidated financial information approximate their fair values.

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 audited annual consolidated financial statements for the year ended 31 December 2023.

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

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 (Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
Quoted equity securities – FVTOCI	50,219,438	56,089,091	Level 1	Quoted bid prices in an active market.	None.	NA.
Unquoted equity securities – FVTOCI	3,478,098	3,478,098	Level 3	Net assets valuation method	Net assets value.	Higher the net assets value of the investees, higher the fair value.
	<u>53,697,536</u>	<u>59,567,189</u>				

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

24. Fair value measurement (continued)

Fair value measurements recognised in the condensed interim consolidated statement of financial position

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).

30 September 2024 (Unaudited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets at FVTOCI				
Quoted equities	50,219,438	-	-	50,219,438
Unquoted equities	-	-	3,478,098	3,478,098
Investment properties	-	-	847,850,000	847,850,000
	<u>50,219,438</u>	<u>-</u>	<u>851,328,098</u>	<u>901,547,536</u>

31 December 2023 (Audited)

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

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

Movement of level 3 instruments is as below:

30 September 2024 (Unaudited)

	Opening balance AED	Additions/ (Disposals) AED	Change in fair value AED	Ending balance AED
Financial assets at FVTOCI				
Unquoted equities	<u>3,478,098</u>	<u>-</u>	<u>-</u>	<u>3,478,098</u>

31 December 2023 (Audited)

Financial assets at FVTOCI				
Unquoted Equity securities	<u>3,478,098</u>	<u>-</u>	<u>-</u>	<u>3,478,098</u>

Al Buhaira National Insurance Company P.S.C. and its Subsidiary
Condensed interim consolidated financial information (Unaudited)

Notes to the condensed interim consolidated financial information (continued)
For the nine-month period ended 30 September 2024

25. Capital risk management

The solvency regulations identify the required Solvency Margin to be held in addition to insurance liabilities. The Solvency Margin (presented in the table below) must be maintained at all times throughout the period. The Group is subject to solvency regulations which it has not complied with during the period. The Group has incorporated in its policies and procedures the necessary tests to ensure continuous and full compliance with such regulations. The table below summarises the Minimum Capital Requirement, Minimum Guarantee Fund and Solvency Capital Requirement of the Group and the total capital held to meet these required Solvency Margins.

The following disclosure has been prepared based on financial information prepared in accordance with IFRS 4.

	(Unaudited) 30 September 2024 AED	(Audited) 31 December 2023 AED
Minimum Capital Requirement (MCR)	100,000,000	100,000,000
Solvency Capital Requirement (SCR)	391,825,394	296,743,776
Minimum Guarantee Fund (MGF)	139,172,743	101,603,494
Basic Own Funds	100,000,000	100,000,000
Ancillary Own Funds	53,741,869	63,769,523
MCR Solvency Margin – Surplus	-	-
SCR Solvency Margin – Deficit	(264,954,459)	(164,859,015)
MGF Solvency Margin – (Deficit)/ Surplus	(12,301,808)	30,281,268

As of 30 September 2024, the Group has a deficit in the Solvency Margin Requirements and Minimum Guarantee Fund Requirements as stipulated by the Central Bank of the U.A.E. by an amount of AED 264,954,459 and AED 12,301,808 respectively. The Group's ability to comply with the solvency requirements depends on implementing an effective business plan.

26. Subsequent events

There have been no events subsequent to the condensed interim consolidated financial position date that would significantly affect the amounts reported in the condensed interim consolidated financial information as at and for the nine-month period ended 30 September 2024.

27. Approval of condensed interim consolidated financial information

The condensed interim consolidated financial information was approved by the Board of Directors and authorized for issue on 13 November 2024.